

Editorial Points for WGB Delegates

Foreign Bribery: Who Pays the Price?

Fighting corruption is a good fight and a difficult fight. It is a fight we can and should win.

Corruption saps the vitality of our economies, it distorts competition and it hampers social progress. This is no different from the corruption of foreign public officials. Consider who pays the price of foreign bribery. Ordinary people pay the price when shoddy highways, schools, or hospitals are built by companies who cut corners by offering bribes. Local businesses pay the price when they lose contracts because they cannot afford to pay a bribe. Whole nations pay the price when, because of corruption, foreign companies no longer want to trade and invest.

The fight against corruption is more important than ever, given the recent economic crisis and the enormous social and human impact it is having in advanced and developing countries alike. Also, stretched budgets mean that governments are under increasing pressure to make public expenditures more effective.

It is at times like these that we have to be especially vigilant. Increased competitive pressure means companies may be more prone to engaging in corruption, notably in public procurement.

Today, on International Anti-Corruption Day, we are celebrating the tenth anniversary of the entry into force of the OECD Anti-Bribery Convention. Only ten years ago, companies considered bribes and tax deductions for paying bribes to be a normal part of business. Today, in the 38 countries who are Parties to the OECD Anti-Bribery Convention, it is illegal to bribe foreign public officials. The result is that, since its entry into force in 1999, State Parties to the Convention have sanctioned more than 150 individuals and companies for bribery and related offences, while there are currently approximately 250 more on-going investigations of bribery allegations that could be covered by the Convention.

This is a great achievement. But our fight against corruption can be made even more effective if additional countries become Parties to the OECD Anti-Bribery Convention. We encourage them to do so.

Last but not least, building on the success of the Convention, the 38 parties to the Anti-Bribery Convention decided to go further and took the important step of signing a new Anti-Bribery Recommendation in November 2009. With new measures for combating small facilitation payments, for protecting whistleblowers, and for improving lines of communication between public officials and law enforcement authorities, the new Recommendation improves our ability to prevent, detect and prosecute foreign bribery as a crime.

The signal we, the Parties to the OECD Anti-Bribery Convention, are sending on foreign bribery with the Anti-Bribery Convention and the new Recommendation is clear: the only ones who should pay the price for this crime are the ones who perpetrate it.