

Forum: United Nations Development Programme (UNDP)

Issue: Establishing Global Partnerships to Combat Corruption and Promote Transparency

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Introduction

Corruption aggregates the general development of human society by hindering access to public services. Corruption deprives people of the resources and opportunities to improve and benefit their lives and impedes economic development by contorting the market structure and destroying the integrity of the private sectors. Corruption retrogresses the heart of democracy by removing the trust among the government and the public, going against the law, and depriving the equal and fair amount of opportunities from the public. Corruption is an obvious problem in every nation, and the innumerable costs are inflicted.

There have been notable efforts to combat corruption. Through the Global Anti-Corruption Initiative (GAIN), UNDP aimed to reinforce systems, institutions and public engagement to annihilate corruption and to better control public resources. In 2003, UNDP designated every December 9 as an International Anti Corruption Day to raise public awareness for anti-corruption; In 2005, UNDP accepted the first legally binding resolution against corruption: United Nations Convention Against Corruption (UNCAC). Other parties other than UNDP also contributed to fighting corruption. In 1999, the OECD Convention Against the Bribery of Foreign Public Officials, which was signed by all member nations, made bribery of government officials -which was recognized as a prevailing practice until 1999- a criminal offense in all member nations. Furthermore, the World Bank banned contracts among firms involved in bribery and ensured a transparent public financial reporting process.

Nonetheless, in spite of these international efforts that have been incessantly devoted to combating corruption, corruption is still a widespread problem. According to the World Bank Institute, 1 trillion US dollars are paid in bribes per year; according to the Asian Development Bank, corruption can cost a country up to 17 percent of its GDP; according to the Global Financial Integrity, 1.8 trillion dollars flows from Africa between 1970 and 2008 as a bribe. As proven, although the whole globe is put the best effort to fight corruption, corruption is still endemic. The world needs more innovative, progressive, creative, and tangible measures to resolve this problem.

Definition of Key Terms

Corruption

Corruption refers to the act of taking advantage of entrusted power and responsibility in exchange for private gain. Often, this refers to individuals in powerful positions manipulating laws, institutions, and policies to accumulate personal wealth or property at the expense of the public or other stakeholders.

Transparency

Transparency is the openness of a private or public institution, with one example being governments. Transparency ensures that all projects, plans, policies are visible to all stakeholders, as well as to the public. Transparency is usually achieved through the use of reports and routine monitoring. It also serves a crucial role in the building of trust between the people and the institution, acting as a deterrent to forms of crime, which proliferate where transparency is nonexistent.

Monitoring

Monitoring is the act of checking and observing the progress of the situation or quality of something for a period of time. Under this topic, monitoring refers to observing everything happens within the political world or sachem; monitoring ensures the transparency of one party so that it contributes to preventing corruption.

Embezzlement

Embezzlement is the act of illegally stealing money or property that belongs to others. It often refers to the act of public or high-ranking officials who conceal some of the public money and disguise it as if it were his or her personal income and property. Embezzlement is one of the most notable signs of corruption.

Developing Nations

Developing nations are nations where the average income or property of the citizens is much lower than in other nations. Developing nations are important under the issue of 'Establishing Global Partnerships to Combat Corruption and Promote Transparency', since most of these nations have unstable governments and low political participation.

Bribery

Bribery is the act of offering, receiving or soliciting inducements (such as money) illegally or dishonestly as a means of influencing recipient's conduct. The provider of the bribe usually intends to

persuade the recipient to act in one's favor. Regardless of whether the bribe was given or not, the act of trying to offer a bribe itself is illegality.

Whistle-blowers

Whistleblowers refer to individuals to report crimes and other activities, such as corruption, to relevant authorities. Since they are crucial in the fight against corruption, their rights and safety must be protected to encourage such reporting.

Background Information

Forms of Corruption

Corruption contains all dishonest, fraudulent and abused power for private gain. Since human greed and appetite for success is infinite, unfortunately, people have created a variety of corruptions. It contains from cash-related types to moral pressures. Some of the corruption that is relatively common and well-known are listed below.

Graft

Graft is a type of political corruption, that members of the National Assembly or the people who have leverage within the political world use their authoritarian power for personal private gain. This use of authoritarian power is unscrupulous and unprincipled without an exception. Grafts usually occur when the funds aimed for public interests are deliberately misdirected by an authoritarian power and used for maximizing the private interest.

Bribery

Bribery occurs when a person attempts to influence the recipient's behavior in a particular way by giving incentives. Bribes do not have to be a cash reward - any item with values can be used as a bribe. Bribery is one of the most well-known forms of corruption; however, it is still endemic throughout the world, remaining as an unsolved problem. Without exception, each and every nation is suffering from both explicit and implicit bribery.

Nepotism

Nepotism is the practice of hiring or appointing one's families or relatives for one position, which outside people might be better suited. In spite of its negative connotations, there are some people who consider nepotism positively. They argue that nepotism can be beneficial for start-up enterprises for nestling their businesses in the market, and can form a sense of trust among the

people who are working together. However, the majority of people consider it as corruption and view it negatively, since nepotism has a high probability to cause one-sided narrow decision-making and forfeits outsider's chance to be hired without sensible reason.

Extortion

Extortion is gaining money by posing a threat of property damage, reputation damage, violence, hostage, etc.. While extortion is often viewed as a form of delinquency similar to robberies, there are definite differences between the two crimes. For example, extortion to some degree requires consent from a victim while robbery does not, and extortion does not pose direct physical harm whereas robbery does.

Cronyism

Cronyism is the act of granting one's friends and associates to the position, usually political ones, without any qualifications. It is similar to nepotism, but nepotism refers to partially to families and relatives while cronyism refers to acquaintances. In other words, cronyism is the extended version of nepotism. Cronyism is the major cause of problems such as poor performance and loss of good talent.

Parochialism

Parochialism often refers to a narrow or limited viewpoint or provincialism. However, in this agenda, it refers to insular politics related to prioritizing local projects higher than the national interest. Parochialism is one of the major causes of unbalanced development within the nation.

Fraud

Fraud is wrongful conduct that causes financial losses of a person or entity by intentionally hiding or distorting the truth. In order to constitute fraud, the person or entity that is making an incorrect statement should know that the statement is not true, and they should have an intention to deceive the other person or entity for financial gain.

Embezzlement

Embezzlement is a type of financial fraud, as it means the misappropriation of funds under the responsibility of someone. It often refers to the act of public or high-ranking officials who conceal some of the public money and disguise it as if it were his or her personal income and property. As people who embezzle knows that they are distorting the fact and definitely has an intention to deceive people, embezzlement is considered as a specific type of fraud.

Causes of Corruption

It is widely agreed upon fact that the fundamental causes of corruption stem from human greed. However, multiple factors can come into play when considering the circumstances which lead to its prevalence in reality.

Political monopolization

Most nations have more than one authoritarian force to keep each other in check. Since each force is trying to find fault with other forces' everything does, these checks between the forces naturally prevent wrongdoings. As soon as corrupt wrongdoings are uncovered by other authoritarian forces, the party that has committed corruption will not be able to be active in the political world again; consequently, dispersion of the power efficiently prevents the corruption. However, if there is only one force that controls the country (or the community), there is no party to hold in check with the one and only political force, so there is no way to handle the corruption happening in that monopolizing political party. Hence, political monopolization is vulnerable to corruption.

Low levels of democracy

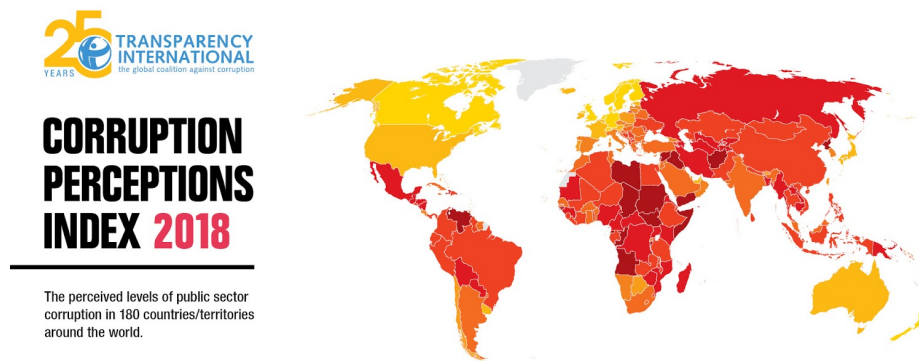
Democracy enables citizens to participate in politics and monitor the affairs of the state so that government officials cannot commit any crime regarding corruption. In other words, democracy guarantees the transparency of the government. Consequently, as the levels of democracy decrease, the level of transparency decreases as well. Naturally, citizens will not be able to clearly grasp the situation within the government; therefore, congressmen or other high-ranking officials are able to escape from the public gaze and commit corruption.

Low media freedom

One of the proper functions of the media is that it announces or exposes the various information from trivial gossip to grave issues. The other proper function is that each and every person can express and share the opinion regarding that news freely. By sharing opinions, people are able to accept other points of view and learn the information that they did not expect. To make it short, media freedom activates people's critical thinking process. However, if the country has low media freedom, there are no various topics of news because the country filters the news that has a possibility to harm them. Therefore, people are unable to learn the news about government corruption and share opinions or think critically. Since the media is in the span of the government's control, a government can easily hide corruption that occurs within the country.

Relatively low level of education

A person's ethical sensitivity, when lowered, can lead someone to consider unethical gains when in a position of power. Ethical sensitivity, being a factor often influenced by biased learning experiences or low levels of education, is essential to prevent the spread of a culture of corruption in nations. In this way, the lack of ethical education methods can indirectly lead to a culture of corruption being established within nations.



Caption #2: Corruption Perceptions Index (2018)

Major Countries and Organizations Involved

Transparency International (TI)

Transparency International is an intergovernmental organization founded in 1993, tasked with combating corruption. With a presence in over 100 nations, Transparency International works together with governments, businesses, and citizens to stop the abuse of power and corruption around the world.

World Bank

The World Bank is an international financial institution, providing grants and loans to poorer LEDCs pursuing capital projects. With a zero-tolerance policy on corruption within its own projects, the World Bank has an independent sanctioning unit called the Integrity Vice Presidency, investigating corruption and enforcing sanctions on companies involved in fraudulent acts. A major sponsor of international transparency standards such as the Open Government Partnership (OGP), the World Bank brings together governments with civil society to collaborate on preventing corruption.

United Nations Office of Drug and Crime (UNODC)

The United Nations Office of Drug and Crime is one of the main stakeholders that fight against international crime. Having approximately 500 staff members all over the world, UNODC has 20 field offices with a presence in over 150 nations. It exerts an influence on nations by working directly with governments and NGOs and implementing programs customized to the nation's specific needs.

International Association of Anti-Corruption Authorities (IAACA)

Established in 2006, the International Association of Anti-Corruption Authorities (IAACA) has been actively fighting against corruption. It is a non-political, anti-corruption organization that is constituted with the institutions responsible for the investigation, prosecution, and prevention of corruption occurring around the globe. Over 140 nations participate in the IAACA through the means of membership.

The aim of the Association is to encourage the efficacious implementation of the United Nations Convention Against Corruption (UNCAC) and instigate the cooperation among the member nations in terms of preventing and controlling corruption. To support these aims, IAACA works to promote networking between anti-corruption authorities, encourage to reinforce comparative criminal law and procedure to prevent corruption from happening in the first place and provides means for both public and private sectors for the prevention of corruption.

India

India is currently ranked at 80th out of 180 countries and Transparency International's 2019 Corruption Perceptions Index scored India a 40 out of a 100, with 0 being the most corrupt and 100 being the least corrupt. This index indicates that although India is not as corrupt as other nations in Africa, India is one of the worst offenders in Asia and needs to improve its situation. According to a report by the Committee to Protect Journalists, 15 journalists who were working on a journal regarding corruption were murdered for their efforts to reveal issues regarding corruption and rectify the improper situation in the last six years. However, India is showing gradual progress. Recently, India enacted laws and institutions to prevent corruption from happening and improved spaces for activists to express their opinion without the danger of retaliation. One of the most remarkable campaigns that occurred in India is called India Against Corruption (IAC). Indians have made songs, posters, Facebook pages, etc. to raise awareness of the corruption happening in India, and the IAC has been successful as a trigger for India to

make progress. India's status in the perspective of corruption is still low; however, there are signs of slow but definitely effective progress on their own.

Kenya

A major part of the corruption in Kenya is a by-product of the liberalization and privatization of its energy sector. A national power grid was considered inefficient as it was unable to reach the majority of the population. Under the pressure of international financial donors, it privatized one-third of shares of KenGen, a national power generator, and promoted the creation of independent power producers (IPPs) throughout the nation. It did effectively open up more jobs and developed regions in the country, however, it also paved the way for more corruption with local officials and business managers. The most recent corruption case in 2018 involved the power producer Kenya Power & Lighting Company Ltd., along with 350 contract companies. The power producer was found favoring 350 different companies with questionable qualifications through bribes and nepotism. All 350 companies were soon blacklisted by other energy tenders. Charles Keter, Kenya's Energy Minister, spoke out publicly in condemnation and vowed for more monitoring and regulation from the government.

Brazil

In the face of rampant corruption, the most notable campaign in Brazil is Operacao Lava Jato (Operation Car Wash) that began in 2014. State-owned oil industry Petrobras was discovered by the Financial Ministry's Intelligence Unit to be accepting bribes from firms in exchange for contracts. Construction Giant Odebrecht was involved and in April 2017 paid \$2.6 billion fines to Brazil, the United States, and Switzerland. Both companies' executives were sentenced to jail time and forced to lay off more than one hundred thousand employees from the financial losses. It demonstrated the harsh collateral damages caused by ruthless anti-corruption campaigns and punishments. By October 2018, according to the Brazilian public prosecutor's office, Lava Jato has resulted in over 200 cases of conviction related to corruption, abuse of the financial system and money laundering. In March 2017, Operacao Carne Fraca (operation weak flesh) was announced as an extension of Lava Jato. It uncovered employees of the world's largest beef and poultry exporter, JBS and BRF, bribed 1829 politicians with over \$600 million. It involved the bribery of Brazilian food inspectors to allow the sales of spoiled products. Many immediately suspended meat imports from Brazil such as the European Union, the US, China, Japan, and Mexico.

The campaign has had many implications. Many important current and former politicians were accused and arrested. Former President Dilma Rousseff was impeached and removed from office in 2016 on the grounds of manipulating the federal budget to conceal the size of Brazil's deficit. Her successor, Michel Temer, was also accused of bribery when a JBS chair released audio recording the suggested Temer paid money to keep a former speaker of the Congress quiet. The political crisis tied to

corruption resulted in a major recession starting in early 2014 as consumer and investment confidence fell. Brazil experienced drops of more than 3% in annual GDP for two consecutive years in 2015 and 2016. A gentle recovery began in 2017 as the economy slowly stabilized. All factors led to a sweeping victory by Right-wing political candidate Jair Bolsonaro that emphasized anti-corruption measures in the 2018 presidential election.

Pakistan

The recent financial crisis in Pakistan is credited to the widespread, uncontrollable corruption from the highest to lowest levels of society. The newly elected Prime minister Imran Khan, in 2018, has pushed for intensive anti-corruption efforts in the government. Efforts involve strengthening whistleblower laws as well as creating an Assets Recovery Unit (ARU). The new whistleblower legislation awards twenty percentage of embezzled funds to the whistleblower. In addition, the ARU works to retrieve hidden monetary assets both domestically and overseas, as the organization has been given full access to information from any government department. The nation has also entered into the “U.K.-Pakistan Justice and Accountability Partnership” and invited cooperation with the United Arab Emirates for an international exchange of information and strategy on a joint operation in combating corruption. So far, it has identified over 2 billion in overseas accounts of criminals as well as over 10,000 properties in Dubai and the United Kingdom. Pakistan sees the battle against corruption as an opportunity to kickstart national development in the long run.

Timeline of Events

| Date | Description of event |
|------|--|
| 1973 | The Watergate Scandal reveals bribery of foreign officials by US corporations |
| 1977 | The FCPA is enacted in the US, prohibiting the bribing of foreign officials |
| 1993 | Transparency International (TI) is founded |
| 1995 | First Release of TI Corruption Perception Index Report |
| 1997 | OECD Anti-Bribery Convention bars the bribing of foreign officials in member countries |
| 1999 | All of the OECD member nations sign the convention Against the Bribery of Foreign Public Officials |
| 2002 | UNCAC enters into force |
| 2003 | Every December 9 is designated as an International Anti Corruption Day |

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| 2005 | Establishment of UNCAC Coalition |
| 2014 | Introduction of UNDP's Global Anti-Corruption Initiative (GAIN) |

Relevant UN Resolutions and Treaties

- Inter-American Convention Against Corruption, 29 March 1996
- African Union Convention on Preventing and Combating Corruption, 11 July 2003
- United Nations Convention Against Corruption, 31 October 2003, (A/RES/58/4)
- Conference of States Parties (COSP) Sessions Resolutions and Decisions
- The UN Convention against Corruption (UNCAC)

Possible Solutions

The Creation of an International Anti-Corruption Court (IACC) is an idea that has been endorsed by many nations in the past, such as the governments of Columbia, Peru, and Nigeria. Calling for the creation of a court system similar to the International Criminal Court, where individuals are prosecuted for international crimes, this idea aims to enforce anti-corruption abroad. The transnational nature of corruption has led many to recognize the need for a way to prosecute corrupt officials who flee nations. In many countries, high-ranking officials have de facto impunity from the justice system as well, with justice systems unable to hold powerful senior figures accountable for their actions. The establishment of an International Anti-Corruption Court would encourage nations to improve domestic justice systems so as to avoid falling under IACC jurisdiction. However, there are also many obstacles present in the implementation of the IACC. Leaders of corrupt governments may be unwilling to submit their governments to the jurisdiction of the IACC, meaning that any intervention by the IACC would be an invasion of that nation's sovereignty. Furthermore, in the past, the cost-effectiveness of the IACC has also come under scrutiny. Costs to operate the cost would number at hundreds of millions of dollars per year, which many see as an unnecessary cost which could be better used by investing in other programs.

One possible long-term plan for preventing corruption may include building a culture of responsibility among citizens. It may involve mandatory school programs or media campaigns that raise awareness of the effects of corruption as well as instill in citizens righteous moral standards. One issue that comes out of reporting acts of corruption is the many incentives people have not to report acts of corruption, such as a failure to get future jobs, and more. Therefore, governments must encourage more responsible reporting and whistleblowing from citizens through enacting more protection programs and legislation to ensure the rights of whistleblowers. However, seeing as education is controlled by the

same corrupt government officials that this plan would be targeting a lot of the time, its enforcement may be difficult in nations where corruption may be more rampant than in others.

In order to fight global corruption, more inclusive efforts must take place. As it stands right now, the fight against global corruption is primarily focused on developed nations with high Gross Domestic Products such as those involved in the Group of Twenty (G20) and the Organization for Economic Cooperation and Development (OECD) states. This, stemming that developed nations will be able to act as an example for developing nations, provides little in direct action against corruption in many Less Economically Developed Countries, where corruption may be rampant. In order to combat this, increased cooperation between Intergovernmental Organizations such as the African Union, the Organization of American States and their involved nations must take place. Moreover, this issue is further exacerbated by the fact that although international conventions such as the UNCAC are legally binding, they are hardly ever effectively enforced where corruption is rampant. On the other hand, increasing engagement of NGOs and other groups may also prove helpful in anti-corruption campaigns across nations.

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