

A Commentary on Bolivia's National Integrity Plan

Carlos Iturralde

Ladies and Gentlemen,

I am here on behalf of the Vice-president Jorge Quiroga, who was not able to come to this important meeting because the Bolivian Congress is to discuss the approval of a civil service law, which as you all know is a key element in the fight against corruption.

For your information, until two months ago I was Minister of the Presidency, and member of the National Integrity Commission.

Let me start by saying that since 1995 Bolivia has been implementing profound reforms, both in economic and institutional areas.

In the economic field, the free market model has been functioning satisfactorily, mainly due to free prices in the goods and services market, deregulation of the financial market, specific policies to encourage foreign investment and the privatisation of public enterprises, among other free market policies.

As a result of these policies, Bolivia enjoys today a solid economic stability and has achieved positive sustained growth rates for the last ten years. This year we aim to achieve a growth rate of around 2%. Please bear in mind that nearly all countries in Latin America are experiencing recession.

However, the growth rates in Bolivia are not yet sufficient to have a real impact on poverty reduction, which is the main problem to be addressed.

In the institutional field, Bolivia has had a functioning democracy for nearly 17 years since 1982. During this period we have reached an important number of goals in building the country's institutional framework. We have an independent technical organisations such as the Central Bank, the Comptroller General's Office, Sectoral Superintendence's and, most recently, the Customs Administration Office. All of these have been strengthened and are managed by expert technical personnel elected by majority votes in Congress.

In the Judiciary, important reforms have been introduced in our National Constitution, by establishing independent bodies like the Constitutional Tribunal, the Judicial Council and the People Defender's Office.

Nevertheless, institutional weaknesses persist and there is great difficulty on maintaining the institutional building process. This is where corruption rears its head. Both within the country and abroad, corruption is perceived as one of the most important national problems. A survey carried out in 1998 showed that 80% of the Bolivian population thought that corruption was the most serious problem in the country. Additionally, we feel that it is going to be difficult for the Bolivian population to perceive the great effort we are carrying out through our anti-corruption strategy because of the mistrust on public institutions. People feel that such agencies do not comply with their mandate and on the contrary, public officials abuse the administration of power, giving way to more corruption and impunity, which increases their mistrust even more.

To finish this analysis we have identified that in Bolivia, the main causes for the existence of corruption in public services are:

- i) the high degree of political interference,
- ii) the lack of management and accountability systems, and
- iii) the weakness or absence of a well-qualified and independent civil service.

Indeed, there is a risk that the weakness in the institutional framework could have a negative impact, not only on the consolidation of democracy, but also on the economic and social model.

Against this background, the Bolivian Government has designed the National Integrity Plan, which was presented by the President, Hugo Banzer, to the Bolivian population in September of last year. As the President stated then, the National Integrity Plan has an integral vision and a structural approach in order to combat corruption efficiently. The President recognised in that occasion, that this is a long-term process that will require a collective effort of civil society and government.

The National Integrity Plan has 3 components:

The first is *Judicial Reform*. We believe that unless we have a strong, permanent and trustworthy judicial system, any other effort to institutionalise other areas of the Government will be useless.

For this purpose we are seeking to create a truly independent Judiciary, by appointing Supreme Court Judges and Judicial Council members by political consensus (meaning two thirds of votes of all the members of the Congress). This will enable these institutions to set up a judicial career structure, put administrative systems in place and take forward other policies to foster better justice.

The second component of the National Integrity Plan is a State Modernisation Program, financed by the World Bank and international donors. This program has been designed to accomplish 3 basic objectives:

- A result-oriented public administration based on decentralised management with integrated financial systems
- A budget reform that focuses the process of resource allocation on results and not on expenses, giving the public the chance to know exactly what each year's budget targets are and whether they have been accomplished or not.
- The establishment of a civil service career, through the enforcement of a specific civil service law and its ethics code, oriented to protect public servants and guarantee their job stability based on performance evaluation.

The third component of the National Integrity Plan, financed also by the World Bank, focuses on specific measures for combating corruption. The two components of the Plan have long-term objectives and structural solutions, but we have to be aware that society is demanding rapid progress and short-term results. The third component will therefore attack those areas that are perceived as the most vulnerable to corruption. Those are:

- Customs. We passed a law that gives the Customs Administration political independence to carry out a comprehensive reform including a complete turnover of staff and the implementation of cutting-edge technology in new information systems
- Public Procurement System. The main objective in this area is to make the public procurement

system more transparent by providing it with a new normative framework and introducing information technology to enable the whole process to be made public. Information is the most powerful enemy of corruption.

- Simplification of Procedures and Public Registers. In this area we have a specific program to simplify and modernise bureaucratic procedures in public agencies by adopting certain measures of general nature. Basically these principles are I) the principle of *Good Faith* (this implies eliminating unnecessary controls and steps in the bureaucratic procedures and ii) the principle of *positive administrative silence*. This implies that any request will be considered to be valid and accepted unless the institution or the competent official makes an observation to the contrary or rejects before a previously deadline.

Finally, there is a need to address one of the most important areas in the fight against corruption: the denunciation, prosecution and punishment of acts of corruption. A specific program is already underway to strengthen institutional capabilities in these areas. The People's Defender's Office, which receives denunciations, the Comptroller General's Office, which carries out investigations and forensic audits, and the Attorney General's Office, which prosecutes specific cases, will all be strengthened. These three bodies are independent from the executive branch, so they don't have political commitments putting them under pressure to cover up or discontinue their investigations.

To implement this three-component plan, we have established a high-level Commission, called the National Integrity Commission. Chaired by the Vice-president, its members are representatives of the Executive Branch, Congress, the Supreme Court, and the Offices of the People's Defender, the Comptroller and Attorney General.

We are aware that corruption can only truly be fought if all the stakeholders are seriously involved.

The key question is how to involve civil society in this national effort. Last November the Integrity Commission organised a National Integrity Workshop, which led to a government commitment to take forward an action the plan. We are now implementing these actions and designing specific mechanisms to promote effective and direct participation by civil society.

For this purpose, we are discussing the implementation of a joint Steering Committee, and civil society's involvement in a nation-wide educational campaign to promote zero tolerance to corruption.