

# *Corruption and other Leakages*

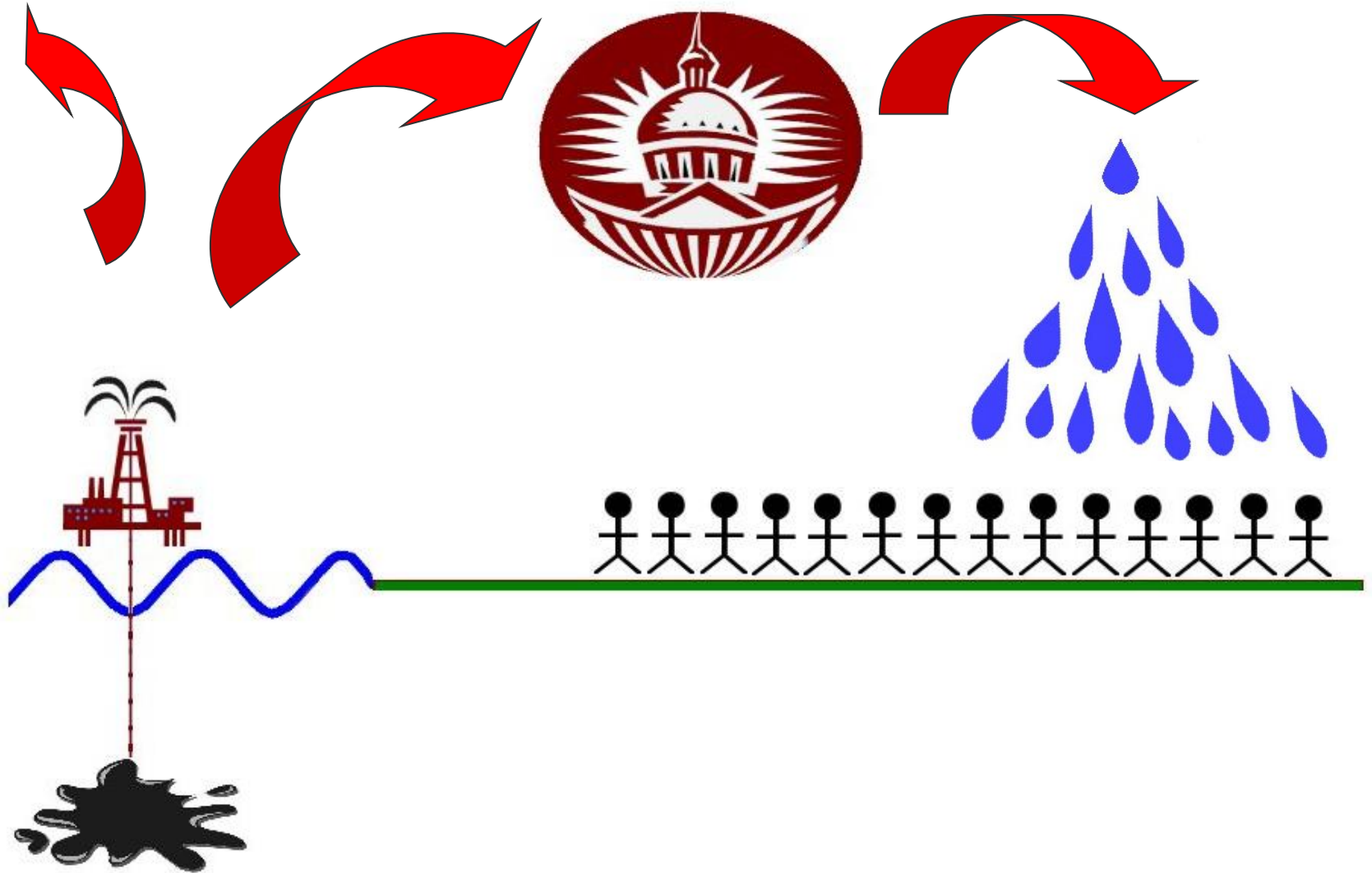
Inge Amundsen, senior researcher, Chr. Michelsen Institute

Friday, June 13<sup>th</sup>, 2014

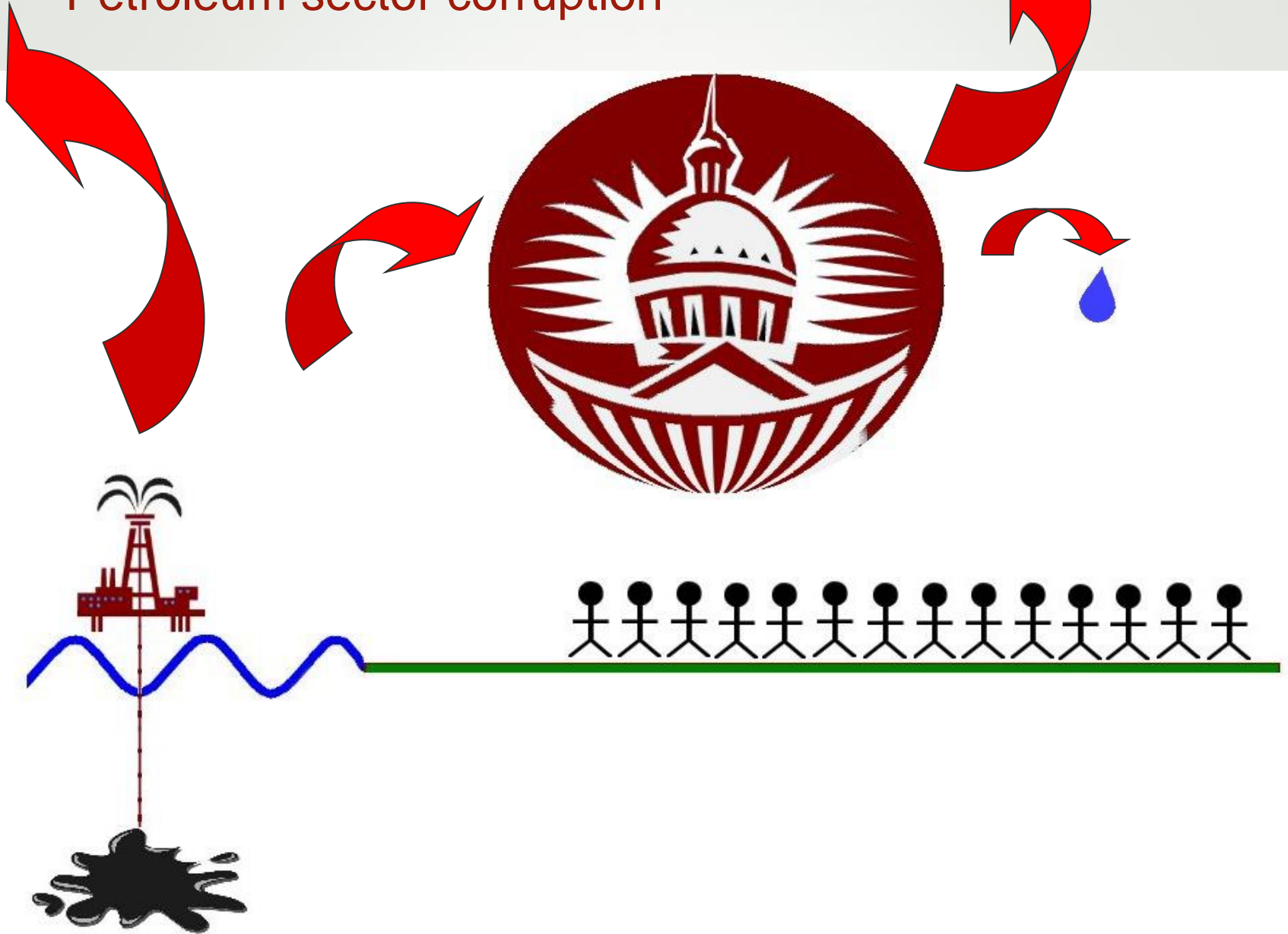
2014 Natural Resource Charter Conference, Oxford



# The petroleum sector ideal

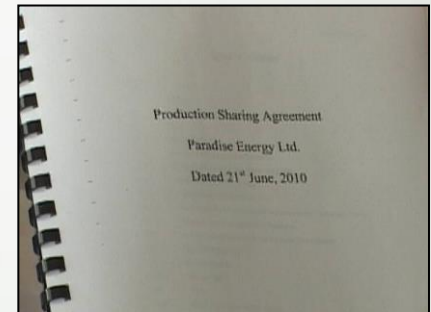


# Petroleum sector corruption



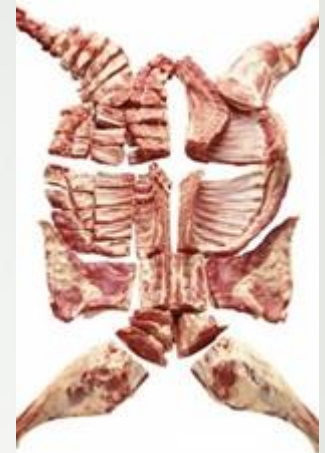
## *Corruption in oil: companies*

- **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

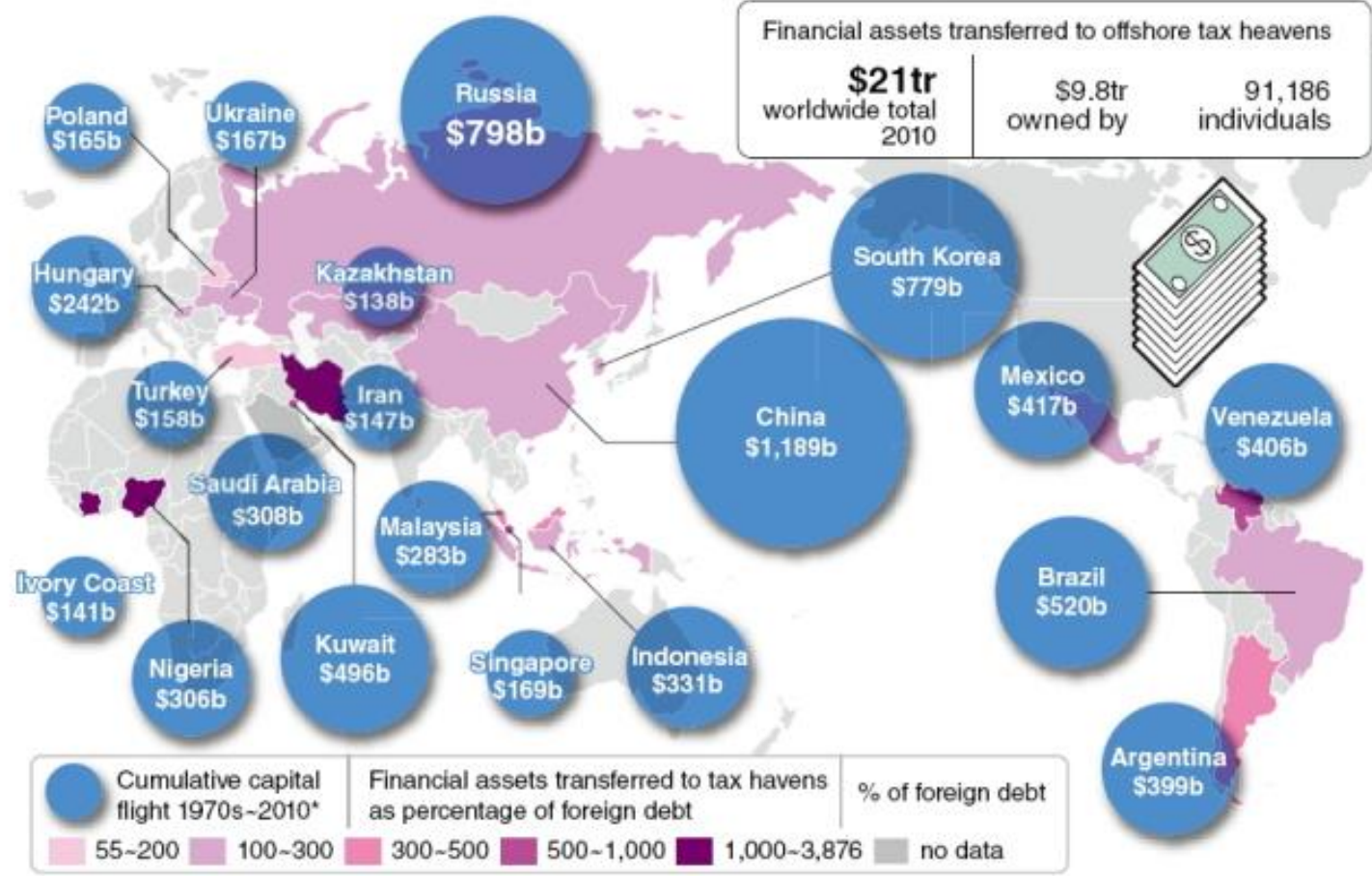


Incentives to hold on to power  
Means to hold on to power



# 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