

**Part three**  
**Country reports**



## 6 Key developments in corruption across countries

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Corruption poses a threat to the development and internal stability of countries the world over. Although each country faces its unique combination of challenges, corruption is observed across the globe wherever there is a lack of transparency. The country reports in the *Global Corruption Report 2005* illustrate the wide scope of recent corruption scandals: electoral irregularities in Panama; police corruption in Cameroon; allegations of bribes to build a German soccer stadium; the Yukos affair in Russia; and allegations against the judiciary in Sri Lanka. There are examples of corruption from numerous sectors of the economy, including public works and construction, health care, banking, and oil and gas. Public contracting remains particularly vulnerable to corruption, as seen in examples from Burkina Faso, Canada, the Czech Republic and Poland.

Anti-corruption strategies, whilst underpinned by universal principles, have to be tailored to the specific requirements of each country. The anti-corruption challenges facing governments are diverse and the issues addressed in different country reports reflect this diversity. What the country reports have in common, however, is that they all tell the story of a quest for higher standards of governance, accountability and transparency.

### International commitments

By focusing on country-level developments, there is a risk of understating the importance of international commitments, whether made by governments or businesses. There has been a proliferation of international anti-corruption conventions in recent years, illustrating both the transnational nature of large-scale corruption and the pressure for reform that countries can bring to bear on each other. However, the ratification, implementation and enforcement of anti-corruption conventions remains a major challenge.

On 9 December 2003 the UN Convention against Corruption was signed in Mérida, Mexico. Agreeing on a global standard was a tremendous achievement, but it may take some years before the convention is widely ratified and implemented. The UN convention requires the ratification of 30 countries before it can enter into force, but only nine had ratified it at the time of writing (including only Kenya and Sri Lanka of the 40 countries profiled in the *Global Corruption Report 2005*). Nevertheless, the convention has already paved the way for the UN Global Compact to adopt a 10th principle, which

clearly states that '[b]usinesses should work against all forms of corruption, including extortion and bribery'.

Overall, a broad and comprehensive global legal framework is starting to take shape, and the OECD Anti-Bribery Convention (which makes bribery overseas a criminal offence at home) has already been ratified by all OECD countries and some others. However, passing this – and other conventions – into domestic laws has not yet been done satisfactorily, and there have still been very few prosecutions under the OECD convention. Monitoring the ratification, implementation and enforcement of conventions is a key global priority for Transparency International (TI).

## Legislative change

Pushed in part by international commitments, a positive trend in many countries is the number of anti-corruption laws that have been proposed, passed or implemented. Frequent areas for reform include TI's global priorities:

- improving public procurement (such as the implementation guidelines drafted for a new government procurement law in China)
- providing access to information (such as new legislation in Turkey)
- tackling political corruption (such as new campaign contribution limits in Canada)
- measures to prevent money laundering (in Indonesia and Ireland)
- regulating conflicts of interest (in Croatia and the Czech Republic)
- whistleblower protection (in Japan).

## The need for political will and stability

While legal change is important, a major challenge facing all countries is the implementation and enforcement of anti-corruption legislation at all levels of government. Above all, this process requires political will. Some leaders have shown a determined commitment to curb corruption, whilst political will seems to be lacking in other countries, such as Zimbabwe. Kenya exemplifies the importance of political will at a time of political transition – while the first post-Moi government came into office with a series of anti-corruption laws and major investigations, after 18 months observers were questioning whether the new government was willing to root out corruption in its own ranks.

The current upsurge in transnational terrorist attacks and global insecurity has provided the impetus for change in many countries. Global terrorism and international crime often rely on corrupt activities such as money laundering. Official anti-corruption initiatives are frequently linked to new security measures, as in Britain and Japan. While such measures can have a positive impact on corruption, it is important to

ensure that they do not infringe human rights, as we cautioned in the *Global Corruption Report 2003*.

Many of the country reports show that anti-corruption initiatives cannot prosper without political stability (for example, in Palestine and Peru). Political stability is in turn threatened if electoral procedures are corrupt or if human rights abuses are tolerated or even sanctioned by the state (for example, in Sri Lanka and Zimbabwe). A highly volatile and unstable political environment often characterises post-conflict countries in particular (for example, the Democratic Republic of Congo and Cambodia).

In those countries where civil society is mobilised and coalitions of civil society organisations have been created (see the recent examples in Cameroon, Croatia and Latvia), it has been possible to press governments to address corruption as a matter of priority. A striking example is Georgia, where the previous government was overthrown because of broad-based social mobilisation against rigged parliamentary elections. The transition resulted in the formation of a new government with a strong anti-corruption programme, committed to transforming a previously corrupt system.

## Introducing the country reports

The country reports are mostly written by TI's national chapters. There has been an expansion in the number of country reports in the *Global Corruption Report* from 34 in 2004 to 40 this year. Care has been taken to ensure a mix of regions and countries in order to reflect anti-corruption activities in large and small, as well as developed and developing countries, including both politically stable countries and others where there are high levels of political unrest. The inclusion or absence of a specific country does not, however, imply anything about its level of corruption.

Each country report begins with the country's score and rank in TI's Corruption Perceptions Index as well as a list of which anti-corruption conventions the country has signed or ratified (or failed to sign or ratify). The reports then briefly present relevant legal and institutional changes of the year July 2003–June 2004. The main part of each country report is an analysis of key corruption-related issues arising during the year under review. The reports do not attempt to be comprehensive in their coverage of issues.

The country reports in the *Global Corruption Report 2005* demonstrate the successes and failures of anti-corruption approaches at all levels of a country's state, private sector and civil society. They illustrate the progress that anti-corruption coalitions have made, but also the setbacks and the challenges ahead.

## Note

1. Cobus de Swardt is the director of global programmes at Transparency International.