

“CORRUPTION AND THE NORTH-SOUTH DILEMMA”

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Mr, Chairman,
Distinguished Delegates Ladies and Gentlemen,

It is an honour and privilege for me to be given the opportunity to give one of the key-note addresses at the opening of this important conference.

The sheer number of countries represented, the level at which each is represented and the wide variety of disciplines amongst delegates and speakers is proof of the growing seriousness with which corruption is perceived internationally. This conference also represents a recognition by all of us that we are addressing a problem of global proportions, one of immense diversity and complexity and one which must be addressed persistently, perseveringly and consistently and vigorously at both international and country levels.

We in Botswana take corruption, and what we call economic crime, very seriously. Many of you will be aware of the fact that one of the co-organisers of this conference, Transparency International, periodically publishes a Corruption Perception Index. The closer your country is to the top of this index, the less corrupt you are perceived as being by the rest of the world. Well, we are fairly high on the list, and hence **perceived** not to be as corrupt as many others, but we have only just been included in it, and are careful not to be lulled into complacency. A few years ago, the international community did not generally perceive that corruption was a problem in Botswana; but we knew differently - and it is the actions we have taken which have generated publicity interest and attention and gained us the dubious honour of inclusion in the infamous index.

There are two themes I would hope can be injected into the conference's deliberations. They are firstly the need to assess the extent of the problem and secondly, the need to draw up an arsenal of measures which can combat it, both at the local or country level and globally. In relation to this I lay before you our approach in Botswana which is summed up in our latest anti-corruption declaration.

In relation to the first theme, I would recommend honest soul searching by those who have political power. Let **US** do this now without waiting to be pushed. Let us all look at the cost of corruption to our own countries and our development aspirations; and let that soul searching be realistic. Let us not be misled by the absence of specific reports of acts of corruption but rather let us see what systemic failures, cost overruns and delayed or incomplete infrastructure developments are likely to have been the result of corruption.

And let us come up with a realistic and honest assessment of the extent of the problem, taking into account its dimensions. But above all, let us ask ourselves whether we presently have adequate political will to ensure that combative action is taken. For if an anti-corruption campaign is to succeed the Government of the day must be prepared to risk potential embarrassment to itself, and there must be an accompanying realisation that whatever mechanisms are put in place, they must be so organised and structured that the campaign and the campaigners have unfettered operational

autonomy.[LU1]

Besides that, the Government must ask itself whether it is prepared to ensure that the campaign has, and will continue to enjoy not only adequate human and physical resources, but also that irrespective of the possible political consequences, there will be no slackening of resolve. Any anti-corruption campaign which seeks to provide immunity to any group of individuals is bound to fail because it will lack that element so essential to its success, namely public confidence and support.

Mr. Chairman, we in Botswana have taken that long and realistic look. Aside from the very public corruption scandals which beset us at the beginning of this decade there was other evidence. Corruption was there to be seen in many walks of life. Yes, we had anticorruption laws and we had some means of enforcing them but then we reached the realisation that despite this corruption was beginning to erode those values my countrymen hold so dear, that is honesty and integrity and it was becoming a threat to our development strategies which have been based on prudent management of our limited resources.

In devising our approach to the problem we had to ask ourselves what it was we wanted to achieve and why we wanted to achieve it. Did we just want to appease our citizens or perhaps our cherished international investors? Or did we want merely to hide the problem, take it away from public debate and make it a non-issue? Could we realistically hope to eliminate the problem entirely? If not, what was the appropriate response?

Mr. Chairman, we concluded that if half-hearted, window-dressing measures had any impact, that impact would be short-lived. We wanted our citizens to be confident that we supported their desire to have a Government, public and private institutions which could be trusted. We wanted international investors to know that when they came to do business in our country there would be a level playing field which could not be influenced by the offer of bribes. Inevitably we were led to the conclusion that 'zero tolerance' - a phrase coined by some American law enforcement agencies, is the only acceptable policy.

In this regard, a few issues need to be pondered. For example, is zero corruption achievable? Is the policy realistic? The policy recognises that corruption might continue despite our best endeavours, but inculcates the message that if it does, we will not allow it to go unchecked or unpunished. In any event I believe, Mr. Chairman, that whether or not the objective is achievable should not deter us from adopting the policy. Perverse as this may seem, can we hope to have any other intermediate policy accepted? Surely not. So 'zero tolerance' is our stated aim, and we stand to be judged on our results.

Perceptions, Mr. Chairman, are just that. They may or may not be an accurate reflection of the true position. There is a perception in my country that corruption is on the increase despite the measures we have taken. One can never be certain, for corrupt acts are invariably carried out in secret and it often takes years for the effects of a corrupt transaction to manifest themselves, but I believe that a major contributor to the perception is the amount of publicity on the issue we ourselves have generated.

Let me just touch upon the various measures we have taken:

- Firstly, we have established a separate and operationally autonomous anti-corruption agency and armed it with those special powers of investigation so essential to investigating acts of corruption. We have charged this agency not only with the responsibility of investigation and prosecution, but also modelled it upon other successful examples from the Far East, given it the

responsibility for corruption prevention studies and public education

- secondly, we have established the Office of the Ombudsman to arbitrate over administrative issues;
- thirdly, we have a long established Parliamentary Public Accounts Committee to ensure transparency and accountability in public speaking;
- fourthly, we have embarked upon an intensive campaign to make the whole of the public service accountable and performance oriented.
- fifthly, our new anti-corruption agency, the Directorate on Corruption and Economic Crime as we call it, is making corruption a public issue, bringing it to the forefront of our citizens' attention. Measures are also afoot to inculcate codes of ethical, conduct, transparency and accountability into the whole of the public service.

Mr. Chairman, it may sound as if I am suggesting that what we have done is the panacea for corruption world-wide, that we can do no more and that everyone should follow our lead. Well, we do believe that we have made some progress and that we are on the right road for Botswana - but we have come to realise that the zero which our zero tolerance campaign is aimed at cannot be achieved overnight; the campaign is going to be protracted, and it will continue to be difficult. It will require constant resourcing, refreshing, and a continuing determination to tackle the problem relentlessly by all stakeholders — not just us in Government, but the whole of society.

One other important issue I wish to touch upon, Mr. Chairman, is the international dimension of corruption. No country lives in isolation. Often a corrupt transaction in one country sees the actual bribe, often a substantial one, being paid in another. Although empirical evidence may be hard to come by, a few points of observation can be made about cross-border corrupt practices.

In the first place, there must be a corruptor in order for someone to be corrupted, usually in the developing world. Secondly, corruption exacerbates poverty in that it effectively transfers real resources from official state coffers to the few rich and powerful. However, it should not be thought that corruption is confined to the rich and powerful, corrupt Licencing Officers, Immigration and Customs Officials, Weigh Bridge Operators, can inflict untold damage to an economy and society. Thirdly, corruption distorts factor prices, to the extent that those at the receiving end are rewarded for little or no work done and the cost of projects turns out higher than it would be. Fourthly corruption distorts priorities in emerging economies in that those who are corrupted tend to give priority to development projects of little or no national benefit.

In the context of the North-South dilemma, it has been observed that some multinational companies from the North have made it a norm to corrupt governments and officials in the South for them to be favoured with business. These companies will naturally claim to be protecting their investments and ensuring their security, in their effort to justify these corrupt practices. They have gone further to seek guarantees of equitable treatment through underhand transactions in the countries of the South in which they operate and have in some instance; received some kind of support from the governments of their originating countries. While sharing these concerns with countries of the South with regard to the operations of such companies and recognising the need for some code of practice covering their operations, developed countries have tended to prefer voluntary and weaker codes of conduct. This should not be the case.

A related issue is that of co-operation of the judicial authorities and systems in which these corrupter groups or companies are based. Where anti-corruption measures are being applied and stern action taken against those receiving the bribes, usually in the developing countries, there has been a tendency to let the briber remain unscathed because they would have immediately taken refuge in the North. The governments of the North, where these corrupt companies come from have in the past not taken stern action against them because of the said voluntary and weak nature of the codes of conduct. It is my considered view, that the corrupter and the corrupted must all face the due process of the Law.

Thus in the context of North-South co-operation, the dilemma that corruption brings about has far-reaching consequences. Corruption has become a threat to the flow of Aid and Foreign Direct Investment. There can be no doubt that the benefits of resource flows from the developed industrial countries to the South Co-operating partners will only be maximised if and when a concerted international war against corruption is relentlessly waged on all fronts. The era of propping up corrupt dictatorial regimes by some of the industrialised countries must be ended forthwith and forever.

It is true that corruption thrives and becomes formalised where there is no good governance, a phenomenon characteristic of such dictatorships, the consequences of which are misappropriation and misallocation of resources to benefit the few rich at the expense of the majority who are more often than not, wading in poverty.

I am attracted to suggestions by the high ranking officials and Ministers from Africa meeting under the auspices of the Global Coalition for Africa in February this year which included inter-alia, the need to elaborate and adopt an African convention for combating corruption. This would clearly reinforce the efforts of the industrialised countries enunciated in the 1997 OECD Convention on Combating Bribery of Foreign Public Officers in International Business Transactions. Under the convention, bribery of foreign public officials to win or retain business will become a criminal offence and prosecutors would have the authority to pursue the suspects abroad. This convention would also deny these companies tax deductibility for bribes paid abroad. Such efforts in criminalising corruption are therefore welcome although they may have come a little too late, to reverse a cancerous situation in some countries of the South.

I also subscribe fully to the Lima Declaration, a landmark document agreed at the Eighth International Anti-Corruption Conference in September of 1997 in Lima Peru. The document attempts to articulate a broad strategy for combating corruption at both the international and national levels. This declaration is a blueprint for action and progress will have to be reviewed at this ninth conference. So as we review this progress, let us keep on reminding ourselves that fighting corruption is everybody's business and that this fight involves the defence and strengthening of the ethical values in all societies.

Mr. Chairman, Distinguished Delegates, in conclusion we in Botswana will do all we can to strengthen cross-border co-operation in anti-corruption measures. We want to learn from experience elsewhere and if we can contribute, we want to do that. Indeed tomorrow the delegation from Botswana will be proposing practical action in the establishment of an international database, which it is hoped will assist considerably in improving liaison between countries

Finally, may I wish this conference some highly publicised success with constructive and productive debates which I hope will include some consideration of the "zero tolerance" policy.

