



Fact Sheet 3 – The Private Sector

*Let me tell you, Cassius, you yourself
Are much condemn'd to have an itching palm,
To sell and mart your offices for gold
To undeservers. Brutus (Act. 4, Scene 3)
Julius Caesar/Shakespeare*

Ample evidence suggests that in many countries corruption adds upwards of 10 per cent to the cost of doing business and as much as 25 per cent to the cost of public procurement. These costs undermine business performance and divert public resources from their legitimate use. At the same time, the private sector has also proven to be a powerful actor of change. In fact, the need to reduce vulnerability to corruption has resulted in a large number of companies adopting increasingly effective internal integrity mechanisms.

These are the issues to be discussed at a Special Event to be staged in Bali, Indonesia, and coinciding with an institutional anti-corruption conference which will be held from 28 January to 1 February 2008.

How? The approach is two pronged. During the five-day Bali Conference, politicians and practitioners will review and formulate global anti-corruption policies related to the United Nations Convention against Corruption. Parallel to the conference, high profile Chief Executive Officers of renowned companies are invited to engage in a one-day discussion, illustrating effective measures to prevent corruption and sharing their wealth of experience with representatives of smaller companies active in developing countries. Large corporations will lend their support to small companies including in their supply chain on how to develop and enforce codes of conduct, making the services of their compliance officers available and offering assistance to enact other measures to prevent and control corruption. We need more mentors – like you – to pass on good practices, both to peers in the private sector (particularly in developing countries) and to specialized government agencies.

The event will also endeavour to go beyond experience-sharing.

We don't have to re-invent the wheel. There are universal principles applicable to the private sector that are already contained in the United Nations Convention against Corruption. We suggest that interested companies – starting here – could agree to align their voluntary integrity standards to those principles. The benefits of abiding by such principles translate into cost saving and raise the image of the corporate community.

There are also good practices that the private sector is applying: they deserve broader application.

- Publish What You Pay, for the extractive industries (oil and mining): why not extend this to all sectors?
- The Kimberley Process - a joint government, international diamond industry and civil society initiative to stem the flow of conflict diamonds (blood diamonds).

Businesses can also invest in developing public anti-corruption infrastructure, to strengthen the integrity of the countries in which they do business. Think of it as an insurance policy for protecting your assets.

The rules of the game are clear. Now it is up to the players to encourage and promote fair play. Working together, and based on the principle of voluntary participation, the business community and

the United Nations *Office on Drugs and Crime* can develop the Blue Emblem – the sign of active engagement to promote and comply with the United Nations Convention against Corruption.

The underlying objective of this initiative, part of a larger strategy involving not only the business community but also literature, the film industry and non-governmental organizations, is to help close the divide between the developed and the developing world. Even more far-reaching, and unifying the whole strategy, is our goal to turn communities from victims of corruption into actors for real and lasting change.

Corruption is a cancer in every society and cannot be eradicated unless a concerted campaign is waged by all people in every society. While national governments and international organizations, including the United Nations, have an institutional responsibility to address the problem, the contribution of civil society remains essential to mobilize public opinion and to urge political leaders to do more, hence sharing the moral responsibility to voice concerns and contribute to the common goal.