FOURTH INFORMAL CONSULTATION BETWEEN THE OECD TRADE COMMITTEE AND CIVIL SOCIETY ORGANISATIONS (CSOs)

Submission by Civil Society Organisation

Transparency International Canada

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This paper has been submitted by Transparency International Canada for Session 1 of the consultation. The views expressed herein are those of the author and are not necessarily shared by Members of the OECD.
1. In order to effectively address the issue of the multilateral trading system and sustainable development, it is necessary to first address the problem of corruption.

2. “Corruption is one of the greatest challenges of the contemporary world. It undermines good government, fundamentally distorts public policy, leads to the misallocation of resources, harms the private sector and private sector development and particularly hurts the poor. Controlling it is only possible with the cooperation of a wide range of stakeholders in the integrity system, including most importantly the state, civil society and the private sector. There is also a crucial role to be played by international institutions.” (Rationale from Mission Statement of Transparency International, Annual Report 1997)

3. Indeed, corruption is a broad ranging issue. Transparency International (TI) is a global movement, with 80 National Chapters formed and forming, around the world. The area of focus of TI, since its establishment in 1993, has been on the corruption of the public sector by the private sector, using the definition of “the abuse of public power for private gain.”

4. As a coalition of the public, private and civil society sectors, TI recognizes the effect of corruption on all three pillars of sustainable development – social, economic and environmental. Without the containment of corruption, the disparity of wealth, between the rich and the poor, cannot be addressed. Without the containment of corruption, private sector development cannot reach its optimal contribution to social or economic development. Without the containment of corruption, the world’s resources will continue to be abused and sustainable development an unreachable goal.

5. What tools are at hand to combat corruption? There are several international agreements, such as the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions, the Inter-American Convention against Corruption of OAS, and the Council of Europe Criminal Law Convention on Corruption. These, however, are only as good as their implementation. Even knowledge of these conventions, on the part of the business community, will require a concerted marketing effort from both the public and civil society sectors. The commitment of all nations of the world to put into place, and honour, a UN Convention against Corruption would go a long way toward containing corruption.

6. Other tools, such as living codes of ethics for the public, private and civil society sectors, the ICC Rules, the Wolfsberg Principles, to name a few, can also make a dent in the scourge of corruption. One particular tool I would like to emphasize is the Integrity Pact, created by TI in the mid-1990s. First created for the area of government procurement, this tool, used by the three-part coalition, can also be used for the hiring of consultants, the privatization of government assets, licensing and technical, financial and administrative support. Integrity Pacts prohibit the use of bribery, level the playing field and produce, if necessary, self-imposed sanctions, all without having to change the laws of any countries. For more information, visit: www.transparency.org.