

# Businesses Against Corruption: Creating a Culture of Integrity

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**Corruption is not only a national but a cross-border and international concern that hampers inclusive economic growth and prosperity.**

**Globally, cost of corruption equals:**

- ❖ More than **5%** of global GDP (or **US\$ 2.6 trillion**, World Economic Forum), with over **US\$ 1 trillion** paid in bribes each year (World Bank)
- ❖ **10%** of the total cost of doing business in many parts of the world
- ❖ **25%** of the total cost of procurement contracts in developing countries

# There is a strong business case for tackling corruption

## Individually:

- ✓ Reduce the costs of doing business
- ✓ Reduce legal and reputational risks
- ✓ Build trust and confidence
- ✓ Attract investments from ethically oriented investors
- ✓ Attract & retain highly principled employees, improving morale
- ✓ Obtain a competitive advantage of becoming the preferred choice of ethically concerned customers/ consumers

## Collectively:

- ✓ Create a level playing field for all
- ✓ Improve public trust in business
- ✓ Influence future laws & regulations



**Steven FISH, SJR Fish & Associates (Canada)**



**Kulvech JANVATANAVIT, CAC – Thai Institute of Directors (Thailand)**



**Patrick WIDLOECHER, Groupe La Poste (France)**

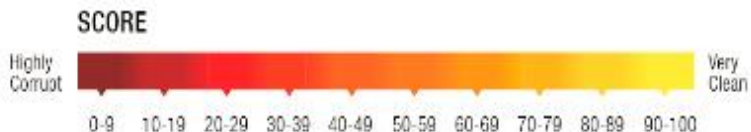
# Regionally, corruption is the biggest challenge in ASEAN

Majority of the cases involved the private sector



## CORRUPTION PERCEPTIONS INDEX 2016

The perceived levels of public sector corruption in 176 countries/territories around the world.

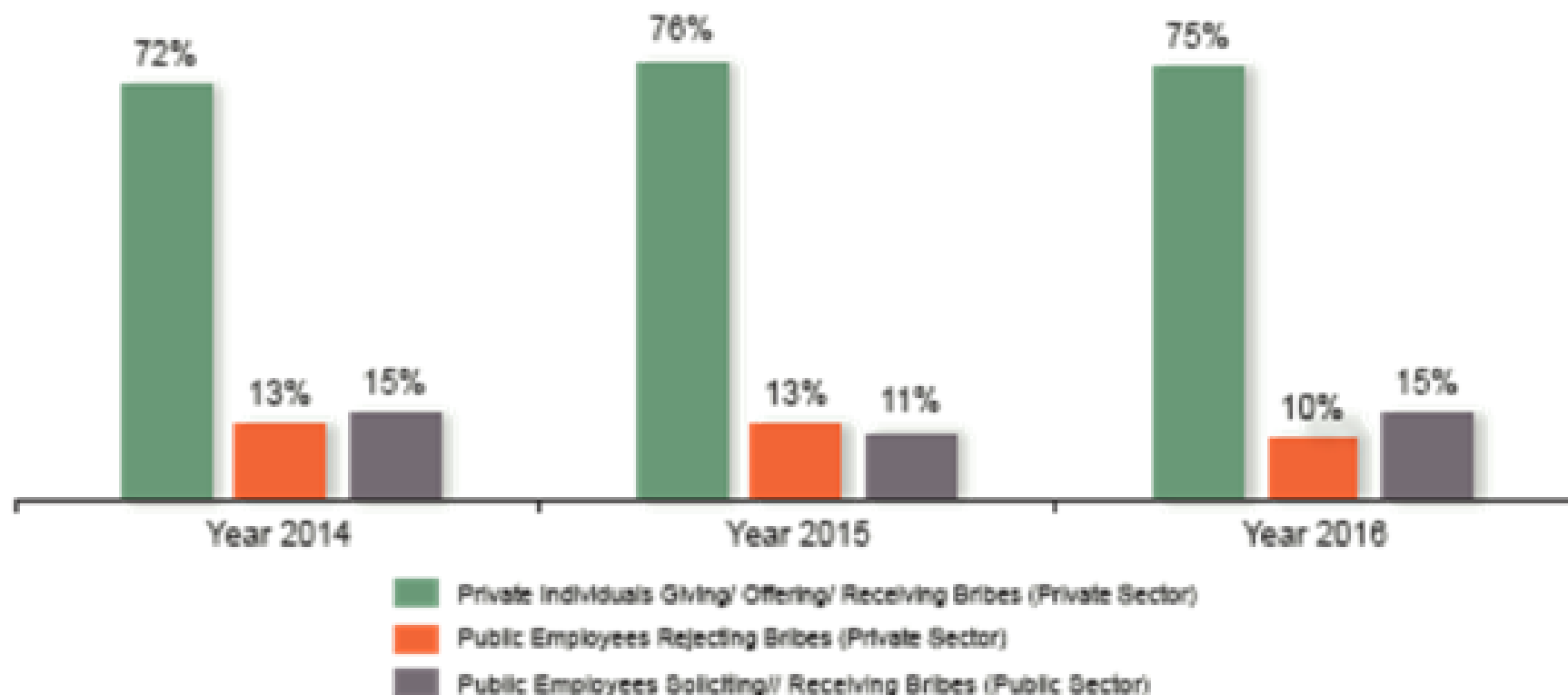


RANK	COUNTRY	SCORE
7	Singapore	84
41	Brunei	58
55	Malaysia	49
90	Indonesia	37
101	Philippines	35
101	Thailand	35
113	Vietnam	33
123	Laos	30
136	Myanmar	28
156	Cambodia	21

**Singapore seems to be performing better, but not an exception**

**90% of the cases investigated by CPIB involved the private sector**

Breakdown of Cases Registered for Investigation by Private and Public Sector

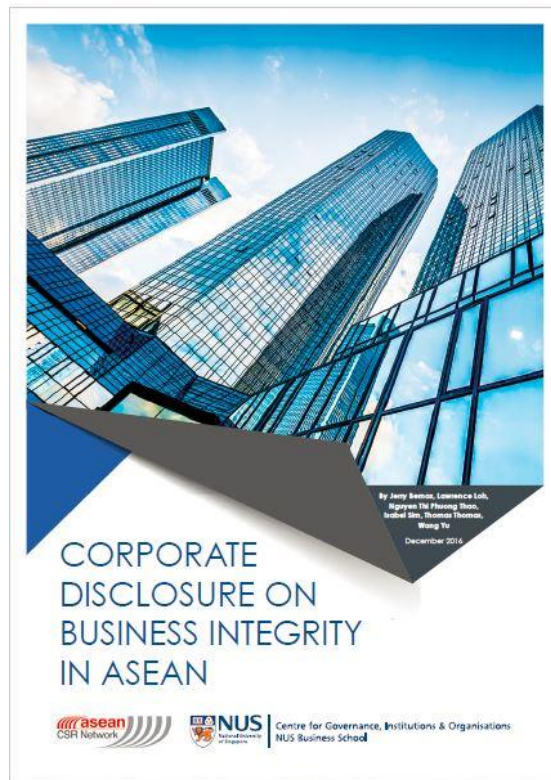


# ASEAN Leaders are committed to fight against corruption in the ASEAN Community:

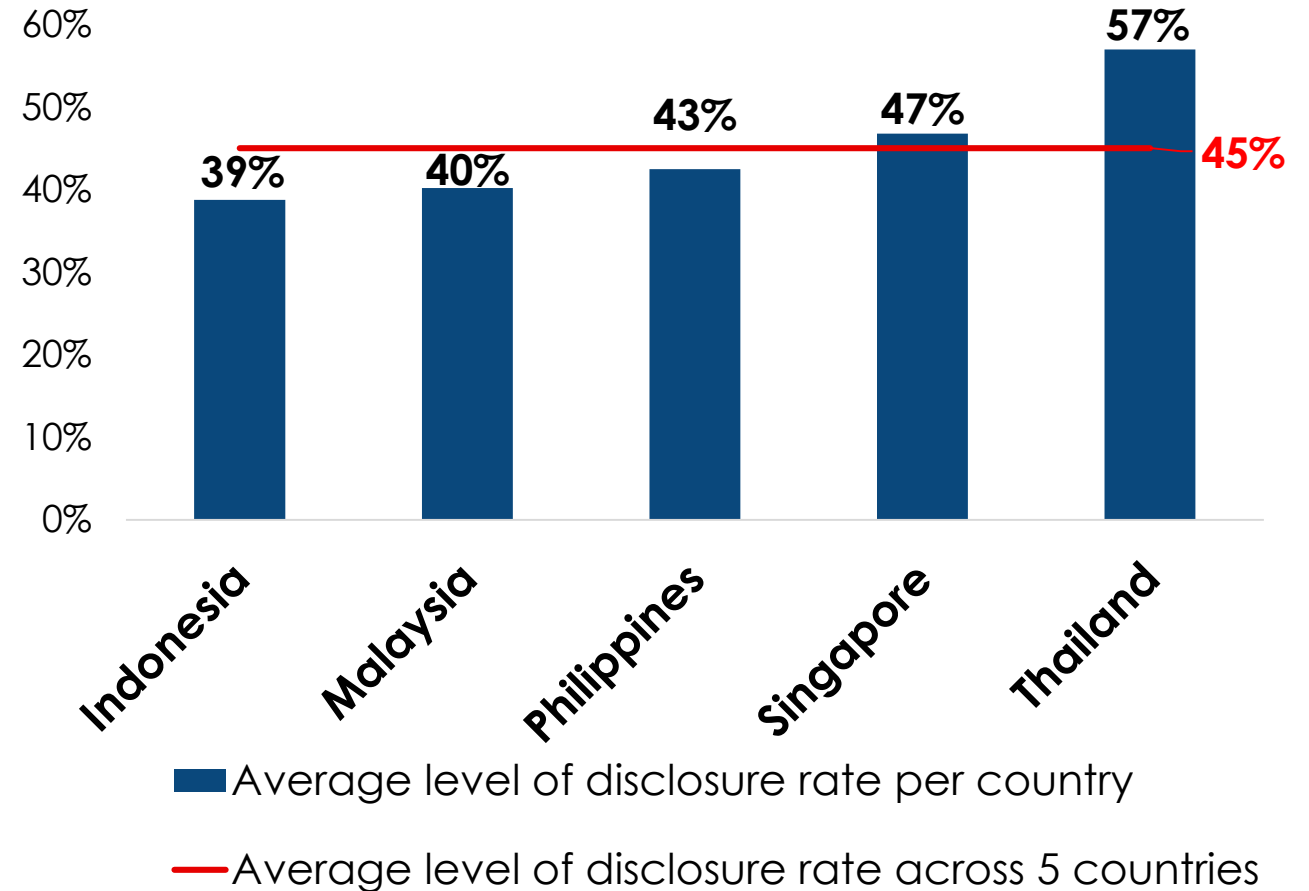
- ❑ Instill the culture of good governance [...] enhance transparency, accountability, participatory and effective governance (A.2.2)
- ❑ Instill the culture of integrity and anti-corruption (A.2.3)

*(ASEAN Political-Security Blueprint 2025)*

# ASEAN businesses have not been forthcoming on their integrity-related disclosures



Overall level of disclosure on business integrity



# 50% of ASEAN countries have business integrity initiatives



Integrity Initiative



Private Sector Collective Action Coalition against Corruption



Corporate Integrity System Malaysia



Indonesia Integrity Initiative  
Professional with Integrity Movement (PROFIT)



Project 12/ Dean12

# COMMON CHALLENGES

1

“First mover disadvantage” – Most corporates do not want to be the first to act as it potentially puts them at a disadvantage vis a vis competitors

2

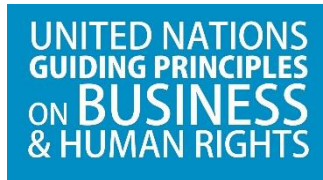
Common excuse that corruption or bribery is part of Asian/ ASEAN “business culture” – *this is a misconception that needs to stop*

3

Lack of Incentives to be ‘Certified’

# PROMOTING BUSINESS INTEGRITY

## ➤ Opportunities



UNCAC, UK Bribery Act, US Foreign Corrupt Practices Act (FCPA), ISO37001, others

ASEAN Blueprint 2025/ ASEAN Community

Stock Exchange: IDX, Bursa, SET, SGX

Changing practice of CSR

Expectations of stakeholders

Global corporate governance goals & tools

ASEAN CSR Vision 2020

# PROMOTING BUSINESS INTEGRITY

- How to get business responsible - accountable, transparent, ethical?

Implement UN Convention against corruption

Understand and embed responsible business/CSR

Recognise good responsible conduct/ Discourage bad practices

Promote sustainability reporting

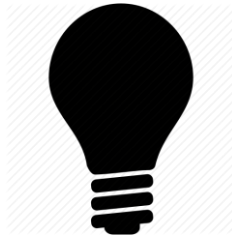
Work with stock exchanges, investors & civil societies

# ASEAN CSR Network:

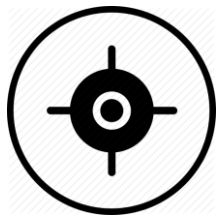
## Turning the Vision into Action



Formed in Dec 2010 in support of ASEAN Community integration



A responsible business community making ASEAN a better place to live for ALL



To mainstream responsible business conduct in support of sustainable, inclusive and equitable socio-economic development in ASEAN

# ASEAN CSR Network:

## Turning the Vision into Action



### ADVOCACY

To coordinate the formulation of a shared CSR vision that is line with international standards, and guide multi-sector collaboration in capacity building and policy development



### CAPACITY BUILDING

To support businesses and maximise their resources in doing CSR through knowledge sharing and training



### COLLECTIVE ACTION

To harmonise CSR efforts at the regional level by providing a platform for coordination, cooperation and information exchange

# COLLECTIVE ACTION AGAINST CORRUPTION: WORKING GROUP ON BUSINESS INTEGRITY IN ASEAN



Network Singapore



# INTEGRITY HAS NO BORDERS

“Creating a culture of integrity in the *ASEAN* business community”

**GOAL:** Business to say ‘NO’ to corruption, regardless of where they are in the ASEAN, to pave the way for shared growth and progress

[www.integrityhasnoborders.com](http://www.integrityhasnoborders.com)





An initiative of  
**asean**  
CSR Network

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## CORRUPTION IS THE ROADBLOCK TO ASEAN PROGRESS

With a combined GDP of \$2.3 trillion, the ASEAN region is the third largest market and free trade area in the world. Investors from all over the globe are setting their eyes on the Southeast Asian region as it integrates, but there is one major roadblock in ASEAN's path toward progress: corruption. Adding up to 10% to the total cost of doing business while creating a market that is unfair and unpredictable, corruption discourages domestic and foreign investment, thus limiting the benefits that the member economies could reap from forming an integrated ASEAN region.

Corruption is a regional epidemic that must be cured, and the ASEAN business community must do its part in the crusade against corruption. In the integrated Southeast Asian region, integrity has no borders. Together, we must say no to corruption to create a more sustainable, competitive, and inclusive ASEAN community.

1 Source: World Bank and World Economic Forum

**Working Group Members**  
  
**Supported by**  


Join the crusade against corruption.  
Visit [www.integrityhasnoborders.com](http://www.integrityhasnoborders.com) for more information.



## WE ARE ONE REGION AGAINST CORRUPTION

Since its foundation, ASEAN has been a vehicle of cooperation toward economic growth, social progress and cultural development across an integrated Southeast Asian region. As the three strongest economies become tighter, both opportunities and challenges are more acutely shared throughout the region. This calls for new frontiers and endeavors that requires the joint action of the entire ASEAN - from the government, to the business nation, to the regular citizen - and that is the fight against corruption.

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## CORRUPTION IS NOT PART OF THE ASEAN CULTURE

Corruption in ASEAN has become an epidemic that many claim that it is ingrained in the culture and economic of doing business in the region. This is not the case. Corruption and bribery are not part of the ASEAN culture. In fact, corruption weakens the fabric of society by fostering distrust among people. This is an ethical epidemic diagnosed more than four decades ago. In Southeast Asian countries work closer together to form an integrated ASEAN region.

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## INTEGRITY HAS NO BORDERS



"Creating a culture of integrity in the **ASEAN** business community"

### EVENTS CALENDAR

**Aug 29** ALB SE Asia Anti-Corruption Forum 2017

**Oct 22** 18th International Anti-Corruption Conference

### LATEST NEWS

Sign up for Regional Business

# Collective Action against Corruption

➤ JOINT EFFORT



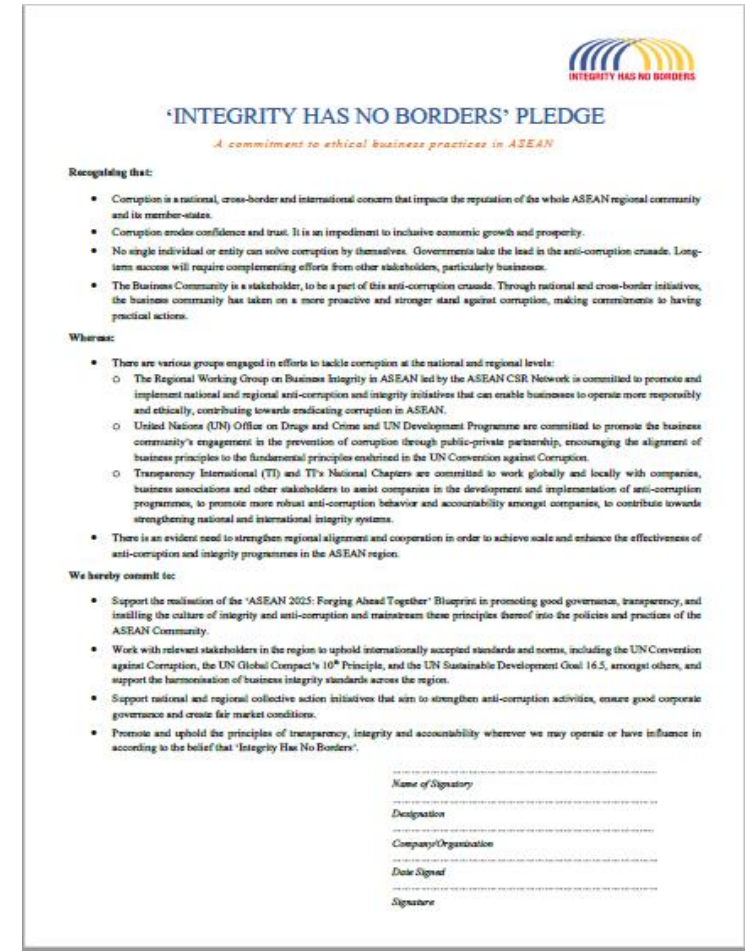
# Regional Business Integrity Pledge

The Regional Business Integrity Pledge is a voluntary document that allows a company or an organisation to make a commitment to uphold ethical values at the enterprise/organisation, national and regional level.

The Following Groups may sign the Integrity Pledge:

- Companies/Private Sector
- Governments/Public Sector
- Civil Society Organisations
- International Agencies
- Others

Download the Pledge at  
[www.integrityhasnoborders.com](http://www.integrityhasnoborders.com)



The screenshot shows the 'INTEGRITY HAS NO BORDERS' PLEDGE document. It includes the ASEAN logo and the text 'INTEGRITY HAS NO BORDERS'. The document is a commitment to ethical business practices in ASEAN. It outlines the recognition that corruption is a regional, cross-border and international concern that impacts the reputation of the whole ASEAN regional community and its member-states. It also states that corruption erodes confidence and trust, it is an impediment to inclusive economic growth and prosperity, and no single individual or entity can solve corruption by themselves. Governments take the lead in the anti-corruption crusade. Long-term success will require complementing efforts from other stakeholders, particularly businesses. The Business Community is a stakeholder, to be a part of this anti-corruption crusade. Through national and cross-border initiatives, the business community has taken on a more proactive and stronger stand against corruption, making commitments to having practical actions.

**Whereas:**

- There are various groups engaged in efforts to tackle corruption at the national and regional levels:
  - The Regional Working Group on Business Integrity in ASEAN led by the ASEAN CSR Network is committed to promote and implement national and regional anti-corruption and integrity initiatives that can enable businesses to operate more responsibly and ethically, contributing towards eradicating corruption in ASEAN.
  - United Nations (UN) Office on Drugs and Crime and UN Development Programme are committed to promote the business community's engagement in the prevention of corruption through public-private partnership, encouraging the alignment of business principles to the fundamental principles enshrined in the UN Convention against Corruption.
  - Transparency International (TI) and TI's National Chapters are committed to work globally and locally with companies, business associations and other stakeholders to assist companies in the development and implementation of anti-corruption programmes, to promote more robust anti-corruption behavior and accountability amongst companies, to contribute towards strengthening national and international integrity systems.
- There is an evident need to strengthen regional alignment and cooperation in order to achieve scale and enhance the effectiveness of anti-corruption and integrity programmes in the ASEAN region.

**We hereby commit to:**

- Support the realisation of the 'ASEAN 2025: Forging Ahead Together' Blueprint in promoting good governance, transparency, and instilling the culture of integrity and anti-corruption and mainstream these principles thereof into the policies and practices of the ASEAN Community.
- Work with relevant stakeholders in the region to uphold internationally accepted standards and norms, including the UN Convention against Corruption, the UN Global Compact's 10<sup>th</sup> Principle, and the UN Sustainable Development Goal 16.5, amongst others, and support the harmonisation of business integrity standards across the region.
- Support national and regional collective action initiatives that aim to strengthen anti-corruption activities, ensure good corporate governance and create fair market conditions.
- Promote and uphold the principles of transparency, integrity and accountability wherever we may operate or have influence in according to the belief that 'Integrity Has No Borders'.

At the bottom of the document, there are fields for the signatory's Name, Designation, Company/Organization, Date Signed, and Signature.

# THANK YOU

