

Less dealings with govt offices may reduce corruption — PHL industry experts

MARC JAYSON CAYABYAB, GMA NEWS July 26, 2012 2:34pm

Corruption small and medium enterprises (SMEs) encounter during transactions with government officers may be reduced by streamlining the process of obtaining permits, industry experts said Thursday.

Guillermo Luz, private sector co-chairperson of the National Competitiveness Council (NCC), said corruption may come from purposeless transactions in obtaining business permits.

He cited fees SMEs pay for an environmental clearance.

“That’s an example of an extra transaction that has no purpose whatsoever,” Luz said at the sidelines of a conference on SME corruption organized by the Asian Institute of Management at Mandarin Oriental Hotel in Makati City.

Arsenio Balisacan, director general of the National Economic and Development Authority, agreed that SMEs have become prey to corruption in government offices.

“Business establishments – more so SMEs – supply much of the demand for corruption. It takes two to tango,” Balisacan said.

NCC’s Luz noted that SMEs on average go through six agencies “physically,” a process that takes an average of 35 days just to get a permit.

Reducing the number of processes for SMEs would not just help save time, it could also minimize opportunities for corruption, the NCC chair said.

Transaction process should be narrowed to a day or five days at most, Luz noted.

“It’s cutting the number of steps. As you simplify and streamline, you will make the business not only friendlier but you would also reduce opportunities for corruption,” Luz said.

UP School of Economics professor Raul Fabella noted that the degree of corruption in SMEs is equal to the number of business permits existing in the industry.

Cutting down the process could curb corruption, he said.

“... Simply cutting down that number is a fundamental thrust of government,” the UP professor noted.

A Department of Trade and Industry official said SME, which account for 99.6 percent of the entire business sector, is a potent force to curb corruption in the bureaucracy.

“The size of the SMEs gives it leverage to push for a corrupt free Philippines and to wage a drive to conduct business with integrity,” Trade Undersecretary Zenaida Maglaya added. — **VS, GMA News**

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