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Transparency International in search of a constituency: The franchising of the global anticorruption movement

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Abstract

The post-Cold War political map displays three major developments, which deserve close attention: the global expansion of democracy; the growth and changing nature of non-governmental organisations (NGOs); and the evolution of corruption and anticorruption from a non-issue into a global concern at all levels of decision-making. Linking all three developments is the birth of a new anticorruption actor in May 1993: Transparency International (TI), a non-governmental organisation (NGO) based in Berlin whose mission was recently redefined as 'to work to create change towards a world free of corruption'. Although the global anticorruption movement is wider than TI, this NGO has gained the reputation of the most prominent civil society "corruption fighter" at the global level. Despite frequent references to its local constituencies and bottom-up approach to internal governance, TI is not a typical grass-root NGO. It was founded by a group of high profile people, "grey suits", from international organisations. In less than a decade, TI has moved from being a tiny "briefcase" NGO to become a franchised and complex organisation: it comprises approximately 90 National Chapters of a variable size and nature. TI had to look downwards in search of national constituencies where most of the anticorruption instruments it battled for at the international level need to be ratified, implemented and evaluated. The purpose of this paper is to assess the process of franchising of Transparency International, the implications it had upon its internal governance and the variations that can be found across its constituent parts, the National Chapters.

TRANSPARENCY INTERNATIONAL IN SEARCH OF A CONSTITUENCY: THE FRANCHISING OF THE GLOBAL ANTICORRUPTION MOVEMENT[*]

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1. Introduction

The post-Cold War political map displays three major developments, which deserve close attention: the global expansion of democracy;[1] the growth and changing nature of non-governmental organisations (NGOs);[2] and the evolution of corruption and anticorruption from a non-issue into a global concern at all levels of decision-making.

Linking all these three developments is the birth of a new anticorruption actor Transparency International (TI), an international non-governmental organisation (INGO) based in Berlin whose primary mission was recently defined as 'to work to create change towards a world free of corruption'.

Although the global anticorruption movement is wider than TI, this INGO has gained an indisputable recognition and reputation as the most prominent "corruption fighter" at the global level. This was due to various reasons: 1) it was the first to get hold of a transnational briefcase issue which had only been sporadically and vaguely addressed by other NGOs;[3] 2) since its early days, it has sought a coalition building strategy with government and public sector, private sector and civil society to promote and achieve its objectives which gave the organisation considerable political leverage; 3) it has played an active role in pressing for the adoption of two international conventions against corruption (OECD and UN) and, through some of its National Chapters (NCs), has equally led to the creation of civil society monitoring mechanisms on various areas of concern and encouraged them to press for the adoption or review of certain national legal frameworks; 4) it displays a wide international representation through its franchising into national constituents, the NCs, encompassing a variable mixture of local arrangements. In short, TI has played a major role in bringing corruption and anti-corruption into the agenda of IGOs and national governments.

However, TI is far from being a typical grass-root NGO or movement, despite frequent references to its local constituencies and bottom-up approach to internal governance from some of its senior leaders and secretariat members. It was founded in May 1993[4] by a group of high profile people, "grey suits", such as former World Bank executives, aid and development officials, chief executive officers (CEOs) and senior political leaders, with the ultimate goal of promoting transparency and curbing corruption in international business transactions.

TI has moved from being a tiny "briefcase" INGO to become a franchised organisation in less than a decade. TI has enlarged – it comprises approximately 90 NCs of a variable size and nature – and it has deepened its mission – it is no longer concerned solely with bribery of foreign officials and corruption in international business transactions, but corruption as "the abuse of entrusted power for private

gain", thus taking on issues such as political corruption and corporate crime at the national regional and global levels.

Being born in the age of globalisation, TI's modus operandi highlights one of the particularities of the current international anticorruption movement: *it marries a global and a local dimension of anticorruption activity*. The fight against corruption is no longer contingent to State jurisdictions, actors and measures. International control initiatives are cumulative to those taken at the domestic level. The globalisation of corruption mechanisms and transactions raises the need for an externalisation and internationalisation of control initiatives, whilst international initiatives need to be transposed into national jurisdictions where most anti-corruption work is carried out. Whilst traditional anticorruption national actors look outwards to international fora and higher levels of decision-making to compensate for the insufficiency of domestic instruments and responses in addressing cross-border mechanisms and occurrences of corruption; TI, similarly to other international initiatives, had to look downwards in search of national partners and constituencies where most of these instruments need to be ratified, implemented and, hopefully, evaluated. This inevitable leads to another peculiarity of TI: despite its apparent cohesive outlook, the degree of consensus over the policy salience of corruption is not always harmonious across all NCs and does not reach all forms or types of occurrences with the same degree of concern. In other words, NCs have different concerns in spite of a global agenda against corruption to which they are required to adhere as constituents.

The purpose of this paper is to assess the process of franchising of Transparency International as an organization and the variations that can be found across its constituent parts: the NCs. The remaining of the paper is divided into six parts: the first introduces the reader to the research material used and methodology. The second deals with the formation of NCs and TI's evolution, from being a small anticorruption network into an oft-claimed "global movement"; the third part tries to explore the variable nature of NCs, their structure, functioning and funding; the fourth looks at the quality of NCs, their actions, programmes and strategies of engagement (type and impact), with a special attention to the role research plays in their daily activities and how innovative they are in developing own methodologies and tools; the fifth part tries to locate NCs within TI's organisational structure (intra-organisational cooperation and coordination); and, finally, some concluding remarks about TI's franchising process are presented.

2. A brief summary on the primary sources and research material used

The research material used in this paper involves both interviews with representatives of NCs and the examination of their websites and other relevant documentation.

Interviews were open-ended and focused on regional and national differences in conceptualising corruption; the structure and functioning of the National Chapter; its actions, strategies and programmes; the role of research in the organisation's activities, funding issues and the relationship with partners.

Most interviews were made during TI's Annual Membership Meeting (AMM) in Nairobi, 6-12 October 2004. NCs across different regions were contacted beforehand by e-mail via contact addresses displayed in TI's website. Questionnaires were sent out only to the more senior NC officers (Chairman, Executive Directors, Project Directors/Coordinators). Those who were unable to attend the AMM were given the choice to reply by e-mail. Two NC executive directors (Brazil and Ireland) opted this way. The rate of reply matched satisfactorily our expectations: we initially aimed at three to five NCs, but at the end we were able to cover 12 (more than 10% of the total number of NCs). Eight interviews were made during the AMM, two were previously done on TI PNG and TI Thailand and two by e-mail from Brazil and Ireland. We ensured a broad geographical spread to reflect different cultural, political and intellectual traditions of thinking about corruption: two cases from the middle-East (TI Lebanon and TI Palestine); three from Europe (TI UK, TI Ireland and TI Switzerland); two from Africa (TI Tanzania and TI South Africa); one from Latin America (TI Brazil); two from the Pacific (TI Australia and TI PNG); one from Asia (TI Thailand); and one from North America (TI Canada).

We also did some interviews with staff members from the Secretariat in Berlin (TI-S), focusing on the relationship between TI-S and NCs or regional groups. Besides, several informal conversations were held with other NC representatives, ex-TI members and academics during the past two years.

As stated in the Consent Form distributed amongst and agreed by the interviewees beforehand, the 'Information and opinions gathered in interviews will not be attributed to named individuals, or quoted, without their explicit permission, and after checking the precise words attributed. However the researchers may attribute information and opinions to generic categories of interviewees, for example "TI official" "TI member" "TI Australia member" "Government official – Australia" and so on'.

3. How it all started: from a German *Verein* into a global movement

The process of franchising of TI has two major temporal dimensions. At an early stage, TI has sought to expand fast into a global movement. The *centrifugal* drive for franchising and membership is part of TI's institutionalisation process and it was dictated both by the need to search for a constituency (legitimisation and representation factors) and the need to consolidate the "brand" (marketing factor). At a later stage, however, once the organisation became relatively solid (in terms of its membership, structure, governance and funding) and its brand became well known world wide (Diagram 1) – due to the impact of a key number of instruments, such as CPI and passing of OECD convention, upon public opinion – the drive for franchising and membership became inevitable *centripetal*. Some NGOs are more successful than others in passing from one stage to another and some will never consider to becoming successful poles for attracting further members, as they do not ambition to develop into an institutionalised global movement of this sort.

Most initial NCs started from informal contacts developed by the two TI founding fathers, Peter Eigen and Jeremy Pope, drawing from their previous careers as World

Bank official and Commonwealth Secretariat respectively. The recruitment of Jeremy Pope as TI's founding Managing Director on 1 January 1994 was particularly crucial to this organisational development. Right from the start, he boosted for the creation of NCs, something that would give him considerable leverage within the organisation and respect amongst NCs: if TI was to operate as a global NGO it had to enlarge its membership and franchising its organisation, since most anticorruption work had to be carried out at the national level.[5] The transposition of international anti-bribery conventions or the simple translation of TI's Source Book into various languages as a mobilisation tool highlighted the need for a constituency. Pope's National Integrity System (NIS) project was equally evidence of his view that after successfully mobilising global concern towards corruption, TI had to search for a constituency where to carry out its anticorruption work.

It is difficult to establish a time-scale for the process of membership enlargement and franchising, but it can be tentatively divided into four phases (Table 1):

- the brief foundation period from 1993 to 1994, during which TI formally accredited an initial network of five NCs – Denmark, Ecuador, Germany, the UK and the US. TI's goals and activities were yet too narrow and there was no clear idea of where the organisation would be heading to;
- the post 1994 Annual General Meeting (AGM) period, which lasts until 1999, when TI was expanding rapidly and the "movement" was gradually institutionalising and scoring highly mediatised initiatives (such as the launching of CPI in 1995 and the entry into force of the OECD Convention in 1999);
- from 1999 to 2003, TI was at its peak: it displayed a consolidated organisation and a reputable "brand" in the domain of anticorruption. Following the October 2002 Casablanca Meeting, TI redefined its mission and introduced new accreditation rules to membership to control the scope and quality of the franchising process;
- and the post 2003 strategic plan, when TI's future (from a financial and functional point of view) looks uncertain, its capacity to deliver innovative and highly mediatised products has been less striking (thus wearing out some of the flashisness of the brand) and the internal governance problems and power contests between the constituents at the bottom (NCs) and the network core or Establishment (Permanent Active Members, known as PAMs and the Board) at the top have started to mount.

According to TI's official version,[6] at the beginning, only 15 NCs were envisaged, a cautious incremental approach to enlargement, given that such process would raise both short-term legal considerations (a new legal figure had to be found for NC representatives under the German Law of Associations) and future internal governance challenges. *Incrementalism* would remain wishful thinking. TI rushed into franchising: catch-all enfranchised membership preceded the organisation's consolidation and above all of what it had to offer in terms of initiatives against corruption (i.e. the deepening of its mission and objectives).

The first round of NCs included developing and OECD countries, transition and consolidated democracies, with a fair geographical spread: Kenya, Bangladesh, US,

UK, Germany and Ecuador (where the Ecuadorian Vice President Alberto Dahik was serving as the first Chair of TI's Advisory Council). Being the founding constituents would prove important to these NCs within TI's internal governance structure and process in years to come.

In spite of the apparent multicoloured initial franchising and its juridical existence under the German Law of Associations,[7] early TI was essentially a Western organisation and mainly of Anglo-Saxon origin, a situation which has remained unaltered until the present: out of the ten initial Charter signatory members only one was from the developing world (Bangladesh); the first nine Board members had equally a Western majority, even if it was more balanced (5 members from developed countries against 4 from developing countries); and out of the 24 initial Advisory Council members, 14 were from the Western developed world, out of which half were Anglo-Saxon.

Table 1. The formation of TI NCs: waves of franchising and membership status[8]

Existence as local NGO prior to TI		**1st wave 1993-1994 (the foundation phase)**	**2nd wave 1994-1999 (the institutionalisation phase)**	**3rd wave 1999-2003 (the consolidated phase)**	**4th wave 2003 to present (the redefinition phase)**
Argentina (1989), Ecuador (1990), Estonia (1991), Senegal (1993)		Argentina (NC), Bangladesh (NC), Ecuador (NC), Germany (NC), Kenya (NC), UK (NC), USA (NC)	Australia (NC), Bulgaria (NC), Canada (NC), Chile (NC), Colombia (NC), Costa Rica (CH-IF), Czech Republic (NC), Denmark (NC), France (NC), Greece (NC), Guatemala (CH-IF), Hungary (NC), Israel (NC); Italy (NC), Lebanon (NC), Nepal (NC), Nicaragua (Nat'l Ct), Panama (NC), Paraguay (NC), Philippines (NC), PNG (NC), Slovakia (NC), South Africa (NC), Switzerland (NC), Thailand (NC), Turkey (NC), Uruguay (NC)	Algeria (Nat'l Ct), Armenia (NC), Azerbaijan (NC), Bolivia (Ally), Bosnia & Herzegovina (NC), Brazil (NC), Cambodia (CH-IF); Croatia (CH-IF), Korea (NC), Lebanon (NC); Lithuania (NC), Mexico (NC), Moldova (NC), Pakistan (NC), Palestine Authority (CH-IF), Peru (NC), Romania (NC), Senegal (NC), Serbia (NC), Trinidad & Tobago (NC), Venezuela (Nat'l Ct)[9]	El Salvador (Ally), Honduras (Ally), Ireland (CH-IF), Palestine (NC)

Source: Andrea Figari (TI-S staff) and NCs websites. Membership status abbreviations: National Chapter (NC), Chapter in Formation (CH-IF), National Contact (Nat'l Ct) and Ally.

One membership trump for TI was the adhesion of Poder Ciudadano in 1994, a prestigious Argentinean human rights and democratisation NGO created in 1989. The reputation of Poder Ciudadano and its well-established networks with other Latin American civil society organisations (CSOs) and national contacts paved TI's expansion in the region. By 2000, all major LAC countries were covered with Mexico joining in 1999 and Brazil some months later.

In 2003, TI puts in place an accreditation process to control a process that was no longer controllable. As part of its attempt to reinstate the earlier incremental approach, TI insists on a key number of normative and organisational requisites which future

members must adhere to (*membership acquis*[10]) and designed different status for local constituents in relation to the organisation: National Chapter (full member); Chapter in Formation (in view of short-term full membership); National Contact (regular contact without membership); and Ally (informal contact). Although these different status may imply a kind of evolutionary path to full membership, not all NCs have followed such evolutionary path: some Chapters in Formation have now applied for NC status (such as the case with TI-Costa Rica and Acción Ciudadana in Guatemala); others would opt to remain local anticorruption NGOs allied to TI's mission (e.g. the Algerian National Contact[11]) or cooperating with TI or some of its NCs from time to time (e.g. the case of Bolivia[12] and El Salvador[13]).

During the 2004 Nairobi Annual Membership Meeting,[14] TI's global network included: 72 accredited NCs; two new accredited NCs (Peru and Norway, which had just been object of a big scandal relating to one of its major donors and founding member, Statoil[15]); three NCs in formation (Haiti, Mongolia and Sweden); three National contacts (Austria, Togo and China); and, even if not mentioned during the introductory speech of Peter Eigen, there was also a new contact point from Ireland, which is currently a chapter in formation.

The process of enlarging membership to NCs raised three major implications, which I will address next: financial, governance/organisational and legal/statutory.

3.1. Adjusting to a changing international donor panorama

The move towards franchising (and the adoption of a suitable label of "movement") was equally a response to the changing donors' agenda. If during the 1970s and 1980s, collaboration between world financial institutions, development agencies and NGOs was mainly directed to INGOs, often headquartered in developed countries and carry out operations in more than one developing country, in recent years, however, this trend has been reversed. With globalisation comes localism. Most projects involving NGO collaborations funded by these entities along with corporate and third sector donations were now geared towards local, community-based organisations (CBOs), in other words, grass-root or people's organisations. According to World Bank figures, in 1994, when TI started to consider its franchising at the AGM in Quito, Ecuador, among projects involving NGO collaboration recorded in the Financial Year Report 1994, 40% involved CBOs, 70% involved traditional national NGOs and 10% involved INGOs. These entities are substantially different from what TI was/is: they are individual membership organisations, voluntary with a flexible organisation. They tend to be the recipient of project goods and services rather than the delivers, designers or implementers of those projects. TI was not a grass-root organisation and had to search for some sort of constituency to respond to this changing financial panorama. It would still be able to carry on its mobility and advocacy work as tiny TI "ginger club", but in order to frame large-scale project candidatures it needed to constitute local branches. How successful TI has been in adapting to this reality is yet to be seen.

The putting in place of confederate or consortium[16] style of organisation, through the creation of NCs, was not purely driven by the need to boost participation from below,

to increase critical mass and knowledge about local problems and possible solutions or to broaden its territorial representation. There are also important financial implications for both sides of the fence. For TI, franchising can mean a justification for applying to large-scale funding and attracting donors, but it can also mean a burden in the sense that stresses and demands will increase as some NCs start looking at TI as an "headquarter" with redistributive and funding obligations towards its branches or even question its costly and resource draining existence. Whereas for those joining the movement from below, there is a clear financial strategy upon which rests their survival and/or activity: 1) local NGOs who work or start to work on the field in view of future TI membership, but are unable to guarantee self-sustainability, the tendency is to become franchised into the global movement, because they lack financial resources to implement their actions alone and TI can provide a safety net either through their donor networks or because they are an heavy-weight mechanism to obtain the necessary funds from international governmental organisations (IGOs), national governments and even other civil society organizations; 2) those local NGOs that are well implanted (some of which older than the INGO itself, such as the Argentinean[17] and Ecuadorian[18] Chapters) and have solid and sustainable funding, negotiate their membership – joining the brand without loosing the autonomy or even, as with the Algerian case, remaining as an associate organisation – as a sound strategy to ensure stability in the international resources and foreign donations and to gain more visibility and weight close to internal financial and donor institutions.

3.2. The organisational challenge from below

The strategic decision to franchise encountered yet another problem. It was not sufficient for TI to label itself a movement and look as a grass-root organisation to appease donor institutions; it had to act as one. Once enlarged membership and franchising were set on track, there was little TI-S could do to stop increasing demands from below for greater internal transparency, accountability and democratisation. This organisational change, which would roll the organisation into a new being and raise considerable internal governance questions between TI-S and the NCs, became evident right from the outset during its first Annual General Meeting in Quito, Ecuador in 1994. At the meeting, a young Ecuadorian lawyer Valéria Merino Dirani[19] would epitomise this evolution when, after hearing the Ecuadorian Vice President (and first Chair of TI's advisory council) Alberto Dahik contested him on the nature and composition of the Ecuadorian Chapter:

> 'When he [*Dahik*] listed the members, recalls Pope, she responded: "That's not a National Chapter, that's a collection of your friends! That's not Ecuadorian civil society." In response, the Ecuador chapter was disbanded and pledges made to reconstitute it with wider representation' (Lundberg 2002, 8).

Diriani's intervention was even more far reaching. Her protest against the nepotistic and closed membership of TI Ecuador – in line with the social composition trend of other Ecuadorian civil society entities, such as political parties – had alerted about the dangers of having politicians closely involved in the organisation or its NCs, something that TI would bitterly learn following a series of unfortunate events involving Mr Dahik.[20] Moreover, she also made clear during that meeting that TI would lack credibility and capacity to deliver, if it confined itself to corruption in

international business transaction and disregarded the real corruption faced by ordinary citizens at the national level.[21]

3.3. The legal/statutory conundrum

TI's resolution to franchise raised an immediate problem: TI was registered and incorporated as a *eingetragener Verein* (a not-for profit non-governmental organization with tax exemption status) under the German law of associations. The law requires at least seven voting members (active members) and a few other statutory bodies in place to constitute a *Verein*. NCs were an entity which was not foreseen under the German law of associations, hence not easily adjusted in legal terms.

At first TI founders thought the organisation could go along in having NCs without voting rights (although some chairmen were enfranchised as PAMs with votes or members of the Advisory Council). The founding fathers had rushed into things without knowing exactly the future consequences of their decisions: if there was an initial though that TI would have to franchise in the future, one would be led to believe that some consideration on the adequateness of national laws/regulation of associations had to be given a priori. Instead, the incorporation of TI as a *Verein* under German law was an inadvertent decision. The membership of NCs became a legal/statutory conundrum.

The inclusion of NCs in the internal governance of TI was not impossible, but it raised an important legal/governance problem: 'under German law, it was nearly impossible to get rid of a *Verein* member' (Lundberg 2002, 7). After considerable legal advice, NCs were granted conditional membership, which would allow the Chairperson to be a permanent member of TI with voting rights, despite that the person holding that position might change according to the internal statutes of the NC in question (and the national regulations in which they are constituted as legal entities). A compromise between German law and the different national regulations and between TI and NCs was finally reached. The legal mechanism for franchising was now in place[22] and TI's institutionalisation would assume a whole new meaning. The NCs would become the most important feature of TI's organisational structure and functioning to the extent that they are perceived as 'the "owners" of the TI movement' (TI Sourcebook 2000, Ch. 15).

The resolution to extend membership to NCs was not simply a complex juridical puzzle with regard to entry, but also to exit. Becoming part of an association, movement or party, which imposes upon its members both organisational and, above, all normative membership conditions (e.g. adhesion to organisation's *acquis*, goals and mission) is often an easier process than exit.

NCs can voluntarily exit from TI, but what price would they pay if they wished to remain in the anticorruption business? The advantages of being part of such wide network would probably be hampered: communication, exchange of ideas, transfer of knowledge, increased credibility of domestic claims and development of fundraising capacities (given that TI is now a consolidated brand in the "industry" of

anticorruption). Then again, NCs might feel that the non-concretisation of these advantages is the reason for departure.

A different and more complex situation is that relating to *disaccreditation* or forced exit by misconduct, lack of loyalty to the organisation or violation of the *aquis* of membership.

During the Nairobi 2004 AMM, Ms Ospina from TI-Colombia and head of the Accreditation Committee was praised by the Chairman for having put in place an effective system of accreditation. However, the speaker did not clarify what "effectiveness" meant in practical terms nor why should accreditation take place in the first place, since TI portraits itself as an open movement. This leads us to three interrelated problems: 1) What is the purpose of formal, committee-supervised accreditation? Or, in other words, is it an instrument of the Board to control enlargement of membership?; 2) Can effectiveness be raised without having experienced the reverse side of accreditation, which is also an integrant part of this process, i.e. disaccreditation or forced exit?; 3) What are the major reasons for disaccreditation?

Disaccreditation has important legal implications for TI. NCs only become juridical entities within TI, if and when the *verein* status has been granted to their Chairpersons. Before that takes place NCs are only local NGOs without legal claims within TI, hence the organisation can simply disassociate itself publicly from that entity. However, since the brand is not a registered trademark, there are no serious legal implications for "phoney" NCs. TI can only express publicly its dissent and hope that they will give up identifying themselves as members of TI and refrain using its logo unduly. Whether "phoney" NCs will comply with such non-enforceable demand is another matter:

> 'In Ghana, for example, a teacher in a countryside village had heard about TI on a radio broadcast by *Deutsche Welle*. Inspired, he declared himself and a group of friends TI-Ghana. Officials in Berlin had to inform him regretfully that chapters had to be accredited and there could be only one per country' (Lundberg 2002, 17).

It is the Chairmanship of NCs – regardless of who occupies that position – and not NCs as such that are legally covered by the German law on non-profit associations. TI cannot get rid of a *Verein* that easily. If the source of tension between TI and the NC is the individual occupying the Chair position TI can only, at its best, invite other NC members to overthrow the leader according to their Chapter statutes. If the problem is not personal, but a hostile NC which TI would like to purge, there is a legal safeguard in place. In order to an NC to acquire juridical status within TI, the NC Chairman candidate to *Verein* membership has to sign a declaration before approval by the Board in which, he/she requests that his/her name 'be deleted from the list of Active Members of Transparency International e.V. if the affiliation of (official name of the national chapter) should at any time be terminated by Transparency International e.V.'.

In any case, the decision to terminate conditional membership can always be contested internally and in a German court of law. The likelihood of legal disputes that may arise with the termination of NC Chairman as a *verein* should not be over emphasised. After all, what would be the interest of a contesting active member to

remain in an organisation that no longer welcomes him/her? There are no monetary benefits involved or status to retain or worth to be battled for in a court of law.

The accreditation system and committee [23] put in place is not so much about minimising legal ordeals that can arise from granting active membership status, but about controlling enlargement of membership which has institutional and power implications for TI's internal governance. It is more a tentative membership screening mechanism of future members than a continuous process of quality certification.

In legal terms, exit can only relate to individuals – PAMs, TI-S contract staff and Chairmen of NCs – in practice, however, the whole process of accreditation put in place is primarily meant to control the growth of NCs within TI, to control enlargement, instead of protecting the credibility of the organisation, ensuring the quality of national partners and keeping the organisational structure workable as often invoked. If TI is to be considered "a movement", no conditionality other than allegiance to a basic set of principles and lines of action should be put in place. Ensuring the quality of NCs as a preventive measure to save the movement's reputation is just another managerial jargon, which has no real meaning and application. In other words, disaccreditation as a means to ensure the quality and credibility of national partners has never been an issue and it will never be. Not only would such process be interpreted as an assault into the autonomy of NCs (and for pre-existing large chapters, this would be completely unthinkable), it could also lead to legal actions against TI and bring some bad publicity to the organisation. Moreover, judging by some existing NCs, quality and excellence has never been a criterion of membership.

How can TI make a long-term quality certification? The organisation has already a poor record with individual cases in TI-S, the most recent being that of one of its founding fathers Jeremy Pope,[24] but it has no experience with collective ones. It has been whispered in the corridors that, for instance, the Jordanian NC in formation might be at risk. What would be the disaccreditating criteria for NCs? It cannot be their bad performance or inefficiency. TI's accreditation of NCs has never been and will never respond to market criteria: an effective NC today can become ineffective or comparatively less effective tomorrow. The NCs "unfaithfulness" to TI's mission and operating principles could also constitute another criterion for disaccreditation, but it would even be a more fragile and fluid ground to work out forced exit. TI's disaccreditation is likely to move towards integrity issues or violations of the code of conduct which put at risk the image and credibility of the organisation, such as: the financing practices of NCs (undisclosed sources and amounts, dubious relations with improper donors) or blatant cases of misconduct by their leaders. Just how viable would such ethics enforcement be? Since its formation, TI has undergone several instances of dubious conduct by NC leaders, staff and Board members, and has never been able to put in place a preventive framework to curtail the likelihood of future wrongdoing. How can it possibly ensure normative or ethics certification? The good NC of today can become the bad NC of tomorrow and the good PAM of today can become the bad PAM of tomorrow.[25]

Whatever the criteria that might be used, it would breakdown any solidarity or collegiality achieved during the past ten years and would deteriorate the relationship between the Board and the Membership Meeting (assembly of NCs). This is why

discussions about the internal governance of NCs have been avoided during the AGMs. Once or if the process of disaccreditation is activated, it will only intensify the already evident power struggle between the two contending bodies within TI's internal system of governance: on the one side, the growing number of NCs which are trying to gain status and leverage within the organisation, on the other, the Establishment (i.e. Board and PAMs), which is trying to hold on to power amidst the profound transformations in the organisation's composition.

In short, TI has not thought well in advance about how balances could be retained in an enlarged and enfranchised organisation and does not seem to have a long-term membership strategy,[26] except that of copying the UN or IGO-based membership of national units.

4. Nature of NCs

As early as 1993, NCs started being formed. NCs are very different in nature and quality, something that is not intrinsic to TI's franchising process but equally common to other INGOs.

Some NCs preceded TI as well-established local NGOs of high public standing and 'have amended their constitutions to adopt the TI approaches and then become their country's national chapter' (TI Sourcebook 2000, Ch. 15 on Civil Society). These enjoy a greater degree of respect and autonomy within TI. Those created during the foundation years, such as TI-UK, TI-USA or TI-Kenya are the bastions of TI, so-to-speak. They are the most pro-Board, pro TI-S and pro-leader. However, longevity in the organisation is not the only way to ensure strong loyalty to the international organisational bodies of TI and its "leadership": NCs whose existence is strictly linked to TI membership and who lack financial sustainability are equally faithful supporters. One special case was the creation of TI-Germany, founded by TI Establishment people as a means to overcome the problem of identifying TI movement as Germany's chapter. Some NCs were created by design others by default (Lundberg 2002, 17). Some have overcome the initial dependence on the ideas, interests and vision of its founders and have become institutionalised; others remain a few-men band. Some are financial autonomous; others are unable to guarantee their subsistence without a little help from its big brother TI. Some have clear agendas in response to specific needs and problems in their own country; others have simply adjusted TI global priorities to their own settings with little applicability or impact.

Two elements contributed to this multi-faceted constellation of NCs: 1) the national laws of associations and taxation (which in a way prescribe or force NCs to assume a particular model of organisation); and 2) Berlin's initial incapacity, and later resolution, to define a model of how a NC should look like. If in the early days of TI, hardly any of the founding fathers, including Eigen himself, had a clear idea of what an NGO looked like or had had any experience in civil society; at a later stage, they avoided setting models as evidenced in the Guidelines for the Formation of National Chapters: 'There are no hard and fast rules about the structure or status of a non-governmental organisation in a country which wishes to work in support of TI's objectives'.[27] There is a pragmatic justification for doing so: the juridical and cultural

diversity of the countries concerned and the unwillingness to interfere/intervene in what should be a civil society initiative.

TI claims that one of its top priorities is to build capacity to deliver at the grass-roots level, where most problems are felt and action is needed, without forgetting membership to a global network with an overarching mission. In order to achieve so, it seeks to engage 'groups that are expressly non-partisan and non-confrontational. Consultations draw in other relevant segments of civil society – typically business leaders, journalists, religious figures, academics, existing NGOs with shared aims, members of chambers of commerce and other professional bodies – to test the interests and feasibility of forming a national chapter' (TI Sourcebook 2000, Ch. 15 on Civil Society). In short, TI labels itself a grass-root movement thanks to the formation of local NCs, run by local individuals and aimed at local concerns.

However, TI was not fully coherent in its grass-root approach. It suffices to read the TI Guidelines for the formation of National Chapters a few lines ahead to have an idea of its understanding of civil society: under the grass-root façade – 'Each national chapter is indigenous and wholly locally owned' and 'will form a part of a network of mutually supportive organisations throughout the world' – lies a more centralised, organic and instrumental reality. The movement is defined organically: 'The TI movement comprises the TI international organs'. It is not about ideas and peoples, but organs and, goes without saying, rules and power. Moreover, 'Whenever TI is invited by a government to develop a programme in its country, a national chapter will be organised'. In a few words, TI has an interventionist and instrumentalist view of how civil society should get organised: the "government wishes, TI provides" approach to the formation of NCs raises serious doubts as to the grass-root nature and political impartiality/neutrality of some of these entities.

4.1. What grass-root links?

Before assessing whether NCs actually fit the grass-root label, it is useful to look at the concept itself. What does grass-root mean?

The term grass-root is inspired in the German word "*Keimform*" (kernel) and it expresses a movement organized by a local network of citizens *engaged in action* (i.e. activist) to create social, political or any other change. Grass-root CSOs are often characterised by the following elements: 1) local civil society creation (indigenous); 2) voluntary and spontaneous civil society creation (no interventionism); 3) everybody's (open membership: anyone is entitled to become an activist and leader of the organisation; level of education, money or political status do not grant a privileged access and rank within the organisation); 4) representation of local concerns; 5) non-confrontational action; 6) rejection of hierarchical and ideological organisation structures (self-governed; control from within).

Formally, all NCs are local organisations in so far they are registered and develop their activities in their own countries. In practice, however, a good deal of them are not voluntary and spontaneous civil society creations. Various NCs have been put in place thanks to the contact efforts made by prominent TI-S figures. These start as

strategic contacts with local personalities and then evolve into NCs under TI's auspices and, in some cases, with the blessing of the "host" government.

Formally, all NCs are constituted and run by local individuals, but only a few provide an open membership formula through which individuals can join the organisation, voice their problems and participate, actively or passively, in the democratic selection of their leaders.[28] Since TI's statutes do not provide for individual membership (with the rare exception of the undemocratically group of personalities with voting capacity, i.e. PAMs), local problems and concerns can only be voiced through NC representatives during the AGMs. For TI, individual membership and NCs' governance is secondary to the creation of national branches and this is as "local" as TI can get. The lack of representation of local concerns and accountability within NCs, questions the grass-root nature of TI as a whole. TI has grown considerably over the past ten years, but it has not necessarily become grass-root as claimed: it looks more like an IGO with different decentralised national units, than a global movement made of local constituencies.

The definition of grass-root also presumes a certain level of democratisation of the constitutive social base. It is meant to express empowered "common people" and "mass membership" and not simply an organisation of a few enlightened, well-educated, rich or politically attached elites, which currently characterises TI. However, this remains a utopian view of what organised civil society is about. Most NGOs are bourgeois creations, oligarchic and elitist (even though the same could be argued to other civil society entities, such as political parties). It is an unavoidable feature of organised civil society common to other NGOs.

Similar to TI-S, NCs are predominantly elitist, a collection of "grey suits" personalities:

> 'As a rule, TI Chapters comprised the elite – academics, politicians, lawyers, doctors, and journalists. In Belgium, the TI Chapter chairman was Baron Jean Godeaux, former president of the central bank. In Malawi, Anglican Bishop the Right Reverend Bvumbwe headed the chapter. […] TI was an organisation of "insiders" more likely to promote top-down change than bottom-up street protest' (Lundberg 2002, 17).

This takes us back Diriani's argument during the 1994 AGM in Quito: just how "everybody's", "indigenous" and "locally owned" NCs are? Most executive directors and chairpersons have higher education (some hold PhDs) and hold senior positions in companies (as CEOs), foundations (as Chairpersons) or have served (or still hold) a political or senior public position nationally or in an international organisation (such as the WB or UN). There are exceptions to the rule: the South African Chairperson, for example, comes closer to the common definition of "activist" as a longstanding trade unionist.

Most NCs are small both in terms of their staff and membership. Only a small number of NCs have in place an open membership formula. Some allow individuals to become members, by paying an annual membership fee and grant them statutory voting rights, but have not actively sought mass membership. This is the case with most West European NCs, which function like small lobby groups or civic action clubs. By contrast, in Latin America, both the Brazilian[29] and the Argentine Chapters closely resemble mass-movement NGOs given their large size individual membership.

The capacity of extended mobilisation, however, is not very different from that of smaller "grey suit", elitist NCs. Taken TI Brazil as an example, in what concerns the sociological characterization of those individuals who show an interest in the Chapter's activities, its "target audience" is essentially middle-age, highly instructed males from the large metropolitan cities (São Paulo and Rio de Janeiro).

4.2. The (political) impartiality and neutrality of NCs: the dangers of instrumentalisation

Despite that the Guidelines recommend NCs to be 'non-partisan and non-political', the predominance of the coalition-building strategy upon all other traditional forms of civil society engagement – such as confrontation, protest, watchdog – opens the road to a series of comfortable compromises and conflicts of interest which put at risk TI's credibility and seriousness before public opinion.

The passage of some leading figures of TI Kenya to governmental office, and the new government's definition of an anticorruption strategy which targets primarily the outgoing incumbents and remains at the level of cosmetic measures, damages the credibility and independence of the NC as a civil society actor by making it look as a useful electoral ramp with a clearly defined political agenda. The recent resignation of the head of the presidential anticorruption office, John Githongo, a leading figure of TI-Kenya in protest to President Mwai Kibaki's alleged inertia and lack of commitment to fight corruption does not fully clarifies the Chapter's involvement in this whole process.[30]

The promiscuous relationship between NCs and domestic politics is also valid for OECD ones. The TI Italia is run by sympathisers of the populist movement Lega Nord, who have, on various occasions, muffled news about the current centre-right government coalition (of which Lega is a member), including Mr Berlusconi's latest corruption scandals.

In the US, the matter is not so much proximity to the government or administration, but to large American corporate interests. TI-USA has virtually said nothing or done nothing about corruption in the US or by its business corporations: it does not address and mobilise its population to corruption in its own country when the majority of global activists denounce the predator behaviour of US corporations in developing countries through never ending manifestations during the G8 and Free Trade summits; when half of the American population contest the performance of US presidential elections on grounds of legality, being it procedural or financial; when the mingling of corporate and political interests is a widely accepted feature of US regulatory politics. The Chapter is largely a creation of the US corporate community, hence it is not surprising that they believed the 1977 US Foreign Corrupt Practices Act (FCPA) was an effective anticorruption instrument and a best practice to the rest of the developed and the developing world. Even less surprising is TI's passivity to the Chapter's biased or short-sighted view, since the latter is crucial to the financial sustainability of the former.

4.3. The financial sustainability and independence of NCs

Funding is crucial to any organisation in carrying out their activities. The capacity to raise the appropriate funds and to ensure the organisation's independence vis-à-vis their donors/contributors, are two important dimensions of the nature of NCs. Other relevant issues concern the transparency and independent auditing of accounts (clear accounting rules, publicity and publication) and the integrity of its members in relation to sources and amounts of donations.

NCs vary in size and sustainability of their funding. Contrary to what one might expect, some NCs in developing countries are often better resourced than their counterparts in the northern hemisphere (for instance, Western European NCs), thanks to funding from national and international development agencies and corporations.[31] The financial needs of NCs, is something that cannot be interpreted only in North-South terms.

As mentioned before, the formation of new NCs and TI's fast franchising is closely associated to its need to adjust to a changing donor panorama. This is valid for the creation of series of NCs in developing parts of the world, but the need to set a local Chapter in order to ensure continuous support of national aid agencies to TI's cause was also the case for some OECD NCs. According to the Chairperson of TI Canada, support from the Canadian International Development Agency (CIDA) to TI was unlikely to continue if they had not constituted a local chapter.

In some cases, TI's direct involvement and interest in NC formation was financially and logistically crucial. This was particularly the case with the inclusion of a US Chapter from day one. The Chairman of the Board of TI-USA was a lawyer in the legal department of General Electric. He was a full-time TI staff, seconded by the company during the first years. This senior corporate lawyer was very active at various levels. He developed very close relationships between TI-USA and a series of national and international institutions: the US State Department (USAID),[32] the World Bank, US foundations (such as the Ford Foundation,[33] which is the process of generating another large grant to TI), and the US business community (some of which world wide known for their involvement in major corruption and fraud scandals).[34] TI-USA has played an important role in attracting funding for TI, which has granted it considerable leverage within the organisation (to the extent that it has been whispered in the corridors that the next TI Chairperson might be recruited from the TI-USA leadership). From the standpoint of TI's moral crusader banner, TI-USA funding rapports are probably more a problem than a solution.[35]

Finding a sustainable funding strategy is not an easy task to most NCs and there is little help they can hope from TI-S, except managerial advice from an entity whose finances are less than sound. In some cases, NCs have benefited from a lump sum to start business, but have been unable to design a membership/fee strategy capable of ensuring diversity of sources and regularity of funding. TI-Canada can be singled out as having put in place a successful and variable membership/fee structure which served as an example to other NCs. The basic principle to prevent money influence and ensure independence from donors was that no source should provide more than approximately 1/3 of the total revenue of the organization: 1/3 from government

(public), 1/3 from business, 1/3 from individual membership and projects. It was extremely important to involve the business sector. However, TI-Canada had to make sure that they were not the voice of the business community, but only partners in a coalition. It has been a struggle to maintain that independence vis-à-vis the corporate world: business voice can be very strong. In order to ensure diversity and regularity of funding, they invited people to decide what degree of participation/involvement they wanted in the organization and from that they set up different fee categories: 1) charter members for 5000 Canadian dollars with a commitment of 2 years of support (provided stability of funding for the first two years of the organization, the fragile institutionalisation period); 2) professional/business members invited to contribute anything from 1000 to 5000 Canadian dollars; 3) government members (government department could joint TI-Canada) for 500 dollars; 4) and individual members for 50-100 dollars. Further to the fee structure the Chapter also allowed for the sponsoring of specific activities/initiatives: for instance, CIDA had largely funded all first seminars, dinners, etc, which were effectively launching events.

The bottom line is that most NCs are in similar financial strains as TI-S and they have been unable to attract regular funding. Most survive on an annual income that is less than the annual salary-cum-benefits of one single high official of TI-S. This creates considerable tension between NCs and TI-S: the raison d'être of the latter has been measured against its decreasing capacity to attract funding for its movement partners, thus questioning one of the major advantages of being part of such a network. Fixed costs take much of TI's budget,[36] whereas money spent in actual research is minimal and the ratio of money being transferred to NCs is very small (USD$6,000 per region with ¼ of this amount is retained by TI-S for the development of common projects). TI is living on the edge every year. The need to assemble an endowment fund for projects has again been discussed during the last AGM. How can TI be serious on delivering goods to NCs and investing on research if most of its budget is constituted by donations (which are conjunctural resources, hence unstable) and the major elements of expenditure are fixed running costs (rent and personnel)? Despite mounting financial difficulties, TI has not made a real effort to 1) recruit researchers with experience on the field and research managers for the finance and fundraising departments of TI-S who know how to apply for national and EU research funds[37] and 2) explore the potential critical mass available across chapters.

Not only NCs cannot depend on TI, since in Berlin every penny earned is a penny spent, they often have to compete with TI-S for donors at the domestic level. This is particularly true with regard to national aid and development agencies. The issue was raised during the 2004 Nairobi AGM and it was agreed that TI-S should no longer approach domestic sources without prior consultation with the NCs concerned.

The majority of NCs have not been able to strike a balance in sources of funding.[38] A large number of NCs in developing countries rely on international donations, primarily from Western foundations and aid agencies, which account for more than half of their annual income. US money, whether from corporations, state agencies or foundations is not welcomed in some Arab countries, where there is an understanding that such aid has hidden political intents.[39] The risk of dependence on one source of funding is also a fact for NCs in OECD countries: TI-UK and TI-Australia, for instance, have difficulties in attracting private funding and are mainly sponsored by aid agencies or national governments. In other cases, such imbalance is created by the

view that banning certain forms of funding, namely corporate donations will guarantee the Chapter's independence (TI Lebanon).

One area of concern, which directly relates to TI's governance, is the lack of uniform or standardised accounting and financial reporting procedures across NCs. Around 70 NCs presented audited reports in various formats. This makes it virtually impossible to put in place an effective system difficulty to monitoring and sanctioning of wrongdoing. Few NCs have put in place a clear accounting system comprehensible to everyone, especially donors and the public at large. The fact that NCs are registered as local NGOs and subject to different national accounting regimes (hence with different auditing standards), it is not a sufficient reason to justify the lack of basic information on the overall income and expenditure of NCs (sources and amounts). Even fewer NCs make their annual accounts and financial statements publicly available for consultation online.

The need to strengthen internal auditing systems to prevent any wrongdoing at TI-S or NCs was convened again during the 2004 Nairobi AGM, showing the morally charged context in which TI discusses internal governance issues. TI feels uneasy to handle the likelihood of financial impropriety resulting from business contributions. For instance, if a donor corporation has bribed, should TI or any NC financed by that company abdicate from their money? If a company bribes in one country, does that mean that an NC from another country also financed by the same corporation must abdicate from its contribution? NC representatives have been posing these and other questions to TI senior officials in the context of an operating disaccreditation system, but have not received any clear answers. TI's uneasiness to deal with these issues results from a moral high ground which has raised throughout the years and cannot coherently sustain. On various occasions, NCs have accepted donations from "corrupt" corporations (TI-Norway recently) and TI did not have an adequate response to this problem, because the financial dealings between TI and the corporate world are based on a moral paradox: whilst some NC and TI leaders are publicly in favour of the introduction of anticorruption instruments such as "corporate black lists" – thus raising the moral stakes against corporate misconduct – they are also too willing to build-coalitions with the business sector and open their hands to juicy corporate contributions. For a "corrupt" corporation or politician to join the movement or simply make a large donation to a local Chapter can have a similar significance as the art of selling indulgences by Pope León X, whereby a soul could be released from purgatory by paying the Church a juicy fee. TI needs money to accomplish work and keep in business, hence a blind eye can be given to a "corrupt" corporation that wants to ask for forgiveness of its sins. Many corporations look at TI as the grand master of all moral crusaders and hence the only body empowered to issue such public absolution. Being a member of TI while facing a court prosecution on corruption can be quite convenient.

5. The Quality of NCs: Actions, programmes and strategies of engagement

Although there is some variation in the areas of concern across NCs, not all have been able to define their priority areas by drawing on local contexts and issues of concern.

NCs' agendas are often unrepresentative of the major corruption scandals and issues of concern in their respective countries and do not offer a holistic approach to control.

Most NCs have adopted TI's global priorities as a sign of allegiance to its transnational agenda, but only a few have been active in contributing to their implementation:

- Political corruption: both TI-Brazil (Project *Às Claras* (www.asclaras.org.br) and Poder Ciudadano (TI-Argentina)) have adopted an watchdog approach to political financing by informing voters about political donations to candidates and monitoring observance with law. The Brazilian initiative, in particular, offers a long-term research utility by providing an on-line database on candidates to elections and their donors that enable statistical analyses;
- Public Procurement: TI-Indonesia and TI-Pakistan have been active in putting in place new procurement programs. The degree of innovation and success of these instruments is relative. Some of these countries had only a few public procurement guidelines in place left by the colonial powers, hence reviewing and upgrading tendering laws and procedures was in itself an achievement. TI Colombia has favoured the creation of a permanent observatory by enrolling a variety of partner civil society institutions (academia and chambers of commerce) to oversee the review of the public tendering regime;
- Private Sector: TI Lebanon surveyed a large number of firms in their dealings with public administration. Its major innovation has been its work on construction permits transactions during the post-War reconstruction. The study might offer some applicability to other post-war reconstruction contexts, such as Afghanistan and Iraq;
- Convention: TI-Canada, in particular through his President, Professor Wes Cragg of the Schulich School of Business at York University, has devoted a good deal of research to the intricacies of setting global ethical standards to business, played an important pivotal role in the entry into force of the OECD Convention, by persuading the Canadian government to push the legislation through before the December 31 deadline. This pressure proved crucial, because the Convention had to be ratified by five major OECD countries in order to become effective. Canada was the last of the five to ratify, but the whole legislative process (Senate approval plus House of Commons three readings) only lasted one day. The understanding of what "advancing" or "implementing" means is quite different from one Chapter to another. In some cases, NCs contribution in this domain has been merely informative and symbolic, for instance, through the production of booklets to the wider public explaining what the convention is about.

There are also a number of additional global priorities, such as, securing access to information, combating money-laundering, supporting recovery of illicit assets and creating ethics education programmes, which some NCs have started on their own initiative and which TI-S as picked up as "good practice" to be exported to the whole "movement".

It is difficult to know the level of engagement in certain activities. NC executive and programme directors tend to overemphasize the spread of their areas of activity and research commitments as well as strategies of engagement. It is difficult to

corroborate such information with the interviews made. The websites and activity reports are not credible sources of information either, since there is no peer review or independent evaluation of the nature, extent and impact of those initiatives.

Bearing in mind these empirical shortcomings, the table that follows shows a comparative overview of the information obtained with the intent of highlighting variation on the volume and type of activities developed by NCs and their degree of autonomy in agenda setting. The table takes into consideration the following variables: longevity of NCs within the movement (waves of membership), different democratic cultures (old vs new democracies and OECD vs developing countries) and geographical/cultural spread (two per each region and western vs non-western, south vs south).

[Insert Annex 1: Table 2 Global priorities and Domestic concerns]

The NCs autonomy in setting their own agendas is largely dependent on their capacity to attract critical mass (for instance, through internship programmes or by establishing close relationships with academia) and financial resources. Unsustainable NCs tend to go along with TI's global priorities, which in practical terms, means doing symbolic initiatives, such as: "corruption is bad" workshops, media coverage of the latest Corruption Perceptions Index (CPI), signing of protocols and integrity pledges, and awarding public figures for their anticorruption role.

The majority of NCs accept TI's definition of corruption and have not sat down to discuss it in detail with their peers or with TI-S. It is simply not an issue. Most NCs share a domestic and international interest on corruption, though priority seems to be given to the former, with very few exceptions, such as TI-UK and TI-USA who have said very little about corruption in their own countries. There is widespread belief that corruption is a non-normative, developmental issue related to the State's manifest allocation inefficiency, discretion and lack of accountability. A very technical, principal-agent-client approach to corruption, which ignores the more normative dimensions of the phenomenon and, therefore, puts more emphasis on legal/formal anticorruption mechanisms and enforcement than on the preventive approaches and ethics management. It is in those countries in which CSOs have played an important role in democratic consolidation, such as Latin American ones, that NCs have a more holistic approach to corruption and show greater concern about its implications to the democratic ethos.[40]

In most NCs, however, there is also a low understanding of conflicting values and undemocratic effects of some anticorruption measures when devising, recommending or supporting governmental initiatives. At this level, different civic and democratic traditions across NCs come into play. TI Korea, for instance, had welcomed uncritically the government's decision to ban mass rallies during elections, because these had been "infested" by corrupt practices in the past (i.e. people were allegedly being bribed to attend political rallies). In what degree does that measure strengthens the ethics infrastructure of South Korea? To what extent is it safeguarding other democratic values such as freedom of association, speech and rallying? Justifying the implementation of such draconian measure, as a necessary evil to the enforcement of political financing laws is a high price to pay: it jeopardizes democracy and civil rights. In a country with a large manufacturing industry (for instance, in the

automobile sector), it can easily become an excuse for an incumbent's heavy-handed approach to trade union protest. But that seemed not to worry the "local activist", who was more interested in the immediate symbolic gains: ticking yet another "achievement" in the country's list of available anticorruption instruments. Part of the problem also resides on TI's populist approach to corruption: there is too much emphasis on the need to curb corruption at all costs without measuring the negative implications of some measures to transition or consolidating democracies. In fact, TI offers two menus/strategies to NCs in formation adjustable to the institutional and political contexts of the "hosting" country: a "full menu", in which anticorruption is understood as part of a greater social and political change (i.e. democracy promotion and consolidation) *versus* a light menu, in which anticorruption is simply a means to safe development (risk free and effective), regardless of the promotion of civic and democratic rights in the country concerned. TI and NCs in some developing countries are more inclined towards the latter version, which avoids lengthy and unpleasant debates on Western dominated formats of anticorruption reform and allows for cultural relativism; whereas other NCs, especially those in Europe and Latin America, tend to prefer a more systemic and holistic approach to corruption control which cannot be disassociated with the performance of democratic institutions.

Concern about corporate crime and political corruption are, generally speaking, secondary to public sector misconduct. Private sector anticorruption initiatives do not go much further than the adoption of international conventions and political corruption is something that a large number of NCs find hard to address, often due to the incapacity of their senior officials in keeping an arm's length from the business and political sectors. These two "TI priorities" have witnessed little progress partly due to the coalition-building strategy recommended by TI and adopted by all NCs. In most cases, coalition building has not been translated into effective and independent partnerships as expected, but instrumental or symbolic gatherings with the political and business sectors. Where some results have been obtained, it has been through a watchdog approach and by assessing, analysing and diagnosing vulnerable or risk areas in the public, political and private spheres and collecting, publicising and supplying information to stakeholders.

The strategies of engagement are largely standardised. Most NCs do not see themselves as a "protest and street mobilizing" but opinion-forming organizations. In line with TI's position, their major strategies of engagement are about informing and raising awareness and, to some extent, lobbying and pressing decision-makers to adopt certain corruption control instruments.

The coalition-building strategy is in itself evidence of TI's lack of grass-root composition. Trade unions have also developed partnership strategies of negotiation vis-à-vis decision-makers, because (un)employment, similar to corruption, is a policy issue which raises an ultimate common interest between the parties involved. However, common interest does not mean uniform interest. It is not unusual that trade unions decide to abandon negotiations and return to strikes and street protest. In fact they have never used the word coalition-building but negotiation, they are not coalition partners, but social partners. A coalition presumes a strategic bond between the partners that regularly leads to a real or perceived compromise and amalgamation of positions and interests, hence a shared responsibility in the decisions or actions taken. Such promiscuity of roles and interests inevitably hampers the free-judgement

and independent action of NCs. Working close to governments as an NGO without keeping the arm's length raises the possibility that some might use TI as a political ramp and makes TI co-responsible for the (lack of) success with regard to anti-corruption policies designed and implemented.[41]

There is little or no credible evaluation of results. Most NCs claim that there projects or programmes have had an impact in 1) increasing awareness of corruption; 2) in creating or strengthening the anticorruption structures; 3) in empowering civil society. Very rarely donors ask for impact assessments and when they do NCs provide proxy indicators of success with no independent certification.

Although some NC leaders and senior TI officials argue that it is difficult to measure the effects of anticorruption activities (and a few others go even further questioning the need to evaluate) that does not preclude them from always claiming a positive impact. The most emblematic initiatives are often measurable, but the project design has never contemplated such task. We can only speculate of the reasons why.

The non-evaluation of projects and programmes has two immediate consequences: 1) there is a matter of accountability to donors. Their decision to continue supporting the organisation or any of its local branches might be dependent on reporting on how the money was spent and with what results, unless donors feel happy with a symbolic approach to their investment (their anticorruption interest is often instrumental to a wider State-Market reform); 2) if TI or NCs do not evaluate results of their activities, others will. There is a growing of disaffected TI members, academics and competing organisations in the market of anticorruption which are just too eager to check TI's claimed success by evaluating results beyond anticorruption rhetoric.[42]

5.1. The unclear role of research

Research is expected to play a major role in the daily life of NCs, since TI eschews NCs from engaging in investigation.[43] Moreover, given the intended preventive character of most of their activities, research is needed to detect areas of concern and recommend possible solutions.

Most NCs do not carry research of their own, even if, similar to TI-S, they constantly insist they do. Very few operate as think tanks or research centres. Very few display a group of paid experts that undertake research or give advice, especially to a government, on policy matters. Such category would require a good level of research being carried out by the institution itself, which is not the case with NCs or TI-S. In the words of a TI-S staff person, "TI manages research more than it actually executes". It is a hub of contacts. It knows where to get the information and expertise from, but does not develop research capabilities of its own. This model has been replicated down the ladder by the majority of NCs, especially those who lack regular or sustainable means of financing: research is expensive and to develop into a research unit, considerable efforts had to be devoted to funding applications and boosting critical mass capabilities.

Some NCs actually expect TI-S to help them in that domain, both by framing common research projects[44] and searching for research funds. However, TI-S has not been able to deliver in either dimension. During the 2004 AMM in Nairobi, the MENA group questioned the current executive director, David Nussbaum why TI-S was "reluctant" to support the translation of the Source Book into Arabic, a EU-funded project in almost its totality (80%) to which TI only had to secure 20% of the total costs. Nussbaum's reply was that all had to do with the slow pace of the funds negotiated with the EU and also with the fact that TI-S in 2001 and 2002 ran on deficit (due to dollar devaluation, which affects a large sum of contributions, mostly from the US and to a decrease in contributions, due to difficult conjuncture to donors themselves). The project did go ahead as expected, however, the whole process highlighted the discrepancy between NCs rising expectations on TI's capacity to deliver in securing financing for NCs' projects and TI's limited expertise in applying for EU research money. According to the Executive Director of TI Lebanon, most NCs in the region lack people with expertise in putting down applications for available funding programmes. For that reason TI-S should improve its capacity to apply successfully for funds that are currently available at the EU or European aid agencies for the Mediterranean and Middle-East region. Another example of TI's limited capacity to deliver in the field of research was the failed attempt to build a research centre in the UK and the subsequent transfer of such intentions to Berlin, following the departure of the two core supporters of such strategy (Jeremy Pope and Fredrik Galtung).

The lack of success in developing its own research capabilities has also to do with the relationship TI has developed with academia, which, in its turn, is related to the working place culture and job socialization of most of its senior members, i.e. retired "grey suits" from IGOs with little interest in research unless applied to the agencies' political goals. Commissioned research preferably, so that costs of unpleasant findings are minimized – since research plays an instrumental role, there is always a certain degree of uncertainty that can be damaging to the agencies strategies or modus operandi – and quantitative foremost – since numbers can be more easily manipulated to mobilize people, raise issues to the public debate and lobby governments to address them respectively. The pattern of recruitment of IGOs, such as the World Bank or the UN, is replicated in TI. Senior secretariat and Board members have no time or patience for academic and their "bold" approaches without synthesis, clear answers and adequate solutions to the problem of corruption. They need to act, and fast, more than they need to ponder and analyse things: they are, as Peter Larmour put it, "old men in a hurry". PhDs are recruited not for their successful academic careers on the field, but due to their working experience in the NGO world or passage through governmental and IGO office. This has not only deprived TI-S of experts on the field of corruption and anticorruption, it has also created a bureaucracy which is aware of its limitations and will try to defend its vested interests amidst the need for change. TI-S continues to sustain that it manages research only, but it also refrains from looking for expertise outside Berlin when needed because that would question its existence or at least it would put some pressure on the justification of staff costs.

Despite the recurrent call for the need to attract more volunteer specialists and advisers, TI's leadership has invested little time and effort to actually explore the amount of critical mass available across the NCs and the possibilities of framing common research projects and applying for research money. Such effort would

require a different recruitment policy by starting, for instance, with the contracting of an expert in framing and submitting candidatures under EU Research Framework Programmes and/or Europeaid programmes. A few European NCs have been successful in profiting from these programmes, for instance, to assist them in starting their activities and websites,[45] but a general tone of dissatisfaction remains across NCs as to the overall incapacity of TI-S to deliver in this domain.

Some NCs have attracted (and recruited) academics and researchers into their organisation and this has proved fundamental to the development of innovative initiatives, such as the research on arms trade and corruption developed by TI-UK, the monitoring of electoral fraud and corruption by TI-Brazil, and the assessment on the prospects of the international penal instruments put in place by the two conventions (OECD and UN) developed by TI-Canada.

6. Intra-organisational cooperation and coordination: NCs/TI-S relations

The majority of NCs, especially unsustainable ones, found it uncomfortable to raise criticisms about their relationship with TI-S. Hence, when asked if TI-S plays a role in framing and supporting the Chapter's activities, they often reply positively. There can be no disadvantages of being part of TI, since their existence is framed within and for TI. Even if some did make one or two remarks on the "difficulty" which TI has had in recent years to secure financial support to their activities, most did not speak freely and were very evasive in this domain.

Large NCs, however, have a more critical stand. Some ignore any relationship with TI-S, simply because TI-S does not play a role in the Chapter's activities nor does it help them in searching for funding. In the words of a NC Chairperson, "TI needs us more than we need TI". According to another NC executive director, the relationship with TI-S is "always difficult when it comes to strategy, methodology, discussions on principles, institutional relations. Easier concerning bureaucratic matters, but even then TI-S disorganization sometimes gets in the way". The availability of NC representatives to talk about various governance issues is in itself evidence of the mounting internal power struggle between the NCs and the Establishment (Board and PAMs). Fundamental disagreements with chapters are starting to be heard whilst TI is putting in place a formula to control enlargement and the increased power of NCs within the organisation. Although TI portraits itself as a "global coalition" where different interests and conceptions co-exist, in practice dissenting views are courteously suppressed and dissenters dismissed. In the words of an NC executive director, "Gossip is a much more relevant way of communication than rational convincement. TI-S is the closest thing to a Hamletian court that I ever became involved with".

Having said this, TI-S does not always engage in selective purges and backstage persecution. The organization has been quite successful in overcoming personal divergences and building consensus by resorting both to negotiation and interest accommodation and the selective redistribution of benefits (financial or status).

Besides ensuring the allegiance of its members to the organisation's mission and objectives, TI needs also to promote a certain image of idiosyncratic cohesiveness. Similar to other CSO organisations devoted to great causes (e.g. Amnesty International and the respect for human rights), TI is faced with the need of rallying people towards a common goal without resorting to money influence or protection by force of arms as a means of motivating them and conquering their allegiance. As part of its implantation, institutionalisation and operation in society, TI was confronted with the need to create myths, traditions and rituals other than putting in place a solid bureaucratic organisation. As Sampson put it, 'The world of anticorruption has its own events, its foundation myths and its own folklore, a kind of mirror image of Myrdal's "folklore of corruption" from 35 years ago' (Sampson 2004). This is gradually being achieved through a series of symbolic actions and language, which confer to the organisation a certain degree of religiosity:

- The organisation of large events in developing countries where TI's anticorruption mission and discourse finds fertile terrain. A TI annual meeting organised in a developing country has a far greater propagandistic impact than if it took place in any developed Western democracy;
- The success of its initiatives (although not excluded) is over-inflated without a balanced and self-critical view. There is little or no independent assessment of activities. In most cases, evaluation of results accounts to no more than a newspaper clip or a standardised paragraph in a donors report. Most written materials are not peer reviewed and the views of renowned authors on the field, which are contrary to TI's position, are ignored. Outside criticism is unwelcome;
- Strong charismatic leadership is an added value to ensure idiosyncratic cohesiveness. This has largely been achieved by concentrating all public relations opportunities or windows of visibility in one man, Peter Eigen: one founder, one leader… one spokesman and spotlight man;
- There is also an intensive and repeated confirmation of TI's creed amongst the members. Persistency and repetition of cliché and unverified assumptions has always been effective instrument of indoctrination. It is not necessary to discuss the implications of TI's views, conceptions and activities with a critical mind, but to believe and replicate them. The Chairperson's opening speech at the annual meeting is a very emotional occasion to reassure and reconfirm unified creed, i.e. the single-tone belief in the organisation's mission. There are a series of taboo issues which neither TI-S nor NCs like to discuss openly: some are political, such as the relationship between TI and the neoliberal agenda of the World Bank and the IMF (Hindess 2004); some are financial and strategic, such as TI sponsoring by US corporations; others pertain to the domain of internal governance, such as, the future of PAM's and the succession of Eigen;
- The annual meeting is also an opportunity of communion amongst members and an occasion to welcome new ones to the fraternity. This encompasses a lot of back-slapping amongst peers, media projection and photo opportunities and the chance to meet and talk to the Chairman personally;
- True communion with the "high cause" comes with the remembrance of those who died investigating or combating corruption while carrying out their professional duties through yet-another excellent TI public relations asset: the Posthumous Integrity Awards. The prize is part of the annual Integrity Awards

celebration/dinner, which was launched in 2000 “to honour individuals and organisations around the globe that are making a distinct difference in curbing corruption”. It does not really matter if the people awarded are not TI members. Since the programme’s goal is to give recognition to those “who work to investigate and unmask corruption often at great personal risk”, the likelihood of having a TI nomination is actually thin as both TI-S and NC members refrain from engaging into confrontation or investigation. During the 2004 Nairobi AMM, the Posthumous Integrity Awards had considerable sentimental impact upon all present members and invited guests during the celebration dinner;

- Another religiosity feature is the development of a special language, jargon and rhetoric (Sampson 2004). The interaction between TI-S and governmental, financial institutions and the business world (product of the so-called coalition-building strategy) and the model of bureaucratised organisation it sought for what was primarily intended to be “a global movement” (which is replicated down the ladder by NCs), forced TI to develop a common managerial language across all its members. TI-S staff and NCs ought to speak the same language whilst approaching a donor, developing a partnership or executing a project. The words “coalition-building”, “capacity-building”, “empowerment”, “stakeholder”, “good governance”, “sustainability” were recurrent during the various discussions with TI-S and NC officials and have a similar meaning across the whole organisation.

6.1. Relations amongst NCs: the scope and feasibility of regional endeavours

Relations amongst NCs are minimal. Regional endeavours are not encouraged or discarded by TI-S. They are essentially an initiative of NCs. In principle, regional groups are meant to converge NCs’ efforts and activities and transfer knowledge on a key number of priorities within a given region. In practice, however, there are no serious regional efforts of cooperation and coordination of joint ventures. Where there are pre-existing NGO communication and cooperation networks across neighbouring countries, such as with the TI-Latin America and Caribbean group (TILAC), regional endeavours can become useful instruments of knowledge transfer (given cross-country institutional and cultural similarities); where such networks do not exist, regional coalitions are symbolic and they either serve as smokescreens for the lack of substance or any activity whatsoever by the majority of chapters or, at its best, to issue joint general statements and organise sporadic meetings.

The European group is by far the largest (a total of 40 NCs), but Western Europe is often the least represented in TI’s meetings. Some European NCs are new and with little leverage within the organisation; some OECD countries are not yet covered, such as The Netherlands, Austria, Spain and Portugal. In the case of Portugal, there was an attempt to constitute a NC in the late 1990s, but it failed both due to bad management from some TI-S members at the time and inaction from the Portuguese candidates. TI also finds a more difficult ground to operate in some European countries were there is equally the same cynicism in regard to NGOs as there is for parties and their representatives, especially because European TI-NCs often resemble

private clubs constituted by “grey suit” people far from any common conception of “everybody’s” organisation.

At the European level, communication between TI-S and NCs and amongst NCs themselves is still deficient. Eastern European NCs face important funding difficulties. Private donators are difficult to engage, either because they are linked to organised crime or simply have no sympathy for the role of NGOs. Collaboration with political and public authorities is not always cordial and easy to strike since the new breed of democratic leaders are yet learning out to collaborate with civil society actors, especially in sensitive issues such as the combat against corruption and corporate crime.

During the European Group meeting at the 2004 Nairobi AMM, there were no conclusive collaborative endeavours. The German and British Chapters continue to form an entente uncritically in favour of TI-S global priorities. They act like the mandarins of the Board, the “yes President” people along with some African NC representatives, who have an undisputable allegiance to Eigen’s positions either because they are dependent on TI’s capacity to procure them money or because they nurture high expectations of being part of TI’s Establishment, even for a brief period, as members of the Board. The UK and German Chapters unsuccessfully attempted to convince other European NCs on the need to converge efforts on TI’s key global priorities, such as procurement. France was against UK’s downsizing of importance of political corruption. Much of the work carried out by TI-France has been concentrated on political financing, thanks to the precious collaboration of Yves-Marie Doublet, a French expert on the field. Setting ethical principles to the private sector continued to be a priority to the Norwegian Chapter amidst the uncomfortable ordeals relating to the Chapter’s sponsoring by Statoil, Norway’s major oil company whose CEOs have recently been found guilty on charges of corruption. The relationship between NCs and donors [46] or, more importantly, the screening mechanisms in place to prevent association with “corrupt” businessmen and political figures, has not been adequately addressed. One issue of contention between TI-S and the Italian NC, which was not represented at the meeting, has been the handling of information about Mr Berlusconi, especially with regard to his recent corruption trials and his desperate attempt to muffle prosecution powers and magistrates’ independence through judicial reform. Moldavia raised the issue of not being able to strike a coalition building strategy with the presidential office or to sustain a campaign against the president’s preferential treatment of his son’s company in all major tendering processes without running the risk of hindering the chapter’s existence and activities. This alert was simply ignored, since no discussion followed on the panoply of engagement strategies available to NCs and how to adapt them to specific circumstances was simply ignored.

Each NC has its own priorities and agenda, which do not necessarily reflect their country’s major issues of concern, but there is some room for future cross-chapter collaboration in common projects. Most NCs do not detract the possibility of cooperation and the need to promote common projects or, at least, some comparative work. Where close cultural bonds and similarity political and market structures exist, such as the case with the Latin American and Baltic countries, agreement on a broad common anticorruption agenda or the creation of a network of communication and collaboration may be feasible. Although all NCs agreed on the need to share

information and ensure "best practice" transfer across chapters, none have indicated how such objective could be attained. The lack of cooperation between NCs individually or through their regional groups with other regional policy networks is also another indicator of the low adaptability and knowledge transfer capacity of most NCs.[47] The importance of ensuring some degree of responsibility of established NCs to help other Chapters in formation as a starting point for a more enduring cooperation has also been brought forward during the regional meetings. Unfortunately, regional solidarity amongst NCs remains wishful thinking: with punctual exceptions,[48] divergences and tensions between NCs are greater than their collaborative endeavours. In the words of a NC executive director, 'Regional coalitions are very hard to strike. The more objective one's activity is, the less space there is for accommodation, the more space for disagreement is created, and the more probable is that dissent will appear. Differences of quality across NCs are also problematic to cope with'. In a less sceptical tone, he concludes that advantages in building regional coalitions of NCs are not excluded, 'provided that such coalitions are possible'.

7. Conclusion

Today TI is represented in more than 80 countries of a variable nature: from tiny pacific islands states to colossal Russia, from developed to developing countries, from North, South, East and West, consolidated democracies and very imperfect ones, countries with high perceived levels of corruption such as Nigeria and countries with low perception levels of corruption such as Sweden. TI represents 40% of the political world as we know it today. Numbers are still growing, but the fourth wave of franchising takes place in a less favourable context – TI has lost much of its initial flair and shine – and under a more scrutinized and closed accession/membership process.

The mode of franchising adopted by TI is quite puzzling for an organisation which pertains to be an embodiment of civil society. Its constituency resembles more the UN General Assembly than a movement of peoples. The decision to constitute single national units has more to do with its founding fathers' lack of understanding of how a civil society movement ought to look and operate than a product of a carefully thought and designed strategy of membership. This resolution has had its gains and losses. On the one hand, TI has been able of acquiring a hegemonic position in the industry of anticorruption and to launch well-synchronised global actions of awareness-raising thanks to its strategy of franchising. On the other hand, it has converted the much ambitioned "movement" into a bureaucratic, conservative and resource draining organisation and lost touch with the dynamic nature of social reality, because it excludes individual membership/voice and other alternatives to the Chapters created (both in terms of more than one Chapter per country as well as the types of unit). In short, it excludes many valuable contributions.

TI's actions, priorities and strategies are replicated to a greater or lesser extent at the local level. Most NCs have not been able to define their priority areas and their major high profile activities are reduced to engaging in the synchronised symbolic initiatives put in place by TI-S every year, such as the launching of the CPI or the Global Corruption Report. The coalition-building strategy which TI induces NCs to adopt

vis-à-vis the political and business actors in their own countries can be more a liability than a success: by not ensuring the arms' length distance from decision-makers and the corporate world, TI and its NCs compromise their independence, mission and objectives. Although some Chapters have put in place a balanced and sustainable system of financing, most depend on one source of donations which leaves their leaders at peril the independence and the integrity with considerable risk to TI's "clean" image and reputation. Amidst the financial difficulties in which most NCs have to run their activities, the lack of financial transfers and insufficient management support from TI-S and their inability to attract and diversify sources of financing, for instance, through mass individual membership, leaves NCs in a fragile position vis-à-vis their donors' agenda, which may well be that of financing an anticorruption civil society actor in order to clean up their "dirty" image or to reinforce an anticorruption institutional rhetoric at the surface of a hidden neoliberal reform agenda.

TI's search for a constituency was not purely driven by the need to boost participation from below, to increase critical mass and knowledge about local problems and possible solutions or to broaden its territorial representation; it was also a strategy of adjustment to changing donor panorama. The reverse side of the medal is that as soon as enlarged membership and franchising were set on track, there was little TI-S could do to stop increasing demands from below for greater internal transparency, accountability and democratisation. TI-S faces important governance challenges ahead as numbers grow and its capacity to deliver both in financial as well as in innovative terms is less convincing.

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Brief Biographical note on author

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[1] 'At mid-century, there were 22 democracies accounting for 31 percent of the world population and a further 21 states with restricted democratic practices, accounting for 11.9 percent of the globe's population. By the close of our century liberal and electoral democracies clearly predominate, and have expanded significantly in the Third Wave, which has brought democracy to much of the post-Communist world and to Latin America and parts of Asia and Africa. Electoral democracies now represent 119 of the 192 existing countries and constitute 58.2 percent of the world's population. At the same time liberal democracies— i.e. countries Freedom House regards as free and respectful of basic human rights and the rule of law— are 85 in number and represent 38 percent of the global population' (Freedom House *Democracy's Century Report*, 1999. Available online:

http://www.freedomhouse.org/reports/century.pdf).

[2] 'In 1992 international NGOs channelled over $7.6 billion of aid to developing countries. It is now estimated that over 15 percent of total overseas development aid is channelled through NGOs. While statistics about global numbers of NGOs are notoriously incomplete, it is currently estimated that there is somewhere between 6,000 and 30,000 national NGOs in developing countries. CBOs across the developing world number in the hundreds of thousands.' World Bank website "Nongovernmental Organizations and Civil Society/Overview."
<http://wbln0018.worldbank.org/essd/essd.nsf/NGOs/home> Accessed June 8, 2001 (no longer available).

[3] There are plenty of NGOs at the national level, from which TI can chose to develop partnerships or propose NC membership, but it has no real competitors in the global arena: once the briefcase issue was captured by TI and its brand consolidated, it would have been difficult for a new INGO to emerge and try to leapfrog TI's monopoly in this domain. This does not mean that TI is the only INGO with an interest in corruption related issues. Global Witness and George Soros' Open Society Institute, which were founded about the same time (1993) and with whom TI has collaborated regularly, have equally an interest in and, to an extent, a different understanding of corruption and anticorruption.

[4] For more information on Transparency International history and facts: www.transparency.org (2004)

[5] The fight against corruption is still mainly, if not mostly a national-based and national-oriented effort. Democracy is a territorial-based concept and if the fight against corruption is meant to improve its quality or ensure its normal functioning, it will have to play in its jurisdictional grounds, looking at the performance of its institutions, at the expectations of its citizens and the national leaders' predisposition to do something about it. This has also to do with public opinion condemnation of corruption or its interest on reforms taken abroad. People show only limited concern about what has been done and how successful the combat against corruption has been in neighbouring countries. People may resort to stereotyped visions of foreign societies and political systems, which CPI has probably reinforced or simply crystallised, but remain largely indifferent to corruption and anti-corruption efforts elsewhere.

[6] *TI History*, from the TI website: http://www.transparency.org/about_ti/history.html

[7] The fact that TI was founded under the German Law of Associations is in great measure a practical decision related to Eigen's central role in setting up the organisation. It would have been unwise to set up TI "headquarters" in the US, given the possible connotation it would immediately assume: it would immediately be regarded as an instrument of those US corporations pressing for a levelled playing field, that is an anti-bribery convention. There is no clear explanation, however, as why it was not founded in Britain, which had both a strong NGO tradition (Oxfam, Amnesty International) and one of the world's major business centres (TI's initial target), which leaves us only with the standardised version of making things easier for Eigen to start his vision of "some kind of organisation" to mobilise global concern against corruption.

[8] *No website available (and no knowledge of date of adhesion from other sources)*: Austria (Nat'l Ct); Bahrain (Nat'l Ct); Belgium (NC); Benin (NC); Botswana (NC); Burkina Faso (Nat'l Ct); Burundi (Nat'l Ct); Cameroon (CH-IF); Chad (Nat'l Ct); China (Nat'l Ct); Côte d'Ivoire (Nat'l Ct); Dominican Republic (?); Egypt (?); Ethiopia (Nat'l Ct); Fiji (NC); Gabon (Nat'l Ct); Gambia (NC); Ghana (NC); Haiti (CH-IF); Honduras (?); Iran (?); Iraq (?); Jamaica (NC); Jordan (CH-IF); Kuwait (?); Kyrgyzstan (CH-IF); Mauritania (?); Mongolia (CH-IF); Montenegro (?); Mozambique (Nat'l Ct); Namibia (Nat'l Ct); Netherlands (CH-IF); New Zealand (NC); Niger (CH-IF); Nigeria (NC); Russia (NC); Samoa (Nat'l. Ct); Singapore (Nat'l Ct); Slovenia (Nat'l Ct); Solomon (Nat'l Ct); Tanzania (NC); Togo (Nat'l Ct); Uganda (NC); Vanuatu (CH-IF); Yemen (CH-IF); Zambia (NC). *Website but no date of adhesion specified*: Estonia (NC); Finland (CH-IF); India (NC); Indonesia (NC); Kazakhstan (NC); Morocco (NC); Mauritius (NC); Spain (CH-IF); Sierra Leone (Nat'l Ct); Sri Lanka (NC). *Website but no English version available at the time*: Germany (NC); Japan (CH-IF); Republic of Macedonia (CH-IF); Norway (NC); Poland (NC); Russia (NC); Taiwan (NC). *Website was not operational or working properly*: Georgia (NC), Latvia (NC); Malaysia (NC); Pakistan (CH-IF); Sweden (CH-IF); Ukraine (NC); Zimbabwe (NC).

[9] National Chapter in Formation since November 2004.

[10] TI NCs are free to organise themselves in the way they see fit and to define their own mandates and work programmes, but 'they must follow two important rules of conduct: 1) they will not investigate and expose individual cases of corruption as such activity would undermine efforts to build coalitions which promote professional and technical improvements of anti-corruption systems; and 2) they must avoid party politics as partisan activity would damage TI's credibility' (TI Sourcebook 2000, Ch. 15). These two principles were agreed to by the initial NCs at the first AGM, in Quito, Ecuador, May 1994 and constitute the membership *acquis* of TI.

[11] *Association Algérienne de Lutte contre la corruption.*

[12] *Fundacíon Ética y Democracia*.

[13] *Probidad.*

[14] "Creating change together towards a world free of corruption and TI's Annual Membership Meeting", 9-10 October 2004, Nairobi, Kenya. The author of this article attended the meeting as an observer.

[15] Along with two other companies Hydro and Telenor, Statoil helped to set up the Norwegian chapter of Transparency International with a NOK 250,000 (=39,960.64 USD approximately). In June 2004, the Norwegian oil company Statoil was found guilty of attempted corruption in Iran relating to a business contract and agreed to pay a 20-million-kroner (2.97-million-dollar) fine imposed by the Norwegian Economic Crime Unit, *Økokrim*. Following these events, Statoil's top three CEOs resigned and Jannik Lindbæk, previously chairman of the board in the bank DnB, and chairman of the board of TI Norway was appointed as the new Chairman of Statoil. His role as chairman of the Norwegian NC gave him the greatest leverage to patch up Statoil's torn image.

[16] Some NCs, like Brazil, reject the term headquarters to define TI-S. They see no hierarchical structure or binding bottom-up responsiveness, as highlighted in TI's organisational Chart (http://www.transparency.org/about_ti/org_chart.html). In their own view, TI as a movement is a

horizontal accountability organisation and TI-S raison d'être is to serve NCs by aggregating critical mass, fostering the organisation's capability to apply for funding and enabling intra-communication and coordination of activities.

[17] Poder Ciudadano.

[18] Corporación Latinoamericana para el Desarrollo (CLD).

[19] The current Managing Director of Corporación Latinoamericana para el Desarrollo (CLD).

[20] In late 1995, Vice President Dahik was forced to resign on corruption charges and fled to Costa Rica.

[21] *TI History*, from the TI website: http://www.transparency.org/about_ti/history.html

[22] NCs are regulated under their own national laws and regulations, whilst their Chairpersons have legal status under German law as permanent (yet conditional) voting members of TI.

[23] Three seats in the Accreditation Committee are held by non-voting members of TI.

[24] Jeremy Pope had a contractual arrangement with TI-S which was renewed on a cycle. When time had come up, it was simply not renewed allegedly due to an incompatibility between him and Peter Eigen over various policy issues and strategies for the future of TI. Pope appealed to the ethics committee on the grounds that he believed his treatment as a member of TI was unethical, that he had not been provided with accurate information about what was going on, and why he was being terminated, and he was not provided with accurate information as to who it was that made the decision. There is no explanation for why or any apparent reason for the position that was taken by Peter Eigen, the then chairman of the Ethics Committee, Michael Vien, or the Board to that effect. The truth about Pope's dismissal and appeal has not been properly disclosed to TI members, since no reference to that particular series of events was mentioned in the governance report of the Ethics Committee presented and discussed during the AGM in Nairobi. Moreover, the minutes of the Board of Directors are

confidential hence it is not possible to scrutinise the veracity of events and/or the policy decisions implicated. According to one of our interviewees, in response to Pope's appeal, the terms of reference of the Ethics Committee were given a restricted interpretation: the Committee can review the activities of NC boards and staff and hear complaints from TI-S in Berlin, but cannot hear complaints with respect to the actions or the activities of the Board of Directors or its executive officers. This limited reading of the Committee's competencies led to the resignation of one of its members.

[25] The "accreditation" or verification of credibility of PAMs is not properly regulated and it is largely dependent upon the discretion of the Board and its President.

[26] Evidence of that is the fact that a legal formula for open individual membership has not been seriously taken into consideration.

[27] *TI Guidelines for the formation of National Chapters*, from the TI website: http://www.transparency.org/contacting_ti/chapters/guidelines-overview.html

[28] *Transparência Brasil* is one of the few examples where the constituency (150 individual members) directly votes for candidates to the Board. TI-Brazil does not have any "special group" of "electors" controlling the organization as it happens with a large number of NCs and TI itself.

[29] Although figures ought to be read in proportion to the size of its population (around 180 million), *Transparência Brasil* has currently 150 individual members with voting capacity. The Convention, which is made up by all individual Associates (representatives of corporate members have no right to vote or to run as candidates) directly elects the Board.

[30] BBC World, Tuesday, 8 February, 2005

[31] Bribery is not the only persuasion technique known by corporations. Transparency/integrity can also be used by corporations as a persuasion technique, especially if some of the "activists" of NCs aspire elective office.

[32] From the beginning of TI, USAID has funded several meetings and MC representatives to participate in the IACCs and TI annual meetings. The support was made an enormous difference to the institutionalisation and projection of TI. The impact of Eigen and TI at the international level has largely been dependent on that.

[33] The historical links between the Ford Foundation, a non-profit (tax-exempt) institution created by Henry and Edsel Ford in 1936 aimed to "promote progress in developing countries" and the CIA, have been object of academic research (Baber 2001; Saunders 2000; Berghahn 1999). During the Cold War period, the Ford Foundation was active in many international academic, cultural and political projects, some of which in partnership with the CIA. The fact that the Ford Foundation has been historically connoted as the cultural propaganda arm of the US foreign policy in developing regions raises suspicion with regard to the link between TI's mission and the US State Department's political agenda and poses sufficient problems to the organisation's implantation and performance in countries unsympathetic or overtly hostile to the US.

[34] To mention a few: General Electrics, Enron, Lockheed Martin. For further information: http://www.transparency-usa.org/intro.html.

[35] The discrepancy between TI's moral discourse and its funding practices highlights the same degree of incoherence as François Mitterrand's condemnation of money in politics just before the unveiling of the series of illicit political financing scandals in France in the late 1980s or Craxi's justification of illicit financing of the Italian party system as beneficial to democracy at the height of the *Mani Pulite* investigations. By the end of the century, as TI was losing much of its flair and novelty and the public was becoming more aware of its partners and modus operandi, the discrepancy words and actions, invoked values and actual performance was gradually questioned by the critical media and a handful of academics and opinion makers against the overall support and credibility the organisation had harvested in public opinion and academia. On 3 November 1999, the satirical French newspaper *Le Canard enchaîné*, published an daring article highlighting those dubious links between TI, CIA-prone foundations, and the US corporate world. Some months later, *Le Monde Diplomatique*, a French

newspaper published/distributed in different countries and targeting a centre-left, well-educated, middle-class readerhsip, would pick up the argument again with considerable damage to TI's image in Europe: "[...] En témoigne le succès rencontré auprès des médias par la publication d'un indice annuel de cotation des pays corrupteurs et corrompus établi par Transparency International, association de lobbying, correspondante de la CIA et financée par des gouvernements et des entreprises, surtout américaines, expertes en la matière, telles Lockheed, Boeing, IBM, General Motors, Exxon, General Electric ou Texaco. Les campagnes anti-corruption, relayées par les organisations internationales (Banque mondiale, FMI, OCDE), n'ont d'autre objectif que la « bonne gouvernance » d'une criminalité financière désormais intégrée à la mondialisation des marchés, sous la houlette de la démocratie américaine, la plus corrompue de la planète. [...]" (Christian de Brie, 'Dans l'archipel planétaire de la criminalité financière: Etats, mafias et transnationales comme larrons en foire', *Le Monde Diplomatique*, Avril 2000, pp. 4-5).

[36] The three major Fixed Costs are: 1) rent of TI-S in Berlin (which is likely to be reduced in 2005 as TI is moving to cheaper accommodation); 2) rent of TI-UK; and 3) TI-S staff.

[37] One successful exception to the rule was the partnership TI-S and TI-Lebanon in applying for a large grant from the EC destined to the translation of the Source Book into Arabic.

[38] It should be noticed, however, that national regulations on associations can have an impact on the way NC's organise and are able to diversify their sources of funding. For instance, in some countries, NCs have a charitable status, which allows for tax deduction of donor contributions (and hence attracts private funding); in other countries, their voluntary association status precludes them from receiving public aid and forces them to rely on private means of financing (individual fees or donations).

[39] For the Palestine NC, US funding would be intolerable to the majority of Palestinians and would put to ground the organisation. However, the Chapter is largely funded by other Western donors. Foreign money comes from UNDP for Palestine, Scandinavian aid agencies, the British Council (for the resource centre, books and website), and German foundations, such as Konrad Adenauer.

[40] In 2000, Poder Ciudadano initiated an ethics monitoring project of monitoring in the Argentinean Congress following the consecutive waves of corruption and mismanagement scandals which led the countries to its deepest political and economic crisis ("El Congreso bajo la lupa 2004 - Informe anual del monitoreo cívico de Poder Ciudadano").

[41] During the 2004 Nairobi AGM, TI-S together with TI-Kenya and the Kenyan government (more precisely the Governance and Ethics Office of the Presidency, through his permanent secretary John Githongo, who had previously been a senior officer of TI-Kenya) have pushed for a new folkloric instrument (already has a logo!) based on the so-called coalition-building strategy: "New Anti-Corruption Governments: The Challenge of Delivery". The New Governments Fighting Corruption is to be constituted as a network of new incumbents with an anticorruption manifesto. In other words, the anticorruption agenda promised to their electorate, during the last elections, has to be put into practice once in office… hence "the challenge of delivery".

[42] See, for example, Martin Tisné and Daniel Smilov (2004) *From the Ground Up: Assessing the Record of Anticorruption Assistance in Southeastern Europe*, Budapeste: CEU Press.

[43] One of the *acquis* requisites set under the Guidelines for NCs is that they should not engage in investigation of corruption cases. The *acquis* is not binding (i.e. no enforcement form TI), but it is meant to work as a sufficient disincentive for NCs to enter into activities that could put at risk the whole organisation or the chapter activities. So far, very few NCs have defied house rules. Recently, TI Pakistan has announced its intention to start a program on "Investigating Corrupt Practices by Public Officials Hindering Private-sector Development". In reality, however, this program is about assessing 'corrupt practices, non-transparent, non-friendly ever-changing laws, rules, regulations, Duties and Taxes many of them being of colonial heritage and above all the menace of extortion by Public officials hindering Private Sector Development'.

[44] Such as those previously framed by Jeremy Pope and Fredrik Galtung, the creators of the two pillar instruments which gave substance to TI: the National Integrity Systems and the CPI, respectively.

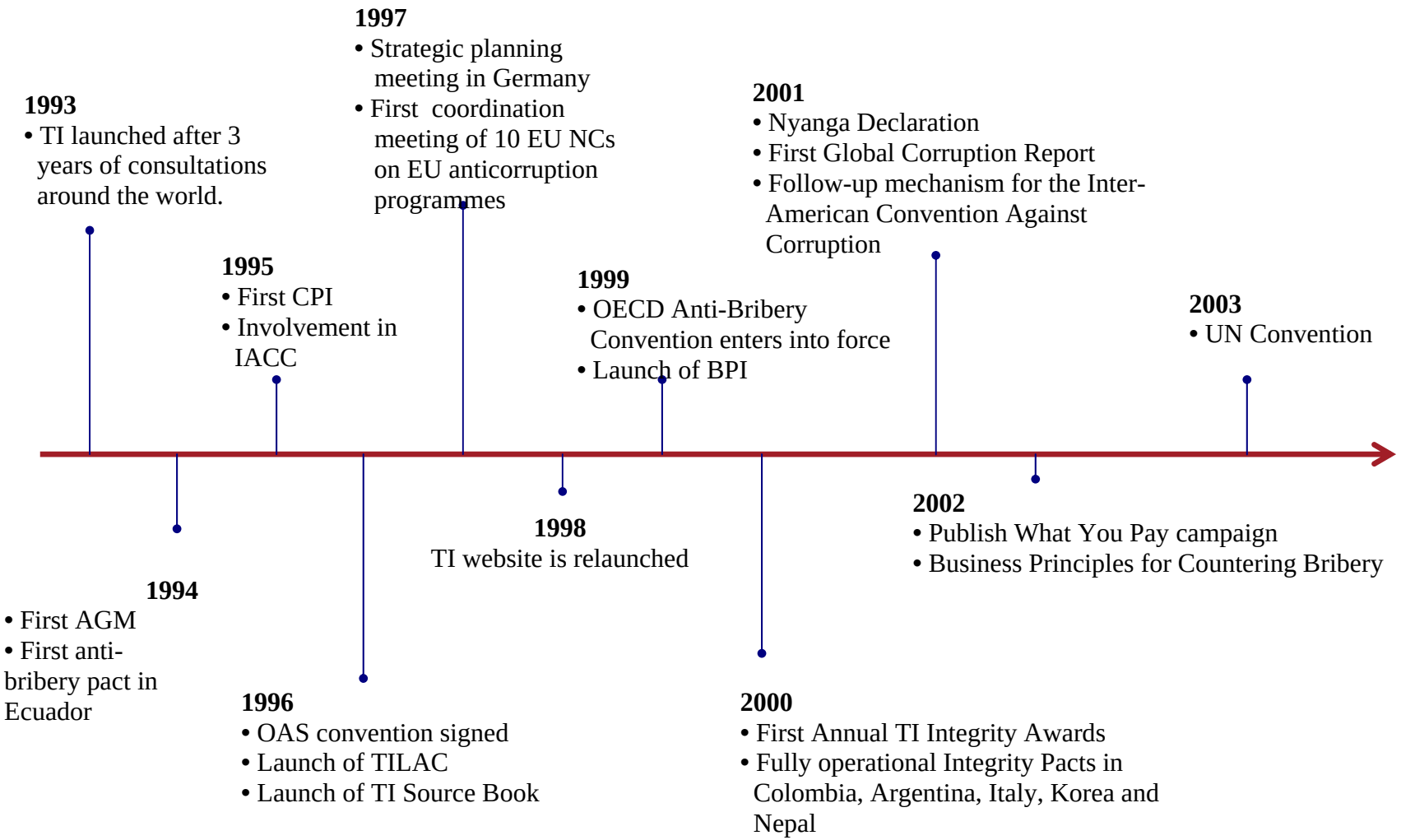
[45] For example, TI Croatia, TI Estonia, TI Moldavia and TI Macedonia.

[46] The issue of corporate members was brought to the table by the chairperson (TI-S member responsible for Europe), but no discussion followed apart from mentioning that some chapters, such as TI-France, Switzerland, Norway and Denmark have corporate members.

[47] The need to link the MENA Group to the Euro-MED network was suggested by the executive director of TI-Lebanon during the Nairobi regional meeting.

[48] For instance, TI Bosnia-Herzegovina is working close to the Italian NC, which has provided them some initial funding.

Diagram 1. “TI over 10 years”: the consolidation of an anticorruption brand



Source: 2003 the Strategic Framework for the TI Movement (http://www.transparency.org/about_ti/mission.html)

Annex 1

Table 2. Global Priorities and Domestic Concerns (by region)

	TI Lebanon (NC)	TI Palestine (NC)		TI UK (NC)	TI Switzerland (NC)		TI Tanzania (NC)	TI South Africa (NC)		TI Brazil (NC)	TI Argentina (NC)		TI Australia (NC)	TI PNG (NC)		TI Pakistan (NC)	TI Thailand (NC)		TI Canada (NC)	TI USA (NC)
	Middle East			Europe			Africa			Latin America			Oceania & Pacific			Asia			North America	
Waves of membership	II	IV		I	II		-	II		III	I		-	-		II	II		II	I
Global priorities																				
Political corruption				●			○			●	●			●					○	
Public procurement corruption	●						●			●	●		●	●		●				●
Corporate crime/ethics	●			●	●		●			●	○		●				●		●	●
Anticorruption conventions				●	●		●			●	●		●			●			●	●
Additional global priorities																				
Securing access to information	●	●								●	●			●		●	●		●	
Measuring corruption					●					●						●				○
Combating money laundering and supporting recovery of assets				●			●												●	●
Fostering anticorruption education and ethics	●	●									●		●	●		●	●		○	
Accountability of CSOs and preventing corruption in development cooperation				●									●			●				
Tackling corruption in specific industries and sectors	●	●		●	○								●				●		●	
Domestic concerns																				
Democratisation and citizenship		●					●	●			●			●						
Access to and performance of justice apparatus		●								●	●					●				
Complaint systems		●														●				
Attitude surveys										●						●			●	
E-governance										●						○				

Annex 1

Good governance	●	●		●	●			●		●	●						●	
Post-war reconstruction	●																	
Empowering Youth	●															●		
Institutional, legislative and constitutional anticorruption reform (NIS diagnosis)	●	●		●						●			●	●		●		
Privatisation processes														○				
Local government		●												●				
Nepotism and favouritism public service		●																
Depoliticising public service													●					
Corruption and Poverty		●						●					●				●	
Regional / international scope	●	●		●							●		●				●	●
Security		●		●	●												●	
Whistleblowing	●				○								●	●		●		
Conditionality in aid and debt relief				●														
Bank secrecy laws					●													

Source: Andrea Figari (TI-S staff) and NCs websites.

Legend: ● active/engaged
○ interested/newly engaged