Empowering Professionals

Issue XVII, February 2018

IACALUMNUS

Interview
Paul van Lange

MACS 2015 - 2017
Impact Stories and Graduation

Alumni 2017
Year in Review
Welcome Word

Dear Alumni,

IACA staff would like to wish you a happy and successful new year! In this issue of the magazine we wanted to look back at 2017 – a great year for our alumni association, in which we welcomed 527 new alumni who participated in our programmes and trainings. We therefore wanted to share with you an overview of who they are. At the same time, we want to thank all IACAlumnus contributors in 2017, without whom this magazine would not have existed.

Apart from that, on 5 December 2017 IACA celebrated the graduation of 22 students of our Master in Anti-Corruption Studies. A part of this issue is dedicated to them: to their lives, studies, research focus, and on the graduation itself. We spoke with Pawan Kumar Sinha from India, awarded best master’s thesis, about his inspirations and main findings.

Besides looking back at the last year, in this issue we also want to look forward. We included a contribution by Felicitas Colombo from Argentina on a prominent current issue in the crime sector, cryptocurrencies. We are very glad to include two additional contributions from Latin America, highlighting our excellent alumni network in this region. The first one is from Sebastián Hamel, who explained to us the role of external collaborators of the Judiciary in Chile. The second is from Mauricio Moreira Menezes, who covers the business anti-corruption principle in the Brazilian legal system. Pawan Kumar Sinha and Mallika Mahajan shared with us the co-authored article entitled: Game of Betrayals: A Strategy to Combat Bribery in Public Service. Finally, we also sat down with Paul van Lange, Professor of Social Psychology and Head of the Section of Social Psychology at the VU University in Amsterdam, to discuss the nexus between corruption and psychology.

We hope you will enjoy reading this issue of the IACAlumnus magazine and we are already looking forward to receiving your contributions for the next one.

Sincerely,
The Alumni team
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**PAUL VAN LANGE**

*Interview*  

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**Sebastián HAMEL**  

Fighting Corruption: The role of external collaborators of the Judiciary

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The boundaries and names shown and the designations used on this map do not imply any official endorsement or acceptance by the International Anti-Corruption Academy (IACA). No official endorsement or acceptance is implied with regard to the legal status of any country, territory, city, or any area or its authorities, or with regard to the delimitation of frontiers or boundaries. This map was produced to the best of common knowledge.
Paul van Lange is Professor in Social Psychology and Head of the Section of Social Psychology at the VU University in Amsterdam, The Netherlands. He was appointed distinguished research fellow at the University of Oxford, UK, and was awarded membership of the Royal Netherlands Society of Arts and Sciences. Most of Prof. van Lange’s publications address human cooperation and social dilemmas, including generosity, forgiveness, trust, and altruism, as well as retaliation and norm violation. He adopts an interdisciplinary approach with an emphasis on psychology, evolution, and economic decision-making, and uses a variety of methodologies, including cognitive, affective, neurological, and behavioural measures. Prof. van Lange holds a PhD Degree from the University of Groningen. He has recently co-edited and published the book Corruption, Cheating and Concealment: The Roots of Dishonesty. Prof. van Lange lectured at IACA Summer Academy 2017.
Good morning, thank you for meeting with me. The study of corruption from a psychological perspective is relatively new, could you enlighten us on the key areas of studying corruption through the lens of this science?

Yes. I think there is an important connection between psychology and corruption. For example, a key factor is that people want to promote material gain for themselves. However, at the same time they wish to view themselves as a moral actor. In other words, the last thing that these corrupt actors want is to look in the mirror and see themselves as immoral. Thus, there is a balance between maximizing self-gain and maintaining one’s view as a moral person. Researchers in this field are very interested in this delicate dilemma, and how to resolve it. Another significant area of focus is what is known as the “slippery slope” versus “steep cliff” argument.

In the “slippery slope” theory of corrupt behaviour, small acts and small crimes lead to larger acts. This can create very taxing and stressful environments for the perpetrators as they are constantly on guard. On the other end of this spectrum are the so-called golden opportunity moments, whereby a single event is uniquely tempting in and of itself.

Another important set of factors are rooted in norms and cultures. Apart from self-justification, many people use an “implicit” guideline for their own actions, especially with situations that are new, unfamiliar, and they might think what other people do in that situation. For example, in a culture of corruption, people may consider how other people would act in a similar situation.

This is supported by the moral compensation theory. People negotiate with themselves, for example. They give a donation of 100 Euros and they give
themselves the freedom to be more relaxed on another issue. This example is translated to other “domains,” e.g., it is possible to take pride in helping the community, even if that same person has behaved in a corrupt manner, for example, by taking bribes.

Some anti-corruption practitioners claim that researching corruption from a psychological point of view, although extremely interesting, might not serve the purpose of reducing or preventing it. What is your take on it? Do you see any room for applying psychology to the on-the-field fight against corruption?

Well, I see a lot of opportunities. One is job rotation. People are less able to develop a trusting relationship to engage in interpersonal corruption. With job rotation, people have to build a new reputation with a new person and that may reduce it. Secondly, nudges and implicit reminders can be used, and could be a service reminder of reputation. For example, it is clear that the environment in which one works is a factor. Having a darker office with only a few windows versus an office that is brightly lit and full of windows certainly plays a role in one’s decision to behave in a corrupt manner. Thirdly, the size of the group plays a role. It is important to keep the group size small. Crowds of eight or nine allow one to hide. Instead, the superior practice would be to have officials working in smaller groups, as that can increase the difficulty of concealing corrupt behaviour. Finally, it is essential that we create a workplace where whistleblowers feel safe and comfortable to speak out about corrupt acts.

How does the theory on collective emotions applied to the international community influence the collective awareness on the negative impact of corruption and lead to acknowledge the need for the international regulation on anti-corruption?

When the economy is strong, there is much less incentive, from the public’s perspective, to do anything about the problem of corruption. In fact, during strong periods of growth, corrupt behaviour can actually become normalized. Plus, coordinating a response to corruption means that scarce public resources must be devoted to new bodies and new professionals.

What are your next steps in your line of work and research on (anti-) corruption?

Next, I would like to focus on more transparency as to how the regulations regarding corruption are crafted. However, I would also like the opportunity to further explore the so-called “slippery slope” and so-called “steep cliff” metaphors. Lastly, I would like to do some research into one’s physiological response to corruption. For instance, do you experience some sort of pain if you are reminded of corruption?
We would like to thank all alumni, faculty, and others who have contributed to the four issues of 2017! Your contributions enlighten the anti-corruption community and we look forward to more! A big thanks to all of you!

Malika AIT-MOHAMMED PARENT
Aslam ANSARI
Michael CALLAN
Clare CHEROMOI
K.V. CHOWDARY
Felicitas COLOMB O
Alexander FRANK
Hauwa Ibrahim GARBA
Asit GOPAL
Sebastián HAMEL
Paul HOFFMAN
Jennifer KARTNER
Queen KASHIMBO-CHIBWE
Rogers KINOB E
Navin KUMAR SINGH
Pawan KUMAR SINHA
Mallika MAHAJAN
Shervin MAJLESSI
Christiaan MOLL
Mauricio MOREIRA MENEZES
Lucky Kabondo MUNTANGA
Elmur MUSAYEV
Simon OBERMAYER
Segun OLUSOLA
Holy RALAIARINORO
Keshav RAO
Geneviève RAZANADRASANIRINA
Robert ROSS
Ruggero SCATURRO
Andrew SPALDING
Alixa TOVÍO
Paul VAN LANGE
class of 2015-2017 during their studies

The class with members of IACA Faculty at the graduation ceremony in December 2017

The football tradition continued with another match against IACA staff in summer 2016

The class at IACA’s campus in 2016
The class on a study visit to the UNODC.

The class with Prof. Michael Johnston during a module hosted by the Georgian Ministry of Justice.

Some students played football against IACA staff in a match refereed by Drago Kos, Chair of the OECD Working Group on Bribery and also a former professional referee.

A lecture by Mushtaq Khan (SOAS, University of London) on Corruption, Power, and Politics.

The class also participated in IACA-OECD Joint event on Organized Crime, Terrorism and Corruption as part of UNCAC-COSP.
In the framework of the MACS programme 2015-2017, I submitted a master’s thesis entitled: Does information on corruption consequences affect corrupt and anti-corrupt behavior? The research focused on whether exposure on information about corruption consequences affects corrupt and anti-corrupt behavior. The rationale for conducting such a study was that corruption continues to be a major problem despite the efforts to fight corruption in many African countries, including Uganda. Over recent years anti-corruption efforts in many (African) countries focused on the use of information materials or propaganda loaded with anti-corruption messages as a means to fight corruption. On the television and advertisements—billboards, posters, and murals—the public are fairly regularly presented with several different messages about corruption. Images of public officials who have stolen public resources are common spectacle in print and other media. Anti-corruption reformers and stakeholders think that exposing the public to messages depicting the ills that corruption has caused to society is the magic bullet to fight corruption. In other words, most messages on corruption and the anti-corruption agenda use negatively framed
Clare Cheromoi is a lecturer and researcher at Uganda Christian University, Mukono. Clare holds a Master’s Degree from Erasmus University, International Institute of Social Studies, The Hague (Netherlands) and majored in human rights, development, and social justice. Recently she acquired another Master’s in Anti-Corruption Studies from the International Anti-Corruption Academy (IACA), Laxenburg, Austria. Her professional and research work over the years have focused on problems undermining the development of poor economies, with a particular interest in human rights, social justice, inequality and corruption.

messages. My master thesis examined whether exposure to negative information on corruption consequences affects corrupt and anti-corrupt behaviour. The results from the quasi-experimental research suggest that the anti-corruption information campaigns that have monopolized the current anti-corruption landscape in many African countries should pay more attention to how the messages on corruption are framed. The research findings show that exposure to negative information based messages that depict negative outcomes of corruption, do not significantly affect corrupt and anti-corrupt behaviour in an environment where people perceive everyone to be corrupt. This finding is supported both theoretically and empirically, particularly in goal-framing and collective action theories. This is important because in many African countries, corruption has become pervasive and therefore relying on negative propaganda about corruption may not achieve sustainable anti-corruption results.

Attending the Master in Anti-Corruption Studies (MACS) programme and writing my thesis impacted me personally and my future career prospects. My research has demonstrated that we should frame corruption messages positively if we want to impact people’s behaviour in respect to corruption, an assertion which defeated my previous conviction that exposure of corruption was key in reducing it. On numerous occasions, I have had the opportunity to share my rather perplexing results with many of my peers, colleagues at Uganda Christian university, government and civil society officials working in anti-corruption agencies, and convey to them that we need to change the anti-corruption strategy of exposing negative information about corruption to the public. I am very excited that many are embracing my idea of using positively framed corruption messages in fighting corruption in our society. For instance, recently I shared my research findings to an executive director of non-governmental organization in Uganda (Development Initiative International). She indicated willingness to integrate anti-corruption activities in their programs as a result of my research findings. At the professional level, I have already designed an initiative to disseminate positive messages about anti-corruption among young people at the Uganda Christian University through a Uganda Christian University Anti-corruption Café. Among the activities of the Café, positive messages about corruption will be shared and disseminated through workshops and social media platforms, with the aim to inspire the students in the fight against corruption. For instance, information on personalities who have remained honest in both public and private organizations and good infrastructure that has been developed through prudent procurement and construction should be shared. In this way, we will be able to energize people’s spirit to fight corruption because many appear to have opted to give up, because they think corruption is everywhere and undefeatable. We should embrace that the practice of disseminating negative propaganda about the corrupt, instead of fighting corruption, reinforces the corruption vice.
GAME OF BETRAYALS: 
A Strategy to Combat Bribery in Public Service

MALLIKA MAHAJAN  PAWAN KUMAR SINHA

In most of the developing and emerging world, corruption is a way of life. It has a deleterious effect on growth, the general wellbeing of people, and social inclusiveness. The United Nations’ Sustainable Development Goal 16 commits to “promote just, peaceful and inclusive societies” and within this, it aims to “substantially reduce corruption and bribery in all their forms.” There are many faces of corruption: bribery, embezzlement, misappropriation, trading in influence, abuse of functions, illicit enrichment, and so on, by public officials. Bribery (bureaucratic or petty corruption), however, is the most visible form of corruption which affects common people when committed by the public servants. In this article, we focus on bribery in the course of delivery of public service and an innovative strategy to tackle this problem.
Pawan Kumar Sinha, an officer of the Indian Revenue Service, is currently the Additional Director General of the National Academy of Customs and Indirect Taxes in India. He has experience in the fields of anti-corruption and internal control, training, compliance, tax assessment, container scanning, adjudication, and intelligence and investigation. He also worked as Under Secretary in the Ministry of Finance (India) and dealt with the national indirect tax policy and framing of laws and regulations. Pawan holds a Master’s degree in Economics from Delhi School of Economics, a Post Graduate Diploma in Intellectual Property Rights, and a Diploma in Financial Management. He earned the Master of Anti-Corruption Studies (MACS) at IACA in 2017 with summa cum laude honours.

Mallika Mahajan is an officer of the Indian Revenue Service. She is presently the Commissioner of Goods and Services Tax (GST) in India, heading a regional tax administration. Her work involves administration, anti-corruption, budget, and intelligence and investigation work. She has extensive field experience in the Customs and Central Excise departments in several major Indian cities. Earlier, she was the Controller of the Space Application Centre at the Indian Space Research Organization. She is an expert of the Harmonized System of Nomenclature for Classification of goods entering international trade. Mallika holds a Master of Philosophy (History), Masters of Arts (History), Post Graduate Diploma in Intellectual Property Rights, and a Diploma in Financial Management. She completed her Master of Anti-Corruption Studies (MACS) 2015-17 at IACA with magna cum laude honours.

Based on an operative criterion, bribery is further classified as extortive or collusive. Extortive bribery is where people are forced to give a bribe to the bribe-taker or third party in exchange for legitimate public goods, services, or decisions from public officials, and they feel harassed or aggrieved. Collusive bribery is where the benefit of a corrupt contract is shared by bribe-giver and bribe-taker (a public official), and there is an element of bargaining for determining the share. A collusive bribe may be given or taken for due as well as undue benefits, but definitely, involve the misuse of public authority.

Different forms of bribery require different policy prescriptions to be addressed. The preventive approach and repressive or enforcement approaches are two complementary bribery control mechanisms. The preventive approach is meant to reduce opportunity by tweaking institutions, regulations, and processes to restrict rent-seeking possibilities. It also involves altering intent for bribery through education, transparency and information sharing, codes of conduct, and integrity management. In contrast, the repressive approach deals with detection and punishment of corrupt actions.

Considering that corruption is a complex phenomenon, it requires inter-disciplinary knowledge to understand its mechanism and assess causalities, which are often confounded due to cause-consequence circularity. For example, whether weak political and economic institutions could be both causes and consequences of corruption leading to a vicious cycle. The repressive system for addressing corruption is in existence globally from time immemorial, but bribery persists, more so in the developing world. Why is this so?

In the present paper, we argue for supplementing the conventional repressive measures with a new strategic game to alter the intractable corrupt equilibrium. We subscribe to the assumption of neoclassical economics that bribery is a ‘game of calculations’ within the principal-agent framework, and the agent betrays its principals through information...
asymmetry and serves his or her self-interest by indulging in collusive or extortive bribery in the course of delivery of public services. Here we argue that such bribery can be controlled by appropriately designing a combination of asymmetric punishment and leniency policy as rules of a new strategic game, which we may call ‘the Game of Betrayals,’ to alter the network of trust and reciprocity between bribe-givers and bribe-takers.

Behavioural economists have argued that corrupt behaviour is intertwined in the complex interplay of the sublime structure of trust and reciprocity, and it is so proven through games and experimental studies. Whereas universal trust and reciprocity promote social or public interest, particularistic norms and individualistic reciprocity create an environment where corruption can thrive. Corruption is a kind of contract which cannot be legally enforced. Bribery is only enforced through particularistic trust and reciprocity or sometimes through violence. Particularistic trust and reciprocity reinforces secrecy and entraps everyone, whether giver, taker or abettor. Any successful anti-corruption measure would require altering this behavioural pattern and disturb the equilibrium of trust and reciprocity to allow betrayals and whistleblowing. This has prompted the conceptualization of asymmetric punishment and the scheme of leniency for exposing and controlling corruption. This concept is in contrast to hackneyed policy prescriptions adverting to ‘zero tolerance to corruption,’ often used (or misused) by political opportunists or by zealous but naïve anti-corruption activists who may be ignorant to the inter-disciplinary underpinnings of this well-meaning new approach to anti-corruption.

In his recent article entitled “Economic Graffiti: Anger isn’t enough,” published in the Indian Express on 14 July 2017, Kaushik Basu argued that his analysis of ‘harassment corruption’ in public service delivery, initially made in his 2011 report ‘Why, for a Class of Bribes, the Act of Giving a Bribe should be Treated as Legal,’ is reinforced through empirical studies made by Maria Perrotta Berlin et al. (2017) in their recent working paper. Bribery involves at least two partners in crime – the giver (briber) and the taker (bribee) of the bribe. Basu initiated a fresh debate about the efficacy of asymmetric punishment as a potent tool in curbing bribery wherein only bribes (demand-side of bribery) are to be punished heavily, and the action of bribe-giver is to be treated as ‘legal’ so that bribers (supply-side of bribery) are incentivised to report any harassment corruption, and bribe takers are punished. His premise is that if you punish both in equal measure, bribery becomes a joint enterprise of secrecy. His proposition goes beyond leniency or its variants like ‘approvers’ and ‘plea bargains’ as it proposes treating bribe-giving as a legal act, and hence leniency is already built in and known in advance for briber-givers. There is a strong logic in this concept which aims to decimate trust and reciprocity between the two parties of a bribery contract through one party’s (the briber’s) betrayal. This inter-play follows the asymmetric rules of a game having unilateral and unidirectional betrayal. This kind of game of betrayal is, however, not free from shortcomings.

Basu’s approach is based on certain assumptions which require intense scrutiny. Firstly, it is assumed that there is clear distinction between harassment (or extortive) bribery
and collusive bribery, but that is not true in real life. We argue that harassment or extortion is closely linked to the psychological state of mind of the subject (bribe-giver). What may appear extortive to an external observer may be actually acceptable to the bribe-giver. There may also be a temporal alteration of status within the same transaction. For example, speed money, a prevalent form of bribery, transacted for completely legal decisions or processes, may be extortive and morally disdainful in a given moment for a briber, but it becomes acceptable once the said person receives or enjoys a public service (which they should have actually got without any bribe).

Secondly, the same activity could be collusive bribery for one person, where a bribe could be either demanded or supplied unilaterally, and in the same context, it could be extortive for the other person. The line between collusive and extortive bribe is thin, overlapping, contextual, and even temporary. As per Basu’s proposition, the bribe-taker should be heavily sanctioned, while not treating ‘bribe-giving’ as an illegal act. In doing so, we may cause a legal conundrum. It would be rather incorrect to assume that bribers are the only victims of public officials in a corrupt transaction. If bribers are treated with leniency, it may reduce the cost of whistle-blowing to them and also give them the power of threatening to report. This would force public officials to reciprocate. Bribers may even trap a public official by blackmailing them with the threat of reporting even past bribery or gifts. This position draws substantially from the work of experimental economists explained hereinafter.

It is argued that ideally we must set strategic rules of asymmetric punishment and leniency in a ‘game of betrayal’ in which the bribe-givers and the bribe-takers alike, with alevel playing field, are subjected to asymmetric punishment, as also suggested by J. Schikora in his paper ‘Bringing good and bad whistle-blowers to the lab’. Other economists like Graf J. Lambsdorff and M. Nell (2007) who have proposed another strong model of asymmetric punishment and leniency, by legally permitting self-reporting either by the bribers (after having paid the bribe pursuant to which the public servant acts) or the bribe-takers (where the public servant is allowed to take the bribe, keep the bribe but report the act to the authorities) with the condition that only the actor who reports first will get leniency or exoneration. This game of betrayal has a larger probability of success than Basu’s proposition. This probability is depicted in two-by-two matrix chart. It should be noticed that the play-area of ‘betrays’ is double in Figure-2 comparing with Figure-1. It not only enhances the chances of reporting due to a higher number of persons who can report from either side, but it also engenders a general sense of fear and mistrust between two sides of the crime. This game of betrayals, therefore, could be a potent and innovative anti-bribery policy prescription.

The United Nations Convention against Corruption (UNCAC) specifically recommends criminalising the supply side of bribe (passive bribery). This criminalization could be more effective with asymmetric punishment and leniency rules incorporated in the repressive measures. The success story of the methodical enforcement of the Foreign Corrupt Practices Act by the US Department of Justice and Security Exchange Commission by punishing the supply side of corruption, albeit committed in foreign countries, is a testimony of efficacy of controlling the supply side bribery using asymmetric sanctions and leniency for self-reporting, investigation, and corrective measures.

Hence, criminalizing bribe-giving does make sense, provided the scheme of asymmetric punishment and leniency (two-directional game of betrayals) is also built into the legal system. This strategy, however, requires a strong rule of law in the country, which is unfortunately scarce in developing countries affected by systemic corruption. However, as the world is converging to combat corruption in all forms, it is worth attempting to introduce a new rule of the game by strengthening institutions to complement other repressive measures for any strong government having a genuine will to control bribery in their public service delivery, besides taking various preventive measures.

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ENDNOTES

1 Kaushik Basu is an Indian economist, a C. Marks Professor of International Studies, Professor of Economics at Cornell University, and a former Vice President and Chief Economist of the World Bank.


Pawan Kumar Sinha holds a Master’s in Economics from Delhi School of Economics (India), a Postgraduate Diploma in Intellectual Property Rights, and a Diploma in Financial Management. He belongs to Indian Revenue Service and currently holds the position of Additional Director General of the National Academy of Customs and Indirect Taxes in India. He has expertise in the fields of anti-corruption and internal control, training, compliance, tax assessment, container scanning, and intelligence and investigation. Pawan graduated from IACA MACS 2015-2017 on 7 December 2017. He earned his Master of Anti-Corruption Studies (MACS) 2015-17 degree with summa cum laude honours and his thesis “Exploring Effectiveness of Automation in Controlling Corruption in Customs: Theoretical and Empirical Evidence: A Case Study of India” was adjudged as the Best Master’s Thesis.

Controlling Corruption in Indian Customs Through Automation
What brought you to the idea of choosing the research topic reflected in the title of your thesis “Exploring effectiveness of automation in controlling corruption in customs: Theoretical and Empirical Evidences: A case study of India”? Can you briefly summarize your research topic and main findings?

The ubiquity of corruption in taxation and customs services, though in varying degrees, is a common phenomenon in many countries, and India is not an exception. Being in charge of tax administration during different stages of my civil service career spanning nearly three decades, controlling corruption remains a very intriguing and daunting task. The measures taken to control corruption in India met with limited success. When I joined IACA’s MACS programme, I was introduced to its unique and well-structured interdisciplinary and integrative approach to understand the complex spectrum of corruption. I could naturally relate various theoretical expositions and class lectures conducted by specialist academics and practitioners to my real-life experiences within my own social, economic, and political eco-system. Most importantly, I could relate my learnings to corruption-related problems faced by organizations I dealt with in my work, including the customs department where I worked for so long.

As part of India’s change in policy stance, a modernization process started in 1993. Being involved in this process, I recall that it was taken for granted that automation of customs would not only make processes quick and simple, but also ‘completely’ stamp out corruption. Customs administration in India, like in many other countries, embarked on a gradual process of simplification and modernization, including automation. Twenty years hence, while efficiency increased in the customs processes, corruption remained almost intractable, flagrant and only marginally abated. This was a counter-intuitive and bewildering outcome.

Having to choose a topic for the master’s thesis was an opportunity to explore the plausible answer to the puzzling and lingering questions in my mind, in particular the obfuscated relationship between efficiency, automation, and corruption. I also felt that a theoretical and empirical framework was required to better understand this relationship. Essentially, my master’s thesis challenges the axiomatic belief of officers, policy-makers, and scholars that by enhancing efficiency in customs through trade facilitation measures and automation, one can control corruption (bribery) in core processes effectively. I used the ‘single country - single sector’ case study method to understand the different shades of bribery (instead of the whole gamut of corruption) in core customs processes of goods clearances, which are partly automated. The master’s thesis highlights that there is tremendous potential in automation, as a tool, to control corruption, if automation is designed with a view to also prevent corruption by adequately addressing the causal mechanism of the drivers of corruption and inefficiency simultaneously. After measuring automation, efficiency, and corruption in the customs context as key variables and determining the nature of the relationship between them through paired linear regression, the paper explores causal mechanisms through process-tracing. It identifies different drivers such as those which neutralize the effectiveness of automation in controlling corruption. The master’s thesis uniquely theorizes and explains how automated Risk Management Systems, syndicated corruption, and intermediaries could be prime drivers of corruption in customs. It concludes that partial automation aimed primarily at improving ‘efficiency’ alone may trivially
control corruption. It argues that if unique anti-corruption policies based on this contextual study were hardwired with efficiency-enhancing measures while designing automated customs processes, and were complemented by the preventive and repressive anti-corruption policy instruments, bribery in customs could be more effectively controlled.

You conducted interviews to collect data in order to “support longitudinal analysis of the state of corruption in customs”, can you tell us how was your research topic perceived by stakeholders who were being interviewed by you?

This was the most challenging part of my research. Finding stakeholders who could offer their experience-based responses to the state of corruption in customs, while maintaining randomness and pan-India representative sampling for ensuring reliable and valid data, was a daunting task. There were four main categories of stakeholders (respondents): customs officers, customs brokers, exporters and importers, and citizens with some knowledge about customs. Interviewing them individually and interacting with them in focus groups on the research topic was a unique experience. Generally, stakeholders across all categories welcomed the study. Many respondents initially expressed surprise on being approached for such an interview about corruption among senior government customs officers. There was an element of awkwardness in most of the people interviewed for an apparent reason: corruption is a taboo subject and many people prefer to remain silent. Most of them stated that they had never participated in this kind of study and required nudging to talk freely on various aspects of corruption (bribery). The majority of respondents agreed to share their experiences only under the condition of anonymity. The use of a consent form was very useful to diminish self-censorship due to palpable fear among respondents of any possible ‘self-incrimination’ and punitive actions which they feared may follow after publishing the survey’s outcome. While most customs officers and customs brokers candidly shared their experiences and observations, the exporters and importers could not provide any meaningful responses, and sample data concerning exporters and importers was discarded. The younger citizens perceived the research topic as most useful for the country and wanted to know whether the outcome of the study would be translated into any new anti-corruption policy measure(s).

Do you think that automation should be either increased or reduced in specific areas in order to fight corruption?

The master’s thesis challenges the efficacy of the current state of automation, which primarily focuses on ‘efficiency enhancement’ by reducing transaction costs and time in the import and export processes. There is also a proven endogeneity problem (of simultaneous causality) between inefficiency and corruption, and existence of confounding variables, such as automation, simplification of laws and procedures, audit and review system etc., that affect these two variables (inefficiency and corruption) in different ways, and lead to different outcomes. This would require finding a point of equilibrium through rigorous optimization process between these two variables, instead of seeking mitigation of corruption by merely enhancing efficiency. A theoretical analysis based on the concept of ‘routine tasks’ and ‘non-routine tasks’ suggested by Levy and Murnane (2003) has been undertaken, where automation can become ‘capital substitute’ for the former and ‘capital complement’ for the latter. While automation as ‘capital substitute’ may curtail opportunities of corruption, automation as ‘capital complement’ requires a design to enforce accountability (not merely transparency). Automation is a potent tool, if, in the design of automation, it is ensured that anti-corruption requirements are hardwired along with efficiency-enhancing features.

The research does not subscribe to reducing automation, but suggests improving its coverage and design, and proposes implementing it together with better capacity-building of officers and other stakeholders. In other words, there should be ‘smarter and holistic automation,’ and not merely automation to enhance efficiency. The research, therefore, underscores the need for organizational changes and targeted logistics to remove face-to-face contact between decision-makers and beneficiaries or service recipients, where automation could be an enabling tool, instead of expecting automation to achieve this objective by itself. The research also admits that the quality of automation has an important role to play in the control of corruption, and that
there could be disruptive technologies in the future like the advent of artificial intelligence and quantum computing in custom processes. It suggests that there could be better opportunities to achieve a balance between efficiency and anti-corruption, provided such balance is prioritized at the design stage itself.

What governmental policies should be prioritized to improve automation in India to better tackle corruption?

Automation is a high-cost, high-dividend investment. The cost involved is not only in terms of software and hardware costs, but involves costs of capacity development of officers, institutionalization of digital operations, and compliance of its users, such as exporters, importers, and other stakeholders in the supply chain. The Government of India has already launched the ‘Digital India’ initiative and has taken measures for expanding internet usage in automation. However, as the present case study relating to customs has revealed, while investing in modernized automation of service delivery is important, it is essential to revisit laws and procedures to simplify these in order to reduce ‘rent-seeking’ opportunities and red-tape, improve internal audit and oversight mechanisms to enhance accountability, and invest in modern capacity-building systems which should focus not only on operational trainings, but generate ‘esprit de corps’ among officers to create an organizational unity against corruption. Creating ‘nudge units’ to desist officers from indulging in corruption could be another innovative measure. The capacity of automation to control corruption would increase exponentially when other such measures are complemented.

Last but not least, how do you foresee the applicability of your research outcomes?

My research is a bold attempt to establish the ‘single-country single-sector research’ methodology with successful diagnostic capabilities to identify the type of corruption in an institution or organization, to measure the important variables like automation, efficiency and corruption, to identify specific drivers of corruption, and to understand their relationships using statistical techniques like correlations and linear regression. Corruption-related data are mostly non-parametric. The analysis used non-parametric statistical tools with 95% significance to identify the links. Realizing that such links might run into the ‘post hoc propter hoc’ fallacy, I successfully conducted the process tracing technique to understand the causal mechanism of the confounded variables. Thus, the soul of the research lies in establishing a methodology for theoretical and empirical evidence-based diagnostic systems, rather than merely being a study of efficacy of automation in Indian customs in controlling corruption. In other words, the research has much wider applications for the meso-level exploration of corruption in any sector and in any country rather than being limited to automation in Indian Customs. It also underscores that the case study of customs in India cannot be applied directly to design anti-corruption policies in other sectors in India or even customs in other countries. By using the established methodology in this master’s thesis, however, authorities may undertake cogent diagnosis processes which may help in designing the customized policy prescriptions specific to a sector, but this should be duly complemented by other usual anti-corruption micro and macro level preventive and punitive instruments. It is argued that such an approach would have a high probability of success in controlling corruption in any specific sector of a country. Hence, I am very optimistic about high prospects of applicability of my research in the real world scenario.

ENDNOTES


2 ‘Post hoc propter hoc fallacy’ refers to thinking process „after this, therefore, because of this”, without true causalities; for example, ‘the rooster crows before sunrise, therefore the crowing rooster causes the sun to rise’. Refer to http://www.logicalfallacies.info/presumption/post-hoc/ for more details.


4 A confounding variable is an outside influence that simultaneously changes the effect of dependent and independent variables, causing confusions in experimentation. (? Psychology in Action, https://www.psychologyinaction.org/psychology-in-action-1/2011/10/30/what-is-a-confounding-variable
Cryptocurrency: Crime versus Control, or the Future of Money?

Information is power, and encrypted information is even greater power.
While cryptocurrencies typically offer users pseudo-anonymous transactions, traditional payment networks and financial institutions are still required to follow protocols to prevent money laundering and funding for criminal activity. Yet, cryptocurrency transactions are not ultimately more anonymous than cash, as the identity of the currency owner could potentially be traced back to a real-world identity.

Cryptocurrency is appealing because it is virtual cash with unlimited and unrestricted reach.

Currently, users of cryptocurrency operate in a legal grey area due to the lack of regulatory guidelines. Most anti-money laundering and terrorist financing regulations fall within the international financial system and, therefore, do not include virtual currencies. The development of effective countermeasures to mitigate the misuse of cryptocurrencies remains at an early stage.

However, the challenges of cryptocurrency go well beyond the fight against crime and corruption. Bitcoin’s unique and widely accessible technology defies the very bedrock of the global banking system. (McGrath Goodman, 2016)

Investment in Fintech around the world increased dramatically from $930 million in 2008 to more than $12 billion by early 2015. (Accenture, 2015)

Systemic mechanisms driving cryptocurrency technologies (e.g. blockchain technology or subsequent developments), could open the door to the next stage of the global banking system. However, it also seems to have triggered an imminent threat of control within the status quo.

Governments can’t control them, can’t hack them and, most importantly, can’t regulate them... yet.

**CRYPTOCONTROL AND SOVEREIGN AUTHORITY**

In 2003, an elite team at the US Department of the Treasury engineered the model used today to target, block, and freeze the finances of criminals through their personal bank accounts (McGrath Goodman, 2016). This is how it works: “Treasury’s Terrorism and Financial Intelligence unit puts individuals and organizations on a blacklist, which is sent out
to the world. Once on the blacklist, those targeted can no longer do business in US dollars, which are involved in roughly 88 percent of the world’s foreign-exchange transactions, according to Switzerland’s Bank for International Settlements. In other words, they cannot bank at most financial institutions [...]” (McGrath Goodman, 2016).

This ability to financially disrupt and disable evil has more implications than meet the eye. Access to advanced technology and encryption tools that would allow the design of a bulletproof virtual currency that could circumnavigate the global financial system is available to all. The greater opportunity seems not only to step ahead of the Fintech curve of financial innovation but to improve on the risks of cash transactions.

The chairman of the Center on Sanctions and Illicit Finance at the Foundation for Defense of Democracies said that, “the biggest concern the US has about virtual currencies is that terrorists and other enemies might create one so powerful and so untrackable, that they’ll no longer need the global banking system, which the US uses to financially starve them,” (McGrath Goodman, 2016).

The real power of cryptocurrency won’t be the number of people who invest in it but the number of people who transact with it.

Due to the recent increased demand in Japan, Bitcoin was included under the country’s regulatory framework. On 1 April 2017, Japan recognized the cryptocurrency as legal tender and it is likely that this could happen elsewhere (Graham, 2017).

In this context, Bitcoin has yet to reach the kind of scale that would remotely begin to rival the US dollar. The busiest week on record for the cryptocurrency, which occurred in 2014, came to $550 million, compared with $14 trillion of average daily US dollar transactions (McGrath Goodman, 2016).

Hence, there are good reasons why other advanced economies may find it attractive to move away from the status quo on cash quicker than the United States. Moving to a less traditional cash society should be looked upon as a key strategic issue of financial hegemony and cryptocontrol.

**RUSSIA: THE CRYPTORUBLE**

Recognizing the importance of digital technologies in the financial world, Russia has decided that cryptocurrencies will be regulated and the national cryptocurrency, called the cryptoruble, will be created. The finance ministry and the central bank are currently working together to draft a bill to provide a basic legal framework for cryptocurrencies (Helms, 2017).

Details regarding the cryptoruble are scarce, but it looks like it will be issued and tracked just like regular currencies. “Rubles and cryptorubles will be able to be freely exchanged. But, to deter money laundering and black market activities sometimes associated with cryptocurrencies, there will be a 13 percent tax if proof of legal origin cannot be produced.” (Investing.com, 2017)

Russia’s Minister of Communications and Mass Media said that Russia’s creation of the cryptoruble was for one simple reason: “If we do not, then in 2 months, our neighbors in the Eurasian Economic Community will do it,” (Investing.com, 2017).

**CHINA: BITCOIN IS KING**

Since the currency was launched in 2009, the Chinese market, where government interventions are common (Hawkins, 2017), represents a large percentage of all bitcoin trading.

“The share of the cryptocurrency that’s traded via China’s mainland currency escalated over the past few years, overtaking the US dollar as the dominant currency. From less than a 10% share in January 2012, the yuan now makes up nearly 100% of all bitcoin trading,” (Oyedele, 2017).

Not surprisingly, cryptocurrency came under pressure after the Chinese government announced it was investigating exchanges on suspicion of market manipulation and money-laundering. In February this year, the government warned that there would be serious violations for trading platforms that failed to abide by strict money-laundering regulations. In line with this, the two biggest exchanges in China announced that they would be suspending bitcoin withdrawals for some time (Hawkins, 2017).

Most importantly, China’s central bank has announced the completion of trials to create a blockchain-based cryptocurrency. “The trial included both traditional state-owned banks and newer private financial institutions and will connect to the Shanghai Commercial Paper Exchange to enable the digitization of bank bill payments through this new cryptocurrency. It will also make it easier for the central bank to monitor the money supply, and help it better assess risk in the financial system and track transactions across the economy,” (CHINA: Blockchain benefits come at a price, 2017).
CONCLUSION

Some governments have sought to limit the use of cryptocurrency, which they see as facilitating corruption, while also attempting to use the same technology to make the financial system more transparent and fraud-proof.

Existing cryptocurrencies may eventually be regulated and controlled in order to hinder criminal activity. Likewise, new encrypted cryptocurrencies may be established by governments as legitimate digital currency. However, as technological innovation is by definition unruly, it seems difficult to halt the development of new cryptocurrencies. The demand for free-flowing transactions and independence from central banking systems will further fuel these developments.

Perhaps most crucial is the evident tension between governments’ objective to make markets more efficient and their attempts to control cryptocurrencies for political and financial purposes.

Market efficiency arguably requires little government intervention, and blockchain technology seems to be conducive to this. If we are indeed heading towards a time of virtual currency, the responsibility of central banks might change and their independence to set monetary policy will need further reviews and protections from public scrutiny and political pressures. There may also be other implications, particularly in the context of anti-corruption and criminal activity.

Whether it’s unpredictable government interventions, certain markets driving the crypto-wave or debates within the cyber community about how cryptocurrency should be scaled, there are not yet clear trends despite the growing faith of crypto-aficionados.

Bitcoin’s original anarchic credo to trust in a more unregulated financial market is still in its inception stage and cryptocurrencies might just be a young and vulnerable mathematical code.

Yet, even if the seeming conversation centres on anti-corruption efforts and market stability, as cryptocurrencies become a more viable option of legal tender, the imminent underlying threat lies in the challenge to the existing order of fiat currency and central banks. While cryptocurrency rapidly evolves, the current global financial system’s status quo could be at risk and the opportunity to dethrone the US dollar as the international currency of choice for both official and unofficial transactions might be exposed.

REFERENCES


Since March 2017 I have been coming to the Court of Appeal of Santiago, Chile, almost every day to carry out a quite particular job: participating as an external lawyer in one of the Court’s twelve chambers.

Every year, lawyers who do not work for the judiciary and fulfill certain requirements are nominated as “abogados integrantes” (external lawyers) to collaborate with the Court. These lawyers work within different chambers of the Court and participate in appeal, cassation, and habeas corpus hearings, among other issues, within all areas of law reviewed by the Court. It is worth mentioning that out of a total of twelve chambers, the Court of Appeal of Santiago only has two specialized chambers, responsible for tax and labour issues.

How does this relate to anti-corruption matters?

In my opinion, in many ways. To begin with, there is the risk of conflicts of interest and lack of independence of the external lawyers. It has been noted that, since the “abogados integrantes” remain active in their profession while they are supporting/working in the court, they may be exposed to the influences of their clients or other stakeholders; which could undermine their independence. It is an undeniable fact that this is a real risk not only with relation to external lawyers, but also regarding professional judges, who are part of the judiciary. However, this risk is minimized, because the “abogados integrantes” when listening, deliberating, and resolving cases, are continuously subjected to particular scrutiny by Court of Appeal and Supreme Court judges, and also by lawyers involved in the specific case. In addition, the external lawyers face specific restrictions, whereby they cannot represent private clients before the Court in which they provide services. This restriction is clear, but furthermore, external lawyers must comply with the ethical requirements and duties that are applicable to all judges. In this regard, the Chilean legal system establishes many regulations aimed at safeguarding and strengthening the ethics of judges, which are also applicable to external lawyers. For example, from a preventive perspective, the Chilean Court Statutes Code considers 26 grounds under which judges could be restricted from providing services, including e.g. family relationships, or being shareholder in a company or account holder with a bank which is involved in a trial.

Certainly, the dispositions contained in laws and codes are not enough to ensure the efficiency of fighting corruption and bad practices within the justice administration system. As it is well known, the need to improve the fight against corruption within the judiciary arose in the 1990s when the draft Ethic Codes was introduced, in parallel with the signature of important international instruments such as the Inter-American and the United Nations Conventions against Corruption, and the OECD Anti-Bribery Convention. Employing these conventions is important, because they form a baseline for the implementation of Ethic Codes within judiciaries around the world. Aware of this tendency, the Chilean Supreme Court issued internal rules on principles of ethical conduct and, in addition, the Ethical Commission was established. The main function of this Commission is to establish cooperation with the plenum of the Supreme Court regarding prevention, control, and corrective measures, which are applicable to judges of all Appeal Courts in the country. Given the fact that “abogados integrantes” are not part of the organic structure of the judiciary, they are not subject to control by this commission, which in my view is an omission that should be corrected.

The main ethical duties of judges are to judge from a legal perspective and to diligently perform their functions. They must act with responsibility, assuming an ethical attitude with relation to the external influences to which they are exposed. Such duties should be incorporated in their everyday judicial practices, and should include, of course, knowledge, training, effectiveness, and excellence.

How can the institution of external lawyers positively contribute to the ethical and procedural functioning of the judiciary?

An external lawyer may be called to provide new ideas and legal approaches to resolve legal cases; he/she may also be invited to provide specialized knowledge and expertise that judges do not always possess. In addition, the participation of external lawyers in discussions preceding the final decision of a case can support the judge to re-examine traditional thoughts that have not always been the most appropriate, helping to facilitate better-informed decision-making throughout the judicial decision process. Such participation also fosters the improvement of inefficient practices existing within the Courts and even can inhibit unethical practices by some judges.

A further aspect of the question is the role of external lawyers in resolving corruption cases. In this kind of mostly complex cases, the technical contribution of a specialized lawyer can be of great value. In addition, in cases of public connotation, the participation of an external lawyer in the decision can be an advantage, because he/she is not prejudiced by previous decisions.

The tasks and challenges that external lawyers must deal with are not always easy and might involve a certain level of risk related to conflicts of interest. However, external lawyers who are not in the organic structure of the judiciary can make important contributions to improve the work of the judges through their technical contributions as well as by offering judges fresh and creative ways of thinking, which can help to improve the administration of justice and compliance with judges’ legal and ethical obligations.
FIGHTING CORRUPTION: THE ROLE OF EXTERNAL COLLABORATORS OF THE JUDICIARY

Sebastián Hamel is an attorney graduated from the Universidad de Chile, with a postgraduate degree in Environmental Law, awarded by the German Foundation for International Development, as well as studies in Fiscal Planning, and a Diploma on Project Development and Evaluation. His professional career has been developed in the areas of human rights, environmental law, criminal law and anticorruption, both at an international and national level. In anticorruption matters, he has worked for UNODC as Anti-Corruption Mentor for Central America and the Caribbean as well as a consultant for the World Bank, UNDP and GIZ. In addition, he has coordinated three versions of an international diploma on Human Rights, Transparency and Public Policy Against Corruption, given by the Henry Dunant Foundation. He is currently dedicated to the private practice of law, associated to the Juan Agustín Figueroa Law Firm in Santiago de Chile. He also collaborates with the Court of Appeal of Santiago as an external lawyer. Sebastián Hamel participated in the IACA Regional Summer Academy - Latin America 2015.
The business anti-corruption principle in the Brazilian legal system

by Mauricio Moreira Menezes

The anti-corruption phenomenon corresponds to a broad and complex movement to prevent and suppress corruption involving governments, companies, and transnational and multilateral entities, both public and private. It is part of a culture and line of thought that has surged ahead, carried by a “global third wave”, identified as that in which countries that adhere to international conventions adopt internal measures to comply with global standards.

In this decade, Brazil has made great progress in this respect, in particular by means of Law No. 12.846 ("Anti-Corruption Law") enacted in 2013 with the objective of satisfying the commitments made to the international community, especially through ratification to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention against Corruption, which determine that the signatory States shall hold companies accountable for corrupt acts committed against government entities and apply civil, criminal and/or administrative sanctions on those responsible for corrupt practices.

The “backbone” of the Brazilian Anti-Corruption Law is a single topic: accountability of companies for acts of corruption. To deter such acts, this law created two new categories of strict liability for business organizations, the first to obtain compensation from miscreants for damages caused and the second to impose penalties on companies involved in graft, irrespective of determination of culpability.

In this sense, the Anti-Corruption Law profoundly modified the concept of liability in the Brazilian legal system, establishing a new basis for the standard of conduct to be observed by business entities. The main consequence is the obligation to adopt effective internal measures to deter corruption, which has produced significant repercussions in the legal structure of companies.

In harmonizing these effects with the ideals of the legal system, a new principle to guide interpretation of the rules of business law has been created, which can be called the principle of business anti-corruption.

In other words, the substantial increase in the severity of the regime of organizational liability (strict liability) for corrupt acts strengthens the defense of the principle of corporate anti-corruption as a new principle of business law. Under this principle, the duty to indemnify victims (the public) for the harm done by corruption is deemed to be a consequence of business activity and therefore is not ascribed as a liability of the entrepreneur or of the manager. In sum, the business organization shall severally indemnify any person against any loss incurred as a result of corruption.

The defense of the anti-corruption principle, which can be traced to constitutional law, is one of the founding principles of Brazilian democracy, along with equality, federalism, and republicanism, among others. The constitutional foundation of such principle is also reflected in other jurisdictions, like in the United States. Many prominent American legal scholars advocate the idea that the American Constitution was drafted, in a broad sense, to combat corruption ("the Constitution was designed for fighting corruption").

Returning to Brazilian law, the status of the anti-corruption principle as a cornerstone of the constitutional order is now well-accepted, arising from the interpretation applied by the Federal Supreme Court regarding the limits on campaign financing by corporate entities, in judging Direct Action for Unconstitutionality No. 4650 on September 17, 2015.
The financing of election campaigns is an important matter in discussions about fighting corruption, since it tends to make elected officials more beholden to the interests of business organizations than to the public at large. In this respect, Article 7 (3) of the UN Convention against Corruption states that “Each State Party shall also consider taking appropriate legislative and administrative measures (…) to enhance transparency in the funding of candidatures for elected public office, and where applicable, the funding of political parties.”

In line with this recommendation, the Brazilian Supreme Court ruled partly in favour of the pleadings put forward in Direct Action for Unconstitutionality No. 4650, declaring unconstitutional the legal provisions that authorized companies to fund election campaigns.

The Supreme Court’s position strengthens the idea that the anti-corruption principle is a foundation of democracy, essential for the formation of the Republic and assurance of popular representation and equal treatment before the law.

Pragmatically, the anti-corruption principle aims to assure equality of business organizations regarding treatment by the government and public officials, in the sense that all firms are given equal opportunities to exercise and develop their activities.

This principle of the constitutional system, endowed with high valorative content, is specified in detail in the Anti-Corruption Law, especially regarding the organization of businesses.

The most relevant arguments in favour of full acceptance of anti-corruption as a principle of commercial law are the amplitude, the universal character, and normative force of the anti-corruption principle with respect to business organizations, so that application of this principle is legally demanded in the different spheres of business activity.

Based on this reasoning, the anti-corruption principle should preside over the formation of the company, so that it functions as the primary guideline to be followed by the organization.

On the other side of the coin, the anti-corruption principle must also orient the behaviour of agents of the public administration, in the sense of assuring transparency, objectivity, and efficiency in the obtainment of registrations and licenses necessary to open a business.

In the ordinary course of business, the anti-corruption principle is closely related to satisfaction of the socioeconomic function of companies, in the sense of making a fair profit while also benefiting society and not obtaining unfair advantages by underhanded means. Hence, there is a close correlation between the two principles (socioeconomic function and anti-corruption).

Corruption committed in the course of business affairs directly interferes in competition by overriding the meritocratic criterion of choosing suppliers based on efficiency, according to which the business entity should strive to offer products and services with good quality and reasonable price in light of market practices, and be fairly rewarded for these efforts. In the final analysis, ethical competition drives economic and social development.

In an environment in which corruption flourishes, such a criterion is replaced by obscure ones, nourished by promises of illicit advantages, deviation from purpose and murky dealings between agents, outside the bounds of legality.

Businesses that observe good competitive practices face a series of difficulties when they compete with those that resort to corruption, because they do not have access to privileged treatment obtained through channels of doubtful legality. This obviously raises their transaction costs, hence the need to neutralize the unjust and anticompetitive position of corrupt firms, or simply allocate efforts in markets where the playing field is level, with access to business opportunities on an equitable basis.

In turn, public agents generate inefficiency when they give unfair advantage to companies willing to pay bribes, be it in awarding public contracts, issuing licenses, or enforcing tax laws, to name a few areas where corruption tilts the playing field. Therefore, as stressed by Donatella Della Porta and Alberto Vannucci, corruption, including in the private sphere, inherently involves unfair competition.⁵

As framed by Norberto Bobbio, the business anti-corruption principle should be interpreted as promoting rights and encouraging virtuous actions and transformations, in service to the sustainable exercise of business activity and protection of the legitimate interests of all stakeholders affected by that activity.⁴

In conclusion, in light of the Brazilian Anti-Corruption Law and the Constitution of the Federative Republic of Brazil, it can be stated that the business anti-corruption principle is in the centre of the nation’s system of business law, alongside principles like enterprise, free competition, socioeconomic function of companies, good faith in business, protection of private investment, consumer protection, environment protection, among others.

ENDNOTES


In 2017, alumni, faculty, experts and IACA interns provided insightful articles, interviews, book reviews, and told us of the impact IACA has had on their lives and careers. The four issues of IACAAlumnus included pieces from over 20 countries, from Azerbaijan to Zambia.

IACA’s alumni network grew in 2017, with over 500 new alumni from 74 countries and jurisdictions across the globe joining the network.

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**NEW ALUMNI**

527

IACA’s alumni network grew in 2017, with over 500 new alumni from 74 countries and jurisdictions across the globe joining the network.

**BY GENDER**

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The fifth IACA alumni reunion will take place from 5 to 6 July this year. A detailed programme will be sent to you by the end of March. In the meantime, please contact us via alumni@iaca.int if you would be interested in coming.
IACA is again offering up to three alumni an exciting opportunity to get a first-hand insight into its master’s programmes by taking an Open Module of the Master in Anti-Corruption Studies (MACS).

Choose between:


*Classes at IACA: 30 April to 11 May 2018*
*Application deadline: 5 March 2018*


*Classes at IACA: 23 July to 3 August 2018*
*Application deadline: 28 May 2018*

**Module 5** focuses on Corruption, Compliance and the Private Sector. The module includes Corruption in the Corporate Sector and Good Corporate Governance, Economics of Corporate Criminal Liability for Corruption Offences and Settlement Processes, and Compliance and Internal Investigations. Module starts 10 September 2018 with a pre-module (distance learning) phase and ends on 2 December 2018.

*Classes at IACA: 15 October to 26 October 2018*
*Application deadline: 13 August 2018*

Classes are held at IACA’s campus in Laxenburg. Alumni participants, like the regular MACS students, must satisfy all academic requirements of the module, including pre- and post-module written assignments and attending all classes. Modules carry 14 ECTS (European Credit Transfer and Accumulation System) credits each.

Applications for the Open Module are welcome from candidates who satisfy the following requirements:

- An undergraduate degree, equivalent to a bachelor’s degree
- A minimum of three years of relevant work experience in areas related to anti-corruption and compliance, including law, governance, business and management, audit, journalism, academia, development, international organizations, etc.
- Proficiency in written and spoken English.

Please read more about the cost and how to apply here: [iaca.int/macss-open-module.html](http://iaca.int/macss-open-module.html)

Contact us on: studies@iaca.int
Condolence Message Mr. Tuta

The alumni association team was sorry to learn that a member of the alumni association, Mr. John Kithome Tuta, sadly passed away on 28 December 2017. Mr. Tuta attended IACA Summer Academy (2012) and Regional Summer Academy - Eastern Africa (2016).

Mr. John Kithome Tuta had recently been reappointed as a Member of the African Union Advisory Board on Corruption and served as a Director of Legal Affairs, Department of Justice, Office of the Attorney General in Kenya.

The alumni association team would like to highlight Mr. Tuta’s anti-corruption efforts and long-term engagement in the fight against corruption.

FEE DISCOUNTS FOR IACA ALUMNI

Registered IACA alumni are eligible for a fee discount of 15% on IACA programmes and trainings, in line with our discount scheme. Read more on www.iaca.int

INFORMAL ALUMNI MEETING:
BUENOS AIRES, ARGENTINA
December 2017

IACA alumni from the IACA Regional Summer Academy – Latin America and the IACA Summer Academy 2011 got together in Buenos Aires, Argentina, in December. IACA alumni enjoyed the evening, sharing memories and stories about their IACA experiences and exchanging information about their professional career and paths and aims.

SAVE THE DATE:
5th Alumni Reunion
5-6 July 2018

A group of IACA alumni met with Mariana A. Rissetto (IACA) in an informal meeting in Buenos Aires, Argentina.
# Upcoming Events on Anti-Corruption in 2018

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<td><strong>Alliance for Integrity’s Global Conference: Implementing Business Integrity into Practice - Integrity in the Digital Era</strong>&lt;br&gt;Venue: Hotel Hilton Frankfurt Airport&lt;br&gt;Location: Frankfurt, Germany&lt;br&gt;Organizer: Alliance for Integrity</td>
<td><strong>Conference/Seminar: The Challenges of Compliance and Anti-Corruption</strong>&lt;br&gt;Venue: Sheraton Reserva do Paiva Hotel&lt;br&gt;Location: Recife, Brazil&lt;br&gt;Organizer: International Association of Young Lawyers</td>
<td><strong>20th International Conference on Anti-Corruption, Good Governance and Human Rights</strong>&lt;br&gt;Venue: Hotel NH Collection Madrid Eurobuilding&lt;br&gt;Location: Madrid, Spain&lt;br&gt;Organizer: ICAGGHR 2018</td>
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### MAR 27 - 28

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### Upcoming IACA programmes (Location: Laxenburg, Austria)

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<td><strong>The External Investigator’s Perspective in Regulatory Compliance Investigations</strong>&lt;br&gt;<strong>SEMINAR</strong></td>
<td><strong>IACA Summer Academy</strong>&lt;br&gt;<strong>TRAINING</strong></td>
<td><strong>“Best Of” Tina Søreide</strong>&lt;br&gt;<strong>SEMINAR</strong></td>
<td><strong>Anti-Corruption in Local Governance</strong>&lt;br&gt;<strong>TRAINING</strong></td>
<td><strong>Procurement Anti-Corruption Training</strong>&lt;br&gt;<strong>TRAINING</strong></td>
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