

# Economic Development Ethics Training

International Economic Development Council  
Washington, DC

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# INTRODUCTION



INTERNATIONAL  
ECONOMIC DEVELOPMENT  
COUNCIL

THE POWER OF KNOWLEDGE AND LEADERSHIP

# Introduction

- Codes of conduct become paramount to the long term viability of the economic development profession
- This training session and accompanying materials:
  - Provide guidance on the importance of integrity in decision making,
  - Provide tools for making ethical decisions, and
  - Discuss the 10 tenets of the IEDC Code of Ethics
  - Use interactive case study examples to demonstrate ethical decision making in difficult situations



# History of the Development of IEDC Code of Ethics

- Proposed by the Board of Directors of IEDC
- IEDC adopted the Code of Ethics in October 2008 as an **aspirational** statement
  - IEDC membership needs to be educated about the code before enforcement
- Studied policies and procedures
  - International City Managers Association (ICMA)
  - American Planning Association (APA)
- Evaluate insurance costs for enforcement
- Begin ethics curriculum and training in 2010
- Begin enforcement in 2011 – discussed later



# UNDERSTANDING ETHICS



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# Ethical Behavior

“Ethics is knowing the difference between what you have a right to do and what is right to do”

Potter Stewart



# Ethical Behavior

- Ethics is about choices that people make about ordinary and extraordinary decisions in day-to-day life
- Ethics is about upholding higher standards of conduct than simply adhering to the rules or the law

# Making Ethical Decisions

- Is it legal?
- Does it violate the spirit of the law?
- Does it comply with our rules and regulations?
- Is it consistent with our organizational values?
- Does it match our stated commitments?
- Am I the only or primary beneficiary?
- Will I feel okay and guilt free if I do this?
- Is bias or emotion clouding my judgment?
- Would I do it to my family and friends (or myself)?
- Would the most ethical person I know do this?

# Focus on Strong Values

- Organizations need to:
  - Clearly establish organizational values
  - Integrate them into operations and provide support systems for upholding the values
  - Promote them through effective communication with the members, outside stakeholders, media, general public, etc.
  - Connect them with policies and decision making processes

# PROMOTING AN ETHICAL CULTURE



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# Promoting an Ethical Culture

- Ethical behavior needs to be promoted from the top
- Policies should enable employees to make ethical decisions
- Tools that help support an ethical culture:
  - Established Code of Ethics
  - Education and training
  - A defined process for reviewing violations
- IEDC Code of Ethics can be used as a model for organizations

# Reasons for Unethical Behavior

- Pressure to perform (unrealistic business/organization goals, deadlines, etc.)
- Pressure from peers
- Lack of understanding of consequences for one's actions
- Uncharted territory
- Personal loyalties
- Lack of long term perspective or failure to see it at the time
- Personal costs for doing the right thing may be too high
- Poor judgment
- Lack of clear understanding of expected organizational/professional code of conduct
- Improper and/or inadequate training

# Promoting Ethical Behavior

- An ethical culture starts from the top
- Organizations should provide ethics education programs for all employees
- Ethical programs should:
  - explain the underlying ethical principles
  - clarify proper ethical behavior
  - explain the difference between ethical behavior and legal/illegal actions
  - present practical ways of carrying out procedural guidelines

# Three Components

- Code of Conduct
  - Written code of conduct
  - Written policies and procedures for investigation
- Ethics education
  - Involve the staff
  - Be a role model
  - Incentives for ethical behavior
- Performance assessment
  - Discussions and debates
  - Role play

# 7 Step Checklist for Ethical Dilemmas

1. Recognize and clarify the predicament.
2. Gather all essential facts.
3. List all of your options.
4. Analyze each option by asking yourself: "Is it legal? Is it right? Is it beneficial?"
5. Draw your conclusions, and make your decision.
6. Double check your decision by asking yourself: "How would I feel if my peers and superiors found out about this? How would I feel if my decision was made public by the media?"
7. Take action.

# IEDC CODE OF ETHICS



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# IEDC Code of Ethics

1. Professional economic developers shall carry out their responsibilities in a manner to bring respect to the profession, the economic developer, and the economic developer's constituencies.

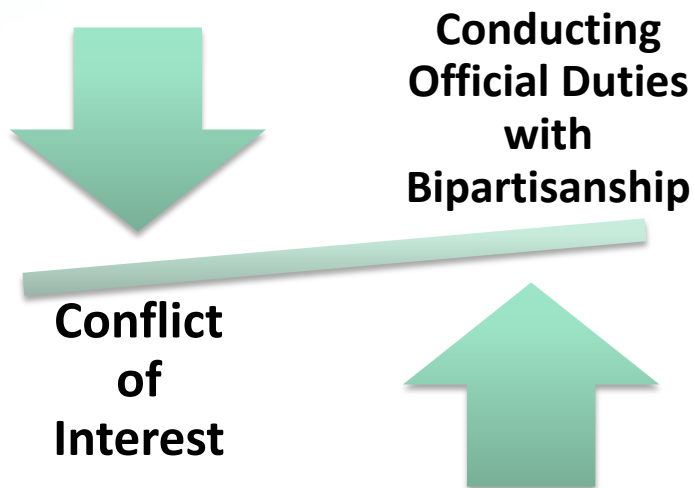
# IEDC Code of Ethics

- Professional economic developers shall practice with integrity, honesty, and adherence to the trust placed in them both in fact and in appearance.



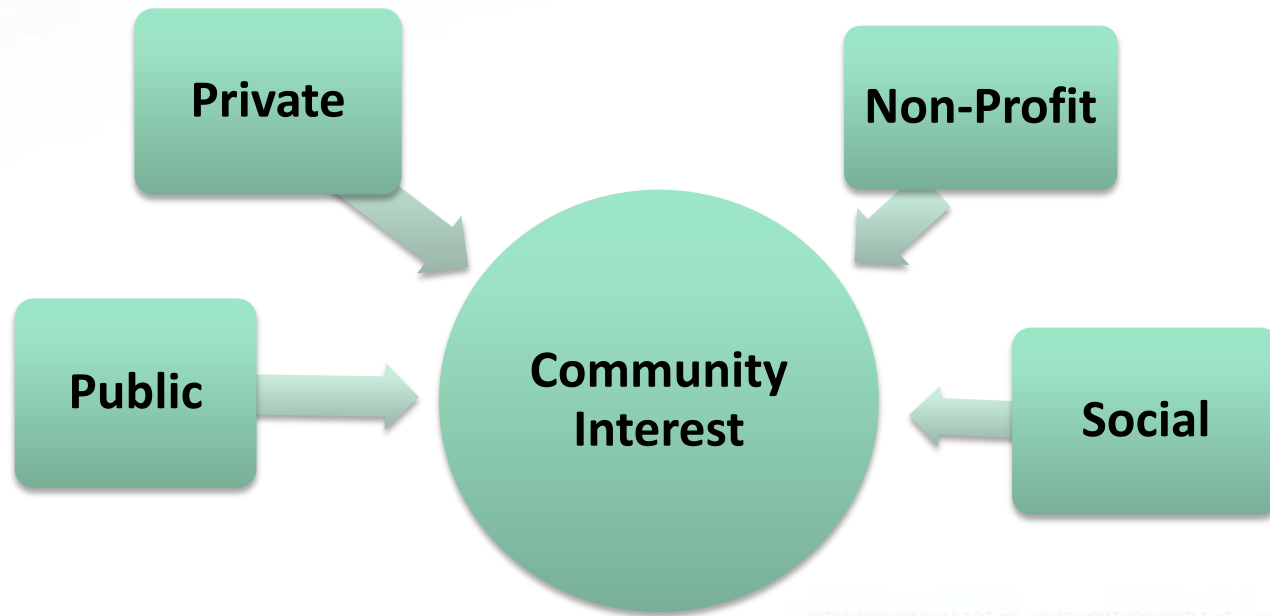
# IEDC Code of Ethics

3. Professional economic developers will hold themselves free of any interest, influence, or relationship in respect to any professional activity when dealing with clients which could impair professional judgment or objectivity or which in the reasonable view of the observer, has that effect.



# IEDC Code of Ethics

- Professional economic developers are mindful that they are representatives of the community and shall represent the overall community interest.

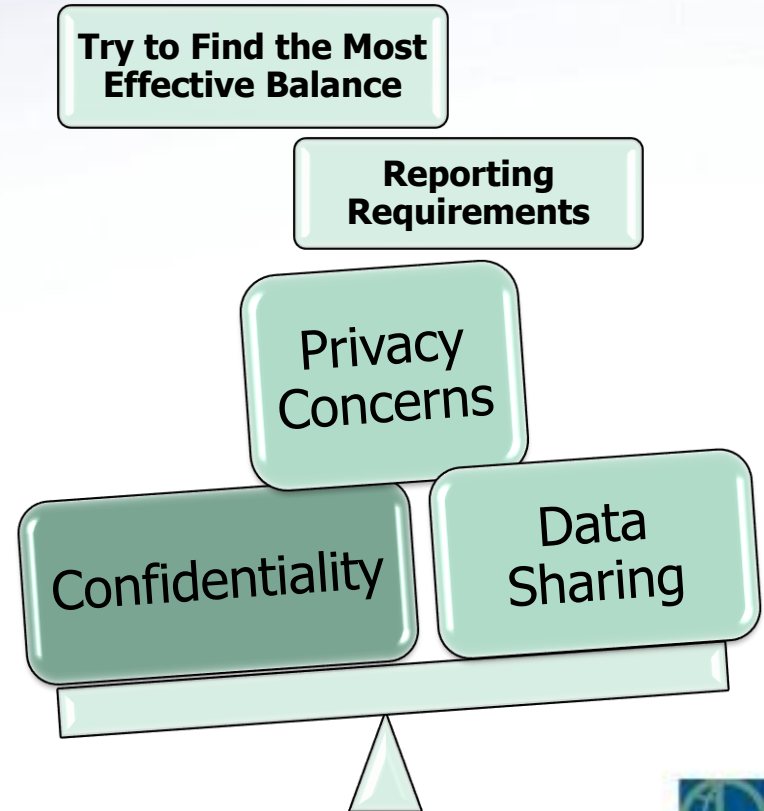


# IEDC Code of Ethics

5. Professional economic developers shall keep the community, elected officials, boards and other stakeholders informed about the progress and efforts of the area's economic development program.

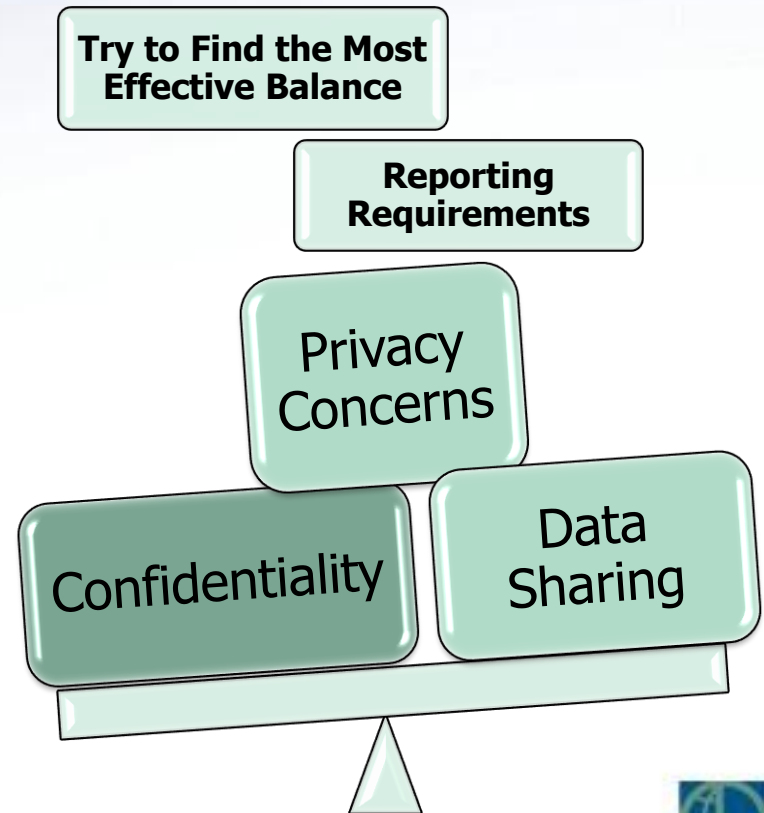
# IEDC Code of Ethics

6. Professional economic developers shall maintain in confidence the affairs of any client, colleague or organization and shall not disclose confidential information obtained in the course of professional activities.



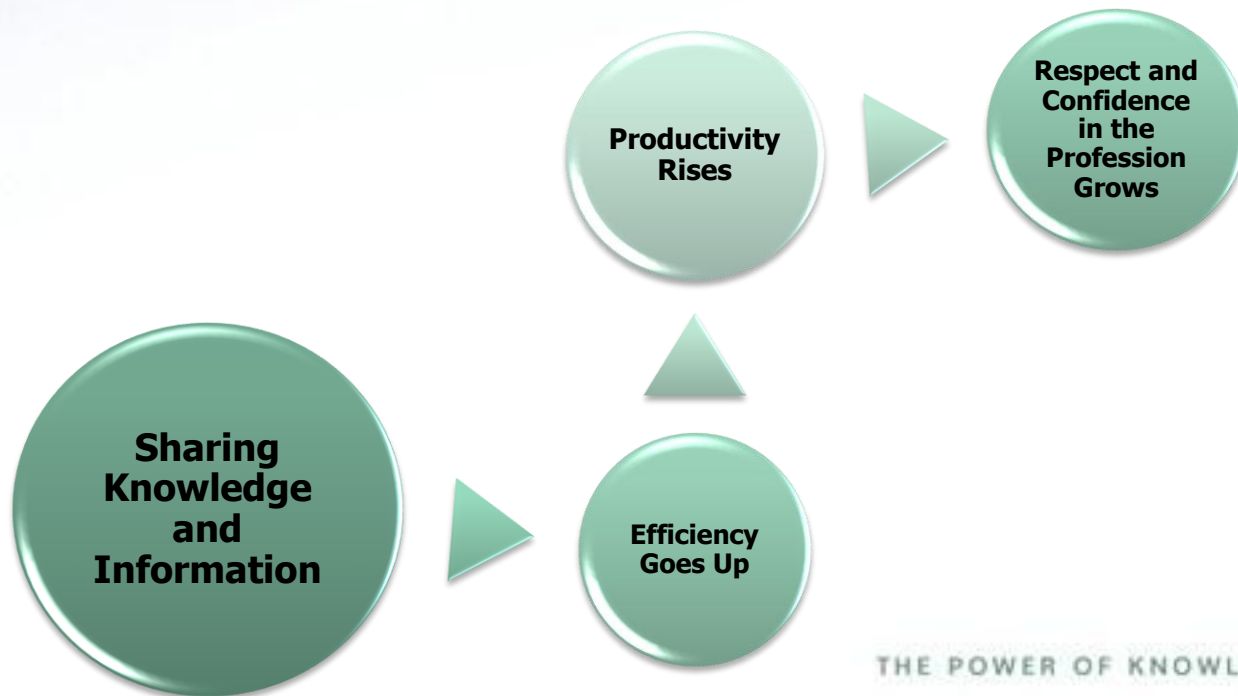
# IEDC Code of Ethics

7. Professional economic developers shall openly share information with the governing body according to protocols established by that body. Such protocols shall be disclosed to clients and the public.



# IEDC Code of Ethics

8. Professional economic developers shall cooperate with peers to the betterment of economic development technique, ability, and practice, and to strive to perfect themselves in their professional abilities through training and educational opportunities.



# IEDC Code of Ethics

9. Professional economic developers shall assure that all economic development activities are conducted with equality of opportunity for all segments of the community without regard to race, religion, sex, sexual orientation, national origin, political affiliation, disability, age or marital status.



# IEDC Code of Ethics



10. Professional economic developers shall abide by the principles established in this code and comply with the rules of professional conduct as promulgated by IEDC.