

Partnering Against Corruption Initiative (PACI) Vanguard Meeting

Description and Context

Corruption impedes economic growth, contributes to social instability and obstructs innovation. The fight against corruption is a shared responsibility which has ranked high on political agendas since the early 1990s. It soon became clear that the early efforts, predominantly focused on regulation and enforcement, had to be complemented with additional measures. Increasing transparency, building trust and integrity through behavioural change have been recognized to be effective measures to curb corruption. The World Economic Forum Partnering Against Corruption Initiative (PACI) is the industry-led initiative spearheading this agenda, supported by a community of 90 signatory companies and the PACI Vanguard, its CEO-led governing body.



01: Julie Monaco, Citi, USA, Mr Rodrigo Janot, Prosecutor-General of the Republic of Brazil, Brazil

02: David Cruickshank, Global Chairman, Deloitte, United Kingdom, James C. Smith, President and Chief Executive Officer, Thomson Reuters, Canada and Prime Minister Fernando Zavala, Prime Minister of Peru

03: PACI Vanguard Meeting



Key Insights

- The community observes global shifts in anti-corruption efforts. More than ever, corruption is recognized as a global phenomenon of both developed and developing economies. The PACI Vanguard prioritized the financial services and extractives industries as key focus areas in 2017, followed by the health sector, retail/consumer goods and telecommunications in a number of regional areas.
- Business leaders advise expanding deep-dives into regional contexts, with Africa as the most pressing area in need of redress. Further replication of the solutions and success of the current project in Mexico should also be conducted in Latin America.
- Technology is considered a potential “game-changer” in assisting governments and the private sector to curb illicit financial flows and in support of open tendering and procurement processes. The potential negative implications of technology were also noted, and further focus on the use and design of tools is considered important.
- PACI should continue efforts to rebuild trust and integrity through collective action. A human rights approach and the B20/G20 platform are also cited as appropriate modes of engagement, which ought to be supported by a PACI-initiated working group to further engage Sustainable Development Goal 16 within the private sector.

- Responsive and responsible leadership will continue to be crucial in the good governance of organizations and political systems. PACI, through the PACI Vanguard, will continue to expand and engage its platform to champion and build a culture of integrity with key business and institutional leaders.
- The PACI community reiterates the need for strong focus on the role of education in teaching values and ethics in educational and professional institutions. PACI will continue to position education as a core theme in its activities and will further engage with millennials to convey the youth voice and establish best practices.

Synopsis

Corruption is a global issue and is perceived in many countries to be hindering growth, exacerbating inequality and fuelling instability. Fighting corruption is therefore a top priority for governments. In Peru, for example, anti-corruption efforts are afforded \$4 billion and 11% of the budget, which is more than the entire budget for the health sector. Over the past decade, the public and private sectors globally have worked to build a framework of rules and regulations to create an anti-corruption system. While new anti-corruption systems have been introduced (Peru, Mexico, Brazil, France), trust between stakeholders has declined over the years owing to a number of factors, including a perceived lack of enforcement.



01: H.E. Mr Alpha Condé, President of Guinea

02: David Cruickshank, Global Chairman, Deloitte, United Kingdom

03: Cobus de Swardt, Managing Director, Transparency International, Germany

04: Kamal Nath, Member of Parliament, India and Margery Kraus, Founder and Executive Chairman, APCO Worldwide, USA; Francis Gatere, Chief Executive Officer and Cabinet Minister of Rwanda

Employees want to work for companies that have strong values and ethics. Companies will attract the best talent with ethical principles by demonstrating a corporate culture that does not tolerate corruption. It was suggested that corruption can be compared to public issues such as health and safety, in the sense that society cannot allow people to be injured in the workplace. Similarly, nor can corruption be tolerated and must follow a zero tolerance policy.

Enforcement of the rule of law and zero tolerance policy are becoming the most challenging areas to restore trust in business and institutions. Having an independent judiciary that enforces the rule of law regardless of the position of the charged person is key to eradicating impunity and to building trust back into the judicial system. In addition to judiciary systems, citizens also need access to tools that empower them to engage in anti-corruption efforts.

Next Steps

Several key areas require attention in order for systemic change to succeed. In 2016-2017, the PACI community worked on building trust and integrity in business and institutions through public-private cooperation. The project – Building Foundations for Trust and Integrity – is conducted in collaboration with the Infrastructure and Urban Development Industries and explores issues and solutions in the context of Mexico. Project findings emphasize that leadership, technology and education are important for long- and short-term change and that the public and private sectors should focus on the successful implementation strategies to demonstrate progress on the back of strong political and civil action. The project piloted in Mexico is proposed to be replicated in other priority regions.

Technology helps developing and institutionalizing tools to curb corruption through various channels, including enhancing transparency, reducing human interaction and closer monitoring. Examples of successful strategies include Open Government, to improve the trust of citizens in the public sector or the Tech for Integrity Challenge, an open innovation challenge to source solutions to promote integrity, accountability and transparency in the public and private sectors.

Corruption represents an omnipresent, long-term harm to society and efforts to overcome it require strong public-private cooperation. PACI has the means to bring together business, government and civil society to work on sustainable solutions and to shed light on the cost of unbridled corruption on business and public life.



01: Pranjal Sharma, Contributing Editor, Businessworld, India;

Mark Pieth, Chairman of the Board, Basel Institute on Governance, Switzerland

