Short Session Report

Session Title: Breaking the Global Corruption Web
Date & Time: 23 October 2018, 12:00
Report prepared by: Christine Hosack, Programme Coordinator Business Integrity, Transparency International

Experts:

Patrick Alley, Co-Founder, Global Witness
Claudia Escobar, Former Magistrate, Court of Appeals of Guatemala
Rajiv Joshi, Managing Director, The B Team
Kumi Naidoo, Secretary General Designate, Amnesty International
Mark Moody Stuart, Chairman, Global Compact Foundation
Monique Villa, Chief Executive Officer, Thomson Reuters Foundation

Moderated by: Georg Kell, Chairman, Arabesque Partners
Session coordinated by: Katja Bechtel, Head of Business Integrity, Transparency International

Main issues raised in kick off remarks. What’s the focus of the session?

Over the past 25 years of TI’s existence corruption has transformed globally and has become a regular mode of functioning. Dirty money, environmental crimes, trafficking, terrorism and organised crime are connected and strengthened by corruption. This plenary session aimed to expose how corruption links these global threats into a network, explore what actions are being taken by institutions and actors from all
sectors and seek to identify new strategies and new alliances in order to strike a blow to the global corruption web.

The session was organized in three discussion rounds, focusing on:

1. The architecture and functioning of these transnational, integrated networks of corruption;
2. The impacts and damage done by such a kleptocratic business model; and
3. The components needed for a campaign that is as sophisticated, inventive, and resilient as these networks to bring them down.

What initiatives have been showcased? Briefly describe the Game Changing strategies/ ideas.

Global Witness
Focused on natural resource sector, which feeds and uses corruption due to its size and profitability. Despite the many efforts it has not yet been achieved to get to the core of the problem that corruption is the way in which business is done.

Court of Appeals of Guatemala
The control of the judiciary by the ones in power is an essential part of the corruption web and a problem in many countries. This needs to be addressed in an international effort.

The B Team
Recognizing that corruption is not necessarily undermining the system but corruption is the system. Business has an important role to play and many new entrepreneurs are building companies with fundamental values at the core of their business.

Global Compact Foundation
Networks like the UN Global Compact can be powerful fora to bring business and civil society together to ensure business plays a positive role.

Thomson Reuters Foundation
Focus on modern slavery and forced labour, which is enabled by corruption and affects tens of millions of people. In this struggle it is essential for consumers to take responsibility and question what they
buy in order to put pressure on business.

Amnesty International
In order to address the interconnected corruption network civil society needs to be much bolder and put increasing pressure on the various strands of the corruption web.

Briefly describe the highlights including the thematically interesting questions and ideas that were generated from the discussion or from the floor, and session quotes.

An overview of the architecture and integrated nature of the corruption networks was provided, showing the linkages between legitimate networks, criminal networks, business and governments in this global corruption web.

Various strands of the corruption web were highlighted, including powerful sectors, such as the natural resource sector, that fuel and often benefit from corruption; the control and misuse of the judiciary by these networks; and criminal networks that are interwoven with governments.

It was put forward that the corruption web has evolved in part due to a flawed economic system. Thus, if all efforts are focused on the symptoms instead of dealing with the corruption of the system, the fundamental challenges will never be addressed. In this context it is essential to address the incentive structures, which fail to deal with market failure and reward the maximization of profits at the expense of environmental and social considerations.

An additional issue in addressing the corruption web is the limited recognition of the linkages between corruption and Human Rights violations and the need to bring these communities together.

As the corruption web goes to the top of society, it is important to address all its aspects, including the banking and financial sector, the military sector and the media as a system. This also includes a self-reflection by the civil society community, questioning whether it has been bold enough and ensuring that it increases its pressure.
The range of impacts of these corruption networks includes devastating environmental damage, the diversion of funds from the public, and tens of millions of people being forced into labor without compensation.

What are the key recommendations, follow-up Actions (200 words narrative form)

Building on the insights about the architecture and impacts of the global corruption web, the ingredients for an equally resilient and dedicated network that can tackle the corruption web are:

- To redefine what corruption is and make sure it is understood as a system.
- To strengthen the international effort and focus on how judicial institutions, judges and prosecutors can be protected and strengthened from an international perspective.
- To unpack the systemic nature of what we are looking at and think about how we can collaborate to address it.
- To revise the incentives structures and start bringing together the various movements on all addressed issues (environment, human rights, corruption, etc.) to create a common vision for humanity and work on its implementation.
- To recognize the need for solutions for each individual country, including those where the proceeds of corruption are residing and bring people together in local networks.
- To follow the money and engage business in addressing these corruption issues. However, as long as we as consumers do not pay attention to what we buy, companies will not invest in tackling these issues.
- To increase the amount of yoga and meditation.
- To change the narrative and mobilize and engage people on a much greater scale instead of using all our efforts in technical dialogue.
- To break the silos in which we have operated and better understand and use the interconnectivity of our work.

Key Insights that could be included in the IACC Declaration
• Break the silos and work together across different civil society “communities”
• Redefine corruption and change the narrative
• Strengthen international effort

Rapporteur’s name and date submitted
Christine Hosack, 23 October 2018

This Short Report needs to be submitted within 2 hours after the session.