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By

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Good afternoon. In 1983, I joined then World Bank president Tom Clausen in a remote mountain village in China where we sat down for a chat with the villagers. He asked them: “Tell me about your dreams?”

A rather haggard woman spoke up quickly and declared: “I dream of having more chemical fertilizer, because then I could sell more food in the market in the town and then I could bribe a teacher to come up to our village!”

In many parts of the world, where the formal economy barely exists, where basic services are sparse, people find they must resort to bribery as the means to create a better life for their children. They even dream about chemical fertilizer.

A few years later, when traveling in rural Kenya with then Bank president Barber Conable, we discussed maternal health care with some international experts and with some villagers. We learned about the many women who had too many children too quickly and lacked basic services – too often they could not get transportation to a clinic when they urgently needed it, or get care at the clinic itself.

When we pressed the village women for an explanation they answered simply – they did not have the money to pay the bribes for transportation and basic care. Yes, standing there in rural Kenya I learned that corruption kills.

At the conference on “Safe Motherhood” held at

that time in Kenya we heard experts talk about the millions of women who die in childbirth, or who are permanently disabled. As the conference report noted: “We need to mobilize the political will, to mobilize community involvement among men and women, and to implement specific programs to stop these tragedies from taking place. We must do this for common humanity, because among human rights, the first is the right to life itself.”¹

Corruption and human rights are inextricably entwined. Corruption is a major cause of poverty across the world and a major cause of human rights abuse.

As government officials and politicians steal from the public purse for their own benefit, so hospitals and schools are not built, sanitation systems are left to decay, and good housing for the poor is a dream. Corruption is not a victimless crime. It is wrecking the lives of tens of millions of people across the globe. It is undermining democracy. It is adding to global insecurity.

TI & PTF

Ladies and gentlemen – it is an honor to come back to the Bank and to have this opportunity to join with Pascal Dubois, with Bob Beschel, and with all of you, to talk about corruption – a topic that I describe in my book as a crime against humanity. And, at the outset, I shall surprise you by saying that this is going to be an optimistic talk. It is also a talk about the opportunity that the World Bank has to scale-up fundamentally its impact on anti-corruption.

Four years after that visit to Kenya with Mr. Conable, I was back in Nairobi, having just left the Bank and started my own media consulting firm. I sat down for the first of many meals with my friend Peter Eigen, then the Bank’s resident representative for East Africa. Peter, after a quarter century with the Bank, had and still has a great sense of loyalty to the Bank and deep admiration for so many who have worked here. He was, therefore, all the more distraught that the Bank failed to recognize the devastating damage that corruption did in not just undermining Bank projects, but in destroying many initiatives designed to reduce poverty.

Under his leadership, a few friends came together almost exactly 20 years ago to launch the first international anti-corruption, non-governmental organization. Peter was the first chairman of Transparency International, and Kamal Hosain from Bangladesh and I served as the Vice Chairmen.

We had no cash, no organization, and no staff. *The Economist* magazine ran a cartoon of Don Quixote and Sancho Panza tilting at windmills. We would tell people about our idea and they would politely say how nice and implied that we were idealistic, hopeless dreamers. I have been a volunteer for TI ever since – it has been my night job, my weekend job and often much more.

My new book, “Waging War on Corruption – Inside the Movement Fighting the Abuse of Power,” is dedicated to all of my friends across the world who have done so much to build TI over the last two decades.

It is also dedicated to another organization that Peter Eigen and I helped to launch in the late 1990s, the Partnership for Transparency Fund – PTF. Under the bold and brilliant leadership for a decade by Pierre Landell-Mills and more recently Daniel Ritchie – two former country directors at the World Bank - this remarkable not-for-profit group has attracted some 40 former World Bank and Asian Development Bank executives to serve on an entirely volunteer basis to assist civil society organizations across the developing world, and to succeed with focused, low cost, high impact anti-corruption projects.

The 20 year perspective

Transparency International was born as the Berlin Wall came down, the Cold War ended and intense debates were launched in many parts of the world over how to build democracy, how to ensure human rights and basic freedoms, and how to reduce poverty. TI benefited from these debates. We opened our doors and discovered that people in scores of countries not only were deeply frustrated about their corrupt and illegitimate governments, but they wanted to join us.

Ever since the early days of TI, civil society organizations have led the charge against corruption. Without their ceaseless and often courageous efforts none of the international building blocks essential to sustaining the long war against corruption would be in place today. The leadership by CSOs and the pressures they have exerted and can exert, have

¹ Preventing the Tragedy of Maternal Deaths – report of the International safe Motherhood Conference, Nairobi, Kenya, February 1987. The conference was co-sponsored by the World Bank, WHO and UNFPA.

encouraged and prompted outstanding public servants to do what is right – furthering the cause of justice for all.

Just consider how far we have travelled from the fall of the Berlin Wall through the rise of the Arab Spring:

- 20 years ago there was no international civil society movement dedicated to fighting corruption. Today TI has 100 national chapters; PTF has completed over 200 projects; there are hundreds of NGOs across the world engaged in fighting corruption in one form or another, from Global Witness that investigates corruption, to Revenue Watch Institute that leads the charge for transparency in extractive industries.
- 20 years ago there were very few academics specializing in this field, now 5,000 people subscribe to TI's research network. Two decades ago the World Bank Institute did not even have corruption on its agenda – now it can boast of having made valuable knowledge contributions on this front.
- 20 years ago there was not a single anti-corruption international convention. Today, there are regional conventions; there is the OECD Anti-Bribery Convention and the United Nations Convention against Corruption. The Group of 20 at its last two summits released “Anti-Corruption Action Plans.”
- And two decades ago there was not a single development agency that was willing to discuss the corruption issue publicly. Today, as you all know, it is a major topic on the global agenda of all aid agencies. Moreover, unlike times past, there are now a host of important public-private-NGO partnerships working to strengthen anti-corruption, from the Extractive Industries Transparency Initiative, to the United Nations Global Compact, to initiatives under the auspices of the World Economic Forum.
- 20 years ago, there was not a single head of a government that I can recall who was ousted and then imprisoned because of corruption and very few politicians anywhere saw great risk in looting their national treasuries. Today, as we are seeing in Brazil at this very moment, politicians are

no longer so safe. Then, the U.S. Justice Department has pursued a record number of prosecutions of corporate foreign bribery in the last 12 months, while public prosecutors in many countries are cooperating at the international level to support increasing numbers of major investigations into corporate bribe-paying and money laundering. The rallying call of “no impunity” is spreading rapidly across the globe.

- 20 years ago we did not have the Internet and mass e-mail and social media and the tools to disseminate anti-corruption news. Today, the scale of reporting about corruption is large; the distribution of news about corruption is wider than ever across the globe through the Internet; and, the expertise of investigative reporters is high.
- And importantly, as the Arab Spring showed, there is rising mass public engagement in more and more countries, from the town squares of Egypt, to the parks that see vast public rallies in India, and to Occupy Wall Street. TI has 55 national chapters that run Advocacy and Legal Advice Centers – ALACs - and they receive thousands of complaints about corruption from ordinary people and are developing mechanisms to support these cases. The *ipaidabribe.com* website received over one million visits last year. The scale of public awareness and of mass public activism against corruption has never been as great as it is right now.

To be sure, we often see progress and then we see backsliding; we see developments that really raise our hopes, only for those hopes to be dashed as new government leaders emerge as just as corrupt as the ones they replaced.

But, ladies and gentlemen, do not discount all the achievements of the last two decades. See those achievements for what they really are: the putting in place of essential building blocks that, taken together, set a powerful base for far greater success in the anti-corruption battles that together – yes together - we must wage. Daily, as you read reports of individual scandals, you just see the individual photos and you may be depressed. But, I encourage you to see the full movie and recognize that substantial progress has been attained.

To be realistic: the anti-corruption movement has reached base camp, which is a substantial accomplishment. But, we have still an Everest of corruption to surmount.

The World Bank and Civil Society

My book deals with many of the challenges that together we must confront: from anti-money laundering, through corruption in the defense and the extractive industries' sectors, to corruption and global security, to the core issues of corruption and the rule of law. Corruption is a universal problem and many of the challenges are complex, yet I believe we can find paths forward that are pragmatic and that will be effective.

As time is short, permit me here to focus the balance of my remarks on just one of the areas of anti-corruption challenge that I highlight in my book: civil society and the work of the World Bank.

Nigerian Finance Minister Ngozi Okonjo-Iweala,² who served with distinction at the World Bank, once told the story of Rose, a twenty-one year-old university student in Nigeria:

“Rose, from a poor rural family, could not purchase the series of class notes sold by her lecturer to students as part of the reading material for her class. The lecturer, who used these moneys to supplement his income, noticed that Rose was not purchasing the notes and penalized her through low grades for her work. When she explained she couldn't pay she was asked to make up with other favors, which she refused. The failing grade she was given was instrumental in her withdrawal from the university, which put an end to her higher education. An individual and an entire family lost their hope and pathway to escape poverty. When I followed up on this story, I found that it was by no means an isolated case. It was part of a systemic rot that had befallen what had once been a very good tertiary education system in Nigeria.”

The crimes of corruption are not abstract issues. Every time an official steals from the public purse, then someone suffers. Every time an official acts as a villain, then there is a victim. There are tens of millions of young people like Rose. There can be no higher calling than to strive to assist people like Rose

² Ngozi Okonjo-Iweala, lecture in June 2007 in Washington DC.

- in this endeavor the leadership and the knowledge of the World Bank is paramount.

TI was started in 1993, and just four years later we were to see the World Bank declare as a matter of official policy that it would make fighting corruption a top priority.

I detail in my book the effort that was made to secure this result and the dramatic meeting in spring 1996 that a small TI group had with then World Bank president James Wolfensohn and almost all of the Bank group's vice presidents. In his annual meeting speech in October of that year, he declared boldly, “The Bank Group will not tolerate corruption in the programs that we support; and we are taking steps to ensure that our own activities continue to meet the highest standards of probity.”³

The conversion of the World Bank is a tribute to the tenacity of Peter Eigen and the vision of Jim Wolfensohn. Neither of them ever stopped crusading. Soon all of the other multilateral development agencies and the IMF came into line; then Wolfensohn pushed for powerful support across the Group of Seven governments and this had a major impact in accelerating progress to finalize the OECD Anti-Bribery Convention in late 1997, which in turn stimulated many further international official actions.

Ever since then the World Bank has been putting in place new policies and initiatives to strengthen its impact, to find outstanding leaders to promote actions that can contribute most meaningfully to raising the bar and enhancing the cause of justice and it is a privilege to share this platform today with two of these leaders, Pascal Dubois and Robert Beschel.

I think everyone will agree that still more can be done – indeed still more must be done. I would like to encourage the leadership of the World Bank to pioneer a new partnership with civil society.

In the early 1980s, under the leadership of the World Bank's then International Relations Department, the first Bank-NGO committee was formed. Alex Shakow and Javed Burki, who ran that part of the Bank at the time, had the foresight to recognize how important NGOs were becoming to the whole landscape of economic development thought and activism. However, NGOs were suspicious that all the Bank wanted was to recruit them to lobby the U.S. Congress to support the

³ James Wolfensohn speech to the World Bank's Annual Meeting, Washington DC, October 1, 1996.

replenishment of IDA funding. This is a view that a number of leaders of umbrella civil society organizations still hold who also note that the Bank no longer has a NGO committee.

In the mid-1980s, a rising number of environmental NGOs across the world targeted the World Bank as villain in destroying the world's most valuable forests. Their efforts were to prompt far-reaching changes in the Bank's organization and in its approaches to the environment, and indeed to its culture.

Ever since, I believe the World Bank's senior management has recognized that a healthy exchange of views between leaders of major civil society organizations can be valuable. TI has been accorded an open door and has sought to contribute at the highest levels of this institution. PTF has enjoyed support from the Bank. Moreover, some of the World Bank's resident representatives in developing countries have taken the initiative to reach out to local NGOs and at times this has been productive.

The valuable new initiative of the World Bank to establish a Global Partnership for Social Accountability is admirable. The discussion that took place just yesterday in the Bank on this topic, introduced by Bank president Kim, and moderated by senior bank official Caroline Anstey, who spoke of the "trilateral relationship" between the Bank, governments and civil society, was encouraging. This conjures up the image of a three-legged stool and today, the leg representing civil society is much shorter than the ones representing the Bank and governments. A real partnership of equals is needed.

Ladies and gentlemen, it is 30 years since I joined the Bank and first heard talk of building relationships with NGOs and today there are NGOs across the world who still do not believe the Bank has adequately understood how best to strengthen its relationships and take them to a higher, far more effective level.

The Bank needs to move from individual initiatives and ad hoc actions, to a systematic approach. It needs to convince the governments that are its borrowers and shareholders that in the age of transparency that has dawned working with civil society is an imperative – it is central to the notion of good governance, governmental transparency and governmental accountability.

TI's annual Corruption Perception Index underscores that many of the countries in the world

with the lowest levels of per capita income are perceived to have the most corrupt governments. If the World Bank wants to address the challenges posed by tens of millions of young people like Rose in the poorest countries, then it must find ways to deal with corrupt regimes even more effectively.

The Bank's scope for action is limited to a degree by its Articles, which restrict its lending to governments and governmental entities. Loans and grants to corrupt regimes to support reforms and put good governance in place, however well-intentioned, cannot secure sustainable results. These regimes have no incentive to reform.

- Judges can be trained, but if they lack independence from political pressures, then they cannot use their training.
- Anti-corruption commissions can be established, but if they are appointed solely at the discretion of corrupt political leaders, then they will never challenge graft at the helm of government.
- Freedom of information laws may be enacted, but officials will only implement them if they have nothing to fear from their political superiors.

The way forward, I submit, is for the World Bank to forge an array of major partnerships with NGOs. TI's success rests in its efforts to secure collective action – to build constructive coalitions between business, government and civil society. PTF's experience is that anti-corruption projects succeed time and time again when public sector officials work with civil society to jointly find more transparent and more efficient paths to development.

The World Bank – and all official development agencies for that matter – cannot operate in the way that PTF does by providing tiny grants, mostly just \$30,000 to individual projects, led by small civil society organizations. Yet, small CSOs with good projects and with the kind of expert advice that retired World Bankers working with PTF are providing, are having formidable impact.

The World Bank's impact on the stage of anti-poverty, which in the poorest countries is the same stage as anti-corruption, can be hugely increased by partnering with CSOs to monitor implementation. PTF has learned that CSOs can be effective in countries where they can operate relatively freely without repression or serious threat; and, where some officials or elected representatives are prepared to engage constructively with them.

Moreover, as the numbers of CSOs multiply, so they are increasingly becoming the most effective voice of what communities most need in terms of support and reform to emerge from poverty. The Bank should become far more responsive to grass roots demands for good governance. It should see new partnership with CSOs as an opportunity to listen and to learn.

I have no doubt that if at the highest levels of this institution there is a willingness to engage in an intellectual endeavor to define the most effective forms of partnerships that could be developed with civil society, then this would boost the Bank's impact. Launching the Global Partnership for Social Accountability needs to be seen as a start that must be built upon. If it is, then it will serve the cause of anti-corruption.

And, what if the Bank does not do this, but tends to let rhetoric in support of civil society be out of line with real action on the ground?

Then, the World Bank will find that it will become increasingly marginalized, because our world is changing and there is a force and a momentum behind mass public grass roots engagement for justice, for freedom, for transparency, for governmental integrity and for accountability.

Public Engagement and Leadership

Hundreds of thousands of ordinary people in very difficult circumstances, often confronting brutal security forces and autocratic governments, are raising their voices. They are using social media to be informed and to build campaigns. They are taking to the streets and to the town squares in the name of their personal dignity and self-respect to confront those who daily humiliate them with their constant extortion demands.

And, I am optimistic that the forces of these mass public movements will advance the war on corruption. My optimism not only comes from 20 years of seeing the anti-corruption building blocks being put in place. It also comes from the remarkable civil society leadership that we see in one country after another.

My book describes the heroes of the civil society movement. I talk of Jose Ugaz in Peru, who when I asked him to review my book he said he would, but first he had to deal with the fact that a bomb had just been found under his car.

My book talks about Elena Panfilova in Moscow, who also reviewed and endorsed my book, and who is constantly followed and who has many friends who are routinely threatened. The death of Sergei Magnitzky in a Russian prison exactly three years ago underscores the risks being taken by those who speak truth to power.

My book highlights Lasantha Wickramatunga, a brilliant Sri Lankan journalist who I had the honor of giving the TI annual Integrity Award to in 2001. In January 2009, he was gunned down in the middle of the street on his way to work. He, and many other activists and journalists in the anti-corruption arena have been murdered.

The scale of threats to civil society, and the restrictions on them in many countries is rising and I implore the World Bank to raise its voice in protest.

Despite the repression, the civil society heroes multiply in number and their impact is increasingly formidable. My optimism about the war on corruption is based on my confidence that they will prevail. These are the partners that former World Bankers working in PTF have found and that have contributed to PTF's success. These are the partners that the World Bank now needs to embrace fully, for they are the present and assuredly the future.

You might still conclude that I am a dreamer, but I believe that the momentum for justice in more countries than ever before today is sustainable. When people ask me how they can participate I say learn about the issues and buy my book; I say use the World Bank's Community Connections Fund to donate to PTF; and I say come together with all of us in civil society to form a still stronger partnership.

On December 10, 2011, three African women received the Nobel Peace Prize: Ellen Johnson-Sirleaf and Leymah Gbowee, from Liberia, and Tawakkol Karman, from Yemen. Their richly deserved award was for their valor in promoting freedom and justice. In presenting the prize the chair of the Norwegian Nobel Committee, Thorbjørn Jagland, concluded his speech in Oslo with a quotation from the American author and civil rights advocate James Baldwin, who wrote, "The people that once walked in darkness are no longer prepared to do so."

Mr. Jagland added, "Make a note of that!— all those who wish to be on the right side of history."

Thank you.

AUTHOR Frank Vogl --- *President, Vogl Communications, Inc. Co-founder and Vice Chairman, Partnership for Transparency Fund, Co-founder and former Vice Chairman of Transparency International (TI), Member of the TI Advisory Council and Advisor to the TI Managing Director.*

Mr. Vogl served as the chief media spokesman for World Bank president A.W. Clausen and Barber Conable from 1981 to 1990, having joined the Bank in 1981 as Director of Information & Public Affairs, after an international career in journalism, first with Reuters and then with The Times (UK). He served for nine years as TI's Vice Chairman and for 12 years on its Board of Directors. He now serves as the Advisor to TI's Managing Director. TI today has national chapters in 100 countries. In 1998, together

with a number of former World Bank executives, he co-founded the Partnership for Transparency Fund. Mr. Vogl has written and lectured extensively about corruption across the globe. He is a member of the International Council of the New Israel Fund; an advisory council member of the United Nations Association of the Greater Washington Metropolitan Area; a member of the "Wisemen" public relations organization; and, a former Board member of the Ethics Resource Center. Mr. Vogl is president of Vogl Communications, Inc., an international public relations firm specializing in finance and economics.

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Waging War on Corruption

Inside the Movement Fighting the Abuse of Power

by Frank Vogl

Waging the War on Corruption is an insider's account of extraordinary battles against the abuse of public office by politicians and officials for their personal gain. This is a global journey from the birth of pioneering anti-corruption organization Transparency International in 1993, to the Arab Spring in 2011, as courageous people in scores of countries challenge authority and fight for justice. At stake is nothing less than our global security, the reduction of poverty, the stability of our economic and financial systems, and the cause of freedom and democracy.

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Light Lunch will follow

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