

I N Q U I R E R

OPINION

Editorial

A call for integrity

Philippine Daily Inquirer

8:31 pm | Monday, September 24th, 2012

President Aquino's anticorruption drive is gaining traction, thanks to the Integrity Initiative launched two years ago by the business community to involve private companies in the campaign against corruption in the private sector.

At the center of the campaign is the snowballing call for business executives and corporations to sign the Integrity Pledge. While prohibiting bribery is the primary vow under the pledge, signatories also promise to maintain a code of conduct for employees to pursue ethical business practices, implement internal systems that will prevent unethical conduct in their firms, adopt a whistle-blowing system, enter into integrity pacts and desist from dealing with unethical companies. The pledge is signed by CEOs or COOs, managing directors, country representatives or other senior company officials in order to set the "tone from the top" and oblige all members of the corporation or organization to also behave with integrity and conduct their responsibilities ethically.

The Makati Business Club and the European Chamber of Commerce of the Philippines started the Integrity Initiative late in 2009. They were later joined by such organizations as the American Chamber of Commerce of the Philippines, the Management Association of the Philippines, Bankers Association of the Philippines, the Federation of Filipino-Chinese Chambers of Commerce and Industry, Financial Executives Institute of the Philippines and the Philippine Chamber of Commerce and Industry.

The campaign has gained considerable ground. Integrity Initiative chair Ramon del Rosario Jr. reported that the number of signatories to the Integrity Pledge jumped to 1,500 this year from 700 in 2011. He said 32 heads of government agencies had also signed the pledge.

It's no secret that corruption is a huge problem in the Philippines. In Transparency International's 2010 Corruption Perceptions Index, the Philippines ranked 134th out of 178 countries, placing it in the bottom quarter of countries perceived as having the highest levels of public-sector corruption. This was validated by the Social Weather Stations' findings in its 2009 survey of enterprises on corruption showing that among the 550 top- and middle-level managers interviewed, about 60 percent had been approached for a bribe for transactions with the government.

Corruption in the private sector is also rampant. In the World Economic Forum's Global Competitiveness Report for 2010-2011, the survey of business leaders saw the Philippines at a low 129th out of 139 economies in the category of corporate ethics of private institutions. The 2009 SWS survey also found that 48 percent of the business respondents had resorted to bribes to corner public-sector contracts.

Anticorruption advocates from the business community are aware that it will take years for the impact of the Integrity Initiative to be felt. Its co-vice chair, Hubert D'Aboville, has noted that the 1,500 signatories to the Integrity Pledge represented a mere 0.2 percent of the 700,000 companies registered at the Securities and Exchange Commission. A rewards system is actually shaping up to draw more signatories. The Philippine Economic Zone Authority plans to ask locators in all economic zones to sign the pledge; the Department of Education will urge its suppliers to do so as well. The Department of Public Works and Highways is considering requiring contractors to sign the pledge before they can participate in bidding for its projects, and the Department of Budget and Management plans to require bidders for government procurement contracts to first sign the pledge to be qualified. The Bureau of Internal Revenue may also set up a special lane where signatory-companies pay taxes, while the Bureau of Customs may provide them with preference for simple transactions when importing and exporting goods.

Many in the private sector believe that the Integrity Initiative is a bold but doable undertaking. They are certain that this project will lead to fundamental, long-term and institutionalized reforms, and transform the way business is conducted and corruption is fought in the Philippines. As Del Rosario said at the 2nd Integrity Summit held on Sept. 18: "Through our collective action, we can defy limits, overcome greed and corruption and bring forth a new breed of integrity champions committed to establishing a new ethical norm in our country."

That should resonate all the way from taipans down to micro entrepreneurs.

Article Location: <http://opinion.inquirer.net/37432/a-call-for-integrity>