

11TH INTERNATIONAL ANTI-CORRUPTION CONFERENCE
SEOUL, MAY 2003

THE SEOUL FINDINGS

We, some 900 people from 108 countries, drawn from governments, civil society and the private sector, assembled in our individual capacities in Seoul, capital city of the Republic of Korea, from 25 – 28 May 2003, for the 11th International Anti-Corruption Conference to address the theme “Different Cultures, Common Values”. Our earlier gatherings have taken place in all five continents. Our proceedings were chaired by the Hon. Justice Barry O’Keefe, Chair of the Council of the International Anti-Corruption Conference.

We were delighted to join in the recognition and applause for the three worthy recipients of Transparency International’s Integrity Awards. We also saluted the winner of the award for Latin American investigative journalists. Their personal efforts and commitment serve as an inspiration to us all.

We were honoured to have our proceedings opened by H.E. President Roh Moo-hyun, President of the Republic of Korea. He described the approaches his government has been adopting in carrying out its promises to his people of a participatory and corruption-free society following the cleanest and fairest election in the country’s history. “The financial crisis in 1997 caused Koreans to realise that transparency and fairness are as important as growth itself,” he reflected.

From the outset we addressed the theme of our conference, “Different Cultures, Common Values”. Our insights were enriched by profound addresses from the Hon. Ms Kang Kum-Sil (Minister of Justice, Korea), Professor Hans Kung (President of the Foundation for a Global Ethic), Sri Sri Ravi Shankar (Chairman of the International Association for Human Values) and the Hon. Kiraitu Murungi MP, (Minister of Justice, Kenya). H.R.H Prince El Hassan bin Talal of Jordan, unable to attend, shared his thoughtful insights with us.

In opening our working sessions, the Hon. Ms Kang declared our goal to be the realisation of a “clean, accountable and fair society”. We dedicate ourselves to that end.

The Hon. Murungi argued cogently that large-scale corruption should be designated a crime against humanity, as for many around the world it falls into the same category as torture, genocide and other crimes against humanity that rob us of our human dignity. In supporting his call, we condemn corruption as immoral, unjust and repugnant to the ideals of humanity enshrined in the Universal Declaration of Human Rights and we confirm our conviction that all human beings have a basic human right to live in a corruption-free society.

In a wide-ranging analysis, H.R.H. Prince El Hassan observed that the peace of nations partly arises and is sustained through the cumulative efforts of society, including the peaceful and just behaviour of at least an aggregate of individuals. It can first be realised, he said, when we have confidence in the inherent ability of humans “to see good, to do good and to be good.” We declare our own confidence in this belief.

Sri Sri Ravi Shankar, in a moving address, pointed out that corruption is at its lowest levels in the village, where people connect with each other, and at its highest

where people lack self-esteem and confidence in their own ability to provide for themselves in an insecure world. He decried a world that was globalised in all respects, except that of wisdom.

Professor Kung's detailed analysis of cross-cultural ethical values and standards covered the Koran, the Hebrew Bible, the Buddhist Canon, and the New Testament as well as the religions and philosophies of Indian and Chinese origins as well as humanist philosophies not rooted in any religion. His conclusions reaffirmed our own intuitive belief that "do not lie" and "do not steal" are common core values and standards, and that the principle of reciprocity – "Do not do to others what you would not wish to be done to yourself" - lies at the heart of all traditions.

We state our strong conviction that there is absolutely no substance in the myth that corruption is a matter of culture. Rather, it offends the beliefs and traditions of us all.

We met against the background of strenuous efforts being made to strengthen controls to counter money-laundering in order to counter the threat of terrorism present in many parts of the world, and in the immediate aftermath of a series of scandals in the private sector in the United States of America and across the globe. The scandals expose the bankruptcy of the new financial theory that the value of a corporation is what the market is willing to pay for it rather than that of its net assets.

As well, our world has been witnessing a failure of markets, a failure of institutions and a failure of moral norms. The tasks we face have become even more urgent and the more challenging, and the need for success even more compelling.

A crisis in ethics lies at the heart of recent **failures in self-regulation**, and underlines the necessity for appropriate government regulation, especially in areas vulnerable to corruption. There is a place for self-regulation, but the processes involved call for independent monitoring and verification.

We renew our commitment to a global international order that protects the weak and the vulnerable; that builds confidence among nations; that provides for sustainable development, particularly for the poor; and that serves as a dependable infrastructure for international commerce.

The view was expressed to us that the promises of the new globalised economic system will not be fulfilled, even if global companies and markets, national governments, national institutions and intermediate organisations work efficiently, for today it is the ethical framework on which they are based which is being increasingly questioned. This must be redressed.

Since we last met, work has begun on the drafting of the **United Nations Convention Against Corruption**, a development we whole-heartedly support and which we look to as providing a framework for future international cooperation. If our efforts are to succeed, significant change has to be effected in countries in all parts of the globe, those of the rich no less than those of the poor.

We look to the new Convention, scheduled for completion and signature at the end of this year, to significantly enhance the levels of international legal assistance so as greatly to reduce the ability of the corrupt to hide themselves and their looted assets

across international boundaries, and for the recovery and repatriation of assets to be addressed so as to ensure effective measures in this area.

We again stress the supreme importance of the prevention of corruption. Prosecutions are frequently the consequence of failures in prevention. It will greatly assist the reduction of levels of corruption if the new Convention contains mandatory prevention measures. Monitoring and international assistance provisions in particular must be adequately funded so that countries in the developing world can also fulfil their obligations. There is clearly scope for the monitoring elements to take advantage of those of existing regional bodies.

Corruption in the private sector is of increasing importance to the public as essential utilities and services are privatised: it is important that private-to-private corruption be included in the final document. Likewise it is essential that the role of civil society in helping to combat corruption be recognised. We believe, too, that effective monitoring with civil society participation will be essential if the final Convention is to achieve its goals.

We recognise, too, the strain that can be placed on the limited resources of poor countries in their pursuit of **cases with an international dimension**. We applaud the courage and determination of the government of Lesotho in its principled pursuit of alleged bribe-givers, as graphically described by the Hon. Fine Maema, Attorney General of Lesotho, and detailed in the excellent case study before us.

We record, too, the tributes paid by the Attorney General to the Swiss authorities in assisting to trace the bribes paid to the Lesotho public servant involved.

However, it is clear that much greater levels of support must be available for countries such as this who are confronted by corruption allegations in major undertakings. We believe that the World Bank should consider developing a facility for the funding of forensic audits (which are by their nature neutral as between the parties involved).

We would also invite the World Bank to consider the possibility of its advancing moneys to victim governments when large sums of looted cash looted by their former officials are likely to be frozen for years in foreign bank accounts.

We also call upon the international community to examine the establishment of a trust fund to provide legal aid in appropriate cases such as those in Lesotho, and to create a network of legal and forensic accounting experts that can be made available to governments on a *pro bono* (i.e. free) basis.

We call as well on the international financial institutions to develop a common policy towards debarment of corrupt contractors and to recognise and enforce the penalties any of them impose. Likewise it is essential that funding agencies recognise and allow the debarment of contractors imposed by developing countries after due process.

We cannot leave the question of international cooperation without recalling the fact that in our closing statement at our last meeting, in Prague two years ago, we recorded a strong call for the immediate return of the disgraced former president, Alberto Fujimori from Japan to Peru, the country which he governed as Peruvian for ten years and to whose people he has yet to account for his stewardship. We heard a renewed call for cooperation, and were saddened to learn that no progress has been made in this regard.

We appreciate that a claim is made on his behalf for **immunity** from extradition by virtue of his claim to a second citizenship. This highlights a concern, expressed

repeatedly throughout our proceedings, that immunities are afforded to far too many people and in a needlessly wide and general fashion.

These are widely exploited by corrupt politicians in particular, and foster a contempt for the Rule of Law by rendering thousands of people around the world beyond the reach of investigators and the courts. There are only very restricted areas in which immunity can be justified.

We believe that governments must review the scope of any immunities as a matter of urgency, and then take any action necessary to restrict these to legitimate and justifiable limits.

Our discussions were again wide-ranging. Containing corruption is a continuing process, and it involves institutions across government, the judiciary, the private sector and civil society. All are part of the problem, and all have an active part to play in achieving solutions. Without the active support and involvement of civil society, a government is unlikely to succeed in its reform efforts.

Among the conclusions we reached in our workshops were the following:

- In our review of **political party financing and electoral corruption** it was apparent that political parties cannot be ignored in finance reform. Parties must themselves engage in internal reform efforts, practice transparency and demonstrate commitment to ethical standards. We recognised, too, that politicians face increasing difficulty in funding campaigns, and that reform efforts are unlikely to be successful until the costs of elections are reduced.
- To avoid **state capture** we need new preventative mechanisms, including stronger oversight and enforcement of broader and more extensive conflict-of-interest laws. Steps should be taken to ensure that there are appropriate time limits imposed before senior public officials can take up employment in the private sector in sensitive areas. Governments must be shielded from falling under corporate control. Appropriate provisions to regulate political party financing should be incorporated into both the UN and the OECD Conventions.
- There is still considerable **corruption in development projects**. Information made available to the poor and vulnerable can greatly enhance their ability for them to assert their rights. There is a particular role for non-governmental organisations carrying information to those who need it. It would greatly assist our efforts if development agencies were seen to be applying the same standards of transparency and accountability in their own operations that they require of their development partners. Similarly, the operations of lending agencies would benefit were they to be open to effective external review.
- **Cooperation between existing international agencies** addressing corruption must be enhanced, either through the creation of a new institution for this purpose or by making the existing agency established by the UNDP more effective.
- We believe that **water and energy resources** should be considered public goods, access to which is a fundamental human right. If privatized, the decision-making processes should be fully transparent, and strict conditions must be applied. These include a cap on profiteering, strict performance standards, and so-called ‘take-or-pay’ contracts prohibited. When it appears likely that officials in privatised water or

energy utilities may have engaged in corrupt practices, an independent commission should investigate them together with any public agencies – including international financial institutions and export credit agencies – that may have financed the transactions.

- When international agencies are found to have financed such corrupt transactions, they – not the consumers – must bear appropriate responsibility for outstanding loans and credits.
- We recommend that IFIs and donors should end the practice of insisting on **privatisation** as a condition of loans and allow for the consideration of the full range of public and private sector models.
- We again emphasize the importance of **protecting whistle-blowers** from reprisals and of providing witness protection where necessary. No anti-corruption campaign can succeed if employees, both in the public and the private sector, are fearful of reporting acts of corruption.
- We are aware that key witnesses have been unwilling to identify current influential politicians by name because of the inability of the judicial system in their countries to provide them with adequate security. Dependable complaints mechanisms form a vital strand in any effective anti-corruption framework.
- We are concerned at a continuing widespread ignorance of the **OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions** as shown by the recent Transparency International Bribe Payers' Survey.
- We urge all governments to engage in effective awareness raising campaigns in their own countries to ensure that the private sector is aware of its responsibilities; to encourage their publics to report instances of violations; to compile public information on prosecutions; and to take steps to include civil society in the monitoring processes.
- We are concerned, too, to see that relevant governments ensure that the monitoring processes under the Convention are adequately resourced.
- We acknowledge the critical importance of peer-review mechanisms to bring about the reforms necessary to comply with international legal instruments and note with satisfaction the consolidation of these mechanisms in the OECD and in the Council of Europe (GRECO). We call for an intensification of their actions to ensure a more complete and effective implementation of standards in the anti-corruption area.
- The future contribution the UN Convention will make to global anti-corruption efforts will be of critical significance. The recovery and repatriation of assets must be strengthened by this Convention and adequate resources made available to ensure that local judicial and law enforcement officials are trained so that mutual legal assistance is viable. The monitoring mechanism envisaged by the UN Convention could make use of, and draw on, existing models whereby regional bodies—such as GRECO—could be used to conduct monitoring on the UN's behalf.
- We recognised the potential for **e-government** to impact positively on corruption levels by increasing accessibility, and transparency, but these need to be aligned with wider public sector reform. Many governments are still at an early stage and need to initiate reforms on a small scale, and scale up as and when the utility of these is proven. Computerisation requires significant process re-engineering before it is

undertaken to avoid the danger of simply modernising existing processes that already lack transparency and efficiency.

- We addressed the topic of combating the **trafficking in human beings**. Many people – but especially women and children - are put at risk when countries' preventive measures are inadequate. Among our conclusions was the need for multi-disciplinary groups to be established at national levels so as to ensure coordinated action against corruption and such trafficking.
- We recognise the need to raise standards of transparency and accountability within **civil society** itself, in particular the need for effective codes of conduct including principles for the selection and recruitment of their staff as well as high standards of financial accountability. There is also an urgent need for civil society to pool resources and to work collectively and in a broader coalition in order to re-open the debate over international regulatory structures.
- Needs in the **media** include both a diversity of ownership and addressing problems of corruption within the journalists' profession.
- Corruption is endemic in the **health and pharmaceuticals** sectors from which no country is exempt. Research is manipulated, undue influence distorts licensing and listing, bribery is strong in promotional activities, counterfeit medicines and relabelled expired drugs are all having a devastating impact on patients and the costs of health services alike. In addition, standards should be developed by and between companies in the pharmaceutical industry, dealing with issues such as, inter alia, political and charitable donations, sales representatives and distributors.
- Governments must ensure that the patient, not the suppliers, is the focus and beneficiary of health care provision; that doctors and other health professionals adopt codes of conduct requiring them to disclose gifts and benefits received from the pharmaceutical industry; and that there is transparency in decisions concerning the acquisition of equipment and pharmaceuticals.
- In the absence of a just, honest and independent **judiciary** and so the absence of the Rule of Law, much to which we aspire will lie beyond our reach, and many potential reforms will be frustrated. The needs of the judiciary must be met. We welcome efforts being made to strengthen the independence and integrity of the judiciary.
- The ability to **measure corruption levels** and to track levels of progress provides an essential tool for our work. Methodological approaches need to be further developed with an emphasis on policy development.
- We declare our commitment to continue to **deepen and broaden our coalition** and to work with a wider and more diverse range of citizen groups, consumer groups, environmentalists and trade unions on the basis of links first established at the 11th IACC.
- [Synopses of the findings of workshops from this morning and others whose reports have not been finalised will be added in the final version of this document.]

Many of our findings can be addressed by governments assembled at the Global Forum on Fighting Corruption Safeguarding Integrity to be held in Seoul shortly after our own proceedings conclude. To these we would add the observation that we would all greatly benefit if the commitments made at Global Forum 1 and Global Forum 2 could be reviewed and reported on publicly.

It is now 20 years since the first International Anti-Corruption Conference was held in Washington (1983), but since then the environment in which we live and work has changed dramatically.

New threats have emerged and new challenges posed to us. In a world of accelerated change, the one constant has been our common values. Our Conference has grown from a handful of committed organisations to a coalition that spans the globe. A subject once taboo can now be discussed openly, and by nations rich and poor.

The nexus between corrupt exporters in industrialised countries and political elites elsewhere has been exposed and is being addressed, which 20 years ago was unimaginable.

The regular return of assets looted by officials in developing countries and sheltered in the developed world, once but a dream is now within our grasp. Corruption is now rightly seen not simply as an economic problem, but one with equally strong social and political dimensions.

There is, too, now widespread recognition that the fight against corruption can only be waged successfully if all are involved, both within and outside government.

Chief Justices around the world have developed the Bangalore Statement of Global Principles on Judiciary Integrity, noted by the recent session of the U.N. Human Rights Commission, which will serve as a global benchmark.

At the United Nations itself there is the prospect of governments reaching a consensus on the steps to fight corruption that if achieved will be truly historic.

Youth are now organising with the vision of “A World Without Corruption”, and at our gathering the Youth Network Against Corruption (www.ynac.org) developed an imaginative action plan.

Increasingly, too, governments are recognising their people’s right to information and starting to appreciate both the positive benefits to governance of more open and participatory approaches and the beneficial impact this can have for citizens, and especially the poor.

We have passed from mere words and into the sphere of concrete and concerted action. As we continue in our efforts, we will do so in the conviction that the values we all share will stand us in good stead throughout the years ahead.

We express our thanks to the Chairman and members of the International Anti-Corruption Council and to the members of the Korean Organising Committee. We are deeply grateful to the Korean Ministry of Justice, which hosted the conference, and to the Korean Organising Office, in particular to Mr. Sang-ok Park, Mr. Keon-joo Lee, Mr. Jong-sang Lee, Mr. Lyun-sup Shin, and Ms Eun-jeong Kim. We are also greatly indebted to Ms Gillian Dell and her committed team at Transparency International who have worked so diligently, so effectively and to such excellent effect on preparing the conference programme.

In closing, we express our gratitude to the government and people of the Republic of Korea, to the Mayor and citizens of Seoul and to Transparency International-Korea. Many of us experienced numerous acts of kindness and integrity from ordinary citizens as we have moved about their city. This must bode well for their society achieving its corruption-free goal.

We depart, saddened to leave but with a renewed sense of determination and purpose.

Seoul
28 May 2003