

Keynote Address

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Launch of

The Good Governance Challenge

Egypt, Lebanon, Morocco and Palestine

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Good morning Ladies and Gentlemen and thank you for joining us. I would like to thank Her Excellency, Dr. Bakir for being here, particularly as the League of Arab States is an important regional body that is key to moving forward the anti-corruption agenda. I am pleased that Dr. Ashour will be enlightening us with his regional expertise and that Dr. Shukrallah has agreed to moderate and engage us in today's discussion. My gratitude also goes to the Transparency International chapters and team at the secretariat whose passion and dedication to the anti-corruption cause is instrumental.

It is a pleasure to address you at what is sure to be a fascinating discussion as we launch this overview report concerning governance challenges in Egypt, Morocco, Lebanon and Palestine.

Throughout the 16 years since the founding of our organisation we have seen that in many parts of the world, *governance* can prove to be a poorly understood term. However, governance is an objective description of the relationships between leaders, public institutions and citizens, including the processes by which decisions are made and implemented.

Governance is not specific to any form of government, to any particular region of the world, or to any stage of a country's development. Its relevance is universal. Its impact, particularly in today's world, is personal and global.

Despite this, the term is often considered politically sensitive and therefore avoided. In this sense, it is a bit like the word corruption until a few years ago –something to be dealt with but found by some to be uncomfortable, inconvenient. While governance may appear a political risk for some, it should certainly not be a source of political shame to guarantee citizen interaction with governments and institutions in a way that is responsive and aims to fulfil their needs. It is certainly an honourable legacy to have managed resources in a way that imparts benefits for the greater society for years to come – in other words, sustainably. But how does this all happen? What are the pieces that must come together?

At Transparency International, we define *good* governance as being: participatory, accountable, transparent, efficient, responsive, inclusive, and rooted in the rule of law. The end result is that opportunities for corruption are minimised. This, in turn, means that possibilities for development are multiplied.

Counter to that, where access to information laws, open public records and a free press are missing, corruption becomes easy to hide. It can flourish unnoticed, creating a haven for the corrupt.

A further risk is a lack of oversight institutions such as audit offices, an independent judiciary, properly funded law enforcement units tasked to investigate and prosecute corruption or mechanisms for handling citizen complaints. When these are inexistent or weak, resentment and a sense of injustice fosters among the population. People feel insecure and become highly sceptical of their governments.

It becomes impossible to predict if that business start-up will get anywhere without the right corrupt resources. Citizens begin to wonder whether a criminal will be brought to justice or if it is a worthwhile endeavour to pursue justice through the police and courts.

The fact is that at the end of the day, where good governance gains a strong foothold, and where corruption cannot undermine it, we all stand to benefit. Business can devote itself to doing business and not spend time and money getting around rules that undercut it, and the healthy competition that makes for vibrant markets.

The young professional stands a chance of being hired on merit and not purely on connections. She or he will aim to perform well in that new position because there is a concrete opportunity for success. Students will know that buying grades is not rewarded and the extorting teacher will learn that there is no longer a market for his good marks. The sick grandmother can go to the

hospital and know that a doctor will see her, because that is what they are there for.

Employing good governance means using what someone I know calls “active listening” of citizens by government institutions, such as a strong ombudsman office, accompanied by effective whistleblower legislation to protect those who dare to denounce fraud and cronyism.

As you can see, the bedrock of good governance is checks and balances. Good governance is defined by integrity –moral and ethical considerations- but in putting that principle to work, it is a system of key institutions and actors that play a collective role in enhancing transparency and accountability. This forms the National Integrity System that is the basis of this morning’s discussion. And as the report points out, a robust national integrity system is vital for detecting and fighting corruption.

Good governance and anti-corruption are clearly interdependent. It is worth noting that the 2004 *Alexandria Declaration on Reform in the Arab World* made a direct link between (I quote) “the utmost transparency in public life, the elimination of corruption and the establishment of good governance.” That was the same year when the influential Arab Human Development Report focused attention on the dire state of governance in the region. Similarly, the 2009 report outlines the threats to human security, among them high unemployment, and the need for a responsive state.

The report we are presenting today shows that all four countries must strive to practice good governance. Conflict and political turmoil have taken their toll on the fight against corruption, but so have a lack of action to take the existing legal framework that can hinder and punish corruption –in Egypt, Lebanon, Morocco and Palestine- to the next level. There is an acknowledgement – within the region- of a need to create and activate the means to halt abuse of power and demand accountability. Increasingly, private investors and entrepreneurs are playing a role in economies previously dominated by the

state. A young labour force and growing middle class across the region, feeling constrained by corruption, is also aware of the problem.

On the part of government, this acknowledgement is not limited to political speeches or what some may consider grandstanding at international or regional conferences. In fact, of the four countries in the study we are presenting today, three have pledged some level of compliance with the UN Convention against Corruption. Egypt signed and ratified in 2005. Lebanon approved accession in 2009. Morocco ratified in 2007 (four years after it signed on) and while Palestine is not party to the convention, the TI chapter there, AMAN, is seeking to promote implementation of its basic elements. The convention is a global anti-corruption agreement to prevent and criminalise corrupt acts.

Civil society – a free civil society- has a vital role to play in implementing this convention and other initiatives. Working together with business and government, we can enable the fulfilment of the anti-corruption promise. Yet, the role of civil society should not be confined to discussions, but include action to mobilise people around the cause. Civil society monitoring of elections and campaign financing should be part of combating political corruption. People need to have a stake in how their countries are run.

Having access to and assessing how government grants contracts for dams and bridges, purchases medical equipment or books, is part of civil society's responsibility. The report we present today is an attempt to overcome one of the challenges faced by civil society as it attempts to hold business and government leaders to account: that is, examining the structural obstacles to transparency and fighting corruption.

And beyond this assessment, what is Transparency International doing, you may ask yourself? Firstly, in order to be meaningful and hold promise, the debate on corruption must be held internally, within the community in which it is taking place. If it is driven by the outside, this debate will have reduced impact and is less likely to result in lasting change. Transparency International

is active through some 90 independent chapters worldwide. I am especially pleased that all four comprehensive National Integrity System studies summarised in today's report reflect national-level research and that we can count on national perspectives and experience during the discussion later.

Our organisation has directed its global efforts mainly towards convincing initially sceptical international financial institutions that corruption was a problem which required action. This relentless work is beginning to bear fruit. Today we live in a world where elections are lost and won over anti-corruption promises that citizens expect to see fulfilled. Similarly, executives are imprisoned or companies fined historic amounts due to their corrupt behaviour. But corruption can and needs to be addressed effectively through grass-roots initiatives. Informed, home-grown strategies hold the best chance of success.

I could give you a rich narrative tour of the work of our chapters throughout the region but instead, I would like to tell you about an example that is worth sharing. In 2003, in south Eastern Europe, three of our chapters opened what we call Advocacy and Legal Advice Centres. It was at a time when a new awareness of anti-corruption was beginning to take hold. Those chapters decided to set up phone hotlines to solicit citizen reports of corruption and to see if there was any way to help them. The response was overwhelming.

Today, there are more than 50 TI advice centres operating around the globe, including ones in Lebanon, Morocco, Palestine and an additional centre recently opened in Gaza. Not only do these centres evaluate and help citizens to resolve complaints, they also help us to identify areas affected by corruption and to see how or if government is dealing with them. This can then inform our advocacy efforts and allow us to propose structural changes in the system, with the goal of preventing corruption in the future. In doing so, these chapters are often working closely with government agencies and ministries, helping to create structures and practices that enable good governance as well. Today's report complements this work by bridging the

research on institutions with the experience of citizens who interact with these agencies on a daily basis.

Our being here today is an opportunity to take stock of the national governance systems in Egypt, Lebanon, Morocco and Palestine. The objective is not to point fingers, but to engage –true to the Transparency International approach- in an objective, constructive discussion of the strengths and weaknesses of these institutions that affect us all. As such, it is important that the voices of government, business and civil society, take part in the debate. Together we can find ways to make an accountable framework function and for corruption to be effectively tackled.

Thank you for your kind attention.

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