



Building Policy Capacities for a Positive Trade and Investment Climate

*Plenary Remarks at the World Bank/OECD Conference on Improving
Governance and Fighting Corruption*

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Remarks by AccountAbility Honorary President Anwar Ibrahim at the Plenary Session of the World Bank/OECD Conference on Improving Governance and Fighting Corruption, Brussels, Belgium 14th March, 2007

As we witness the deterioration in the fabric of the institutions we have empowered to represent us, concerns about corruption and governance acquire great urgency. The powers that be harp on the importance of the integrity of public office while failing to deliver on their promises of social justice and sustainable livelihoods. Business leaders justify exorbitant profits on the ground of enhancing shareholders' value while paying lip service to the need to be good corporate citizens. And civil society organizations, whilst challenging the powerful around them, act with little accountability to those whose voices they aspire to represent.

Where elected representatives thrive on corruption and civil servants are conferred immunity behind a wall of official secrets; where businesses throw accountability to the wind; and where NGOs pander to purely vested interests, it is indeed superfluous to ask: are they still fit for the purposes we need them to fulfil?

We have created a generation of global institutions intended to foster interdependence and mutuality, but these institutions appear to be fighting for survival rather than offering leadership. Take, for example, the current state of the Doha Trade Round which is intended among other things to enhance development and reduce poverty while increasing market access.

But what we see instead is horse-trading between nations, unravelling the worst forms of economic nationalism and domestic pork-barrel politics, and politicians demonstrating utter lack of vision and leadership.

Under these circumstances, can we realistically expect the World Trade Organization to solve the problems of climate change, water scarcities, energy security and the needs of tens of millions of migrants? Certainly we need global institutions to convene, facilitate and mediate between diverse contexts, concerns and needs. But without vision and leadership they will remain empty roadways to nowhere.

I have elsewhere talked extensively about the links between accountability and development, and the urgent need to reinvent accountability for the 21st century. My message is simple. Accountability, at its core, concerns the ‘civilizing of power’, empowering it with the legitimacy to act in return for being answerable to those it impacts. It carries a moral imperative: power is a trust and with it comes responsibility that must form the bedrock of governance.

Accountability concerns, then, far more than compliance and the law. It shapes and encourages the ‘right’ relationship between people and the institutions that they create to manage their affairs. It is an enabler of what we can be as people and communities, not purely preventing what we must not do.

Accountability is freedom in that unfreedom arises through the constraints imposed on us by power that is unaccountable. Freedom is not the absence of accountability. It is the presence of ‘right accountability in the sense



that it delivers the ‘right’ relationships between people, transcending territorial boundaries. Without this, we fail to understand our inter-dependence, and we seek to separate ourselves from the consequences of our actions on others. In one extreme, this drives power towards despotism, and as Dr. Chinua Achebe has said, an individual tyrant or a small clique of looters in power can destroy the lives and the future of whole countries and whole populations by their greed.

Right accountability delivers the conditions that unlock people’s potential and our ability to invent, to steward and to sustain ourselves indefinitely into the future. This has practical implications for our discussions here today and, hopefully, our actions tomorrow. Consider our view on aid. Development assistance has failed us for five decades, conclusively. And we know that more of the same will equally fail us. We can account for it, making sure it is forthcoming, but this form of accountability will not make it work for us. We can audit it, to make sure it is not stolen. But this in itself will not deliver development, just more efficient un-development.

The right accountability for managing aid must be to engage those who will use it and are intended to benefit from it, from the beginning, in design, all the way through to the very end. What we need is not just so-called ‘intended beneficiaries’, but the businesses and civil society organizations as well. But business cannot be there just to pitch for contracts. And NGOs cannot demand justice without sharing responsibility for how economic wealth is created. All stakeholders need to understand their co-dependency, and share the responsibility for the design and implementation of solutions. These ‘Accountability Compacts’ enjoin the players in a mutual

accountability throughout the value chain of decisions, actions and consequences.

Consider the current debates about so-called ‘aid for trade’, ostensibly designed to assist developing countries in taking advantage of greater market access. Many developing country governments are focused on the question of ‘how much’, just as they and NGOs are focused on ‘who gets the right to choose how to spend it’. The OECD has been tasked to track it, essentially count it, and then work out how to make sense of what happened to it.

Imagine a different scenario, where public and private commercial and civil actors came together in international and national forums. Imagine that they were actually empowered to make real decisions about real money, had to debate and argue and choose between real options, and then had to be part of getting the job done. In economist’s terms, these forums would face real opportunity costs, and the co-determination process could create real mutual accountabilities, the key players ‘tied at the hip’ so to speak.

AccountAbility, for example, is the Convener of the MFA Forum, an international coalition of public agencies, businesses and civil and labor organizations focused on creating responsible supply chains in textiles and apparel following the end of the Multi-Fibre Arrangement. The public agencies are not there to impose the law, but to align policies and resources with the deliberations of real business decisions. The NGOs and labour organizations are not ‘looking in’, but are deeply involved in the

design of supply chains that meet key social and environmental conditions as part of what will deliver, crucially, a ‘responsible competitiveness’ for businesses, entire sectors and communities from Lesotho to Bangladesh.

What makes initiatives like the MFA Forum viable is the understanding between the players of their inter-dependencies, of the entanglement of their differing interests, of their need to work together in conditions of trust, to empower each other to do what each does best, which needs a very different, powerful form of accountability, a mutual accountability.

It remains to be said again that fighting corruption and promoting governance cannot be realized without transparency and open government. Without access to information how can citizens effectively challenge governmental actions and seek redress or remind public officials of their accountability? We have seen how public officials are fixated on secrecy and how the indiscriminate use of secrecy laws is makes a mockery of the practice of accountability. In this regard, accountability must warrant the force of law and accord the citizenry the power to compel disclosure of government actions. As government is power, democratic accountability demands full transparency of their activities.

Finally, the paramount question that must be resolved is the separation of powers or simply put: check and balance of the three organs of power must be in place. We know that democracies have been prone to place into the hands of the legislature immense power to govern society. As Alexis de Tocqueville has observed, “this concentration of power is at once very prejudicial to a well conducted administration and favorable to the despotism of the majority.”



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The judiciary must be independent if it is to remain as the bulwark of fundamental liberties. Judicial independence means that judges ought not to be molested by the legislature or the executive for judicial acts. They have a moral duty to protect citizens against governmental arbitrariness and political despotism. This independence is essential in providing the judicial infrastructure for a positive trade and investment climate.

Thank you.