

***The Growing Role of Civil Society in a Globalised World  
The Case of International Corruption***

*Address to the 9<sup>th</sup> IACC  
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Distinguished Participants,  
Ladies and Gentlemen,  
Anti-Corruption Fighters,  
Friends -

It is with particular enthusiasm that I address this conference today. As you know, Transparency International, as Secretariat to the International Anti-Corruption Conference Council, has been very closely involved in the planning and organisation of this important international gathering. It is a true pleasure for me to participate in this lively forum and to draw from the trove of ideas and experiences that have been shared here in the past few days.

The general theme of today's plenary session: 'Developing Effective Integrity Systems and Strategies against Corruption' is in itself an indication of how far we've come in our understanding of the phenomenon of corruption and our recognition of what is needed to begin to eradicate it.

In 1995, when Transparency International published the first edition of our Source Book<sup>1</sup>, a compendium of anti-corruption best practice, we coined the expression "national integrity system". This concept relates to the basic institutions and the body of ethics-related laws and procedures, which are needed to stave off corruption in any country.

Central to the notion of integrity system is TI's belief that any efforts to curb corruption must take into account all of its components and cannot be done in isolation. Addressing one of the elements of a country's integrity system will often lead to cosmetic improvements and will not result in permanent change. For example, a country may pass anti-corruption legislation that appears far-reaching and highly progressive, but if the judiciary is still beholden to corrupt politicians, that legislation will be of little impact. Piling new law on top of ineffectual law serves only to fill the shelves of law libraries. It has little impact — it may even be counterproductive.

This is why TI has always advocated a holistic approach to curbing corruption and it is rewarding to see that the idea of systemic reform based on prevention is reflected in many of the anti-corruption efforts being undertaken today. It also acknowledges that the influence of outsiders and outside organisations can have little impact on corruption in a country. Rather, it is for the people of a country, who know their own problems far better than any strangers, to diagnose what needs to be done and then to do it. Certainly outsiders can facilitate and support these efforts, but to be successful

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<sup>1</sup> The Source Book is available on the TI web site [www.transparency.org](http://www.transparency.org)

they must be home-grown and domestically-led.

These approaches form the basis of the work of TI's National Chapters, of which there are now more than seventy-five world-wide. Each one aims to forge a wide coalition of people from the public sector, the private sector and civil society. Our chapters are at work on every continent, driven by the will to make a difference, and we know they are. Their astounding growth in the six years of TI's very short existence reflects not only the mounting global concern for corruption, but also the new reality that civil society is a force to be reckoned with. In keeping with our commitment to the development of informed, home-grown strategies against corruption, TI has placed its National Chapters and their work on the ground at the centre of its strategy. This is also why we are committed to supporting their growth and development — and that is why the National Chapters, through our internal democracy, own and direct what we do. Our Annual Meeting, which took place here in Durban last week, was again a source of energy and inspiration for the whole movement.

TI's growth mirrors a broader global phenomenon - the unique growth of civil society organisations around the globe in the past decade. According to estimates, there are more than 35,000 civil society organisations around the world and their numbers are growing constantly. New technology has been key to this growth, just as it has fostered TI's ability to gather support for its movement world-wide.

Improved telecommunications and the advent of the Internet have provided civil society organisations with the technology that now allows them to create networks, the reach of which would have been unthinkable a decade or so ago. In the words of our Advisory Council member, Jessica T. Matthews, modern technology has given civil society organisations the tools allowing them to “dial locally, but act globally”. Easy access to a wealth of information and contacts now allows a larger number of players from various parts of the world to rally quickly and effectively around a common cause.

Last year, opponents of a major agreement being negotiated among OECD countries were successful in derailing the deal after they waged an international on-line campaign. The “Multilateral Agreement on Investment” was to give corporations equal standing with nation states by granting them the unprecedented power to challenge labour laws, environmental regulations and copyright laws when these were seen to be contrary to the interest of foreign investors. Access to the Internet allowed the civil society campaign against the MAI to gain its full momentum much faster than it would have through conventional means and was largely instrumental in its remarkable success.

While civil society gains in influence, particularly in the global arena, national governments are finding their scope for action more limited as issues frequently transcend national jurisdictions. This creates new opportunities for governments to form partnerships with civil society groups. Issues that spill over the boundaries of countries beyond the reach of national governments become the natural arena for civil society organisations.

In March of this year, for the first time, NGOs were invited to participate in a meeting of European Union Development Ministers. The participating EU Ministers stressed the need for strengthening civil society organisations and stated their commitment to remodelling the EU's development policy to make it more transparent to facilitate NGO participation.

Civil society organisations are also being sought out as partners by international financial institutions such as the World Bank and the IMF. As these organisations increasingly require more transparency and accountability on the part of recipients of financial assistance, they themselves must live by the standard they set for others. In attempting to do so, they too, must seek alliances with civil

society organisations.

Business, just like government and international institutions, can no longer operate in isolation. Corporate winners in the global fight for markets are increasingly powerful. The world's 100 largest transnational corporations have more than \$ 2 trillion in annual sales. Many of these companies have incomes many times larger than the GDP of most sovereign nations. They may be headquartered in one country but their stakeholders find themselves in many countries. These new decentralised markets are forcing global players to rethink their own corporate cultures and to satisfy increasing demands for accountability and transparency on the part of their stakeholders. To achieve this, business is increasingly looking to civil society partnerships in an attempt to find a balance between traditional business goals and the new standards of ethical behaviour that are now expected of it.

As I stated earlier, our insights into corruption have improved remarkably in the past few years. Reform efforts are being attempted, in many cases, with encouraging success. Corruption is now on top of the political agenda and TI prides itself for having played an important role in having created the current awareness of this issue. But a new challenge awaits us. Who will make sure that those who have committed themselves to reform and see to it that they make good their word?

Governments, international institutions and business cannot be trusted to do so on their own. They have failed in the past and they would fail in the future because they lack the credibility, the legitimacy and the scope to do so. Only civil society organisations have the public mandates and the global potential to set as a paramount priority the betterment of mankind.

With the broad constituency they represent and their global reach, civil society organisations have a crucial role to play in monitoring anti-corruption reform efforts. Governments are ill equipped to take on this task alone as they often lack credibility, even when they undertake anti-corruption programmes. Moreover, global issues such as corruption are often beyond the reach of national governments who have had to compensate for their limitations by creating their own networks through the United Nations and in the European Union, NAFTA, Mercosur, APEC, Interpol and others. Democratically elected governments may have the legitimacy to deal with the overarching issue of the common good but they lack the global reach.

In an increasingly globalised world, national governments are becoming weaker and inter-governmental organisations less effective. Business can often dictate terms to national governments, with the threat of taking business (and the taxes they pay) elsewhere.

As for business, it has the means to operate globally, but lacks the mandate to attach first priority to serving the humanitarian cause. In spite of their laudable efforts towards stricter corporate governance, companies may often be acting out of self-interest fuelled by intense global competition, rather than for the long-term good of society. Responsible business, however sincere its commitment to social responsibility and accountability, may well be tempted to reduce this accountability to easily measured indicators that can be tallied like profits and losses on a balance sheet. At the end of the day, these measurements can only be useful if they lead to concrete and durable change

President Mbeki, in his thoughtful opening address, pointed out how the inherent weakness of unhampered market forces has to be corrected: civil society has to play a role in setting the framework for this.

There is, in this context, a particular challenge to which civil society must respond.

In societies where government is weak, and many of our chapters do operate in fledgling

democracies, civil society can mobilise itself to fill some of the legal and institutional vacuum. For instance, the TI Chapter in Argentina set out to compensate for weak national disclosure requirements in the area of political party funding.

Political parties in Argentina are not required by law to disclose the amount of private donations they receive. By monitoring political party spending over and above publicly disclosed levels of government financing, our chapter was able to estimate the private funding the parties were receiving. Once released to the media these figures became a potent trigger for change. In the last election campaign, corruption issues made the headlines of the daily papers. As a result of this public scrutiny, the leading parties signed an agreement whereby they disclosed the full amount of private funding.

Please don't misunderstand me, we are not advocating that civil society should substitute itself for government. We are simply stating the profoundly-held beliefs, first, that fighting corruption is too vital to be left to governments alone, and second, that governments alone and unsupported cannot tackle this task successfully.

Civil society must provide the impetus and the leadership to take on the war against corruption. Its efforts have already succeeded in bringing about changes. A remarkable example of civil society's contribution to the fight against corruption is the recent coming into force of the OECD Convention, which criminalises the bribery of foreign public officials. It is striking to contrast this experience with the failure of the MAI that was also sponsored by the OECD, as I mentioned earlier.

The anti-corruption convention could not have happened without the relentless work and dedication of TI Chapters in OECD countries, which pressured their governments for change. Their efforts have led to an important shift for the better in the legal framework of international business. Their work is far from over, but here again, the public trust enjoyed by civil society organisations such as the TI Chapters, puts them in an ideal position to exercise the leadership that will be necessary to monitor the progress of government and business in the implementation of the Convention.

This tremendous success confirms what we have always believed about the strength of civil society organisations. Unfortunately, not all are equally strong and effective, but our commitment to strengthening our chapters is stronger than ever.

In closing, I would like to reiterate my optimism about the prospects of developing sustainable solutions to the growing problem of corruption. All of the 1 600 participants in this conference are making important contributions to moving the debate forward. My message to you, whether you represent government, business or international institutions, is that civil society organisations like TI are here to stay and will continue to claim their rightful role in anti-corruption reforms!

We know there is still much work ahead, but we are in this battle for the long haul. We are dedicated to working with others under a large umbrella. We are prepared to listen to others to gain in strength. We want to work closely and constructively with government and business to play our crucial role in generating enduring reform.