

GLOBAL ETHICS FORUM, GENEVA 3 JULY 2009

Roundtable 2 – Creating and sharing wealth in times of great uncertainty Contribution of Jean-Pierre Méan, Vice President, Transparency International (Switzerland)

.....
The topic of this Roundtable is ‘Creating and sharing wealth in times of great uncertainty’. I am personally not qualified to give investment advice, not in good times and still less in bad times. However, if wealth is measured only in dollar terms, from my vantage point with Transparency International, I would suggest that, in order to create wealth, you try ... corruption.

How should you go about it? If your ambitions are limited, you should try petty corruption. If you are working in the medical field, you may want to follow the example of those nurses in a maternity ward in Bangalore who were asking for a payment from young mothers to allow them to see their newly born child (300 rupees or US\$ 6 for a boy, and 200 rupees or US\$ 4 for a girl). You could also be inspired by this doctor in Saint Petersburg who requested a bribe for an operation which he said was urgent and who changed his diagnosis to “inoperable condition” when the patient, an elderly woman, could not pay the bribe. If you are a university professor, you could ask students for a payment in order to grant them their diploma as professors, as some of them do in Rumania. If you are a high school teacher to adolescent girls, you could ask for sexual favors in exchange for a passing grade, as some teachers do in Ivory Coast. And if you are in charge of delivering permits for restaurants, you could use your position to find buyers for your father’s worthless painting as a public official did in Switzerland.

For the more ambitious, I would suggest grand corruption. If you are a judge, you could then make an arrangement with a private detention facility for young offenders (provided there are such private facilities in your country) whereby you would get a “commission” proportionate to the term of young men appearing in your court (of course you would then sentence as many of those young men for sentences as long as possible) as two judges did in the State of Pennsylvania in the US. You could also auction a senate seat after the incumbent has been elected President of the United States, as the Governor of Illinois tried to do after the election of Barack Obama. If you had had the chance to be a public official in a country affected by the 2004 tsunami, you may have ended up with a garage full of relief goods as a government lawyer in one of these countries did. And if you had been the public official deciding who was to produce the identity card for Argentina, you may have shared in the

US\$4 million bribe paid by Siemens in order to get this contract, or if you had been in Venezuela you could have gotten part of the US\$ 26 million bribe paid in order to get the contract for urban rail lines in that country.

If you are not in favourable territory to engage into any of the forms of corruption described above, you may want to become an agent or intermediary and, under the pretence of helping with the negotiation of a contract, be the channel for the exchange of money for a favourable decision by a public official. These services are highly valued by unscrupulous companies at a time when it has become hazardous to be directly involved in corruption.

Of course, corruption is a crime and may give rise to hefty fines as well as prison sentences. However, the risks of getting caught are minimal; the odds are certainly less than 5 in a hundred and possibly less than 1 in a hundred. A recent review of the implementation of the OECD Convention on Bribery shows only four countries to be actively implementing the Convention (cases with penalties). Eleven countries are considered to be moderately enforcing the Convention (cases but no penalties) and 21 countries have little or no enforcement (15 of these countries have no case at all). This is not surprising given the fact that some chiefs of states still in power or in power until recently stand under a very high suspicion of corruption (Messrs. Berlusconi in Italy, Zardari in Pakistan and Bongo in Gabon to name a few).

Even in the current economic crisis, the prospects for corruption are good. The public funds injected in the economy create good opportunities for those who are in the right place at the right time.

To address the theme of this Roundtable, corruption is thus a save and sure way to create wealth for yourself and to share it with your family and close friends. THAT IS, IF ... you measure wealth in Rolex watches, Ferraris and expensive homes. There is, however, another way to measure wealth. "Values" is a much used and abused word these days. Corporate culture is seen as a set of values such as integrity, justice, leadership, social responsibility, sustainable development, non-discrimination. Adopting these values, we are told, will be profitable. But why does it have to be? Why can we not see that these values alone are wealth? Are values not in themselves the components of wealth? And is adopting them not in itself creating and sharing wealth, especially in times of great uncertainty when it is quite impossible to know whether they will bring profit or not?