

## PANEL DISCUSSION SUMMARY

*To reflect the multidisciplinary nature of the fight against corruption, the panel was composed of advisers from various public agencies in Japan, namely, Mr. Junichi Izumi, of the Ministry of Finance; Mr. Hideshiro Karasawa, of the Financial Services Agency; and Mr. Yuji Takada, of the National Public Service Ethics Board; as well the Visiting Experts. The Panel was chaired by Mr. Haruhiko Ukawa, Deputy Director of UNAFEI.*

Each of the advisers gave a brief description of his respective agency's anti-corruption efforts, and explained the challenges facing each agency. As Mr. Ukawa advised, each agency could be the focus in its own right of an anti-corruption seminar, but presented as a whole, and reflecting the theme of the Fifth Good Governance Seminar, their various systems demonstrated the need for a multi-faceted approach to the fight against corruption. The advisers discussed the legislation governing their agencies and activities.

Mr. Takada made the point that penetrating legislation and efficient systems will lead to a higher rate of detection and prosecution of corruption, not necessarily a decrease in acts of corruption. Meanwhile, the cultivation of ethics in public officials is a long-term process.

Following the presentations, the floor was opened for a Q&A session.

Participants questioned what kinds of specific conduct would breach the **public service ethics legislation** of Japan, and if the legislation extended to spouses and children of officials. Mr. Takada explained that the legislation prohibits special treatment and collusive relationships of any kind, which would cover familial and personal relationships. He added that legislating for strictly merit-based appointment only made illegal any promotion or transfer based on collusive relationships. The Expert from Hong Kong stated that despite the great success of the ICAC in controlling corruption, the SAR has no ethics board, and that such a body would be beneficial.

Participants also enquired of the **relationship between the regulatory agencies and the police** – the advisers responded that they are obliged to inform the police of any information indicating a violation of the law.

The participants and Experts also discussed **public procurement**, and specifically,

e-procurement. The Expert from UNODC stated that many cases that come to international attention relate to e-procurement. Mr. Takada noted that bad systems can cause bad morals, and said that e-procurement has been partially introduced in Japan to increase transparency and had been particularly effective at town and prefectural levels.

In response to an enquiry from a Cambodian participant, the panellists explained that both systemic and personal weaknesses can lead to **bid-rigging**. The panel noted that when bid-rigging was eliminated from certain industries though improved procurement systems, the exchequer experienced savings of up to 30 per cent. This huge reduction in cost demonstrates the great profits to be made by those willing to take advantage of weak systems.

The participants enquired of the Hong Kong Expert how **private sector corruption** could be criminalized and controlled. The Expert responded that, as well as being bad for business, bribery in the private sector contributes to the rise of inferior products, as high-quality goods and services do not need bribes to prosper in the market. That private sector corruption can increase the supply of unsafe products to the public is valid grounds on which to criminalize it. The UNODC Expert described the involvement of the private sector in anti-corruption efforts as ‘very significant’.

In response to a question regarding **mandatory provisions of the UNCAC**, the Expert from UNODC explained that her office’s philosophy as guardian of the UNCAC is to be a support to States Parties in implementing the Convention, not to wield a “stick” in forcing its implementation. She also explained the implementation review process.

The Expert from Hong Kong also explained ICAC’s role in **reviewing legislation** – it is undertaken strictly from a prevention of corruption viewpoint. ICAC will also carry out a review of government agencies’ reports, at their request, and in confidence.

The panellists also addressed the vital issue of **public support for anti-corruption efforts**. The Hong Kong Expert explained that public demand led to the creation of an anti-corruption system in Hong Kong, and is needed to maintain same.

He concluded by emphasizing that **both prevention and effective enforcement** are vital to the anti-corruption fight. One without the other is pointless.