Key messages:

1. Corruption is clearly a critical problem for many sectors. However, corruption in fisheries is given surprisingly limited attention in international debates on fisheries reforms.

2. Transparency is often seen as a prominent way of preventing and detecting corruption by shedding light on government activities, decisions and expenditures, and by increasing levels of accountability.

3. Yet, the power of transparency to fight corruption rarely lies in revealing specific instances of corruption. Instead, transparency’s impact might be more indirect, by helping to shift political debates towards obtaining greater public sector accountability.
Introduction

The global movement for transparency and open government data has been justified for many reasons. It is seen as fundamental to modern ideas of democratic governance. It enables efficient functioning of markets, public service delivery and citizen engagement. As a cross-cutting theme, it is often seen as synonymous with fighting corruption.

Particularly during the 1990s, organisations such as the World Bank mainstreamed the view that corruption was often at the heart of inequitable and unsustainable development and that increasing government transparency was a powerful cure for the ‘cancer of corruption’\(^1\). The first organisation that devoted itself to countering corruption globally was fittingly named ‘Transparency International’. The United Nations Convention against Corruption (UNCAC), the only legally binding universal anti-corruption instrument, came into force in 2005 and gave central importance to transparency. Transparency is also considered a principle against corruption in regional legal instruments, such as the Inter-American Convention Against Corruption (1996), the Organisation for Economic Co-operation and Development’s Anti-Bribery Convention (1997), and the African Union Convention against Corruption (2003).

Corruption in marine fisheries has been surprisingly overlooked, as has transparency as a solution approach. But as we have shown in previous tBriefs, the call for increased transparency in marine fisheries is gaining momentum and links to anti-corruption efforts are emerging.\(^2\) However, those advocating transparency as a means to reduce corruption need to critically reflect on what transparency can realistically accomplish. Such a reflection is the core objective of this fifth edition of our tBrief series. We want those working for or interested in sustainable fisheries management to recognise how corruption can negatively affect sincere efforts to safeguard the sector, and how transparency can support these efforts. To assist that reflection, this edition discusses the concept and forms of corruption, and the fisheries sector’s exposure to risks of corruption. Given that corruption is widely researched and highly complex, this discussion does not aim to be exhaustive, but we hope it is stimulating.

\(^1\) Wolfensohn, J. (1997) World Bank Annual Meeting in Hong Kong

\(^2\) For example, the Fisheries Transparency Initiative is now collaborating with the International Anti-Corruption Academy (IACA) to raise awareness about key drivers of corruption in fisheries and different approaches to tackle this global problem.
Corruption: What does it actually mean?

Corruption as a term crops up in multiple situations and contexts. But its actual meaning is more than just a challenge of definition. How people or sectors define corruption can affect how they tackle the problems that corruption causes.

To start with, there is no universally accepted and legally binding definition of corruption. During the negotiations for the UNCAC, UN member states considered whether to give a legal definition of corruption. It was recognised that even a comprehensive definition could omit important forms of corruption. Thus, instead of a definition, the UNCAC lists a number of aspects that governments should criminalise or take steps to address.

Simple, non-legally binding definitions for corruption exist, such as the one used by Transparency International: ‘the abuse of entrusted power for private gain’.3

Three well-known types of corruption4 have particular relevance for the fisheries sector, and are briefly elaborated below.

**Bribery:** This involves an advantage (e.g. a payment or gift) conveyed to someone in a position of authority or influence in return for an illicit service or favour. Bribery exists at a ‘petty’ level – a small amount of money paid to a port inspector ‘to look the other way’. It can also involve enormous sums – millions of dollars paid as ‘kickbacks’ to win a government fishing or investment agreement. Such advantages given to (or extorted by) a public authority may come in various shapes and sizes: gifts, extravagant per diems to attend meetings, offers of free overseas travel, scholarships, jobs or political lobbying5 – not simply the old cliché of a brown envelope stuffed with cash. Identifying non-monetary benefits as bribes is extremely difficult, and considerable time may pass between the point when someone receives the gift and does the favour – the ‘quid pro quo’.

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3 Even with such a simple definition, there has, and always will be, disagreement on where the boundaries lie between behaviours that are corrupt or acceptable.
2 Embezzlement: This refers to the misappropriation of wealth by someone (or a group) in a position of authority. Embezzlement may involve skimming a small amount of cash, or the theft of billions of dollars in state revenues. It may work through complex frauds and money-laundering schemes that deliberately avoid public oversight. Revenues from natural resource sectors, such as oil and gas or timber concessions, are regularly found to be vulnerable to embezzlement.

3 Conflict of interests: This describes the situation in which a public authority has two or more interests competing for their loyalty. A blatant example is where a person in a position of public authority simultaneously has business investments in the same industry that s/he is tasked to govern. A subtle variation comes through the problem of ‘revolving doors’ – where legislators or regulators take positions in the private sectors that they were tasked with overseeing, and vice versa. There are many industries where this has become widespread and common, such as the financial sector. The concern here is that the prospect of landing a lucrative job in the private sector encourages those in public office to support policies and actions that favour the private sector, as opposed to the wider common good. Likewise, industry leaders chosen for a position in government are vulnerable to similar bias and favouritism.

This is really just a snapshot of types of corruption. Corruption is multi-faceted, covering many forms, many situations, and many roles (politicians, government officials, public servants, business people or members of the public). Corruption adapts to different contexts and circumstances, and in many respects its illegality may be unclear.6 Therein lies the difficulty in understanding how to use transparency to fight corruption: Which types of corruption are we seeking to address through transparency? What government data is needed? What wider reforms does transparency require in order to succeed in these efforts?

6 Transparency International (n.d.) ‘What is corruption?’, Transparency International website.
Fisheries: A sector prone to corruption

A key finding from much research into corruption is that it exists in all societies and in most industries. So, what about marine fisheries? Very few cases of corruption in the sector have hit the headlines in recent years, and policy-makers, NGOs and scholars have given the matter scant attention. However, a cursory look suggests there is a high risk that corruption is already occurring in the sector:

**Economic pressure:** Commercial fisheries are under immense strain due to overcapacity. It has been estimated that the number of fishing vessels operating at sea has grown by 500 per cent since the 1960s, while the volumes of fish being caught have stagnated or declined since the 1980s. An increasing amount of effort is being directed at catching a diminishing amount of fish. Surprisingly, the fisheries sector has continued to attract substantial private financial investments, and it receives enormous volumes of capacity-enhancing subsidies. The fishing industry is therefore ‘overcapitalised’. All this can trigger economic volatility, unhealthy levels of risk-taking and competition within the industry. The temptation to cheat or exert undue influence on legislators, regulators and law enforcement staff to sustain catches, increase profits and evade health and safety regulations, is therefore high. Additionally, there is a strong geopolitical dimension of fisheries. The so-called ‘Cod Wars’ or the frictions and conflicts between states around the Brexit agreement are just two prominent examples. Some of the most powerful fishing nations in the world – like China, Russia, South Korea, Japan and members of the European Union – are in an intensifying ‘scramble’ for fish resources. These states are increasingly ‘eyeing’ the territorial waters of poor countries, raising concerns over how far they ensure that their companies fish sustainably and ethically.

7 Official data compiled by the Food and Agriculture Organization (FAO).
Value of the sector: It is often under-appreciated just how valuable fish have become. In monetary terms, fish are the most traded agricultural product in the world; the value of fish traded internationally is greater than that of many other food products, such as coffee, tea and sugar, combined. Consumers also now value seafood products both as being highly nutritious and as having a smaller carbon footprint compared to other animal proteins; this adds to the growing demand for fish and fish products. But this demand is met with decreasing supply capabilities. According to the FAO, more than one-third of assessed marine fish stocks are being exploited at unsustainable levels – a number that has tripled in the last 40 years.8

Competitive, lucrative sectors offer conditions where corruption can flourish. Other contributing conditions (so-called ‘red flags’) that are present in fisheries include an increasingly regulated sector, a high reliance on third-party agents, complex global value chains that span multiple authorities, countries and legal jurisdictions, and often weak or inadequate control structures. All this combined paints a convincing picture of a sector that is highly exposed to corruption.


When asked by the police why he robbed the bank, the bank robber stated

‘Because that’s where the money is’
Typical risk areas in fisheries

How does corruption potentially affect fisheries? According to the United Nations Office on Drugs and Crime (UNODC), ‘corruption... threatens effective regulation and crime prevention at every stage of the fisheries value chain, exposing it to a wide range of risks, from the preparation of forged licences and the underreporting of quantities of caught fish at landing, through to the sale of mislabelled fish, among others’.9 Here are four common examples of how corruption can undermine the sustainable management of fisheries.

1 Deciding on who gets to fish. The process by which governments grant authorisations to fish can be fraught with conflict and disagreement. As shown above, most fisheries face intense competition for access, often between companies and groups with widely differing political influence. Government decision-making over who gets what proportion of the allowable catch is therefore a major risk area for bribery, extortion and conflict of interests. Corruption has become a widespread problem affecting foreign fishing access agreements in developing countries. In Mauritania, for example, the government is undertaking a parliamentary investigation into an investment agreement with a Chinese state company negotiated by the previous government.10 This agreement granted fishing rights for 25 years to the company and allowed approximately 45 Chinese vessels to operate in Mauritanian waters. The agreement came with pledges of $100 million in local investment, although whether these financial commitments have materialised is under review.11 In the Cook Islands of the Pacific, a fisheries minister was found guilty in 2016 of awarding a multinational fishing company from Thailand 18 fishing licences in return for a private loan to help buy real estate properties.12

9 United Nations Office on Drugs and Crime (2019) ‘Rotten Fish – A Guide on Addressing Corruption in the Fisheries Sector’. This guide also identifies several more risk areas along the fisheries value chain.
11 As part of its efforts to comply with the FiTi Standard, the government of Mauritania recently published these agreements online (see: www.fiti-mauritanie.mr/normes-fiti/).
2 Determining the rules that regulate fishing activities. Fisheries management rules are, *inter alia*, designed to protect fish populations and conserve marine biodiversity. These rules set limits on how much fish can be caught, how much can be ‘discarded’, what methods of fishing are allowed, where and when fishing is banned, and so on. In many countries, however, these rules are deliberately watered down. There are several examples where regulations for controlling fishing have been linked to bribery payments, political lobbying or conflicts of interests, including where political elites have direct interests in commercial fishing companies. In Mozambique, for example, the dire management of lucrative prawn fisheries has been explained by the fact that foreign ‘joint venture’ companies have included military elites and the country’s president.\(^\text{13}\)

The practice of ‘revolving doors’ can also negatively affect how management rules are decided, aggravated by the fact that fisheries is such a specialised subject. In the United Kingdom, the previous head of management at the government’s Marine Management Organisation took a senior position in a leading UK fishing firm. In a press release the company declared that ‘the flow of skills and experience between regulators and the fishing industry is a positive move. ‘Revolving doors’ and crossing over of expertise can only make for a better industry.’\(^\text{14}\)

3 Enforcing these rules. It is well established that in almost all fisheries in the world, certain fishing companies do not comply with the rules. Low detection levels of ‘illegal fishing’ are often linked to the lack of ability among national authorities to enforce the rules. But even those that get caught can often continue to operate with impunity. UNODC catalogued several examples in their report ‘Rotten Fish: A Guide on Addressing Corruption in the Fisheries Sector’. A prominent example is the multinational fishing firm Hout Bay Fisheries. At the end of the 1990s Hout Bay was one of South Africa’s largest fishing companies, employing 400 people and exporting millions of dollars of fish to the United States. Investigations into smuggling and fraud by US prosecutors led to the finding that Hout Bay had secured fraudulent export permits by bribing 14 inspectors in South Africa. A conservative estimate was that this operation led to roughly $50 million of damages to the lobster fisheries of South Africa, a fishery that has been hugely important for the livelihoods of thousands of South African fishers.


Managing revenues. What governments earn from fisheries is becoming a significant source of income, including direct revenues from selling licences and access agreements, as well as fines and penalties. However, how governments manage revenues is an under-explored topic in fisheries. An example that came to light in 2019 involved Iceland's largest company, Samherji, and was dubbed the 'fishrot scandal'. The company was accused of paying millions of dollars to senior government officials in Namibia to obtain fishing quotas, bypassing national rules on quota allocations. The case showed how bribes can take various forms and how a corrupt relationship was formed over many years, involving lavish holidays in Iceland. It also revealed how millions of dollars of public funds were diverted to private bank accounts, instead of going to the central treasury. Fisheries revenues may be particularly vulnerable to embezzlement because it is extremely difficult for non-experts to verify how many fishing licences are sold; companies operating on land are much easier to spot than companies operating at sea and out of sight.

It is not only in large-scale fisheries where corruption can occur. An emerging number of cases documented suggest that corruption is also a serious challenge in small-scale fisheries, with disastrous consequences for local coastal fishing communities.


How can transparency help to tackle corruption?

Given the interwoven and elusive nature of corruption, it is clear that no single formula will always work to counter it. This is true for transparency, even though it is often hailed as an obvious solution to curb corruption. The common assumption that transparency can have a strong impact on corruption usually centres on two beliefs:

1. **The role of transparency in preventing or deterring corruption:** It is argued that those in power (e.g. public officials) are deterred from engaging in corruption if they know they will be held accountable for their actions. This then reduces the opportunities for corruption to occur.

2. **The role of transparency in detecting corruption:** It is argued that many forms of corruption thrive because abuses take place out of sight. Access to information can reveal anomalies that can be investigated, exposed and, where necessary, sanctioned (criminal prosecution, removal from office (including through elections), or public shaming).

These two beliefs have been subject to extensive research, with differing views about the effectiveness of transparency. What is clear is that transparency alone will not ‘magically’ lead to positive change. Instead:

- Transparency must be seen as only the first step in curbing corruption;
- Transparency can only be effective in fighting corruption if we understand how corruption works and the systems that enable it.

Fortunately, a body of scholarly work has explored in detail why different types of transparency may help to address some forms of corruption in some contexts – but not in others.

To assess whether transparency is likely to be effective in fighting corruption in fisheries, various considerations need to be applied, as the figure below maps out.

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How can transparency help to tackle corruption?

Definition of expectations

In our first tBrief we explored already how the extent to which transparency can mitigate serious challenges in marine fisheries depends significantly on what is understood about the different objectives, approaches and expectations associated with public availability of government information. Without such an understanding, transparency efforts may be mistargeted and produce disappointing results. The terms corruption can have different meaning for different people. Instead of using the umbrella term ‘corruption’, the specific types to be targeted should be explicitly identified, such as bribery, embezzlement, collusion. Rather than declaring to curb corruption, the approaches need to be specified. For example, is the action aimed at exposing nepotism or for preventing extortion?
Technical considerations

Based on a clear statement of what is being targeted, a number of technical aspects need to be considered.

**Type of information:** Different sets of data are needed depending on what is being targeted. Action to reduce bribery between government officials and business actors will require different data than action to expose embezzlement of state revenues. For example, the publication of fishing licence allocations and reports on government revenues may reveal cases where public officials have embezzled fishing fees. In other resource sectors, such as oil and gas, access to government information has revealed instances of embezzlement. After Nigeria signed up to the Extractive Industries Transparency Initiative and published government data on mining contracts, it emerged that millions of dollars were missing from the central treasury.\(^\text{18}\)

Information on fishing licences, quota allocations, or beneficial ownership may show the extent of economic concentration. While such concentration is in itself not a manifestation of corruption, it may point to underlying structural problems. In the United Kingdom, Greenpeace published in-depth research on the extent of economic concentration in the fishing industry, showing that just five wealthy families held the majority of quotas.\(^\text{19}\) This research was made possible by the UK’s laws and policies on publishing information on the ownership of private companies, as well as its practice of publishing information on quota allocations. While Greenpeace’s research did not directly accuse the UK system of being ‘corrupt’, this type of investigation may help to reveal abuses in the fishing sector.

**Disclosure approach:** It has been recognised that ‘proactive transparency’ by governments may not be efficient in exposing corruption, and could even confuse the public about corruption problems.\(^\text{20}\) On the other hand, proactively publishing relevant information may have a deterrent effect. If it is known that information is soon to become public as a matter of course, this could dissuade individuals from engaging in a corrupt act, such as issuing unjustified fishing licences or signing fishing access agreements. ‘Reactive transparency’ is thought to be a more robust way to expose corruption. This includes instances where access to otherwise confidential data is granted to the public, e.g. through applications made under access to information laws.

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Reliability and usability: Some governments may go along with transparency reforms, but publish misleading, incomplete, outdated or simply false information. Published data may also be fragmented across numerous government departments, making it cumbersome to handle and requiring additional research to combine data sets to draw conclusions from it. The level of data disaggregation can be critical in countering corruption. For example, governments that publish only aggregated payment values made by vessels for their fishing activities, without detailing the amounts per vessel or the name of the national authority who received the payment, may not help to identify embezzlement or payment delays.

While the Fisheries Transparency Initiative (FiTI) has not been established as a direct anti-corruption effort, it does define for the first time a comprehensive list of 12 transparency requirements on a country’s fisheries sector that national authorities should publish online. This includes information regarding fishing rights and fiscal information, such as the fees, duration, transferability and divisibility of fishing rights, as well as the individuals legally entitled to issue such rights, foreign fishing access agreements, annual payments made by large-scale fishing vessels for their fishing activities, the total payments made from small-scale fisheries related to fishing authorisations, catches and landings (if available), and information on beneficial ownership.

Furthermore, getting governments to commit to publish credible and trustworthy information has been paramount when defining the FiTI Standard. Consequently, the FiTI is implemented in countries through National Multi-Stakeholder Groups, consisting of representatives from government, business and organised civil society. They work collectively to assess whether information in the public domain is considered accessible and complete, and make recommendations on how to improve information published by national authorities.
Structural considerations

Despite best intentions, clear expectations, statements and considerations of technical aspects, transparency efforts often still fall short of addressing governance failures. This may be due to structural considerations – that is, systemic factors that could allow corruption to occur. Three structural conditions that can help to prevent corruption are highlighted here:

**Accountability ecosystem:** Likely the most important structural condition is a policy, legal and institutional environment that enables accountability. In many sectors or countries where corruption seems entrenched, many people are fully aware of this. The problem is that there may be very few opportunities to do anything about it. The institutions of accountability and justice may be weak or embroiled in corruption themselves. In such situations, the deterrent effect of better access to information would have no effect if the culprits cannot be ‘shamed’ into changing. Open government initiatives, it is argued, are more likely to have an anti-corruption effect in countries where the context is conducive:

> There is an increasing evidence that suggests that openness can make a difference in reducing corruption when other enabling factors are present, such as political will, a free and independent media, a robust civil society, and effective accountability and sanctioning mechanisms. Whether a certain reform or programme succeeds in helping to lower corruption is entirely dependent on the context.

This message, from the Global Lead of anti-corruption, openness and transparency at the World Bank, was presumably intended to argue for transparency reforms. However, enabling conditions for accountability are often non- or only partially existent in countries or business sectors where corruption is rife, and where a lack of government transparency is particularly evident. Indeed, it is well documented that in many contexts efforts to publicise information on the corruption of senior politicians or government officials is extremely dangerous, leading to harassment or arrest of whistleblowers, civil society actors or journalists.

This begs the question: which transparency reforms can actually contribute to curbing corruption, in particular in countries that lack an accountability ecosystem?

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The detection effect of transparency should not be downplayed. But there are limitations to what transparency can achieve if used solely to dig out incriminating evidence for an illegal act – the so-called ‘smoking gun’.

Instead, there is a growing appreciation that the real power of transparency to fight corruption is indirect – by helping to change political debates about how governments function and for whose benefit.  

These changes can happen if transparency is included as a solution approach when defining open government reforms. Aligning transparency efforts to support more fundamental debates on government objectives and outcomes may be more beneficial than establishing reforms with the sole focus of fighting and (in particular) exposing corruption. That could be counterproductive and too narrow a remit.

Countries that implement the Fisheries Transparency Initiative seek not only to increase the availability, accessibility and quality of information on fisheries management over time. Countries also commit to demonstrate how this published information helps to stimulate public debates on how the fisheries sector is managed.

Commitment: Government transparency must be based on a clear commitment from those in power. Whereas two decades ago, transparency was still somewhat of an aspirational concept, it is becoming increasingly mainstream. The large amount of freedom of information laws enacted around the world, open government data projects, academic research, commitment to voluntary initiatives, such as the Open Government Partnership (OGP) or the Fisheries Transparency Initiative, all testify to this.

Citizen engagement: While top-down government commitment towards transparency and accountability is paramount, this must be met with a bottom-up demand for policies or information. Governments are always balancing multiple priorities and if no demand or interest is shown in a particular field of information, priority may be given to other areas. And surprisingly, although fish stocks around the world are under pressure, there seems to be no sense of urgency among many coastal communities. This engagement (or lack of) has a direct impact on how much political priority is given to aspects of sustainable fisheries management and its challenges, including corruption.

Conclusion

There is little doubt that fisheries are vulnerable to extensive problems related to corruption – however this is defined – and that until recently corruption has been avoided and neglected in discussion of fisheries reform. As debates over corruption in fisheries are now gaining momentum, the call for greater transparency is likely to get louder. While corruption often thrives on secrecy, and transparency can bring much-needed light, there are cases when the effect of transparency may be disappointing – or even worse, why it could give corrupt elites false legitimacy. It is vital that those advocating for transparency in fisheries do not fall into the trap of imagining that it is a ‘one-size-fits-all’ solution.

The call for transparency as a solution to counter corruption must consider several relevant questions: What type of transparency addresses what type of corruption? What type of information is needed? What kind of policy, legal and institutional environment is available that supports open government data? Creative approaches are required, including designing transparency reforms to be less confrontational and more aligned to fundamental questions about how resources are used for wider social and ecological benefits, rather than using transparency primarily as a means to produce incriminating evidence. Transparency must therefore be seen as only the first step in curbing corruption.
Outlook for next tBrief

A lack of information on fisheries management, or the publication of incomplete or inaccurate data often means that the entire sector is given less visibility in national debates than it deserves. Certain groups or fisheries subsectors end up being marginalised or undervalued as a result. Our sixth edition of the tBrief series will look at the importance of transparency for small-scale fishing, indigenous groups and the role of women in the fisheries sector.
Yet, the power of transparency to fight corruption rarely lies in revealing specific instances of corruption. Instead, transparency is often seen as a prominent way of preventing and detecting corruption by shedding light on sector accountability.

Corruption is clearly a critical problem for many sectors. However, corruption in fisheries is given surprisingly little attention. The negative consequences of a lack of transparency regarding beneficial ownership are all too evident, with special implications for the fisheries sector.

Transparency of beneficial ownership – that is, the natural person who ultimately owns or controls a business or transaction – is a topic that is grabbing global attention. The extent of economic concentration and foreign ownership in the sector is a matter of concern, perhaps most notably in terms of the fight against illegal fishing and corruption, but also exposing ownership structures that create an environment that is conducive to beneficial ownership secrecy.

Beneficial ownership is not as clear as it seems? Transparency to the rescue?

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