

## 4. Tackling Corruption

Lessons from Oxfam's work



*Electoral Observation Mission Peace Week March, Sincelejo, Colombia*

Corruption drives poverty, powerlessness, and exclusion in societies where having little cash or influence means no access to basic entitlements, public services, justice, or even physical security. But corruption is not an isolated issue. It is part of a set of societal, economic, political, and cultural systems that deny people in poverty access to rights and resources. For this reason, Oxfam sees work on corruption as integral to rights-based work which seeks to increase the power of people in poverty to demand change, and the accountability and capacity of governments to deliver it. This paper examines Oxfam's approach to corruption and its work in several different countries. It also outlines key corruption issues for those working in development.

## Introduction

Why is corruption an important issue for development? Corruption causes poverty and constrains poverty reduction. In societies where having little cash or influence means no access to public services, basic entitlements, or even physical security, corruption drives poverty, powerlessness, and exclusion by diverting scarce resources intended to improve poor people's lives.

What is corruption? A variety of definitions exist, but Oxfam defines it as 'the abuse of entrusted power for private gain'. Corruption diverts public resources away from social sectors and poor people, increasing the cost of public services, lowering their quality, and often restricting access to such essential services as water, health, and education. Corruption also limits the development and economic growth of a country, and perpetuates the unequal distribution of power, wealth, and resources. While corruption impacts negatively on most segments of society, people living in poverty lack the economic, social, and political power necessary to challenge corrupt practices and are more vulnerable than most to extortion, bribery, double standards, and intimidation.

So how does corruption affect the right to be heard? It is not just about financial loss; it is about control of, access to, and distribution of, resources in society. It cannot be isolated from broader governance problems where governments and the powerful operate with impunity and people lack the power to challenge them. The absence of corruption, therefore, is a key part of good governance. Corruption makes it harder to influence decision-makers and empower poor people, and works against their right to be heard.

Who is most affected? As usual, those with the fewest resources and least power are the hardest hit. Women living in poverty, for example, are vulnerable to sexual exploitation with little power to challenge abusers, and excluded from the basic services they need in their caring roles.

These are issues that concern non-government organisations (NGOs) every day, whether they are working on livelihoods, emergency relief, or human rights. Development organisations have a responsibility to their supporters and beneficiaries to ensure that aid is used as effectively as possible – both protecting their own resources and playing a part in monitoring the effective use of government investments in anti-poverty programmes. They also need to practise what they preach and remain free of corruption themselves, both as a model and in order to ensure a relationship of trust with their partners.

## What is Oxfam's approach to corruption?

Oxfam takes a rights-based approach to its development, humanitarian, and campaigning work. This means we recognise that imbalances in power relations prevent people in poverty from exercising their rights; that much of our work is participatory; and that all development actors and all stakeholders are accountable to one another.

Oxfam GB recently undertook an internal review of its programme and policy on corruption work, which included a global survey of the experience and opinions of over 80 staff and partners across 30 countries. The results are of interest to other international NGOs reviewing their approach to such work.

Staff and partners surveyed by Oxfam made it clear that corruption is not an isolated or stand-alone issue – it is part of a set of societal, economic, political, and cultural systems that deny people in poverty access to rights and resources. Many staff emphasised the importance of starting with the problems facing people in poverty. For people with no access to medical care or schools for their children, it makes little difference whether the cause is corruption, weak public policy, or lack of resources.

For this reason Oxfam sees work on corruption as part of a range of work to increase the power of people in poverty to demand change, and the accountability and capacity of governments to deliver it. It is therefore central to the theme of the right to be heard.

This paper gives a number of examples of campaigns and organisations successfully fighting corruption. They were chosen because they were areas where Oxfam has programme experience on or around the issue of corruption, and because they agreed to participate in the research. These include monitoring campaign financing in Chile; monitoring elections in Colombia; and tracking public spending in Malawi and Indonesia. From these examples and others, a number of lessons for supporting future programme work on corruption are outlined.

## Oxfam's work on corruption

Oxfam GB funds a range of development work on corruption. Most is indirect, and focuses on improving accountability and the participation of people in poverty in decisions which affect their lives, as a contribution to creating an environment where corruption is less likely to flourish. Much of this consists of participatory budget work and budget analysis; participation of communities in public decision-making; and campaigning for public accountability and corporate social responsibility. For example:

- Funding anti-corruption organisations in Uganda, Cambodia, and Indonesia.
- Supporting work on political reforms and election monitoring in Chile and Colombia.
- Holding business to account through the Extractive Industries Transparency Initiative (EITI). The EITI is a coalition of governments, companies, civil-society groups, investors, and international organisations. It supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas, and mining.
- A Publish What You Pay (PWYP) campaign in West Africa and Bolivia. The PWYP is a coalition of over 300 NGOs worldwide which calls for the mandatory disclosure of the payments made by oil, gas, and mining companies to all governments for the extraction of natural resources.
- Some engagement with multilateral anti-corruption initiatives such as the UN Convention Against Corruption (UNCAC). Adopted in October 2003, the UNCAC creates the opportunity to develop a global language about corruption and a coherent implementation strategy. It is a multilateral legal and international co-operation mechanism against corruption, signed by over 200 countries. It requires states to take action on private-sector corruption and to improve the integrity and accountability of public affairs. There is a 'friends of the UNCAC' coalition of NGOs from 40 countries, using the UNCAC as an important platform for national and international work on corruption. A multitude of international anti-corruption agreements exist, but their implementation has been uneven and only moderately successful. The UNCAC gives the global community the opportunity to address both of these weaknesses and begin establishing an effective set of benchmarks for effective anti-corruption strategies. The Global Programme against Corruption (GPAC) is a catalyst and a resource to help countries effectively implement the provision of the UNCAC.

In its humanitarian response, Oxfam works to make vulnerable people aware of their entitlements and rights; as part of this we aim to prevent people being coerced into financial, sexual, or other favours in return for food, shelter, and so on. For several years, Oxfam GB has been part of various inter-agency initiatives to improve accountability to people affected by disasters, including participating in a peer-review process to improve accountability in its own work and that of others in the sector. Oxfam also works on the prevention of abuse and exploitation of beneficiaries by international and national relief and development workers by training staff, informing affected communities of their rights and entitlements, and

working to ensure that complaints mechanisms are in place, functional, and accessible to all.

## The political process, elections, and financing

Much of Oxfam's corruption work is based on improving the relationship between people in poverty and governments; empowering citizens to demand more from governments, and supporting governments and others in power to deliver their responsibilities to citizens. It is crucial to work with both people in poverty and people in power in order to bring about real change.

In Chile, Colombia, and Indonesia, Oxfam and its partners believe that work on corruption should start at the root cause: political culture, which is seen to 'infect' the rest of society. This means taking every opportunity to tackle corruption at key points such as elections, corruption scandals, changes in legislation, and parliamentary reforms.

'We need a change of political and state culture - if you are a Minister you have to believe that you are a public servant and you fulfil the law and respond to the public. This idea is obvious to us, for the [politicians] it's an idea from another planet', says an Oxfam partner in Chile.

### **Countering corruption in Colombia: monitoring elections**

More than 40 years of conflict in Colombia have created a state where many areas are dominated by powerful interest groups, who have benefited from a weakened rule of law, and a democratic and accountability deficiency in local institutions. For example, a recent police investigation exposed a plot by paramilitary leaders to fund electoral candidates in local elections, in return for a reward from public expenditure on social services.

In this context, monitoring elections becomes very important. In the 2006 elections, more than 60 per cent of the electorate stayed away and more than a million people spoiled their ballots. In October 2007, Oxfam GB supported the Electoral Observation Mission (MOE) to monitor the mayoral and regional elections in districts most affected by violence and conflict. The findings provide a window onto the whole electoral monitoring process, which is seen as an important way of protecting candidates. According to the MOE, there was illegal pressure on ordinary citizens in more than half the municipalities (576 of 1,099). The findings also demonstrated the substantial risk to the electoral candidates themselves. The MOE used the information on the candidates to create a map of electoral risk. The electoral monitoring process also provides valuable contextual analysis that helps to inform Oxfam GB's work on humanitarian and protection issues.

Case study from MOE

One of the ways of countering corruption is to push for access to information as a legally guaranteed right, as the following example of Oxfam GB's work in Chile shows. If people know what their rights are, they are more likely to be able to see when corruption is happening and perhaps do something about it.

#### **Challenging collusion between politics and business in Chile**

Two examples of Oxfam partners in Chile working on access to information on elections and public policy show the importance of such work in improving transparency, reducing corruption, and allowing ordinary citizens to make a difference.

##### *Monitoring elections and campaign financing*

PARTICIPA, an NGO and Oxfam partner, started as a campaign to peacefully vote Pinochet out of office in 1987. Seven thousand volunteers around the country encouraged people to vote in a referendum and conducted political education with voters, a key influence on the peaceful expulsion of Pinochet from office. Since then PARTICIPA has continued to push for constitutional amendments to improve the functioning of elections, to improve electoral participation, to bring citizens into public decision-making, and to increase transparency in public policy. In 2002, PARTICIPA used new laws on electoral spending to monitor the spending of over 80 parliamentary candidates. The results, along with related corruption scandals, shocked the public and angered politicians, resulting in the tabling of a new law and greater regulatory oversight on campaign financing.

##### *Access to information as a powerful campaign tool*

TERRAM is an environmental organisation working on social and economic issues. It meets with government and parliamentarians as a non-profit lobby, does lots of public-information work, participates in law proposals, and writes articles on key reform agendas. TERRAM successfully brought the first legal action against a government body (*Corporación Nacional Forestal*, CONAF – the National Forestry Commission) for access to public information using the new probity law, which contains regulations on public access. CONAF was found guilty on all counts and compelled to provide information and cover legal costs. This was a groundbreaking case leading to a number of advancements in transparency and probity in public office.

## **Corruption in non-formal power structures excludes women**

The use and abuse of informal power is a significant source of corruption in many countries. It can particularly affect women's access to power and resources. Oxfam partners in East Africa and Indonesia point to traditional leadership structures that exclude women from decision-making:

'Right now there is powerful competition between elites and interest groups – this prevents the needs of women and the poor to be taken up to higher level. On top of this women's access to decision-making is limited by patriarchal culture; they are subordinated and criticised

if they are outside the house too much', says a member of the Institute of Community Justice, an Oxfam partner in Indonesia.

Supporting women's voices, increasing their power, and improving accountability within informal structures is a long process. NGOs can help by maintaining good contact with government and advocating for women's participation in all decision-making structures. At community level, women need to be aware that they are important, and their voices and aspirations count as much as men's. Gaining the support and political will of local and traditional leaders is also crucial.

## The importance of a strong community presence

'We used to do the [budget] analysis ourselves, do the lobbying and file court cases. But the legal process is not effective and at the same time we were not building awareness among the public. Ordinary people give a lot of weight to other people's official status - this generates a climate in which corruption becomes acceptable. So building awareness in communities is very important', says an Oxfam partner in Indonesia.

Many organisations funded by Oxfam highlight the importance of community work in combating corruption. It is seen as essential to building the voice of people in poverty, raising awareness about rights, challenging tolerance of corruption, and creating the demand for higher standards from public office. A strong community presence is also key to the legitimacy and credibility of organisations working on corruption, as the examples below show.

### **Monitoring public spending in Malawi's schools**

The Civil Society Coalition for Quality Basic Education (CSCQBE) is a coalition of NGOs, community groups, community service organisations, and education networks working together to improve public education policy in Malawi. Every year since 2001, the coalition has surveyed the public education budget, and supported school committees, parent-teacher associations, and community organisations to monitor public spending in schools. The coalition publishes its findings, conducts lobby meetings with government and donors, and feeds into parliamentary hearings.

Their work has exposed a number of problems including the financing of 'ghost' teachers (who appear on the salary roll but never turn up) and schools, and the charging of administration fees by regional governments for handling school funds. It has contributed indirectly to the prosecution of the former Education Minister for spending public funds on his wedding.

CSCQBE's constant pressure and surveillance has done much to open up the Malawian government to civil-society demands for greater accountability:

'The budget monitoring exercise has added a voice for Malawian civil society in demanding social services and accountability. CSCQBE has become a force to reckon with, and the government is forced to make statements and clarify what it is doing with public resources', says Limbani Nsapato, CSCQBE's Director.

Based on conversation with Limbani Nsapato, Director of CSCQBE and L. Nsapato (2005) 'Budget Monitoring: Survey of Education Expenditures in Malawi', CSCQBE.

### **Social sanctions for corrupt behaviour in Kupang, West Timor, Indonesia**

The Initiative for the Development of People's Advocacy (PIAR) has been investigating and publicising corruption in West Timor since 1996. It analyses and investigates the use of province budgets; helps district governments improve their planning and respond better to communities; and educates community members about their rights. One of the ways this is done is through Participatory Poverty Assessments, which gather information from people in poverty in order to provide the necessary information to address local needs.

Since working with Oxfam, PIAR have changed their approach from a purely investigative, confrontational role with government, to an approach that is more collaborative and takes a more constructive approach with the district, city, and province authorities. They have had a number of successes. PIAR campaigned for the repeal of a law which permitted MPs in Kupang to vote themselves a pay rise at twice the legal limit. PIAR Director Sarah Lery Mboeik feels their success has given them the clout needed to press for other improvements: 'We felt proud because corruption by politicians became a big issue in province, this gives us a better bargaining position with the government – they're scared of us now.'

## **Working with governments and the private sector to deliver accountability**

Making accountability work takes more than upward pressure on government from civil society. Working with governments themselves is also crucial if there is to be an improvement in their responsiveness to citizens and their capacity to deliver on public services. Oxfam partners such as KOPAL (an Indonesian organisation founded in 2000 by journalists and university students, whose vision is for MPs to be more accountable and responsive to their constituents) train MPs on budget law and how to respond to constituents. KOPAL also monitors them against a code of conduct and creates 'political contracts' between politicians and their constituents, by organising regular public meetings where politicians discuss their progress against their campaign promises.

'It's crucial that the legislature functions efficiently and accountably – but it is also crucial that communities are critical of the legislature and public policy functions. As voters, they need to be aware of why they are participating, who they are voting for, and whether that

candidate is responding to their interests and needs', says KOPAL's director, Sam Suddin.

## Working in alliance with other organisations

Working with like-minded organisations on corruption is crucial in order to share ideas and approaches, increase influence, and provide 'safety in numbers'. Strong protests from NGO allies prevented the expulsion of anti-corruption NGOs in a number of countries. For example, a decision to bar a Philippine anti-corruption NGO from the international UNCAC conference was reversed after protests by a global coalition of NGOs in December 2006.

International NGOs need to use their voices to campaign for multilateral mechanisms against corruption; to pressurise multinationals and national companies to act accountably; and to support the work of national anti-corruption organisations such as UNCAC, EITI, and PWYP.

## NGOs as role models

Attitudes and beliefs about the acceptable use of power in society are critical, and an obvious entry point for NGOs. Oxfam staff point to the fact that cultural practices in many societies legitimise forms of nepotism, with the use of influence to assist family and community seen as normal, and part of a coping strategy for people in poverty. This has implications for NGOs too: there are inevitably pressures on staff members to use their position to benefit family and community. It is important to emphasise that corruption is not a moral or cultural problem exclusive to developing countries, as recent corruption scandals in the West illustrate.

'There's social acceptance of some kinds of corruption: no-one's hurt, you've managed to help yourself and your people. The thought that these practices are unfair and limit the resources available to others is not appreciated', says an Oxfam staff member from the Horn, East, and Central Africa Region.

This is a key issue: NGOs should be role models of non-corrupt institutions, particularly where traditions and customs of kinship and collective support can undermine more general notions of solidarity and meritocracy. In order to do this, staff will have to be open and brave enough to talk about and address corruption within their own organisations. This means working with staff to understand corruption within the local context; making sure that programme work is free of corruption; and being consistent and credible to beneficiaries.

In terms of internal integrity, Oxfam GB is committed to high legal, ethical, and moral standards in all its work, and supports this

through codes of conduct, its internal policies, and the work of its dedicated loss-prevention team. Oxfam GB's internal Code of Conduct requires all staff to adhere to high standards of professionalism and integrity in keeping with Oxfam's beliefs, values, and aims. Oxfam GB has an internal Anti-Fraud and Corruption Guidance which sets out procedures to assist staff and managers in preventing, detecting, and handling fraud.

To improve Oxfam's accountability to its beneficiaries in humanitarian responses, Oxfam has been participating in a peer-review process with eight other international organisations. Progress in improving accountability to affected populations is being made in some places with simple actions on the ground, and has been shown to pay for itself, both in humanitarian and financial terms, as the case study below shows.

#### **Accountability to food-aid recipients in Malawi**

In 2005–2006 there was a food crisis in Southern Africa. More than 12 million people were affected in seven countries. In Malawi, 35 per cent of the population was in dire need of food.<sup>1</sup> This resulted in a large-scale food-aid programme, the accountability of which was examined by Oxfam. An Oxfam humanitarian team surveyed 1,200 aid recipients through focus-group discussions and 'pocket voting', which allows communities to voice their opinions through a visual feedback form. The people choose a face, which shows a certain emotion, to respond to questions.

Overall, 70 per cent of those surveyed rated themselves as 'happy' with the way they had been able to interact with Oxfam.<sup>2</sup> The evaluation team did not speak to a single person who was confused about entitlements, ignorant of the fact that humanitarian aid is free, or who had missed a distribution because they were confused or ill-informed. The team learned that beneficiaries had been able to report corruption and theft through mechanisms set up by Oxfam. For example, one community feared they were being defrauded by a man working in the transition of grain from the Oxfam suppliers to the people. Community members approached the police, who investigated, found the man guilty, and punished him appropriately. This was possible due to prior discussions between the community, partners, Malawian police, and Oxfam, all of whom had reached an agreement on how such incidents should be approached.

Case study from field pilots as part of the Humanitarian Accountability Proposal 2007 (unpublished) Yo Winder, Oxfam GB

Oxfam believes that work on anti-corruption should recognise the importance of:

- Improving how people use entrusted power – including private, public, and informal structures. Improving how governments use public resources is a priority, given their duty to drive development, protect human rights, and reduce poverty.
- Social attitudes towards corruption, the distribution of resources, and the way power is used.

- Action from developed countries' governments and companies to tackle the supply-side of corruption by improving corporate accountability and supporting multilateral initiatives against corruption.

## Lessons learned

Oxfam has learned a number of lessons during the course of its work against corruption with partners in many different countries:

- 1 **Attitudes and beliefs** about the use of power and about accountability are an important entry point for NGOs into work on governance and corruption.
- 2 **The political process, elections, and financing** are key to fighting corruption – it is important to make the most of opportunities for change during these times.
- 3 It is crucial to **work at a number of levels** on corruption issues – both with people in poverty and with people in power; and at local, national, and international levels. It is also important to form alliances with other NGOs and anti-corruption networks as this increases influence and provides protection to NGOs in sensitive environments.
- 4 This is a **long-term project** – over and over again those working on corruption point out that this is not something that happens quickly and easily.
- 5 **NGOs are important** as role models of accountability and integrity. It is important to practise what you preach – trust once lost is not easily regained.

## Notes

<sup>1</sup> British Red Cross (2006) 'Food for thousands of Malawi families', [www.redcross.org.uk/news.asp?id=51572](http://www.redcross.org.uk/news.asp?id=51572) (last accessed September 2008).

<sup>2</sup> 'Of the remaining 30%, 5% were neutral, 12% were sad, and 12% were angry'. From case study from field pilots as part of the Humanitarian Accountability Proposal 2007 (unpublished) Yo Winder, Oxfam GB.

Cover photograph: Misión de Observación Electoral, 9 September 2008

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This paper was written by Bethan Emmett. Thank you to Nikki van der Gaag who edited the paper and to Emily Laurie who provided research assistance. It is part of a series of papers written to inform public debate on development and humanitarian policy issues. The text may be freely used for the purposes of campaigning, education, and research, provided that the source is acknowledged in full.

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Online ISBN 978-1-84814-059-2. This paper is part of a set **Speaking Out: How the voices of poor people are shaping the future** available for purchase from Oxfam Publishing or its agents, print ISBN 978-0-85598-638-4 for the set of 12 papers. For more information visit <http://publications.oxfam.org.uk/oxfam/display.asp?ISBN=9780855986384>

This paper is also available in French and Spanish.

## Oxfam GB

Oxfam GB is a development, relief, and campaigning organisation that works with others to find lasting solutions to poverty and suffering around the world. Oxfam GB is a member of Oxfam International.

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