
Partnering Against Corruption Initiative (PACI)

Symposium on Public-Private Cooperation in the Fight against Corruption

Public-Private Cooperation in the fight against corruption

*Corruption and its
links to
competitiveness*

- 1 Partnering Against Corruption Initiative (PACI)
- 2 Globally-relevant anti-corruption frameworks
- 3 B20
- 4 Corruption and global competitiveness

PACI

A Global Strategic Initiative of the World Economic Forum

PACI is the leading CEO-driven anti-corruption and transparency platform, harnessing the strength of the Forum's leaders across the globe to work collectively towards leveling the playing field.



PACI

Background

- 1 Launched by CEOs in January 2004 to provide a public platform for top-level corporate commitment and support companies in implementing their anti-corruption programs**
- 2 It remains the only global anti-corruption initiative driven by the private sector, bringing together companies from multiple industries and global locations**
- 3 By becoming a PACI signatory, a company commits to zero-tolerance policy toward bribery and corruption, and part of a tight community of business leaders sharing insights**

PACI and Anti-Corruption

At a tipping point

Never before has corruption, transparency and a level playing field been so strategically crucial for business

- Corruption is recognized as one of the key barriers for economic growth and competitiveness
- Global companies are looking to emerging countries as their key growth opportunities
- Corporate boards can no longer claim “plausible deniability”
- New global businesses from emerging countries are competing in traditional Western-dominated markets and global supply chains

Globally- relevant anti- corruption frameworks

- 1 UN Convention against Corruption (UNCAC)**
- 2 OECD Anti-Bribery Convention**
- 3 Foreign Corrupt Practices Act (FCPA)**
- 4 UK Bribery Act**
- 5 World Bank Cross-Debarment agreement**

Efforts by the B20

The need for concrete and continuous action by G20 governments and Businesses remains as strong as ever in the fight against corruption.

The B20 recommendations to the G20 focus on four areas where business can and should be part of the solution:

- **Enhancing G20-B20 dialogue and strengthening the B20 role:** Conduct regular and substantive meetings between B20 Task Force and G20 Anti-corruption Working Group.
- **Combating the solicitation of bribes:** Ensure fair and transparent public procurement.
- **Training and capacity building in companies, SMEs and of public officials:** Implement annual training programmes for public officials on the latest developments in national and international legislation.
- **Encourage Collective Action and Anti-corruption globally and in each G20 country:** Set up Anti-corruption Centres of Excellence

Corruption and competitiveness



Flagship product: *The Global Competitiveness Report Series*

Launched in 1979 covering 16 countries

Other special topic and regional reports:

- ▶ The Global Enabling Trade Report
- ▶ The Global Information Technology Report
- ▶ The Travel & Tourism Competitiveness Report
- ▶ The Europe 2020 Competitiveness Report – 2012 Edition
- ▶ The ASEAN Travel & Tourism Competitiveness Report 2012

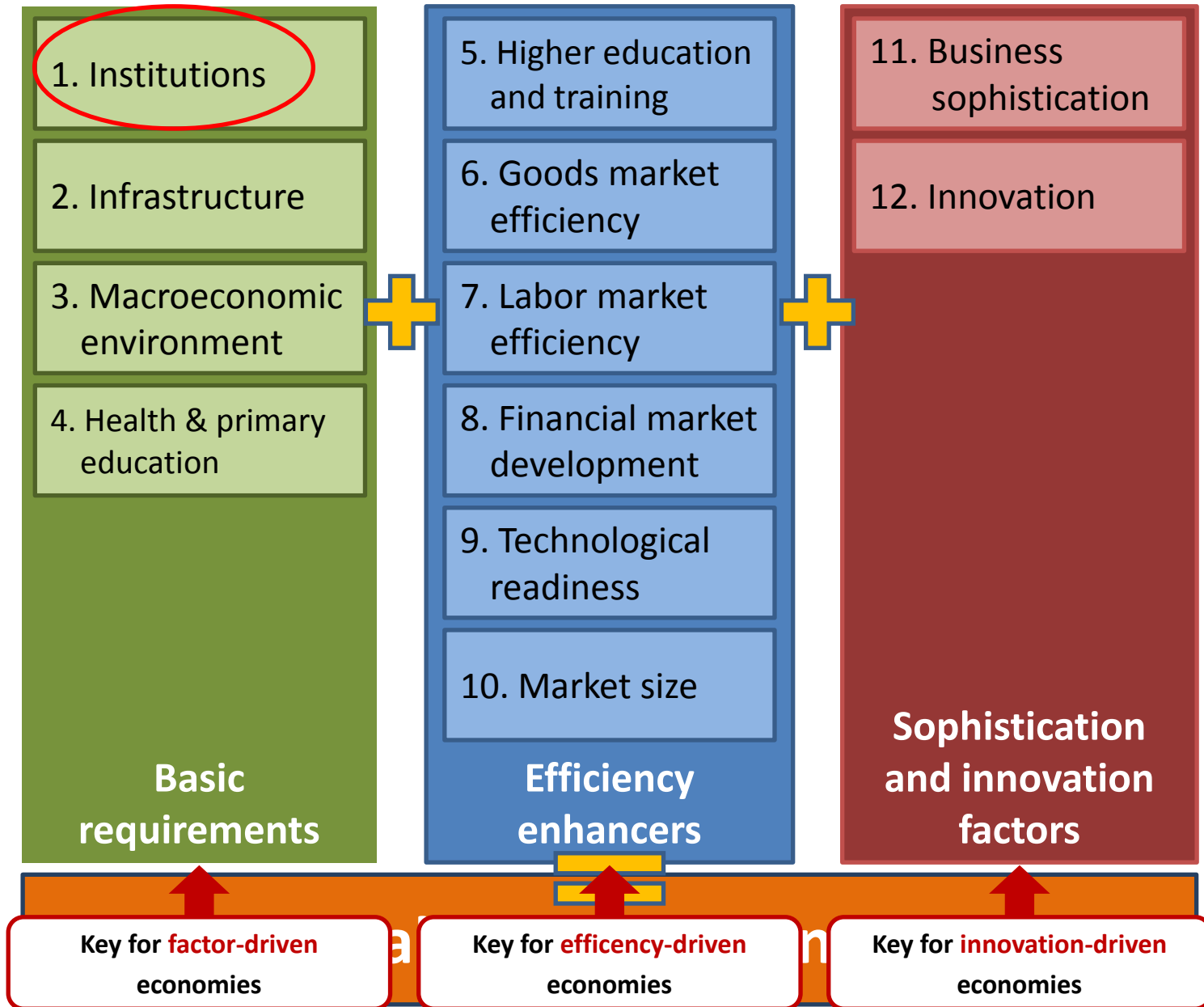
How we define competitiveness:

“The set of institutions, policies, and factors that determine the level of productivity of a country”

The level of productivity, in turn, sets the level of prosperity that can be earned by an economy.

The Global Competitiveness Index

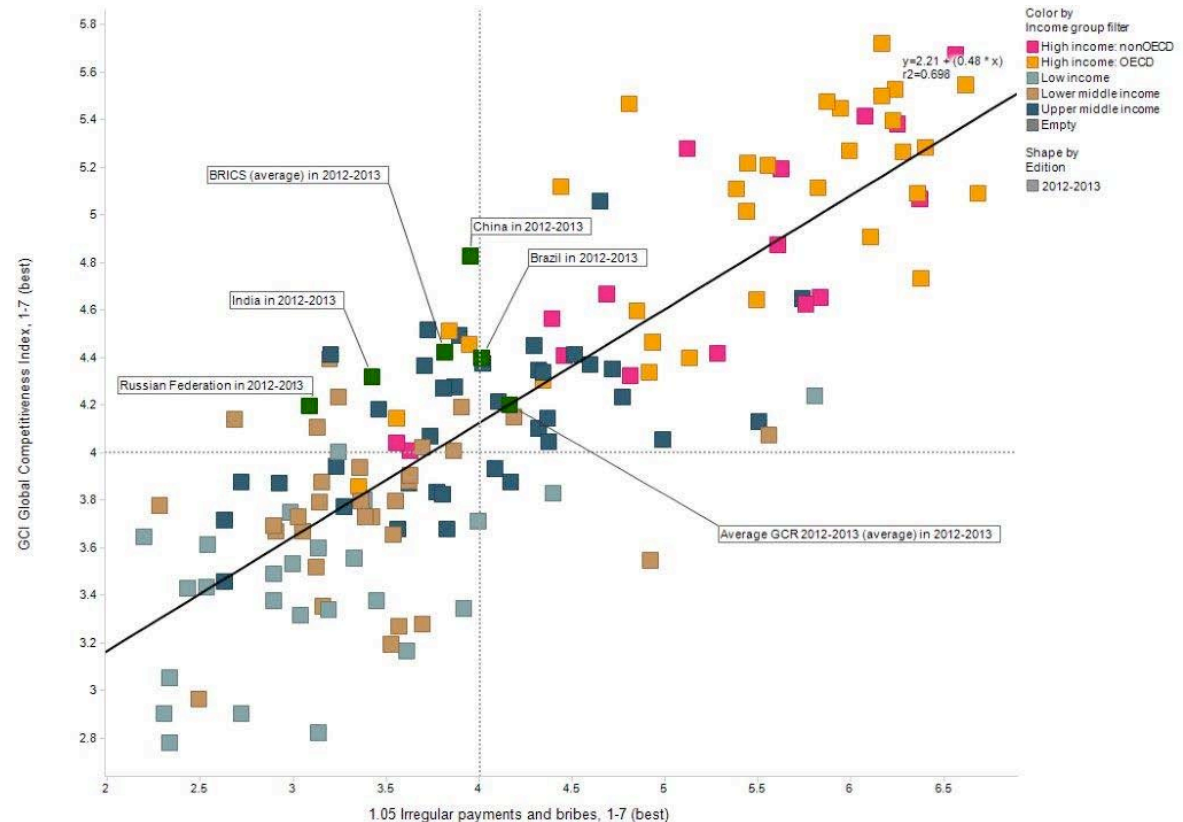
12 dimensions of competitiveness



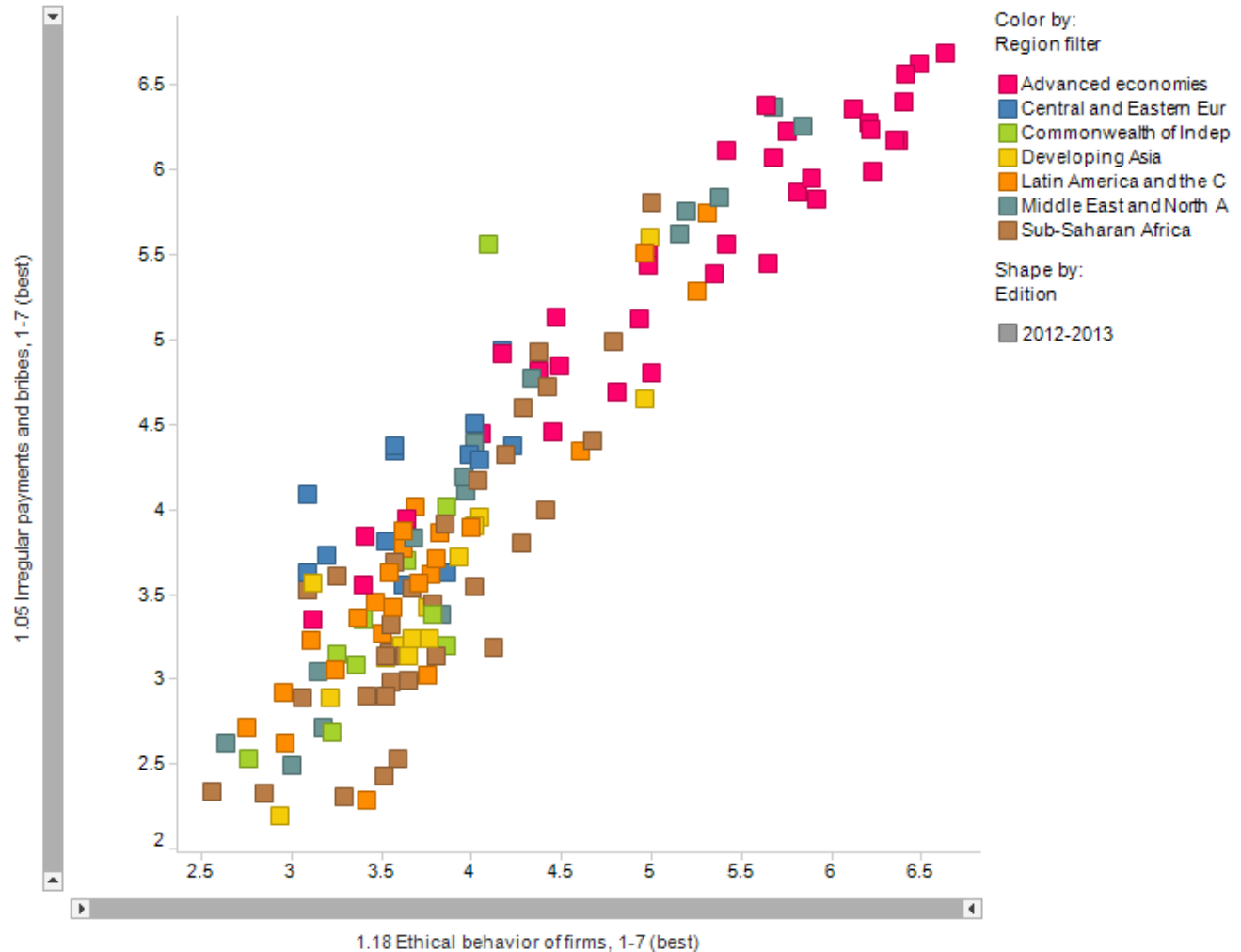
Corruption is associated with lower levels of competitiveness

The Forum's global competitiveness data indicates a positive and strong correlation between irregular payments and bribes (fewer is better) and country competitiveness

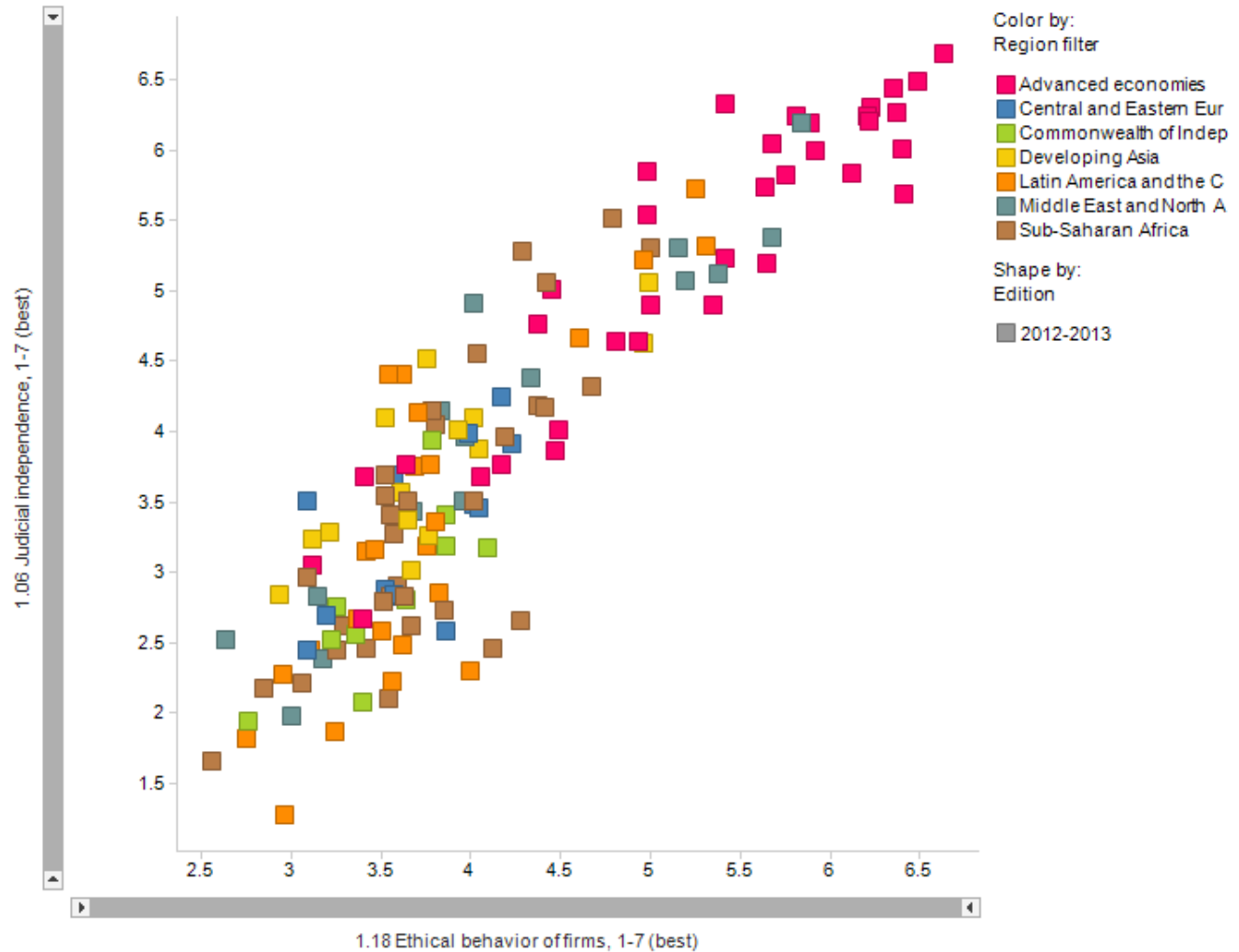
— Can this be extrapolated to the company level?



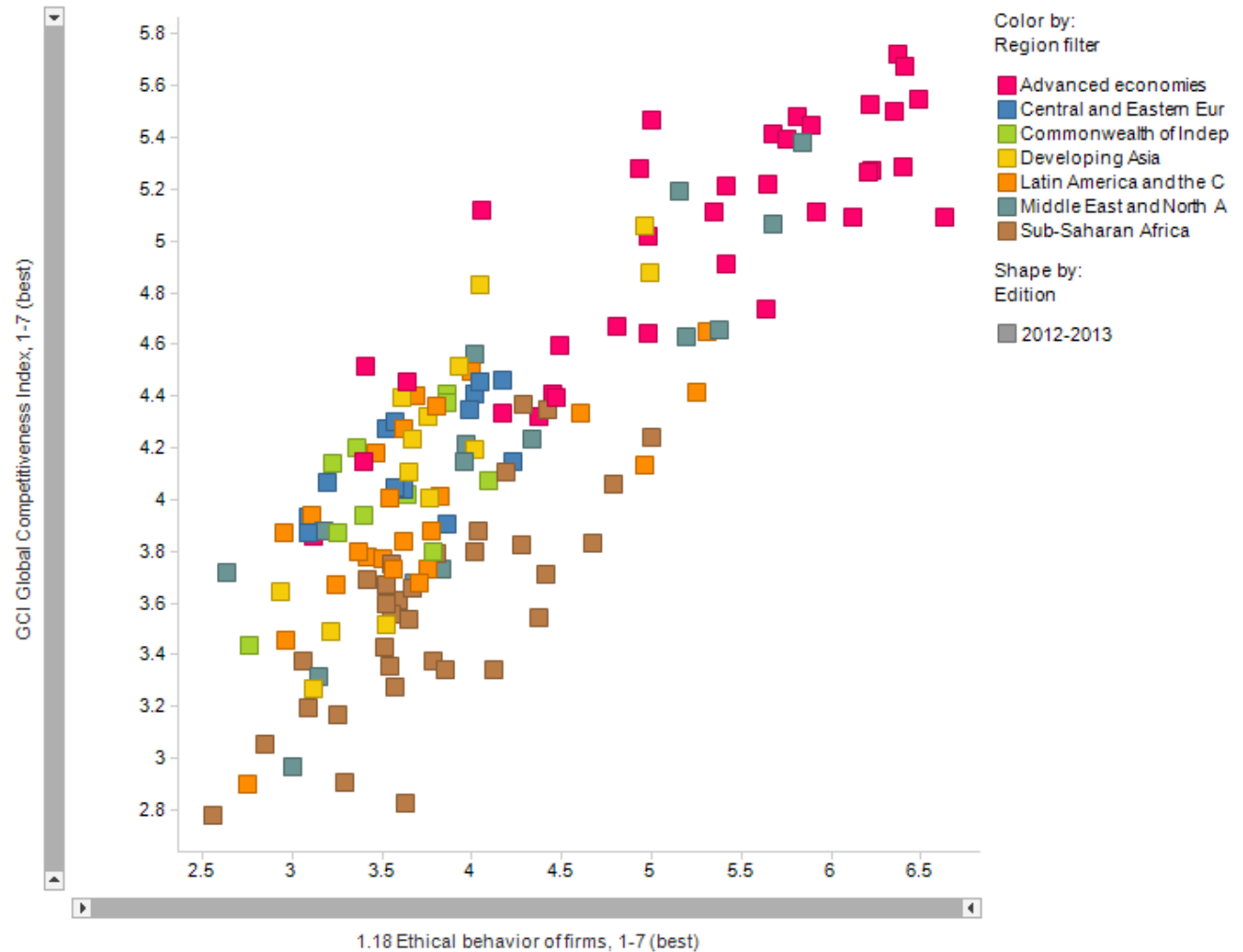
Perceptions of
firm ethics and
incidences of
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highly
correlated...



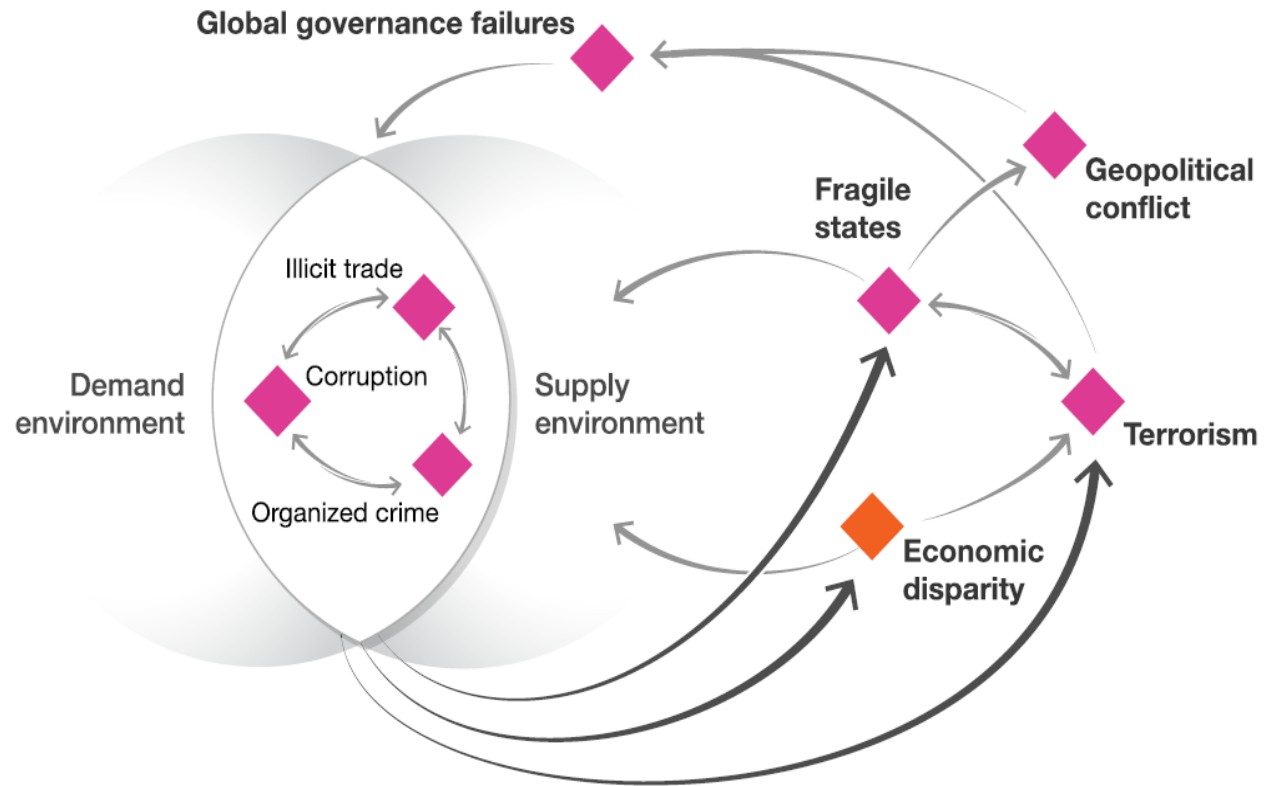
As is firm ethics and broader institutional factors such as judicial independence



While firms are perceived as more ethical in countries with higher levels of competitiveness



When viewed as a global risk, corruption interacts with economic disparity, state fragility, global governance failures



PACI is working to shift the narrative from a focus on risk to a focus on value. The private sector can play a key role in this reframing

Narrative of loss and risk

- Fighting corruption is important because these issues cause harm to businesses and society in general
- Defensive, reactive measures to prevent non-compliance are required
- Mistrust of partners fuels reluctance to share information and fear of reputational risk

Narrative of value-creation

- Fighting corruption and promoting transparency is an activity that creates value for businesses and society in general, not just through removing corruption, but by opening new opportunities
- Proactive, innovative measures to attract good behaviour can bear fruit
- Trust and openness amongst partners facilitates information sharing, collaboration and innovation

The logo for the World Economic Forum features the words "WORLD", "ECONOMIC", and "FORUM" stacked vertically in a bold, grey, sans-serif font. A blue arc, resembling a stylized globe or a smile, curves around the text from the top left to the bottom right.

WORLD
ECONOMIC
FORUM

COMMITTED TO
IMPROVING THE STATE
OF THE WORLD