



# INTERNATIONAL ANTI-CORRUPTION CONFERENCE (IACC)

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## 8th INTERNATIONAL ANTI-CORRUPTION CONFERENCE

### The Papers

#### Civil Society in the Fight Against Corruption

[Lima Declaration](#)

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**Chairman, Transparency International**

## I.

The theme of this year's International Anti-Corruption Conference is "The state and civil society in the fight against corruption". As a representative of civil society I find it both exciting and remarkable that the hosts and the organising committee of the conference made that selection. It is exciting in the sense that new forms of collaboration between government and civil society will be devised, analysed and discussed during this conference, new forms of co-operation from which both partners stand to gain.

And the theme of the conference is remarkable, even courageous in the sense that everyone knows how unruly civil society can be perceived to be. Our hosts are therefore to be congratulated on the choice of this theme, congratulated on its courage in recognising and encouraging civil society as a key player.

In historical dimensions, civil society is a recent force on the global landscape. While community groups, churches and religious groups, the media or political interest groups have long played important roles on the local and national levels, the more proactive involvement in global problems of non-governmental organisations has only recently graduated from the national level. In the areas of development, the environment and human rights, NGOs have added a new dimension to traditional politics and have helped humankind find new forms for addressing our global problems. Today, it is no longer contentious to say that without the active involvement of civil society we would live in a world ridden with even more violence and human rights abuses, burdened with greater social injustice and equipped with less sensitivity to the ecological problems we are facing. As our TI member Jessica Mathews put it in a recent article in Foreign Affairs: "Except in [...] a few [...] places where culture or authoritarian governments limit civil society, NGO's role and influence have exploded in the last half decade."<sup>[1]</sup>

## II.

This is particularly true for the subject of this conference. We at Transparency International believe that the involvement of civil society is an integral part of any successful fight against corruption. A non-governmental organisation ourselves, we regard the mobilisation of civil society as key to achieving success. It is our philosophy, however, that for dealing with this overwhelming problem of corruption the best position for civil society is within a broader coalition consisting of three key pillars: government, the private sector and civil society. All three partners have to be involved for the fight against corruption to be credible as well as effective and sustainable.

Moreover, in containing corruption each society has to find its own way to salvation -experience gained elsewhere may enlighten and inform the process, but are no substitute for home-grown solutions to home-grown problems. Each of us has difficulty in addressing corruption in our own countries: none of us has off-the-shelf answers for others.

Co-operation is the key at all levels in our common quest to curb what we see as the "abuse of public power for private profit."<sup>[2]</sup> At an early stage in this collaboration, government, the private sector and civil society will have to come together to diagnose the problem, each player bringing in its special experience and its own perspectives. Learning from each other's

experience in that first phase will then help to define the problem, the underlying issues more sharply, which in turn will enable us to develop realistic counter strategies. Finally, a joint approach is needed to effectively implement and monitor the concrete measures - if possible jointly agreed measures - to stem the tide of corruption. Each sector needs the support or at least the vigilant partnership of the others translating coherent strategies into a better, a more transparent reality.

It becomes clearer why this co-operation is so vital when one looks at the failure of those anti-corruption efforts which did not enjoy such broad support. As Frene Ginwala, the Speaker of the South African Parliament, has pointed out in a recent speech in Stockholm, a majority of military coups in post-independence Africa was publicly justified by the need to fight corruption. But the anti-corruption battles after the coups were often fought by commands of the generals from above - they did not involve the rank-and-file soldiers and the supply battalions, if you allow me to speak in these martial terms. As a result, most of these battles against corruption were lost, and often, the commanding generals were simply replaced by another coup.

What is true for government, is just as true for the private sector. Even if there is strong dedication in the business community not to get involved in any acts of bribery, it will be extremely difficult, some would say impossible, to hold on to these principles within a framework which does not adequately reward honesty and fair competition. Nicely elaborated Corporate Codes of Conduct will wither in a climate where corruption is systemic, where government is not accountable and where the private or public decision-making process is perverted by bribery and extortion.

And there can be no doubt that civil society would become engaged in a noble but futile tilting against windmills, if it attempted to confront corruption without involving those that can set the key parameters of the framework in which corruption can be fought - government - and those who should have the strongest interest in a corruption free market place: the private sector.

### III.

Of course, to state what does not work, does not automatically tell us what will work. Looking at the cases where unilateral action by just one player in the magic anti-corruption triangle has failed, does not by itself invoke why the collaboration of all three - government, private sector and civil society is so vital for the fight against corruption to be won.

So why exactly have the collaboration of all three? Would it not be sufficient if government and the private sector came up with an action plan against corruption themselves? Cannot the government introduce new laws, impose tougher sanctions and invent new control mechanisms all by itself and still fight corruption effectively?

The last can be answered simply: if existing laws languish unenforced or unenforceable and enmeshed in systemic corruption, what hope can there be in simply replacing one futile law with another? However, to find answers to all these questions, it is important to look at the underlying nature of all three sectors, to understand what specific contribution they can make to overcome corrupt practices. The kind of input each of them can provide is intricately linked to the sources of legitimacy of each, with each source opening new dimensions.

It is commonly held that the legitimacy of governments is derived from the people. A government to enjoy legitimacy must be accountable to democratic control by the people and by the rule of law. It is this legitimacy which gives government the moral standing and the strength to undertake reforms to quell corruption that may reach far into people's lives. It is this legitimacy which makes government a strong and reliable guardian of the public interest, which enables it to set a framework better equipped to deal with corruption.

The legitimacy of civil society also rests with the people, although it is differently structured. While many non-governmental organisations can claim a mandate to speak on global concerns and represent those interests underrepresented in the traditional political process, they are often not accountable to direct democratic control. Often, these organisations are not even democratically structured internally. What legitimises them is a concern about issues that are not being dealt with adequately in the national or international arenas, a concern about problems that often go beyond the limited reach of the nation-state.

Also, many problems are simply ignored and neglected by governments or addressed in a fashion which does not take into account the legitimate interests of those affected by governmental action. And the legitimacy of not-for-profit organisations is further fostered simply because their concerns do not arise out of self-interested profit-orientation, but as people who genuinely care about the public interest and the well-being of both the local and the global community.

In contrast to the other two pillars, the business community can claim to be an essential partner in the fight against corruption on a somewhat different basis. The private sector more than the others, is at the same time the perpetrator and the victim of corruption. Economic life is stifled, the risks and costs of corruption even for the most skilful sharks in the muddy waters of corruption, become so overbearing, that the great majority of private entrepreneurs are searching for an escape route from this vicious circle. It is the simple self interest, the enlightened self interest of the private sector and its stakeholders that gives its active role in a coalition against corruption legitimacy and purpose. The private sector also commands the skills and resources to deal with corruption, particularly with international corruption, in a concrete and practical manner.

This does, of course, not mean to say that the private sector enjoys supremacy over the other spheres - it simply means that there is mutual dependence between the economic foundations of a society and the social structures it builds thereon.

## IV.

There is no doubt about the mandate and legitimacy of government, the private sector and civil society to join in a coalition against corruption. What is the input each of them can make to the battle we are all here to join?

As a number of previous speakers at this conference have emphasised, the government's role is, above all, political leadership. A strong dedication to come to terms with corruption will mobilise society and, if genuine, can set free powerful resources no government alone could possibly muster. Governments will be expected to carry the formal responsibility to reform national and international integrity systems. It is they who can set the framework of legal and economic rules which make it harder or easier to engage in bribery and extortion. It is governments which have to reform political systems marred by a lack of transparency and accountability. Both the private sector and civil society will have to help identify the problem areas, and, judging from their experience, can help to devise remedies. But as Justice Brandlis once observed, the government is the supreme teacher, and it must lead by example.

The private sector also has a unique input to make. It is the dominant engine of the economy and an effective anti-corruption campaign can hardly be sustained against the opposition of the corporate community. It has experience which must be harnessed and its interests must be understood. Sound business has to be practised, not just preached. For TI the dialogue with the private sector thus is an important reality test for the feasibility of any proposed anti-corruption models - no rules and regulations will check corruption if the gap between ethical standards and competitive forces is too wide to be bridged. But if a way can be found to find an escape route from the corruption trap, without losing business in a dirty market, the private sector will become a strong ally.

In recent years we all have witnessed a powerful reaction of the peoples of the world against corruption. Often the anger and frustration of society has been spontaneous and unstructured. Corrupt elites have been swept away in Europe, Africa, Asia, Latin America. "Zero tolerance" with corruption has become the driving force of civil society as it organises and structures itself in an effective way to drive a systematic campaign for transparency and accountability of its political and economic elites.

The challenge to fighting corruption calls for a mobilisation also of technical and professional resources and interests that can form effective partners in coalitions against corruption.

Towards government, civil society has to play the roles of critic, cheer-leader, catalyst and advocate of those interests which are underrepresented. Where government falters - because it is weak or because problems cannot be solved through central planning or from above - the role of civil society becomes critical. It can help mobilise key people and it is needed to reach the hearts and minds of ordinary citizens who may find it hard to believe that their government is making a genuine effort to tackle corruption. And, above all, it is essential to raise public awareness, to awaken society to the disastrous effects of corruption and to get across the message that fighting it is possible if all in civil society support the effort. It can constantly remind governments that corruption has to be fought in the interest of those that can least defend themselves against devastating impact: the poor, the uneducated and illiterate, the unorganised and the weak.

## V.

It may be questioned whether this principle of co-operation can be applied to all cultures. How valid is it to call for collaboration between government, civil society and private sector throughout the world and on a global scale? Would this imply a belittling of cultural differences - differences in values or differences in social development that undoubtedly exist? Are there regions where civil society would play a less prominent role? Are there societies which do not tolerate an empowered civil society to join in the common cause to fight corruption as equal partners?

In an attempt to answer these questions it may be helpful first to look at the underlying problem of corruption. There is global agreement about its disastrous effects - the sheer number and diversity of people attending this very conference is ample testimony to that. Corruption occurs in every single society. Even in those countries perceived to be least affected by that disease the abuse of public power for private benefit is a constant threat. There is no society and no culture which condones secret payments into foreign bank accounts of its leaders to pervert the decision making entrusted to them in the common interest - every country has laws against corruption and no culture exists where corruption is socially accepted behaviour. However, causes of corruption differ from country to country. While a dysfunctional legal system may be the cause in one country, the transition from a hierarchical, traditional, rural society to today's global village may be the principal cause elsewhere. Also, what may be described as "corruption", can vary from one society to another. This is particularly true with practices surrounding gifts, legitimate and illegitimate hospitality and the use of personal connections. There is no one line between culturally and socially accepted behaviour on the one hand and nepotism and corruption on the other and each society has to draw this for itself.

Civil society will indeed be needed everywhere as it is the key for access to the values and ethical standards in cultural diversity. Governments and the private sector will need the support and involvement of civil society everywhere to mobilise people, to link the reform measures and integrity systems with the interests and experience of the people in different parts of the world. And yet there are common experiences with corruption that open the globe. Placed into the arsenal of coalitions against corruption in individual countries, they can form an effective set of arms, adapted to the needs of different battle

grounds, that can lead to effective change, locally and globally, for transparency and accountability.

## VI.

This IACC is an illustration and at the same time a significant contribution to that process of consensus building. Defining a consensus is a beginning, a precursor to concerted action. What we need then is not only agreement that the collaboration of government, the private sector and civil society is vital but also some agreement on how that collaboration can be organised and structured.

This challenge was guiding Transparency International from its very inception. As an international non-governmental organisation we tried from the beginning, to overcome the confrontational attitude that often prevailed between government and civil society and between the private sector and civil society. Because of the technical complexity of strategies against corruption, and the wide consensus for its control and elimination, one of the principles we adopted was that of coalition-building. Without shying away from confrontation, where this is needed, we search for consensus and common interests to enable government, the private sector and civil society to join hands in the fight against corruption,

Another guiding principle was that of a non-partisan approach to combating corruption. Certainly, it is frequently very hard to avoid that different strategies to tackle corruption re chosen along political party lines. In order to undertake far-reaching reforms that are often necessary to counter corruption a broad consensus throughout all layers of society is needed - often such a broad consensus would be difficult if not impossible to build if political parties played a dominant role in that process.

In consequence, Transparency International also does not investigate for exposure individual cases of corruption. This principle mirrors the importance we give to the collaborative effort of government, the private sector and civil society. It would not be possible to convince the corporate community that we have a sincere interest to learn from their experience and to develop preventive mechanisms and incentives to refrain from corruption if at the same time we singled out individual companies and accused them for their corrupt practice. On many occasions it is not just allegedly "immoral" or "evil" decisions that lead a company to fall prey to the trap of bribery - rather, it is real dilemmas many companies face when they attempt to do business in markets that are tainted by corruption. Rather than seeking to punish such "defensive" bribe givers, TI seeks strengthened integrity systems to build an escape from a serious dilemma. Systematic co-operation rather than exposure. scandal and punishment will lead to sustainable change.

## VII.

While on a national level it is relatively easy to arrange an open dialogue between government, the private sector and civil society, this is a more complex task internationally. Yet, the linkages non-governmental organisations can provide may be even more valuable here. While governments are often bound in their communications by diplomatic cautiousness and hierarchical structures, NGOs can do this with much greater ease. Eventually, through direct lines of communications, they can also assist governments to overcome an impasse in communications and to find solutions that save everyone's face. Already, as Jessica Matthews has rightly pointed out, many international NGOs have a wider world-wide web of contacts than many governments, and many combine greater skills and expertise and higher levels of professionalism in their particular domain than many governments can afford to invest in any one area.

Many international governmental organisations have already begun to open the door to the participation of NGOs. To name but a few of these international organisations one has to mention the European Union or the Organisation of American States, which, in its Inter American Anti-Corruption Convention explicitly calls for civil society involvement in the efforts to curb corruption. Also, the Organisation for Economic Co-operation and Development has specifically asked Transparency International to officially accompany the process of drafting an anti-corruption convention. By also including the private sector - through the International Chamber of Commerce - the OECD is perhaps the best example for the path-finding that is needed to involve governments, the private sector and civil society.

## VIII.

This conference would fail to have an impact if we were unable to identify concrete steps civil society could take in the fight against corruption. It should be borne in mind, however, that it will not be "civil society" as such which would act. Rather it will, at least initially, be small groups of civic-minded citizens that are hoping to make a difference. At first sight the tasks ahead of these groups seem intimidating. However, encouragement and inspiration can be drawn from the track record of Transparency International's National Chapters around the world. Their initiatives and programmes show very clearly that civil society, or rather its individual members, are not helpless and that there is no need to wait for governments to act.

Particularly in the area of awareness-raising, National Chapters can draw on the strength they derive from belonging to an international movement of civic-minded people. It allows them to draw the attention of the public and politicians in their country to emerging best practice in other parts of the world. It is indeed one of the potentially positive aspects of globalisation that each society can learn from the experience elsewhere and that the same mistakes need not be repeated over and over again. Transparency International has tried systematically to aid that process by publishing a source book which analyses the potential elements of a national integrity system and explains how all these elements function.

An ambitious way of collaboration between the three pillars of any meaningful anti-corruption system can also be seen in the model of Islands of Integrity which has been developed by Transparency International. This model tries to bring together government agencies and private sector bidders in public procurement, with civil society groups monitoring the agreement. It calls for transparency in all payments made in the procurement process and ties tough legal sanctions to any attempt to influence the bidding-process through corruptive measures.

## IX.

Activities I have briefly mentioned show that the involvement of civil society in the fight against corruption is more than mere talk. In them the term civil society has found new meaning. These initiatives also demonstrate that where the reach of governments is limited, where governments fail to act or are reluctant to take on new challenges, civil society stands ready to act.

However, the attentive audience I have had in the past half hour or so - a fair share of it being government representatives - indicates that governments may not be as reluctant to take on new challenges as may be feared. And those conference participants that feel most inclined to count themselves as being part of the private sector will hopefully also feel encouraged to try new paths in joint efforts to combat corruption.

By using the simple word "and", the theme of this conference simply states that the state and civil society are inextricably linked in the fight against corruption. May this conference contribute to finding out exactly how life can be breathed into the three letters of this tiny conjunction. The nexus between the state and civil society in the fight against corruption has to be imbued with concrete meaning. In light of what I said about involving the private sector (itself a part of civil society), it is to be hoped that adding one plus one yields three.

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## Notes and References

[1] Foreign Affairs. January/February 1997 (p.53)

[2] This was our working definition Of corruption; lately, we prefer to talk about "abuse of entrusted power for private profit" to capture also private-private corruption.

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