

Corruption and Other Leakages

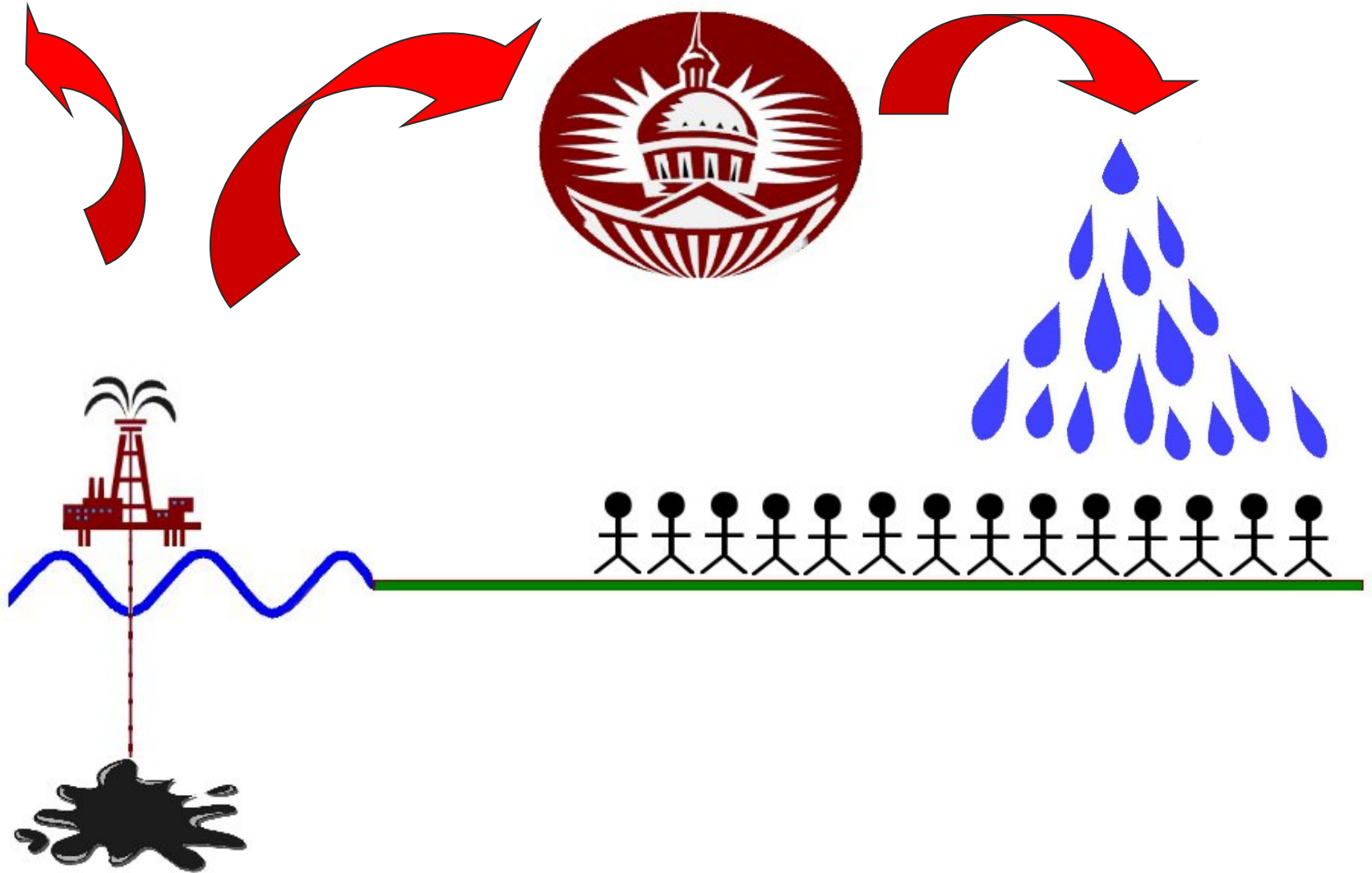
Inge Amundsen, senior researcher, Chr. Michelsen Institute

Friday, June 13th, 2014

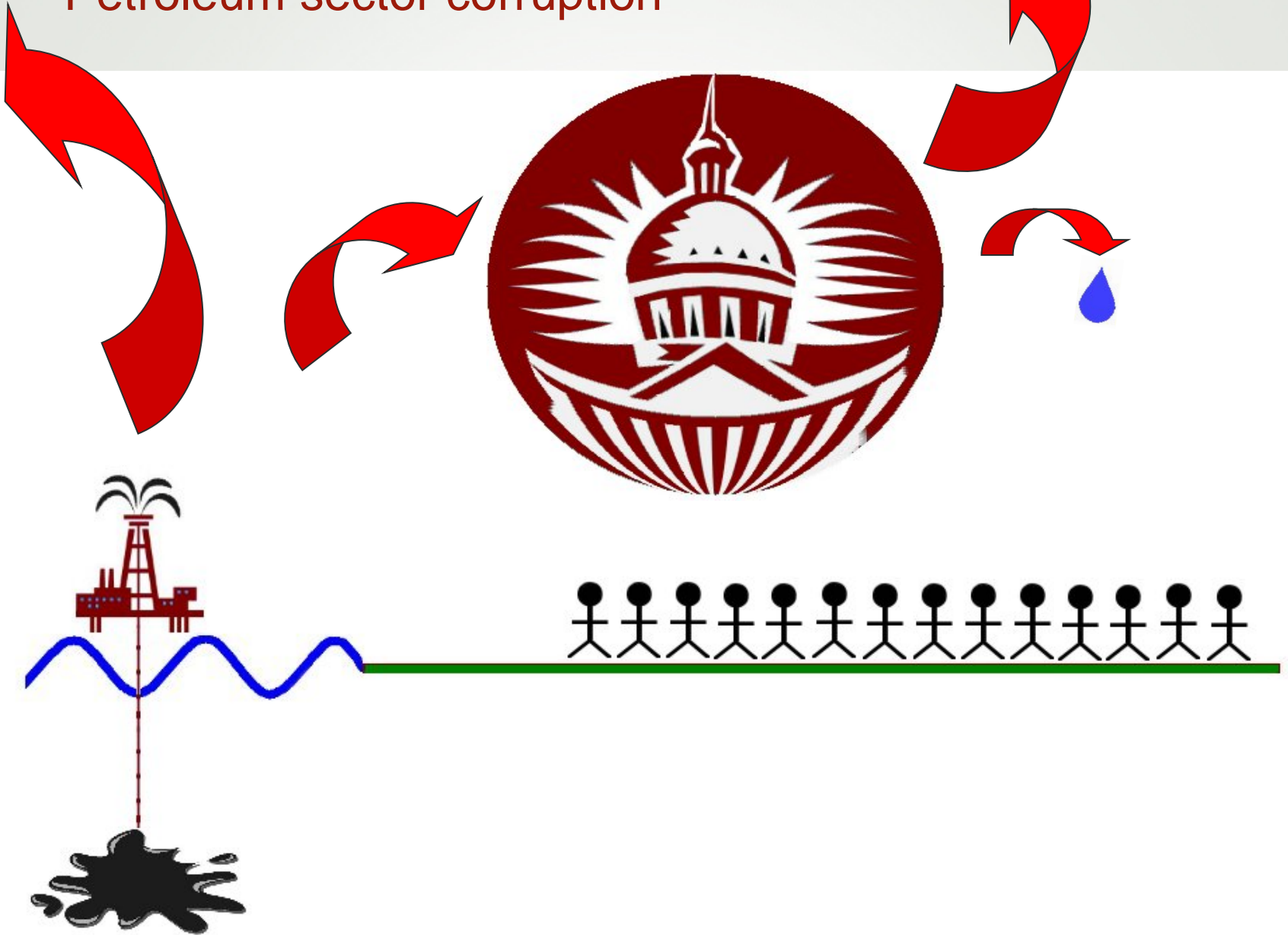
2014 Natural Resource Charter Conference, Oxford



The petroleum sector ideal

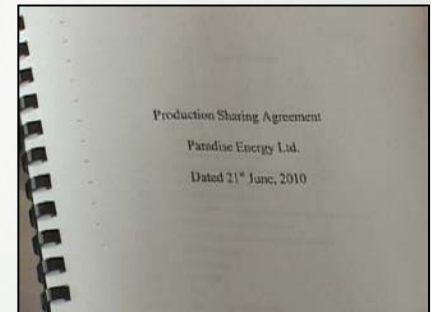


Petroleum sector corruption



Corruption in oil: companies

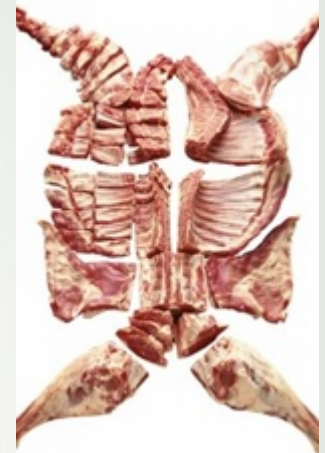
- **Paying up for access to resources**
 - Licences, contracts
- **Paying up for maximising profits**
 - Taxes, royalties, fees, ...
 - Exaggerated development costs
 - Re-negotiation of and amendments to contracts
- **Paying up to pollute and abandon**
 - Regulatory exemptions
 - Early abandon and sub-standard rehabilitation



Corruption in oil: government

- **Extraction for status, wealth**
 - Embezzlement, bribes, “commissions”, “contributions”
 - “Nationalisation”, “privatisation”, monopolies
 - “Dead meat” oil companies

- **Paying up for power preservation**
 - Buying friends: favouritism, nepotism
 - Buying votes: elections, parliaments
 - Buying off rivals: co-optations
 - Buying off institutions
 - Buying instruments of coercion

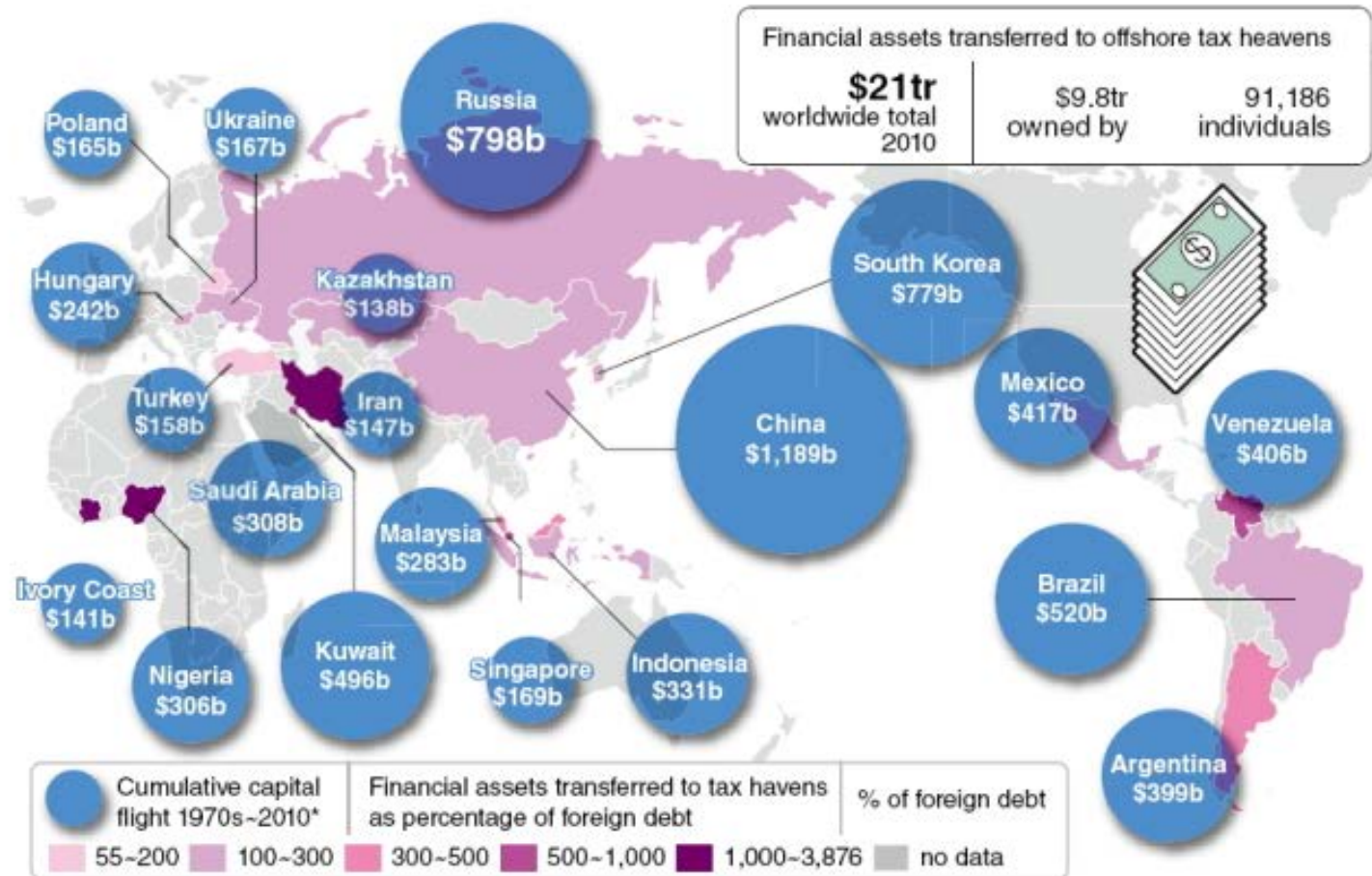


Incentives to hold on to power
Means to hold on to power



Capital flight: an indicator

Capital flight from developing countries: The top 20 losers



Source: Tax Justice Networks * China, Poland, Hungary: 1980s-2010; Russia, Ukraine, Kazakhstan: 1990s-2010 Yonhap News