

UK government backtracks over bribery

Bribery by UK companies operating abroad is being reduced by 'education rather than prosecution' after the government said it would not strictly enforce laws introduced just two years ago. The World Bank has estimated the annual global cost of corruption at more than \$1500bn (£789bn), although experts say it is hard to quantify. But Jack Straw, the Foreign Secretary, told diplomats last year, in internal advice which has only now come to light, that business should be 'sensitised' to its responsibilities. He said the government would 'prefer to change behaviour by education rather than prosecution'.

Laws making it easier for British companies to be prosecuted in the UK for overseas corruption came into force two years ago, after the government came under pressure from the US, which has long had a ban on corporate corruption in the developing world. Only a month before the new UK laws came into effect, Foreign Office staff were instructed to tell executives that 'bribery is bad for business. The payment of bribes is unacceptable.'

But there has yet to be a single prosecution under UK laws. Only four allegations have been referred to the National Criminal Intelligence Service, and only one is under active investigation.