

7 Lessons learned from anti-corruption campaigns around the world

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The past year saw the unfolding of several dramatic corruption scandals, including the removal of the vice-president in South Africa after corruption allegations; investigations of heads of state or former political leaders in Israel and Costa Rica; and major corruption trials in France, Nepal and Venezuela. No country is immune to graft. As New Zealand and Finland demonstrate in the *Global Corruption Report 2006*, even countries that are consistently ranked in the top 10 in Transparency International's Corruption Perceptions Index experience lapses in accountability. Corruption affects all sectors of society, from construction (France and Malaysia in this book), education (Uganda) and police (Malaysia, Nepal, Papua New Guinea), to parliament (Japan), the judiciary (Brazil, Burkina Faso, Ecuador, Israel and Nepal) and even the church (Greece). As highlighted by the Algeria report, corruption continues to be an obstacle to investment. It impedes effective management of natural resource revenues (Cameroon and Venezuela) and can lead to misappropriation of disaster relief funds (Sri Lanka).

But the news is not all bad. These scandals highlight the increasing role played by civil society and the media in monitoring public funds and holding public officials to account. Corruption is no longer taboo in some countries, including Kuwait, and in Morocco and Uganda the media has played a key role in exposing it. Civil society is developing new ways to collaborate with reform-minded governments. South Korea witnessed the signing of a nationwide, anti-corruption 'compact' involving the private sector, civil society and government.

Corruption and new governments

We have witnessed a dramatic turnaround in many countries, sparked by concerns over corruption. After Georgia's 'rose revolution' in 2003, Ukraine followed suit with the electoral victory of opposition leader Viktor Yushchenko in January 2005, and then Kyrgyzstan with its 'tulip revolution' in March 2005. The new governments were quick to commit themselves to fighting corruption. A principal driving force behind these changes was public outrage at the extreme methods used by previous regimes to stay in power, and the realisation of the potential of civil society involvement. Across the globe in Latin America, two presidents were forced to step down because of events that were perceived to be related to corruption: the independence of the judiciary in Ecuador and conflict of interest in Bolivia's oil and gas sector.

New leaders face huge challenges in meeting the expectations of their electorates. The example of Kenya shows how difficult it can be for a leader to maintain the mantle of an anti-corruption reformist. Prosecuting past and new cases of corruption has proved daunting for governments in Kenya, Kyrgyzstan, Morocco and elsewhere.

International pressure is often a motor for change: efforts by Romania and Croatia to pass anti-corruption measures are driven less by domestic demand than the pull of becoming members of the EU. Peer pressure is also evident in Asia-Pacific where the ADB-OECD Anti-Corruption Initiative has brought 25 countries together to tackle corruption. In Latin America, the OAS Anti-Corruption review mechanism is providing a valuable opportunity for independent groups to assess corruption-related developments.

Reforms at country level

Reform of the judiciary is one of the most powerful anti-corruption measures. Georgia passed a law to increase the independence of the courts in February 2005, strengthening the government's capacity to prosecute corrupt judges. A series of high-profile corruption scandals involving judges forced change in Greece and Kenya, while in Brazil, recent reforms have focused on increasing transparency in what is already a very independent institution. Other countries, including Burkina Faso, Ecuador and Venezuela, have seen a reversal of this trend: the judiciary's capacity to tackle corruption cases has been seriously called into question in these states.

Notable progress has been made in adopting reforms in other areas, including the drafting, passing and implementation of laws that are at the heart of efforts to curb corruption. Examples from the *Global Corruption Report 2006* include:

- increasing transparency in public procurement (Cameroon, Finland, France, Guatemala, Malaysia, South Korea and the United States)
- reducing corruption in politics (Croatia and Slovakia)
- increasing access to information (Slovakia, Switzerland and Panama)
- ensuring the independence and transparency of the judiciary (Brazil, Georgia, Greece, Poland and Romania)
- enhancing public sector integrity through codes of conduct and conflict of interest rules (Croatia, New Zealand and Panama)
- protecting whistleblowers (Japan, Papua New Guinea and Romania)
- improving transparency in financial services (Ireland, Malaysia and South Africa)

Signing up to international conventions

Another positive trend is the increased attention governments give to ratifying anti-corruption conventions. Every country report indicates which conventions a country has signed and ratified.

The UN Convention against Corruption, signed in Mexico in December 2003, has now attained the minimum 30 ratifications required and is expected to enter into force in early 2006. All OECD countries have ratified the 1997 OECD Anti-Bribery Convention, which makes overseas bribery a criminal offence for companies in their home countries, but its enforcement has been weak in many countries (including Japan and the United Kingdom). A further problem, highlighted in the New Zealand report, is the astonishingly low level of awareness of the Convention among the business community.

Reducing poverty by tackling corruption

There is a growing consensus that progress on reaching the Millennium Development Goal (MDG) of halving the number of people living in extreme poverty by 2015 is dependent on tackling corruption. Poverty and corruption are clearly linked: corruption leads to poverty when money to cover basic needs such as health and education ends up in the pockets of corrupt officials; when the private sector is harmed, leading to lower investment; and when the environment is damaged through corrupt infrastructure projects. Poverty can also exacerbate corruption because funds are not available to properly finance the institutions that keep corruption in check. The G8 summit of leaders in July 2005 confirmed that anti-corruption measures in the poorest countries of Africa must be a priority to reduce poverty. But it is not enough to combat corruption at country level. Foreign companies are often the source of big-ticket bribes in the developing world. It is just as important that wealthy governments publicise and enforce their anti-corruption laws to ensure that companies no longer view bribery as an acceptable way to win business. The multifaceted nature of corruption makes it difficult to tackle, and for this reason it is crucial that anti-corruption initiatives are initiated, monitored and enforced at government, civil society and private sector levels.

About the country reports

As in previous editions of the *Global Corruption Report*, the country reports reflect the unique combination of historical context, political, socio-economic, legal and cultural climates that present a country with particular challenges in its efforts to combat corruption. Mostly written by TI's national chapters, the reports are intended to provide an overview of key developments in fighting corruption across the world. The number of countries covered has expanded steadily over the years: from 34 in 2004, to 40 in 2005, and 45 this year. Special attention has been given to ensure a balance of information from developed and developing countries of various sizes. The absence of a particular country in this section does not reflect a high or low level of corruption in that country.

The country reports do not cover the same issues; topics of particular importance to individual countries are presented instead. Nevertheless, the structure is consistent across reports. Each begins with a list of which anti-corruption conventions the country has signed or ratified, followed by a list of key legal and institutional changes of July

2004–April 2005. The reports then delve into an analysis of the main corruption-related issues that arose during the period under review.

Note

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