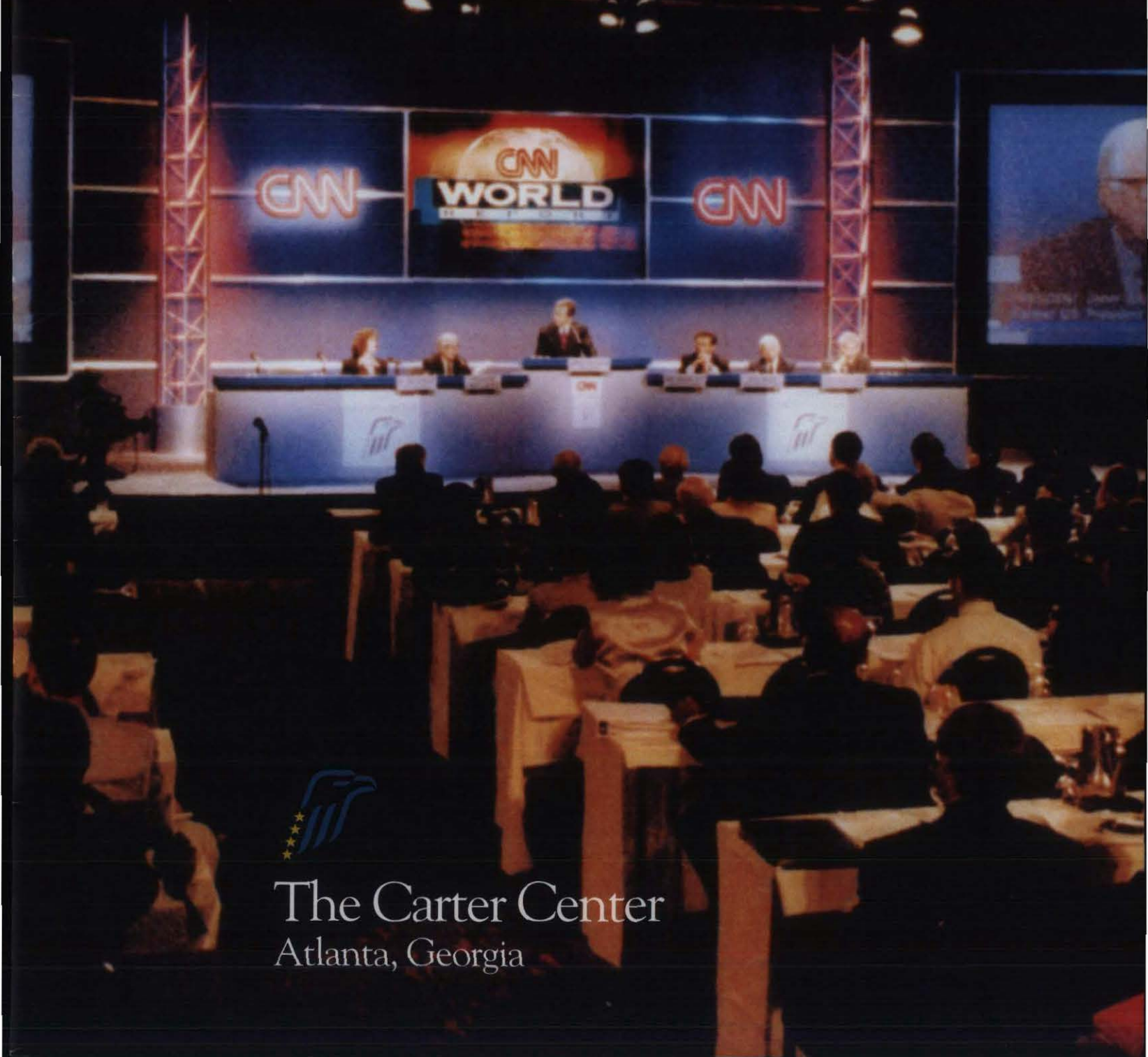


# Transparency in the Americas

*A Report on the Latin American and Caribbean Program's  
Transparency for Growth Conference  
May 3-5, 1999*



The Carter Center  
Atlanta, Georgia

# Foreword

By Former President Jimmy Carter

More than 20 years have passed since I created the Foreign Corrupt Practices Act. This law, which remains in effect, holds U.S. businesses to a high standard of honesty, making it illegal for corporations and individuals to bribe foreign officials and stiffly penalizing violators.

In recent years, other countries have turned their attention to this issue, and the Organisation for Economic Co-operation and Development and the Organization of American States both have signed international conventions against bribery.

Amid a growing international consensus that corruption inhibits development and undercuts public confidence in democratic institutions, it seemed natural for The Carter Center to host a meeting called the Transparency for Growth conference, in which hemispheric leaders could examine the corruption problem and potential remedies.

Through plenary sessions and small, closed-door working groups, many anti-corruption experts, policy professionals, civil society leaders, funders, journalists, and representatives from international financial institutions joined with the Council of Presidents and Prime Ministers of the Americas, a Carter Center-based group of 32 current and former heads of government from this hemisphere. We again coordinated our conference with "CNN's World Report," sharing our message worldwide via the media network.

This report summarizes the participants' discussions and conclusions, along with information about the Latin American and Caribbean Program's continued efforts to enhance transparency in Costa Rica, Ecuador, and Jamaica.

During his presidency, Jimmy Carter signed into law the Foreign Corrupt Practices Act.



The evidence indicates that all countries have some form of corruption. It is also a two-way street, making it an international as well as national responsibility. In poor countries especially, bribery and kick-backs inhibit development by discouraging investment and exacerbating inequality in access to goods and services.

But as the conference emphasized, practical strategies – which show early indications of success – can reduce corruption. The international community stands ready to help citizens and leaders who want to deepen the rule of law and consolidate democratic governance.

*Jimmy Carter*

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"The evidence indicates that all countries have some form of corruption. It is also a two-way street, making it an international as well as national responsibility. But practical strategies — which show early indications of success — can reduce corruption."

—Jimmy Carter



The Carter Center gratefully acknowledges the sponsorship of The Coca-Cola Company, whose generous support enabled us to convene the Transparency for Growth conference and allows us to continue our work on hemispheric relations in the Americas.

We would like to thank our conference contributors:

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United Parcel Service

We also want to recognize our in-kind supporters:

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# Why Transparency Is Essential: A Conference Introduction

By Dr. Jennifer McCoy, LACP Director

The Carter Center's Latin American and Caribbean Program (LACP) initiated a multiyear project in September 1998 to build partnerships aimed at making the Western Hemisphere a model region for combating corruption.

The project stems from the Agenda for the Americas for the 21st Century consultation, held at The Carter Center in April 1997. At that meeting, 17 former and current presidents and prime ministers from the Americas joined the president of the Inter-American Development Bank (IDB), the secretaries-general

ception Index suggests that top business people view Latin American nations as among the most corrupt in the world. Citizens in this hemisphere, however, are beginning to demand that governments take action, and are organizing themselves to promote change.

## *How anti-corruption measures have fared*

Opening up economies and establishing democratic governments provide a strong bulwark against corruption in two ways. It reduces discretionary intervention in the economy and provides institutional checks on

LEFT: CNN en Español anchor Jorge Gestoso (top center) moderates the final press conference at CNN in Atlanta, as President Carter and LACP Director Dr. Jennifer McCoy share the transparency conference's findings.



Dr. Jennifer McCoy, Latin American and Caribbean Program director for The Carter Center, speaks with Ecuador President Jamil Mahuad at the transparency conference.

of the Organization of American States (OAS) and the United Nations, and other leaders in identifying corruption as a threat to democracy and economic development. This undertaking reflects an emerging regional consensus that more than rhetoric must fight corruption if Latin America and the Caribbean are to enjoy the rule of law and attract the magnitude of investment necessary for more equitable development.

Corruption is a global problem, confronting all societies in some way. In Latin America and the Caribbean, there is abundant evidence of corruption at many levels. Public figures leave office with more assets than government salaries could amass. Postal clerks and policemen take bribes to supplement meager incomes. The Transparency International (TI) Corruption Per-

abuse of authority and public accountability via elections. Ironically, however, the twin economic and political transitions that hold such promise for future transparency tend, in the short run, to expose fragile democracies to corruption on an expanded scale in new forms and at new levels of governance.

Newly democratic governments have not been able to establish effective anti-corruption measures because they do not know how, do not have the resources, or are captive to the interests of entrenched elites. Across the hemisphere, judiciaries are weak, militaries cling to their autonomy and resist public oversight, police forces are ill-paid and ill-adapted to a community policing mission, and the rules for campaign finance and budget tracking are underdeveloped and unenforced.

*Opening up economies and establishing democratic governments provide a strong bulwark against corruption.*

### *Corruption's impact on people, economy*

Where corruption is rampant, citizens are apt to lose faith in democracy. In a December 1997 survey of 17,800 respondents funded by IDB and the European Union, 65 percent of Latin Americans reported they were dissatisfied with their country's democracies.<sup>1</sup>

Distressingly, a poll sponsored by *The Wall Street Journal* and 16 newspapers in Latin America found that just before the April 1998 Santiago Summit, nearly one-quarter of Latin Americans thought more authoritarianism would be better for their country.<sup>2</sup>

The World Bank has conducted extensive corruption research and established a survey to identify inefficiencies in the delivery of public services to help map corruption. The International Monetary Fund and IDB have begun to enforce accountability from loan recipients and make good governance the criterion for their support. The U.S. and some European governments help fund measures to increase transparency, and Vice President Al Gore has made transparency a top priority, hosting a global summit in February 1999 to fight corruption.



Costa Rica President Miguel Ángel Rodríguez (left) addresses conference participants. RIGHT: President Carter (at lectern) begins the conference's first plenary session at The Carter Center.

*With a freer press, awareness of corruption has mushroomed in recent decades.*

The 1997 *World Bank Development Report* noted that corruption violates the public trust and corrodes social capital and political legitimacy "where even noncorrupt officials and members of the public see little point in playing by the rules."<sup>3</sup> Corruption scandals have rocked Mexico and Argentina, and precipitated presidential ousters in Brazil and Ecuador.

The economic damage that corruption causes in the public and private spheres is difficult to accurately quantify, but is considered large and detrimental to financial planning. Corruption creates a hidden tax on business, averaging between 10 percent and 15 percent of a contract's value, and has cost U.S. firms at least \$11 billion in contracts since mid-1994. World Bank President James Wolfensohn called corruption the single-largest deterrent to private investment in developing countries.<sup>4</sup>

### *Corruption remedies available*

Discouraging as these reports are, The Carter Center's Transparency for Growth conference emphasized that practical strategies for fighting corruption already exist, and the international community cohesively supports such efforts.

This new consensus against corruption has formed just in time. With a freer press, awareness of corruption has mushroomed in recent decades. Corruption is hurting those who can least afford it. In response, politicians are transforming the issue into campaign platforms, pledging to clean up government, sometimes by rejecting established parties and constitutions. The stability of the region's economies and democracies will rely partly on our success in deepening the rule of law and strengthening accountability.

### *High-level transparency support*

Three members of The Carter Center's Council of Presidents and Prime Ministers pledged to lead their countries toward transparency. Shortly after his election, President Miguel Ángel Rodríguez invited The Carter Center to partner him in maintaining Costa Rica's strong reputation for honesty. Prime Minister P.J. Patterson, now in his third term, seeks to make Jamaica a model of transparency in the Caribbean. President Jamil Mahuad Witt announced at his inauguration that he would take swift steps to stem the tide of corruption in Ecuador and requested The Carter Center's help in honoring that pledge.

### Conference's focus

This report focuses on the international Transparency for Growth conference held May 3-5, 1999, at The Carter Center in Atlanta, Ga. The conference drew upon what we learned in the first eight months of work toward transparency in Ecuador, Costa Rica, and Jamaica, and offered civic and political leaders from those countries and others an opportunity to share their progress.

In our own efforts we have learned from and collaborated with the World Bank Institute and Transpar-

1. **Political-business nexus**, highlighting the interdependence of the public sector with the private sector. From politicians dependent on private contributions to finance party activities and campaigns, to businessmen dependent on government contracts for their livelihood, this nexus can appear as an opaque tangle of promises and ties impossible to unravel. Opening up those transactions through specific disclosure mechanisms, however, will level the playing field, while protecting all the actors from unfounded accusations of conflicts of interest or unethical, even illegal, behavior.

*Discussions focused on initiatives that the executive branch or civil society can lead to improve transparency.*



ency International, as well as the many individuals and organizations fighting corruption in each country. Cable News Network (CNN) worked with us to assure these ideas reached a broad audience, hosting our participants at an opening reception and dinner for reporters from its World Report conference. The network also asked CNN en Español anchor Jorge Gestoso to moderate our final press conference.

Our discussions focused on initiatives that the executive branch or civil society can lead to improve transparency of government transactions. This was not to deny the importance of such areas as judicial, customs, police, and security reforms. By capitalizing on the participating Council members, however, we emphasized how to achieve and exercise the political will to overcome structural and political obstacles to fight corruption. We also evaluated civil society's role in this effort, from generating the hope that something can be done, to demanding accountability of government officials, to organizing constructive initiatives to improve transparency.

### Working groups' emphasis

The working groups centered on three themes:

- Three initiatives can improve transparency:
- ❑ Party and campaign finances regulation and disclosure.
  - ❑ Financial disclosure requirements (a declaration of assets and business relationships) from elected and appointed officials to avoid conflicts of interest when they must make decisions that could affect their private interests.
  - ❑ Corporate codes of conduct, compliance programs, and financial disclosure to deter bribery or undue influence in corporate transactions with the public sector, particularly through public contracting.
2. **International accords implementation.** Six countries in the hemisphere have signed the 1997 Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials. Twenty-five countries have signed the 1996 Inter-American Convention Against Corruption, but only 14 have ratified.

These treaties are important steps in bringing a common approach to solving both the demand and supply side of bribery. However, they will only be effective when signatory countries fully implement them. We discussed how to encourage ratification in additional

countries, and what kind of support programs and monitoring efforts might help to ensure consistent implementation.

3. **Civil society and access to information.** Access to information or freedom of information laws can provide crucial transparency by allowing journalists and citizens the opportunity to evaluate what their governments are doing.

Service, both Atlanta-based firms with strong connections to Latin America and the Caribbean, and additional support from Invesco. Chick-fil-A and BellSouth made in-kind contributions, and King & Spalding hosted our opening dinner. The McCormick Tribune Foundation also made a substantial conference grant.

The conference would not have been possible without the tremendous organizational skills of Becky



Tim Haas, who oversees The Coca-Cola Company's Latin American operations, introduced keynote speaker then-U.S. Treasury Secretary Robert Rubin at the opening dinner, held at King & Spalding law firm. Atlanta-headquartered Coca-Cola funded the conference to help The Carter Center strengthen the growing partnership between the United States and Latin America.

*We hope the conference and this report will galvanize public support for transparency.*

Such transparency is particularly important in two areas of potentially high corruption: public contracting (government procurement) and privatization. We discussed different strategies to improve transparency by giving citizens additional mechanisms to follow government activities in these areas, including publicizing contract award information through Internet databases, holding public hearings to help prioritize and monitor public works projects, municipal-level social auditing of public works, and independent monitors of privatization processes. All of these mechanisms can help build crucial confidence in these transactions among both investors and citizens.

Along with the working groups, a roundtable for media participants discussed the media's role — from credible investigative reporting to gaining access to information and using it appropriately. The roundtable also proposed future initiatives for conference participants and made final statement recommendations.

#### *Conference sponsors, supporters*

Our Transparency for Growth conference, funded by The Coca-Cola Company, was the first of three events to be held over a five-year period, designed to strengthen the growing partnership between the United States and Latin America. We also received generous contributions from Delta Air Lines and United Parcel

Castle, Tanya Mújica, and their student interns and volunteers. Robert Pastor, Nancy Boswell, Luis Moreno Ocampo, Henry Carey, Nobina Robinson, and Jan Barton graciously volunteered as discussion leaders and rapporteurs and wrote summaries of the working group sessions. Council members Osvaldo Hurtado, Gonzalo Sánchez de Lozada, and Rodrigo Carazo chaired the working groups. Pedro Pablo Díaz and Bob Pastor also encouraged and inspired us to begin this project.

We hope the conference and this report will galvanize public support for transparency, inform and encourage citizens across the hemisphere who devote their energy to building a corruption-free future, and assure leaders that their commitments to honest practices will be recognized and rewarded at home and abroad.

<sup>1</sup> Andres Oppenheimer, "Democracy Under Pressure in Latin Region," *Miami Herald* 12 Apr. 1998.

<sup>2</sup> Edward Schumacher, "A Meeting of Minds, From Peoria to Patagonia," *The Wall Street Journal* 16 Apr. 1998: International Section.

<sup>3</sup> The World Bank, "The State in a Changing World," 1997 *World Bank Development Report*, spec. issue of *Accountability/Anti-corruption*, 3 (September 1997): "Restraining Arbitrary State Action and Corruption," Chapter 6.

<sup>4</sup> Jack Nelson, "29 Countries Commit to Pact Against Bribery," *The Los Angeles Times* 21 Nov. 1997: A1



# The Carter Center's Transparency Project

By Dr. Shelley McConnell, LACP Associate Director



The Carter Center embarked upon a new program in 1998 to reduce corruption in the Americas. We partnered three countries — Costa Rica, Ecuador, and Jamaica — whose leaders requested we help them develop and assess specific anti-corruption tools.

Costa Rica provided an opportunity to work in a Central American country where democracy was deeply established, indices suggested there was comparatively little corruption, and opinion polls showed citizens thought their country should bolster transparency to help preserve the rule of law.

As a South American country where corruption had helped cause the fall of a government, Ecuador posed a more serious challenge. The potential for meaningful progress was evident in President Mahuad's strong commitment to transparency, and by the variety of civil society organizations dedicated to fighting corruption, including a national anti-corruption commission based in the 1998 constitution.

In Jamaica, we worked to support legal initiatives that the parliament had undertaken to strengthen declaration of assets and freedom of information. In the process, we drew insights into a second legal-political tradition in the hemisphere.

Corruption's varied levels and forms in these countries reflected the problem's complexity and demanded

tailored anti-corruption initiatives designed in consultation with each government and civil society. The Center requested that the leaders from each partner country name a liaison who could work with the Latin American and Caribbean Program (LACP) staff to assure sustained, high-level attention to fostering transparency.

## *Costa Rica's journey toward reform*

After meeting with Costa Rica President Miguel Ángel Rodríguez in June 1998 at The Carter Center, President Carter and former Ecuador President Osvaldo Hurtado visited Costa Rica to learn more about its national consultation, through which the government sought to establish a broadly supported agenda of reform.

This *concertación* process targeted corruption as a key policy reform area, developing a series of suggested reforms to promote transparency and bring Costa Rica into full compliance with the Inter-American Convention Against Corruption. President Rodríguez spoke about those reforms at our May conference (see the summary of his remarks in this report), and we published his comments on the Web. We also commissioned a study of the *concertación* process, the suggested reforms, and the degree of their implementation, to better understand how to support such national processes.

We accompanied President Rodríguez's transparency advisor on visits to Ecuador, where he met key

Then-U.S. Treasury Secretary Robert Rubin (center) answers questions from the press. Rubin called for international lending institutions to toughen the fight against corruption among emerging market countries.

government and civil society officials to discuss the two countries. We currently are working with Costa Rican nongovernmental organizations (NGOs) to hold a workshop on how civil society can monitor privatization and public contracting, a project funded in part by the Tinker Foundation.

*We are working with Costa Rican nongovernmental organizations to hold a workshop on how civil society can monitor privatization and public contracting.*

#### *Ecuador's initial plans take hold*

In Ecuador, President Mahuad pledged to President Carter that he would develop a national anti-corruption plan. We consulted with the Mahuad government accordingly. The plan debuted in Atlanta on May 4, 1999, at the Transparency for Growth conference. Our next task is to help Ecuador implement it.

In addition, we helped build the capacity of government agencies and civil society organizations fighting corruption. We worked with Ecuador's:

- ❑ Commission for Civic Control of Corruption to win a grant to bring current and former anti-corruption commissioners from Hong Kong and elsewhere to discuss a strategic development plan for that new, constitutionally based body.
- ❑ National plan coordinator to locate a consultant to help devise an Internet-accessed public contracts

database and promote competitive bidding.

- ❑ Development of a civil society commission to monitor the privatization of electricity, acting as a "friend of the process." As a result, we will meet periodically with the commissioners to learn about and promote their progress, and mediate any difficulties.

To accomplish these tasks, our staff visited Ecuador six times during nine weeks, and President and Mrs. Carter visited Quito, Ecuador's capital, with Council member and former Bolivia President Gonzalo Sánchez de Lozada. We also placed a field representative in Ecuador during three key months to maintain a strong network and bring these projects to fruition.

#### *Jamaica's charted course*

Our engagement in Jamaica differs, centering on improving that country's legislative efforts by:

- ❑ Commissioning a well-known barrister and democracy expert to write an annotated guide of Jamaica's existing legislation against corruption.
- ❑ Asking the former chair of the University of the West Indies Department of Government, who also is a current independent senator, to evaluate the



Dr. Valeria Merino (left) of Ecuador, and Bertrand de Speville, former commissioner of Hong Kong's Independent Commission Against Corruption, discuss Ecuador's anti-corruption commission.

declaration of assets law before Parliament, compare Jamaica's anti-corruption commission with others worldwide, and conduct a comparative study on access to information legislation pending in Jamaica.

- Uniting Jamaican anti-corruption specialists with experts on these issues at Harvard, co-sponsoring a conference on practical strategies for fighting corruption in Latin America.
- Bringing civic leaders from Jamaica to Atlanta for the transparency conference. Since then, these experts and leading citizens have worked together in Jamaica, discussing ideas from these conferences with Prime Minister P.J. Patterson. They also have organized to publish the studies that The Carter Center commissioned. Oliver Clarke, publisher of a leading Jamaican daily newspaper, decided to include transparency on the agenda of his annual Think Tank seminar and invite another conference participant, the former commissioner of Hong Kong's Independent Commission Against Corruption, to participate.

### *First year's outcome*

The Center's initial year of work on transparency helped raise awareness about the corruption problem and potential solutions, and the LACP will maintain this effort. In addition, we will seek to wed our understanding of transparency to our election monitoring. This objective will help us to develop new tools for assuring electoral transparency during election campaigns and resolving disputes following an election.

These concrete beginnings convey that countries can eventually win the battle against corruption with international support and local commitment. There is more to do, but a host of multilateral organizations, governments, NGOs, and policy analysts are working together in new networks to reduce corruption and build transparency. Using its convening capacity, The Carter Center gathered these specialists at the Transparency for Growth conference, fostering an exchange of ideas that may have far-reaching effects.

*In Ecuador, we helped build the capacity of government agencies and civil society organizations fighting corruption.*



Jamaican barrister Dr. Lloyd Barnett, Guyana's Foreign Affairs Minister Clement Rohee, and Jamaica Senator Dr. Trevor Munroe talk with publisher Oliver Clarke (*far left*). Drs. Barnett and Munroe have published a citizens' guide evaluating Jamaica's corruption prevention law.

# Opening Remarks Summary

**B**elow are speech highlights from then-U.S. Secretary of the Treasury Robert Rubin and Costa Rica President Miguel Ángel Rodríguez, keynote speakers at the conference. Atlanta law firm King & Spalding hosted the event.

*International organizations have strong roles to play in combating corruption.*

## *Rubin's key messages*

Rubin explored corruption as a critical economic and financial issue, citing that Latin America accounts for nearly 50 percent of the total U.S. export growth, and U.S. trade with Latin America almost equals our country's trade with Europe.

Latin America's economic health is important to

reduce citizens' willingness to pay taxes. This deprives governments of needed resources for public investment and undermines fiscal stability.

Rubin highlighted five critical elements for effectively combating corruption:

- ❑ Sensible, clear laws and regulations with a robust court system independent of political pressure.
- ❑ Elimination of all nonessential licensing, regulatory approvals, and other discretionary controls to reduce the administrative discretion that creates opportunities for corruption.
- ❑ A well-supervised, soundly regulated, and competitive financial system that operates commercially.



Corruption is a prime impediment to economic growth, former U.S. Treasury Secretary Robert Rubin points out. In developing countries, corruption benefits the few, diverting resources that could be used for the many.

the United States, continued Rubin, but corruption is a prime impediment to economic growth, inhibiting investment, discouraging small business, and leading to inefficient resource allocation. Corruption rendered countries more vulnerable to the global financial crisis for the last two years and hindered the necessary response to that crisis.

He added that corruption is especially pernicious in developing countries because it benefits the few, diverting scarce resources that are needed for health, education, and housing. By undermining the rule of law and confidence in public institutions, corruption also can

- ❑ Increased transparency and accountability of government operations and decision making, supported by a free and active press.
- ❑ A sound civil service system with strict rules preventing conflicts of interest, adequate compensation to reduce temptation to accept bribes, and proper sanctions for malfeasance.

Rubin emphasized that the International Monetary Fund (IMF), World Bank, Inter-American Development Bank (IDB), and Regional Development Banks have strong roles to play in combating corruption. He praised the IMF for developing a code of fiscal transpar

ency and the World Bank's new methodologies for analyzing corruption.

He also noted that corruption is a two-way street, and Organisation for Economic Co-operation and Development (OECD) member countries should discourage bribes more and immediately end bribes' tax deductibility. Additionally, Rubin acknowledged The Carter Center's contribution of the conference. He hoped the conference would raise public awareness, help make corruption socially unacceptable, and identify and promulgate best practices for building transparency.

### *President Rodríguez's highlights*

President Rodríguez presented an intellectual history of corruption, examining the relationship between politics and morals through the writings of Machiavelli, Weber, Constant, Hume, Madison, and others. Yet he cautioned that corruption was not merely a problem of individual immorality.

He applauded Dr. Robert Klitgaard's analysis that government is composed of an information system,

than a year after the accord was signed in Caracas, Venezuela. Through the *Concertación Nacional*, a national consensus-building forum, Costa Rica analyzed a list of issues and developed policy recommendations. These included:

- A reformed penal code.
- A code of conduct for public servants.
- A financial administration and public budget law.
- Constitutional reforms to eliminate the executive pardon and limit public officials' immunity from prosecution.

He noted that his government and the Comptroller General's Office were reviewing their mechanisms for control, and he will recommend creating a specialized prosecutor's office and jurisdiction within the judicial power to resolve ethics cases.

In addition to his public pledge to work toward these future reforms, President Rodríguez already has adopted a decision establishing norms of public ethics for political appointees. Furthermore, the government has engaged in deregulation to cut the red tape that fuels discretionary decisions and invites corruption.

*President Rodríguez already has adopted a decision establishing norms of public ethics for political appointees.*

Costa Rica President Miguel Ángel Rodríguez (left) and Pedro Pablo Díaz, Corporate Communications vice president for Coca-Cola Latin America, pause at the conference's opening dinner.



rules, and incentives with a synergistic quality that exceeds the sum of the individuals who comprise it. Consequently, President Rodríguez cautioned against the temptation of a new form of McCarthyism. Rather, he stressed the need for rules codification and preventative policies to reduce discretionary power, coupled with the maximum penal correction for offenders and educational policies to inculcate values that do not tolerate corruption.

President Rodríguez also focused on Costa Rica's achievements since ratifying the Inter-American Convention Against Corruption on April 17, 1997, less

To curb cults of personality that may arise around the presidency, President Rodríguez has issued a decree abolishing the display of the president's portrait in public offices and the use of quasi-aristocratic forms of address on his behalf. The decree also prohibits the use or display of public officials' names in public works built with public funds. He also has proposed legal reforms to help the media expose corruption, similar to American jurisprudence derived from *The New York Times vs. Sullivan* case.

# Plenary Sessions Summary



LEFT: Mike Orfini (second from left), U.S. Vice President Al Gore's advisor, joined Working Group B to discuss OECD and OAS Convention concerns.

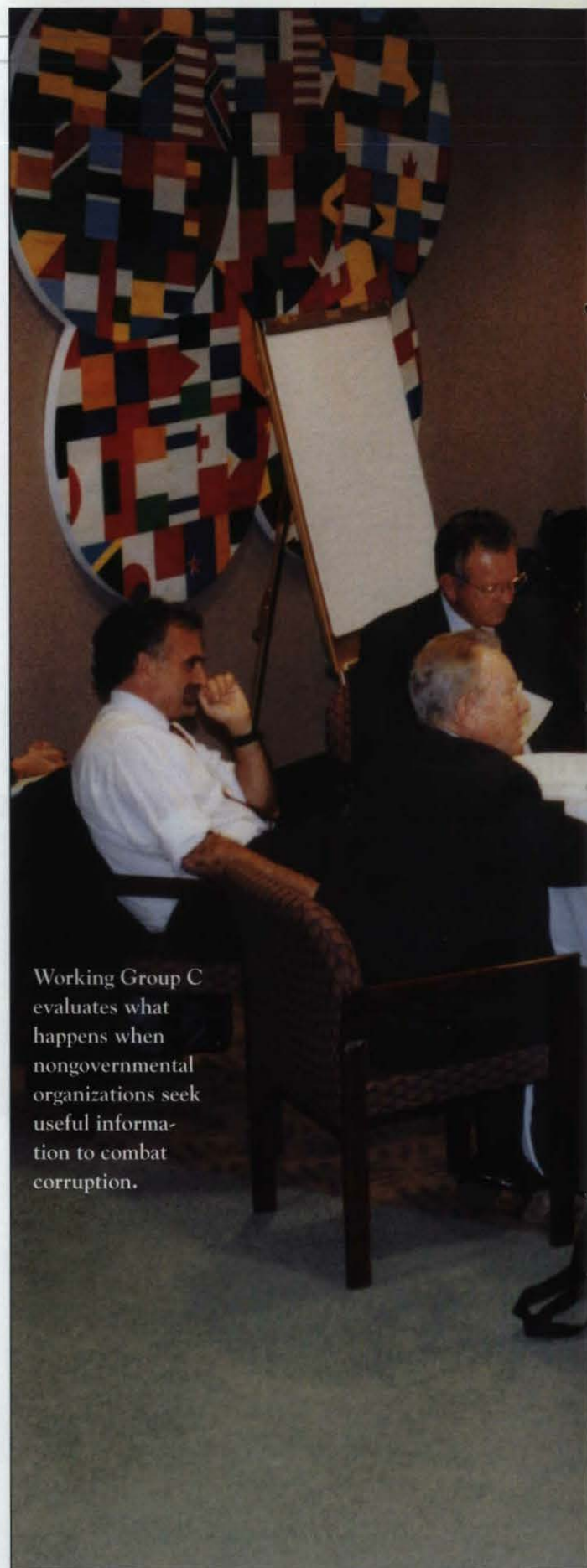
No country is exempt from corruption. Fortunately, policy remedies exist.

The first full day of meetings began with two plenary sessions open to a broad audience, and a presentation by President Jamil Mahuad of Ecuador concerning his government's transparency work.

President Carter introduced the plenary sessions, asserting that no country is exempt from corruption. Corruption is a major problem in Nigeria, where it has helped to reduce per capita incomes from about \$800 to \$300 in recent years, but it affects developed democracies as well. Several European countries have not only legalized bribes to foreign officials, but also made them tax deductible. And the United States needs substantial campaign finance reform. Fortunately, policy remedies exist.

The U.S. Foreign Corrupt Practices Act has proven effective, and countries such as Hong Kong and Costa Rica are sharing their successes in combating corruption. The World Bank, Inter-American Development Bank (IDB) and Transparency International (TI) have developed new tools for measuring and stopping corruption, and can lend their support, President Carter said.

IDB President Enrique Iglesias, TI Latin America President Luis Moreno Ocampo, and Dr. Robert Klitgaard, dean of the RAND Graduate School in Santa Monica, Calif., composed the first plenary panel, focusing their remarks on the causes and consequences of corruption. The second plenary panelists — World Bank representative Dr. Daniel Kaufmann, TI President Peter Eigen, and OECD's



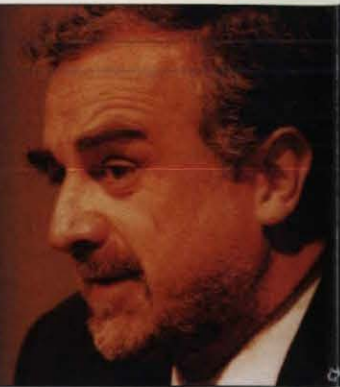
Working Group C evaluates what happens when nongovernmental organizations seek useful information to combat corruption.





Inter-American Development Bank President Enrique Iglesias (left) believes IDB has enacted “revolutionary” changes in the war on corruption.

“Information + Leadership + Collective Action” will remedy corruption, says Dr. Luis Moreno Ocampo of Transparency International in Latin America.



A vital issue for fighting corruption in Latin

America is how to build coalitions among the private sector, government, civil society, and multilateral organizations.

Dr. Mark Pieth — imparted strategies for improving transparency. President Mahuad followed to present Ecuador as a case example of how to combat corruption.

## Plenary 1 Corruption Causes, Consequences

### Dr. Iglesias' view

Corruption is “one of the most important issues of modern times that imposes tremendous costs” by misallocating resources needed for growth and preserving paternalistic states with corrupt administrations, said Iglesias. Narco-trafficking also is greatest in societies whose leaders receive bribes from illegal, drug-related enterprises.

Liberalization of the press has produced more reporting of corrupt practices that previously were secret under authoritarianism. Under rule of law, people no longer view corrupt practices as inevitable, though they see a need for better public institutions and civil servants.

Meanwhile, economic liberalization has increased competition and eliminated monopoly pricing and rents, as well as reduced state intervention that created opportunities for government officials to demand bribes. Banking, taxation, and procurement reforms have cut excessive regulations, and the U.S. Agency for International Development (USAID) and others have worked to reform and strengthen weak judiciaries.

Corruption also results from societal excesses like individualism and materialism. Research on the relationship between ethics and individualism would be helpful, Iglesias added.

The IDB also has undertaken a “revolutionary” new corruption policy. The bank now requires that all commissions paid on its projects be declared and its officials have access to documents for inspection. The bank also supports activities against corruption in particular countries and supports dialogues on corruption,

such as ratification of the Organization of American States (OAS) Convention, a workshop on money laundering prosecution, and a regional meeting of procurement officials.

### Dr. Moreno Ocampo's perspective

Dr. Moreno Ocampo underscored the following positive milemarkers that have occurred since the United Nations' failure to pass an international agreement on illicit payments in the 1970s:

- The United States passed the Foreign Corrupt Practices Act in 1977.
- TI was founded in 1993.
- The Inter-American Convention Against Corruption was approved in 1996.
- The OECD convention entered into force in 1999.

Although corruption is a global problem, TI's Corruption Perception Index indicates that Latin America is the second-most corrupt region, after the former Soviet republics. Latin America's bureaucracies also are among the worst and are not improving. And the region's high unemployment, 35 percent poverty rate, and growing crime correlate with high corruption levels.

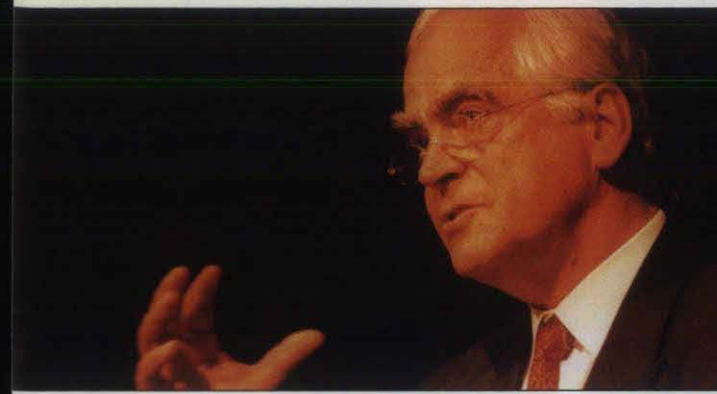
Dr. Moreno Ocampo proposed this antidote to corruption: *Information + Leadership + Collective Action*. A vital issue for fighting corruption in Latin America is how to build coalitions between the private sector, government, civil society, and multilateral organizations. Informed leaders can stimulate collective action against corruption through integrity agreements among a government, the business community, and civil society.

### Dr. Klitgaard's corruption analysis

Dr. Klitgaard investigated how corruption affects systems, drawing a parallel to the AIDS crisis. He suggested public mentality must change to combat both problems, but cultural change comes slowly, and political progress must occur in the interim. As with AIDS, the best strategy to combat it is to raise awareness about the problem, focus on prevention, and find a cure.

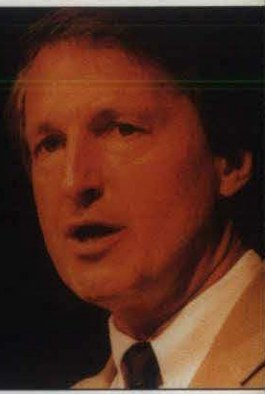
His formula of *Corruption = Monopoly + Discretion - Accountability* means corruption relies on incentive structures that motivate corrupt behavior. Civil service reforms will not pay off until this incentive structure is





Peter Eigen, president of Transparency International in Germany, says freedom of information can help assure honest public procurement.

Policy-makers can change the incentives to prevent corruption, suggests Dr. Robert Klitgaard of the RAND Graduate School.



taken seriously. For example, Hong Kong has scrutinized each step of public enterprise activity for bribery opportunities. Individual acts of corruption are relatively easy to document by tracking money flows, but where corruption is systemic, targeting individuals will have little effect because incentive structures drive corruption.

Dr. Klitgaard recommended using confidential interviews to reveal how incentives are structured, particularly in government processes where corruption is rampant: public procurement, licensing, and public officials' appointments. Interview subjects who are persuaded that researchers are deconstructing systems, rather than pursuing corrupt individuals, are more likely to be forthcoming. Policy-makers then can develop "antibodies" that will alter incentive structures. Although this is not a panacea, it will reduce system vulnerability.

## Plenary 2

### Transparency Strategies

#### *The World Bank's tactics*

At the second plenary, Dr. Kaufmann discussed how the World Bank is eliminating corruption from its projects, integrating anti-corruption efforts into country assistance strategies and lending programs, supporting international efforts to curb corruption, and helping countries that request special assistance, including Bolivia, Nicaragua, Ecuador, and Venezuela.

With more data available about corruption patterns, it appears that corruption varies within countries across time, its effects on investment vary widely, judiciary reform is not always linked to reform of government bureaucracies, and bribery fuels tax evasion and unofficial economies. Regulatory intervention, discretion, and monopolistic power tend to correlate highly with corruption, and some theories suggest they cause it.

But if the data help define the nature of the problem, they also guide us to policy remedies, said Dr. Kaufmann. Financial controls, public oversight, legal-

judicial reform, institutional improvements, and economic policy measures all must factor into an effective strategy to fight corruption.

Deciding which policy measures to undertake requires an exact diagnosis of the location and extent of corruption. New diagnostic tools have been specifically designed and tested, but often are based in a broad conceptual framework that goes beyond corruption. They are multidimensional, addressing a mix of corruption problems simultaneously, and multipronged, analyzing data from many sources. Importantly, they are also experiential, analyzing actual experience with corruption, rather than testing perceptions alone.

These diagnostic tools have been applied widely enough that comparisons are becoming available. Data show that successful efforts to reduce corruption will be participatory, involving not only top-level political support, but also steering committees and working groups. With a correct diagnosis and implementation of anti-corruption initiatives, significant improvements can be measured after just five years. This outcome supports Dr. Klitgaard's position of emphasizing immediate policy initiatives, as well as longer term efforts to change how people view corruption.

#### *Eigen's stance on transparency*

Reiterating Shimon Peres' statement that government no longer deters corruption, but business is well-equipped to affect change, Eigen emphasized that civil society's role is clear. It must identify and define corruption, build coalitions to foster transparency, create a culture supportive of anti-corruption actions, and develop a cool-headed professionalism in those efforts.

Eigen highlighted several approaches to building transparency. These included supporting the freedom of information movement and efforts to protect journalism, increasing the judiciary's independence, demanding transparency in financial sectors, and forming integrity pacts to assure honest public procurement.

Citing *The Wall Street Journal* survey that indicated more than 90 percent of Latin Americans believe corruption has worsened, Eigen reiterated Transparency International's (TI) commitment to fighting corruption.

*Corruption =  
Monopoly +  
Discretion –  
Accountability*

### *How the OECD handles corruption*

The Organisation for Economic Co-operation and Development (OECD) convention will work if its member states' laws and their implementation are evaluated, said Dr. Pieth. Legislation is complex, including such diverse elements as tax deductibility, criminal law, and corporate liability. Peer review, plus interviews with local officials, the private sector, and civil society, will be the basis for analysis.

The OECD is successful because its membership is representative, there is a climate of competition, and implementing the convention requires no unifying rules.

International law is changing its perspective regarding corruption, stressed Dr. Pieth. Traditional instruments like conventions are being enhanced with "soft law," such as peer agreements.

### *Ecuador's transparency challenges*

The plenary morning concluded with President Jamil Mahuad's remarks on Ecuador. He noted that the TI Corruption Perception Index ranks Ecuador among the 10 most corrupt countries in the world. Consequently, he accepted President Carter's help and invited all organizations in Ecuador and some others worldwide to lend assistance.

Ecuador's first challenge was to garner support for the anti-corruption initiative and gather related data. As a result, it asked the World Bank Institute to help conduct a diagnostic survey, which was implemented in the spring of 1999.

Ecuador also is strengthening its community values and has developed a national plan that incorporates civil society and the government. The plan takes an integrated, comprehensive, modular approach that spans from prevention to punishment. Prevention is primarily based on enacting laws and heightening Ecuadorians' sense of ethics and values. President Mahuad emphasized the media and schools' role in educating the masses and the importance of offering timely, relevant, and transparent information.

The Ecuadorian government still suffers weaknesses. However, it is combining specific elements of its

national plan with the following measures to address corruption:

- ❑ Privatize the most important sectors of the economy.
- ❑ Simplify and eradicate loopholes in government contracting.
- ❑ Foster transparency in procurement.
- ❑ Engage international cooperation to combat corruption.

### *Why credible information boosts economies*

Jack Guynn, president and chief executive officer of the Federal Reserve Bank of Atlanta, spoke to conference participants during lunch about why the free flow of accurate information is essential for healthy economic markets.

Citing the work of George Akerlof, he noted that when sellers have more information about the quality of goods than buyers, good and bad products must sell at the same price, and the market price favors the poor quality goods, or "lemons." This principle also applies to stocks, bonds, commodities, labor, and any production process. The buyer must assume the worst and pay a low price. This drives legitimate sellers out of the market and reduces aggregate demand.

For example, the 1997 Asian financial crisis resulted because the Thai government did not release accurate information about its reserves, said Guynn. Similarly, certain accounting practices obscured the true financial position of savings and loan institutions and consequently created a crisis in the United States in the late 1980s.

Transparency may be inconvenient, expensive, and often personally uncomfortable for policy-makers, but Guynn argued that government intervention to assure transparency is warranted, benefiting private firms and society as a whole. It can improve pricing and asset valuation and help prevent policy mistakes and overreaction when problems occur.

Establishing transparency is part of establishing government credibility. It requires submitting to the accountability that the democratic process provides and the legal recourse offered through an independent judiciary.

*Ecuador's first challenge was to garner support for the anti-corruption initiative.*



With his country ranked among the top 10 most corrupt countries in the world, Ecuador President Mahuad has sought and gained global support in eradicating such ills.

The OECD convention will work, says Dr. Mark Pieth, if its member states' laws and their implementation are evaluated.



## Rapporteurs Report: Working Group A *The Political-Business Nexus*

Chair: *Former Ecuador President Osvaldo Hurtado*

Facilitator: *Dr. Robert Pastor*

Rapporteur: *Dr. Jan Barton*

*Our group discussed three issues: party and campaign finance, conflicts of interest and illicit enrichment, and business codes of conduct. Though we all agreed on the seriousness of these issues and on the general principles expressed below, we adapted the topics to accommodate the differences in each country or region.*

### *Party and campaign financing*

Clear and strict laws are necessary to assure people that the political and electoral process remains accountable to them, not to the wealthy, special interest groups, narco-traffickers, or tainted money.

We support timely and reliable reporting and disclosure requirements for income, in-kind donations, and expenditures that parties and candidates receive. However, identifying the sources of smaller amounts of funds is unnecessary.

Our group also agreed that any system of assuring transparency in governance, such as auditing and prosecuting corruption, requires a strong, active, and independent legislature, judiciary, civil society, media, and comptroller generals.

Additionally, we discussed various formulas for assuring that the campaign financing system enhances public participation and party and candidate competition, and reduces the influence of money or other biases. For example:

- Some form of public financing could help ensure party compliance with various election regulations, such as reporting requirements and no violence. Some believed public financing could encourage broader contributions and more involvement in elections if individuals could receive a tax deduction for a minimal contribution.
- Some participants felt there should be limits on the amount and kind of contributions made to parties

and candidates and limits on ways to spend funds. However, other participants had concerns about setting such limitations.

- To regulate financing, we discussed:
  - Shortening the campaign period, although parties would still need funds before and after campaigns.
  - Recognizing that most campaign expenditures (perhaps 80 percent to 90 percent) pay for TV and radio advertisements. The state could either purchase that time for parties or candidates or, alternatively, require any company purchasing a TV or radio license to provide this time for candidates and parties.
- We agreed certain institutions need to be responsible for monitoring the reporting and disclosure requirements. Several participants suggested that the Electoral Tribunals monitor the reporting, and attorneys general or *procuradores* prosecute law violators.

### *Conflicts of interest and illicit enrichment*

The private interests of individual government decision-makers, private citizens, or special interests that secretly use bribery or assurances of future compensation should not affect government decisions, the group agreed.

Policies must respect that industrialized and developing countries face significantly different problems. For example, the U.S., the United Kingdom, and Canada have complex financial disclosure requirements to prevent conflicts of interest. However, the larger problem for Latin America and the Caribbean is the need to avoid public officials' illicit enrichment.

The group recommended that a special office receive financial disclosure forms (declaration of assets) at the beginning of an official's service to remedy illicit enrichment. The office then could monitor the assets periodically — perhaps every two years — and review the forms when the official's term ends.

While most agreed that financial disclosure is important for the most senior officials and some other representatives, the group disagreed on whether the public could access these forms and which officials must file

*Any system of assuring transparency in governance, such as auditing and prosecuting corruption, requires a strong, active, and independent legislature, judiciary, civil society, media, and comptroller generals.*



Dr. Robert Pastor (left), facilitator of Working Group A, makes his point as former Ecuador President Osvaldo Hurtado, group chair, listens.

Transparency in government is part of government credibility, remarks Jack Guynn, president and chief executive officer of the Federal Reserve Bank of Atlanta.



*An integrity pact, signed by CEOs and governments, could assure that all contracts prohibit bribery of any kind.*

them. Perhaps international organizations or Transparency International could develop further model statutes.

#### *Business codes of conduct*

Although our group endorsed business codes of conduct, we agreed that they should not replace clear national laws prohibiting bribery. Businesses, however, could use those laws as the “floor” on which they insist that their employees comply with higher standards. Civil society should discuss these codes so that corporations are sensitive to people’s concerns and people are aware of the corporations’ work to be good citizens.

We recommended that the World Bank and the Inter-American Development Bank require corporate codes of conduct to bid on bank-financed projects and countries keep registers of approved contractors based on their codes. We also supported having an integrity pact, signed by CEOs and governments, to assure that all contracts prohibit bribery of any kind.

#### Rapporteurs Report: Working Group B

### *Implementing International Accords*

Chair: *Former Bolivia President Gonzalo Sánchez de Lozada*

Facilitator: *Ms. Nancy Boswell*

Rapporteur: *Ms. Nobina Robinson*

*Our group discussed the status of the Inter-American Convention Against Corruption of the Organization of American States (OAS), and how to continue encouraging OAS member states to sign, ratify, and implement the Convention.*

#### *OECD, OAS Convention differences*

Discussions began with an overview of the 1996 Convention, which defines corruption more broadly than the Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials. There are both pre-

scriptive (mandatory) and suggested elements in the OAS Convention. Currently, only 15 of 34 OAS member states have ratified the Convention. Notably, two major OECD players — the USA and Canada — have not ratified the OAS Convention.

Dr. Mark Pieth, chair of the OECD Working Group on Bribery in International Commercial Transactions, helped the group distinguish the difference between the OECD and OAS conventions. For example, the OAS text contained various concepts and elements not included in the OECD context, including illicit enrichment, mutual legal assistance, and extradition. Dr. Pieth remarked that as a regional document, the OAS text resembles language used in the Council of Europe text and must satisfy a range of competing interests within Latin America and the Caribbean. In contrast to the OECD text, the OAS text does not mention monitoring.

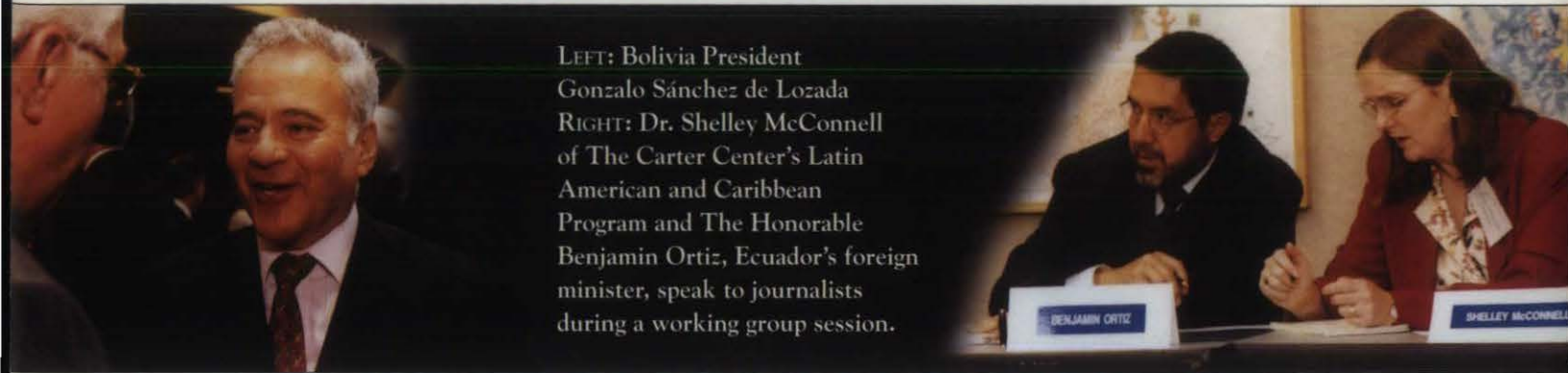
#### *The efficacy of the OAS Convention*

After vigorous exchanges regarding whether the OAS Convention is useful since all its member states have not adhered to it, Jorge Garcia of the OAS Office for Legal Information clarified these points:

- The OAS Convention was the first international treaty about corruption. Therefore, it has advantages and disadvantages, such as a wider scope, but no monitoring clause.
- The Convention is and will be difficult to precisely implement because of its wide-ranging implications for changes to domestic legislation (preventive measures, criminal code reform, judicial reform, banking reform, extradition).
- The fight against corruption is a process, and the Convention is only one tool.
- The OAS secretariat is working with IDB financing to assist 12 countries to implement the Convention through training workshops and seminars.
- OAS member states can request monitoring requirements through the annual OAS General Assembly.

#### *No U.S., Canada support*

Because neither the U.S. nor Canada has signed the



LEFT: Bolivia President  
Gonzalo Sánchez de Lozada  
RIGHT: Dr. Shelley McConnell  
of The Carter Center's Latin  
American and Caribbean  
Program and The Honorable  
Benjamin Ortiz, Ecuador's foreign  
minister, speak to journalists  
during a working group session.

OAS Convention, some participants thought this sends a mixed message to the rest of the hemisphere. Smaller and less developed countries of the region are overburdened with reporting requirements and conditions for donor aid, while the most developed countries of the region have not signed, ratified, and implemented the Convention.

One response to this situation was to urge all other OAS member states to quickly sign and ratify the Convention to pressure the northern hemispheric states to do likewise.

U.S.-based commentators also noted that, unlike with the OECD Convention, the Senate Foreign Relations Committee has not entertained legislation to ratify the OAS Convention, believing it is insufficient without monitoring requirements.

Participants further explored the OECD Convention's monitoring process. They concluded that as a confidence-building measure, a peer review mechanism could serve the OAS Convention better than an evaluation or assessment tool. Peer review, based on experts meeting from each member state, would lessen the overt politicization of the monitoring process and avoid turning monitoring into "certification." This review also would result in more positive, constructive approaches that look at achievable objectives, share best practices, and keep focused on the progressive fight against corruption.

In the same vein, other participants from the developing OAS countries also called for capacity building and technical assistance for member states to help implement OAS Convention requirements. They suggested that the OAS assume this role.

Most agreed that the OAS Convention could lose momentum unless more countries signed, ratified, and implemented its requirements. Participants also generally established that there is more to do to ensure that civil society organizations in each OAS member state are aware of the Convention's existence.

### Recommendations

With these discussions in mind, the group urged all OAS member states at the June 1999 meeting of the OAS General Assembly to:

- ❑ Promptly ratify the OAS Convention Against Corruption as per their commitments in the Plan of Action of the Santiago Summit of the Americas.
- ❑ Create a peer review mechanism that will promote consistent and effective implementation of the criminal code changes and preventive measures, and ensure sharing of best practices and model laws.
- ❑ Request that a provision by the IDB and the World Bank cover all necessary technical assistance for capacity building to enable and support full implementation of the Inter-American Convention.

*The OAS Convention could lose momentum unless more countries sign, ratify, and implement its requirements.*

## Rapporteurs Report: Working Group C Civil Society and Access to Information

Chair: Former Costa Rica President Rodrigo Carazo  
Facilitator: Dr. Luis Moreno Ocampo  
Rapporteur: Dr. Henry F. Carey

*Working Group C discussed the obstacles that nongovernmental organizations (NGOs) face when trying to obtain useful information to combat corruption. Much analysis focused on state data, rather than how to structure NGOs and the media to obtain it. Following the dictum that "form follows function," the discussants felt that NGOs will self-organize if the right information becomes available.*

### Differences exist about solutions

There was little disagreement about: the absence of panaceas; the long amount of time required to reduce corruption; the incentives for corruption in poor and weak societies, with low salaries for public officials and cultural expectations of corruption; and the value of useful information. Latin American countries have reasonable laws on paper; the problem is with implementing them and NGOs verifying them.

While no one doubted the value of a trial-and-error approach, significant differences emerged about: the

applicability of common solutions in the three main regions of Latin America; whether civil society should treat corruption as a systemic or moral problem; and whether solutions should focus on the short or long term.

#### *Consensus on the nature of the problem*

Our group, however, did agree on the following:

- ❑ Weak societies have difficulty monitoring and keeping vigilant over comparatively strong states. Civil society is unable to pressure weak or corrupt police and judiciaries that lack independence and

must be more research in the following areas:

- ❑ Participants disagreed about whether NGOs have obtained or circulated inaccurate, impressionistic, or unsubstantiated denunciations, based on rumor and disinformation, or whether they have acted with integrity and effectiveness.
- ❑ Some viewed privatization, if conducted honorably, as panaceas, while others saw it inevitably as a large source of corruption.
- ❑ While everyone favored education in theory, they disagreed about whether education has focused insufficiently on specific projects. Some emphasized

Provided that corruption's roots are exposed and the proper anti-corruption initiatives are applied, data show significant improvements can be measured after just five years, says Dr. Daniel Kaufmann (right) of the World Bank. At his right is Ronald Maclean-Abaroa of the Harvard Institute of International Development.



*Foreign bribery results not only in moral degradation, but also the displacement of local production that otherwise would help in development.*

incentives to pursue government corruption. Some countries have no NGOs monitoring corruption, and those that do, often do not know what information to acquire and scrutinize. The group clearly accepted the need to encourage political participation and increase social control, following the analogy of human rights monitoring by NGOs and newspapers.

- ❑ Public opinion is resigned to corruption. Elections do not raise the issue, and candidates make no promises to reduce it. There must be a public discourse on attacking, rather than accepting, corruption.
- ❑ NGOs, even where they are robust, have insufficient access to information. They need, for example, standard information on procurement prices.
- ❑ There is a tendency to have "the fox watch over the chicken coop." Regulation of corruption should not be left to banks or corrupt prosecutors. Civil society should fight for independent comptrollers who have unquestioned integrity. This office should take complaints of corruption, as should specialized NGOs focusing on corruption. Currently when there is pressure, it is for individuals to step down, not for change in the system, making accountability difficult.

#### *Views split on current methods*

Substantial dissensus existed on what corruption-fighting methods NGOs actually have tried, implying there

the greater need for having a functioning judiciary, arguing that unless official corruption is punished, even exposure is not going to change deeply rooted cultural practices. Others felt that if foreign NGOs train and educate domestic NGOs and state personnel in criminal justice, the effects would be too diffused and long-term to restore confidence in democratization and rule of law.

- ❑ Many participants placed responsibility on foreign businesses, governments, and aid agencies for encouraging and failing to control corruption – particularly since these areas permitted large contracts for foreign procurement which sometimes resulted in kickbacks to public officials.
- Foreign bribery results not only in moral degradation, but also the displacement of local production that otherwise would help in development. Where foreign projects involve environmental harm, foreign-sourced corruption is doubly evil. However, other participants from the industrialized countries regarded this polemic as an exaggeration that ignored the pervasive corruption among nationals in developing countries.
- ❑ Some participants advocated systemic improvements, such as control systems, open and competitive bidding, privatization, and tariff reduction, which open the economy to competitive prices and thus reduce the opportunity for corruption. They maintained that accusations against individuals provoke a defensive posture — fair or not — making it difficult to work for reform. Therefore, an

impersonal "report card" on systemic improvements could suffice, without naming names, based on surveys of the public, business, and government leaders.

Other discussants supported protecting the press from slander and libel laws when printing criticism of public officials, except where there is malicious intent. Many Latin countries have "insult" laws that criminalize criticism and freeze free speech.

### Recommendations

The group concluded that many different methods, re-

## Rapporteurs Report: Working Group D

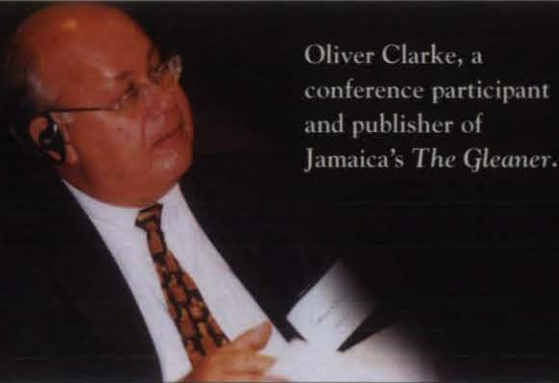
### *The Role of the Media*

Chair: Ecuador Foreign Minister Benjamin Ortiz

Facilitator: Dr. Shelley McConnell

Rapporteur: Ms. Debbie Palmer

*South America and Mexico journalists discussed the media's role in combating corruption, obstacles to effective investigative journalism on corruption cases, and possible ways to overcome them. Unlike other working groups, dialogue was*



Oliver Clarke, a conference participant and publisher of Jamaica's *The Gleaner*.

Representing the Red Thread Women's Development Organization, Jocelyn Dow was one of the civil society members to attend the conference.



vised over time, could help NGOs obtain information. Consequently, it suggested that:

- ❑ Leaders mandate national plans at all branches and levels of government and society. Each plan should contain management information to reveal corrupt pricing and contracting, as well as reduce the opportunities for corruption in government procurement and other forms of private contracting.
- ❑ Countries develop a database containing:
  - Successful or failed anti-corruption initiatives;
  - Comparisons of procurement and privatization prices and indicators of corruption;
  - Surveys of public perceptions of corruption rates; and
- 4) Quarterly report cards on service delivery and efforts to reduce corruption.
- ❑ NGOs receive training in:
  - New technologies, including the Internet, surveys, and media;
  - Monitoring procurement; and
  - Lobbying for transparency.
- ❑ Legislatures pass freedom of information statutes and ban "insult laws."
- ❑ Governments hold public hearings and require Internet publication of contracting opportunities and results.
- ❑ Countries develop independent ombudsman and comptroller offices and take confidential citizen and NGO complaints about corruption.

on the record and Coca-Cola Company executives and others observed.

### *Countries' response to press investigations*

Participants agreed that the process of political transformation and democratization in Latin America has changed journalism, largely for the better, but problems remain. There are three basic patterns of response to press investigations in the hemisphere:

- ❑ Journalists can investigate freely in some countries.
- ❑ Authoritarian regimes exercise power by overwhelming taxation and financial pressure, or applying discretionary power over the issuance of radio or TV broadcasting licenses to control the media.
- ❑ There are regimes in which the links between the newspaper owners and the political establishment represent collusion and lack of transparency. Corruption in such situations is an act of power and intrinsic to the political and economic systems, not merely an isolated instance.

### *Effects of impeded information*

When authorities block access to information and impede investigation, they deny the people the right to know about public affairs, and leave the press to speculate and feed on rumors.

The main effect of investigative journalism is to fight corruption, but at the same time, there are some negative outcomes. If there is constrained access to information, investigative journalism sometimes erodes into unsupported denunciations that make headlines

*When authorities block access to information and impede investigation, they deny the people the right to know about public affairs.*

and sell papers, but ultimately undercut the media's credibility. If judicial systems do not function well, the journalist becomes both reporter and judge, and sometimes excessively politicizes the information.

*The incentive to engage in effective investigative journalism substantially reduces when there is a repeated lack of follow-up from the judicial system*

#### *Recommendations*

- ❑ Access to information is absolutely crucial. Securing this access in law is a fundamental necessity. When official papers remain confidential, governments use these restrictions to prevent critical analysis. Official documents should be open to public inspection every day, without requiring burdensome paperwork or delays.  
One model we discussed was Colombia's legal system for access to information. It requires government release of the requested document within days, although it only works if journalists know a document exists and are willing to demand it.
- ❑ Periodic denunciation of scandals is no substitute for real investigative journalism. Still, there were opposing views concerning the value of special investigative units. Some felt that properly speaking, all journalism is investigative in nature. Others believed that salaried reporters, who are given two months to freely investigate a scandal, have a

much better chance of producing reliable information on corruption than those who live from day-to-day on fees received for their daily stories.

- ❑ Journalists need better training to conduct good investigations. Education and increased economic resources also will improve the quality of investigative journalism. Nonetheless, most participants seemed to feel that money and training are less important than the journalist's values and commitment. Good investigative journalism will result if journalists understand their basic social function: Provide people with information.
- ❑ The incentive to engage in effective investigative journalism substantially reduces when there is a repeated lack of follow-through from the judicial system.
- ❑ Drug trafficking is central to corruption in some countries, as is money laundering. Although such linkages can increase the dangers involved in investigative journalism, many professions carry risks, and journalists should not shrink from their duty.
- ❑ Journalists dedicated to investigation must multiply their contacts, exchanging experiences and information through expanded networks on the Internet and elsewhere.

Trinidad and Tobago  
President Arthur  
Robinson comments on  
issues, as former Colombia  
President Alfonso  
López-Michelsen listens.





# Final Statement

*Council of Presidents and Prime Ministers of the Americas*  
Wednesday, May 5, 1999



Corruption is one of the principal threats to democracy, growth and equity in the hemisphere. It distorts public services, deters investment, discriminates against the poor, and destroys public confidence in democratic governments. This was the starting point of two days of discussion at The Carter Center by hemispheric leaders, members of the private sector, journalists, and NGOs. Representing the Council of Presidents and Prime Ministers, a group of 32 former and current heads of government from Latin America and the Caribbean, the leaders in this conference concluded that progress toward transparency can be achieved where civil society and governments work together to overcome opposition from vested interests. Indeed, important progress has been made already.

Participants from two dozen countries discussed strategies, including implementation of international conventions against corruption, the role of civil society including media and the private sector in promoting transparency, and measures to increase accountability in government-business transactions. The group encountered a diversity of opinion, driven by the very different social and economic contexts in the region, and recognized that solutions will necessarily need to be tailored to each country. Furthermore, some sources of corruption are international, including multinational corporations and narco-trafficking, and small countries may be particularly vulnerable. Solutions must there-

LACP Director Dr. Jennifer McCoy (*far left*) joins (*l-r*) former Paraguay President Juan Carlos Wasmosy; former Costa Rica President Rodrigo Carazo; Trinidad and Tobago President Arthur Robinson; former First Lady Rosalynn Carter; former U.S. President Jimmy Carter; former Colombia President Alfonso López-Michelsen; former Panama President Nicolas Ardito-Barletta; former Bolivia President Gonzalo Sánchez de Lozada; and Ecuador President Jamil Mahuad.

fore reach across borders. We are also aware that corruption is systemic, affecting all aspects of society, and consequently there will be no quick fix. The solutions, too, will need to be systemic, engaging society broadly and tackling the problem from several directions at once.

Rich discussions yielded creative ideas about practical first steps. Here are some of our conclusions: First, we recognize that although corruption is an ethical issue, it is also a policy problem, meaning it can be remedied by setting and enforcing rules that encourage people to do the right thing. It is a crime of calculation. Where the benefits outweigh the penalties for illicit behavior, systems can provide incentives for corruption. A shorthand description is *Corruption = Monopoly + Discretion - Accountability*. The task is to remove the opportunities provided by monopolies and discretionary decision-making power, and increase the costs of cor-

ruption through detection and enforcement of a nation's laws.

The good news is that there are solutions, and improvements can begin immediately. But it takes civic courage and commitment from leaders, international lenders and other organizations, coalitions of businesses and NGOs in civil society, to illuminate previously dark corners of government transactions. The antidote to corruption is information, committed leadership, collective action and clear rules.

Second, it is time to move from denunciations to diagnosis. Hard data is necessary to combat the problem, and it is now possible to get it. New diagnostic tools, including analyses and interviews of businesses, citizens and public officials, are now available from the World Bank and others to provide a map of the nature and location of corruption in public and private organizations. This information that can be used to devise national action plans for every segment of the society. We encourage governments to carry out these diagnoses and made them public, and then to challenge every branch of the government and civil society to create action plans to resolve their specific problems.

Third, as democracy has begun to consolidate more broadly in the hemisphere, one dilemma it has introduced is how to finance campaigns and political parties without leaving elected leaders obligated to special interest groups, narco-traffickers, or tainted money, or without spending vast quantities of money that is desperately needed for development. The interdependence of the public and private sector is highlighted by businesses dependent on public contracts for their livelihood, and political parties dependent on private contributions. Opening up those transactions through specific disclosure mechanisms will begin to level the playing field. We recommend:

- Enforcing existing laws and strengthening regulation, oversight institutions and audit capacity.
- Regulation and disclosure requirements for income and expenditures of parties and candidates;
- Reducing campaign expenses by limiting the campaign period, and fostering free media time on TV and radio under equal conditions;
- Financial disclosure requirements for public officials, elected or appointed, to avoid conflict of interest and illicit enrichment, with periodic moni-

toring by a special office.

- National laws prohibiting bribery, which might be developed via a model statute process.
- Business codes of conducts and compliance programs as a prerequisite to bid on World Bank and IDB-financed projects, or to appear on national registers of approved contractors.
- Streamlining of public procurement laws and broad deregulation.

Fourth, transparency is the first step in combating corruption, but it requires a media and civil society capable of accessing information and then using it to demand accountability from their governments. We recommend:

- Laws be enacted that require governments to open up and provide documentation about their budgeting and spending procedures so that citizens and journalists can have the information they need to understand and evaluate what their governments are doing;
- Training NGOs to use new technologies, including the internet, and to monitor privatization and public contracting;
- Publication of public contract awards, dates of delivery of goods, schedules of payments, and the bidding process in privatizations;
- Quarterly report cards on the service delivery quality in certain sectors, such as health, as well as on efforts to reduce corruption via the national action plans;
- Databases about civil servant credentials in order to prevent nepotism and patronage;
- Public hearings to provide opportunities for citizens to give input on priorities for public works projects and bid requirements within budgetary limitations
- Formation of regional informational networks and databases so that citizens can learn about access to information and share successful strategies to combat corruption.

Fifth, we wish to emphasize the importance of a free press in promoting transparency and democracy. The status of press freedom in the hemisphere is sometimes discouraging. The Inter-American Press Association recently found that fourteen countries have press laws that place regulations on freedom of the press. Seventeen countries have so-called insult laws that can

President Carter believes "the international community stands ready to help citizens and leaders who want to deepen the rule of law and consolidate democratic governance."



result in imprisonment for journalists convicted of criticizing government officials. Eight countries have laws requiring licensing of journalists or mandatory membership in associations. In the last decade, 203 journalists have been killed in the Americas, a human rights situation so deplorable that the region's presidents and prime ministers asked the OAS last year to establish a special office for preventing such incidents, which the OAS has done. Only six countries in the hemisphere have laws dealing with the right of access to information that are considered effective.

To support professionalism in the media, and avoid unsupported denunciations that make headlines and sell papers but undercut the media's credibility, we recommend:

- ❑ Development of laws that will secure access to information by making official documents open to public inspection without undue delay or burdensome paperwork.
- ❑ Expansion of programs to train the press to conduct solid investigations based on evidence.
- ❑ Strengthening of the judicial system's capacity to investigate and prosecute corruption where the evidence indicates it is merited, such that no one is tried in the press and innocent citizens have an opportunity to defend their good names in a just court.

Sixth, we are convinced that recent treaties, including the OECD Convention Against Bribery and the Inter-American Convention Against Corruption are important steps in bringing a common approach to solving both the demand and supply side of bribery. But they will only be effective when fully implemented by signatory countries. We urge member states of the OAS at their June 1999 General Assembly to call for:

- ❑ Prompt ratification by all OAS member states as

per their commitments in the Plan of Action of the Santiago Summit of the Americas;

- ❑ Creation of a peer review mechanism that will promote consistent and effective implementation of criminal laws and preventive measures, and which will share best practices and model laws;
- ❑ Provision by the IDB and World Bank of all necessary technical assistance for capacity building in order to enable and support full implementation of the Inter-American Convention.

The corruption issue is one of concern to all nations, and should receive attention at the highest levels. Here we want to commend U.S. Vice President Al Gore for his global forum last February.

In closing, we want to emphasize the need for ethical values not only in government but in businesses, journalism, banking and indeed every walk of life. Perhaps most important are the messages we convey to our children through education in schools and churches, as it is they who will pay the price if we fail to act now to stem this ill. We are committed to carrying our transparency work further, and we hope you will join us in this important endeavor.

- Jamil Mahuad Witt, *president of Ecuador*
- Said Musa, *prime minister of Belize*
- Arthur Robinson, *president of Trinidad and Tobago*
- Nicolas Ardito-Barletta, *former president of Panama*
- Rodrigo Carazo, *former president of Costa Rica*
- Jimmy Carter, *former president of the United States of America*
- Osvaldo Hurtado, *former president of Ecuador*
- Alfonso Lopez Michélsen, *former president of Colombia*
- Gonzalo Sánchez de Lozada, *former president of Bolivia*
- Juan Carlos Wasmosy, *former president of Paraguay*
- Ambassador Richard Bernal, *representative of Jamaica Prime Minister P.J. Patterson*
- Daniel Romero, *representative of former Venezuela President Carlos Andrés Pérez*
- Jose Miguel Villalobos, *representative of Costa Rica President Miguel Ángel Rodríguez*

# About The Carter Center



*The Carter Center works to prevent and resolve conflicts, enhance freedom and democracy, and improve health.*

**T**he Carter Center strives to relieve suffering by advancing peace and health worldwide. With a fundamental commitment to human rights, the Center is guided by the principle that people, with the necessary skills, knowledge, and access to resources, can improve their own lives and the lives of others.

Founded in 1982 by Jimmy and Rosalynn Carter in partnership with Emory University, the nonprofit Center works to prevent and resolve conflicts, enhance freedom and democracy, and improve health. The Center collaborates with other organizations, public or private, in carrying out its mission. In this way, the Center has touched the lives of people in more than 65 countries.

Charitable contributions from individuals, foundations, corporations, and other donors support the Center's activities. Resident experts or fellows direct the programs and design and implement activities in cooperation with President and Mrs. Carter, networks of world leaders, and partners in the United States and abroad.

The Center is located in a 35-acre park, two miles east of downtown Atlanta. Four circular pavilions house offices for the former president and first lady and most of the Center's program staff. The complex includes the Ivan Allen III Pavilion and the nondenominational Cecil B. Day Chapel, other conference facilities, and administrative offices.

Adjoining the Center is The Jimmy Carter Library and Museum, a repository for the records of the Carter administration. The National Archives and Records Administration of the federal government operates this facility which is open to the public. The Center and the

Library and Museum are known collectively as The Carter Presidential Center.

More information about The Carter Center is available on the World Wide Web at [www.cartercenter.org](http://www.cartercenter.org).



President and Mrs. Carter pose with Bob Elizondo, vice president for Latin America Operations with United Parcel Service. UPS, an Atlanta-based firm, is a transparency conference sponsor.

## About the Latin American and Caribbean Program

The Latin American and Caribbean Program (LACP) was established in 1986 and works with the Council of Presidents and Prime Ministers of the Americas, a group of 32 current and former heads of government from the hemisphere based at The Carter Center.

The program's central goals are to promote democracy and improve inter-American relations. It has achieved these goals through election observation and mediation in a dozen countries; conflict resolution initiatives in Haiti, Nicaragua, and Panama; and a series of high-level workshops and conferences to promote hemispheric cooperation in such areas as free trade, arms control, and the promotion of transparency.

The Carter Center brings unique and needed skills and resources to the fight against corruption, as the World Bank, Inter-American Development Bank and Transparency International recognized when they encouraged the LACP to undertake the Transparency for Growth project. These qualifications include:

- Through its Council, the LACP has deep, direct, and bipartisan contacts at the highest level of

government throughout the hemisphere. This allows us to identify and encourage leaders who have the political will to tackle this issue.

- President Jimmy Carter has a personal reputation for honesty and is known for creating the Foreign Corrupt Practices Act. During and after his presidency, he has demonstrated concern for development in Latin America and the Caribbean, making The Carter Center a credible and welcome partner for the region's leaders.
- Because The Carter Center is an international nongovernmental organization, we can work within civil society to help build bridges that connect it with government.
- The LACP has developed its capacity for conflict mediation and monitoring of political and electoral processes, skills it can usefully apply in the transparency field.
- The Carter Center and the Council command media attention that spotlights corruption problems and disseminates information rapidly about successful strategies employed to fight corruption.

# Agenda

Council of Presidents and Prime Ministers of the Americas  
The Carter Center  
In Collaboration with the CNN World Report Conference

## Transparency for Growth

May 3-5, 1999

### Monday, May 3, 1999

- 6 p.m. CNN Opening Reception at Centennial Olympic Park
- 7:30 p.m. Carter Center Opening Dinner at King & Spalding
- Jennifer McCoy, Director, Carter Center Latin American and Caribbean Program – Welcome
  - Former President Jimmy Carter – Welcome
  - Tim Haas, President, Latin America Group, The Coca-Cola Company – Introduction
  - United States Treasury Secretary Robert Rubin – remarks
- Dinner
- Former President Carter – Introduction
  - Costa Rica President Miguel Ángel Rodríguez – remarks

### Tuesday, May 4, 1999

- 9 a.m. Introduction and Background: *President Jimmy Carter*
- 9:15 a.m. Opening Plenary: *The Causes and Consequences of Corruption*
- Enrique Iglesias, President, Inter-American Development Bank
  - Luis Moreno Ocampo, President, Transparency International, Latin America and Caribbean
  - Robert Klitgaard, Dean and the Ford Distinguished Professor, RAND Graduate School
- 10:45 a.m. Second Plenary: *Strategies for Improving Transparency*
- Daniel Kaufmann, The World Bank Institute
  - Peter Eigen, President, Transparency International, Berlin, Germany
  - Mark Pieth, Chair, OECD's Working Group on Bribery in International Commercial Transactions
- 11:30 a.m. President Jamil Mahuad: *Ecuador's National Transparency Plan*
- Noon Luncheon Address: Jack Guynn, President, Federal Reserve Bank of Atlanta
- 1:30 - 5:15 p.m. Simultaneous Working Group Discussions
- 1:30 - 2:30 p.m. Diagnosing the Politics of the Problem
- Working Groups A, B, and C
- Each working group discusses the following questions off-the-record:
- What are the political constraints to reducing cor-

ruption and improving transparency in government transactions?

- What is the responsibility of governments, parties, private sector, and media in finding and carrying out solutions?
- Can corruption in government-business relationships be delinked from party and campaign finance?

- 2:45 p.m. Strategizing the Solutions  
-5:15 p.m.

#### Working Group A: *The Political-Business Nexus*

- Regulation and disclosure of party and campaign income and expenditures
- Conflict of interest, illicit enrichment, and declaration of assets
- Corporate compliance programs

#### Working Group B: *Implementing International Accords*

- Ratification of the Inter-American Convention
- National strategies to implement the convention
- Regional Working Group to monitor the convention

#### Working Group C: *Civil Society and Access to Information*

- Using freedom of information to promote transparency
- Transparent public contracts: databases, public hearings, municipal social auditing
- Transparent privatization processes: independent monitors

#### Working Group D: *The Media's Role in Combating Corruption: A Roundtable Discussion Among Working Journalists*

- 7 p.m. Dinner with CNN World Report Correspondents
- Introductions: Former U.N. Ambassador Andy Young  
Former President Jimmy Carter
- Keynote Speech: President Jamil Mahuad, Ecuador

### Wednesday, May 5, 1999

- 9 a.m. Report Out on Working Group Meetings and Group Discussion
- 10:45 a.m. Discussion of Final Statement
- 12 p.m. Lunch
- 2:30 - 4 p.m. Event at CNN: *Statement of Conference Findings*
- Moderated by CNN en Español Anchor Jorge Gestoso
- Presentation of conference findings
  - Current heads of state discuss their own experiences
  - Press panel on press freedom and credibility in reporting on corruption (current and former heads of state pose questions to the journalists)

# Conference Participants

## *Current Heads of State and Council Members*

- The Honorable Nicolas Ardito-Barletta**, former president, Panama
- The Honorable Richard Bernal**, representative of council member Prime Minister P.J. Patterson and ambassador to the United States, Jamaica
- The Honorable Rodrigo Carazo Odio**, former president, Costa Rica
- The Honorable Jimmy Carter**, former president, United States
- The Honorable Osvaldo Hurtado**, former president, Ecuador
- The Honorable Alfonso López-Michelsen**, former president, Colombia
- His Excellency Jamil Mahuad Witt**, president, Ecuador
- The Right Honorable Said Musa**, prime minister, Belize
- Mr. Daniel Romero**, representative of council member, former President Carlos Andrés Pérez, Venezuela
- The Right Honorable Arthur Robinson**, president, Trinidad & Tobago
- His Excellency Miguel Ángel Rodríguez**, president, Costa Rica
- The Honorable Gonzalo Sánchez de Lozada**, former Bolivian President
- The Honorable Juan Carlos Wasmosy**, former president, Paraguay

## *Council Executive Secretariat*

- Mrs. Rosalynn Carter**, vice chair, The Carter Center
- Dr. Jennifer McCoy**, director, Latin American and Caribbean Program, The Carter Center, and executive secretary, Council of Freely Elected Heads of Government, United States

## *Government Representatives*

- The Honorable Ivonne A-Baki**, ambassador to the United States, Ecuador
- The Honorable Miguel Alemán**, governor, State of Veracruz, México
- Dr. María del Carmen Araujo**, designate for National Anti-Corruption Plan, Ecuador
- The Honorable Genaro Arriagada**, ambassador to the United States, Chile
- Mr. Justo Pedro Castellanos**, director, Office of Prevention Against Corruption, Office of the Attorney General, Dominican Republic
- Mr. Alfredo Corral Borrero**, comptroller general, Ecuador
- The Honorable Jaime Daremblum**, ambassador to the United States, Costa Rica
- The Honorable Flavio Dario Espinal**, ambassador, permanent representative of the Dominican Republic to the Organization of American States
- The Honorable Carlos Falquez Batalla**, vice president, National Congress, Ecuador
- The Honorable Amalia García**, senator, Mexico
- Mr. Rodolfo Gil**, International Affairs advisor to the governor of Buenos Aires Province, Argentina
- Mr. Anand Goolsarran**, auditor general, Guyana
- Mr. Jack Guynn**, president, Federal Reserve Bank of Atlanta
- Mr. George Haynal**, assistant deputy minister for the Americas, Department of Foreign Affairs and International Trade, Canada
- Mr. Roberto Izurrieta**, communications officer to the Office of the President, Ecuador
- Ing. Agustín Jarquín**, president, Organization of Central American Supreme Audit Institutions and comptroller general, Nicaragua

- The Honorable Ramón Jimenez**, attorney general, Ecuador
- Mr. Lorenzo Lazo**, secretary of government programs, Veracruz, México
- Mr. Alberto Leyton**, executive secretary of the Integrity Commission, Bolivia
- Mr. Mike Orfini**, advisor for National Security Affairs to the vice president, United States
- Ms. Rosamond Perkins**, comptroller general, Ministry of Finance, Liberia
- The Honorable Stephen Potts**, director, Office of Government Ethics, United States
- The Honorable Clement Rohee**, minister of Foreign Affairs, Guyana
- The Honorable Hector Romero Parducci**, president, Supreme Court, Ecuador
- The Honorable Robert Rubin**, secretary of Treasury, United States
- Mr. Bob Schiff**, chief counsel for the minority on the Senate Judiciary Committee's Subcommittee on the Constitution, United States
- Dr. José Miguel Villalobos**, government liaison for Transparency Project, Costa Rica
- Dr. Mariana Yopez**, public prosecutor, Ecuador

## *International Organization Representatives*

- Mr. Jorge García González**, director, Department of Legal Cooperation, Organization of American States
- The Honorable Enrique Iglesias**, president, Inter-American Development Bank
- Dr. Daniel Kaufmann**, Economic Development Institute, The World Bank
- Dr. Mark Pieth**, professor of Criminal Law and Criminology, University of Basel, chair, Organisation for Economic Co-operation and
- Development's Working Group on Bribery in International Commercial Transactions, Switzerland
- Mr. Mark Schneider**, assistant administrator, Latin America and the Caribbean, United States Agency for International Development
- Mr. Andrés Solimano**, director, Ecuador, Colombia, and Venezuela, The World Bank
- Mr. James Spinner**, deputy general counsel, Inter-American Development Bank

## *Experts and Civil Society*

- Dr. Lloyd Barnett**, law offices of Lloyd Barnett, Jamaica
- Ms. Nancy Zucker Boswell**, managing director, Transparency International, United States
- The Honorable John Brademas**, chairman of the board, National Endowment for Democracy, and former U.S. representative
- Ms. Ana Virginia Calzada**, president, Commission for the Betterment of Administration of Justice (CONAMAJ), Costa Rica
- Ms. Carmen Amalia Cedeño**, executive director, Action Against Corruption, Dominican Republic
- Mr. Oliver Clarke**, chairman and managing director, *The Gleaner*, and former president, The Inter-American Press Association, Jamaica
- Mr. Bertrand de Speville**, de Speville and Associates, former commissioner of Hong Kong Independent Commission Against Corruption, United Kingdom
- Ms. Jocelyn Dow**, Red Thread Women's Development Organization and managing director, Liana Cane Interiors, Inc., Guyana
- Mr. Peter Eigen**, president, Transparency International, Germany
- Mr. Nicolas Espinosa Maldonado**, president, Commission for Civil Control of

## Conference Participants *(continued)*

Corruption, Ecuador

**Dr. David Fleischer**, professor, University of Brasilia, Brazil

**Mr. Bonaparte Gautreaux**, editor, *El Nacional*, and Civic Society Monitor of the Privatization of the Dominican Republic Airport System, Dominican Republic

**Mr. Fritz Heimann**, counselor to General Counsel, General Electric, and chair, Transparency International, United States

**Dr. Robert Klitgaard**, dean, RAND Graduate School, United States

**Mr. Ronald MacLean-Abaroa**, senior governance researcher, Central America Project, Harvard Institute for International Development, Bolivia

**Colonel Trevor MacMillan**, security advisory and management, Jamaica

**Dr. Valeria Merino**, president, Center for Latin America Development, Ecuador

**Dr. Luis Moreno Ocampo**, president, Transparency International Latin America, Argentina

**Dr. Trevor Munroe**, professor, Department of Government, University of West Indies, and senator, Jamaica

**Mr. Benjamin Ortíz**, director, Causa Común, and editor, *Hoy*, Ecuador, now foreign minister

**Dr. Violeta Pallavicini**, director, Center for Research and Training in Public Administration, University of Costa Rica, and member, Integridad Democrática

**Dr. Robert Pastor**, Goodrich C. White Professor of International Relations, Emory University, United States

**Dr. Lelia Rachid**, executive director, Club de Asunción, Paraguay

**Dr. Milda Rivarola**, member, Club de Asunción, Paraguay

**Dr. Alasdair Roberts**, associate professor, Queen's University, Canada

**Mr. Jaime Sánchez**, consultant on project management and public contracts, Ecuador

**Mr. Jim Wesberry**, director, Accountability Anti-Corruption, LAC, Casals & Associates, United States

### *Business and Others*

**Mr. Peter Bell**, president and CEO, CARE

**Dr. William Chace**, president, Emory University, United States

**Mr. Joe Creamer**, vice president, United Parcel Service

**Mr. Neal Creighton**, president, The Robert R. McCormick Tribune Foundation, United States

**Mr. Michael Davies**, chair, Committee on Corruption and Business, Canadian Council of International Business, Canada

**Mr. Pedro Pablo Díaz**, vice president, Corporate Communications, Coca-Cola Latin America, Chile

**Mr. Bob Elizondo**, vice president for Latin America Operations, Americas Region, United Parcel Service

**Mr. Rudi Forster**, acting managing director, Latin America, Delta Air Lines, Republic of Ireland

**Ms. Ana Guevara**, manager, Public Affairs, United Parcel Service, United States

**Mr. Timothy Haas**, president, Latin America Group, The Coca-Cola Company, United States

**Dr. John Hardman**, executive director, The Carter Center, United States

**Dr. Anthony Imler**, executive director, Public Affairs, Merck & Co., Inc., United States

**Ms. Charlene Kennedy**, regional manager, Governmental Affairs, Delta Air Lines

**Mr. Gideon Lichfield**, Latin American correspondent, Economist, United States

**Dr. Melanie Oliviero**, program officer, Program for Global Security and Sustainability, John D. and Catherine T. MacArthur Foundation, United States

**Mr. Chris Sabatini**, senior program officer, Latin America and the Caribbean, National Endowment for Democracy, United States

**Mr. Horace Sibley**, senior partner, King & Spalding, United States

**Amb. Gordon Streeb**, associate executive director, Peace Programs, The Carter Center, United States

**Mr. Pablo Zalaquett**, CEO, Generación Empresario, and fellow, Eisenhower Foundation, Chile

### *Journalists from Latin America*

**Mr. Alvaro Javier Amoretti**, investigative journalist, *El País*, Uruguay

**Mr. Gerardo Barraza**, chief economic section, *La Republica*, Perú

**Mr. Robert Bottome**, editor, *Revista Venecomomy*, Venezuela

**Ms. Nivia Carralho**, editor, *O Globo*, Brazil

**Ms. Ines Elejalde**, political editor, *El Diario Expreso*, Perú

**Mr. Jorge Fernandez**, political columnist, *El Financiero*, México

**Mr. Roberto Giusti**, writer, *El Universal*, Venezuela

**Mr. Antonio Gois**, sub-editor, *O Dia*, Brazil

**Mr. Juan Lozano**, editorial director, *City Noticias*, Colombia

**Mr. Gilberto Nascimento**, *Isto É Magazine*, Brazil

**Ms. Laura Puertas**, coordinator, Andean Media Group, Perú

**Mr. Ignacio Rodríguez**, political analyst, *Revista Milenio*, México

**Mr. Luís Salazar**, chief of press, Canal 13 TV, Chile

**Mr. Ricardo Uceda**, chief of Special Studies, *El Comercio*, Perú

**Mr. José Carlos Ugaz**, lawyer and columnist, Perú

**Mr. Alberto Valdez**, political analyst, *Multimedios America*, Argentina

**Mr. Eduardo Van der Koy**, political analyst, *Clarín*, Argentina

**Mr. Mauricio Vargas**, director, *Cambio Magazine*, Colombia

**Mr. Raul Vargas**, coordinator, Press and Radio RPP, Perú

**Mr. Roberto Zamarripa**, *Reforma*, México

**Ms. Angélica Zegers**, journalist, *Revista Capital*, Chile

**Ms. Fabiola Zepa**, writer, *El Nacional*, Venezuela

### *Rapporteurs*

**Dr. Jan Barton**, associate professor, Accounting, Goizueta Business School, Emory University, Venezuela

**Dr. Henry "Chip" Carey**, associate professor, Political Science, Georgia State University, United States

**Ms. Debbie Palmer**, doctoral candidate, Oxford University, United Kingdom

**Ms. Nobina Robinson**, senior policy advisor, Canadian Foundation for the Americas, Canada

### *Latin American and Caribbean Program Staff*

**Ms. Becky Castle**, program coordinator, Latin American and Caribbean Program, The Carter Center, United States

**Dr. Shelley McConnell**, associate director, Latin American and Caribbean Program, The Carter Center, United States

**Ms. Tanya Noelle Mújica**, program assistant, Latin American and Caribbean Program, The Carter Center, México