

Apart from anti-corruption campaign: Good governance also vital to attract more investments

The Freeman

By: Carlo S. Lorenciana

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CEBU, Philippines - Constant fight against corruption and good corporate governance will further improve the business climate and invite more investments into the Philippines.

According to Professor Francisco Roman Jr. of Asian Institute of Management, there have been efforts to advocate ethical business standards and tackle about corruption and accountability in the Philippine business. Roman is the executive director of AIM's Center for Corporate Social Responsibility.

"In the Philippines, we are concerned of [few] things: one is anti-corruption campaign which includes big and small businesses," Roman told The FREEMAN in an interview. He gave a talk in Cebu last Monday to small and medium enterprise owners on fighting against corruption and the benefits of doing business with integrity.

Good governance, he said, is another concern which should be confronted to maintain integrity in all aspects of the business process.

"We're looking at good governance with respect to private-public interface. That's where bad governance happens," he said.

The 2013 Social Weather Stations Survey of Enterprises on Corruption revealed that 42% of 951 businesses surveyed in some parts of the country including Cebu said "most/almost all companies in their own sector of business give bribes to win government contracts, practically the same as the record-low 41% in 2012."

'IT'S PERVASIVE'

"Corruption in business is pervasive. It involves big companies with sub-contractors, small companies meeting with big companies... It's a pervasive thing," Roman said.

There is a need to strengthen the understanding of the social and economic costs of corruption in Philippine businesses and to generate their support for anti-corruption efforts.

He cited the World Economic Forum's 2013-2014 global competitiveness report which considered corruption as among the top most problematic factors for doing business in the Philippines. Corruption is second after the inadequate supply of infrastructure.

INTEGRITY INITIATIVE

Considering corruption and bribery in public and private sectors, the private sector-led Integrity Initiative campaign has been pushed to promote integrity and accountability in business.

Roman said the campaign is under the AIM's HILLS Program on Governance with the Makati Business Club, European Chamber of Commerce of the Philippines and other private groups. MBC and ECCP started it in late 2009. The campaign called business executives and corporations to sign the Integrity Pledge, a commitment to ethical business practices and good corporate governance.

Part of the integrity pledge published in a manual read: "We believe that corruption has been one of the biggest impediments to economic growth and prosperity in the Philippines and has been eroding the moral fiber of this society,"

It further stated: "While the government has its own initiatives for reducing corruption, we realize that those initiatives cannot succeed without individual and collective commitment from businesses to level the playing field and to build integrity in the business environment."

The pledge's signatories are part of a growing group of ethically-conscious companies spearheading positive change in the country.

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<http://www.philstar.com/cebu-business/2015/03/26/1437707/apart-anti-corruption-campaign-good-governance-also-vital-attract>