Systemic corruption erodes the legitimacy of laws and political leadership and makes a flourishing economy impossible. Approaches to combating corruption include improving integrity standards, advocating policies that limit opportunities for corruption, and designing institutional reforms that level the playing field for all businesses. CIPE helps the business community take collective action both in the public arena, by advancing public sector reform and transparency in government, and in the private sector, by promoting and strengthening compliance standards for companies.

Improved integrity standards, increasing transparency, and strengthening compliance programs help the business community take collective action to address corruption.
The Center for International Private Enterprise (CIPE) strengthens democracy around the globe through private enterprise and market-oriented reform. CIPE is one of the four core institutes of the National Endowment for Democracy and an affiliate of the U.S. Chamber of Commerce. Since 1983, CIPE has worked with business leaders, policymakers, and journalists to build the civic institutions vital to a democratic society. CIPE’s key program areas include enterprise ecosystems, business advocacy, democratic governance, and anti-corruption & ethics.

CAMBODIA

Introducing Greater Transparency & Accountability to Public Procurement

Cambodia’s economic success over the past decade has been impressive, with annual GDP growth averaging nearly 10 percent. Yet poverty rates remain among the highest in Asia. The primary constraint on more inclusive growth is deep-seated corruption.

Cambodia also presents real opportunities for reform. Cambodian civil society is robust, and uncensored media is widely available. Elections are held at the provincial and commune levels of government. If local authorities fail to deliver, however, democracy will be seen as failing citizens. For Cambodian democracy to develop from the ground up, citizens and civil society organizations need to become more engaged in local government processes, with public governance more participatory and accountable.

CIPE partnered with Cambodian NGO Silaka to improve transparency in the public procurement process at the local level. The project assembled a coalition of local NGOs, businesses, and village representatives as independent procurement observers. It is the first project of its kind in Cambodia that gives citizens the skills to participate in and help oversee the bidding process.

The Deputy Governor of Kampong Thom province found that the project not only improved transparency but also encouraged citizen participation in public policy, as seen through higher rates of attendance at public dialogues. Data compiled by the provincial government shows that contract awards today are 50 percent cheaper than before the start of the project due to improved competition and reduced opportunities for collusion and corruption. The Commune Chief of San Kor noted that the resulting savings enable his community to conduct more public work projects for the benefit of citizens and local firms.

GLOBAL

Spreading Best Practices in Private Sector-Led Initiatives

Collective action by the private sector is becoming an important business strategy to counter corruption. CIPE has successfully engaged with partners in Mexico, Thailand, Turkey, and elsewhere to mobilize local business in joint anti-corruption efforts that establish compliance standards and promote implementation.

Inspired by CIPE’s ongoing anti-corruption work with Thailand’s Institute of Directors, the Mauritius Institute of Directors (MIOD), a professional forum for public and private sector directors and managers, requested CIPE’s assistance to further its compliance training program and collective action coalition.

One of MIOD’s key objectives is to promote the highest standards of business and ethical conduct of directors serving on the boards of companies and state-owned enterprises. MIOD drafted an integrity pledge for businesses that lays out the specific and tangible steps that a company must take to reduce corruption-related risks. MIOD and CIPE are recruiting leading Mauritian companies and will train them on how to adopt the pledge and make it meaningful through firm-level anti-corruption compliance programs.

MIOD represents more than 1,000 firms operating across Africa as well as internationally. Just as Mauritius was inspired by CIPE’s anti-corruption initiative in Thailand, other countries in sub-Saharan Africa, North Africa, and beyond can be inspired by the work being done in Mauritius. As each new country takes on the challenge, CIPE’s anti-corruption initiatives are gaining momentum around the world.