

**Interview with Dr. PETER EIGEN.
Founder of Transparency International**

Peter Eigen was the founder of Transparency International (TI) and Chairman of this organization from 1993 to 2005. He currently chairs the Transparency International Advisory Council. He also was founding president of The Extractive Industries Transparency Initiative (EITI) until 2011 and of the Berlin Civil Society Center. He has a very broad academic curriculum, having been full professor in several German and North American universities.

- Mr. Eigen, what were the reasons for a person who held a high position in the World Bank to promote a project like Transparency International?

I used to work as the director of the World Bank office in Nairobi for East Africa. At that time, I noticed how corruption was undermining everything we were trying to do. I saw how loans and projects that were supposed to help poor and vulnerable communities ended up in the pockets of those who are in power. At that time, the World Bank had a ‘hands off’ policy. I was asked not to interfere in what was considered to be ‘internal affairs’ of partner countries. This is when I handed in my resignation in 1990 and founded Transparency International in 1993, together with nine partners, to fight corruption and promote transparency and accountability in international development.



- Of what nature is the phenomenon of corruption? And in your opinion, how has it evolved since the early nineties in which you and your colleagues pushed this project to bring it to light

Corruption is the abuse of entrusted power for private gain. It can be grand, petty, political- but whatever its form or amount, all types of corruption have one thing in common: secrecy. From bribery, to undeclared assets of politicians and civil servants, tax evasion, to offshore secret companies, corruption thrives in the dark.

- At the World Bank you were responsible for managing programs that funded project support in Africa and Latin America: is this where you knew the size and consequences of corruption?

In the span of the 25 years of my working for the World Bank, I witnessed how devastating corruption could be. Systematic corruption prevented these countries from developing sound economic policies that could help them end poverty, end conflicts and violence, and more importantly, end the misery of its people.

- To what extent has the global picture of corruption improved in recent decades? And if not, what is happening?

When we first started at TI in 1993, speaking about corruption was a taboo. Many companies filed bribery as business expenses. In Germany and most other developed countries, foreign bribery was not only allowed but it was tax-deductible. Therefore, many international development organizations, including the World Bank at the time, accepted corruption as part of the usual business. Looking back, today's global picture of corruption looks much brighter. Attitudes have changed; and corruption is no longer seen as the norm but rather as a global crime. The landmarks of the fight against corruption are the adoption of the OECD Convention Against Corruption of Foreign Officials of 1997 and the United Nations Convention against Corruption (UNCAC) which by now was signed by 140 countries. The fight, however, continues and its impact on human rights is too often a reality. This is what we now call 'grand corruption', the harm that corruption inflicts on individuals and societies. It too often goes unpunished.

- Dr. Eigen, we take for granted that in the underdeveloped countries, corruption is a systemic problem, which is difficult to overcome because it has crystallized a vicious circle difficult to break. Where can this problem be faced? Is there a way out for the poorest countries?

The experience of Transparency International and the Extractive Industries Transparency Initiative has shown the even the most intractable problems of poor governance can successfully be overcome through a multi-stakeholder approach, bringing together government, business and organized civil society in the joint diagnosis of issues, the design of solution and the implementation and monitoring of reforms.

- On the contrary, in developed and democratic countries, the levels of corruption are apparently smaller and more localized; This may have to do with the institutional structure, control mechanisms, and also with ethical infrastructure. Do you think these are good times for ethics and morals in developed societies?

President Elect Trump has announced the abolsihment of the Foreign Corrupt Practices Act, the American Model for "ethics and morals" which we are trying to emulate in other countries. – in contrast civil society will continue to fight for good governance. We live in difficult times...

- In the debates on the fight against corruption, in many cases it is concluded that the best way to tackle it is through prevention, reinforcing and rewarding honest behavior and penalizing the violation of rights and laws. The fight against corruption should start in schools?

There are indeed moral dimensions to fighting corruption. It requires courage, honesty and integrity. Education is key in building such ethics in our society. We must incorporate ethics in the education system starting at the youngest age possible up until the highest level of education. Some of our national chapters are already doing this work; our chapter in Chile a number of years ago devised a whole year programme of teaching materials for students in grade 3 in 1500 schools across the country. Our chapter in Palestine prepared children's fairy tales books with strong ethics. With nearly a fifth of the world's population between 15 and 24 years old, teaching ethics is a necessity for building better societies and a better future free of corruption.

As you well know, corruption not only detracts from state fiscal resources, but also, in terms of economic logic, generates distortions in the market, hampering an efficient allocation of human and material resources; this also implies that agents compete in unequal conditions on the market. In certain contexts, what incentives does a company have to be guided by integrity if it does not bring benefits?

Everybody benefits when corruption vanishes. Bribery and graft not only affect companies' ability to operate efficiently, but also prevents them from competing fairly. A business environment free of corruption allows companies to have an equal playing field, reduces risk and creates a more stable investment environment. In a survey of more than 390 senior business executives, almost 45 per cent said corruption risks led them to not enter a market or pursue a business opportunity

- Another of the consequences of corruption is insecurity, you know it well because of your extensive knowledge of the reality in Africa and Latin America; as well as the violation of the most basic and genuine human rights. Do we have to understand then that curbing corruption improves security and rights guarantees in societies?

Absolutely. Corruption fuels conflict and undermines peace initiatives. It feeds inequality, hunger, poverty and desperation. It enables arm dealers and people smugglers. It is one of the root causes which forces people to leave their countries looking for better life opportunities.

- In democratic states, political corruption has obvious consequences for the proper functioning of institutions, the balance of power, justice, and accountability; this greatly affects coexistence since it significantly undermines the legitimacy of the democratic system. Do you think that fighting corruption is also fight for the strengthening of democracy?

Fighting corruption and strengthening democracy go hand in hand. In strong democracies, governments are accountable and transparent, information is open and easily accessible, the press is free, the judiciary is independent, citizens are empowered and engaged, and civil society is strong. And these are the same ingredients that help curb corruption.

- Mr Eigen, it is often said that transparency is the best antidote to corruption, but do you think that is enough? Or perhaps transparency alone does not solve the problem in the absence of a strong and demanding civil society vis-à-vis the public authorities.

Civil society has a key role to play in fighting corruption. This role has been officially recognized. For example, Articles, 5, 13 and 63 (4) (c) of UNCAC, explicitly acknowledge the role for civil society in fighting corruption and within the convention's work. Civil Society Organizations are fundamental to creating mechanisms for scrutiny and control of public institutions, and to demand and promote accountable and responsive public administrations.

- You think that an organized and strong civil society is the base so that a movement like the one that you founded, can fructify. However, it gives the impression that we live in increasingly disarticulated societies in relation to the values of respect for citizens' rights and duties. How do you see the future of the TI movement?

As I said, we do live in politically turbulent and challenging times. Authoritarian regimes are growing stronger while the space for civil society is shrinking. Violence and conflict is driving the biggest wave of refugees the world has seen since the World War II. This makes the fight against corruption more necessary than ever. The TI movement, with its national chapters in over 100 countries, remains strong, persistent and committed to social justice and improving the lives of millions of people around the world.

- You may surely know the situation of Spain, where we are living a new reality in terms of the number and size of cases of political corruption that have become known: How do you see this from the outside?

One of the key principles of TI is that we rely for our positions on individual countries on our National Chapters in these countries. In Spain we have a strong National Chapter. According to its observations in the past few years, we have seen Spanish democratic institutions, successive governments and political parties failing to deliver on promises of prosperity and equal opportunity; they are now facing a severe confidence crisis. Moreover, the Spanish government has failed to properly address corruption on few occasions and the various scandals in Spain (e.g. Barcenos case, trial of 37 executives and politicians, Royal Family and so on) have made it difficult to ignore systemic corruption and the interconnections between business and politics. Such scandals can always give ordinary citizens the impression that public spending and public policy are distorted to favour the few over the many.

- What recommendations would you make to our political leaders? And how to deal with the problem from civil society?

Again, according to our Spanish Chapter, political leaders and the government should take action by enforcing and implementing the existing legislation. The most crucial laws exist but are barely implemented. Also, Spain does not have a dedicated legislation protecting whistleblowers. Similarly, lobbying is not regulated in Spain: there is no mandatory registration of obligation of public servants to report contacts with lobbyists.

- As we read and listen to political analysts, experts, academics, a major problem currently affecting Europe is the lack of trust in representative democracy, and the political demagoguery that fuels populism. In your opinion, is the European project the best tool for Europeans to fight against illegal activities and infringements of rights?

In its most recent research the Spanish Chapter noticed that governments are doing a very poor job at fighting corruption across Europe and Central Asia: [https://www.transparency.org/news/feature/governments_are_doing_a_poor_job_at_fighting_corruption_across_europe] The same research shows that two thirds of the Spanish citizens think that corruption is the biggest problem facing their country. The prominent corruption cases under going and investigated in recent years have raised awareness of potential corruption risks and increased public authorities focus on the need to strengthen anti-corruption and integrity related policies.

- A person as active and vital as you, and after leaving the executive presidency of Transparency International, can you tell us which activities are you currently developing from that privileged position given by your large social and political experience? Do you continue to develop activities related to Transparency International? And finally: what future projects do you have?

As chairman of the TI Advisory Council I still spend quite a bit of time with TI – even though without any decision making power. The experience with TI has encouraged me to use the same concept of interaction of Civil Society with government and business in a “maical triangle” also in other situations. Hence I tried as the chair of the founding work group of the Extractive Industries Transparency Initiative – and then as its founding chair for five years – to apply this concept to the oil, gas and mining sector. Since it worked I am now working on creating a similar approach to the fisheries (FiTI) and garment (GITI) sectors. Participatory transparency is my mantra: It can lead to accountability and more justice.

Note: This interview has been prepared by *Fernando González Barroso*