

"Public enterprises fail in their responsibilities"

Many public enterprises have no proper Corporate Plans or Action Plans although they had been instructed to prepare them in order to overcome their inefficiencies and weaknesses, states the Committee on Public Enterprises (COPE) in its latest report presented to Parliament recently. As a result, some of the public enterprises have failed to carry out their responsibilities in full for the benefit of the society at large.

The Report quotes Sri Lanka Tea Board, Ceylon Fisheries Harbours Corporation, Atomic Energy Authority, Water Resources Board, Post Graduate Institute of Management and State Development & Construction Corporation as among enterprises which showed weaknesses in preparing these Plans.

During the fourth session of the current Parliament, COPE had met on 20 occasions and examined the operations of 20 public enterprises. The Committee has outlined the major issues and problems discussed at the meetings.

Pointing out that each public enterprise has a set of objectives which are clearly stated in the Act of Incorporation or the Gazette Notification, COPE report says that many of the enterprises had not given adequate attention to all the objectives either due to lack of seriousness or failure to appreciate the importance of such

objectives. COPE has clearly noted this failure, according to the Report.

COPE observes that failure to consult the Attorney General's Department when they were faced with difficulties in legal matters has resulted in large sums of money owed to several enterprises not being recovered. "Even large enterprises were found to have missed the opportunity of getting proper legal advice before taking important decisions and thus incurred losses," the Report states. A case in point is the Ceylon Petroleum Corporation.

The Report highlights the failure to establish and effectively implement the functioning of Audit Committees. This has resulted in poor controls, particularly in the field of financial management and audit. "If the Audit Committees are made to function effectively then most of the essential controls would be in place and the performance of each enterprise would become more effective thus improving the performance," the Report says.

COPE has recommended that every public enterprise should show its objectives clearly spelt out in important documents such as the Corporate Plan and the Annual Report and thereafter every effort should be made by the management to carry out the task in fulfilling such objectives.

Research Report reveals Rampant corruption in Education Sector

Widespread corruption in student admissions, promotions and transfer of officials and teachers, and in payment of fees have been revealed in a research report released by TISL in July 2009. The district quota system for admissions to universities was also being abused.

The research study, conducted by Professor Amarasinghe de Silva of the Peradeniya University was based on a random sample of 1,000 households interviewed during May through September 2008, 100 teachers and 100 officials. The study was conducted in the six districts of Anuradhapura, Galle, Kandy, Nuwara Eliya, Badulla and Puttalam.

Among the main findings of the report are:

- There is consensus among households, teachers and officers that the government school system had declined as compared to several decades ago. This negative perception was attributed to the politicization of the education system;
- Households, teachers and officers from all locations viewed school admissions as extremely corrupt;
- Ministry of Education circulars not stipulating a ceiling on admission fees led to 84% of parents saying admission fees were too high with 90% of the teachers and officers agreeing that the fees were a burden on parents;

- Most schools grant study leave ahead of O/L and A/L exams. During this period, tutoring by the school teachers for financial gain is practiced. Senior officials within MoE reported this leave as unauthorized;
- Children do not have equal opportunity with regard to education. Families that are financially well off and families with social status were more likely to secure better chances at quality education;
- There was much dissatisfaction within the teachers and officers regarding salary increments, loans and transfers, with 82% teachers and 75% of officers experiencing delays. 90% of officers and 85% of teachers felt that transfers were given on political influence; and
- It was generally perceived that absence of regulation on the recruitment of volunteer teachers without adhering to a transparent procedure has led to political and unqualified appointments.

Though the report "Corruption in Education Sector" painted a bleak picture of the governance structure of the education system, 79.5% of parents said that they were satisfied with the performance of their children.

Good response for Assignment Competition

The anti-corruption assignment competition organised by TISL for students of universities and other higher educational institutions has had an encouraging response.

From among many hundreds who showed interest in participating, 452 were selected having met the criteria to enter the competition. A highlight was the large participation by students in the Tamil medium. While 254 Tamil students qualified to take part, there were 157 participating in the Sinhala medium and 41 in English.

Most of the participants are from the Peradeniya University. The balance are undergraduates from other universities, Law College students and those in other higher education institutions.

TISL held 13 seminars to explain in detail how the participants should structure their entries. These were held in Ampara, Batticaloa, Colombo, Jaffna, Kandy and Matara.

Good Governance guidelines for 18 NGOs

Eighteen local NGOs have requested TISL to formulate a framework for good governance following up on TISL's initiative in developing Golden Rules for civil society organisations. These NGOs are partner organizations of Fredskorpset Sri Lanka (FKSL).

As the first step, TISL organized a full day workshop at the Sri Lanka Foundation Institute on 24 August to discuss how these NGOs function and formulate the good governance framework accordingly. It is vital for them to feel an ownership to the framework for the success of this initiative.

Field visits have also been made to the partner organizations to better understand their operations and thus ensure that the framework would suit their needs. Field visits were made to offices located in Colombo, Badulla, Puttalam and Kegalle.

Combating Corruption at Divisional Level

An action plan to combat corruption and promote good governance has been prepared for implementation in the Mawathagama Divisional Secretary's Division in the Kurunegala District on the initiative of TISL.

Forty selected participants from among public officials and representatives of Community Based Organisations (CBOs) who attended a series of anti-corruption workshops organized by TISL in the Mawathagama area were involved in preparing the action plan. They had earlier attended ten workshops.

The action plan covers topics relating to integrity among public officials, need for a code of ethics, people's audit and machinery to investigate public complaints, among others.



Sri Lanka drops to 97th place in Corruption Perceptions Index

Sri Lanka's position in the annual Corruption Perception Index (CPI) has worsened in 2009 dropping to the 97th position among 180 countries. Last year Sri Lanka occupied the 92nd position. The Index, which focuses on corruption in the public sector, is conducted by Transparency International (TI), the global civil society organization leading the fight against corruption.

Sri Lanka's score is at a low 3.1 (as against 3.2 last year) which indicates a serious corruption problem in the public sector in the country. Its score has continuously declined since 2002 when it was at 3.7.

Commenting on this score, Mr J.C. Weliamuna, Executive Director of Transparency International said that though CPI is perceptual, this is the most recognized and often quoted international index on corruption. "What we see is a clear indictment on Sri Lanka and the urgent need for major systemic changes to wipe out corruption. The lesson to learn from the CPI reading this year is that anti corruption should be nothing less than a national priority," he said.

Commenting on the Index as a whole, Mr. Weliamuna also points out that the dictatorial regimes and countries plagued with internal conflicts are much worse in governance and therefore scored poorest in the Index.

The CPI measures each country's level of corruption and places it on a scale from 0 to 10, where 0 is highly corrupt and 10 low levels of corruption. It ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians.

As for Sri Lanka's neighbouring countries, India's score remains at 3.4 while Maldives (2.5), Bangladesh (2.4), Pakistan (2.4) and Nepal (2.3)

continue to be below 3.0. Bhutan's score this year is 5.0.

Releasing the CPI, Chair of Transparency International, Hugette Labelle says that stemming corruption requires oversight by parliaments, a well performing judiciary, independent and properly resourced audit and anti-corruption agencies, vigorous law enforcement, transparency in public budgets, revenue and aid flows, as well as space for independent media and a vibrant civil society.

Explaining the significance of this year's CPI in the global context, Transparency International says that as the world economy begins to register a tentative recovery and some nations continue to wrestle with ongoing conflict and insecurity, it is clear that no region of the world is immune to the perils of corruption. "At a time when massive stimulus packages, fast-track disbursements of public funds and attempts to secure peace are being implemented around the world, it is essential to identify where corruption blocks good governance and accountability, in order to break its corrosive cycle," TI Chair stated.

A feature of this year's CPI is that the vast majority of the 180 countries included in the index have scored below five.

Highest scorers in the 2009 CPI are New Zealand at 9.4, Singapore and Sweden at 9.2 and Switzerland at 9.0. These scores reflect political stability, long established conflict of interest regulations and solid functioning public constitutions. At the bottom of the index are Somalia (1.1), Afghanistan (1.3), Myanmar (1.4) and Sudan & Iraq (1.5). These results demonstrate that countries which are perceived as the most corrupt are also plagued by long-standing conflicts, which have torn apart their governance infrastructure.

Corruption in the Private Sector



Petty corruption rampant in hospitals

Grenade Attack on Weliamuna: NO ACTION FOR ONE YEAR

One year has passed since the grenade attack on the residence of the Executive Director of Transparency International Sri Lanka (TISL), Mr. J.C. Weliamuna. Action seems to be stalled in finding who was responsible for it. The attack took place at around 11.40pm on 27th September 2008.

Civil society organizations are perturbed on the inaction on the part of the authorities in probing into this incident. They are of the opinion that though there is no indication the source of the attack, it is reasonable to assume that the attack was aimed at the work that Mr. Weliamuna is involved with as a human rights lawyer and an active opponent against corruption in Sri Lanka.

Meanwhile, TISL is watching the developments and hoping that there will be transparent and fair investigation into the matter since there is no success into the investigations.

TISL is deeply concerned with the continuing attacks on activists, journalists and civil society. This is another effort to curb the freedom of expression and conscience of the people of Sri Lanka. TISL vehemently oppose these acts which constricts the space to dissent.

Citizens Charter for a better service to the public

Thirty five ministries have completed the Citizens' Charter and it will be operative from January next year, says the Ministry of Public Administration.

With the view of providing a better service to the public, the Cabinet directed the ministries to prepare their respective Citizens Charters as soon as possible.

According to the Secretary to the Ministry of Public Administration, D. Dissanayake The Citizens' Charter will inform the public what services are available at the different government institutions. Each Citizens Charter clearly informs the public the stipulated timeframe for each service. For example, a visitor to the Divisional Secretariat will see it displayed that birth certificates will be issued within one hour.

"We need to tell the people that they have a right to obtain these services. Not just services, but quality services," said the Secretary. "Citizens Charter is one instance where we have made a lot of progress in the Clean Hands campaign."

Clean Hands campaign was started a few years back by Mr. Dissanayake with the support from a few public servants to work against corruption in the Public Sector. They started the campaign with 35 public servants and at the moment membership has grown to 11,500.

Petty corruption rampant in hospitals

A study by TISL has revealed that there is widespread petty corruption, bribery and nepotism in government hospitals in the Colombo District.

In a survey of 200 households in the District, 98.5% of respondents said that personal connections are necessary to get a better service. Nepotism seems to be the most frequent form of corruption but bribery was also widespread.

However, the majority of respondents are satisfied with the service offered and this was mostly because of free access to facilities available to them.

Long queues, lack of kindness on the part of the staff, and shortage of prescribed medicines were the main reasons given by those who were not satisfied with the services. Personal relationships with hospital staff, and giving money or gifts to hospital staff helped the patients to get a better service.

Although the survey indicated that bribery was prevalent among the minor staff, the report mentions that "it is possible that the higher layer of hospital management hierarchy may even be more corrupt than minor workers". Out of 185 acts of bribery reported, 179 involved a minor worker most of them involved in amounts less than Rs 100. Only nine cases involved more than Rs 500. "While these findings seem to indicate a higher frequency of petty corruption with minor payments, it could also be the reluctance to report other cases of malpractice that may involve higher level staff, especially doctors and nurses, and larger amounts of money," the report points out.

The need for a strong community awareness program has been stressed in the report as the public is not aware of their rights as patients. "They rarely demand their rights and instead use bribery as a way of overcoming the obstacles they face in accessing healthcare services."

All the respondents of this study have agreed that offering bribes creates a negative impact on society as a whole. As they have highlighted, both giving and accepting bribes have a negative impact on the health service. All the respondents in the household survey and all key informants emphasized the need to control bribery and corruption in order to protect the free health service, the report adds.



D. Dissanayake, Secretary - Ministry of Public Administration



TI Report exposes Corruption in the Private Sector

The scale and scope of bribery in business is staggering, says the Global Corruption Report 2009 released by Transparency International (TI).

In a survey of more than 2700 business executives in 26 countries conducted by TI, almost two in five respondents claimed that have been asked to pay a bribe when dealing with public institutions. Half estimated that corruption raised project costs by at least 10 per cent. One in five claimed to have lost business because of bribes by a competitor. More than a third felt that corruption is getting worse.

"The consequences are dramatic. In developing and transition countries alone, corrupt politicians and government officials receive bribes believed to total between US\$20 and 40 billion annually – the equivalent of some 20 to 40 per cent of official development assistance," the Report states.

Pointing out that the cost is measurable in more than money, the Report adds: "When corruption allows reckless companies to disregard the law, the consequences range from water shortages in Spain, exploitative work conditions in China or illegal logging in Indonesia to unsafe medicines in Nigeria and poorly constructed buildings in Turkey that collapse with deadly consequences. Even facilitation payments – the many, often small payments made by companies to 'get things done' – are found to be harmful, as they are funnelled up through the system and help nurture and sustain corrupt bureaucracies, political parties and governments."

A key message conveyed by the Report is that after a first broad wave of anti-corruption activism and corporate social responsibility (CSR) activities, business worldwide now has a clearer responsibility, more profound self-interest and greater potential to assume a vital role in the fight against corruption.

Hidden agenda in Section 487 in Companies Act?

Transparency International Sri Lanka (TISL) calls on the State to reformulate certain provisions in the Companies Act No 7 of 2007. The recommendation is made in a Position Paper just released following an analysis on the failure of a large number of companies to re-register under the Act.

TISL believes there is ample reason to suggest a hidden agenda behind the questionable inclusion of Section 487 of the new Companies Act. The section aims at removing defunct companies from the register, and was founded on the premise that there were adequate safeguards for stakeholders. However, TISL argues that there is potential for misuse of this transitional provision by errant directors and shareholders. The lacuna in the law may be used in order to evade liability to stakeholders by simple non-re-registration of the companies.



Social activist here for NIA presentation

Indian social activist, Ramon Magsaysay Award winner for Emergent Leadership Arvind Kejriwal will be the chief guest at this year's National Integrity Award (NIA) presentation on 9 December at the BMICH.

Crusader for greater transparency in Government, one-time civil servant, Kejriwal was awarded the Magsaysay Award for activating India's Right to Information movement at grassroots and social activities to empower the poorest citizens to fight corruption by holding the government answerable to the people.

Forty-one year old Kejriwal joined the Indian Revenue Service (IRS) having graduated as a mechanical engineer in 1989. While serving at the Income Tax Commissioner's Office in Delhi, he realized that much of the corruption prevalent in government was due to lack of transparency in the process. Even while in his official position, he started crusading against the corrupt practices and was instrumental in bringing in a number of changes to increase transparency in the Income Tax office.

In January 2000, he took a sabbatical from work and founded Parivartan - a Delhi based citizens' movement which works on ensuring a just, transparent and accountable governance. Thereafter, in February 2006, he resigned from the job, to work full-time at Parivartan.

Together with Aruna Roy and others, he campaigned for the Right to Information Act, which soon became a silent social movement. Delhi Right to Information Act was passed in 2001 and eventually at the national-level, the Indian Parliament passed the Right to Information Act (RTI) in 2005. Thereafter, in July 2006, he spearheaded an awareness campaign for RTI across India to motivate others he has now instituted an RTI Award through his organisation.

Arvind uses the Right to Information Act to equip individual citizens with the power to question their government. Through Parivartan he promotes participation in governance by people.

On February 6, 2007, Arvind was named CNN-IBN 'Indian of the Year' in Public Service for the year 2006.



Under an exchange programme among TI chapters in South Asia (Sri Lanka, Bangladesh, India, Pakistan and Maldives), TISL Programme Manager (Capacity Building) Dhanushka Wijekoon is posted to TI Bangladesh (TIB) and Aiman Rasheed from TI Maldives is with TISL.



Under this exchange programme implemented by Fredskorpset Norway, the Exchange Fellows will spend ten months in the respective countries. The objective of the exchange programme is to give an opportunity for staff members of TI chapters to gain first hand exposure to anti-corruption activities in another country.

Asia TI Chapters exchange staff

Prior to moving into their new postings, Dhanushka and Aiman completed a three-week long Preparatory Training programme in Bangkok.

In a note on TI Bangladesh where 300 are on the permanent staff, Dhanushka says its activities are implemented at two levels - national and local - through processes of civic engagement, research and advocacy. At the national level its work is designed to bring the issue of corruption into sharper focus of public discourse and contribute to the strengthening the pillars of democracy and National Integrity System. At the local level, TIB has established a network of Committees of Concerned Citizens (CCCs) that take the anti-corruption message to the communities and engage citizens in result-oriented anti-corruption campaigns in key sectors of public service delivery like education, health and local government.

During his assignment period, Dhanushka expects to engage in research studies and advocacy activities in TIB in order to bring back fruitful experiences and knowledge to TISL.