

SMEs seen as key to clean gov't

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By Cliff Harvey C. Venzon, Reporter

SMALL AND MEDIUM enterprises (SMEs) should equip themselves with comprehensive knowledge on rules for permit applications and other business transactions as a defense against corruption, speakers at an integrity forum yesterday said.

SMEs, which comprise 99% of the business establishments in the country, are the most exposed to corruption because of lack of information, said Washington Z. SyCip, chairman emeritus of Asian Institute of Management and founder of auditing firm SGV & Co.

"SMEs do not have the clout to resist bribery. They are not well-versed in regulations, making them vulnerable to corrupt government officials," Mr. SyCip said in his opening remarks.

Raul V. Fabella, professor of Economics at the University of the Philippines, similarly said: "SMES are the favorite hapless victims of the government officials and SMEs will do well without corruption."

However, the government should also do its part by simplifying procedures ranging from the business registration to the reporting of corrupt officials, the speakers said.

"The government can help by streamlining the process and making it easy to transact to get government's services done," said Guillermo M. Luz, co-chairman of the National Competitiveness Council.

Mr. Luz pointed out that streamlined transaction procedures would help curb corrupt practices embedded in every layer of bureaucracy.

He went on to advocate automation, saying it could also prevent fraudulent practices.

"Automation is best practice from around the world to get out of corruption and deliver efficiency to the people" Mr. Luz said.

Mr. SyCip said that the government should also come up with "simple ways," such as requiring all government employees to wear a name tag.

Socioeconomic Planning Chief Arsenio M. Balisacan, meanwhile, said performance-based incentives for government officials have been adopted to eliminate fraudulent practices.

"The program has been launched for pilot implementation in the first half of the year, but we are planning to implement a bureaucracy-wide next year" Mr. Balisacan said, noting that the scheme is expected to encourage government employees to shun corrupt practices in their respective agencies.

But as the government implements efforts for clean and speedy business transactions, businessmen themselves should take part in the state's anti-corruption drive.

"Corruption thrives because there are patrons who, intentionally or not, resort to these abhorrent practices and thereby fueling few despicable employees of the government," a speech of Trade Secretary Gregory L. Domingo, read by Trade Undersecretary Zenaida C. Maglaya, showed.

"We, the government, recognize the important role of SMEs in maintaining a healthy economy," the speech read further. "The SMEs are a potent force not only in boosting the economy but also in promoting the integrity of business. Imagine of 99% of the country's establishments will try to avoid corruption and corrupt practices, thereby compelling the government to pursue corrupt officials in the bureaucracy."

Tommany Tan, chief executive of Fern, Inc., concurred: "If we will not change, they (the government officials) will not change."

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<http://www.bworldonline.com/content.php?section=Corporate&title=SMEs-%C2%AD%E2%80%90seen-%C2%AD%E2%80%90as-%C2%AD%E2%80%90key-%C2%AD%E2%80%90to-%C2%AD%E2%80%90clean-%C2%AD%E2%80%90gov%E2%80%99t&id=55843>