

# Transparency International's strategy to reestablish the British Empire

by Umberto Pascali

For eight years, the financial elites of the British “Invisible” Empire have carried out a “march through the institutions,” against the nation-state. The operation was led by the International Monetary Fund (IMF) and the World Bank, and its aim was to establish the principle and practice of direct interference in the internal affairs of a sovereign country that had been forced to become a borrower: recolonization through financial means. On July 31 of this year, the project came out into the open.

The process started at the end of 1989, with the publication of a World Bank manifesto titled “Sub-Saharan Africa, from Crisis to Sustainable Growth.” The idea was put forward that the task of the IMF was not simply to lend money in exchange for draconian financial conditionalities. No, the World Bank assumed the “social” function of guarantor of “good governance” in a country. The code-word “governance” became, for the World Bank, the IMF, and several other institutions, a key component of their mission. If a country was deemed “cost-inefficient” or “corrupt” or “inadequate,” then the supranational organizations declared that they had the right to intervene and to ignore the clauses in their own bylaws that ban the IMF and World Bank from politically interfering against the sovereignty of a country.

Although political interference had become a normal practice of these institutions, legally and officially this was still a taboo. That taboo had to be broken, or recolonization—especially of Africa—would have been rather difficult. The turning point was marked, in July 1997, by an IMF document that announced that a loan already approved could be withdrawn, if the country were deemed to be in a state of “poor governance.” After that, IMF representatives were to establish a veiled but clear power of receivership.

The instrument used was Transparency International (TI), the “coalition against corruption,” officially established in 1993, but in reality the result of Prince Philip’s “interfaith meetings,” that began in 1984 (see Umberto Pascali, “Prince Philip Deploys ‘Anti-Corruption’ Weapon,” *EIR*, July 25, 1997).

As we shall see, Transparency was created *inside* the

World Bank (not in 1993, as claimed, but in 1989). Meetings—both confidential and open—took place in Africa. Peter Eigen, the chairman of TI, established a well-organized group inside the leadership of the World Bank, and it was only because of the hostile reaction to this attack against national sovereignty, that the group was asked to “go independent,” until the ground was ready to openly proclaim the principle of interference.

## ‘Governance’ against the nation-state

On July 31, 1997, the IMF announced that it could withdraw a loan already conceded, “on account of poor governance.” The new line was put forward in a document, “The Role of the IMF in Governance Issues,” which formalizes the IMF’s right to interfere in the internal affairs of a country that shows “poor governance.” *Governance* is a word that is supposed to mean, according to the World Bank, “the action or manner of governing” or “the manner in which power is exercised in the management of a country’s economic and social resources.” And, according to the new doctrine, if the “manner” is judged “poor,” then the IMF-World Bank has the right to take over.

On the same date, Transparency International published its 1997 Corruption Perception Index. The index lists 52 countries according to their “perceived” corruption. This ridiculous index—now in its third year—has become a powerful element of blackmail and destabilization against countries that resist the British strategy. Transparency’s 1997 index boasts that Pakistani Prime Minister Benazir Bhutto was overthrown last year, thanks to the publication of the previous index (see box), and the IMF is now applying its new doctrine to Kenya, which is being assaulted with sudden ferociousness and accused of being “corrupt.”

Kenya was made the first bloody example: On July 31, it was brutally and suddenly cut off from a \$220 million loan already negotiated. The pretext for the unprecedented decision was that the government of President Daniel arap Moi was not doing enough against corruption; the IMF accused the government of failure “to ensure *transparency* and accountability” (emphasis added).

## IMF's license to kill

*On Aug. 4, the International Monetary Fund issued new guidelines that, for the first time, officially demand the withdrawal of loans from countries that are judged—according to the unappealable decision of the IMF staff—to be corrupt. The document is titled “The Role of the IMF on Governance Issues.” Here are excerpts:*

Financial assistance from the IMF . . . could be suspended or delayed on account of poor governance. . . . Corrective measures that at least begin to address the governance issue should be prior actions for resumption of IMF support and . . . certain key measures could be structural benchmarks or performance criteria. The staff would need to exercise judgment in assessing whether the actions adopted by the [country] authorities were adequate. . . . As in the case of other policies in which the . . . commitment of the authorities is in doubt, it may be appropriate . . . to call for a period of monitoring prior to a resumption of financial support. The authorities' policy response could also entail changes in management in public institutions and . . . the removal of individuals from involvement in particular operations where corruption had occurred.

An IMF spokesman explained that Kenya did not meet “the clearly expressed concerns of the IMF . . . in the area of governance.” The IMF ganged up with the British-sponsored opposition to the President. While the Kenyan shilling collapsed, investors were scared off, and the country risked a default, self-styled opposition leader Richard Leakey, of Prince Philip's World Wide Fund for Nature, stated: “I'm very pleased the IMF has finally recognized the enormous problem of governance in this country. We have been asking the IMF for a long time to take this measure. . . . Corruption was absolutely central to the IMF decision.” Leakey called for a “revolution”—and armed insurrections suddenly began.

In vain, the secretary of the cabinet, Fares Kuindwa, complained that the President had received the IMF ultimatum only on July 29, and “we were told there should be a response by July 30. For a sovereign nation, the timing is rather intriguing. . . . The issues raised are 90% political.”

Now, the IMF is dictating, one by one, the political steps Kenya has to take to avoid strangulation.

The financial “human sacrifice” of Kenya and the triumph of the *governance* trick represented a culminating success for the organization that had been created to accomplish this very mission: Transparency International. *EIR* and other international media have reported how this powerful, semi-secret organization, which is present in more than 60 countries and has more than 70,000 influential members, is an instrument deployed by the British elite to get back their colonial empire. *EIR* has documented as well the symbiotic relationship between TI and the IMF-World Bank. Here, we analyze its history in greater detail.

### Laptops and manacles

The new IMF guidelines were welcomed by the vice chairman of Transparency International, Frank Vogl, a former World Bank executive. “The guidelines are very important,” he said. “It's long overdue that multilateral organizations involved in financing developing countries place on a par with macro policies *the basic soundness of the government institutions with which they are dealing.*” In fact it was TI, through its local troops, support for scandal-creating specialists, and outright blackmail, that has facilitated the “anti-corruption” forces inside the IMF, World Bank, UN, Organization for Economic Cooperation and Development (OECD), Organization of the American States (OAS), the Asia-Pacific Economic Cooperation (APEC), and inside many governments. It was thanks to TI that these organizations were able to defeat any resistance to adopting an “anti-corruption” agenda.

It was not just the IMF that came out with the “right” to interfere against poor governance. At the beginning of September, the World Bank announced its own “new guidelines.” From now on, companies “tendering” for business funded by World Bank loans would have to sign an “anti-corruption pledge.” Revealing what was really on his mind, a Bank official stated: “This does not mean World Bank officials are going to parachute into their borrowing countries with a laptop in one arm and a pair of manacles in the other to hunt down corrupt officials. . . . The realistic long-term goal of the Bank is to help countries move from systemic corruption. . . . By designing effective anti-corruption strategies for its client countries and joining the international campaign, the Bank believes it could make a difference.”

And finally, the UN Development Program (UNPD), which is among the top financial contributors to Transparency International, announced on July 28 a \$36 million pilot program to promote “good governance” in Third World countries.

### Kenya in 1989: the origins of TI

Things have not always been so easy for the Transparency gang. As TI Chairman Peter Eigen recognized in a 1996 essay, “Combatting Corruption Around the World”:

“When TI was launched in 1993, none of its founders could have anticipated how quickly it would have been accepted.” Indeed. But TI was not created in May 1993 in Villa Borsig in Berlin, as the official literature claims. It had existed, de facto, since 1989.

While Prince Philip had been holding his “interfaith dialogue” on economy and ethics (TI’s “theology”) since 1984, Eigen began to plot the operational side of things at least since 1989. At that time, the future chairman of TI was the World Bank representative in Kenya. This was the moment of the definitive collapse of the Soviet empire, the fall of the Berlin Wall. The British control over the continent of Africa was in danger of evaporating. Many political and industrial forces, both in continental Europe and in the United States, saw this as the moment they had been waiting for to undertake huge investments in Africa’s infrastructure, industry, and agricul-

ture. Italy, for example, had ready a gigantic infrastructure plan, supported by the political leadership. The British were determined not only to reverse such tendencies, but to reconquer “their” colonies.

In this context, the World Bank issued the study so dear to Eigen, “Sub-Saharan Africa, From Crisis to Sustainable Growth—A Long-Term Perspective Study.” Its slogan was: “Support good governance!” Against the possibility of real development, they built the new wall of “sustainable growth,” and the scheme of hypocritical “good governance” aimed at destroying any force that tried to resist.

Then the plot took off. Eigen recalls: “In the spring of 1990, representatives of the World Bank stationed in Africa met in Swaziland to discuss an urgent request articulated by African leaders in their famous ‘Support better governance.’ As the World Bank representative in Kenya, I agreed to talk

## TI boasts: We toppled Benazir Bhutto!

On July 31, 1997, Transparency International announced the release of its third annual Corruption Perception Index (CPI). In the official release, it boasts of its role in overthrowing the government of Pakistani Prime Minister Benazir Bhutto last year. Bhutto, the release says, was dismissed thanks to the publication of the 1996 CPI.

The Corruption Perception Index, a list of countries targetted for blackmail by international financial institutions, was, according to TI, “developed by Dr. Johann Graf Lambsdorf from the Göttingen University. . . . The 1997 CPI is the most up-to-date and reliable index on corruption so far. . . . The index, issued at a time of growing public concern about corruption throughout the world, is based on seven international surveys of business people, political analysts and the general public and reflects their *perception* of corruption in 52 countries.”

Stressing its blackmail potential—a country can be ostracized thanks to the index—TI Chairman Peter Eigen stated that the index is “a measure of lost development opportunities. . . . An empirical link has now been established between the level of corruption and foreign direct investments.”

TI gives some examples that are supposed to prove how easily TI can destroy political leaders. The first example is Pakistan. The following are quotes from the release:

“Bhutto: ‘The most honest administration in Pakistan’s history. . . .’ The impact of the index was perhaps greatest in Pakistan. The anger of people in Pakistan over their government’s participation in rampant corruption was catalyzed by Pakistan’s position as second-worst in the world table. Suddenly, this anger became focussed, accompanied by the bitter feeling that Pakistan had ‘deserved better’ from their political elite. The reaction to the index in Pakistan was remarkable: Embassy and opposition party representatives visited TI in Berlin to ask clarification. Many Pakistanis contacted TI, which promoted the creation of a network in Pakistan and made TI a household name, as the extensive media coverage and the 300 leading citizens who crowded out a TI-Pakistan seminar in Karachi showed. Many speakers stated that the index had contributed to the downfall of the notoriously corrupt Bhutto administration.

“It was the former prime minister, Benazir Bhutto, after all, who had erupted angrily when the index was referred to in parliament claiming that hers was ‘the most honest administration in Pakistan’s history.’. . . *Only days later she was dismissed* from office by the President who was reportedly influenced in his decision to act by Ms. Bhutto’s wholly irrational response to the index. Ms. Bhutto lost the ensuing elections in a landslide. The new TI National Chapter is targeting public procurement and working independently with the new government to reduce levels of corruption which have plagued Pakistan.”

Other examples cited by TI of how to target recalcitrant countries include Malaysia and Argentina. The country at the bottom of the 1997 index is Nigeria.

about corruption as a powerful enemy of good governance. I described its enormous reach and its crippling effect. . . . I then proposed a plan of action that had evolved from lengthy discussions with many colleagues and friends in Nairobi. Clearly, most people are against corruption; why not then *channel this opposition* into the construction of an effective *coalition promoting transparency*? The timing was propitious [emphases added]. . . .

“The initial reaction of the [World Bank] meeting participants was enthusiastic. It was agreed that the World Bank should develop an anti-corruption agenda for itself and its partners. . . . I agreed to spearhead the initiative.” Thus, in spring 1990, the World Bank had created TI. But, as Eigen soon found out, the power of national sovereignty was still a formidable obstacle: “Soon after the meeting, however, doubts emerged about the bank’s readiness. Would this constitute a violation of the political abstinence prescribed by the bank’s charter, stirring up a political hornet’s nest? Although there was much encouragement within the institution, it fell short of the consensus needed. Yet, some of us remained determined to take action. Something had to be done. At the end of the Cold War, the time was right. . . .

“I and some of my colleagues decided to proceed with the venture independently.” Of course the word “independently,” in the context of what was a priority for the British oligarchy, is relative. But Eigen basically admits the nature of the game. “This approach,” i.e. the independent approach, Eigen stresses, “had the added advantage of avoiding the *scent of conditionality* that would have come with the World Bank’s playing a dominant role. We wanted a movement driven by the demand for transparency that was then emanating from a number of nations in the global South and East [former Soviet bloc] that were in transition economically, socially, and often politically.” South and East had to be kept away from the possibility of reciprocal development.

### **Development=corruption, empire=honesty?**

What would later officially become TI was at first a quasi-conspiratorial enterprise; it gained strength and arrogance as more and more countries succumbed to the world depression and the looting of the World Bank and IMF, and pro-development forces in the West were stopped with every means. Exemplary is the case of the chairman of Deutsche Bank, Alfred Herrhausen, assassinated on Nov. 30, 1989 after having challenged IMF-World Bank policies concerning the development of eastern Europe. He was never able to deliver in New York the speech he had prepared, in which he made clear that the modernization and industrialization of eastern Europe would not need the IMF-World Bank or what became known as “economic shock therapy.”

There is a very good reason why TI, four years after having been created, was implanted in Berlin and propagandized as

a German operation, financially supported by the German government, and on whose Advisory Council sat a former German President, Richard von Weizsäcker. Germany depends for its economic life on technology, industry, and exports. By making Germany the center of this anti-development Inquisition, it becomes the scapegoat for the furious reactions of TI’s victims; the campaign also tends to destroy Germany itself. With the pretext of the anti-corruption campaign, new laws are being forced down Germany’s throat that will place obstacles in the way of its exports. According to observers, once the new laws and regulations, being studied now, have been passed, it will be possible to slow down trade and production, and possibly to launch “corruption” scandals against targeted industrialists. The history of Germany’s Green movement supplies a good indication of this *modus operandi*. If TI is not opposed, it will be very difficult for a new Herrhausen to emerge in Germany again.

The incubation period of TI corresponds also to the accelerated deployment, especially in eastern Europe, of financial pirate George Soros and his foundations.

At the end of that process, these world financial institutions had finally obtained what they wanted: the right to *directly, openly* intervene in the internal affair of the targeted countries. It was the end of even the pretense of “national sovereignty.”

*Mutatis mutandis*, it was similar to the original takeover of so many weakened countries by the British Empire over the last 200 years. This time, though, it was supposed to be more subtle, more efficient.

Eigen continues: “The initial working group arranged meetings in Eschborn [near Frankfurt], Kampala [Uganda], London, and Washington.”

(Contrary to this official, however, TI was legally constituted in The Hague, Netherlands, and it was later decided—for reasons clearly connected to the determination to freeze Germany into the destructive anti-development crusade—to register TI in Berlin.)

Corruption is a huge issue, explains Eigen; that’s why TI, which “has limited resources,” focusses its efforts on a particular aspect: “that pertaining to public projects in the developing world.” In other words, TI was concentrated from the beginning on stopping big infrastructure projects—the key to the industrial development of a Third World country—and in stopping investments from industrialized countries into the development of the Third World. All this is put under the category of *corruption* or *potential corruption*.

According to Eigen: “In dozens of these countries, vast sums of money are involved. Typically, public officials accept payoffs from commercial contractors to funnel public funds to the project of the contractors’ choice. . . . The biggest victims are members of the local community, who end up saddled with uneconomic ‘white elephants.’ . . .” (Translation: roads, railways, dams, canals, irrigation projects, industrial plants.

## Pakistani press rips TI

*On Aug. 10, the Pakistani Karachi Business Recorder denounced the role of Transparency International, under the title, "Corruption: A Ploy of Global Players." Author Saqlain Imam writes:*

The current crusade against corruption prompted by Transparency International, led by some religious zealots, cricket superstar-turned politician Imran Khan [who is also head of Tehrik-e-Insaaf (TI)], and other marginalized figures such as Air Marshal (Rtd.) Asghar Khan, paved the way for the institution of the *ehthesab* (accountability) establishment that is supposed to investigate the misdeeds of all corrupt elements of the previous government. They show that probably nothing happened in the previous government [that of Benazir Bhutto] but corruption. As a result of which *ehthesab* has now become a misnomer, and now has a limited purpose of damaging the political opponents on electronic media, if not in courts of law. After the restoration of democracy in 1985, all elected governments were told to pack up on the charges of corruption, but nothing improved in spite of these lethal bashings. However, the bashing proved a *catalyst* of economic destruction and to limit National Sovereignty of the country, as every dismissal of a government simply reinforced corruption and enfeebled economic sovereignty.

A study into the crusade against corruption has lately revealed that it was a ploy sponsored by some international multilateral agencies which saw in it a great opportunity

for them to weaken the nation-state that still is a major hurdle to their unbridled plunder of the developing world. Due to this anti-corruption crusade, production has decreased and business has shrunk in local markets, depressing the local production of small and medium-sized industries. A large part of the political and industrial elite still linked to the idea of economic development and national sovereignty has been swept away by the well-targeted scandals.

The victims of this vicious crusade are innumerable. Often a victim is selected as a warning to someone else, or to force him to submit to some political demand. No matter whether the accusations are true or false, the accused is immediately lynched by the media, which receive all the details of an investigation which is legally supposed to be secret; the victim's career is over, and sometimes he pays with his life. The case of Riffat Askari bears testimony to this fact. Askari, the former chairman of the OGDC, died of cardiac arrest when he was incarcerated without any proper investigation. Now a defenseless Pakistan is in fear of a final assault against its agricultural sector and indigenous industry; the living standard of its citizens; its national institutions such as armed forces, bureaucracy, judiciary, politicians; and national integrity. . . .

This did not happen only in Pakistan. It also happened in Italy, Argentina, Turkey, India, Korea, and some other countries. So the answer must be found at a higher level. The answer appeared in one of the main Italian dailies, *Il Giornale*, a couple of months ago, in a front-page article by Gianluigi Nuzzi. Nuzzi placed the anti-corruption crusade in the broader international context. He described the modus operandi of a gigantic organization called Transparency International . . . he published the forbidden name: Prince Philip, Duke of Edinburgh.

The virus of development will not be allowed to infect the colonies of the empire.) "While it is easy to point the finger of blame at corrupt public officials," argues the chairman of Transparency International, "no less at fault are businesspeople from highly developed industrial states whose *thirst for export orders* leads them to flout the laws of the developing countries. Behind these companies, rewarding them with tax breaks, stand the same Western governments that provide aid to developing countries" (emphasis added). Here Eigen expresses all the horror and hatred of the British feudal oligarch for North-South cooperation for development, for the real American System. Development is seen as synonymous with corruption.

"Corruption allows leaders to cling to power while resist-

ing government reforms. . . . Corruption hinders the creation of free markets . . . is conducive to fundamental mistakes in project selection and project design—often with catastrophic consequences for both society and environment." The nation-state and its lawful instruments created to defend its sovereignty become a manifestation of "corruption" as well. "All too often, a corrupt environment channels resources to non-productive areas such as the police and the armed forces and other organs of social control."

### **The perfect coup d'état**

To eradicate "corruption," in the oligarchs' view, it is necessary to eradicate the sovereignty of the country, by replacing the legitimate government with an *outside, indepen-*

dent power. Eigen explains: "Experience shows that corruption can be curbed . . . by bolstering outside monitoring by independent agents. . . . The overall strategy must be of prevention." Consequently, laws must be changed and the elected leaders must be put under control of foreign agencies, such as TI. Eigen calls for "the adoption of comprehensive anti-corruption legislation and its enforcement by a strong and independent agency of manifest integrity" — exactly what the IMF and World Bank are doing now with their new guidelines.

Finally, Eigen calls for something close to a coup d'état: "The ultimate goal is practical change in laws, institutions and policies."

He also supplies the scheme for the perfect destabilization. No violence is required, at least not until the last moment, when the victim government has been weakened from within, discredited through scandals, and alienated from its own people, who are suffering from the economic misery that the IMF has imposed. The pressure will come from the country's own people, once the operation has succeeded, using British assets already in place:

"In each country, TI aims to function as a catalyst. Typically, a program begins with an agreement among government officials and prominent citizens, that their country

would benefit from a visit by TI representatives. TI first holds discussions with senior government officials (often including the head of government) to explain the nature of the mission and TI's mandate. . . .

"Discussions then broaden to include relevant segments of civil society — typically business leaders, journalists, religious leaders, academics, non-governmental activists, and members of the Chambers of Commerce and other professional bodies — to test the interest and feasibility of forming national chapters." These discussions give the TI operative the chance to select their main anti-government agents. "These discussions also help identify prospective leaders of such chapters, who should be . . . clearly independent of government.

"The TI team normally concludes its mission with a final round of talks with the government. TI then prepares a diagnostic report detailing its impressions of the situation . . . as well as setting forth a tentative plan of action." After that, TI controls a large political force in the country, is able to launch any kind of militant "anti-corruption" movement, and is often in a position to dictate new laws.

If there is any serious resistance to its agenda, force will be applied from inside and out. After all, TI is one with the IMF-World Bank machine.

## Videotapes Available from FDR-PAC

### The U.S. Backers of Britain's Africa Genocide

**Africa: Looting Ground for 'Bush, Inc.' or Breadbasket for the World? Part 1,** Jan. 11, 1997: 1 hour, \$20 [FDP 97-002]; or, 2 hours, \$35. [FDP 97-005]; (dubbed for Spanish: 1/2 hour, \$20 [FDP 97-007]).

**Africa: Looting Ground for "Bush, Inc." or Breadbasket for the World? Part 2,** Jan. 25, 1997: 1 hour, \$20. [FDP 97-004]

**Never Again! London's Genocide Against Africans,** June 18, 1997: 1 hour, \$20 [FDP-97-012]; or 90 minutes, \$30 [FDP-97-013].

Make checks payable to:  
**FDR-PAC**  
P.O. Box 6157, Leesburg, Va., 20178 (703) 777-9451



EIRNS/Stuart Lewis

**FRONTMAN:** New Jersey Congressman Chris Smith



Courtesy of Adella Hardin, Elko Daily Free Press

**KINGPIN:** Former President George Bush, who is a board member of Barrick Gold, which led the 1996 mining companies' invasion of Zaire. Here, Bush visits Barrick's Goldstrike facility in Elko, Nevada, along with former Canadian Prime Minister Brian Mulroney.



EIRNS/Stuart Lewis

**FRONTMAN:** Virginia Congressman Frank Wolf



EIRNS/Stuart Lewis

**FRONTMAN:** New Jersey Congressman Donald Payne, former head of the Congressional Black Caucus



EIRNS/Stuart Lewis

**BLOODSUCKER:** Televangelist 'Diamond' Pat Robertson



EIRNS/Stuart Lewis

**KABILA'S BUDDY:** U.S. Refugee Committee chief Roger Winter



The construction of the Gezhou Dam in China.

Out-of-work Americans apply for unemployment benefits in Front Royal, Va.

## China plans 10,000 major infrastructure projects in the next decade.



**Will the United States adopt this approach to make its way out of the new Great Depression?**

**READ**

# The Eurasian Land-Bridge

The “New Silk Road” —  
locomotive for worldwide economic development

**A new  
special report from  
Executive  
Intelligence  
Review**

**including studies of:**

- High-technology infrastructure development corridors
- China and Europe as Eurasia’s development poles
- Crucial infrastructure projects in China
- The Eurasian Land-Bridge and development around the great ocean basins
- Financing an economic miracle: Hamiltonian credit generation
- The Eurasian Land-Bridge and the economic reconstruction of the United States

260 pages **\$200**

**Available from:**

**EIR News Service** P.O. Box 17390 Washington, D.C. 20041-0390