Businesses Against Corruption: Creating a Culture of Integrity

19 October 2017

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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 WIDOEOCHER, Groupe La Poste (France)
Regionally, corruption is the biggest challenge in ASEAN. Majority of the cases involved the private sector.
Singapore seems to be performing better, but not an exception

90% of the cases investigated by CPIB involved the private 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.
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
"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

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

Lack of incentives to be ‘Certified’
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
GOAL: Business to say ‘NO’ to corruption, regardless of where they are in the ASEAN, to pave the way for shared growth and progress
Collective Action against Corruption

➢ JOINT EFFORT

GOVERNMENT
Support
Enable

BUSINESSES
Practice
Mainstream

CIVIL SOCIETY
Advocate
Monitor

collaboration
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
THANK YOU

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