

# **Building A Community of Integrity Champions: Collaborating with the Private Sector**

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# Outline:

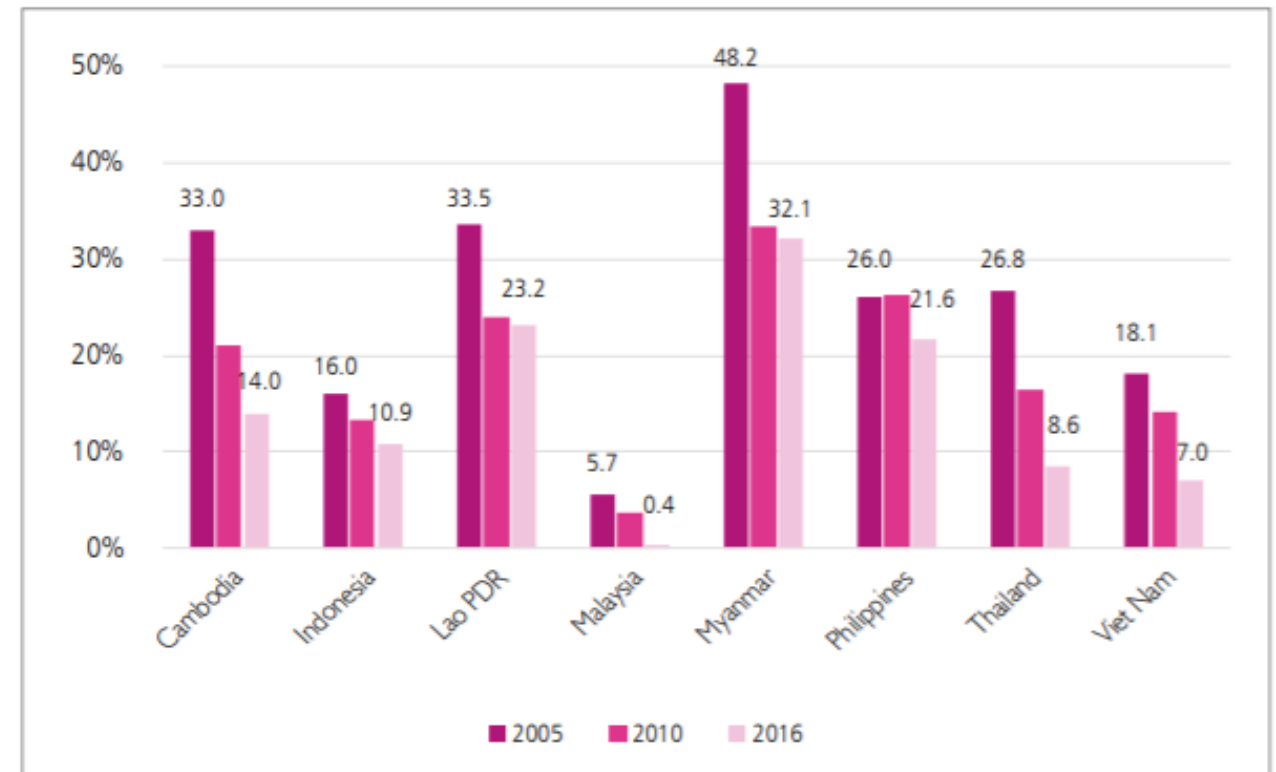
1. Overview of Corruption in ASEAN
2. Building ASEAN Community with Integrity Aspirations
3. Challenges in Building Integrity Community
4. Ways forward

# 1. Overview of Corruption in ASEAN

# Introduction to ASEAN



**Population living below national poverty lines (%), ASEAN Member States, 2005-2016**



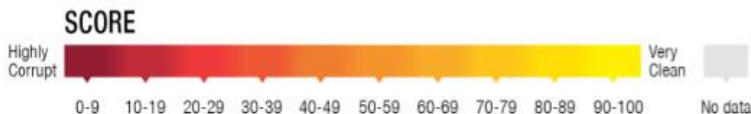
Source: ASEAN Secretariat, ASEANstats database.

# Corruption is the biggest challenge in ASEAN



## CORRUPTION PERCEPTIONS INDEX 2018

The perceived levels of public sector corruption in 180 countries/territories around the world.



RANK	COUNTRY	SCORE
3	Singapore	85
31	Brunei	63
61	Malaysia	47
89	Indonesia	38
99	Philippines	36
99	Thailand	36
117	Vietnam	33
132	Laos	29
132	Myanmar	29
161	Cambodia	20

#cpi2018

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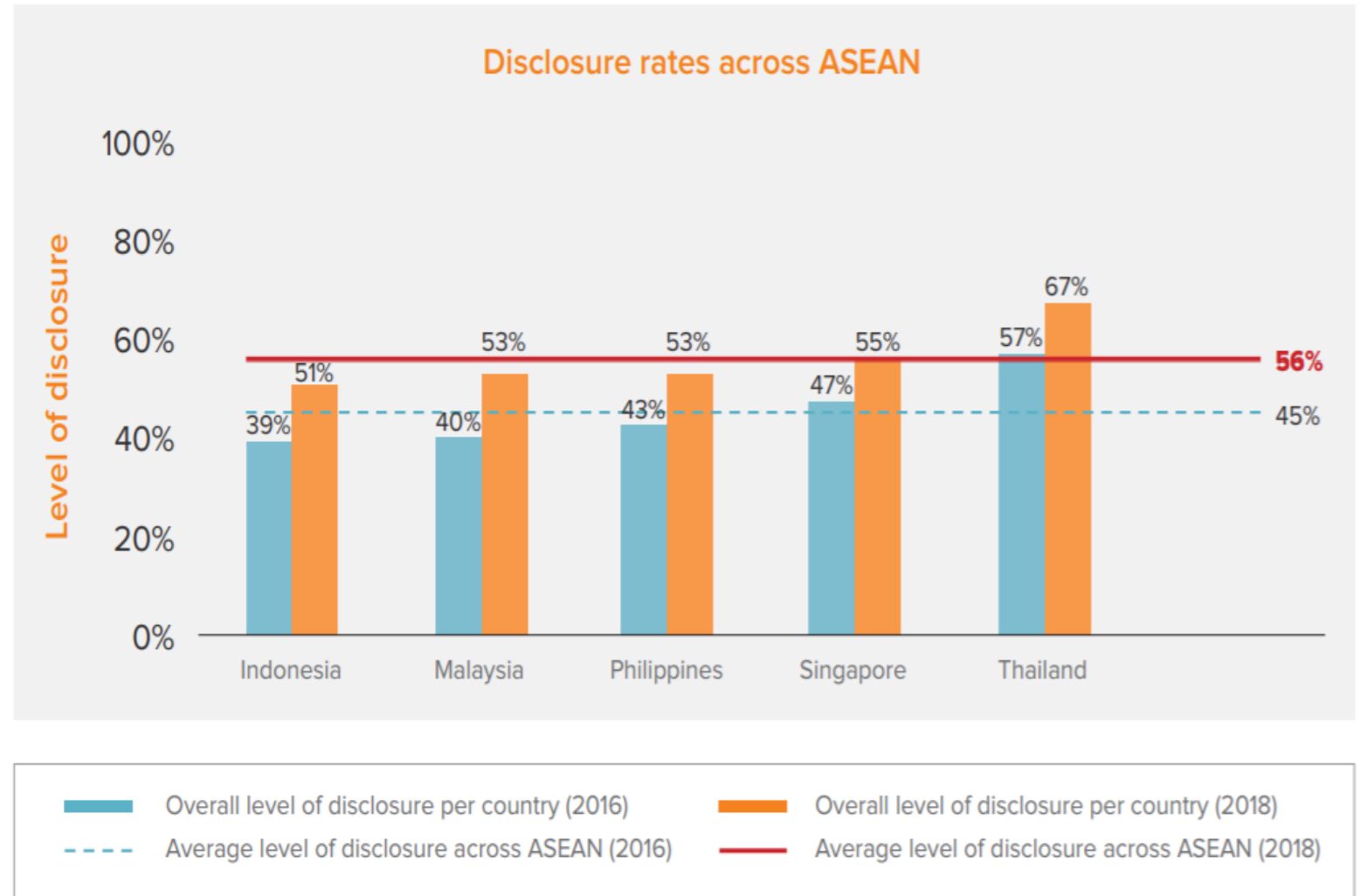
# Changes in Corruption Perception Index in ASEAN

CPI 2014 – 2018

Country	2018 Rank	2018 Score	2017 Rank	2017 Score	2016 Rank	2016 Score	2015 Rank	2015 Score	2014 Rank	2014 Score
Brunei	31	63	32	62	41	58	NA	NA	NA	NA
Cambodia	161	20	161	21	156	21	150	21	156	21
Indonesia	89	38	96	37	90	37	88	36	107	34
Laos	132	29	135	29	123	30	139	25	145	25
Malaysia	61	47	62	47	55	49	54	50	50	52
Myanmar	132	29	130	30	136	28	147	22	156	21
Philippines	99	36	111	34	101	35	95	35	85	38
Singapore	3	85	6	84	7	84	8	85	7	84
Thailand	99	36	96	37	101	35	76	38	85	38
Vietnam	117	33	107	35	113	33	112	31	119	31



# ASEAN businesses have not been forthcoming on their integrity-related disclosures



## 2. Building ASEAN Community with Integrity Aspirations



# ASEAN CSR Network:

## Turning the Vision into Action



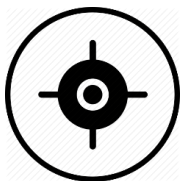
Formed in Dec 2010 in support of ASEAN Community integration.  
**Accredited as an ASEAN Entity in 2016**



In 2015, **CSR mentioned in all three ASEAN Community Blueprints.**  
Promoted CSR guidelines in ASEAN member countries through conferences and workshops



Promoting **Integrity Has No Border** campaign across ASEAN



In 2018, **ASEAN Responsible & Inclusive Business Alliance (ARIBA)** was launched in collaboration with ABAB, to mainstream responsible business conduct ASEAN

# Members of ASEAN CSR Network



ASEAN  
FOUNDATION

*Indonesia Business Links*



Network Singapore



# ASEAN CSR Network PROGRAM



## ADVOCACY

To coordinate the formulation of a shared CSR vision in line with international standards, and guide multi-sector collaboration



## CAPACITY BUILDING

To support businesses and maximize resources in doing CSR through knowledge sharing and training



## COLLECTIVE ACTION

To harmonize CSR efforts at the regional level by providing a platform for coordination, cooperation and information exchange



**GOAL:** Business to say 'NO' to corruption, regardless of where they are in the ASEAN, to pave the way for shared growth and progress



Network Singapore

**INTEGRITY  
INITIATIVE**



*Indonesia Business Links*  
Resource Centre for Corporate Citizenship



## Example of Local Initiative for Business Integrity

- 1998, born out of the economic crisis. Started with 3 business leaders and expanded.
- 2000 became a Foundation.
- Promoting business ethics and corporate citizenship.
- Awareness raising, capacity building, collective action
- 2012 : Indonesia Integrity Initiative,
  - Codes of integrity
  - Training for SMEs
- 2015 : joined Alliance for Integrity
  - Training for SMEs (DUKU)
- 2017 : in collaboration with KPK, to establish
  - Local Committee for Anti Corruption
  - SOLUSI (online resource for anti corruption)

**INTEGRITY. CAPACITY. SUSTAINABILITY**

# 3. Challenges in Building Integrity Community



# Common Challenges in ASEAN member countries

1

**“First mover disadvantage”** – Most corporates do not want to be the first to act.

2

Common excuse that corruption or bribery is part of Asian/ ASEAN **“business culture”**

3

There are lack of Incentives for those **‘Certified’**

# Concerns and Challenges in Indonesia

- Anti corruption effort is not effective enough.
- The focus on mostly public sector entities left the business sector behind.
- Government regulation related to private sector corruption was only enacted in 2016.
- The concentration of effort in KPK only, considered insufficient.
- Transition to a new anti corruption approach, back to formal government agency, is highly contested (politically).

## 4. Ways Forward



# Continue Promoting Business Integrity in ASEAN

**To get business responsible -accountable, transparent, ethical, as well  
as Creating a culture of integrity**



**ASEAN RESPONSIBLE INCLUSIVE BUSINESS  
ALLIANCE**

**an initiative of ABAC and ACN**

# What ADB can do?



**FACILITY FUNDING**

**CAMPAIGN, PLAN, ENGAGE**

**RESEARCH**

**ADHERENCE**

**SPEED IS OF THE ESSENCE**

To support national/regional initiatives in close collaboration with concerned ASEAN Sector Bodies in undertaking the following :

- a. ASEAN Code of Conduct**
- b. Awareness and Socialization**
- c. Research**
- d. Capacity building**
- e. Dialogue and Focus Discussion Groups**
- f. Mobilisation**



# THANK YOU

