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CONTROLLING CORRUPTION:  
A PARLIAMENTARIAN'S HANDBOOK  
Prepared by

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World Bank Institute (WBI)



Global Organization of Parliamentarians  
Against Corruption

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## Chapter 1: Parliaments and Good Governance

### Introduction

Welcome to the third edition of **Controlling Corruption: A Parliamentarians Handbook**. This handbook has proven to be a popular guide to parliamentarians around the world interested in good governance and combating corruption, both domestically and inter-nationally. It has been translated into French and Spanish and at least 4 other included in parliamentary training programs around the globe.

The handbook was the result of the 1998 **Laurentian Seminar** – a joint World Bank Institute and Parliamentary Centre of Canada initiative. The 1998 **Laurentian Seminar**, “Parliament and Good Governance: The Challenge of Controlling Corruption”, was attended by forty-one participants and observers from twenty-two countries representing all regions of the world. Laurentian Seminar participants argued that parliamentarians were essential in not only combating corruption but, more largely, in ensuring a governance system that is infused with the values of transparency and accountability. They also noted that global recognition of the role and importance of parliamentarians in this process was sorely lacking.

The World Bank Institute and Parliamentary Centre responded to these comments by initiating a series of regional conferences focused on parliamentarians and corruption. A key result was the founding of the African Parliamentarians Network Against Corruption (APNAC) in Kampala, Uganda in 1998. This was the start of a larger movement that culminated in the founding of the Global Organisation of Parliamentarians Against Corruption (GOPAC) in Ottawa, Canada in October 2002.

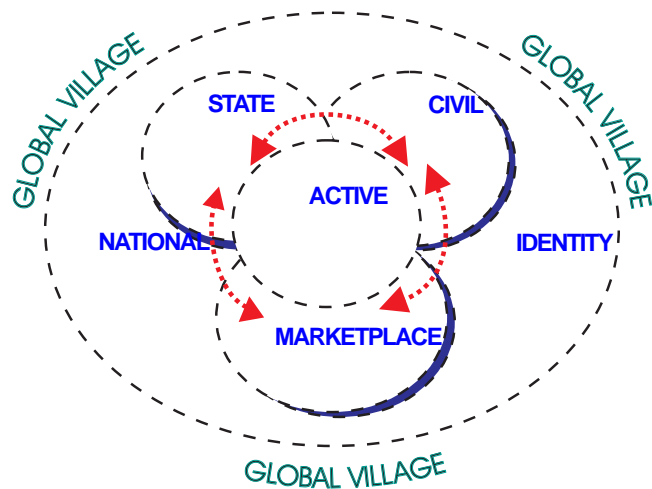
<sup>1</sup> Arabic, French, Khmer and Bahasa.

**Controlling Corruption** rests on the 1998 Laurentian Seminar participant's assertion that the institution of parliament and parliamentarians are crucial in serving as a bridge between state and society and in implementing and/or strengthening the good governance values of **accountability**, **transparency** and **participation** (see Figure 1: The Ecology of Governance). It also claims that parliaments play a key and a leadership role in encouraging good governance and, furthermore, that parliaments and parliamentarians need to work regionally and internationally in order to effect change.

### Ecology of Governance

The term 'ecology' underlines the fact that governance is comprised of a complex web of institutions with active citizens at the centre. The ecological perspective helps us to recognize the importance of relations between parliaments and other institutions of the state (nationally, regionally and internationally), as well as with civil society, the marketplace and, above all, with individual citizens.

**Figure 1: The Ecology of Governance**



The above diagram illustrates one way to consider the key governance principles of accountability, transparency and participation and the relationship of parliament within good governance – as exemplified by

the accessibility and flow of information/communication between the various actors making up national identity and more largely, the world.<sup>2</sup> In order to have a balanced ecology, as symbolized by the diagram above, the following characteristics must exist:

- **Accountability** is the degree to which governments have to explain or justify what they have done or failed to do, for their citizens. It is the ability to hold public officials and their representatives to standards of conduct that is clearly in the public interest. This requires standards of conduct that are transparent, straightforward and broadly accepted in society as well as administrative and legal processes to discipline or remove officials who do not respect such standards.

Accountability exists when the government is prepared to be held responsible externally through legislative debates, citizen feedback, democratic institutions, an independent press and other internal and external instruments. **Accountability** flourishes when a healthy balance of power exists between the state, civil society, marketplace and the international arena with no one institutional sphere being in absolute control.

The same principles apply within the state, to relations between the executive, legislative and judicial branches and between levels of government from the national to the local. In this model, extreme imbalances of power are seen as dangerous if not fatal for good governance.

- **Transparency** exists when accurate information is available, timely and useful. Citizens need to know what to expect from their governments as it enables citizens to keep government actions in check. **Transparency**, therefore, also involves clarity of roles and responsibilities between and within institutions that are part of government processes. Transparency is important on its own and as a precondition of accountability.

<sup>2</sup> This is shown by the broken lines (indicating free access) and arrows (indicating flow of information and communication).

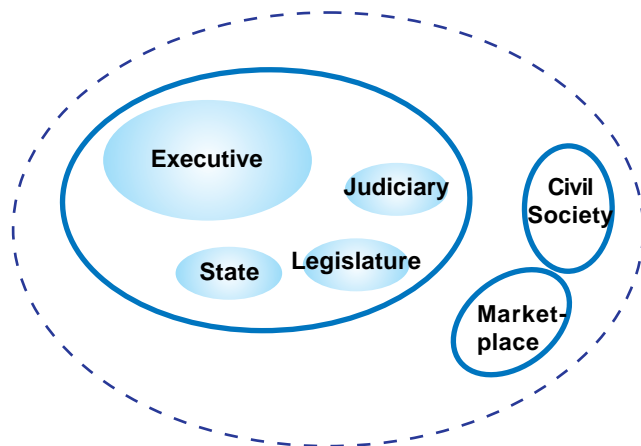
- **Participation** in public governance is a vital criterion as a part of citizenship and a requirement for effective accountability. Participation should provide a fair opportunity for all citizens to be engaged in governance, regardless of economic class, gender or ethnicity.

**Accountability, transparency and participation** are inter-related qualities of the Ecology of Governance and cannot exist independent of each other. Without transparency, there can be no accountability and so on.

All parliamentarians have a common responsibility and active role in promoting systems of good governance, and their characteristics, as exemplified by the Ecology of Governance. Parliaments also have a common mission to serve as enabling environments for the development of democratic governance, hence to strengthen accountability, transparency and participation.

## The Unbalanced Ecology of Governance

Figure 2: The Unbalanced Ecology of Governance



The Unbalanced Ecology of Governance model is used to demonstrate what is often the reality for many of the world's citizens. For many, this is a more accurate description of the governance system in their countries while the Balanced Ecology of Governance is the ideal to which we aspire.

Just as with the 'Balanced Ecology of Governance' certain conditions exist to create an 'Unbalanced Ecology' including:

- **State Centered, Executive Dominated:** As the above diagram illustrates, state institutions are large and powerful in relationship to those of civil society and the marketplace, both of which are relatively small and underdeveloped. Within the state, the executive dominates both the legislature, and the judiciary and central institutions dominate regional and local government.
- **Governance is closed and exclusive:** The unbalanced model is closed and is hierarchical (as shown by the closed, bolded circle) - not transparent and participatory. Information is guarded jealously and participation is neither encouraged nor welcomed. The executive acts largely unencumbered by other institutions or citizens.
- **Parliamentarians are marginalized:** Parliamentarians are denied or do not have access to the means<sup>3</sup> that would allow them to play an effective role in governance. Instead, government and opposition parties mount rhetorical battles in parliament and Members of Parliament become glorified municipal councilors, spending much of their time seeking favors for their constituents.

Unbalanced systems such as the one described above are sorely lacking in good governance and become breeding grounds for corruption. They may be further exacerbated by other characteristics that have been shown to contribute to corruption, including:

- **Lack of an independent judiciary:** Instead of an independent judiciary enforcing the rule of law, judges and courts are often under the thumb of the executive and susceptible to bribery. The resulting lack of public confidence in the courts contributes to an atmosphere of lawlessness that facilitates corruption and poses grave dangers to the stability of society.

<sup>3</sup> Information, staff, offices, etc

- **Over-centralized government:** Executive dominance manifests itself in two ways: first, in relations with other branches of government, particularly the judiciary and parliament; and second, in relations between the central government and other levels of government, particularly at the local level. This may result in short term increases in corruption where local accountability systems are weak.
- **Top down political parties:** Closed, leader dominated political parties that subvert standards of accountability; transparency and participation in their operations create favourable conditions for corruption. Elections and the ensuing confrontation between parties in parliament are often narrowly focused battles for the spoils of office rather than struggles over competing policy agendas.
- **Watchdogs are chained:** Specialized watchdog agencies like Auditors General and Ombudsmen are one of the established means of strengthening accountability to reduce corruption. Many of these bodies are unable to do their jobs because they are under the political and budgetary control of the executive branch and, may be publicly delegitimized by the ruling regime.
- **Civil society and media are weak:** Weaknesses in state institutions are often compounded by the weakness of civil society and the media. Instead of vigorous, independent spheres of influence able to hold government accountable, civil society organizations are often dependent on or closely allied with government. Like watchdog agencies, media is often dependent on, if not under the direct control, of the executive.

## The World Bank Approach

In order to address the characteristics of the Unbalanced Ecology of Governance, a number of methodologies and tactics have been developed. The World Bank Institute has developed an approach to controlling corruption that focuses on strengthening institutions rather than blaming individuals. This approach recognizes that without building institutional capacity, even well intentioned and well-designed policies can lead to disappointing results and even greater corruption. The World Bank approach

also reflects an understanding that fighting corruption is a means to achieving broader goals of more effective and accountable government.

The World Bank Institute has worked with parliaments, parliamentarians, GOPAC and other institutions in identifying and applying practical measures that may be used to strengthen the capacity of parliaments as institutions. This handbook will discuss a number of these measures; however, it is important to recognize that other work is also needed. We would note the following in particular:

- **Constitutional Reviews:** A surprisingly large number of countries have carried out constitutional reviews as part of comprehensive efforts to strengthen governance institutions. Many of these reviews feature attempts to rebalance power between the executive and the legislature and to ensure that the judiciary and watchdog institutions are independent. By and large, these exercises do not aim to enfeeble the executive because it is recognized that countries in transition need strong leadership. At the same time, good governance demands accountability, which means that a strong executive needs to be held to account by an effective parliament.
- **The Budget Process:** Slowly, but surely, some parliaments are beginning to strengthen their handling of the budget process by having key committees conduct public consultations in advance of the budget and monitor implementation **post facto**. However, there are still major obstacles to parliamentary effectiveness, including the executive's lack of cooperation, inexperience of many parliamentarians when it comes to the complexities of national finances and the weak state of parliamentary research and information services.
- **Oversight Committees:** Many parliaments have given high priority to strengthening their committee systems as instruments of accountability. Among standing committees, particular attention is being paid to oversight committees such as Public Accounts and Anti-corruption committees. The proliferation of these committees seems to reflect the growing political importance of the anti-corruption agenda and the gradual emergence of consensus across party lines.

- **Parliamentary Codes of Ethics:** Some parliaments are beginning to make progress in developing codes of conduct that are enforced fairly and without regard for party. A particularly difficult and contentious part of parliamentary ethics concerns the financing and conduct of elections. Parliamentarians acknowledged that, even where election expenses regulations exist, they are routinely violated. This seriously compromises the credibility of parliamentarians as champions in the fight against corruption.
- **Strengthened relations with civil society.** Only very gradually is the relationship between parliament and civil society beginning to warm up. In fact, there has been considerable wariness and lack of knowledge of the other on both sides. Nonetheless, some parliaments are showing great imagination in building dialogue with civil society organizations. One parliament, for example, carries out parliamentary workshops with civil society groups prior to the introduction of major pieces of legislation. Some of the most innovative civil society organizations are also developing new tools to strengthen accountability – for example report card methodology and service delivery surveys to generate citizen feedback on level of satisfaction with public services.

## Political Will Is Essential

The World Bank and others have agreed that in order for the practical measures described above to take place, political will must exist, for it is clear that political will is a necessary component in bringing change. Political will involves the recognition that a healthy system of governance is essential to national well-being. Without it, leaders are not able to work together constructively to effect change.

Parliaments, as the expression of political will, should be the institutional bridge between state and society and play a critical role in good governance by ensuring that state institutions are accountable, open and participatory in their decision-making and service delivery. In systems that work, citizens look to parliaments – their elected representative assemblies – to hold governments accountable for their actions and

performance. It is, therefore, no accident that there is a correlation between an effective parliament that oversees government on behalf of its citizens, and a government that delivers programs and services to the citizens with greater honesty and integrity.

## GOPAC and Other Parliamentary Networks

Parliamentary networks allow for the support and further development of political will. Parliamentary networks provide a space for knowledge sharing and networking with like-minded colleagues in other countries, which can be particularly comforting when carrying out the often lonely fight against corruption. Parliamentarians can also draw ideas from other countries and avoid the pitfalls that others have experienced by sharing information and lessons learned with their peers.

The creation of a parliamentary network taps into a rich resource – that of parliamentarians – as they are sometimes in a position to gain access to centers of power and to influence other nations where civil society organizations cannot.<sup>4</sup> Since they are elected, parliamentarians have a moral authority and a legitimacy that give weight to their interventions and involvement.<sup>5</sup> As Dilys Cossey (Manager of the IPPF European Network’s Parliamentary Project) argues, parliamentarians are effective communicators who have the ability to attract publicity. Furthermore, their opinions are sought, thus if parliamentarians from different parties, or countries, “sing from the same hymn book, that makes much more impact than the opinion of one politician.”<sup>6</sup>

Parliamentarians working with each other and with experts can make a difference, but it does require focus, an organization committed to learning and delivering results and commitment from its members.

A number of parliamentary networks exist to help parliaments and parliamentarians in effectively working towards good governance. The

<sup>4</sup> Senator Raynell Andreychuck and Marlene Jennings MP. *Globalization and Governance: Contemplating the Global Village*. (December 2003), p. 14

<sup>5</sup> Parliament of Canada. *Symposium on Parliamentary Diplomacy*. April 29, 2002.

<sup>6</sup> Dilys Cossey. *Advocacy with Parliamentarians in Europe*, Choices (Vol. 28, No. 1) 2000

Parliamentary Network of the World Bank (PNoWB), Parliamentarians for Global Action (PGA), Commonwealth Parliamentarians Association (CPA) and the Global Organisation of Parliamentarians Against Corruption (GOPAC) are just a few.

GOPAC is the only global organization of parliamentarians with a single focus on anti-corruption thus strengthening governments to become more effective on the three good governance values of accountability, transparency and participation.

GOPAC is also committed to delivering real results and to monitoring and documenting the results achieved and publicly reporting on them. Thus, the principal objective of GOPAC is to be a credible public global voice and instrument for a measurable reduction in corruption and its negative impacts.

GOPAC proposes to be such a voice and instrument by:

- Creating a global organization with independent regional chapters which will balance and integrate global and regional perspectives;
- Working with other parliamentarians and with experts to implement initiatives aimed at reducing corruption;
- Sharing information with members and thereby creating an informed deliberative process to synthesize views in order to speak out credibly on issues of corruption and integrity in governance;
- Involving both parliamentarians and experts in developing the tools, training and information resources that help parliamentarians do their jobs more effectively;
- Providing personal access to and support from colleagues in other jurisdictions sharing similar challenges; and
- Being publicly accountable for its performance in reducing corruption.

## Conclusion

**Controlling Corruption: A Parliamentarians Handbook** uses the approach of the World Bank Institute in conjunction with the experience of the Global Organisation of Parliamentarians Against Corruption to consider the issue of corruption. Chapter Two will examine both the causes and consequences of corruption while Chapter Three will delve into the World Bank Institute's approach to controlling corruption with the Multi Pronged Approach. Chapter Four discusses the role of parliaments and coalition building while Chapter Five specifically examines parliamentary networks and their role in controlling corruption.



## Key Points

- The institution of parliament and parliamentarians are crucial in serving as a bridge between state and society and in implementing and/or strengthening the good governance values of **accountability, transparency and participation**.
- Parliaments have a common mission to serve as enabling environments for the development of democratic governance, hence to strengthen accountability, transparency and participation.
- Political will is essential in order to effect change. Without it, leaders are not able to work together constructively.
- There are a number of means by which parliaments may be strengthened as institutions.

## Chapter 2: Corruption: Causes and Consequences

### Corruption: A Definition

**A**lthough a number of definitions for corruption exist, for the purposes of this handbook, we will use the definition of corruption as the **abuse of public position for private benefit**<sup>1</sup>. Corruption occurs when a public official accepts, solicits or extorts payment, or when private agents offer a payment to circumvent the law for competitive or personal advantage. It is a two-way process, involving members of both the public and private sector, who are engaged in illegal, illegitimate and unethical action that diminish a country's economic prospects and degrade its social and political institutions.

Corruption is a symptom of weakness in the political, social, legal and economic systems of a country. An effective litmus test to assist in determining the difference between corrupt and non-corrupt actions is whether activities are carried out in an open, transparent, and accountable manner for, even where corruption is widespread; its practitioners strive to keep it hidden from public view.

Corruption is not new, nor is it confined to any particular part of the world. On the contrary, corruption is a global phenomenon, although its severity varies from country to country and is not unique to the countries of the developing world. Parliamentarians throughout the world have been critical of the view that the 'West' is morally superior and supposedly free of corruption whereas the developing world is riddled with corruption. This has been factually supported with incidences of corruption, such as the scandals in the Olympic and the European Commission.

<sup>1</sup> Or, for the benefit of individual or group to whom one owes allegiance.

## Forms of Corruption

Corruption takes a variety of forms including bribery, nepotism, patronage, theft of state assets, evasion of taxes, diversion of revenues and electoral fraud.

**Bribery and Grease Payments:** Bribery refers to payments sought by public officials or used by private agents in return for the supplying of favors such as government contracts, benefits, lower taxes, licenses or legal outcomes. Many observers make a distinction between ‘grease’ corruption where money is paid to officials in order to get things done faster, and payments made to or sought for illegal actions. This handbook defines grease payments as money that is paid to officials to do the work which they are already being paid to do, and to provide routine services to which one is legally entitled, e.g. obtaining a drivers license.

**Petty and Grand Corruption:** ‘Petty corruption’ refers to relatively small transactions between lower level government officials and the public. This level of corruption often affects the provision of goods and government services to the people. The latter, ‘grand’ corruption involves senior officials, ministers, and heads of state and takes place at the highest levels of political authority. Grand corruption exists when politicians and political decision-makers, who are entitled to formulate, establish and implement the laws in the name of the people, are themselves corrupt.

**Bureaucratic corruption:** This, in simple terms, means that public officials use their discretion to affect rules and regulations in exchange for certain benefits. Bureaucratic corruption has been described as a function of the size of the rewards and penalties under an official’s control, the discretion of the official in their allocation and, the accountability of officials for decisions and actions taken. As discretion increases and accountability declines, the potential for corruption grows. Further, where the wages of public servants are low or there exists a large disparity between public and private sector wages, public servants may be more tempted to engage in corrupt practices.

**Political Corruption:** Political corruption differs from bureaucratic corruption in that it is perpetrated by political leaders or elected officials who have been vested with public authority and who bear the responsibility of representing the public interest.<sup>2</sup> It may involve the trading of influence, granting of favours, or, could extend to irregularities in campaign financing and electoral fraud.

## Causes of Corruption

Corruption flourishes where institutions of governance are weak, where government’s policy and regulatory regime provide scope for it, and where oversight institutions (e.g. parliament, judiciary, civil society) are marginalized or have become corrupted. It is particularly likely to occur in the interaction between the public and private spheres. However, it should be emphasized that few countries consciously set out to encourage corruption. The causes of corruption are highly contextual, rooted in a country’s political development, legal development, social history, bureaucratic traditions, economic conditions and policies. Consequently, the efforts needed to combat corruption should also vary not only between countries, but also between institutions within the country.

Listed below are some of the conditions and policies that facilitate the emergence of corruption.

### 1. Political Factors:

**Weak Civil Liberties:** Corruption levels are linked to the strength of civil liberties, particularly the level of press freedom, the ability of individuals to form civil society groups and the level of structured, active political competition. Of particular importance are the strength of civil society and the independence of the media. For corruption to be controlled, citizens must have the ability to learn about their government’s activities and take action accordingly. Countries where civil liberties have been suppressed because of civil conflict may be particularly susceptible to corruption.

<sup>2</sup> Transparency International 2004. [Global Corruption Report](#) p. 11.

**Lack of transparency and accountability:** Lack of transparency and accountability based on the rule of law and democratic values on the part of public officials and distortion in policy priorities is a major cause of corruption. In some countries politicians and bureaucrats control access to valuable benefits and can impose costs on private citizens. Public officials may be tempted to use their positions for private gain by accepting bribes. For their part private individuals may be willing to make illegal payments to get what they want from government. There is a positive relationship between corruption and the degree to which government regulations are vague and lax.

**State-Capture by Ruling Elites:** Extensive governmental involvement in the economy and regulation of public life creates the basis for corrupt practices, although only those associated with the regime may benefit. Centrality of power is linked to the supremacy of state over associational life.

## 2. Bureaucratic Factors:

**Expansion in state bureaucracy:** Expansion in the state bureaucracy with wide discretionary powers acts as a foundation for corrupt exchanges and personal advancement. Growth of bureaucracy allows select individuals to gain direct access to state resources and to enjoy the not inconsiderable privileges associated with administrative office. Incentives for corruption therefore expand because public officials have considerable control over the instruments regulating socio-economic benefits, and private parties are willing to make illegal payments to secure those benefits.

## 3. Legal Factors:

A major factor linked to corruption levels is the quality of a country's legal system, particularly the probability of being caught and punished meaningfully for engaging in corrupt practices. These factors are in turn linked closely to the existence of effective anticorruption laws, such as those pertaining to conflicts of interest and election campaign financing. Effective laws depend on the credibility and ability of the police and

judiciary to act against corrupt practices. In situations where these conditions are not met, corruption is liable to spread quickly.

### Worldwide WBI Governance Research Indicators Dataset

World Bank Institute has compiled global data on corruption that estimate six dimensions of governance covering 199 countries and territories for the time periods: 1996 - 2002. These indicators are based on several hundred individual variables measuring perceptions of governance, drawn from 25 separate data sources constructed by 18 different organizations. The data reveals the following:

- The data reveals that there are significant regional differences, attributable to a variety of social, economic and political factors.
- There are significant differences within regions and between countries
- The level of development or income per capita is not necessarily the most important determinant in the level of corruption.
- Corruption levels do not remain constant at all times
- There is a direct linkage between the levels of corruption and the strength of civil liberties.
- For more information visit [www.worldbank/wbi/governance](http://www.worldbank/wbi/governance).

## 4. Economic Factors:

Levels of economic development do affect the forms and sectors where corrupt transactions take place. Petty corruption is particularly prevalent in developing countries where it is necessary to pay a small bribe to secure services that ought to be provided free of charge. While this practice has largely disappeared from many developed countries, their

greater public resources and higher incomes mean that corrupt transactions tend to be grand rather than petty.

Corruption is more likely to proliferate in countries where governments create monopolistic economic settings. State power, coupled with insider information, creates opportunities for public officials to promote their own interests or those of their allies. These factors are linked closely to bureaucratic factors in that government policies – if they are developed, implemented and monitored in a manner that is not participative, transparent and accountable – can become the subject of abuse. In cases where the quality of governance is in question, such policies will offer greater opportunities for corruption to emerge and become entrenched.

Countries that give a high degree of protection to their economies may experience domestic corruption as well as from international corporations. If tariff barriers are high, foreign exporters hoping to penetrate new markets may use bribery to gain special exemptions or concessions from governments. But domestic economic interests may be fearful of foreign competition and seek to influence governments to keep tariffs high. This influence may be a straightforward bribe or it can take the form of large contributions to election campaign funds. Moreover when tariff barriers are high, smuggling and the corruption associated with it may increase as well.

## 5. Transnational Factors

Corruption has strong transnational dimensions. Some countries that are perceived today to be ‘hopelessly corrupt’ had systemic corruption introduced during their colonial periods. In the case of the former communist states of Eastern Europe and the Soviet Union, corruption emerged as the result of the institutions of communist rule. The power vacuum created by the subsequent collapse of these regimes has been filled in some cases by old power structures practicing rampant corruption.

Despite the achievements of independence, many countries in transition have been described as suffering from a ‘new colonialism’ of corruption, which transnational forces have played a role in fostering. The developed

world is not blameless, as corruption involves two-way traffic – the briber and the bribed – both of which are responsible.

Until recently, industrialized countries have generally failed to apply penalties to businesses that engage in corrupt practices abroad. As a result, many in the business community see corruption as merely another expense to be taken into account by those wishing to compete in the global marketplace. Transparency International’s Bribe Payers Index shows that a large number of companies from major exporting countries are very likely to offer bribes to gain or retain business. Consequently, international trade has become a major source of large-scale corruption. Some countries have even permitted tax deductions for the expenses of paying bribes!

This latter issue is now being addressed in a number of initiatives, for example, through the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in which over 35 countries agreed that paying bribes to foreign public officials in order to obtain international business deals was no longer acceptable.

## Consequences of Corruption

Experts agree that the effects of corruption are far reaching and impact all aspects of a states social, political and economic life.

### 1. Political Consequences

Corruption is insidious, attacking the quality of governance and stability of nations by undermining the legitimacy of the political process. Political consequences vary according to the type and level of corruption as well as the type of political system in which it occurs. However, corruption can have any number of potentially negative impacts such as:

- Substitute’s personal gain for ideology and principle.
- Prevents or makes it more difficult for governments to implement laws and policies.

- Damages the reputation of politicians and encourages people to go into politics for the wrong reasons.
- Undermines public trust in politicians and in political institutions and processes.
- Erodes international confidence in the government.
- Encourages cynicism and discourages political participation.
- Can contribute to political instability, provoke coups d'état and lead to civil wars.
- Perverts the conduct and results of elections.
- Ensures that the poor remain politically powerless.
- Consolidates political power and reduces political competition.
- Delays and distorts political development and sustains political activity based on patronage, clientism and money.
- Limits political access to the advantage of the rich.
- Reduces the transparency of political decision-making.

The precise political costs in any given country are path-dependent in that they depend on history and political circumstances. But there is little doubt that corruption impedes the development of open democratic political systems.

In terms of a country's political life, personal and group patronage becomes linked to the provision of services. Elections become less about having a credible choice in who governs, and more of an exercise in patron-client relationships, featuring the buying and selling of votes. Political parties serve not as vehicles for political expression and participation, but as alliances influencing government services in return for votes and payments for their clients. Politicians become patrons committed to delivering direct benefits to their constituents, or allies in return for personal services, votes and other considerations.

Corruption affects other spheres of the governance system as well. The bureaucracy may become captive to political parties and become similarly infested with corruption. Political parties arrange employment and promotions for their supporters, both throughout the public service and with 'friendly' businesses in the private sector. For those striving to create open, competitive and transparent forms of political activity, corruption offers a range of obstacles and imposes significant costs.

## 2. Economic Consequences

The economic costs of corruption vary according to the scale and frequency of corrupt transactions and on which part of the economy and population are most affected by it. In principle, corruption acts as an unofficial tax on consumers and producers and those least able to pay suffer the most from its regressive impact.

Corruption can compromise the achievement of sustainable development objectives. Bribing and rent-seeking result in additional business costs, a burden to small entrepreneurs, and the misallocation of a country's human capital and talent. The continuous attention demanded of business by corrupt officials also threatens economic productivity. Competition becomes focused on the highest bribe thereby denying the public the advantages of a competitive marketplace. The distortion of government priorities associated with corruption depresses spending on services such as health and education, with serious impacts on the country's well being. The poor bear the heaviest burden in such situations, reinforcing extreme gaps between rich and poor.

In sum, there are significant correlations between high levels of corruption and a range of negative economic consequences including:

- Creating inefficiencies in the operation of markets.
- Distorting the composition of public expenditure by focusing spending on activities likely to yield large bribes, for example, major public construction works and defense contracts.

- Reducing the level of direct foreign investment by adding costs and creating uncertainty.
- Petty corruption imposes disproportionate costs on the poor but its wider economic costs are limited. Large scale or grand corruption can destroy the economy and impoverish entire populations.

In developing countries there seems to be significant correlation between high levels of corruption and lower levels of investment and growth. High levels of corruption are not incompatible with high levels of economic growth, as some of the East Asian ‘Tiger’ economies demonstrate, but current economic thinking suggests that if those states had been able to reduce their levels of corruption, they would have experienced even higher rates of growth.

Conversely, in a large robust dynamic economy, the economic costs of high levels of corruption are minimal, but in a fragile, unbalanced, stagnant economy, the economic costs of high levels of corruption are insupportable.

Apart from whether a country is developed or developing, corruption undermines the efficiency of markets and the competitiveness of producers and suppliers. Where corruption occurs in international trade, it can undermine local companies by encouraging governments to buy from overseas. It may enable importers to avoid customs duties and import taxes, thereby eroding the competitiveness of domestic companies

### 3. Social Consequences

In social terms, corruption cultivates a range of behaviors, attitudes and beliefs. Corruption is divisive and makes a significant contribution to social inequality and conflict. This divisiveness can take two forms: lateral and vertical. **Laterally**, it separates the poor from the rich, the observers from the players. It encourages the poor to see government as predatory and oppressive rather than enabling and their sense of powerlessness and exclusion is reinforced. **Vertically**, corruption helps divide ethnic groups and communities from each other and promotes rivalries and jealousies.

High levels of corruption can also help breed a culture of suspicion and distrust. In extreme cases, social cohesion breaks down, as it becomes more difficult to persuade people to work together for the common good as corruption encourages and rewards selfishness and denigrates collective action.

In practical terms, corruption can divert resources away from social programs with a number of negative consequences, such as:

- As education spending falls, so do levels of literacy.
- As health spending falls, so the incidence of disease will increase.
- The poor will be increasingly marginalized and their sense of social exclusion will be strengthened.
- Within the ranks of the poorest people, women will be particularly disadvantaged and prevented from developing their capacities and taking a full part in society.

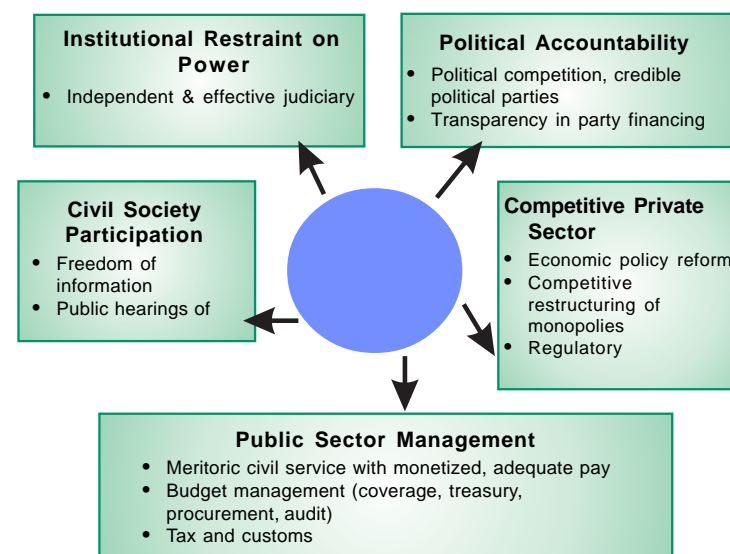
## KEY POINTS

- Corruption is the abuse of public position for personal gain or the gain of an individual or group to whom one owes allegiance.
- It is a two-way process involving the public and private sectors.
- It tends to flourish particularly where the quality of governance is weak, and where the institutions of accountability (e.g. parliaments) are marginalized.
- Corruption has a significant transnational component, ranging from the introduction of corrupt practices during the colonial era to ‘new colonialism’ fostered by the interests of transnational corporations, the indifference of industrialized nations and the actions and inaction of international financial institutions.
- Corruption undermines good governance, distorting policy, leading to poorer public services and infrastructure, reduced spending on health and education, and serious budgetary competition.
- The cost of corruption weighs heavily on the economic sphere and results in the misallocation of a country’s human and economic resources. It acts as a deterrent to foreign investment.
- Endemic corruption creates a “culture of corruption” that undermines public confidence in state institutions.

## Chapter 3: Controlling Corruption – The Value of Multi-pronged Approach

Controlling corruption requires a multi-pronged strategy that combines public administration and financial management reform with programs looking at broader structural relationships, including the internal organization of the political system, the relationship between the state and parliament, and the relationship between the state and civil society. The World Bank (WB) has developed a multi-pronged strategy (figure 2) that builds on five key elements of corruption control. These elements are based on a country-level assessment that increases the understanding of mechanisms behind the incidences, causes, and consequences of corruption and provides tools for change by empowering policymakers and citizenry with objective information. The success of the strategy lies in the capacity of parliamentarians to take central role in calling for effective reforms.

Figure 2: Multipronged Anticorruption Strategy



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The objective of developing the structural relationships illustrated in Figure 2 is to enhance state capacity and public sector management, strengthen political accountability, empower civil society, and increase economic competition. Let us examine each in detail.

## 1. Institutional Restraint on Power

The institutional design of the state can be an important mechanism in combating corruption. Of particular importance is the development of effective institutional restraints within the state that can be most successfully achieved through some degree of separation of powers and establishment of crosscutting oversight responsibilities among state institutions. Achieving this goal involves:

**Legal Reform:** Any anti-corruption strategy needs a functioning legal system to build on if it is to introduce real change. The challenge is therefore to clean up the legal system and turn it from being an arena of corruption into an effective tool for fighting corruption. An independent, competent and clean legal system is key in every anti-corruption strategy. The same rules of independence, competence and integrity apply to other actors within the judicial system as well, such as court clerks, investigators, prosecutors and the attorney general.

**Anti-Corruption Legislation:** Anti-corruption laws work to deter corrupt actions, prosecute corruptors and resurrect a sense of justice which has become a rare commodity in endemically corrupt countries. Legislation supporting the transition towards a corruption-free society includes a freedom of information law whereby citizens can demand the disclosure of information regarding government activities; a whistleblower protection law in order to encourage the reporting of corruption cases; conflict of interest laws, procurement laws and party financing laws. Anti-money laundering regulations also contribute towards curbing fraudulent practices.

**Audit Institutions:** Audit organizations can also have an important role. For full effectiveness, Supreme Audit Institutions should be backed by parliamentary committees that review and follow up on their reports in

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a timely manner. A condition for their effectiveness is the establishment of a core of strong, independent, and credible professionals in the judicial, prosecutorial, and police arms of the state.

**Parliamentary Oversight:** Parliaments play a crucial role in overseeing the actions of the executive branch of Government and thus help reduce corruption. Their power is built on the fact that they can hold state institutions accountable; represent the people at the highest level of government and exercise legislative powers, which they can utilize to press for effective anticorruption legislation. However, their effectiveness depends on their willingness, their capacity and power within the political structure of a country. The World Bank Institute conducts workshops and training courses for parliamentarians on combating corruption. This has led to the creation of regional networks of parliamentarians, such as the African Parliamentarians Network Against Corruption (APNAC), Latin American Parliamentarians Against Corruption (LAPAC), North East Asian Parliamentarians Against Corruption (NEAPAC), Parliamentarians for Parliamentary Control (Russian Chapter) all of which are part of the Global Organization of Parliamentarians Against Corruption (GOPAC).

## 2. Political Accountability

Political accountability refers to the constraints placed on the behavior of public officials by institutions with the power to apply sanctions. As political accountability increases, the costs to public officials of taking decisions that benefit their private interests at the expense of the broader public interest also increase, thus working as a deterrent/disincentive to corrupt practices. Accountability of the political sector rests largely on the effectiveness of the sanctions and the capacity of accountability institutions (active legislative branch, independent legal system, vibrant civil society) to monitor the actions, decisions, and private interests of public officials. Taking the necessary steps to reform parliamentary practices and procedures can also contribute towards greater accountability and transparency, thereby reducing corruption levels.



### 3. Competitive Private Sector

The degree to which powerful elites influence decisions and policy-making of the state, or ‘State capture,’ can constrain the implementation of a fair, competitive, honest and transparent private sector and thus hinder broad-based economic development. Transparency in formulating and implementing economic policy is crucial to combating corruption, especially in the areas of privatization and regulation. Enhancing competition, by lowering barriers to entry, requiring competitive restructuring, and clarifying ownership structures are important elements towards creating a vibrant and corruption free private sector. Competitive restructuring of firms prior to privatization on a case-by-case basis can reduce possibilities for corruption, although political obstacles can impede this process. A wide array of corporate governance reforms have also proven effective in curbing both incentives and opportunities for corruption, including: public disclosure of share ownership and cross-holdings; strong penalties for insider trading and pyramid schemes; the appointment of outsiders to boards of directors; the introduction of regular, and published independent audits of financial accounts.

### 4. Public Sector Management

This final strategy consists of reforms in the internal management of public resources and administration to reduce opportunities and incentives for corruption. Reforming public sector management requires:

**Meritocracy in civil service:** A first step in reforming public sector management is to eliminate patronage by instituting *Meritocratic systems* for appointment, promotion, and performance evaluation and, where feasible, establishing an independent civil service oversight body. In parallel it will be important to increase salaries, relate them to skill and responsibility and, regularize the extensive benefits that provide broad scope for discretion and corruption.

**Transparency in budget management:** This can be achieved by reducing the diversion of resources into off-budget accounts that typically lack oversight and transparency. Reforms to promote greater

accountability and control over budgetary expenditures require robust accounting, auditing and a strong budget execution process. Transparent and competitive procurement is essential to prevent corruption from inflating public expenditure.

**Transparency in tax and customs:** Reforms to simplify tax policy and eliminate discretionary exemptions help, as does professional staff, standardization of forms and procedures, and transparent systems such as the use of computerized risk analysis at the borders. It is important to eliminate one-on-one contact between taxpayers and officials and ensure that operating and management systems are efficient and easily monitored, including through periodic taxpayer surveys.

**Reforms in Sectoral service delivery:** Reducing non-cash transactions including barter and arrears offsets can also reduce private rent seeking, as non-cash exchange at artificially inflated rates is a standard method of extracting private gains.

**Decentralization:** Decentralization of service delivery can, in principle, make the state more responsive to the needs of the people and improve service delivery - although all too often, if done in haste, can actually result in increased corruption. Reform efforts should focus on creating regional/local capacity in financial management and auditing, before (or while) the decentralization process gets underway.

### 5. Civil Society Participation

As stakeholders in good governance the organizations that comprise ‘civil society’ – citizen groups, nongovernmental organizations, trade unions, business associations, think tanks, academia, religious organizations and media – can have an important role to play in constraining corruption. Through awareness raising, pressuring governments as well as involvement in international organizations for change and working with various sectors to implement innovative anticorruption reforms civil society can effectively work towards change. Civil society can achieve anticorruption objectives by creating public awareness, and promoting

action plans to fight corruption through monitoring government's actions Report Card (see Box 3) Pro-Poor Services approach is an example of a civil society organization raising awareness of policy-makers and citizenry through an empowerment approach that helped to reduce corruption.

### Civil Society Participation: Bangalore Score Cards Report

Inspired by a private sector practice of conducting client satisfaction surveys, a small group of people in Bangalore, India concerned about the city's deteriorating standards of public services, initiated an exercise in 1993 to collect feedback from users. User perceptions on the quality, efficiency, and adequacy of the various services were aggregated to create a 'report card' that rated the performance of all major service providers in the city. The findings presented a quantitative measure of satisfaction and perceived levels of corruption, which, following coverage in the media, not only mobilized citizen and government support for reform, but also prompted the rated agencies themselves to respond positively to civic calls for improvement in services. Around 480 households were drawn from a pool of middle and upper income groups and around 330 households representing the slum dwellers. The extreme scores indicated what percentage of the people was either completely dissatisfied or completely satisfied with particular service providers. On dissemination, the Public Affairs Center decided to first present mini report cards to four of the key service providers (telephone, water, electricity and the municipality) to solicit their initial reaction. The second part involved the head of the agencies answering questions from assembled citizens on what steps were being proposed to improve the quality, efficiency and adequacy of their services.

**Findings:** The report cards indicated that there is a clear link between petty corruption and inefficiency of service providers that have non-transparent procedures, and arbitrary decision making powers vested in officials. The report cards have forced the hitherto apathetic public agencies to, at least, listen and react to citizen concerns. Although no dramatic improvement in quality of service was witnessed between 1994 and 1999, of the 8 agencies covered in the report card in 1993, four did make attempts to respond to public dissatisfaction. The worst rated agency - the Bangalore

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### **Civil Society Participation: Bangalore Score Cards Report (Cont'd)**

Development Authority (BDA) - reviewed its internal systems for service delivery, introduced training for junior staff, and along with the Bangalore Municipal Corporation, began to host a joint forum of NGOs and public agencies to consult on solving high-priority problems such as waste management. Public awareness on issues of quality service delivery and corruption has substantially heightened following heavy coverage of the report findings in the mainstream media. Civil society groups are increasingly realizing that their collective pressure has enough power to usher in change. Instead of remaining passive individual receivers of inefficient services, the report card initiative has, for example, inspired the undertaking of a unique state-citizen Swabhimana Initiative in Bangalore to improve quality of city life through innovative solutions to old problems..

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### **KEY POINTS**

- Controlling corruption requires a multi-pronged strategy that combines an examination of broader structural relationships with public administration and financial management reform.
- Five key components of corruption are identified by the World Bank's multi-pronged approach. They include: institutional restraint on power, political accountability, competitive private sector, public sector management and civil society participation.
- Parliamentarians are key to the call for and implementation of anti-corruption reforms.

## Chapter 4: Parliaments and Coalition Building: Tools and Tasks for the Solution

Parliaments and parliamentarians have a crucial role to play in setting expectations for integrity in governing, in striving to hold government accountable for its actions, and in setting the example through their personal activities. Parliamentarians, public servants, civil society, media, academics, the private sector and international organizations all play important roles in strengthening political will to combat corruption. This chapter will outline what parliamentarians can do and the tools that they can use in fighting corruption.

### Building Political Will

Political will is defined as “demonstrated credible intent of actors to attack the perceived causes or effects of corruption at a systemic level.” The nature of corruption is such that it can combine with other problems to undermine the very political will that is needed to combat it. Where corruption is most endemic, political will is often weakest and most fragmented. Political will involves the recognition that a healthy system of governance is essential to national well-being. The concept also implies that key leaders recognize the need to work together constructively.

Political will against corruption is a necessary condition for the multi-pronged strategy to be effective. Conversely, the sustainability of multipronged anticorruption strategy is undermined when political will is weak. It is pointless to propose reforms unless they are backed by a solid political commitment. The presence of even the most determined reformers in senior leadership positions will mean little if they and their reforms lack political backing or space to act.

Without political will, anti-corruption advocates will always be attacking the system from the outside, relying on appeals that are incapable of

generating the sustained support necessary to combat corruption. Further, efforts to build political will against corruption must ensure transparency and accountability, lest reform movements and their supporters be used as cover for the continued abuse of power.

Even when political will to control corruption does exist, anticorruption advocates still face major obstacles in carrying out effective reform. There may be a lack of moral authority to enforce laws and punish the corrupt, and public cynicism about law enforcers. Overly ambitious promises and unrealistic expectations may result in the loss of public confidence and support.

How is a parliament able to convince the government and other institutional actors of the need to combat corruption and ensure the political will to ensure success? The process should begin before a parliamentarian ever reaches parliament. Public declarations of contributions, assets and expenditures during election campaigns should be instituted and enforced. Some parliamentarians have also suggested that measures should be put in place to ensure that only those who are free of corruption and criminal records are able to run for elected office.<sup>1</sup> It remains apparent, however, that electoral laws should ensure that the conflicts of interest are avoided and the transparency is heightened throughout the electoral system.

Once elected, parliamentarians should demonstrate their commitment to combat corruption by ensuring their personal integrity and that of Parliament. Parliamentarians should work to enact legislation on campaign finance reform. They should also establish codes of conduct, make wealth declarations and establish follow-up provisions to ensure that they are not seen as using their position to engage in corrupt practices. Pay levels should be transparent and effective and, conflict-of-interest guidelines should be implemented. Mechanisms such as recall might also be enacted to further ensure accountability.

<sup>1</sup> Global Conference of Parliamentarians Against Corruption. Workshop B, Parliament as a Premier Oversight Institution. Oct. 13-16<sup>th</sup>, 2002.

The question of parliamentary immunity also needs to be addressed. Parliamentarians should not be subject to prosecution for things said or done in parliamentary debates or committee meetings. Indeed, the principle of parliamentary privilege is essential if parliaments are to be effective in holding the government to account. Recently, an Iranian parliamentarian argued that immunity for parliamentarians could help to strengthen democracy by protecting the rights of parliamentarians to speak out against controversial issues.<sup>2</sup> Beyond this, however, parliamentarians should be subject to prosecution like any other citizen if they are involved in criminal activities. In many countries however, parliamentary immunity protects parliamentarians from prosecution against criminal acts, and serves as an attractive perk for criminals to enter parliament. One Latin American country is trying to do away with what it termed “parliamentary impunity...the mother of all parliamentary goodies”.<sup>3</sup> What remains clear is that parliamentary immunity that goes beyond protecting parliamentarians for what they say on the floor is at the very least unnecessary and at the most, contributes to corruption.

## Representation

It should be remembered that there is nothing corrupt about parliamentarians working for the benefit of their constituencies. Much of a parliamentarians’ individual authority derives from his or her ability to perform their representative function – and do so successfully.<sup>4</sup> The problem arises when parliamentarians accept illicit payments for doing their jobs. If they are to be effective in controlling corruption, parliamentarians must first set a good example.

Parliamentarians can use their stature as public figures to condemn corrupt practices, attract popular support for efforts to combat

<sup>2</sup> Middle East News Online. “Lawmaker Says Parliamentary Immunity Ensures Democracy”. Tuesday, January 22, 2002. Online at [http://www.middleeastwire.com/iran/stories/20020122\\_7\\_meno.shtml](http://www.middleeastwire.com/iran/stories/20020122_7_meno.shtml).

<sup>3</sup> Brazzil. September 2001. Online at <http://www.brazzil.com/polsep01.htm>

<sup>4</sup> Mahler, Gregory S. *Comparative Politics: An Institutional and Cross-National Approach*. (1995). p.87.

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corruption, and fight corrupt practices in their constituencies. In this way, parliamentarians can demonstrate their commitment to constituents and the principles of good governance, rather than unwavering loyalty to party and faction.

**Example: Dr. Sanjaasuren Oyun  
(MP, Mongolia)**

Until recently, Sanjaasuren Oyun was known only as the sister of S. Zorig, widely respected pre-democracy leader of Mongolia. After the brutal and still-unresolved murder of her brother in October 1998, Oyun ran in the by-elections for the Parliamentary seat in his Dornod constituency.

Only when she entered the politics did the public learn of this highly educated woman and soon, she gained respect for the positive contributions that she started to make in Mongolian politics. Oyun started calling for cleaner politics, for the necessity of the old noble principle of putting public good over personal gain, for more transparent and accountable government and for a hard stand against corruption. “My brother’s murder shocked the whole nation. People started asking a question: ‘Did politics in Mongolia go so rotten as to kill each other?’ My reply was that the only way out of this is more open and cleaner politics”

— says Oyun.

As far as possible, parliamentarians need to act together across party lines on the anti-corruption agenda. This is difficult, given the political pressures that surround the issue of corruption. Nevertheless, failure to use this approach risks the issue becoming politicized and being used by both government and opposition benches to discredit the other side. In these circumstances, the effort to build political will is blocked, anti-corruption efforts are weakened, and public cynicism reinforced.

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Parliamentarians must also build alliances with civil society, an essential partner in convincing political leaders of the need for effective anti-corruption initiatives. One effective alliance is that of Transparency International – Kenya (TI Kenya) and the Kenyan chapter of the African Parliamentarians Network Against Corruption (APNAC Kenya). The relationship between this civil society organization and the organization of MPs has resulted in a series of leadership conferences, round-table discussions, publications and research activities that were jointly undertaken by APNAC and TI-Kenya for the purpose of mainstreaming corruption as an election and transition issue, and for the purpose of promoting legal and policy reform in Kenya to address the problem of corruption. TI-Kenya also facilitated the holding of leadership conferences for parliamentarians under the APNAC assistance project to discuss transitional justice and mechanisms for dealing with past corruption.<sup>5</sup>

Correspondingly, parliamentarians and civil society organizations should partner with an independent media to pressure government to co-operate with the supporters of reform. Through establishing relationships and coalition building, these groups can share best practices and lessons learned.

Engaging the public is also vital for ensuring accountability. A strong relationship with constituents and the public in general will not only ensure that incidences of corruption will be brought to the MP’s attention, but, will ensure that they themselves will be held to account. Through the establishment of a dialogue with the public the parliamentarian can make certain that their constituents are knowledgeable of how the government operates and whether or not it achieves its stated goals. Moreover, parliamentarians in their representation role gain legitimacy when representing their constituency, and the entire population.

Civil society and citizens needs an anti-corruption and reform minded parliament and parliamentarians if it is to play a vital role in reforming government. All parliamentarians, regardless of party affiliation, should

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<sup>5</sup> [www.tikenya.org](http://www.tikenya.org) for more information

ensure that the laws they pass respect civil liberties. Legislative measures such as freedom-of-information and whistle-blower statutes should be supported. Ultimately, parliamentarians have the responsibility to expose and denounce corruption, educate the public, ensure that civil society has the tools to be effective, and work in partnership with civil society to ensure transparency and accountability.

## Ensuring Accountability

Accountability has been described as the fundamental prerequisite for preventing the abuse of power and for ensuring that power is directed towards the achievement of broadly accepted national goals with the greatest possible degrees of efficiency, effectiveness, probity and prudence. The aim of accountability, a direct complement to representation, is to inform citizens about the ‘why’ and the ‘how’ of policy processes and choices, so that they are able to judge and respond to government actions.

When effective, parliamentary democracy calls leaders and rulers to account. Open and accountable government is essential, given that corruption thrives in secrecy. Parliaments and parliamentarians need to be concerned with how laws are developed, implemented and administered, because with secrecy comes the potential for corruption and mal-administration. It is essential that the capacity of parliaments is developed including unfettered access to government information and effective budget and public accounts committees in order to ensure accountability.

The following will identify a number of tools and paths parliamentarians can take in order to increase their capacity in their oversight role.

## Parliamentary Tools

There are a variety of tools that parliaments have at their disposal to control corruption. These form part of the system of accountability by which the government and its actions are judged. The ultimate accountability is exercised by the electorate when it supports or rejects a government in an election.

If a government becomes corrupt and parliamentarians are effective in holding it to account, the government will pay a price in loss of support and, ultimately, loss of power. The development and consolidation of vocal political parties and parliamentarians competing in parliament for public support is, perhaps, a surer safeguard against corruption than even the most elaborate anti-corruption legislation.

In seeking to control corruption, parliaments must come to terms with the size and scope of modern government. Parliamentarians must also contend with the increasingly complex issues that have been introduced into policy-making. The variety of policies, rapid policy changes and confusing multiplicity of objectives, compound these fundamental difficulties. In an ideally accountable political system, those in authority would state the specific goals of the initiatives, the performance standards, the outcomes as compared to expectations, what has been learned and how it has been applied. In practice, it is rarely possible for systems of accountability to be as precise or methodical as that. To ensure proper accountability, parliaments must ensure that effective checks and balances are in place and encourage an attentive citizenry. Parliamentarians must also increase and facilitate their access to information through independent and reliable parliamentary research and information services, relationships with civil society organisations and the media if they are to begin to understand the complex policy issues of the day.

Accountability does, however, differ from direct control. A good audit system combined with a watchful, active parliament, rather than a host of direct controls and regulations, will help ensure accountability. Parliamentarians should work for the development of systems that disclose the objectives and results of programs and ensure proper budgeting, management and accountability in the financial system.

This could include a legislative framework that defines a government’s intentions and regulates the powers and authority of the executive. It could also include strong and active committees, including Finance or similar oversight committees, able to scrutinize agreements with International Financial Institutions, monitor the implementation of anti-

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corruption legislation by the executive, and ensure that the implementation of policies such as privatization is done in a transparent, timely and effective manner. Committees should have investigatory powers permitting them access to government accounts, records and other documentation to ensure accountability in government expenditures and the administration of programs and services. Committee meetings should be open to the public and media so as to achieve the fullest possible exposure and Parliaments should work to ensure that governments respond to and act upon their recommendations.

Complementing and reinforcing the work of parliamentary committees are the independent watchdog institutions, such as Supreme Audit Institutions and ombudsmen that report to parliament. Parliaments should develop co-operative relations with these institutions. Without an independent audit or anti-corruption authority, parliamentarians may be unable to effectively investigate the government's finances. Conversely, the findings of anti-corruption authorities may provoke less government response without parliamentary scrutiny and media coverage. To ensure the effectiveness of auditing institutions, parliamentarians must effectively follow-up by examining reports on government expenditures and programs. Parliamentarians should also request watchdog institutions investigate situations where corruption or misadministration is suspected.

A variety of parliamentary committees have begun to appear to ensure governmental accountability. For example, a number of African parliaments have "Committees on Assurances" to hold ministers accountable for statements and promises they have made to parliament. Such committees can be useful in exposing incidents of corruption. The committee system should be used to oversee the administration of government departments. Parliamentary committees that review and follow up on reports should also back the Supreme Audit Institutions.

As an example, Finance Committees should ensure that governments present, in a timely fashion, annual comprehensive budgets. These should include disclosure of the amounts to be spent on each department and

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program, in addition to reporting on the monies collected and spent. Failure to present budgets in this way permits corruption and misadministration in government departments to go unchecked.

Budgets are very complex and even in cases where different committees of parliament, focus on different sections, the executive – if it chooses – will be able to hide information and use authorities in ways other than as understood by parliamentarians. The aim of parliamentary oversight might better be interpreted as reducing the likelihood of such behavior. Questioning that helps to do so includes:

- pursuing specific matters in greater depth, rather than a balanced understanding of all matters;
- tracking patterns of expenditures and results over time to better understand changes;
- asking for benchmarks for similar programs in other countries that seem similar, questioning differences and encouraging the use of global or regional reporting standards to assist in comparisons;
- clarifying results and expenditures by sub-region or district so that interested citizens can help in oversight;
- using public hearings to encourage citizens to examine budgetary information and assume a greater 'ownership' of the executive's commitments.

In addition to the measures discussed above, parliamentarians should use parliamentary debates (e.g. question periods, member's statements, speeches) to highlight incidents of corruption, hold the government to account and emphasize the necessity of reform. This will help build political will among the political leadership and the public at large. Parliament should also work to enact laws that allow for open, transparent procurement policies, permit the striking of corrupt firms off professional registers, entrench anti-corruption measures into the constitutional framework and permit the confiscation of assets obtained through corruption.



### Parliament and the Budget Process

Budgets, where effective, are the device through which the executive sorts out what to actually provide to citizens and how to pay for it – in response to its legislative obligations, policies, political promises and its financial situation. Parliaments must provide authority for the funds and their allocation/application and, typically, do so annually. Parliamentary engagement in the budget process, accordingly, can be used to ensure:

- It is informed on all sources of funds and their anticipated magnitude, what each program or activity will produce and what it will cost.
- It receives timely information on what resources have been collected, what actually has been spent and what has been achieved.
- Discipline by providing only annual authority for most programs, by establishing expert oversight agencies – such as auditors- to review the information the executive has provided is accurate; and,
- Internal oversight practices and committees to ensure parliamentarians and the public understand the information, can verify that the results achieved are real and can undertake analyses to check if funds have been wasted in inefficiency or corruption.

Parliamentarians should also partner with like-minded colleagues, non-governmental organizations and intergovernmental organizations abroad to exchange information and promote reform on the international and intergovernmental stage. This could include lobbying the government to sign international conventions – such as the UN Convention Against Corruption—and treaties to control corruption. Regional and global parliamentary networking such as PNoWB and GOPAC, can be an effective strategy to fight globalized corruption. The development of effective parliamentary networks will be discussed in detail in the following chapter.

Parliaments should apply the principles of accountability and transparency to international institutions that operate within their countries. They should

insist on knowing more about the negotiations between International Financial Institutions and the Executive – including debating grants and loans in parliament – and in turn monitor the grant and loan process much more closely. Some parliaments have gone so far as to restrict borrowing by the executive without approval by parliament.

### Parliamentary Action Planning

When confronted with an important policy concern, such as fighting corruption, parliamentarians are often tempted to “do something”, to take action prior to undertaking a proper study of the issue. Such efforts can lead to failure, setbacks, and frustration for the reform-minded parliamentarians and their supporters. As mentioned in Chapter Three of this handbook, an approach to controlling corruption must include a comprehensive diagnosis of the incidence, causes and consequences of corruption at a national level. Parliamentary action planning is a means by which to obtain an accurate diagnosis of a country's experience with corruption.

Simply put, parliamentary action planning provides a framework for parliamentary decision-making. It provides a sense of direction and eliminates the need to revisit issues repeatedly. The development of a parliamentary action plan controlling corruption should involve the following steps:

- In depth analysis of the policy issue.
- Identification of the actors who are likely to have influence.
- Building a team of allies and experts – within parliament and external partners as well.
- Definition of goals and determination of the objectives.
- Assessment of available resources (e.g. time, people, money).
- Conversion of the plan into a manageable project, based on available resources.
- Evaluation of results.

- Preparation of interim recommendations to which government should respond.

Parliamentarians will find parliamentary action plans most valuable in their work on committees. Committees provide an opportunity for parliamentarians to acquire detailed knowledge on a subject, influence the government of the day, and serve their constituencies political interests. However, Parliamentary committees should regularly attempt to develop clear action plans supported by all parties. To ensure effective collaboration with civil society, committees need to conduct public hearings to ensure the widest possible participation and witnesses. Committees also need to maintain regular communication with government. Leadership is key to the effectiveness of committees. Committees must be led by a chair that understands how to make them work cooperatively, effectively, and in a reasonably non-partisan manner. After all, committees need to work by consensus, setting high goals, but making progress one small step at a time.

## Parliamentary Action Items

A number of international organizations have concluded that the best approach for parliamentarians to building integrity is to pursue a balanced package of legislative, financial, oversight and representation initiatives. Consistent with the previous section, parliamentarians should build these actions into a comprehensive plan to achieve maximum results:

### Legislative Framework:

Essentially the core package of law.

- **Criminal Code:** Would identify those actions that would be defined as criminal and for which the courts would be the forum of accountability;
- **Control Framework for the Use of Public Funds** and authority within the executive;
- **Public Service Control Framework** for engagement, compensation and management of the public service;

- **Legislation for creation of programs and departments** to provide for the required authority, but also to limit that authority to that which is necessary for proper stewardship of public resources;
- **Electoral Law** such as campaign financing;
- **Transparency legislation**, including reporting and access to information and creation of **horizontal accountability agencies**.

### Financial Control Framework:

- **Economic policy forums** can simplify rules and regulations, eliminate monopoly, reduce the discretionary authority of public officials, and increase transparency of public processes and institutions.<sup>6</sup> Reforms could include deregulation, simplification of tax processing, macroeconomic stability, and de-monopolization are effective strategy for combating corrupt practices.
- Financial control **framework for accountability to Parliament** and the public (this might be in legislation or in the Standing Orders of Parliament) specifying how parliamentary authority for all taxation, fees, and expenditures will be provided and how the executive will account to parliament for their use;
- **Annual** (or other fixed period) **budgets**, including aggregate revenues and spending, spending on each program – and in addition, sufficient explanation of expenditures as to financial instruments used and outputs and results to be achieved that this can be understood by parliamentarians and explained to the public;
- Timely **public reporting** on actual expenditure and results;
- Creating appropriate **“vertical” oversight agencies**, including SAIs;
- **Exclusion of legislators** (other than those in the Ministry) from having any executive powers related to program and financial management.

<sup>6</sup> Helping Countries Combat Corruption: Progress at the World Bank Since 1997. (2000). Washington, D.C., World Bank

### Oversight Framework:

- **Questioning of the Executive** in Chamber and/or committee rooms by parliamentarians;
- Committee **review of policy, programs and operations**, where executive witnesses can be called, where penalties for contempt and perjury apply, and where there is an obligation for these to be visibly dealt with in plenary;
- Committee **scrutiny of regulation** to ensure that all sub-ordinate legislation is consistent with parliamentary acts;
- Receipt and active consideration of performance reports (financial and results);
- Receipt and **review of audit reports**.

### Representation (Leadership) Framework:

- Establishing consensus and **public expectations for what is acceptable behaviour** for conduct of elected/appointed officials;
- Acting in ways that are consistent with those expectations;
- Ensuring **citizens complaints** regarding the use of parliamentary authority and resources are visible to the executive and monitoring executive response;
- Rendering visible **minority views** (including minority reports of committees);
- Limiting of parliamentary **privilege**;
- Adopting transparent party and **election financing** practices; and
- Ensuring party **consensus building practices** do not undermine parliamentary functioning.

### Parliamentary Capacity Building:

- independent of executive parliamentary administration;
- adequate resources to support parliament and parliamentarians in all its roles.

### Key Points

- Parliamentarians must fight against corruption by first setting a good personal example. They should be role models who uphold the integrity of parliament.
- Parliamentarians need to convince their party leaders of the need for reform. They should cooperate across party lines.
- Parliamentarians can help educate the public on the workings of government and by doing so, hold the government account. This increases their personal legitimacy and the legitimacy of parliament.
- Parliaments, civil society and the media should work in partnership to combat corruption and hold governments to account.
- Parliament can make a major contribution in anti-corruption efforts by exercising its accountability function, such as through the budgetary cycle and their work on committees.
- Parliaments and supreme audit institutions like Auditors-General need to work co-operatively in fighting corruption. They must ensure effective follow-up so that their work produces concrete results.
- Parliaments should work for a budgetary system that will ensure government adequately accounts for its expenditures and results.
- Parliamentarians should network with like-minded colleagues, non-governmental organizations and intergovernmental organizations to address the transnational dimensions of corruption.

## Chapter 5: Building Effective Parliamentary Networks

Corruption is no longer, if it ever was, a purely national matter. In today's global environment, corruption is not confined within national borders – it crosses regions and the globe. In recognition of this, many international organisations are introducing programs and conventions to address corruption's international nature – such as the United Nations Convention Against Corruption (UNCAC).<sup>1</sup>

Nowadays, the information and tools required to stem corruption, bribery in international business transactions and in international money laundering are often only available through regional and international co-operation. As such, the need to share information and co-operate across borders has increased and the ability to network has also become more important – especially for parliamentarians.

This chapter will briefly examine the different typologies of networking and knowledge sharing available including that of networks specifically intended for parliamentarians and their needs will conclude with a discussion of the lessons learned in building effective parliamentary networks. Two examples of parliamentary networks will be discussed – the Global Organisation of Parliamentarians Against Corruption (GOPAC) and the Parliamentary Network of the World Bank (PNoWB).

### Evolving Forms of Networking and Knowledge Sharing

In order to understand parliamentary networks it is necessary to place them within the current discourse on networking. As the number of

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<sup>1</sup> United Nations Convention Against Corruption, preamble states "corruption is no longer a local matter but a transnational phenomenon that affects all societies and economies, making international cooperation to prevent and control it essential."

networks has increased in recent years, so has the number of ways to describe them. There are knowledge networks, communities of practice, global public policy networks, advocacy networks, and parliamentary networks – to name but a few.

The International Institute for Sustainable Development defines **networks** as “...a combination of persons (or organizations) usually dispersed over a number of geographically separate sites, with appropriate communications technology to link them.”<sup>2</sup> **Knowledge networks**, however, consist of a “group of expert institutions working together on a common concern – strengthening each others research and communications capacity, sharing knowledge bases and developing solutions that meet the needs of target decision makers at the national and international levels.”<sup>3</sup>

**Communities of practice** are “groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis.”<sup>4</sup> Participation is voluntary and interactions are unstructured. Leadership tends to emerge from within rather than being appointed. Communities of Practice complement existing structures by promoting collaboration, information exchange, and sharing of best practices across boundaries of time, distance, and organizational hierarchies.

**Global public policy networks** create a transnational public discourse around policy issues that require a global approach.<sup>5</sup> In many cases, networks that perform functions other than advocacy start in a similar fashion, that is, by placing issues prominently on the global agenda, before moving on to the other phases of the policy cycle. The transnational

2 [www.iisd.org/networks/research](http://www.iisd.org/networks/research)

3 Heather Creech. 2001. Strategic Intentions: principles for Sustainable Development Knowledge Networks, p. 15.

4 Vicky Carpio Tam. 2002. Assessing the Value of Communities of Practice: Summary of Findings. P. 1.

5 Jan Martin Witte, Wolfgang H. Reinicke and Thorsten Benner. 2000. Beyond Multilateralisms: Global Public Policy Newworks. International Politics and Society.

linkages formed during the advocacy process will likely assist these networks as they move toward implementing policy solutions.

Finally, **advocacy networks** are groups of individuals and/or organizations working together with a common goal of achieving change in policies, laws or programs for a particular advocacy issue.

The difference between each of these network types lies with membership and ultimate purpose. While knowledge networks tend to identify groups or institutions as their membership, communities of practice and advocacy networks are more open in that they welcome both individuals and organizations. In terms of ultimate purpose, knowledge networks and global public policy networks seek to find and share solutions amongst their members while communities of practice and advocacy networks are more concerned with the process of sharing information rather than a specific outcome. What remains common amongst them, however, is the networks’ interest in sharing knowledge and expertise and the belief that the collective are more powerful than the individual.

Given this as an understanding – how can we define parliamentary networks? Can they be considered one of the network types discussed or are they deserving of their own category?

Most parliamentary networks are best described as a one type of **global public policy network**, albeit a powerful one. They typically are transnationally based and formed around a common policy issue that requires a global approach (i.e. corruption as with the Global Organisation of Parliamentarians Against Corruption). Members advocate for placing issues on the global agenda and share information and knowledge to seek out and implement policy solutions.

## Why Parliamentary Networks?

Parliamentary networks tap into a rich resource – parliamentarians – who are in a position to gain access to centers of power and influence

other nations where civil society organizations cannot.<sup>6</sup> These networks often provide an outlet to parliamentarians for involvement in issues which they have been excluded from i.e. initiatives against corruption, WTO processes, and international aid. As they are elected, parliamentarians have a moral authority and a legitimacy that give weight to their interventions and involvement.<sup>7</sup>

Dilys Cossey, Manager of the International Planned Parenthood Foundation – European Network’s Parliamentary Project argues parliamentarians are effective communicators who have the ability to attract publicity. Their opinions are actively sought thus, if parliamentarians from different parties, or countries, “sing from the same hymn book it makes a greater impact than the opinion of one politician.”<sup>8</sup>

In sum, the creation of a network involving parliamentarians can have a number of advantages, such as:

- joint value creation amongst the group—developing new insights through the interaction of different perspectives and approaches;
- foster change in policies and practices, and;
- capacity development for all members.<sup>9</sup>

From the perspective of decision makers, parliamentary networks allow them to interact with their peers and can simplify the task of seeking reliable information and advice. For those with expertise in a certain field of public policy, it provides an opportunity to develop or further extend their international involvement in that field.<sup>10</sup> Since party lines and the short term need to win elections can be an impediment to true debate and consideration of the long-term global issues in a national

6 Senator Raynell Andreychuck and Marlene Jennings MP. *Globalization and Governance: Contemplating the Global Village*. (December 2003), p. 14.

7 Parliament of Canada. *Symposium on Parliamentary Diplomacy*. April 29, 2002.

8 Dilys Cossey. *Advocacy with Parliamentarians in Europe*, Choices (Vol. 28, No. 1) 2000.

9 [www.iisd.org/networks/](http://www.iisd.org/networks/)

10 Andreychuck and Jennings, p.16.

parliament, parliamentary networks can provide the opportunity to explore issues in greater detail over an extended period of time. However, at the heart of these networks are people working together.

Networking around an issue such as corruption has the added benefit of giving its participants a global and regional voice. Such a voice, and association with like-minded colleagues in other countries, can be particularly comforting when carrying out the often lonely fight against corruption in countries where a corrupt executive dominates parliament. Parliamentarians may additionally draw ideas from other countries and avoid the pitfalls that others have experienced by sharing information and lessons learned with their peers.

Parliamentary associations such as the Inter-Parliamentary Union (IPU), Commonwealth Parliamentary Association (CPA) and La Francophonie have been in operation for many years, providing an opportunity for parliamentarians to gather and discuss matters of common interest. Over the years, these mainstream associations have also provided important technical assistance to many young parliaments, for instance by sending experienced parliamentary staff to assist newer legislatures in organizing their legislative support services.

In most of these cases, however, networking has been on an institutional basis – members are selected as representatives of their national parliaments. A key implication of such membership is that either the political head of parliament or the party leaders ultimately select actual members for participation in inter-parliamentary meetings. This tends to reduce both continuity and commitment on the part of participants. Moreover, it can be interpreted as a reward for other services rendered – thus the objective of the process of selection often can be something other than the policy purpose of the network.<sup>11</sup> For example, where parliamentary leadership is dominated by a corrupt executive, such a selection process for representatives on an anti-corruption network can have the effect of undermining the purpose of the network.

11 Martin Ulrich. 2004. *Effective Interparliamentary Networks: Observations and Examples*.

The danger of an executive dominated selection process, and its consequent impact on a network, is greatest with single-purpose networks. And it is single-purpose or ‘focused’ networks that are now emerging to complement the better known multi-purpose networks such as the IPU. Examples of such networks include **Parliamentarians for Global Action** ([www.pgaction.org](http://www.pgaction.org)), the **Parliamentarians Network of the World Bank** ([www.pnowb.org](http://www.pnowb.org)), the **Parliamentary Forum for NEPAD** (<http://www.parlanepad.org/an/About.htm>), and the **Parliamentary Network for Nuclear Disarmament** (<http://www.gs institute.org/pnnd/>). Participation in policy-focused networks is most obviously effective if it includes those parliamentarians with an interest and commitment to the policy focus. Where continuity of membership is important, such as where policy issues are being examined or an active program of work is being pursued, individual membership is simply more effective. However, these organizations can suffer from a different kind of discontinuity as the result of elections. Establishing active country and regional chapters can mitigate such risk.

### Example One: Global Organisation of Parliamentarians Against Corruption (GOPAC)

GOPAC is a network focused on the single purpose of fighting and preventing corruption through strengthening integrity in governance. Comprised of parliaments, parliamentarians and former parliamentarians from countries around the world, GOPAC is a network that aims to provide information, tools and relevant training to its membership and endeavours to support and counsel members in their personal initiatives in fighting corruption. Established in Ottawa at a Global Conference held at the Parliament of Canada in 2002, GOPAC is managed by an internationally representative Board of Directors and its Executive Committee.

The GOPAC Global Secretariat based in Ottawa, Canada serves as an international point of contact while each regional chapter is also represented by its own secretariat. National chapters of GOPAC work with the regions and the Global Secretariat towards improving integrity in parliament. GOPAC chapters can be found in all regions of the world.

Conceptually, GOPAC perceives its work as being organised into three fundamental concepts: peer support, education and goal oriented results. In the past two years, the work of GOPAC, its regional and national chapters and, its membership have led to significant areas of impact throughout the globe in all three of these areas:

- **Peer Support:** GOPAC members, either through their regional/national chapters or the global Secretariat, have worked together to share information, lessons learned and provide support for their colleagues around the world. Members have frequently traveled outside of their countries to provide support to nascent chapters overseas – as in the case of the Latin America Chapter’s travel to Africa and the APNAC Chair’s travel to other African nations – to provide encouragement to their colleagues in developing their own anti-corruption networks.

GOPAC has also been useful in providing support to colleagues facing a strong executive as in the case with a parliamentarian from Mozambique who received support in the form of friendship and information sharing from her colleagues in Mexico.

- **Shared Learning:** Sharing lessons learned and best practices amongst the membership and to the larger community has also been an area of focus for the organization. The GOPAC Secretariat aims to keep communication channels open through the sharing of information using the GOPAC Website (j), the parliamentarian’s handbook and GOPAC CD ROM (as developed with the World Bank Institute), GOPAC Newsletter as well as event reports, papers and documentation. All of the information tools are shared with the GOPAC membership, GOPAC chapters, and, have also been distributed to parliaments and civil society organizations such as Transparency International. Additionally, all information tools have been reviewed and approved by the GOPAC Board of Directors to ensure their relevance to a parliamentary audience.
- The majority of the information produced by the GOPAC organisation is for the purpose of education and training as regards good governance

and anti-corruption issues. The ultimate purpose being to develop in its members expertise in a variety of areas relating to issues of good governance and strengthen their capacity to effectively seek solutions.

- **Results:** Although only two years in existence, GOPAC has delivered some preliminary results<sup>12</sup> in the form of legitimacy to reformers (discussed below), establishing relationships with like minded organizations in addition to the shared learning described above.

GOPAC members in Kenya, prior to the 2003 election, were mostly opposition members working against the corrupt Moi regime. The 2003 general election results for the APNAC members were, in some respect, linked to the legitimacy and respect the citizenry had for the organization. Of the 21 original members of the APNAC-Kenya chapter of GOPAC, eight were appointed to the new government's cabinet—including the current chair, Hon. Musikari Kombo who is the current Minister of Local Government and Deputy Environment Minister— and Nobel Peace Prize winner—Wangari Maathai.

GOPAC and its chapters have also established solid relationships with other like minded organizations. The Australasian, Kenyan, Middle East/ North African and South Asian chapters founded their Secretariats within Transparency's local offices. In the case of the Latin American chapter, a cooperation agreement was signed with the Organization of American States (OAS) to work together on anti-corruption activities in the region and the chapter also receives support from Parlantino in the form of office space and human resources.

In addition to those discussed above, the organization has established relationships with the UNDP, International Compliance Association, Latin American Financial Intelligence Council, Commonwealth Parliamentary Association, GRECO, Stability Pact, Westminster Foundation and the International Association of Business and Parliament.

<sup>12</sup> This, in addition to a membership that continues to grow in all regions of the world as well the creation of new regional/national chapters.

## Effective Parliamentary Networks: GOPAC's Experience

Since its creation, GOPAC has expanded its field of knowledge in regards to networking amongst parliamentarians – much of which is included in the 'Lessons Learned' section below. The majority of what GOPAC has learned has been in the area of partnering with individual parliamentarians based in varying geographical locations, with different languages, cultures and political structures. As stated in Heather Creech and Terri Willard's work, 98% of the work in networks is in managing relationships.<sup>13</sup>

GOPAC has found that the organization has benefited from being focused on a single, yet universal, issue around which it can coordinate its members and activities. The universality of the experience of corruption has, in a sense, created a common language amongst GOPAC members that has allowed them to connect despite their differences.

Other 'lessons learned' by GOPAC include: the need for consistent and concise information to the membership which ensures members are engaged and with a sense of ownership over the agenda, the high value of e-communications can only be enhanced by periodic face to face meetings, and understandable and accessible reporting structures and, resources in order to carry out all of the above.

## Example Two: Parliamentarians Network of the World Bank

The Parliamentary Network of the World Bank (PNoWB) was created with the aim of engaging the parliaments of the world in the global discourse on development and increasing the influence that parliamentarians can wield in relation to issues of development cooperation. With over 400 members in 90 countries of the world, PNoWB members come from World Bank member states; however, they represent themselves and their constituents – not their parliaments, governments or countries. Legally independent from the World Bank, PNoWB is a non-profit and non-partisan organisation incorporated under French law.

<sup>13</sup> Terri Willard. *Helping Knowledge Networks Work*. 2001.



The mission of the Parliamentary Network on the World Bank (PNoWB) follows the guiding principles of accountability, advocacy, networking, partnerships and progress review:

- **Accountability:** to facilitate and encourage direct dialogue between parliamentarians and multilateral development institutions in order to promote greater transparency of the policies and practices in particular of the World Bank, and to also encourage collective accountability;
- **Advocacy:** to provide the PNoWB Members with a platform for coordinated parliamentary advocacy on international development issues;
- **Networking:** to encourage concerted action, early debate and exchange of information among parliamentarians on major issues of international development, finance and poverty eradication;
- **Partnerships:** to take initiatives to further cooperate and encourage partnerships among parliamentarians and policy makers, the academic community, the business sector and non-governmental organizations on development issues;
- **Progress Review:** to promote the development of parliamentary mechanisms and practices for the effective democratic control of development assistance in all its phases.

PNoWB conducts a number of activities at the international and national levels. At least once a year the Network organizes a major international conference while its regional chapters (East Africa, India and the Middle East) further PNoWB's mission to increase accountability and transparency in international development while maintaining their own, regionally sensitive agendas.

PNoWB also facilitates field trips for parliamentarians from donor countries to visit projects in developing countries. At the same time, the Network organizes visits from parliamentarians from developing countries to parliaments in countries with well-established democratic traditions. The organisation engages in consultations with the World Bank

and other international financial institutions on their respective projects, programs, and research activities. Finally, its members dedicate time to working groups (such as the HIV/AIDS working group, Parliamentarians Implementation Watch on the MD Goals and a Trade Working Group).

### **Effective Parliamentary Networks: PNoWB's Experience by Bert Koenders, MP Netherlands and Chair of PNOWB**

The Parliamentary Network on the World Bank was created to advance the role of parliamentarians in the process of economic development. We continue to believe that participation will only be a successful experiment if the expansion of civil society is met with an equal rebirth or empowerment of representative institutions and, chief among them, parliament.

To advance this agenda, a small group of MPs from different countries got together with the idea to create an informal action-oriented network which could convene parliamentarians to address questions linked to development. In particular, we set out to introduce some form of parliamentary scrutiny in the way the World Bank, and increasingly the International Monetary Fund, function. Finally, we were confident that this Network would create a new kind of platform for dialogue among parliamentarians and between parliamentarians and the development community.

There are two key elements to draw from PNoWB's experience so far:

- The first is the importance of effective partnerships in building collective accountability of the international financial institutions. Groups of MPs can increasingly play a part in WB and IMF policies at the national, regional and global levels thus building their capacity to deal with governments and other institutions in the global governance system. Through our regional chapters, MPs have entered into a dialogue in a transparent and independent manner with local and regional World Bank offices, critically examining programs at the level where they matter the most. In addition, over time we have developed similar

relationships with the IMF, the Global Fund and others major players in the development field.

- The second element consists of targeting concrete and action-oriented outcomes. Although PNoWB has grown significantly, it remains a real network organization. Rather than replicating the work of larger parliamentary assemblies, we have tried to complement this work by focusing on a specific development agenda through action-oriented programs. For example, PNoWB hosts working groups on specific issues like trade and HIV/AIDS where we bring together parliamentarians with practitioners to discuss the most current issues and explore where the parliamentary voice can have the greatest impact. We also try to bring the discussion down to the right level, in part through our regional chapters in the Middle East, Japan, east Africa and India.

Four years on, we have built a network of about eight hundred members of parliaments in one hundred and ten countries. The programs we have initiated have been successful in that they advance our agenda while providing our members with concrete opportunities to build their capacity to engage in these questions. Through partnerships and a concrete approach, we hope to have made a difference.

## Lessons Learned

Based on the study of other networks, the experiences of the founding members of GOPAC and the PNoWB and, the research completed by the International Institute for Sustainable Development ([www.iisd.org](http://www.iisd.org)), nine guiding principles exist regarding parliamentary networks. They include:

1. **Focus:** Deepening the exchange of information and analysis in one area enables parliamentarians to play a more influential role than superficial exchanges on several topics. A focused network committed to demonstrable results is likely to attract members dedicated to action and results.
2. **Leadership:** Establishing effective networks requires a single individual who is able to attract a representative core team to give it

direction and engage a strong network of parliamentarians. Leadership is the ability to both articulate a broadly shared vision and enable colleagues to more effectively deliver on that vision in a way that engages all members. Without such leadership, a network is more likely to die out after a few initial exchanges.

3. **Results:** While interesting deliberations and formulating well-articulated resolutions can be satisfying activities for networks, actual delivery of practical results—things that affect the well being of people—is the greater motivator.
4. **Access to appropriate support:** Networks of parliamentarians can best deliver results if they have access to effective secretariat and expert services. Expert services are needed to ensure the political leadership is informed by expertise in the policy substance. Secretariat services are those that ensure effective deliberation and decision-making on one-hand and effective implementation on the other. Organisational management skills are also essential for building and maintaining networks as they need structure, workplans, timelines and deliverables.<sup>14</sup>
5. **Alliances:** The objectives of any policy-oriented parliamentary network will likely complement well the objectives of other organizations. Forming alliances with such organizations allows resources to be leveraged and, more importantly, possibilities to be expanded.
6. **E-deliberation:** While deliberating through information technology networks has not yet replaced the need for face-to-face deliberation, it can become an essential complement, and save on the time and cost of travel. Use of information technology also reduces the time and cost of access to resources in the development of plans, written products, and declarations.
7. **IISD** suggests to keep in mind the following when relying on online communication technology for communications and e-deliberation: longer time schedules when operating in a language which all

<sup>14</sup> Ibid, p. 23.

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participants may not be comfortable, regional holidays and seasons, and adding the use of teleconferencing to add information richness that maintain stronger relationships at the core of the network.<sup>15</sup>

8. **Resources:** Multiple sources of resources reduce the risk of becoming an agent of another organization's interests. Sustainable funding affords an organization the luxury of devoting fewer resources to the search for funding. On the other hand, the search for funding can help ensure responsiveness to contemporary interests.
9. **Continuity:** Parliamentary networks are particularly vulnerable in view of the generally short career offered by elected office. Each of the foregoing factors can contribute to continuity. Clarity of focus (and results), committed partners, multiple funders, access to secretariat and professional staff and the access and use of technology ensure a network a continuing stream of participants.

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15 Terri Willard. *Helping Knowledge Networks Work*. 2001.

## Appendix One: The Anti-Corruption Bureau in Malawi

**Submitted by Louis Chimango, MP, Malawi this case exemplifies how the drive by Parliamentarians against corruption cannot succeed if it does not take into account and collaborates with the efforts of other players.**

Corruption is an enemy of development. Where fraud and corruption are not tackled properly, development efforts are thwarted. The Anti-Corruption Bureau of Malawi<sup>16</sup> is a principal player in the anti-corruption process. The Bureau has introduced an initiative which is a unique programme designed to promote reforms within Malawi. In doing so, the Bureau joins hands with a number of key public and private institutions.

### **A Structure of Accountability...**

In order to effectively tackle the problem of corruption and fraud in our public institutions, the Bureau is active in promoting the need to establish a structure for accountability within institutions. The Bureau believes that fighting corruption and fraud must be 'mainstreamed' into ALL public institutions and into programmes that aim to address the poor (in the same way that such emphasis is placed on HIV/AIDS and Gender Programmes). At the individual level, the Bureau tries to ensure that all supervisors:

- Clearly define his/her responsibilities in order to avoid an overlap of responsibilities with other managers.
- Identify a span control that he/she can effectively supervise and lead.

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16 The Bureau derives its authority from the Corrupt Practices Act that was passed through Parliament in 1995.

- Clearly define the responsibilities of each employee so that each knows and understands the scope and inter-relationship of his/her position of other employees and positions in the organisation;
- Define clearly the responsibility and authority levels for each position to allow employees room to make decisions on issues falling within their jurisdiction;
- Establish a communication system which allows a flow of instruction, information and knowledge from top to bottom: and from bottom to the top;
- Establish a system for checking the currency of the information passed both downwards and upwards, as well as sideways;
- Discuss and educate staff on external controls and see that Government instructions, laws and policies are followed.
- Continuously review and update operational instructions and guidelines so as to ensure relevance.

At the collective level the Bureau is active in promoting the need to:

- Introduce **Codes of Conduct** to make work **valuable**;
- Adhere to **Standards of Performance**;
- Introduce and stick to a **Leadership Code**;
- Promote a **values-based** culture in the Public Service;
- Aim for **Excellence**;
- Drive to achieve accountability.

The Bureau believes that the promotion and attainment of this level of accountability:

- Ensures that a manager accounts for the actions and omissions of subordinates;
- Ensures that the manager measures his/her performance and that of his/her subordinates against the organisation's aims and objectives;

- Helps in setting out plans necessary for the achievements of those goals and objectives. By setting *controls* and *standards* for accountability the manager ensures that each employee performs to full capacity and participates in decision making thus achieving the set of goals and objectives;
- Helps in identifying potential problems early;
- Helps maintain management control of resources—both human and material;
- Assists in identifying good and bad work at all levels promptly;
- Helps to create a sense of self-discipline in employees;
- Creates room for prompt review of policies, procedures and methods of work in an organisation;
- And, most importantly, it **HELPS TO STOP CRIME**.<sup>17</sup>

### Organisational Features That Managers Must Deal With...

The Bureau, through consultative processes and education, demonstrates that there are issues that managers and supervisors need to address. These include:

- Un-enforced or unenforceable legislation: An institution may have rules and regulations that are so out of date that they are no longer relevant. There may be insufficient manpower to enforce the rules which may result in junior officers interpreting the rules to suit themselves;
- Outdated policies or policies that are inadequate or unclear: When no one knows for sure what the policy of an institution is, there is scope for staff to interpret situations as they wish, often with criminal intent.
- Inadequate or excessive instruction: Inadequate instructions allow discretion to staff who are not equipped for their level of decision making, while excessive instructions stifle initiative thus permitting delays and breeding opportunities for crime;

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- **Unnecessary procedures:** As situations change, some practices and procedures become redundant. This causes delays and allows opportunities for the corrupt to take advantage by “speeding things up”;
  - **Insufficient supervision:** If there is little supervision to see that instructions and procedures are being followed properly, even the best policies can be frustrated;
  - **Insufficient publicity:** Ignorance is a fertile ground for corruption and insufficient publicity of an institution’s policies and procedures is a major cause of corruption and crime.

The Anti Corruption Bureau has developed a **Programme of Managerial Accountability Workshops (MAWS)** that are unique and innovative in drawing in institutions both from the public service, and private bodies too. These workshops promote good corporate governance. Such workshops are held every month and over the next three years a total of 36 workshops will be held with key institutions, including Parliament.

The Anti Corruption Bureau is a key player in the fight against corruption and is therefore a major contributor towards reducing poverty in Malawi. It is wrong for people to believe that the Corrupt Practices Act is the *sine qua non* towards achieving success. The Bureau cannot fight corruption alone but must be joined by a broad coalition of other key bodies, and individuals who are able and willing to articulate the whole process in detail. The Anti Corruption Bureau aims to spearhead the process but success depends upon action by a whole range of stakeholders. This process of course includes the involvement of civil society and the media.

## Appendix Two: APNAC Kenya: Coalitions: Value of Fighting Corruption Collectively

**Anti-corruption efforts are not always met with eagerness and zeal either on the part of the proponents or the recipients. However, when there is a move by a varied cross-sectoral group of people joining together to enthusiastically address the issue of corruption, fresh excitement can be generated. This has happened in Kenya from 2001. This article examines the successes of the Kenya Anti-Coalition (KACC).**

The Kenya Anti-Corruption Coalition first came together during the 2001 10<sup>th</sup> International Anti-Corruption Conference, which took place in Prague, Czech Republic. Transparency International-Kenya (TI-Kenya) sought to facilitate cross-sector participation at the IACC and the development and presentation in Prague of a common anti-corruption strategy for Kenya.

TI-Kenya put together a delegation of 33 Kenyans. Of this number, 10 were from the government in their official capacities – they included the Honourable Attorney General, the Head of the Anti-Corruption Police Unit, the Director of Public Prosecutions, and senior officers of the Ministry of Foreign Affairs and the Kenya Revenue Authority. Seven parliamentarians who were members of the African Parliamentarian Network Against Corruption (APNAC-Kenya) also attended the conference. This group largely comprised of the former Parliamentary Select Committee on Anti-Corruption.

The Kenyan delegates who attended the 10<sup>th</sup> Global Anti-Corruption Conference resolved to constitute themselves into the **Kenya Anti-Corruption Coalition** for the purpose of pushing the anti-corruption agenda more concretely once back in Kenya.

Perhaps the one criticism that can be levied against anti-corruption efforts in the past is that they had been unilateral and polar. Unilateral in the sense that the process of creating anti-corruption institutions had normally been an executive decision – usually in response to criticism on its stand and perceived toleration of corruption. Polar in the sense that confrontation and accusations of lack of good will were usually the backdrop against which these institutions were founded and under which they operated. It was little wonder then that nobody was surprised when the Kenya Anti-Corruption Authority was declared unconstitutional, as has happened in the past.

After the Kenya Anti-Corruption Authority was pronounced unconstitutional in December 2000, there was every reason to believe that Kenya was back to square one and that Kenya had lost all the ground painfully gained over the last three or so years of committed anti-corruption effort. The situation worsened when the President took to voting personally for a much criticised constitutional amendment seeking to ‘entrench’ the Kenya Anti-Corruption Authority. Requiring one hundred and forty-five Members to pass, the constitutional amendment failed to muster enough support. Once again, Kenya appeared to be back to square one.

After the defeat of the Constitutional amendment, the Honourable Attorney-General rose to the challenge by declaring his doors open to constructive dialogue and criticism that would allow the process to move forward. This opportunity was not wasted by the Kenya Anti-corruption Coalition lead by The African Parliamentarian Network-Kenya (APNAC-Kenya) and facilitated by Transparency International-Kenya.

In a strong show of commitment and willingness to transcend the legislative stand-off, members of parliament from both the opposition and the then ruling party met under the auspices of APNAC-Kenya to develop a stand on the proposed legislation.

The Coalition duly hunkered down and with the help of consultants designed legislation that represented a minimum supportable position if

the Government adopted the recommendations made. The Attorney General then opened his doors and availed his Chambers’ expatriate draftsman for engagement with the Coalitions legal minds. The final form of the legislation proposed to establish a new Kenya Anti-Corruption Commission met the approval of the Coalition and was the product of long, drawn-out and very fruitful engagement with the Attorney-General.

There is little doubt that an unprecedented and very welcome chapter had been opened in anti-corruption efforts steered by the Kenya Anti-Corruption Coalition and including the Hon. Attorney-General. The paradigm shift in terms of engagement continues to be nurtured, supported and where possible, exported to other legislative initiatives. The coalition fights on....

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