



**TRANSPARENCY
INTERNATIONAL**
the coalition against corruption

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CORRUPCION

TI Newsletter

September 2001

Editorial

The Third Page

International Organisations

Recent Reforms

TI Country Activities

Corruption Reports

TI Internal

New Publications

Conferences

Voluntary Subscription

Impressum

The National Integrity System: An idea whose time has come

If a clear message has emerged from the violence that marred the street protests in Prague, Seattle, Göteborg and Genoa, it is that civil society organisations need to engage with each other, and with governments and the private sector, so that our voice is heard and taken seriously by policymakers in global institutions. We need to challenge governments, and call international institutions to account.

At TI, our campaigning focuses not on the imperfections of the international trading system, but on the need for good governance - for just, honest and effective government. While we clearly distance ourselves from the violence deployed by many anti-globalisation protesters, we certainly don't shirk from confrontation.

Coalition-building lies at the heart of our approach, but so does a critical evaluation of each country's National Integrity System. From the executive, legislature and judiciary, to the private sector, the media and civil society organisations, each pillar, and its relationships to the others, is crucial to the equilibrium of the system as a whole. This concept, pioneered by TI, is now really taking hold. With the assistance of a number of national chapters, TI presented 18 country reports at the Global Forum II conference.

That was just a beginning. In the past few months, more and more TI chapters have decided that they too will engage in an evaluation of their respective countries' National Integrity Systems - and not just as a one-off exercise, but as a tool that will enable them to constantly monitor their countries' performance. Progress can be measured and the efforts of reformers and donors recorded. Co-ordinated holistic approaches to reform will be fostered, and the surveys (which will be kept up-to-date and posted on the internet) will become a major source of information for all those wanting to do business in the country concerned. The TI Secretariat's task will be to foster these processes in ways that maintain and build on the levels of quality already demonstrated in The Hague.

The National Integrity System:

Concept and Practice, the report to Global Forum II, which is now on our website, looked at the extent to which the pillars of that system stand up in terms of their impartiality, credibility and effectiveness. The conclusion was that in many countries the pillars are compromised by countervailing influences, from a lack of commitment, a surfeit of self-interest, skewed formal or constitutional arrangements, failings in other pillars and, above all, the primacy of political influence available for sale. The importance of pillars of integrity is evident in the analysis of the National Integrity System in the Brazilian country report: "The judiciary is probably the weakest link in the control chain, since it is unable to convey to society the message that crimes of corruption are actually punished... The police suffers from political interference and is vulnerable to organised crime take-over."

The huge interest in The Hague and since has shown that the National Integrity System concept is an idea whose time has come. As Alan Doig and Stephanie McIvor, the editors of the report, cite from the new, expanded edition of the **TI Source Book**, *Confronting Corruption: The Elements of a National Integrity System* "what is the benefit of a sound and 'clean' judiciary ready to uphold the rule of law, if there is corruption in the police, investigators, prosecutors or the legal profession? The judges would simply not receive the cases they should hear; they would then sit in splendid isolation - honest, capable, yet able to achieve little."

The momentum behind this evaluation, a critique driven by the chapters of TI, is a challenge to governments and protesters alike. By shedding light on the failings of each country's National Integrity System, we are not only reminding governments of their shortcomings, but constructively pointing the way to more effective systems of governance. This civil society monitoring process is now unstoppable.

*Peter Eigen,
Chairman,
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TI Newsletter

September 2001

Editorial

The Third Page

International Organisations

Recent Reforms

TI Country Activities

Corruption Reports

TI Internal

New Publications

Conferences

Voluntary Subscription

Impressum

A global sample of initiatives to increase transparency and accountability

- **Algeria:** Attempted reforms fall short
- **Bosnia-Herzegovina:** New access to information law
- **China:** Clamp-down on 'red envelope' corruption
- **Germany:** Review of party funding receives mixed welcome
- **Germany:** Minister promotes blacklisting of companies
- **Guatemala:** OAS Convention ratified
- **India:** Lok Pal Bill tabled in Indian Parliament

- **India:** Defence Procurement Board to be set up
- **Japan** Access to information limited
- **Kenya:** Company takes government to court over corruption
- **Kenya:** Fresh move to probe public officers' riches
- **Korea:** President Kim signs anti-corruption law
- **Korea:** On-line anti-corruption
- **Lithuania:** Government approves anti-corruption strategy
- **Nigeria:** Bureau urges public servants to declare assets
- **Pakistan:** Changes in NAB law imminent
- **Kazakhstan:** 'Capital amnesty' recovers millions
- **Namibia:** Anti-graft bill to see light of day
- **Papua New Guinea:** Taskforce to investigate foreign affairs department
- **Russia:** Duma finally approves law on money laundering
- **South Africa:** Anti-corruption hotline
- **Taiwan:** Cabinet approves law to detail politicians' assets
- **Thailand:** Anti-graft manpower boost
- **UK:** Revealing code of conduct designed to prevent sleaze
- **USA:** Settlement reached with bribing company

[back to menu](#)

[TI-Home](#)

Algeria: Attempted reforms fall short

In the past few months, the president and prime minister have increasingly paid lip service to the fight against corruption. Other government institutions have also made vague references to anti-corruption reforms - for example, the Interior Ministry's recent proposal to create a security institute with an anti-corruption department, and the finance minister's commitment to undertake a long overdue revision of public procurement rules. And recently, the customs authority announced a new code of ethics; but the code itself was not made public. With oil revenues now pouring in (they doubled from 1999 to 2000), the Algerian government has launched an "economic revival programme" which will cost an estimated US\$ 8 billion over 4 years and consist mainly of public infrastructure projects. It is feared that without legislation regulating public procurement specifically aimed at curbing corruption, opportunities for corruption will present themselves on a massive scale. The Algerian Anti-Corruption Association, TI's National Contact in Algeria, will lobby the government to take seriously concerns of transparency in the economic revival programme and the need for reform of procurement rules.

Algerian Anti-Corruption Association (TI contact), August 2001

[back to menu](#)

Bosnia-Herzegovina: New access to information law

Bosnia-Herzegovina has fully adopted a freedom of information law. The OSCE has offered assistance to both entities and the federal government to prepare for its implementation. The new law requires governments to perform certain functions including establishing an "information officer" to receive and process written requests for information, issuing a guide on how information held by each public authority may be accessed, and creating an indexed register of the types of information held by each public authority

Radio Free Europe/Radio Liberty, 17 July 2001

[back to menu](#)

China: Clamp-down on 'red envelope' corruption

China's most prosperous province is cracking down on official bribery in the form known as "red envelopes". In the latest attempt to target the widespread corruption that occurs through the traditional Chinese practice of gift-giving, the provincial government of Guangdong, in southern China, has released a detailed new set of regulations. Traditionally, gifts of cash are given on special occasions in "lucky" red envelopes. But in some areas, like Guangdong, the phrase has become synonymous with corruption. Under the new regulations, officials who receive cash, securities, bank certificates or credit cards have one month to report such gifts to the authorities, the newspapers said. Officials who use their positions to pocket "red envelopes" of more than US\$ 1,208 face expulsion from the Communist Party and prosecution, the Beijing Legal Times reported. Those receiving gifts under 10,000 yuan may be fired or forced into retirement, the paper said. Several other southern provinces have launched similar clean-up programmes this year, an official said.

Reuters, 13 June 2001

[back to menu](#)

Germany: Review of party funding receives mixed welcome

The findings of an independent commission on party funding were released yesterday. In the most controversial of its 80 suggestions, the committee called for the introduction of prison sentences of up to three years for senior party officials breaking the rules. Other big changes included demands for greater transparency in parties' annual reports and accounts, closer controls on auditors, and a complete ban on political contributions from public-sector bodies. However, the commission stepped back from two other big reforms widely discussed in recent months. In its only split decision, a majority rejected the imposition of ceilings on financial contributions to political parties. And the entire committee decided against measures to curb parties' income from commercial activities. But the committee proposed that parties should be obliged to reveal details about any particularly big contributions much more promptly than at present, with the requirement to publicise details of any contributions of more than DM 250,000 (US\$ 110,000) on a quarterly basis.

The Financial Times, 19 July 2001

Germany: Minister promotes blacklisting of companies

The Interior Minister of the German state of Northrhine-Westphalia (NRW), Fritz Behrens, has called for a nation-wide electronic database which would list all companies that have engaged in irregular or illegal activities. The list would register all companies that have been caught bribing and enable public authorities to exclude them from further contracts. In NRW, such a list has already existed since 1999. Companies or business people caught attempting to bribe are listed for six months. According to the Finance Ministry, on average there are four companies listed at any one time. Now Behrens has proposed that the model be applied at the national level. In 2000, NRW's police investigated 3261 cases of bribery and bribe-taking, a rise of 75% compared to 1999. Last year alone bribes in NRW amounted to more than DM 4 million.

Kölnische Rundschau Online, 10 August 2001

Guatemala: OAS Convention ratified

The Guatemalan Congress ratified the Inter- American Convention against Corruption following a relatively long process of adoption in the Guatemalan Parliament, making Guatemala the 22nd country to ratify the convention. In June, the governments of St.Vincent and the Grenadines and Belize signed the anti-corruption treaty. Countries that are parties to the 1996 convention are required to adopt a series of measures, such as passing domestic laws criminalising the acceptance or solicitation of bribes by public officials. The countries also agree to consider applying a series of measures to prevent corruption and promote transparency in government.

Transparency International; St Vincent Herald, 7 June 2001

India: Lok Pal Bill tabled in Indian Parliament

On 14 August, India's Lok Sabha (People's House) took a great step forward in the fight against corruption by introducing a Lok Pal (Federal Ombudsman) Bill in Parliament. The proposed law covers the Office of the Prime Minister in addition to ministers and parliamentarians. The bill was first initiated in the Administrative Reforms Commission report of 1966 and has been discussed in Parliament on seven occasions. TI-India, in

close co-operation with Lok Sevak Sangh and other NGOs, has long been pressing for the bill. Their campaign has gained nation-wide support from all political parties and all walks of life. However, there is still considerable opposition to the bill among Members of Parliament, who do not wish to subject themselves to any authority that can effectively investigate complaints against them.

Lok Sevak Sangh Bulletin, August 2001

India: Defence Procurement Board to be set up

A Defence Procurement Board should come into existence within a fortnight. This board is being set up as part of measures to reform the national security system. The board will be headed by a special secretary in the ministry of defence and will consist of senior officials from all three wings of the Armed Forces and also officials from the ministry of finance. "The board will function as the umbrella organisation for all procurement-related matters for the defence services and will take an integrated view of requirements of the three forces. This will help in streamlining the procurement procedure and the inter-departmental delays in procurement will be reduced considerably," a senior ministry official said.

India Today, 30 August 2001

[back to menu](#)

Japan: Access to information limited

An attempt to bring greater public access to information was made on 1 April this year with the coming into force of the Information Disclosure Law. The law obligates central government ministries and agencies to disclose their internal information in principle, but allows them to withhold information on individuals as well as on investigations and diplomacy. A recent newspaper survey showed that central government organisations seem reluctant to give the public access to their internal information. The results show that 16 national government entities complied with only about 940 - or 16 percent - of 5,856 requests for information disclosure they received since the law was enacted.

Daily Yomiuri, 2 August 2001

[back to menu](#)

Kenya: Company takes government to court over corruption

A new way of fighting back against alleged corruption within African governments is being tested by a Kenyan company. For the first time, a company has used an international court established in Lusaka in 1994 by the Common Market for Eastern and Southern Africa (COMESA) to seek damages from a government. The backers of the action believe that even if it does not succeed, the procedure could deter African governments and individuals from corrupt behaviour by providing a forum for corruption allegations to be aired. Coastal Aquaculture, a Kenyan registered company, is suing the Kenyan government for US\$1 billion in damages and loss of earnings. The suit alleges that members of Kenyan President Daniel arap Moi's family and senior government officials are beneficiaries of an illegal land re-allocation scheme that scuppered Coastal's plans for shrimp farm and tourism projects. The government's attempts at expropriation of land were ostensibly based on environmental concerns. The government has re-allocated the land to 40 private companies and individuals, with documents submitted to Kenyan courts showing that many of these companies were controlled by leading Kenyans. Attempts to enforce Kenyan court judgements [in favour of Coastal] had failed, the company said. The COMESA court could award damages, could act as an arbitrator, or provide a forum for an out-of-court settlement.

Financial Times, 1 August 2001

[back to menu](#)

Kenya: Fresh move to probe public officers' riches

Public officers who fail to declare their wealth risk jail and a fine of up to Sh 1 million in the proposed anti-graft law. But wealth acquired before 1 December 1997 will not be subjected to scrutiny unless the officer was under investigation by the former Kenya Anti-Corruption Authority (KACA), police or the Attorney General by 22 December 2000. In the Public Service (Code of Conduct and Ethics) Bill 2001 just published, Attorney General Amos Wako proposes far-reaching measures intended to bring order to a sector frequently accused of inertia, corruption and mismanagement. Those covered under the Bill include the president, ministers and their assistants, MPs and those employed by Parliament, councillors and council officers, teachers, judicial officers, employees of state corporations and parastatals, those in public universities, members of disciplined forces, and managers and directors of co-operative societies.

The Daily Nation (Nairobi), 18 July 2001

[back to menu](#)

Korea: President Kim signs anti-corruption law

President Kim Dae-jung has signed an anti-corruption bill into law, which calls for, inter alia, the creation of a presidential commission on the prevention of corruption. Meanwhile, government anti-corruption agents are monitoring the public and private lives of ministers and other high-level officials as part of efforts to end corruption and promote more discipline in officialdom. A special investigative team has been evaluating the job performances and public duties of about 90 officials in high places since early July. News reports said that even the chiefs of the nation's intelligence and tax agencies and top prosecutor were included in the inspection. The opposition has criticised the checks as being politically motivated.

[back to menu](#)

Korea: On-line anti-corruption

Seoul Mayor Goh Kun has carried out innovative anti-corruption measures since assuming his post in July 1998. Among them is the Online Procedure Enhancement for Civil Applications (OPEN). The OPEN system, which went into operation in April 1999, is an online system aimed at enhancing transparency and preventing corruption by allowing citizens to monitor the entire process of city officials' handling civil applications over the Internet 24 hours a day. It covers the 54 areas most prone to corruption, including sanitation, construction and tax administration. Now the city is exporting the OPEN system to member countries of the United Nations, as agreed upon last May between Goh and UN Secretary-General Kofi Annan. The city's experience with anti-corruption was also in the spotlight in August when Seoul jointly organised an international anti-corruption symposium with the United Nations. The conference drew more than 100 anti-corruption experts from around the world, including TI's Peter Eigen.

The Korea Herald, 30 August 2001; Time, 20 August 2001

[back to menu](#)

Lithuania: Government approves anti-corruption strategy

The cabinet on 22 August approved a national strategy for fighting corruption. The strategy calls for increased transparency in the funding of political parties as well as improving the current system of land acquisition. It supports simplifying tax collection procedures and reducing personal income taxes in order to eradicate widespread tax evasion, and expanding internal and external audit services for state and local authorities. The adoption of an anti-corruption programme is on the list of Lithuania's commitments for the European integration process and it must yet be approved by parliament.

Radio Free Europe/Radio Liberty, 23 August 2001

[back to menu](#)

Nigeria: Bureau urges public servants to declare assets

The chairman of the Code of Conduct Bureau, Capt. Effiong Nsa (rtd.), has warned that all public office holders and senior civil servants across the country who have not declared their assets as stipulated by law have been advised to comply or risk the wrath of the law. Nsa and his entourage are on a nation-wide tour to assess the state of affairs and operations of the Code of Conduct Bureau in various states. He described the bureau as a catalyst towards checking corruption in the country.

The Nigerian Guardian, 25 July 2001

[back to menu](#)

Pakistan: Changes in NAB law imminent

The chairman of the National Accountability Bureau in Pakistan announced that the NAB had submitted draft amendments to the federal government to make corruption trials more efficient, and to facilitate the procurement of corruption evidence from abroad. The chairman denied that one of the proposed amendments had been prepared to target Benazir Bhutto and Asif Ali Zardari in the SGS case. He highlighted that NAB has moved from the first phase of streamlining administrations and going after individual cases to the second phase of building up accountability by investigating cases in government departments and financial institutions. Summarising the NAB's performance, he said that in the past 18 months 350 cases have been filed before the courts, of which 154 have been disposed of, and investigations into 871 cases are near completion. The aim of this action has been to recover looted national wealth.

Dawn, 31 July 2001

[back to menu](#)

Kazakhstan: "Capital amnesty" recovers millions

Kazakh citizens holding large foreign-currency accounts abroad had until 14 July to safely return their money to Kazakhstan under a special amnesty designed to bring cash back to the country's depleted coffers. The plan, which took effect 14 June, allows Kazakh citizens holding foreign bank accounts to re-deposit their so-called "shadow capital" in a Kazakh bank with no threat of fines, taxes, or inquiries. By 1 September - when Kazakhstan is scheduled to destroy all tax records from 1995 to 2000 - there will also be no official records proving how, and how much, money was ever earned. Kazakh officials predicted the radical two-part programme would absolve many top government officials of the financial sins of their past and bring back capital to the country's ailing economy. As of last week, some US \$190 million had reportedly been returned to Kazakh banks. Many outside observers have expressed doubts about the programme. The amnesty is unabashedly aimed at Kazakhstan's wealthiest - and most corrupt - citizens, most of whom had earned their money through dubious deals in the oil-rich country's fuel sector. Miklos Marschall of Transparency International said the move was disturbing: "Any attempt to destroy documents and hide documents from the public is against our principles. So, while I can support amnesty as a way to clean up the market and start building up the rule of law in the economy, destroying any documents is against our principles."

Radio Free Europe/Radio Liberty, 10 July 2001

Namibia: Anti-graft bill to see light of day

A long-awaited anti-corruption body will have wide-ranging powers, but its scope will not cover the president. A bill expected to be brought before Parliament in September, proposes the setting up of an Anti-Corruption Commission. The bill also proposes the employment of special investigators who will have powers equal to or even slightly greater than those of the police. The anti-corruption commission will have powers to enter and search without a warrant, as well as powers of arrest. Under the constitution, the president is personally immune from criminal and civil proceedings while holding office. The anti-corruption law comes more than four years after the Namibian government held a conference to design ways on how to fight corruption in the country.

The Namibian, 30 July/29 June 2001

[back to menu](#)

Papua New Guinea: Taskforce to investigate foreign affairs department

Papua New Guinea's foreign minister has established a task force to investigate corruption within the country's Department of Foreign Affairs. The department's performance has been a persistent problem for the country over several years, with allegations of serious breaches of laws governing citizenship, immigration and the issue of passports. Police are already investigating the allegations, and the new nine-member task force will conduct a separate investigation.

Radio Australia, 13 July 2001

[back to menu](#)

Russia: Duma finally approves law on money laundering

The Duma on 13 July approved in a third and final reading a bill setting the rules for combating money laundering and bringing Moscow into closer accord with international standards. The bill gives the government the right to scrutinise all business activities in excess of 600,000 rubles (US\$ 20,000). But many of the amendments that have been adopted reduce the effectiveness of the legislation: The bill does not provide for any actions in the customs or offshore areas, it does not require banks and casinos to report

suspicious activities, and it exempts all deals that will have taken place once the bill becomes law.

Radio Free Europe/Radio Liberty, 16 July 2001

[back to menu](#)

South Africa: Anti-corruption hotline

More than 6 000 cases of fraud and corruption have been reported to the South African province Mpumalanga's government anti-corruption hotline over the past year, says provincial director general Stanley Soko. He said 6 600 cases had been phoned in on the toll free number, or reported at the hotline office in the Premier's Office, since it was established in February last year. The hotline is manned by three officials, including an investigator who probes reported cases. They work directly with the Nelspruit fraud unit and other police units to speed up investigations. So far, 3 280 cases have been solved. Soko said the government had hired qualified attorneys and magistrates to fast-track internal disciplinary hearings against officials. He said the government had begun blacklisting individuals and companies who entice government officials into corrupt activities.

ZA Now (South Africa), 20 March 2001

[back to menu](#)

Taiwan: Cabinet approves law to detail politicians' assets

The Thai cabinet approved on 25 July changes to the Public Functionary Assets Disclosure Law that would place tougher restrictions on government officials and help make their assets more transparent to the public. The cabinet's revisions to the so-called "sunshine law," if passed by the legislature, would require government officials to put their assets into a trust within three months after disclosing their holdings to the public. Should they fail to do so, they would be required to provide information on their financial transactions. According to the proposed changes, assets belonging to a government official's spouses and children would also be required to be made public. A fine of between US\$ 1,700 and US\$ 9,000 would be imposed against those who fail to report their assets, or report inaccurate statements.

Taipei Times, 26 July 2001

[back to menu](#)

Thailand: Anti-graft manpower boost

Up to 300 officials are to be seconded from the Interior Ministry to the National Counter Corruption Commission to help fight collusion in government procurement projects. A commissioner said the officials to be seconded would help gather information and investigate collusion allegations throughout the country. The commission has the power to set up an investigation panel in each province to facilitate gathering of information and investigation. The commission also has the authority to prosecute government officials involved in collusion and other forms of corruption in government procurement. Unlawful acts committed by individuals who are not state officials would be referred by the graft agency to police and investigating officers.

Bangkok Post, 20 July, 2001

[back to menu](#)

UK: Revealing code of conduct designed to prevent sleaze

The UK government will launch a fresh attack on sleaze with the publication of a new ministerial code. The new code of conduct will force ministers to reveal their financial interests to their most senior civil servants when they take office, including any links to businessmen. It will be accompanied by the inaugural code of conduct governing ministers' special advisers' and spin-doctors to prevent "bullying" of civil servants. Under the new rules ministers have to report to their permanent secretaries any potential conflicts of interest with their role in government, including meetings with lobbyists. But MPs will be critical if the new code does not force the Prime Minister to take responsibility for ministers' conduct. The Public Administration Committee said recently the parliamentary ombudsman should be given fresh powers to run independent investigations designed to ensure ministers were not misusing or exploiting high office.

The Independent (UK), 16 July 2001

[back to menu](#)

USA: Settlement reached with bribing company

San Bernardino (CA) County officials reached a \$400,000 settlement with Miller & Schroeder Financial Inc., accused of giving money and other expensive gifts to officials in exchange for government contracts. County officials said the case highlights their diligent effort to recover public funds lost to kickbacks and other corrupt activities among officials. So far, the county has recovered more than US\$ 7 million through a lawsuit naming 22 individuals and companies. The deals, along with the county's adoption of more than a dozen reforms including new restrictions on real estate deals and stricter purchasing regulations, will help restore the public's faith in the local government, one official said.

Associated Press, 1 August 2001

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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About us	Contact us	News Room	Research & Publications	Building Coalitions	Projects and Activities			
mission & strategy	TI history	how TI is organised	TI Newsletter	how to support TI	financial reports	annual report	what TI does	FAQ's

 [back to TI Home](#) | [links](#) | [guestbook](#) |  |  |  |

please choose text size | **A** | **A** | **A** |

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Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

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[back to menu](#)

[back to Newsletter archive](#)

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About us	Contact us	News Room	Research & Publications	Building Coalitions	Projects and Activities			
mission & strategy	TI history	how TI is organised	TI Newsletter	how to support TI	financial reports	annual report	what TI does	FAQ's

 [back to TI Home](#) | [links](#) | [guestbook](#) |  |  |  |

please choose text size | **A** | **A** | **A** |

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September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

Learning about corruption and its control

by *Susan Rose-Ackermann*^[1]

The international anti-corruption movement, spearheaded by Transparency International, is built on the belief that corruption is harmful for countries struggling with poverty and underdevelopment. Many who are active in the movement have observed the costs of corruption at first hand. Yet, these concerns are sometimes met with skepticism by those who demand more than anecdotes and personal reminiscences. Recent scholarship goes part way to respond to these arguments, but there is more that needs to be done.

Research on corruption is difficult because the perpetrators seek to keep their transactions secret. Nevertheless, scholars have begun to analyze and measure the impact of corruption on economic and political phenomena and to explain how political and economic conditions contribute to corruption. This work, based on cross-country data, is quite consistent in finding that corruption is harmful to growth and

development and that corruption is the result of weak economic and political institutions.

The cross-country research uses data that measure perceptions of corruption, such as the TI's Corruption Perceptions Index, developed by Johann Graf Lambsdorff, or one of its components. The perceptions are mostly those of international business people and country experts. Studies using these data have found that high levels of corruption are associated with lower levels of investment and growth, and that foreign direct investment is discouraged. Highly corrupt countries tend to under-invest in human capital by spending less on education and to over-invest in public infrastructure relative to private investment. Corrupt governments lack political legitimacy and hence tend to be smaller than more honest governments, everything else equal. Corruption reduces the effectiveness of industrial policies and encourages business to operate in the unofficial sector in violation of tax and regulatory laws.

These are important findings, but they are limited by the aggregated nature of the data. Each country is treated as a single data point that is more or less "corrupt." This work shows that corruption is harmful but says little about the precise mechanisms. To counter this weakness, two new types of research are underway: detailed questionnaires that target households, businesses, and public officials; and what might be called "econometric case studies." The questionnaires permit researchers to explore people's actual experiences. The case studies help one understand how corrupt sectors operate and how malfeasance might be controlled.

Here are some examples of the research I have in mind. Several studies questioned small- and medium-sized businesses about the costs of corruption and red tape. Other researchers have used questionnaires and focus groups to examine household attitudes and behavior. Researchers have studied countries as diverse as those in sub-Saharan Africa and in Central and Eastern Europe. Some of the most comprehensive are a study of four countries in Central and Eastern Europe by William Miller, Åse Grødeland and Tatyana Koshechkina and work that focuses on the business environment in the same region by Simon Johnson, John McMillan, and Christopher Woodruff. This research complements the World Bank Institute's work on "state capture" in post-socialist countries, work that concentrates on high level public officials.

Sectoral studies are represented by Edgardo Buscaglia's work with several different co-authors on how corruption limits the performance of the judiciary in Latin America. Another example, is Wei Li's estimates of the waste and corruption generated when China had a two-price policy for basic raw materials. Of direct policy relevance is research by Rafael di Tella and Ernesto Schagrodsky on the benchmarking of product prices in the hospital sector in Argentina that shows how monitoring and civil service pay reform can go hand in hand. An example of research that can make a difference, is Ritva Reinikka and Jakob Svensson's documentation of the severe leakage of federal funds meant for local schools in Uganda. Their study led to a simple, information-based reform that had positive results.

Some of these new studies were presented at a workshop that I organized with Donatella della Porta, of the University of Florence, at the University of Bielefeld in May 2001; others are working papers or have been published in scholarly journals. They are very diverse in topic and methodology, but they all share an interest in using detailed data to understand both how corrupt systems operate and which policies have promise. Only if one looks at the fine structure of political and economic systems, can one go beyond a showing that corruption is harmful to an understanding of the way it operates in different contexts. Given that knowledge, reform programs can attack corruption where it has the worst effects.

[1] *Susan Rose-Ackerman is the author of Corruption and Government: Causes, Consequences and Reform (1999), see New Publications.*

[back to menu](#)

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[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

Document last modified: undefined



About us	Contact us	News Room	Research & Publications	Building Coalitions	Projects and Activities
mission & strategy	TI history	how TI is organised	TI Newsletter	how to support TI	financial reports
				annual report	what TI does
					FAQ's

 [back to TI Home](#)
| [links](#)
| [guestbook](#)
| 
| 
| 

please choose text size | **A** | **A** | **A** |

TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

OAS

Anti-corruption follow-up

TI and its chapters in the Americas have welcomed the signing of an agreement at the Organisation of American States (OAS) in Costa Rica in June which matches the commitment expressed by heads of state at the Third Summit of the Americas to "create, as soon as possible, a follow-up mechanism for the Inter-American Convention Against Corruption". TI has been working for the past two years to secure an effective follow-up mechanism to review the implementation and enforcement of the Convention. The Inter-American Convention commits OAS member-states to criminalise a wide range of corrupt acts, step up enforcement, enhance legal and judicial co-operation, and strengthen preventative measures. The new agreement provides for a Committee of Experts, supported by the OAS General Secretariat, to select the Convention provisions

and the order of countries to be reviewed in each "round" and to develop a methodology for gathering the information, including the possibility to "consult with civil society". TI is committed to encouraging and supporting civil society organisations in the Americas in the monitoring of the implementation of the Convention.

TI press release, June 2001

[back to menu](#)

OECD Convention

Phase 2 monitoring begins

The OECD Working Group has begun its first peer group review under Phase 2 of the OECD Anti-Bribery Convention. Finland is the first country to be reviewed and an OECD Working Group visited Finland on 12-14 September 2001 to conduct on-site interviews. TI has worked on developing a framework for civil society input into this review process, together with the three other organisations which have been represented in the OECD Working Group reviews, the Trade Union Advisory Council (TUAC), the International Chamber of Commerce (the ICC) and the Business International Advisory Council (BIAC). The Phase 2 reviews are conducted according to a questionnaire developed by the OECD Working Group. The questionnaire includes a host of questions about the application of the Convention and Revised Recommendations including questions about institutional mechanisms, public awareness, sanctions, jurisdiction, enforcement, statute of limitations, accounting and auditing standards, etc.

Transparency International

[back to menu](#)

WTO

Peter Eigen invited to WTO advisory group

TI welcomed the World Trade Organisation's recent decision to establish an Advisory Group to the Director-General which includes civil society representation. WTO Director-General Mike Moore has invited a group of individuals with experience in trade and economic policy-making and in related fields to act as external advisers on the challenges and opportunities confronting the WTO. Peter Eigen, one of the 12 advisers invited to become a member of the group, stressed that it was important that "representatives of civil society organisations engage in constructive dialogue with the principal players in the global trading system, and provide a more effective voice to those who have been left behind by the globalisation process." Peter Eigen said that he hoped the members of the new advisory group would be provided with "an opportunity to consider how globalisation is affecting the multilateral trading system." Civil society organisations "can particularly contribute to issues of economic justice and transparency within the global trading system," he said.

[back to menu](#)

Council of Europe

Serious about corruption

Transparency International and the Council of Europe have recently stepped up their co-operation. The Council has awarded TI consultative status. For its part, TI has appointed a permanent representative to the Council, Dr Frits Hondius (deputy Nancy Schlumberger).

For several reasons, the Council offers optimum conditions for European co-operation in anti-corruption efforts. Its 43 member states comprise the near totality of European states. Several non-European OECD member states, as well as the OECD itself, enjoy observer status. Furthermore, the Council has an institution which is lacking in the OECD, ie a Parliamentary Assembly. Once a year the Council transforms itself into a forum for political discussion of OECD affairs on which occasion the OECD Secretary General responds to questions in public. The Assembly recently held two major debates on corruption.

Another important asset of the Council is the group of more than 400 accredited NGOs, among them Transparency International, who are a powerful platform for civil society representation and vigilance. And last but not least, the Council's anti-corruption action plan is facilitated by the organisation's 50 years of experience in crime policy, reflected in a full battery of international law measures against corruption. The Council, through its body of instruments and technical assistance and co-operation programmes, helps member countries fight new threats against society and especially their trans-border implications, such as terrorism, drug trafficking, money laundering, tax evasion, cyber crime, etc.

While awareness of corruption as a serious threat is of fairly recent date - the alarm bell was rung in 1994 in Malta by the Conference of European Ministers of Justice - action against corruption has been greatly facilitated by the Council's long experience in standard setting and implementation. In 1999 the Council drafted two major treaties: the Criminal Law Convention against Corruption and the Civil Law Convention against Corruption. Many states have signed and several have also ratified these conventions, but neither instrument is in force yet, due to an insufficient number of ratifications (14 for each treaty).

In order to constantly monitor the policy and practice of states in the international fight against corruption, the Council took the exceptional step in May 1998 of setting up a special 'policing' body, the Group of States against Corruption (GRECO). Any member or observer state may join this group before ratifying the conventions and it must join when it ratifies. 31 countries have already signed on. GRECO has extensive powers: not only the traditional technique of evaluating governments' answers to questionnaires but also a much more pervasive method of evaluation visits. In spite of solemn statements about commitment to the fight against corruption, too many European countries have not yet ratified the European Conventions nor joined GRECO. Parliaments, press and the media should urge governments to take the step. Some governments have excused themselves by pointing to the complexities of incorporating the treaties in domestic law - a well-known problem but not an excuse - or to the fact that participation in GRECO costs taxpayers' money. However these governments should also calculate the losses caused by not participating.

By accepting consultative status within the Council of Europe, TI has undertaken to actively support the Council's work outlined above. This task includes campaigning, not only by TI headquarters but in particular by its national chapters for rapid ratification of the treaties.

Frits Hondius,

[back to menu](#)

Council of Europe anti-corruption web sites

<http://www.greco.coe.int>

GRECO's country reports (Belgium, Cyprus, Finland, Georgia, Luxembourg, Slovenia, Slovakia, Spain and Sweden) are available on-line.

The site <http://www.legal.coe.int/economiccrime> includes links to GRECO as well as OCTOPUS and PACO - the Council's technical co-operation programmes in anti-corruption.

[back to menu](#)

ECOWAS

West African states team up to fight corruption

The Attorney-Generals and Ministers of Justice of the Member States of the Economic Community of West African States (ECOWAS) met in Accra in May for talks on "collaborating against corruption: toward effective strategies and mechanisms". The ECOWAS Revised Treaty and the provisions of the Protocol on the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security give the mandate to ECOWAS Member States to eradicate corruption within their territories. Noting the limitations of the existing protocols, rules, regulations and norms against corruption within Member States and the Community at large, they expressed their determination to confront corruption collectively. The conference called for the harmonisation of the laws of Member States in a protocol including extradition, financial disclosure and judicial processes, and for a collaboration between public, private and non-state actors, including a free and responsible media.

The Accra declaration on collaborating against corruption, ECOWAS

[back to menu](#)

ACP/EU

First application of new anti-corruption clause: Liberia

The Cotonou Agreement, concluded in 2000 between the European Union (EU) and 77 African, Caribbean and Pacific (ACP) states, is the first international agreement containing negotiated contractual clauses on good governance and the fight against corruption. They complement the pre-existing rules on human rights, democratic principles and the rule of law. The agreement aims to support good governance in particular through capacity building measures. But, as in the area of human rights and democratic principles, the agreement also establishes procedures for the case of violations of these elements; the procedure starts with consultations and may lead to sanctions. It is clearly stipulated that only serious cases of corruption can be considered as a violation of the principle of good governance. On 26 June, the European Commission proposed opening consultations with Liberia in light of the worsening situation in the areas of human rights, democratic principles, the rule of law and corruption. The latter aspect is of particular interest to TI, since this is the first time that the Commission has proposed using the specific procedure for serious cases of corruption (Article 97). It bases its assessment on concrete facts such as, inter alia, the sharp rise in extra-budgetary expenditure, the non-transparent management of state concessions for the exploitation of natural resources (in particular timber), and the non-transparent granting of monopolies for fuel, rice and cement imports. The aim of the proposed consultations is to thoroughly discuss the problems identified and possible measures to be taken. In light of the results of the consultations, the terms of EU co-operation will be re-assessed. This could lead to targeted sanctions or even to a suspension of co-operation as a measure of last resort. TI-Brussels, which was involved in defining the concept of good governance and introducing it into the new Cotonou Agreement, has welcomed this development, considering it as strong signal and probably an effective deterrent. And amid concerns of the effect of sanctions on a population, the case of Liberia is reassuring: Sanctions would only apply to aid funds channelled through the government. The EU, the biggest donor of aid to Liberia, channels funds to the poorest sections of the population without passing them through the government. This would not change.

TI-Brussel.

[back to menu](#)

FATF

Money laundering watchdog adjusts blacklist

In June the Financial Action Task Force on Money Laundering (FATF), a body set up by the G7 group of industrialised nations, met and made adjustments to its annual money launderers' blacklist. The list includes those countries that have been deemed by the FATF to have been lax in combating money laundering. The FATF has decided to remove the Bahamas, the Cayman Islands, Liechtenstein and Panama from the list, but will monitor closely future developments in those countries. FATF President, José María Roldán, said: "We see that this initiative has triggered significant improvements in anti-money laundering systems throughout the world." Following the review of thirteen countries, the FATF has identified six new jurisdictions as non-cooperative in the fight against money laundering: Egypt, Guatemala, Hungary, Indonesia, Myanmar and Nigeria. The updated blacklist is as follows: Cook Islands; Dominica; Egypt; Guatemala; Hungary; Indonesia; Israel; Lebanon; Marshall Islands; Myanmar; Nauru; Nigeria; Niue; Philippines; Russia; St. Kitts and Nevis; and St. Vincent and the Grenadines. The FATF calls on its members to request their financial institutions to give special attention to businesses and transactions with persons, including companies and financial institutions, in these countries or territories.

OECD Press Release, 22 June 2001

[back to menu](#)

European Union

TI reports to EU on corruption reforms

In response to a request of the EU's Directorate-General for Enlargement, TI chapters in the accession countries in Central and Eastern Europe have prepared a summary assessment of recent anti-corruption measures taken in their countries. The assessments cover Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. The country assessments reflect the differing national political contexts and varying stages of implementation of EU legislation in countries of the region. They are meant to provide an overview of progress made towards the implementation of EU legislation related to the fight against corruption. The European Commission will consider the TI documents when drafting its annual progress reports on EU candidate countries.

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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Document last modified: undefined

TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

- **New TI chapters and contacts**
- **New on the web**
- **TI chapters work on corruption in politics**
- **Reactions to the 2001 Corruption Perceptions Index in Bangladesh**
- **Other recent TI chapter activities around the globe**

- **Creating synergies in the Asia/Pacific**

New TI chapters and contacts

Accreditation of Transparencia Brasil

Transparencia Brasil has been granted a provisional (two-year) accreditation by the TI Board of Directors. Transparencia Brasil officially initiated its activities on 15 May 2000, and one year into its work, Transparencia Brasil has proven extremely active. The chapter's activities thus far have included: Adaptation of the Source Book to a Brazilian context based on focus groups and discussions; Two surveys, one focussing on corruption and the private sector, and another on general perceptions of the state and corruption trends in the country; Two municipal anti-corruption programmes initiated in Londrina and Sao Paolo; and co-ordination of the first regional project on transparency in public procurement.

TI Chapter launched in Vanuatu

TI welcomes Transparency International Vanuatu into its ranks. The new national chapter-in-formation was officially launched on 10 August 2001, with ceremonies being opened by Edward Natapei Nipakei, Prime Minister of Vanuatu, and attended by TI Board member Peter Rooke. TI-Vanuatu will be chaired by Marie-Noelle Ferrieux Patterson, former Ombudsman of Vanuatu. The chapter is driven by a board with a strong female majority and represents both the Melanesian and European population of the island state. The chapter will focus on education in primary and secondary schooling, voter education during the upcoming election and continue with its strong contribution to the international movement.

Spain

The formation of a new anti-corruption group was announced at a press conference held in Madrid on 27 June. The conference, which also saw the launching of the 2001 CPI, was attended by Miguel Schloss. The new group, to be supported by the Fundación Ortega y Gasset, will be led on an interim basis by Antonio Garrigues Walker, President of the Fundación. The Fundación, a highly visible academic and cultural institution, will provide the initial Secretariat for the group. A central objective of their work will be monitoring the OECD Convention.

[back to menu](#)

Japan

The Freedom of Information Citizen Centre (Jouhou Koukai shimin Centre) has agreed to be TI's National Contact in the country.

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Bahrain

TI has a new National Contact in Bahrain:

Dr Jasim Al-Ajmi.
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Egypt

TI's new National Contact in Egypt is **Dr Ahmed Sakr Ashour**

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Ireland

TI has a new contact in the Republic of Ireland, **Mr Gerard P. Mc Hugh**. Contact information:

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Co. Kildare,
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Fax: +353-1-6283536
email: Gerard-McHugh@worldnet.att.net
web site: <http://www.newirelandfrontier.org>

[back to menu](#)

New to the web

TI-Croatia

<http://www.transparency.hr>

TI-Russia

<http://www.transparency.org.ru>

[back to menu](#)

TI chapters work on corruption in politics

TI Kenya probes traditional fundraising methods

TI Kenya has just published a report documenting changing patterns in the use of the uniquely Kenyan traditional fundraising methods called Harambee that have long been used to finance public development. The report concludes that the practice has evolved into a largely top-down election campaign related phenomenon dominated by the ruling party.

The chapter compiled data from newspaper archives on reported Harambee activities from 1980-99. A preliminary follow-up of projects in three districts was then conducted. The group's research indicates that the practice now predisposes people, particularly politicians, to practice corruption. It provides an avenue for people who steal public funds to legitimise themselves to the public. Large donations to the fundraisers are made by the political elite with no accountability. Many political parties - including the opposition - contribute money to Harambees, but donations by the President personally and by his KANU party have vastly outstripped others. And there is no mechanism for ensuring money goes into the intended projects. "There is little accountability, and people do not expect there to be accountability," says David Ndii of TI-Kenya. The

report concludes that the practice has lost its community development focus and largely become a vehicle for bribing voters. In the run-up to the general elections in 2001 in which incumbent president Daniel arap Moi is constitutionally barred from standing for another term, TI-Kenya recommends: The suspension of Harambee during elections; Barring contenders for elective office from contributing to Harambees during the elections; and defining election-spending ceilings to include candidates' Harambee contributions for a specified period before elections.

The report entitled "Harambee: Pooling together or Pulling Apart?" was produced with the support of the Friedrich Ebert Stiftung and is available from the TI-Secretariat.

*Transparency International;
New York Times, 25 June 2001*

[back to menu](#)

Poder Ciudadano organises seminar on Political Financing and Training

A broad coalition of organisations came together to hold an international seminar on political financing in June in Mexico. The event, hosted by the Mexican Federal Institute of Elections, brought together national and international bodies to investigate existing regulatory frameworks, and areas of potential reform on the basis of the analysis of national case studies. Particular emphasis was given to the often-controversial issue of public versus private funding and the absence of competent monitoring and control mechanisms.

On the occasion of the seminar, Poder Ciudadano, TI's Argentinean chapter organised a capacity building workshop on the very related topic of election campaign financing. Since its experience with monitoring campaign financing in Argentina in 1997, Poder Ciudadano has been conducting training throughout the region on the implementation of this tool (e.g. with Asociación Civil Transparencia in Perú). The workshop was for TILAC chapters and members of the "Acuerdo de Lima" group, a network of organisations from the region working on election-related topics. For more information on this tool see the [Latin American Tool Kit](#)

TI-Czech Republic prepares web site on political party finance

TI-Czech Republic is continuing its research on promoting greater transparency in political party finance. An on-line resource centre will be launched at www.partyfinance.org. It will feature links to a range of documents and papers on this topic, contacts to country experts from EU and PHARE states, legislative calendars on individual countries' reforms and events listings for relevant meetings. TI-Czech Republic welcomes national chapter comments on the web site and submission of material for uploading on the page. Discussion on this topic will also be generated at a workshop on party finance during the 10th IACC in Prague.

[back to menu](#)

Reactions to the 2001 Corruption Perceptions Index in Bangladesh

Reactions to the 2001 Corruption Perceptions Index in Bangladesh

The CPI 2001 placed Bangladesh last on a list of 91 countries surveyed. Despite TI's disclaimer on the weakness of the data for Bangladesh, the CPI aroused a vehement reaction from the Bangladeshi government. Its spokesman criticised Bangladesh's ranking as having "no basis" and being "highly motivated on the eve of general elections due by October". TI Chairman Peter Eigen rejected the allegation and stressed that "the CPI has nothing to do with the forthcoming elections in Bangladesh". "As is the standing procedure for preparing the CPI, neither TI-Bangladesh nor the Chairman of the Advisory Council (Kamal Hossain of Bangladesh) were consulted." The government of Bangladesh nevertheless launched a scathing attack of TI-Bangladesh, accusing them of serving particular party interests. Newspapers reported that the Bangladeshi Prime Minister had instructed his administration to initiate a legal action against TI and some members of TI-B's governing body. Meanwhile, TI-S received letters from Bangladesh expressing concerns about the worsening corruption situation there. "The real condition of the country is even more dreadful," one letter said.

The Chairman of the Board of Trustees of TI Bangladesh, Prof. Khan Sarwar Murshid released a press statement in July to refute the government's unjustified accusation of the chapter. The statement reads: "The challenge for us is to honestly recognise the realities at home and to try hard to improve our standing in the eyes of the world as well as our own people. The TI report focuses only on a specific subject, namely, corruption, and its findings in no way detract from the remarkable achievements made by Bangladesh in a number of sectors over the past five years. However, can we honestly say that we have yet taken convincing initiatives to combat corruption effectively by necessary measures such as the separation of the Executive from the Judiciary, reforming the Bureau of Anti Corruption, setting up of the Office of the Ombudsman, reforming and re-equipping the Office of the Comptroller and Auditor General, and reforming the Police among other things? Are we anywhere near cutting the nexus between corruption, crime and politics?" TI-B faces a particularly difficult situation with the upcoming election campaign now in full swing.

[back to menu](#)

Other recent TI chapter activities around the globe

The recently launched Austrian coalition against corruption, **Transparency Austria**, hosted a panel discussion on public procurement in June, attended by representatives from national chapters in the region. TI-Austria also outlined its recommendations for legal and organisational requirements for combating corruption in public procurement within Austria. For a copy of the recommendations, please contact [TI-Austria \(office@transparency.at\)](mailto:office@transparency.at)

TI chapters and financial and media experts in the **Caribbean** gathered for a conference on Cultivating Transparency in the Caribbean, held in Port-of-Spain, Trinidad & Tobago in May. The conference was organised by the TI National Chapter, Trinidad and Tobago Transparency Institute (TTTI). The conference called upon the region's financial community to provide better information about financial decision-making to citizens through new media. Panellists also urged private and public financial institutions to improve their financial reporting and share financial information with clients. Participants at the conference included the Deputy Governor of the Central Bank of Trinidad and Tobago, representatives of the Caribbean Anti-Money Laundering Programme and representatives from TI Jamaica and TI New Zealand.

[back to menu](#)

TI Chile has been working intensively since the beginning of the year to broaden the scope of its Board by inviting individuals from all corners of Chilean society to apply for membership. This move was initiated by Forja (TI-Chile's 'mother' organisation) and implemented by chapter president Luis Bates. It is expected that the programme of the newly formed Board will include work on party political financing, which has long been acknowledged as an area characterised by its lack of transparency and even murkier regulation.

For more information on the chapter's work please visit <http://www.tichi.cl>

TI-Czech Republic (TI-Cz) has initiated the launch of the Viva Etika Coalition - a group of companies active on the Czech market that do their business ethically, do not use corrupt practices and support good corporate citizenship. In addition to 8 founding partners, TI-Cz is planning to invite many other firms to join the coalition (including small and medium-sized enterprises). The project has received wide media attention and new firms have already expressed an interest in signing on. TI-Cz has also launched a web-site <http://www.vivaetika.org> which will grow into an information centre on business ethics and provide examples and case studies of best practices. The project will be presented at a stand and during a workshop in Prague at the 10th IACC.

For more information on Viva Etika please contact TI-Czech Republic : **David Ondracka**,
(ondracka@transparency.cz.)

TI India organised a series of meetings with civilian and military staff at the Department of Defense at the end of August. TI Board Member Michael Wiehen presented the Integrity Pact concept and answered questions. The DoD expressed a keen interest in trying out the IP concept as one of several efforts to repair its damaged reputation following recent scandals. The media reported on this initiative, which was led by TI India's Chairman, Admiral Tahiliani.

[back to menu](#)

In the wake of the tribunals, which have unearthed major corruption related scandals in **Ireland**, two public meetings took place in early June with the aim of making politicians and public servants more accountable. The meetings organised by TI's National Contact in Ireland, Gerard McHugh drew almost 160 participants in Dublin and Galway. The inaugural meeting in Dublin also heard calls for the setting up of a permanent commission to investigate corruption and the removal from county councillors of the power to rezone land. Gerard McHugh called for "action, not words" by the government to fight against corruption. For more information on initiatives in Ireland please contact **Gerard McHugh** (National Contact).

or see <http://www.newirelandfrontier.org>

Transparency International; Irish Examiner, 13 June 2001

The **Lebanese No Corruption group** organised a round table discussion on access to information, in Beirut in May. The discussion was attended by anti-corruption activists and highlighted the obstacles people face when trying to obtain public data. The No Corruption group also presented a survey in which 50 people of diverse backgrounds were questioned on their experiences in trying to access official documents or registration files that dealt with their personal affairs. Of the participants, 65% had been denied access, and a vast majority of those who had managed to obtain information claimed that they had succeeded by using

wasta or bribery. As part of its proposals, the No Corruption group suggested that the government list all types of official documents and inform the public about which cannot be accessed and why.

In May, the **Mauritanian Coalition for Integrity**, a group of individuals and NGOs, organised an anti-corruption conference in Nouakchott. Participants included representatives from all sectors of society. A representative of the Commission on Human Rights, Poverty Alleviation and Integration introduced the Good Governance Declaration that is part of the Poverty Reduction Strategy, currently being implemented by the Mauritanian government. Strengths and weaknesses of the "pillars of integrity" in Mauritania were discussed and recommendations formulated. The conference triggered intensive discussion of corruption, which is still a taboo topic in Mauritania.

[back to menu](#)

The National Corruption Observatory, created this spring by **Transparency Morocco**, has begun to publish a monthly press review. The Observatory's overall aim is to gather information related to corruption and anti-corruption initiatives and make it available to the public. The Observatory is building a database of documents, including research papers, books, theses and specialised documents, which will soon be available on the web.

On 22 August Dr Devendra Raj Panday, **TI-Nepal** President and TI Board Member, was invited by the new Nepalese Prime Minister, Hon. Sher Bahadur Deuba, to discuss the current political situation in Nepal and possible strategies against corruption. The Prime Minister reiterated his support for transparency in politics and expressed interest in increased co-operation with TI-Nepal.

Earlier, Dr Panday met with the head of the Commission for Investigating Abuses of Authority (CIAA) in Nepal. They agreed on a joint working plan. TI-Nepal will help CIAA develop a legal reference manual based on existing legislation and constitutional provisions for conducting investigations. TI-Nepal will also assist CIAA in developing an orientation programme for senior governmental officers and a web site and publications to increase the transparency of its work.

TI-Pakistan (Karachi) is proceeding with the Karachi Water and Sewage Board (KWSB) Integrity Pact (IP). A good number of consultants and contractors have signed the IP. KWSB has pre-qualified the consultants and will now be able to evaluate any bids exclusively on price, since all the other factors have been taken into account in the pre-qualification process. The KWSB has adopted and has begun to take pride in the IP and the federal Interior Minister has invited KWSB to present the IP model to all other Karachi agencies that might adopt it. TI Pakistan has been supported in this effort by TI Board Member Michael Wiehen.

[back to menu](#)

TI-Pakistan (Lahore) is pursuing a judicial reform project by focusing on ten core issues identified in the existing judicial system. Taking the lead from TI-India, the chapter will prepare a questionnaire on judicial reform and circulate it in the legal community. Results will form the basis of future reform measures.

In July **Transparencia Paraguay** concluded the monitoring of a contract for medical supplies at the Social Security Institute (IPS), totalling more than US\$8 million. A report presented by the chapter to the local press on this occasion outlined the different stages of the process and contained observations made by the chapter after a review of documentation and participation in all meetings concerning the procurement process. The report reiterates the importance of clear and objective evaluation criteria, the lack of which the chapter had repeatedly criticised during the process and which had led to the temporary withdrawal of TI-Paraguay's participation. The chapter kept the public informed about progress made throughout the bidding process, publishing relevant documentation on its website: <http://www.transparenciapy.org.py>

Representatives from all sectors of society from **Peru** and abroad met to discuss corruption and anti-corruption proposals at the First National Anti-Corruption Conference in June in Lima. The conference was organised by Proética, a new civil society anti-corruption coalition, in co-operation with the Ministry of Justice. The National Anti-Corruption Initiative (INA), a group of high standing Peruvian personalities convened by the Ministry of Justice, presented an anti-corruption plan to be submitted to President Toledo's new administration. The plan provides for comprehensive reforms in the areas of administration, public ethics, institution building and civil society participation. In response to these proposals, Proética committed itself to the monitoring of public reforms from the civil society side. TI was represented through the presence of Rosa Inés Ospina from TI-Colombia, Luis Moreno Ocampo from TI-Argentina and representatives from TI-Secretariat

[back to menu](#)

The Forum for Civil Society (FCS), TI's chapter-in-information in **Yemen**, broke new ground in the Arab world in 2001 by becoming the first chapter to implement a programme on monitoring media fairness in elections. Over the course of the three weeks leading up to the February local elections and a referendum on constitutional amendments, FCS monitored direct access programmes, daily news, special information programmes connected with the elections and voter education programmes that were broadcast on 9 national and local radio and television stations. The results of the media monitoring programme indicated that the ruling party was given far more airtime than other political parties and independent candidates. The results of the media monitoring programme were delivered to the Ministry of Justice, all political parties as well as donor and UN agencies, and received wide media coverage. TI-Yemen hopes that this exercise will encourage fair competition rules to be implemented in future election processes.

TI-Zimbabwe held a training workshop for investigative journalists in May. The workshop aimed to encourage journalists and media outfits to take an active role in exposing corruption in Zimbabwe. It was also designed to build journalists' capacity to conduct investigative journalism responsibly. Presentations were heard on prominent corruption cases and the experiences of the journalists who had reported on them. Discussion followed on constraints to investigative journalism. TI-Z agreed to monitor press reports to build information on corruption and related issues and to co-ordinate a network of likeminded journalists. Journalists pledged to expose the inadequacies of the Freedom of Information Bill before it becomes law.

[back to menu](#)

Creating synergies in the Asia/Pacific

Regional co-operation in South Asia

Representatives of the South Asian chapters (Bangladesh, Nepal, Pakistan, Sri Lanka and India) and TI-Secretariat met in Sri Lanka in June at a regional meeting organised by TI-Sri Lanka. Chapters agreed that co-operation with governments should not compromise their independence and credibility. The lack of women's participation in most of the chapters was addressed as a major problem. Chapters agreed to continue their work on a regional corruption survey and to make further use of the regional web site. They also decided to start working individually on country studies of national integrity systems, which could later be assembled in a regional document. Identifying possible cases of corruption within the OECD convention framework will also be a priority.

Regional co-operation in South East and East Asia

Delegates from **TI-Philippines**, the Centre for Social Development (Cambodia), **TI-Indonesia**, the Information Clearing House (Japan), **TI-Korea**, **TI-Malaysia**, **TI-Thailand**, and TI-Secretariat met at Subic Bay, Philippines in June at a regional meeting organised by TI-Philippines. TI Vice-Chairman Tunku Abdul Aziz called on the need for better communication between national chapters. He also emphasised the difficult situation for the Asian chapters, who are caught in a crossfire since they are often regarded as representatives of western interests by their own societies. He and several chapter representatives stressed the role of the Bribe Payers' Index as a key instrument for TI. Chapters decided to work on individual country studies, which in future would be developed into a national integrity system audit as a regional project. They also concurred to send information and documentation to the East Asia Pacific web site, a consolidated regional database.

Pacific regional meeting

The five existing National Chapters in the Pacific Region (**Australia, Fiji, New Zealand, Papua New Guinea** and recently established **Vanuatu**) met with representatives of TI-S for a seminar in July in Nadi, Fiji. Also present were observers from Kiribati, Samoa, and Tonga, the Auditor General of Fiji, and representatives of the Ombudsman's office and UNDP. The head of the South Pacific Forum (SPF), outlined SPF's recommendations and action plans against corruption and money laundering and declared their interest in joining forces with civil society organisations, and specifically TI. Discussions culminated in a communiqué, calling for concrete actions to be taken. A copy of this text is available from TI-Secretariat

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

A sample of corruption cases from around the world

 [Africa](#)  [Americas](#)  [Asia and Pacific](#)  [Europe](#)  [Middle East/North Africa](#)

- [Africa](#)
- [DR Congo](#): Public sector sackings
- [Lesotho](#): Kingdom puts Western contractors on trial for bribery
- [South Africa/Germany](#): German prosecutor probes arms deal

- **Zambia:** Politician killed on day he was to testify in corruption case
- **Zimbabwe:** Oil boss arrested over corruption

- **Americas**

- **Argentina:** Former President Menem arrested over arms scandal
- **Brazil:** Allegations of corruption hit Brazil's Senate head
- **Mexico:** 'Towelgate' scandal
- **USA:** Justice Dept. rejects probe
- **Venezuela:** Bank directors resign in corruption scandal

- **Asia and the Pacific**

- **China:** Popular protests over corruption
- **Fiji:** Computer problem wipes out financial records
- **Japan:** Bottomless graft at Foreign Ministry
- **Japan:** Bribery on whaling suspected
- **Malaysia:** Ruling party punishes corrupt officials
- **Taiwan:** Nine former navy officers are indicted
- **Thailand:** Premier cleared of corruption charge

- **Europe**

- **Germany:** City corruption probe widens
- **Poland:** Scandals abound
- **Turkey:** Another Turkish Cabinet minister forced to resign
- **Ukraine:** Journalist dies after beating by unknown assailants
- **UK:** Regulator fines PaineWebber for lax controls

- **Middle East/North Africa**

- **Tunisia:** Champion of freedom jailed
- **Egypt:** Zero tolerance

[back to menu](#)

[TI-Home](#)

Africa

DR Congo: Public sector sackings

Joseph Kabila, president of the Democratic Republic of Congo, has dismissed the top executives of all public sector companies, including copper and cobalt mining giant Gecamines. The executives - managing directors and board members - were suspended last month after the government of the central African country said an audit had uncovered gross mismanagement. State radio said that provisional boards have been put in place and anyone interested was asked to apply for the vacant posts. A total of 50 state-owned enterprises are affected. Public mismanagement thrived under the late dictator Mobutu Sese Seko and Mr Kabila's father, Laurent, who took power in 1997 and faced a foreign-backed insurgency the following year.

Financial Times, 4 September 2001

[back to menu](#)

Lesotho: Kingdom puts Western contractors on trial for bribery

Multinational companies are about to go on trial in Lesotho accused of paying huge bribes to a local official, a case virtually unprecedented in Africa. Canadian and European engineering companies are alleged to have paid an official about £3m for contracts for one of the continent's biggest engineering projects, the £1bn construction of huge dams to supply water and electricity to South Africa. If convicted, the companies will almost certainly be barred from bidding for contracts funded by the World Bank and the European Union. The case is likely to increase the pressure on European countries to enforce international conventions aimed at holding companies that pay bribes responsible in their own countries. The case began in June with the trial of Masupha Sole, former chief executive of the Lesotho Highlands Development Authority, who has pleaded not guilty to 16 counts of bribery and fraud. The development authority successfully sued its former chief executive in a civil case and planned to recover money due to it through a court-ordered auction of Sole's property on 1 September. Sole's three houses in suburban Maseru, 4 vehicles, and household items were to be sold to the highest bidder.

*The Guardian, 19 June 2001;
Business Report, 19 August*

[back to menu](#)

South Africa/Germany: German prosecutor probes arms deal

Pretoria's multi-billion dollar arms package has attracted fresh controversy since a newspaper published details of 33 luxury cars it said industry giant European Aeronautic Defence and Space Company (EADS) provided for leading politicians and defence officials close to the deal. The German prosecutor's office in Munich has launched an investigation in July into EADS's role in the defence package, specifically into allegations that luxury cars were used to help defence companies win contracts. The firm has an operating base in Munich and has won sub-contracts as part of Pretoria's purchase of new corvettes, helicopters, submarines and fighter aircraft.

Reuters 4 July 2001

[back to menu](#)

Zambia: Politician killed on day he was to testify in corruption case

Paul Tembo, President Frederick Chiluba's former campaign manager and then a defector to an opposition party, was shot dead in his bed on 6 July. Tembo was killed just hours before he was due to give evidence to Zambia's Anti-Corruption Commission, which is investigating allegations that the finance, home affairs, and works and supply ministers illegally used US\$ 625,000 of state money to finance a ruling party convention. President Chiluba immediately announced he was calling in Britain's Scotland Yard to investigate, but they later refused to do so. Chiluba insists there is no evidence linking his party to the murder.

Africa Confidential 13/27 July 2001

[back to menu](#)

Zimbabwe: Oil boss arrested over corruption

The chairman of Zimbabwe's state-run oil company (NOCZIM), Nicholas Kitikiti, was arrested in connection with a deal in which the cash-strapped firm was swindled of some US \$4 million. Kitikiti is reported to have approved a deal in which NOCZIM lost the funds to a private company, Quenora Investments, which was supposed to have procured fuel on its behalf. Except for the past few weeks, Zimbabwe has since December 1999, experienced severe fuel shortages, while the prices have tripled over the same period. The shortage has been attributed to corruption at NOCZIM and an acute shortage of foreign exchange for importing the petroleum products.

Sunday Times (South Africa), 6 August 2001

[back to menu](#)

The Americas

Argentina: Former President Menem arrested over arms scandal

For the first time in Argentina's history, a former elected civilian president has been arrested and detained. Federal Judge Jorge Urso ordered Ex- President Menem under house arrest in June, held in an investigation into accusations of an "illicit organisation", that funnelled arms to Croatia in 1991 and to Ecuador in 1995, despite UN- arms embargoes on both nations. He could face up to 10 years if charged and convicted of trafficking weapons. For some observers, Menem's house arrest represents a triumph over corruption for Argentina's beleaguered judicial system. Menem's two administrations were dogged by allegations of rampant corruption and misuse of public funds. A money-laundering probe currently underway in the Argentine congress is looking into other allegations of corruption under his rule.

Financial Times, 7 June 2001

[back to menu](#)

Brazil: Allegations of corruption hit Brazil's Senate head

The mounting campaign against corruption in Brazilian politics claimed a new casualty when Jader Barbalho stood down as president of the Senate amid a flurry of allegations of misconduct. Although Mr Barbalho has only taken a two-month leave of absence from running the Senate to defend his name, he is unlikely to return to the position. He now faces a tough battle to avoid being expelled from Congress and lose the immunity from prosecution that goes with being a senator. If he were to lose his mandate, he would be the third senator this year to depart in the face of allegations of misconduct. In May, Antonio Carlos Magalhães, a former Senate president, and José Roberto Arruda resigned before proceedings to expel them began. Confronted with an avalanche of corruption allegations, which the press has aggressively pursued, Brazilians have been divided over whether graft is on the rise or whether politicians are losing the immunity they once enjoyed.

Financial Times, 20 July 2001

[back to menu](#)

Mexico: 'Towelgate' scandal

In June it was uncovered that towels costing over US\$ 443 each and sheet sets costing more than US\$ 4000 were bought for the Mexican president's residence. These luxury items come from a supplier who apparently only exists on paper. The scandal came to light through the disclosure of the purchases on the government's Internet site. The obscurity surrounding the seller and what seemed impossibly high prices paid for everything from bath towels to sets of electronic operated curtains has led many in Mexico to suspect corruption. Francisco Barrio, the federal auditor and cabinet official in charge of tackling corruption, will carry out an investigation. Mr. Fox came to power last year promising austerity and honest government. "Towelgate" has become one of the stiffest tests yet for president Fox's stated commitment for greater accountability in government.

*The Times (UK), 26 June 2001,
<http://www.aol.com>, 20 June 2001*

[back to menu](#)

USA: Justice Dept. rejects probe

The Justice Department turned down a request by Judicial Watch to open a criminal investigation into allegations that Republican House Majority Whip Tom DeLay promised meetings with White House officials to political donors. The press reported in April that DeLay, in a taped telephone message sent to businessmen, asked them to serve as "an honorary member of our new Business Advisory Council." As a member, he said, "you will be invited to meetings with top Bush administration officials where your opinions on issues like tax reform will be heard." DeLay's lawyer said he had complied with the law. The former head of the Justice Department's public integrity section, told Judicial Watch that it is legal for congressional Republicans to offer meetings with government officials in exchange for campaign contributions. "The Justice Department's position that government officials can sell access for campaign contributions is contrary to the law and common sense," stated a Judicial Watch statement.

Associated Press, 16 August 2001

[back to menu](#)

Venezuela: Bank directors resign in corruption scandal

After four members of the Venezuelan People's Bank's board of directors quit earlier this year, the remaining directors of this bank resigned amid an investigation into irregularities that may amount to corruption. The Bank was created by President Hugo Chavez to serve the poor. People's Bank President Roberto Rodriguez is accused of bypassing the board of directors in approving dozens of loans and financial transactions. He is also accused of spending millions of dollars earmarked for low-interest loans on government bonds. The director's resignation comes amid mounting corruption allegations against key government social programmes. The allegations threaten to erode public confidence in Chavez's vow to crack down on corruption, a pledge that was a key to his overwhelming 1998 election

*Wall Street Journal, 7 June 2001,
<http://www.news.excite.com>, 19 June 2001*

[back to menu](#)

Asia and the Pacific

China: Popular protests over corruption

The Chinese government has admitted in an unusually candid official report that there is growing social unrest and it is worried about protests against corruption and other misdeeds. The report admits that protests by up to 10,000 people are becoming increasingly common, especially in rural areas, and predicts that "massive grievances are likely to increase" in the next few months. Popular resentment at heavy taxes, levied by often-corrupt bureaucrats has boiled over into attacks, it says. Farmers in many parts of the country are being forced by greedy, corrupt and impoverished local governments to pay ever-higher fees for such purposes as education and infrastructure. These often amount to over 10 % of farmers' incomes, which have anyway been stagnant for the past four years. The unrest is likely to worsen with China's imminent entry into the World Trade Organisation, the report says, apparently referring to the likelihood that the country's inefficient agriculture will be overwhelmed by foreign rivals gaining access to the Chinese market.

*The Guardian (UK), 5 June 2001;
The Economist, 16 June 2001*

[back to menu](#)

Fiji: Computer problem wipes out financial records

The Secretary of Finance for the Republic of Fiji in the Pacific Ocean admitted that a computer glitch wiped out the nation's entire financial records for the year 2000. The Minister denied press allegations that the incident is just a cover up for corruption and mismanagement. According to the official version, a technical error of unprecedented magnitude at the Government Computer Centre wiped out all records in February. The Minister, Mr. Solomone Kotobalavu, instructed all 52 government departments to manually re-enter the whole year's data into computers. With the civil service struggling from severe cutbacks, it is bound to take

some time.

pravda.ru, 12 July 2001

[back to menu](#)

Japan: Bottomless graft at Foreign Ministry

In July two officials were arrested on suspicion of inflating the number of cars hired for use by the staff of a ministry group handling preparations for last year's Group of Eight summit meeting in Okinawa Prefecture. In the same month, another former high-level officer pleaded guilty to charges of embezzling US \$ 4.5 million from a secret Cabinet budget from 1997 to 1999, which he used to fund a lavish lifestyle that included buying race horses and tipping bar hostesses. In August it came to light that an official had billed the ministry for four years for personal hotel and dinner expenses, with the amount reportedly reaching tens of thousands of dollars. On the same day, Prime Minister Koizumi ordered the dismissal of the ambassadors to the United States, the UK, head of the Japan International Co-operation Agency, and Japan's current deputy foreign minister.

*Mainichi Shimbun, 31 July/2 August 2001,
International Herald Tribune, 2 August 2001*

[back to menu](#)

Japan Bribery on whaling suspected

Reportedly, Japan bribed various countries in particular small island States in the Caribbean as well as the Solomon Islands in the Pacific, and Guinea in Africa, on the International Whaling Commission to vote in favour of overturning a 14 year moratorium of commercial whaling and for blocking a motion to establish a whale Sanctuary in the South Pacific. Commercial whaling is banned world-wide under the Commission's 1986 moratorium, but Japan legally kills about 500 whales a year - including about 400 minke in the Antarctic Ocean - under the guise of scientific research, selling the meat to shops and to restaurants. Japan is accused of offering development aid to countries and for paying their membership dues to the Commission with a view to influencing their votes in favour of the Japanese stance at the Commission. Japan refutes the allegations of aid-for-votes saying a number of developing countries backed Japan at the IWC out of coincidental interests.

Reuters, 25 July 2001

[back to menu](#)

Malaysia: Ruling party punishes corrupt officials

The ruling party suspended six senior officials for corruption in June. The United Malays National Organisation's disciplinary board found the six men guilty of paying money to secure votes during the party's internal election in April. They have been stripped of their posts and will be barred from holding any positions for up to six years, according to the disciplinary panel's chairman. The decision brings to 21 the number of

UMNO officials found guilty of vote buying during April's nation-wide balloting to choose leaders for the party's 165 divisions. The posts are often hotly contested by officials hoping to win more senior government positions and tenders for lucrative public projects.

New Straits Times, 18 June 2001

[back to menu](#)

Taiwan Nine former navy officers are indicted

Taipei prosecutors have named former officers who face charges for irregularities surrounding the purchase of French and German naval hardware. After nearly a year of investigation, prosecutors yesterday handed down indictments against nine former naval officers over the high-profile scandals surrounding the purchases of French Lafayette frigates and German-made minesweeper components. Prosecutors said the navy had inflated the prices of the six Lafayette frigates and illegally benefited the French manufacturer Thomson-CSF the sum of 2.4 billion francs (US\$3.3 million). The two cases represent part of a complicated series of arms deals. The Lafayette scandal has also rocked the political establishment in France.

*The Taipei Times, 6 July 2001,
Business Day, 4 July 2001*

[back to menu](#)

Thailand Premier cleared of corruption charge

In a split 8-7 decision, Thailand's Constitutional Court cleared Prime Minister Thaksin Shinawatra of charges of intentionally concealing millions of shares - held in the names of his household servants - from a 1997 mandatory assets declaration. In December, Mr Thaksin, the tele-communications tycoon-turned-politician came to power in a landslide election victory and was indicted by the National Counter-Corruption Commission (NCCC) for concealing his wealth from the public, an offence punishable by a five-year ban from politics. During his trial Thaksin appealed that the omission of the shares - which represented just about 2.5 per cent of his vast wealth - was an "honest mistake", and not a deliberate attempt to hide his assets. The Court's decision to acquit him marked the first time it has not upheld an NCCC indictment. The judgement has been criticised as setback for Thailand's political reform process aimed at cleaning up the country's notoriously corrupt political life. But Thaksin's millions of supporters see him as the country's best hope for pulling out of its current economic stagnation.

Financial Times, 3 August 2001

[back to menu](#)

Europe

Germany: City corruption probe widens

In the 48 hours since the Frankfurt public prosecutor ended its investigations and arrests in connection with corruption in the city's construction administration, 18 employees of the city's law enforcement agency have turned themselves in to authorities. Citizens also submitted another 20 tips on possible criminal conduct in the construction administration and at the city's Frankfurt Construction Company, thus widening the circle of 200 known suspects in state-owned and private firms. The incidents under investigation involve small bribes and expensive gifts allegedly given to city officials in exchange for consideration in the allocation of construction projects. But Frankfurt's chief prosecutor, Wolfgang Schaupensteiner, said that the "corruption in Frankfurt is not limited to the construction industry."

Frankfurter Allgemeine Zeitung, 14 July 2001

[back to menu](#)

Poland: Scandals abound

The ugly sight of three corruption scandals surfacing within a month in Poland has raised serious questions about the country's reputation for financial probity. The latest Polish scandal concerns Communications Minister Tomasz Szyszko, who was sacked amid allegations that more than 90 per cent of the ministry's contracts had been awarded without the required tenders. Earlier, the prime minister dismissed Romuald Szeremietiew, the defence ministry's head of contracts, after a report that an aide had taken bribes. Meanwhile, the police have arrested Grzegorz Wieczerzak, former head of PZU Life, the state-controlled assurance company, amid reports of questionable loans by managers to associates. The only good news is that the scandals have been unearthed quickly by auditors, police prosecutors and investigative journalists.

Financial Times, 7 May 2001

[back to menu](#)

Turkey: Another Turkish Cabinet minister forced to resign

Turkey's housing minister has resigned in a corruption scandal that included allegations that officials demanded 10% kickbacks on contracts to build houses for victims of a 1999 earthquake. Koray Aydin's resignation, the fourth by a Cabinet minister this year, illustrates the intense pressure on the government to cleanup corruption as it faces an economic crisis that has led to mass layoffs and a 50% devaluation of the currency. Government corruption is considered a root cause of the crisis. In June, the Turkish government dealt a blow to the credibility of its efforts to fight corruption by dismissing Sadettin Tantan, the respected interior minister who had been at the forefront of a growing clean-up campaign.

*USA Today, 6 September, 2001;
Financial Times, 6 June 2001*

[back to menu](#)

Ukraine: Journalist dies after beating by unknown assailants

The manager of a regional television station in eastern Ukraine has died of his injuries, after being attacked earlier this week. Alexandrov, the 45-year-old director of TOR television, fell into a coma after as yet unidentified assailants beat him with baseball bats in the stairwell of the building where the station's offices are located. His fellow journalists have linked the attack to his investigative reporting on corruption and organised crime in the region. Eleven journalists have been killed in the past five years in Ukraine, where reporters are often the targets of threats and violence.

Agence France Presse, 9 July 2001

[back to menu](#)

UK Regulator fines PaineWebber for lax controls

The Securities and Futures Authority imposed a fine of US\$508,000 - its second-largest so far - on PaineWebber, part of Switzerland's UBS, for lax controls after it found that 15 London banks had handled US\$1.3 billion of Nigerian cash allegedly stolen by former dictator Sani Abacha. However, the regulator said that while anti-money-laundering procedures at PaineWebber were not up to standard, it had found no cases of money laundering. It also denied that the case of the broker was being used to demonstrate the Authority's tough approach to money laundering after it failed to name the banks involved in the Abacha case. "There were no tools under the Banking Act [under which banks are regulated] to impose disciplinary action or fines," it said. New powers to be given to the regulator in November will allow it to fine any financial services company for money laundering failures, or to instigate criminal prosecutions.

Financial Times, 22 August 2001

[back to menu](#)

Middle East/North Africa

Tunisia Champion of freedom jailed

Journalist and human rights activist Sihem Bensédriine was temporarily released on 11 August, after spending 7 weeks in prison. Bensédriine still faces charges of contempt of court and a trial is expected later this fall. Bensédriine, editor and managing director of the on-line magazine Kalima and spokesperson of the National Council of Liberties (CNLT), was arrested at the Tunis airport on 26 June after returning from a two-week stay in Europe. Her arrest came just days after she appeared in a popular television programme on a private London-based Arabic television station. (Al Mustaquilla). Speaking on the topic of corruption in Tunisia, she directly named relatives of the president. Bensédriine said she owed her freedom to the support of Journalists without Borders, the National Council of Liberties and other human rights groups, who campaigned for her release.

Le Monde, 13 August 2001

[back to menu](#)

Egypt Zero tolerance

With state newspapers hailing an unprecedented campaign against official corruption, General Prosecutor Maher Abdel Wahed has launched a pair of investigations that could reach into the highest levels of Egypt's business and financial structures. In the space of two days last week, Abdel Wahed announced investigations into high-level abuses by both the head of the Cairo and Alexandria Stock Exchange (CASE) and a former Minister of Finance. CASE Head Sameh Torgoman faces charges of financial misdealing and passing out patronage jobs. Former Finance Minister Mohie Eddin Al Gharib, along with nine former officials and businessmen, has been referred to a state security court on charges of abusing the powers of his office.

Cairo Times, 20 June 2001

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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About us	Contact us	News Room	Research & Publications	Building Coalitions	Projects and Activities			
mission & strategy	TI history	how TI is organised	TI Newsletter	how to support TI	financial reports	annual report	what TI does	FAQ's

 [back to TI Home](#) | [links](#) | [guestbook](#) |  |  |  |

please choose text size | **A** | **A** | **A** |

TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

In light of the tragic events of 11 September in the United States, our thoughts and deep sympathy are with our American partners, the American people and everyone affected by this catastrophe.

After three initial workshops held this past year in Mauritius, Morocco, and Senegal, the final Source Book Adaptation Workshop for **Francophone Africa** took place at TI-S in Berlin in June. The workshop brought

together 14 representatives from 8 countries, and included lawyers, professors, and journalists. Final versions of Source Book chapters are now being reviewed by the editor-in-chief, Djillali Hadjadj, and publication is scheduled for the end of 2001.

The Anti-Corruption Research of Tsinghua University in Beijing has signed an agreement with TI-S to translate into **Chinese** the latest version of the TI Source Book. The finished translation should be available by the end of 2001

In September, the TI-Secretariat (TI-S) together with the International Institute for Environment and Development (IIED) organised a workshop in Berlin on **corruption in the mining and minerals sector** for the Mining, Minerals and Sustainable Development (MMSD) Project. The workshop brought together some 30 experts from research institutions, non-governmental, community-based organisations, business, governments and international organisations from different mineral-producing countries. The end product will be presented to mining company CEOs in spring 2002, for policy decisions on their part. For more information please contact **Miguel Schloss** (ms.transparency@verizon.net) who is co-ordinating TI's involvement in this sector.

[back to menu](#)

The TI web site will be re-launched in the fall with a new design. In the meantime, much of the Best Practice material referred to in the TI Source Book is being housed on the TI Bangladesh web site. It is accessible at: <http://www.ti-bangladesh.org/cgi-bin/cgiwrap/Wtiban/bpvo.pl>

If the material you are searching for is not available, please contact the TI-S office in London mail to: **Carolin Schlippe**.

CORIS - TI's new Corruption On-line Research and Information System - will be launched this fall. CORIS is a searchable database with more than 6,000 bibliographical references. Information materials, such as news clippings, reports, legal texts, books, periodical articles, research studies and occasional papers, conference papers and proceedings and a variety of grey literature, can be accessed through CORIS using more than 200 keywords. A workshop at TI's Annual General Meeting will provide an exchange between TI Secretariat and the National Chapters on the future of CORIS.

Staff changes at TI Secretariat

Miguel Schloss, former Executive Director for Latin America and the Caribbean, will begin a new and challenging assignment at TI. Miguel has greatly helped to shape regional strategy at TI-S since 1998, and starting this month, Miguel will work on a largely volunteer basis as Director for Issue Management. In this capacity he will spearhead global initiatives, including work with mining and petroleum sector companies, development of the Anti-Corruption Tool Kit. On an interim basis Miguel will continue to manage TI's work in the Middle East & North Africa Region, Portugal and Spain.

TI welcomes **Gustavo Rayo**, new Executive Director for Latin America and the Caribbean. Gustavo, a Chilean, most recently served as Head of Planning and Studies in the Social Investment Fund in Chile and before that in the National Training and Employment Service. Since 1997 he has served as the Chilean representative of the APEC Human Resources Development Working Group. Gustavo also taught Public Policy Analysis at the Political Sciences Institute of the University of Chile. In the 1970s and 1980s he worked with several Chilean and international human rights organisations.

We welcome **Basheerhamad Shadrach**, TI's new Head of the Knowledge and Information Services Unit. B. Shadrach will lead the further development of CORIS (Corruption On-line Research and Information Service). Shadrach has worked in the information field in India and in the UK since 1986. He has managed a number of information projects for the Indian Express Newspaper Group, The British Council and DFID in India. He also brings experience in designing and implementing the DFID-funded indev project and promoting the web among grassroots NGOs in India.

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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About us	Contact us	News Room	Research & Publications	Building Coalitions	Projects and Activities			
mission & strategy	TI history	how TI is organised	TI Newsletter	how to support TI	financial reports	annual report	what TI does	FAQ's

 [back to TI Home](#) | [links](#) | [guestbook](#) |  |  |  |

please choose text size | **A** | **A** | **A** |

TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

Global Corruption Report 2001

Introduction by Peter Eigen, edited by Robin Hodess

The GCR is the new definitive annual overview of the state of corruption around the globe from Transparency International. As well as expert analysis of party funding, money laundering and corruption in the diamond trade, the GCR 2001 will feature in-depth regional reports from across the globe, and a comprehensive data and research section.

Publication date: **15 October 2001**.

More information is available at <http://www.globalcorruptionreport.org>

Corruption and Government: Causes, Consequences and Reform

by Susan Rose-Ackerman, Cambridge University Press, 1999

Winner of the Charles H. Levine Prize for the best book published in the field of public policy and administration in 1999. Published translations include Chinese, Korean, Spanish, and Polish. Further translations have been contracted for Portuguese, Croatian, Georgian, Lithuanian, Romanian, Russian and Arabic.

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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About us	Contact us	News Room	Research & Publications	Building Coalitions	Projects and Activities			
mission & strategy	TI history	how TI is organised	TI Newsletter	how to support TI	financial reports	annual report	what TI does	FAQ's

 [back to TI Home](#) | [links](#) | [guestbook](#) |  |  | 

please choose text size | **A** | **A** | **A** |

TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

7-11 October 2001, Prague, Czech Republic

The 10th International Anti-Corruption Conference (IACC) will include 72 hands-on workshops on money laundering, the media, corruption in aid, sport, health, education and conflict zones, and party funding. President Vicente Fox Quesada of Mexico, Milos Zeman, Prime Minister of the Czech Republic, and justice ministers and public prosecutors from around the world will attend. They will join top representatives of private business, including the mining, petroleum and banking sectors, and leading NGOs, including Global Witness, Greenpeace, Jubilee +, Article 19 and Human Rights Watch. Transparency International provides the secretariat for the event. For more information, please see: <http://www.10iacc.org>

15-17 October 2001, Montréal, Canada

International money laundering conference. Registration and information can be found at <http://www.ciba-implc-rcmp-grc.org>

15-18 October 2001, Wilton Park, Sussex, United Kingdom

Improving Accountability and Transparency across Europe.

For information please contact Caroline Burness-Smith at caroline.burness@wiltonpark.org.uk
or tel: +44 (0)1903 817779.

15 October 2001

Launch of Transparency International's Global Corruption Report 2001

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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Document last modified: undefined

TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

TI has grown tremendously since its foundation in 1993, triggering - to our delight- more and more interest all around the world in receiving our Newsletter. Originally, we sent out the Newsletters to most of our readers free of charge. However, we are facing ever increasing mailing and production costs which no longer can be met by our scarce budget. Thus we would kindly like to ask the readers to make a contribution to our production and distribution if they wish to receive the print version of the Newsletter.

The subscription fees are as follows:

- Individuals: \$ 50 p.a.
- Institutions & Companies: \$100 p.a.

Special arrangements can be made for those who cannot afford this or who are interested in exchanges of publications. Please help us by helping you by taking out a voluntary subscription today.

If you would like to regularly receive the print version of our Newsletter, please contact our [International Secretariat](#) in Berlin. We will start your subscriptions as soon as we have received your subscription fee. Payments can be made in one of the following ways:

- ...if you live in Germany, our bank account is:

Dresdner Bank AG
BLZ 100 800 00
Konto-Nr. 09 33 21 45 00

- ...if you live in the European Union, Iceland, Norway or Switzerland (but not in Germany) the most convenient payment mode is via Euro Transfer to

Dresdner Bank AG
Bank code 100 800 00
Acct. No. 09 33 21 45 00
S.W.I.F.T. - code DRES DE BB

- ...if you live in the United States please use our US bank account at:

Allfirst Bank
1730 Pennsylvania Ave. NW
Washington, D.C. 20006
Acct. No. 00544-4533-9
Acct. Name: Transparency International

- ...if you live anywhere else please make your donation to our bank account in the United States.

We thank you for supporting us.

[back to menu](#)

[back to Newsletter archive](#)

[TI-Home](#)

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About us	Contact us	News Room	Research & Publications	Building Coalitions	Projects and Activities			
mission & strategy	TI history	how TI is organised	TI Newsletter	how to support TI	financial reports	annual report	what TI does	FAQ's

 [back to TI Home](#) | [links](#) | [guestbook](#) |  |  |  |

please choose text size | **A** | **A** | **A** |

TI Newsletter

September 2001

Editorial	The Third Page	International Organisations	
Recent Reforms	TI Country Activities	Corruption Reports	TI Internal
New Publications	Conferences	Voluntary Subscription	Impressum

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