

Distinguished participants,

I would like to thank the International Business Council for this platform to discuss anti-corruption issues in the presence of a representative audience from the state structures, business sector, civil society, population and media.

We all know **why** corruption is bad. It subverts society ; deters investors ; robs tax-payers and the State ; grows like a cancer if left untreated. I regret that Kyrgyzstan has a dreadful record on corruption in international terms and the viewpoint of the nation's public. For too long, the discussion has not brought the desired change. We therefore have to think **what** can be done in short-term and longer-term measures. Both can be done in parallel.

The focus of the OSCE CiB's fight against corruption is on prevention more than punishment. This is because international experience shows that in the long term prevention is more effective than prosecution. Surveys in the United States, for example, show that prevention of corruption accounts for three quarters of positive change in behaviour, whereas prosecution (deterrence) only for 4 percent. The creation of a culture of non-corruption is much more effective than dependence on rules and regulation.

This "culture" I speak of is about ethics – right and wrong. All of us know what is ethically right and wrong. We know instinctively if we cheat or abuse our position. Low salary is no excuse for corruption.

So **how** do we develop this culture? I suspect the ethical culture is created within organizations by leaderships but also by peer pressure. Harnessing this pressure is the essence of the Centre's work with Local Self-Governance Bodies this year. We work with 30 such Bodies through southern Kyrgyzstan to improve their transparent and efficient use of State resources. But the central ingredient of success will be our work with the local citizens, that they start to **expect** the State's resources to benefit them as a whole.

Yet such efforts can often fall on stony ground when there is an overriding perception of impunity, of "getting away with it". And here lies the role of punishment, of holding offenders to account. Together with the Anti-Corruption Business Council the Centre runs anti-corruption hotlines at Manas airport and Ak-Zhol border to prevent corruption at the border check-points. Last year these hotlines resulted in five criminal cases being initiated and four Border Control Officers being dismissed. This alone will eradicate corruption at the border, but it is a step in developing an ethical culture, one which does not tolerate corruption.

The OSCE Centre recognizes there is no silver bullet to rid a country of corruption. The collective effort needed is substantial. It will require difficult decisions and short term sacrifices, but in the longer term will create significantly more opportunities, within a fairer and more predictable business environment. As a member of the International Business Council, the Centre remains open to supporting your efforts and initiatives.