

## **Clean Games Inside and Outside the Stadium: Collective Action in Combating Corruption in Sporting Events**

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Efforts to combat corruption have increased from the domestic level to a global level, an indication of increased global awareness that has incentivized nations to internationally cooperate to eliminate corruption. As countries sign and ratify various international conventions,<sup>1</sup> various stakeholders seek mutually beneficial outcomes, from the creation of a level playing field to increasing ethical business performance, transparency and across-the-board accountability, including sporting events.

Collective action efforts in sporting events are becoming wide-spread in both the public and private sectors. In the public sphere, governments are implementing anti-corruption frameworks, while in the private sector companies involved in bidding processes for sports projects such as Olympic Games are beginning to understand the positive effects of implementing effective compliance programs to address and prevent corrupt behavior. Today, coupled with the role of civil society organizations as “watchdogs”, all of the foregoing stakeholders collectively aim to eliminate corruption in large-scale infrastructure spending and initiatives in the sporting arena, and more specifically in the phases leading to hosting Olympic Games. Now in the aftermath of Tokyo’s win over the race for hosting the 2020 Summer Olympic Games, collective action efforts for ensuring transparency and eliminating corruption during the various phases leading up to this sporting event has become a topical issue. This article aims to address collective action with respect to major sporting events.

### **Collective Action and the UN Global Compact**

Collective action seeks to “*create fair and equal market conditions for all market players and ... eliminate the temptations of corruption for all of them*”.<sup>2</sup> Several recent examples<sup>3</sup> include the Frankfurt waste incinerator project; the integrity pact of suburban train project in Mexico; the integrity pact at the Berlin airport; “Empresa Limpa” (business pact for integrity and against corruption) Brazil; China business leaders forum, Pacto Etico Commercial Paraguay; and, the ethics management system of the Bavarian construction industry. All of the foregoing initiatives began with a public commitment to prevent corruption and to commence public discussions regarding corruption and culminated in a signed statement that was shared with sub-contractors with which the respective government entities or companies worked. As will be further discussed

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<sup>1</sup> United Nations Convention Against Corruption, United Nations Convention Against Transnational Organized Crime and the Protocols Thereto, OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

<sup>2</sup> World Bank Institute Working Group, “Collective Action in the Fight Against Corruption”, p.2

<sup>3</sup> World Bank Institute, Fighting Corruption through Collective Action, A Guide for Business, slide 30.

below, the basic rationale for building a collaborative and sustained process amongst the stakeholders holds true for sporting events as well.

The “Global Compact Anti-Corruption Project in Five Countries” (“Global Compact”), which is a strategic policy initiative for businesses, was launched in 2010 by the United Nations (“UN”) to enable the participating countries to promote their ethical practices in business transactions. The project is being carried out with funding provided by Siemens AG<sup>4</sup> and among the five countries that are a part of the Global Compact include Brazil (through the Ethos Institute), Egypt (through the Egyptian Junior Business Association), India (through the Global Compact Society of India), Nigeria (through the Nigerian Economic Summit Group) and South Africa (through the National Business Initiative). The Global Compact is a significant development with respect to the sporting arena as it aims to develop an important platform for businesses in Brazil, in convening two international sporting events and “to reaffirm their commitments to anti-corruption and transparency,”<sup>5</sup> as discussed more in detail below.

### **The “Clean Games” Anti-Corruption Project**

The Global Compact project has partnered with the Brazilian corporate social responsibility organization, the Ethos Institute of Business and Social Responsibility, to implement a five-year anti-corruption plan, called the “*Clean Games Inside and Outside the Stadium.*” This plan was initiated in 2011 to monitor public spending and facilitate disclosure and reporting duties in connection with potential irregularities that might arise during the 2014 FIFA World Cup that will be held in Brazil, and the August 2016 World Olympics in Rio de Janeiro. Among the primary goals of the plan launched in Brazil are promoting integrity in the infrastructure investment for these sporting events and ultimately, promoting transparency. Coordinated by a newly established National Committee composed of four national thematic committees and twelve local committees in Brazil, the project aims to address risks, such as corrupt practices, that are inherent to infrastructure spending within the context of global sporting events.

The Clean Games project is expected to launch four sectoral anti-corruption agreements with businesses operating in various sectors, including construction, energy, transportation and health equipment, in order to modernize and expand different types of public infrastructure (such as stadiums, hospitals, airports and transportation systems). The project will also engage political

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<sup>4</sup> The “Siemens Integrity Initiative”, which was launched in December 2009. Over a period of four years, the Siemens Integrity Initiative, which is a part of a settlement that Siemens AG entered into with the World Bank in July 2, 2009, will provide funding of approximately 4.35 million USD to the Global Compact and partnering organizations in these five countries in order to support them in their projects to formulate anti-corruption guidelines, corporate governance, business ethics and public procurement that will be taught in management schools, and to promote collective action to stakeholders in the target countries. As per the settlement, Siemens AG “*agreed to cooperate in changing industry practices, clean up procurement practices and engage in Collective Action with the World Bank Group in order to fight fraud and corruption.*” (Siemens Integrity Initiative) Making available 100 million USD specifically for this initiative, Siemens AG has committed to funding 31 projects for a total of 37.7 million USD during the first round of the Integrity Initiative.

<sup>5</sup> The UN Global Compact, available at [http://www.unglobalcompact.org/Issues/transparency\\_anticorruption/collective\\_action.html](http://www.unglobalcompact.org/Issues/transparency_anticorruption/collective_action.html)

officials in host countries into “transparency pacts,” whereby they will be required to make public commitments on transparency and accountability in public spending.

### **Future Prospects in Collective Action**

According to OECD’s Policy Paper and Principles on Anti-Corruption<sup>6</sup>, there are four reasons why actions against corruption ought to include elements of collective action: (1) anti-corruption efforts should be country led, (2) anti-corruption efforts must be multi-stranded (“*acting on both the demand for and supply of more effective and accountable governance*”), (3) there should be coordinated and concerted responses to signs of corruption risks, and (4) there should be concerted efforts to ratify, implement and monitor international treaties such as the OECD Convention on Combating Bribery and UN Convention Against Corruption. In view of these elements, the Clean Games initiative may indeed be a pivotal step in incorporating various stakeholders, from national and multinational companies, to leading edge firms, to commit to a collective fight against corrupt acts in countries where corruption and bribery are rampant. The expected result will be a reinvigoration of anti-corruption efforts at the national level, and elimination of failures of accountability relationships arising from corrupt practices in the public sphere. The latter will incentivize governments to comply with the initiative as it will improve the national governance system and ensure political accountability.

From this vantage point, collective action holds particularly interesting implications for facilitating public-private dialogue in countries, whereby companies can discuss ways to better their governance structures and operations, all intended to build an effective platform among the civil society, private companies and government officials, in particular relation to sporting events. It will always be a good practice for the countries to level up their collaboration efforts to foster an effective platform of dialogue in long-term initiatives, such as the Clean Games project. Success may necessitate an integrated and collective approach to promoting a fair, competitive and transparent environment, through endorsing concerted action and coordination at the national level by ministers and local reformers, closer cooperation with international organizations and involvement in international projects, and encouraging best practice principles, such as voluntary codes of conduct, to help eliminate corruption.<sup>7</sup>

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<sup>6</sup> OECD, Policy Paper and Principles on Anti-Corruption: Setting an Agenda for Collective Action, available at <http://www.oecd.org/dac/governanceanddevelopment/39618679.pdf>, p. 16.

<sup>7</sup> See also Id. p. 39-40.