

TRANSPARENCY INTERNATIONAL (UK)

TI(UK): A Record of the Early Years

Extracted from a Strategy Discussion Paper

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Note: This paper was prepared as an aid to our recent strategy discussions by an individual member of TI(UK) who is not a member of the Executive Committee. It provides a valuable "members' eye view" of the organisation.

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Review of TI(UK)'s Organisation and Activities

1 The Background of TI

TI(UK) is one of the national chapters of Transparency International (TI), so a review of TI(UK)'s activities should begin with a brief overview of the international organisation.

Transparency International

Transparency International was launched in May 1993 by individuals with extensive experience of international trade and development, who were concerned to do something about the level of corruption in international dealings. With a headquarters in Berlin, a not-for-profit organisation was registered under German law, with a Board of Directors, an Advisory Council, and a Secretariat. The organisation's mission was (in summary):

- ◆ To curb corruption through national and international coalitions;
- ◆ To strengthen public support and understanding for anti-corruption programmes;
- ◆ To encourage all parties to international business transactions to operate at the highest standards of integrity.

To achieve this, TI's strategy was (and is):

- ◆ To establish coalitions of like-minded organisations and individuals to work with governments in developing anti-corruption programmes;
- ◆ To broaden public awareness through information and publicity campaigns;
- ◆ To build national chapters that foster anti-corruption programmes in their own countries.

Transparency International has achieved some remarkable successes. Its national chapters grew in numbers as follows:

Dec. 1994:	5 national chapters established (including TI-UK) 27 in formation
Dec. 1998:	49 national chapters established 19 in formation 27 countries with informal contacts established
Oct. 2000:	77 national chapters established Others in formation

TI's own activities have expanded dramatically. By 1999 its annual budget was around £3 million, funded mainly by donor governments, institutional foundations and (to a lesser extent) by corporate supporters.

However, TI's greatest success has been not so much organisational, as ensuring that the corruption issue is part of the world's agenda, and the galvanising of initiatives to tackle corruption at both international and national levels.

Transparency International – UK

TI(UK) was formed in 1993, shortly after the international organisation. Indeed, some of TI(UK)'s founders were also founders of TI, and two members of its governing council were also on TI's Board of Directors.

TI(UK)'s aims were summarised in its annual report of 1994 as "to raise consciousness of overseas and local corruption issues within the UK and support the international campaign of TI". Later this was elaborated as:

"...to raise awareness of matters relating to grand corruption in international business transactions through the organisation, provision and promotion of conferences, lectures, seminars, exhibitions, courses and other events. In carrying out this work [the organisation] also considers the issue of corruption, and the means to restraining it, in the UK." (Annual Report, 1998)

Hence TI(UK) is concerned first with international corruption, but also with corruption issues in the UK.

2 Organisation and Resources

TI(UK) was established as a not-for-profit private company limited by guarantee and not having share capital, and is considering application for registration as a charity.

2.1 Membership

Membership of TI(UK) is open to anyone who subscribes to TI's basic aims: i.e.

- ❖ To work for the reduction of poverty among vulnerable peoples through combatting corruption;
- ❖ To raise awareness about corruption;
- ❖ To support efforts to reduce this corruption, but with the proviso....
 - that the organisation is non-party political;
 - that TI does not seek to expose individual cases of corruption, but rather seeks to promote remedies for the underlying causes of corruption.

Two categories of membership are possible: individual membership (for which the minimum annual subscription is currently £20); and corporate membership (for which the minimum annual subscription is currently £200).

Most of TI(UK)'s members are individual members. In 1998 there were about 81 individual members and 4-5 corporate members. Currently, there are about 90 individual members and about 20 corporate members.

To strengthen the involvement of the corporate sector, an initiative was launched in 1999 to set up a Corporate Supporters Forum (CSF). This added a new dimension to TI(UK), and helped to boost its corporate relationships. It facilitated dialogue between TI and large companies, and between the companies themselves, on corruption issues. Companies are not required to be members of TI in order to join the CSF. Subscriptions for membership of the Forum were originally set at £1,200 per company, and the meetings (twice yearly) are confined to CSF members.

Individual membership within TI(UK) has not increased much since it was first established. The membership is stable, and most have continued to support TI(UK)'s activities over a long period. On the other hand, TI(UK) has not actively sought to recruit new members, and has tended to rely on word of mouth and personal introductions for recruiting new members.

2.2 Organisational Structure

TI(UK) is required as a limited company to hold an annual general meeting, publish an annual report and accounts, have a registered office, a governing body and hold elections to that body.

TI(UK) is governed by a Council of Management (commonly referred to as the Board) elected by members at the Annual General Meeting. One third of its members retire annually but are eligible for re-election.

Elections have not been contested so far. There are currently 8 Members of the Council. Five have served continuously since TI(UK) was first founded, and altogether there have only been 10 Members of Council.

In 1998 TI(UK) established an Advisory Council headed by Baroness Chalker of Wallasey. The six-member advisory council provides TI(UK) with broad-based (all-party) strategic guidance, and also very useful contacts with government and industry.

2.3 Administrative Resources

Initially, secretarial services for TI(UK) were provided by one of its corporate members. As TI(UK) grew, and more funding was secured, a part-time co-ordinator was appointed in early 1997. Secretarial support continues to be provided by another corporate member for an annual fee and expenses. The same member also makes an annual financial grant.

Other corporate members have provided a great deal of assistance in other ways – for example, by providing a venue for TI(UK)'s monthly meetings, and financial and legal services.

2.4 Funds

TI(UK)'s funds are derived from three main sources: donations from charitable foundations; donations from government; and members' subscriptions. Initially, TI(UK)'s funds were very slender.

In 1995/6 incoming funds (excluding assistance in kind) totalled just £709 – nearly all in members' subscriptions and donations – and expenditure was just £514, nearly all on public meeting expenses.

In the accounting period April-December 1996 TI(UK)'s expenditure (or 'use of resources') totalled £2,800; this rose to £18,000 in the year ending December 1997, and £27,400 in the year ending December 1998.

In 1997 the largest share of resources (65%) went to unallocated administration expenses (with the appointment of a co-ordinator); by 1998 programme expenditure was shown to be the largest item of the budget (53%), and this continued in 1999.

Table 1 : Annual Use of Resources by TI(UK)

Year	Total Resources Used (before tax)	Public Meeting Expenses	Administration Expenses	Programme Expenditure
April 1995 – March 1996	514	472	42	-
April 1996 – Dec. 1996	2,813	711	2,102	-
1997	17,960	1,821	11,593	4,546
1998	27,400	1,150	11,806	14,400
1999	28,806	1,300	6,677	20,829

(figures in Pounds Sterling)

In July 1998 DFID gave a three-year grant of £30,000 to TI(UK), up till March 2001. The establishment of the Corporate Supporters Forum in 1999 also helped to boost the Chapter's resources significantly.

Hence TI(UK) has significantly more funds now than a few years ago. But two key questions are: (i) are the funds sufficient for the work that TI(UK) would like to carry out?; (ii) if not, from where, and how, should TI(UK) seek additional funds? (e.g. from members, charitable foundations, government departments?).

3 TI(UK)'s Activities

TI(UK)'s work can be divided into three broad categories:

1. *Issue awareness* – i.e. raising public awareness of corruption through publicity and information;

2. *Policy development and implementation* – i.e. advising, assisting and lobbying governments and international bodies on anti-corruption policies, both domestic and international;

3. *Research and resource enhancement* – i.e. assisting the production of research materials and technical information (e.g. the Corruption Index; Codes of Practice); and organisation/administration of TI(UK) itself.

Details of these activities are given below.

3.1 Issue Awareness

TI(UK)'s awareness-raising activities can be divided into two categories:

- (i) 'internal communications', or keeping the members informed of events; and
- (ii) 'external communications', or raising awareness among the general public.

(i) **Internal communications:** TI(UK) members are kept informed about corruption issues, and involved in the organisation's activities, through:

- ❖ Meetings – e.g. about 8-9 meetings per year, including the AGM, an annual strategy meeting, half a dozen Speakers' Meetings, and joint seminars with other organisations.
- ❖ Newsletters – a quarterly bulletin circulated to members. In addition, the TI (Secretariat) newsletter is distributed quarterly to members, with news of international activities.
- ❖ Website – TI (Secretariat) established a website (www.transparency.org) in 1996, and TI(UK) is about to launch its own website at www.transparency.org.uk.
- ❖ Draft reports/commentaries/position papers, which are sometimes circulated to members for comments prior to submission to government.
- ❖ Corporate Supporters' Forum – this applies only to the 19 corporate supporters, and involves two meetings each year, plus regular communications.

Meetings are usually held in London, and are open to non-members. The Speakers' meetings are led by an expert guest, and focus on a particular topic. The majority of meetings have been on overseas corruption and controlling international corruption, but about one-third have been concerned with domestic (i.e. UK) corruption.

(ii) *External Communications:* TI(UK) seeks to inform the general public and

- ❖ Through occasional articles in magazines and professional journals (e.g. Accountancy Journal, New Civil Engineer, etc.);
- ❖ Disseminating information through the general media (e.g. press releases, newspaper articles, responses to press enquiries, appearances on TV and radio, etc);
- ❖ Speaking at seminars and conferences in the UK and overseas (e.g. at a workshop at the Commonwealth Heads of Government Conference, at the Euro Business Conference, at the Ridley Hall Foundation, at Development Policy Forums, at meetings of the European Bar Association, etc);
- ❖ Participating in research projects (e.g. The Society for Advanced Legal Studies Anti-Corruption Working Group);
- ❖ Speaking to students at Business Schools and participating in the preparation of educational materials (e.g. a forthcoming publication aimed at MBA students);
- ❖ Organising joint seminars and conferences on particular corruption issues. Partners in these meetings have included Worldaware, The Law Society, Chatham House, and The British Institute of International and Comparative Law;
- ❖ Participating at fairs, exhibitions, etc (e.g. a stall at the Global Partnership Fair in London, December 1998; a contribution to the People's Summit, organised by the New Economics Foundation for the G7 meeting in Birmingham, May 1998).

Most of this external communication is undertaken by a small number of TI(UK) people, particularly the Co-ordinator and members of the Council of Management, plus a few others. From January 2001 TI(UK) has enjoyed the services of a media professional to work on specific issues, and this has provided a valuable strengthening of this side of the organisation's activities. Until then most of the media work fell on the Co-ordinator.

3.2 Policy Development and Implementation

A second main area of TI(UK)'s work is assisting governments and international organisations in the framing of laws and policies to combat corruption, and lobbying for action on these issues. Examples include:

- ❖ Preparing written and verbal responses on various anti-corruption initiatives regarding proposals or action by the British Government, EU, OECD, etc.; e.g.
 - Submissions to the Committee on Parliamentary Standards;
 - Submissions to the Department of the Environment, Transport and the Regions on Local Government Reform;
 - Submissions to the Law Commission's Report on UK corruption law, and to the Home Office's White Paper on reforming the law on corruption;
 - Submissions regarding the OECD Convention on Corruption (this initiative has been one of TI(UK)'s major recent programmes).

- Submissions to the House of Commons Select Committee on International Development, regarding the Committee's Inquiry into Corruption;
- ❖ Parliamentary meetings and briefings (e.g. a joint meeting with the All Party Group on Socially Responsible Investment and Overseas Development, in June 1998);
- ❖ Meetings with opposition parties;
- ❖ A campaign in 1997 to ask UK parliamentary candidates to declare their ethical stance on corruption during the general election that year.

TI(UK)'s policy development and implementation work also involves providing assistance to other branches of TI – both the TI Secretariat and other national chapters: e.g.

- ❖ Regular interaction and communication with TI Secretariat, in London and Berlin;
- ❖ Attendance at the TI AGM and conference of national chapters;
- ❖ Attendance at the bi-annual International Anti-Corruption Conference (IACC, for which TI (Secretariat) is now the official co-ordinator).
- ❖ Assistance to national chapters in developing and emerging countries. There has been particularly close contact with African chapters (e.g. Kenya, Tanzania, Nigeria and South Africa) and with others such as Bangladesh;
- ❖ Co-operation with other European TI national chapters; TI(UK) and TI-Brussels were the effective convenors of the EU-wide meeting of chapters held in Brussels in 1997.

3.3 Research and Resource Enhancement

This third area of TI(UK)'s work covers both the preparation of technical materials, and the organisation and administration of TI(UK) itself.

Several TI(UK) members have carried out research on specific corruption issues – usually funded from their own sources. The resulting documents have been publicised by TI(UK). Examples include George Moody-Stuart's book, *Grand Corruption*, an investigation of the UK arms industry, and options in linking aid flows and debt relief to conditionality.

TI(UK) members have also contributed technical advice to organisations and professional associations on anti-corruption measures relating to accountancy, purchasing, business ethics, global citizenship, and so on.

Finally, a major part of TI(UK)'s activities is concerned with internal organisation and administration. Since it was formed in 1993, TI(UK) has benefited from administrative support provided by some of its corporate members – particularly PricewaterhouseCoopers and Crown Agents. They have provided an administrative base for the organisation.

APPENDIX 1 : SPEAKERS' MEETINGS AND JOINT CONFERENCES/SEMINARS ORGANISED BY TI (UK) SINCE 1994

Year	No. of Meetings, Conferences	Speakers' Meetings on International Issues	Speakers' Meetings on UK Issues	Collaborative Conferences, Seminars
1994	1	-	-	<ul style="list-style-type: none"> Co-ordinating international action against corruption (with Worldaware)
1995	4	<ul style="list-style-type: none"> UK response to OECD Money laundering re. 1993 Criminal Justice Act Uganda / Centre for Accountability & Debt Relief Business ethics and codes of conduct 	-	-
1996	7	<ul style="list-style-type: none"> Ethical business in E. Europe Cadbury Code and transnational bribery Speaker from TI-France (Global sector of integrity) 	<ul style="list-style-type: none"> UK defence industry UK integrity & corruption Reporting corruption 	<ul style="list-style-type: none"> Fighting corruption – what the EU can do (with Worldaware)
1997	8	<ul style="list-style-type: none"> ICC code of conduct Hong Kong Offshore banking Ethical investment IMF/WB strategies OECD implementation to date 	<ul style="list-style-type: none"> North Sea oil industry 	<ul style="list-style-type: none"> Commonwealth prosperity through integrity (workshop in Edinburgh, in association with Commonwealth Heads of Government Meeting)
1998	9	<ul style="list-style-type: none"> OECD convention – UK Government view International arms trade Cambodia deforestation Pakistan Report on TI's first 5 years 	<ul style="list-style-type: none"> Local government corruption Funding of political parties Police corruption TI (UK) strategy meeting 	-

1999	7	<ul style="list-style-type: none"> • TI Corruption Index (jointly with LSE) • Africa- corruption & governance • Bribe payers' index 	<ul style="list-style-type: none"> • Corruption in sport • TI (UK) strategy meeting 	<ul style="list-style-type: none"> • Corruption as a threat to world trade and investment (half day seminar with Chatham House and Control Risks Group) • International bribery conventions (full day seminar with British Institute of International & Comparative Law)
2000	7	<ul style="list-style-type: none"> • Debt relief and conditionality • Corporate integrity – future measures • Tackling corruption – the view from Parliament (also AGM) • Angola 	<ul style="list-style-type: none"> • TI (UK) strategy meeting 	<ul style="list-style-type: none"> • Corruption, money laundering and risks to the legal profession (seminar with Law Society and International Bar Association) • Corruption in Southern Africa (full day conference with Chatham House's Southern Africa Study Group)