

KEYNOTE ADDRESS

TRINIDAD AND TOBAGO TRANSPARENCY INSTITUTE

LAUNCH OF CORRUPTION PERCEPTIONS INDEX

“CORRUPTION AND THE CRISIS OF DEMOCRACY –

Are we part of the problem or are we a part of the solution?”

It is indeed a treasured opportunity to deliver the keynote address on this very significant occasion, the Launch of the Corruption Perceptions Index 2018, and to no less, address the topic “Corruption and the Crisis of Democracy.” With your permission, I would like to add the subtitle “*Are we part of the problem or are we a part of the solution?”*”

If you will bear with me, let’s start from the basics. The term "democracy" emanates from two Greek words: "demos" (the people) and "kratia" (power or authority). In its purest incarnation, it is supposed to be a form of government that gives power to the people. The people being the population at large.

But how, when, and to which people is the question to be answered? For we have observed that in many democracies around the world, elected governments have failed unreservedly, to deliver even the most basic of services to their people. We have witnessed time and again, the proliferation of selective development, for instance, where most of the public spending is done in areas and communities with voting bases, all in the interest of personal gain...a real blow to democracy, I’ll say!

The Organization for Economic Cooperation and Development (OECD) Foreign Bribery Report (2014) confirms that public procurement is one of the government activities most vulnerable to corruption, due to the volume of transactions and the financial interests at stake. In their study, they discovered that two-thirds of foreign bribery cases occurred in sectors closely associated with contracts or licensing through public procurement. They also estimated that between 10-30% of the investment in publicly funded projects is lost through mismanagement. **The gravity of this situation cannot be overemphasized!**

Just imagine, our country having a budget of \$50 billion and of that, 50% being allocated to public procurement. Through efficiencies and the deliberate obliteration of corruption, 20% of that, about \$5 billion, can go back into improving the lives of the very people that gave the government the authority to spend that money in the first place.

So yes, if corruption is left to continue, there will certainly be a crisis of democracy, if, on this basis, it is not here already, and I dare say may have been with us for quite a while! But is corruption in government solely responsible for this *demise* of democracy? The resounding and obvious answer is NO!

Let us pause for a moment to dissect and digest the operative word **bribery** in OECD's findings! Why bribery? Because bribery is the offering of something that serves to unfairly induce or influence an outcome in a business (or personal) transaction! Now as far as we are all aware, I'm sure, one doesn't bribe oneself. One **has to be** bribed! To me, that suggests two or more parties must be involved. Someone has to offer, and someone must accept for it to become a **legitimate** bribe...no pun intended! If we continue logically along this line, it therefore means that the private sector...businesses...small and large, also have a role to play in ensuring that they deal honestly when offering their goods and services to governments and other public bodies.

To this end, it is safe to agree with notable French writer, Francois de La Rochefoucauld: "**we should not trust democracy without extremely powerful systems of accountability**". And so, particularly as a small democratic nation, we should be proud of the fact that we have insisted on the implementation of the Public Procurement and Disposal of Public Property Act, 2015 (as amended) and its attendant demands to uphold the tenets of good governance, namely accountability, transparency, integrity and value for money.

Let us think for a moment how much more empowered, in the name of democracy, our citizens could have been, if say 50 years ago or even 20 years ago...10 years ago, we had this Act in place. Seriously, ask yourselves, what could have been the possibilities for Trinidad and Tobago? Would we be facing the kind of economic tumult we do now? I could easily argue no, we would not! Because it is well known that corruption **is** the bane of public procurement.

To cement that, macro level studies, using country-level data to explore cross-country variations in both governance and economic indicators, have consistently found that corruption significantly decreases economic growth and development. Trinidad and Tobago specifically, certainly reaped the fruit of corruption having scored 41 points out of 100 on the 2017 Corruption Perceptions Index. And, as you are aware, this is not a recent development; as the CPI in Trinidad and Tobago averaged 39.06 Points from 2001 until 2017, reaching an all-time high of 53 Points in 2001 and a record low of 32 Points in 2006.

To paraphrase the words of The Economist "No country can ignore its reputation for corruption and so no country can ignore Transparency International." I would go so far as to say, no country should! By Trinidad and Tobago doing just that, ignoring it, today we are reasonably reaping the rewards seen in this country's low attractiveness for foreign investment and international trade, artificially high prices for low quality products and services, inefficient allocation of resources, uneven distribution of wealth, low quality education, infrastructure and healthcare. The list can go on.

But I note with appreciation on TTTI's website, your support and declaration that T&T has taken a step in the right direction with the establishment of the Office of Procurement Regulation. And as the country's first procurement regulator, it is my honor to not only stand, but to pledge my allegiance with TTTI in its mission to "**stop corruption and promote transparency, accountability and integrity at all levels and across all sectors of our society.**"

I also challenge our citizens to no longer be same agents, but to be change agents. To change our legacy of an embarrassingly poor Corruption Perceptions Index. To really stop and ask, are we a part of the problem, or are we a part of the solution? To be a part of the solution means truly coming together to protect and return integrity to our democracy.

I assure you, we will live to see its intended benefits come to bear. Redounding benefits! Not only to country but to self, to family, to our children and grandchildren. Winston Churchill's words ring truer than ever here: **"Those who fail to learn from history are condemned to repeat it."** Do we want to be condemned to repeat corruption and failure? I don't!

So even in the face of political science scholars who have concluded that no perfect democratic system can exist, we can certainly try our best, by demanding public procurement best practice and reducing corruption through rigorous checks and balances. By stubbornly refusing to be part of the problem, we accept our responsibility as being part of the solution, and then we can all successfully band **"Together against Corruption!"**

I thank you and I wish you successful deliberations as this event progresses!