

Transparency Watch

JUNE 2009

INTERVIEW OF THE MONTH



Georg Kell, Executive Director, UN Global Compact

The world's largest voluntary corporate citizenship initiative, more than 6200 participants from 120 countries have subscribed to the UN Global Compact's ten principles. Transparency Watch speaks with Georg Kell, executive director of the UN Global Compact, on progress made and challenges encountered >> [read more](#)

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2009 Global Corruption Barometer

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Georg Kell, Executive Director, UN Global Compact

By Michael Sidwell



The world's largest voluntary corporate citizenship initiative, more than 6200 participants from 120 countries have subscribed to the UN Global Compact's ten principles. Five years ago the 10th principle against corruption was adopted at its Leaders Summit. Transparency Watch speaks with Georg Kell, executive director of the UN Global Compact, on progress made and challenges encountered.

Transparency Watch (TW): As the Global Compact nears its 10th anniversary in 2010, has it catalysed demonstrable change, and, if so, in which specific areas?

Georg Kell (GK): In some ways definitely, but many gaps remain. On the positive side, awareness about the four [issue](#) areas that we are advocating for: human rights, a decent work place, the environment and anti-corruption, has increased significantly all around the world. Just a few years ago it was unthinkable that human rights would be taken seriously in a number of countries where the [Global Compact](#) is not firmly established. Also, on the positive side, there is partial progress in some very tricky areas where not so long ago it was inconceivable that this would happen. For example, I would include transparency as a principle for doing business and disclosing information.

Another positive example is clearly that investors, thanks to the financial crisis, are now taking non-financial issues in evaluating and integrating them into decision-making more seriously. Environmental, societal and governmental issues are now seen as being carriers to long-term performance and that obviously opens up new opportunities for building drivers from the investment side. Of course philanthropy and related activities are being cut down, but as we always advocated, it is the core performance that matters – it's how you make your money that is key, not necessarily how you spend it.

On the negative side, there remain huge gaps on implementation at several levels. One is between headquarter commitment and performance in some countries and the corresponding performance and implementation levels at subsidiary levels around the world. Clearly there is a huge gap, not only on the supply side, but even at the subsidiary level of wholly owned or fully controlled entities. We're working really hard to bridge that gap. I think it's also true to say that anti-corruption and human rights remain the most challenging issue areas because of their connectivity to deeper societal cultural characteristics, and change there is by definition more challenging.

TW: How do you see the importance of the Global Compact evolving in the context of the financial crisis?

GK: Well we have, if I can say this so optimistically, adapted to the changing environment. The basic premise 10 years ago was the legitimacy to operate a multi-stake holder model – global business but local governance. This agenda is still very important, but there has been a complete re-shifting of what I would call external drivers in the past couple of years. This stems from the food crisis, the extreme price volatility in natural resources and, now of course, the breakdown of the unregulated financial markets, the apparent inefficiency of non-regulated financial markets, an enormous spill over into the real economy and the subsequent intervention by governments on a scale not seen probably ever before in history. Governments are back as major players with state-owned companies and nationalisation. The public-private interface has become more important, which also suggests that the importance of anti-corruption, for example, is increasing. I also believe we are seeing an unprecedented revival in the whole natural resources issue, so sustainability is having a huge new impetus on the agenda. We have repositioned the *Global Compact* systematically in caring for the climate and building an interface with governments and the private sector, promoting the soft law notions. Denmark and Norway, for example, have come forward with new models on how to move ahead, so these are exciting new developments.

TW: The global economic landscape is shifting. What is your experience with emerging economic power centres, such as companies from BRIC countries? Are they engaging sufficiently with the Global Compact?

GK: From the start we have emphasised engagement with emerging markets. China, India and others have been from the early days quite eager to engage because companies there are on the modernisation path. In many ways they are ahead of governments – they want to integrate in the global market and they understand that management of non-financial issues is important. So from the

beginning we have sort of betted on the *BRIC* countries, before the term was even coined.

More than half our participants come from the non-OECD world. I'm just returning from Beijing, for example. We have an independent organisation there now and 200 companies are seriously engaged. I'm quite encouraged by the developments; the pace of learning is very fast. It's impressive to see year to year how fast they embrace the agenda, but challenges remain enormous at all levels. Increasingly drivers are coming from these parts of the world, in particular Asia. We have to realise that the centre of gravity is becoming more multi-polar, more dispersed, broadly reflecting geo-political and economical long-term trends.

TW: What do you see are the next steps? Will the Global Compact grow in terms of buy-in or move towards mandatory reporting?

GK: We have two big challenges ahead. Every month 150 new [participants](#) join, so we have an issue of managing scale and quality. Our country [networks](#) - we have 80 country networks now – are very important and a growing number of them have full capacity to convene, organise and mobilise, but not all of them are there yet . We have to re-enforce our country capacity building efforts.

Second, is what we would call differentiation. When you have a big global movement you want to make sure that two things happen. On the front end of the movement you need incentives so that the pace and direction of change is sustained . But as a UN initiative you need to be open at the back end, because we want to be inclusive. We don't want to create an exclusive club and that means we need to build incentives for more participants to join.

The interface with the law remains an ambiguous one. In some countries, soft law is being experimented with and disclosure of non-financial issues is coming on to the agenda. We will convene another meeting with stock exchanges soon to promote market based approaches. Some countries and stock exchanges are moving in that direction. We hope that investors are taking more note of engagement in non-financial issues. We also hope that civil society and the professional community will develop more tools and have more comparable performance oriented concepts. It's a huge challenge, so I don't think there is one silver bullet answer. This remains a complex societal process where all incentives and disincentives, so to speak, have to kick in.

We are also refining our disclosure policies, or [Communications on Progress](#). We have just issued a further qualitative improvement, where we define our minimum criteria, and we offer advanced disclosure on specific applications. We are currently [field-testing](#), in partnership with Transparency International , advanced disclosure on the [10th Principle](#) on anti-corruption, which remains one of the most challenging. There is no short answer – different societies have different historical compositions of public and private constellations and, as a global initiative, we need to be open and flexible.

TW: You have stated that it is time for companies to implement all Global Compact principles “beyond the headquarters, into subsidiaries and the supply chain.” How can this be achieved?

GK: We have our [summit](#) coming up next year in New York, 24-25 June, where we convene the CEOs and we will make it a major issue. In our annual [review](#) we highlight this as the priority, and whenever we interact with business or host events, we put as much pressure on this area as possible. We also incentivise subsidiaries' to do their own Communication on Progress together with the local networks, so not everything is headquarter engineered. At the end, of course, this is up to companies and how they are organised, but we want the maximum amount of engagement.

So we're working both through the networks, bottom-up, but also top-down, by putting the power of persuasion, if not pressure, on headquarters to ensure that their commitment is implemented everywhere, irrespective of location. This remains an ongoing challenge no doubt, but there are a couple of work streams underway on supply and value chains. The good news is that because of the financial crisis and some major incidences where subsidiary miss-steps or gross mistakes have led to larger brand damage, there is a momentum in this direction. Corporations are re-examining sustainability and it's meaning, and recognising that in an integrated, globally cooperative world you can not afford to have ten different ethical standards, in ten countries. It neither makes sense for business, nor for the sustainability of operations.

On the negative side, we are seeing some cases of inward orientation and doors being closed. This is sometimes motivated by governments, who redefine specific national interests in a narrow sense. Hiding behind national doors is not a good environment for promoting universal principles though, as it creates additional barriers, making it more difficult to diffuse universal principles around the world.

TW: How does the Global Compact avoid being co-opted by companies as a PR-tool rather than a vehicle of reform?

GK: While the Global Compact is a voluntary commitment, the accountability of our participants and our initiative is of the highest priority. Companies that join the Global Compact are required to communicate annually to their stakeholders on progress made in implementing the ten principles. Called the [Communication on Progress](#), this annual disclosure requirement has resulted in over 5,000 being posted to our website for public vetting. It helps ensure that participating companies are taking real actions and not merely seeking reputation enhancement. We take this very seriously, and have removed almost 1,000 companies from the Global Compact for failure to submit a Communication on Progress.

TW: What role can governments play in encouraging business to implement the Global Compact?

GK: Governments have a fundamentally important role. They can set a vital example in how they interact with the private sector, for instance with procurement, and the operation of all the state owned corporations around the world. That's probably the most important way and in some countries that is happening now. Governments also have an important signal effect, by indicating to the market players what they expect business to do. That doesn't necessarily mean the regulatory machinery, but just by sending the signals of what is expected governments can be extremely powerful. I think governments also have problem solving role to play, and we encourage them to pay attention to certain dilemmas to which there are no simple answers. If governments engage constructively and continue to focus, then breakthroughs are possible.

Finally, governments hold the key for the effectiveness of conventions, and the [UN](#) Convention against Corruption will be a great test to see how serious governments are. Will they be able to build an effective review mechanism? Will they be willing to sacrifice a little bit of sovereignty in exchange for greater effectiveness and transparency? These are very important questions I think. The world should pay attention to the upcoming meeting of the [Conference of State Parties](#) in Qatar. We have launched a lobbying [campaign](#) on the need for an effective review mechanism to put pressure on governments to do so.

TW: You mentioned that business respondents have identified the 10th Principle on anti-corruption as the most difficult issue to implement, why do you think this is and what is the Global Compact doing about it?

GK: We have learnt a lot from Transparency International about the systemic nature of corruption. Corruption is everywhere; it's in the south, the north, east and west, and the public and private sectors. So the question is: how do you cut through and make real change?

Transparent disclosure is certainly the best overall concept, that's why we insist on disclosure of progress meetings and failure to do so leads to delisting. The hope is that collective action with the public and private sectors can actually lead to gradual improvement.

There are a multitude of approaches and the working group on anti-corruption has developed several concepts, some of which are currently being tested around the world. It looks good, but my own experience tells me that ultimately it is about power and how the public is geared towards insisting on disclosure of relevant information. Ultimately we are dealing with bigger societal issues that partly have to do with capacities, but also the recognition of the importance of transparency.

TW: How do you see the 10th Principle in relation to the other nine?

GK: Without a doubt, corruption is a cross-cutting issue. It deeply affects the other 9 principles. For example, the abuse of entrusted power is a root cause for human rights violations and can be associated with serious environmental damages. Also, many workplace and supply chain dilemmas are directly connected to corruption. Corruption is at the heart of ineffective public policy frameworks, which in turn is arguably the root cause of most business-society dilemmas. The tenth principle has given enormous impetus to the UN Global Compact, and, I hope, also to efforts around the world to stamp out corruption.

TW: Do you think facilitation payments, which TI's [Business Principles](#) recognise as bribes, can undermine corporate anti-corruption efforts?

GK: I have no doubt. The Global Compact firmly believes that corruption needs to be defined in a robust manner. We ask companies to work against corruption in all of its forms – which includes facilitation payments. Of course, there is much work to be done. Still too often, companies make such payments based on short-term, efficiency needs. But, if we are serious about the issue and we are promoting systemic long-term change, then I think, without a doubt, we need a robust approach that addresses all forms of corruption.

>>About the UN Global Compact

Launched in July 2000, the UN [Global Compact](#) is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a leadership initiative endorsed by chief executives, it seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

>> About Georg Kell

Gaining experience in Africa and Asia as a financial analyst, Kell began his career at the UN in Geneva, where he worked from 1987 to 1990 with the UN Conference on Trade and Development (UNCTAD). In 1990, he joined the New York office of UNCTAD, which he headed from 1993 to 1997. In 1997, Kell became a senior officer in the Executive Office of UN Secretary-General Kofi Annan, responsible for strengthening cooperation with the private sector. He has served as head of the UN Global Compact since 2000.

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SPOTLIGHT STORY

2009 Global Corruption Barometer

By Michael Sidwell



A growing distrust of business, the daily reality of petty bribery for the world's poor and a public unconvinced of governments' anti-corruption efforts, reveals Transparency International's 2009 *Global Corruption Barometer*.

Buying zero corruption

Half of those polled globally expressed a willingness to pay a premium to buy from corruption-free companies. In Cambodia, Hong Kong, Liberia and Sierra Leone, this number rose to as many as 4 in 5 respondents. Providing business with a powerful incentive to prove that they are clean and to communicate this clearly with the public, this finding makes the business case against corruption even stronger.

However, companies are seen as having far to go to successfully tackle the challenges presented by corruption. More than half of respondents believe that the private sector uses bribes to influence public policy, laws and regulations, and half of respondents view the private sector as corrupt. Worryingly, in approximately a fifth of the countries and territories surveyed, respondents identified the private sector as the most corrupt institution.

Petty bribery hits poor

The global economic downturn has impacted on people around the globe, but the poor are feeling its effects most. As jobs and incomes decrease, petty bribery adds to the already difficult situation faced by low-income households. Just as in past editions, the 2009 Barometer discouragingly reports that low-income respondents continue to be more likely to pay bribes than high-income ones.

"As economic growth shifts into reverse, poor households are increasingly forced to make impossible choices in allocating scarce resources," said Huguette Labelle, Chair, Transparency International. "Do parents pay a bribe so that a sick child can see a doctor or do they buy food for their family? It is simply unacceptable that families continue to face these decisions."

The 2009 Barometer estimates that people spend around 7 per cent of their annual disposable income on bribes. Worryingly, petty bribery was reported to be on the rise in Venezuela, Ghana, Indonesia, Cambodia, Bolivia, Senegal, Russia and Kenya.

More than 50 per cent of those polled in Cameroon, Liberia, Sierra Leone and Uganda reported paying a bribe in the past 12 months. The Middle East and North Africa recorded the worst regional results overall, with 4 in 10 respondents reporting bribe payments in the last year. One in four respondents worldwide who came into contact with the police in the previous year claim to have paid a bribe.

Insufficient government efforts

In correlation with past editions of the Barometer, 68 per cent of respondents perceive political parties as corrupt, with 29 per cent labelling them as the single most corrupt institution in their country. The civil service and parliament follow closely, viewed by 63 and 60 per cent of respondents as being corrupt.

More than half of those interviewed in the 2009 Barometer rated their governments' anti-corruption efforts as ineffective. Fewer than 1 in 10 respondents in Argentina, Bulgaria, the Czech Republic, Hungary, Lithuania and Ukraine view their governments' efforts as effective. While seven in 10 or more respondents in Brunei Darussalam, Hong Kong, Indonesia, Nigeria and Singapore considered their governments' efforts to be effective.

Despite evidence that people encounter bribery regularly, only about one in five reported filing a formal complaint. Half of those interviewed consider official channels for making corruption-related complaints ineffective. It is concerning that fear of potential harassment and reprisals meant that a fifth of respondents did not make a formal complaint.

Securing public trust

Just as the past five editions show, the 2009 Barometer underscores citizens' distrust of public institutions and government anti-corruption efforts, and the daily reality of petty bribe payments in the lives of the poor. The emerging critical view of the private sector and a public willing to pay more for

clean business are new developments. However, the 2009 Barometer makes clear that much must be done by the private and public sectors to secure public trust.

podcast>>

English



[Robin Hodess](#),

[Director of Policy and Research, presents the findings of the 2009 Global Corruption Report.](#)

Robin Hodess
Policy & Research Director

Spanish



[Juanita Riaño](#),

[Coordinora Senior - Programa Herramientas de Medición de la Corrupción, presenta los resultados de Latino América del Barómetro Global de la Corrupción \(en español\)](#)

Juanita Riaño
Senior Programme Coordinator on
Measuring Corruption

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Global Corruption Barometer 2009 - [In Focus](#)

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ANTI-CORRUPTION WORK AROUND THE WORLD

Leading the Fight against Corruption in Asia Pacific

By Georg Neumann



What are the ingredients to successfully fighting corruption in the Asia Pacific region? This question took centre stage at Transparency International's (TI) Asia Pacific Regional Programme meeting, held in Canberra, Australia, from 18-23 May.

At an outreach day event held at the new Australian Parliament House, TI Asia Pacific and [AusAID](#) jointly announced a new five-year partnership framework agreement aimed at scaling-up and increasing the effectiveness of the fight against corruption both at national and regional level in Asia Pacific

Cobus de Swardt, TI managing director, praised the progress the movement has made, while emphasising the need to: "Take our issue to scale and escalate the fight against corruption so as to leave no level of the government, private sector or NGO community untouched."

The event, which was attended by more than 80 participants – including representatives from the Australian government, academia and delegates from 21 chapters in Asia Pacific, discussed anti-corruption priorities in Asia Pacific. Debates highlighted the need to strengthen public sector integrity and improve private sector governance in the context of the financial crisis, as well as mobilising citizens to play a role in supporting such anti-corruption reforms.

The event took full advantage of TI's extensive Asia Pacific network of 21 chapters, enabling participants to learn from others' experiences. Presentations were given by TI chapter representatives from Bangladesh, Papua New Guinea, South Korea and Thailand, which showcased approaches and projects they have found successful to engaging the general public.

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ANTI-CORRUPTION WORK AROUND THE WORLD

CEOs call for robust anti-corruption action

By Samuel Bakowski



Chief executives from 24 multi-national companies rallied together to call on governments to effectively and robustly implement the United Nations Convention against Corruption (UNCAC)

In a [letter](#) addressed to UN Secretary General Ban Ki-moon, the CEOs threw their support behind the world's only universal anti-corruption instrument, stating that it "holds the promise of curbing corruption and creates a level playing field for all participants in the global economy".

The [UNCAC](#), adopted in December 2003, has been signed by 140 countries and ratified by 136 to date. The UNCAC is unique as compared with other conventions not only in its global coverage but also in the extensiveness and detail of its provisions.

The CEOs praised the Convention as "an essential instrument in the fight against corruption," while noting that the comprehensive framework can be applied to both emerging and developed countries to curb corruption in both the public and private sector.

However, the CEOs cautioned that in order for this popular anti-corruption tool to be implemented effectively, a review mechanism must be put in place. "We consider it essential that the Doha Conference in November 2009 takes action to establish an effective review mechanism. Further delay would damage the credibility of the Convention and its ability to build momentum in overcoming corruption."

Transparency International has been leading advocacy efforts for the proper monitoring of the UNCAC and developed a set of detailed [recommendations](#) to establish an effective review mechanism.

"Transparency and accountability are cornerstones to economic success. These CEOs have shown great leadership in supporting a review mechanism that truly works, and we look forward to making the promise of this convention an anti-corruption reality", said Huguette Labelle, Chair, Transparency International.

"I deeply appreciate the leadership demonstrated by the corporate community in this critical matter," said UN Secretary General Ban Ki-moon, in [response](#) to the letter by the CEOs. "The business advocacy for an effective review mechanism and the growing number of States adopting and implementing the Convention are evidence of a shared commitment to tackle corruption."

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ANTI-CORRUPTION WORK AROUND THE WORLD

Ernst & Young survey reports high tolerance of unethical business

By Michael Sidwell



As the effects of the economic crisis deepen in Europe, a new survey released by Ernst & Young European reports an, “alarmingly high tolerance of unethical business behaviour within organizations.”

The Ernst & Young [European Fraud Survey](#) interviewed 2,246 employees of major companies in 22 countries across Europe. Half of those surveyed believe that, “one or more types of unethical business behaviour was acceptable”. For example, 25 per cent of European respondents thought it fine to give a cash bribe to win work.

Worryingly, 55 per cent of European respondents expect corporate fraud to increase over the next few years. An increase is expected because of, “changes that will be made to businesses in response to the economic downturn, reduced focus on anti-fraud, pressures to protect the future of the company and the pressure to keep bonuses and compensation greater.”

Dr. Michael Faske, Ernst & Young’s Fraud Investigation & Dispute Services Leader in Switzerland, said, “Geographic location or relative economic wealth makes little difference to expectations of increased fraud across Europe. This is a global recession and fraud is a global problem.”

Some 69% of European respondents reportedly had, “cause to doubt the integrity of their company’s management”. According to Dr. Faske, “the senior management of the population that we surveyed are more likely to condone bribery and financial statement fraud than those of junior rank. Indeed our interaction with regulators suggests that they are very conscious of the shortcomings in corporate governance and are positioning themselves for much more aggressive enforcement action.”

In addition to making recommendations to address increased fraud risks, the report concludes that: “by demonstrating their commitment to ethical business conduct, management will not only be protecting assets of the organization but positioning the company to seize opportunities in adversity.”

To read the report click [here](#).

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CORRUPTION IN THE NEWS

Murdered lawyer's video shakes Guatemala

By Samuel Bakowski



A video left by a murdered Guatemalan lawyer, "in which he blames his death on the president of Guatemala and several close presidential associates, has plunged the country into political crisis", reports the [Wall Street Journal](#).

In the video, Rodrigo Rosenberg said that his life was at risk because "he planned to go public with evidence that the Colom administration used Guatemala's rural development bank, [Banrural](#), to launder drug money and funnel public funds to drug cartels through shell organizations," reports [Associated Press](#) (AP).

President Alvaro Colom has flatly denied the allegations. "I haven't killed anyone. I'm not a drug trafficker and I've never made shady deals against the opposition. The truth about Rosenberg's murder will be revealed; the truth about the preparation of the video and the hatching of this plot also will be discovered," Colom told [EFE](#) in an interview.

Colom's foreign minister has "suggested the entire scandal might be staged by organized crime groups," according to [AP](#).

Rosenberg has "offered no proof to back up his allegations, but the fact that he foretold his murder ... has led to calls for the resignation of Mr. Colom," notes the [New York Times](#).

"Thousands of protestors have demonstrated daily in front of the presidential palace, calling for Colom's resignation," reports [Time](#).

The murder has "polarised society into two camps: mostly middle and upper class protesters who are demanding the centre-left head of state step down and poor demonstrators who support Colom," writes [EFE](#).

The [New York Times](#) reported that "Besides professing his innocence, Mr. Colom has turned the case over to the [International Commission Against Impunity](#) in Guatemala," a UN body set up in 2007 to help "strengthen a weak judiciary."

However, Carlos Castresana, head of the UN agency, "warns it will be hard to solve the crime in a judicial system . . . [where] only 3 percent of criminal cases go to trial," according to [AP](#).

Rosenberg's killing represents one of more than 2,500 on record this year, according to the [New York Times](#), which also notes that on average 16 murder victims turn up in Guatemala every day.

"This is the most serious political crisis the country has faced since the signing of the peace accords [in 1996]," Anita Isaacs, a political science professor at Haverford College and a Guatemala expert, told [Time](#). "The country is hanging by a thread."

In a statement on its website, Banrural has called for a "full investigation" into Rosenberg's accusations, reports the [Wall Street Journal](#).

Photo:Flickr/rudygiron

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CORRUPTION IN THE NEWS

Iraqi trade minister quits amid graft allegations

By Michael Sidwell



Iraq's Trade Minister Abdel Falah al-Sudani stepped down "amid allegations of corruption and embezzlement linked to the nation's food assistance programme," reports [AFP](#), citing a statement from the prime minister's office.

An arrest warrant against Sudani accuses him of, "stealing public money and mismanaging the ministry by importing expired foods and employing his relatives, including two brothers," details the [Washington Post](#). According to the [New York Times](#), "The Trade Ministry's duties include the oversight of various imports, including food staples, automobiles and construction materials. The ministry also operates the program that provides monthly food rations for Iraqis, offering items like sugar, rice, milk, tea, cooking oil and soap at heavily subsidized prices."

"During Mr. Sudani's tenure, however, there were frequent shortages, and some of the goods were distributed long after their expiration dates, arousing widespread public anger," notes the [article](#).

"We will not remain silent over corruption after today," said Iraqi Prime Minister Nouri al-Maliki during a visit to the Trade Ministry. "We will pursue those corrupt and bring them to justice" ([Washington Post](#)).

"The Government, which is aware of seething public disquiet over top-level corruption that is crippling the Iraqi economy and costing millions in lost investment, has promised severe action against guilty parties regardless of their stature. More than 997 arrest warrants have been issued this year as a result of the anti-corruption drive, including 51 for top-level officials," write the [Times](#).

[Reuters](#) reports that: "Officials estimate billion of dollars are embezzled or paid in bribes for government contracts, hurting Iraq's ability to rebuild its shattered economy and infrastructure at a time when low oil prices are cutting into state revenues."

Lawmakers have plans to question the "ministers of transportation and oil about mismanagement and corruption," according to the [Washington Post](#).

"Corruption is like terrorism, even more dangerous than terrorism," Mahmoud Othman, an independent lawmaker, told the [Washington Post](#). "It disintegrates the country and affects everything."

Photo:Flickr/yasalbaz

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CORRUPTION IN THE NEWS

Expenses scandal engulfs British politics

By Samuel Bakowski



British politicians found themselves on the defensive after details of their expenses were exposed and scrutinised by the media.

Over several weeks, “disclosures over how British legislators used public money to pay for items ranging from horse manure to plasma TVs and swimming pool repairs have outraged voters and forced dozens of House of Commons lawmakers to announce early retirement,” reports [Associated Press](#) (AP).

“Details of the claims were to have been released in July following a freedom of information ruling that ordered expense receipts to be made public. But the details have been published by the Daily Telegraph newspaper after it acquired copies in advance,” notes the [article](#).

“Most of the claims were legally valid under Parliament’s lax rules, but some – like claiming payments for mortgages that were already paid off – could spark criminal charges,” notes [AP](#).

A [number](#) of politicians have stepped down and the Speaker of the House of Commons, Michael Martin, “became the first Commons Speaker to be effectively forced out of office for 300 years after criticism of his handling of MPs’ expenses,” writes the [BBC](#).

“As many as 325 of Britain’s 646 House of Commons lawmakers could quit or be ousted by voters as a direct result of the scandal,” says Colin Rallings, director of the University of Plymouth’s elections data centre, notes [AP](#).

“What we have got to do is restore public trust, to restore people’s faith that politicians are worthy of their trust,” said Prime Minister Gordon Brown ([Telegraph](#)). “All MPs’ receipts for expenses claimed over four years must be independently scrutinised.” Brown told the [BBC](#).

Conservative party opposition leader David Cameron, said that people “want to see real action to bring about change – not just in the expenses system, but in the whole political system” ([Independent](#)).

A poll conducted for the [Times](#) reports “an overwhelming majority of people believe that MPs are self-serving, out of touch and guilty of abuse.” A Guardian/ICM survey found “a quarter of voters are planning to reject mainstream political parties in favour of minority ones because of the expenses crisis,” reports [Reuters](#).

“If MPs are to have legitimacy as lawmakers, they need to be exemplars of personal integrity,” commented [Transparency International UK](#).

“Figures released to Parliament show that the 646 House of Commons legislators claimed 93 million pounds (\$134 million) in allowances and expenses last year, reports [AP](#).

On 25 May, Gordon Brown “ordered his European legislators to meet stricter accountability rules amid fears that similar abuses could be taking place at the European Parliament,” reports [AP](#).

Photo:Flickr/BenLancaster

NEWS FROM THE ANTI-CORRUPTION MOVEMENT

This area provides highlights of the valuable work being done by Transparency International national chapters, members and Secretariat.

- [Africa and the Middle East](#)
- [The Americas](#)
- [Asia and the Pacific](#)
- [Europe and Central Asia](#)

Africa and the Middle East

Kenya: survey on parliamentary governance

In May, TI Kenya released a public opinion survey on the process of developing a new constitution. The survey covered citizen's views on the devolution of executive power, land reform, regional government and religious courts. The main results of the survey show that 62 per cent of respondents believe that the committee of experts will be plagued by political interference and intrigues, and, as a result, 78 per cent of respondents do not think the new constitution will be ready within one year as planned. A slight majority of respondents (53 per cent) would like executive powers shared between a president and prime minister. The survey is based on a random sample of 1,402 respondents collected from rural and urban areas across the eight provinces of Kenya. More information here can be [found here](#).

Morocco: publication on transparency in access to public services

Transparency Maroc, the TI chapter in Morocco, presented a new publication looking at transparency in the access to public services. According to the report, the daily access to public services is hindered by the misuse of power by the administrators', and this is further compounded by the difficult, complex procedures that deprive citizens of their fundamental rights, such as access to healthcare or education services.

The publication is the [fifth edition](#) in the series *Transparency News*, which focuses on one editorial issue as part of the chapter's project *Observatoire de la Corruption*. The Corruption Observatory monitors national news stories on corruption to identify key areas where institutions critical for integrity fall short and makes recommendations on how corruption in different sectors can be tackled.

Niger: statement on extending the president's mandate

TI Niger has spoken out publicly against the prolonging of the President of the Republic's mandate. Currently, according to the 1999 constitution, the president is elected for five-years with one possible re-election. The chapter calls on the president to reject propositions to run for a third term and support Niger's Independent National Electoral Commission (CENI) to organise transparent, free and peaceful elections in 2009.

The Americas

Guatemala and Chile

Access to information laws in Guatemala and Chile

Chile and Guatemala are the latest countries in the region to adopt access-to-information laws.

In Chile, the law was passed on 20 April. Chile Transparente, the TI chapter in Chile, has created a section on its [website](#) to provide information and the necessary forms to request information from the public authorities.

In Guatemala, the law became effective on 21 April. With this new law, public authorities are obliged to be accountable on their budgets, public contracts for services and works, staff salaries, addresses and contact details of officials, as well as travel and travel allowances authorized within and outside the country. In order to comply with the new law, every office must have an information unit accessible to all citizens interested in obtaining this data.

Chile: Thousands participate in "A Chile free of corruption, get involved!" campaign

More than 35,000 people joined a campaign launched by Chile Transparente. Through the website www.diccionariodelcorrupto.cl, citizens submitted more than 800 corruption-related terms and daily expressions. These terms will be compiled in the "Dictionary of Corrupt Language" - a text that raises

awareness among the general public about how corruption affects Chileans everyday.

Some of the most original and representative terms are the following:

“Administrative Day” - A day, generally a work day, where the directors or the managers stop their activities for purposes other than administration. Let’s call it sleeping, shopping, having a barbecue, etc.

“Falsificative” - False + Justificative. Generally a licence and/or medical certificate or some alternative “authorised communication”, memos, etc., to justify absences at work or school. Usually accompanied by a fake signature.

Colombia: woman and gender internet accountability software

Since 2002, TI Colombia and the Colombian Association of NGOs for the Communication through Email ([COLNODO](#) in its Spanish abbreviation), have been working on an *Internet for Accountability* project. During 2009, thanks to the support of the *German Agency for Cooperation GTZ*, TI Columbia and COLNODO are developing a new component *Woman and Gender Equality* that will be part of more than 1,050 city councils’ websites supporting *Internet for Accountability*. The initiative aims to promote specific and relevant information for women within the local governments, according to gender equality criteria, and also enable mayors countrywide to be accountable for their management of these matters.

For further information, please contact Marcela Restrepo, Territorial Strategy and Citizen Control Area Coordinator, or Fernando Segura Restrepo, Area Researcher. emails: mrestrepo@transparenciacolombia.org.co, fsegura@transparenciacolombia.org.co .

Asia and the Pacific

Australia: EFIC becomes TI Australia member

In April, Australia’s export credit agency Export Finance and Insurance Corporation ([EFIC](#)) became a member of TI Australia. TI Australia will work together with EFIC to raise exporters’ awareness about the risk of corruption in overseas business. EFIC is also a member of the OECD’s [Export Credits Group](#), obliging it to observe the [OECD Council Recommendation on Bribery and Officially Supported Export Credits](#) on appropriate measures to deter bribery in international business transactions benefiting from official export credit agency support.

Pakistan: 2nd Youth in Governance debate competition

In May, TI Pakistan organised a debate competition on the theme *Absolute Power Corrupts Absolutely* at the International Islamic University in Islamabad. A total of 16 students from eight institutions took part in the competition, which was held in English. Prizes were awarded to three winners and certificates to all the participants. The debate forms part of the chapter’s youth programme *Youth in Governance* (www.ying.edu.pk), which aims to create awareness of good governance among students, educate youth on the effects of corruption on society, and empower them to demand their rights.

Europe and Central Asia

Estonia: business ethics conference

The 2nd Baltic-Nordic conference on business ethics, [Promoting Business Ethics: Baltic Challenges, Nordic Experiences](#), took place on 24 April. TI Estonia presented codes of ethics for pharmaceutical, construction and real-estate sectors to establish good business practices. This year’s conference, organised by TI Estonia in Tallinn, focused on best practice from Baltic and Nordic countries on the implementation of codes of ethics. In addition to private sector and business corporation representatives, participants included politicians, journalists, and TI chapter representatives from Finland, Latvia, Lithuania, Norway and Sweden.

The conference was organised with the support of the Nordic Council of Minister’s Office in Estonia as part of the project [Against Corruption with Business Ethics](#). The project includes a series of *Fair Business Environment* seminars, carried out by the Ministry of Justice and the Estonian Chamber of Commerce and Industry.

Georgia: report on accountability to aid recipients

TI Georgia published a report on international aid agency commitments in Georgia. The aim of the study is to remind managers of relief and development organisations of their responsibility towards their beneficiaries – the citizens of Georgia. It also encourages aid recipients to demand agencies to fulfill these duties. The report gives recommendations to aid agencies, highlighting existing complaint mechanisms, and urges them to take swift action on promises made at the [Accra High Level Forum on Aid Effectiveness](#) in 2008.

Hungary: conference and workshop on campaign finance reform

In April, TI Hungary held a conference and workshop on campaign finance reform under the title, [“Clean-up Politics”](#). The chapter calls on Hungary’s new government to commit to transparent campaign financing, vital to eliminating the systemic causes of corruption. The conference focused on sharing reform practices from France and the UK, and looked at the creation of campaign accounting, shortening the campaigning period, regulating the relations between political parties and the media, examining the role of political party foundations, banning campaign activities of governmental organs, and strengthening independent controlling institutions.

Ireland: questionnaire for political candidates and parties

Ahead of the European Parliament elections, TI Ireland calls on candidates and political parties contesting the European, local, and by-elections in 2009, to answer a series of questions related to the promotion of integrity in Irish and European public and corporate affairs. The questions are based on the chapter's recently published [National Integrity Systems Country Study](#) and a consultation with TI chapters across Europe. Currently, 11 TI chapters are also conducting candidate policy surveys to measure political commitments to fighting corruption in the European Union. More information can be found [here](#).

Romania: opinion poll on government codes modifications

[TI Romania](#) has conducted an opinion poll on the government's modification to the Civil Code, Criminal Code and the Codes of Civil and Criminal Procedures. The survey reports that the majority of the respondents do not know what the modifications of the Codes entail, and desire stronger citizen involvement in the decision-making process, including debates with their Minister of Parliament. Less than one per cent of respondents were aware of a debate organised by the Ministry of Justice. More information can be found [here](#).

Transparency Watch

JUNE 2009

CORRUPTION IN QUOTES

"There is actually no success so far"

Russian president Dimitry Medvedev on his government's attempts to fight corruption

[Reuters](#), Moscow, 12 May

"According to the rules, MPs may recoup expenses that are incurred 'wholly, exclusively and necessarily' in pursuit of their parliamentary duties. Britain's politicians therefore had a difficult week, struggling to justify using taxpayers' money to buy black-glitter lavatory seats, clean swimming pools, clear moats and add fake tudor beams to their houses"

The Economist on the MP expenses row

[The Economist](#), London, 14 May

"Is this what you call democracy? Government officials are getting rich off the back of our misery "

A trader in the Shorja market, Baghdad

[BBC](#), Iraq, 18 May

"There are mayors and politicians who 'let things happen' and there are some who have sold their soul to the devil"

A high ranking official from the Mexican state of Michoacan, commenting on corruption in Mexican politics

[The Los Angeles Times](#), Mexico, 31 May

"Corruption begets corruption, turning ruling elites into self-perpetuating cliques, destroying peoples' faith in government and law"

A New York Times editorial on corruption in Africa

[The New York Times](#), 18 June

"It is easy to forget that less than a decade ago the idea of extractive companies and governments opening their books was a faint dream"

Peter Eigen, founder of Transparency International and chairman of the Extractive Industries Transparency Initiative, on Switzerland joining the global transparency initiative.

[Swissinfo](#), Zurich, 9 June