



Corporate Consortium against Corruption

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ABSTRACT:

Corporate Consortium against corruption must be explored to check governmental corruption, because corporates are one side of coin of corruption if Government is another side of corruption.

I have never paid a bribe and never taken a bribe. I am 53 year old. I am an Indian and have been in India most of my life. That is an achievement that merits Nobel Prize.

According to UN Secretary General the global cost of corruption is 5% of global GDP. Clearly corruption problem is huge. And citizens of nations must be concerned about the corruption problem. After all corruption increases poverty and inequality, distorts public investment and revenues and increases free loaders.

But then it could be argued, why Corporates should be concerned about corruption. Finally, corruption has two sides - government and either individual, organization or corporate. After all, you cannot clap with one hand.

And corporates are responsible to customers and shareholders and employees. Corruption extracts price from customers, share holders and employees.

Hence Corporates ought to do something about corruption. Clearly a single corporate cannot fight corruption. If a single corporate fights corruption then it will be at the expense of that corporation, because other Corporates that are willing to compromise on corruption will ace the race. Hence there has to be corporate consortium against corruption.

Transparency International website talks of Global Anti Corruption Consortium. However this is a consortium of investigative reporters. This is part Organized Crime and Corruption Reporting Project (OCCRP) and is driven by Transparency International.

OECD has an anti Corruption and Integrity Hub and has produced guidelines for Corporates for anti corruption compliance drivers and change. However these are not in the nature of consortium, but actually guidelines for individual companies.

Then there is UN convention against corruption. This is legally binding multilateral signed by governments of member states of United Nation. However clearly this is for government and not for Corporates.

What is needed is to combine the ideas contained in these three and create a corporate consortium against corruption with legally binding agreement.

There are three thing here in this anti corruption movement:

1. It is about Corporates
2. It is a consortium
3. It has legally binding agreement.

What is in it for corporates? After all, corporates are not Samaritans to do good for everybody. Indeed corporates are profit and growth and revenue pursuing entities. Why should corporates join such a consortium against corruption with a legally binding agreement.

At the this point it is appropriate to digress and discuss again the part about corporate social responsibility. In a previous essay we discussed how corporates gain by corporate social responsibility by improving their reputation among employees, customers and shareholders.

The same applies to corruption. A corporate that takes stand against corruption and binds itself by a legal agreement on compliance in anti corruption activity by joining an anti corruption consortium will be favoured by customers, employees and shareholders.

Equally a corporate which is not willing to bind itself by a legal agreement on compliance in anti corruption activity by joining a consortium against corruption will be punished by customers, employees and shareholders.

Of course who will start such a consortium and why?

There is after all an innate goodness in humans that propels humans to morality, ethics and legality, even if it comes at a price that extracts an expense from us.

Somewhere Samaritan Companies will start a Corporate Consortium against Corruption just as Samaritan Companies do undertake corporate social responsibility activities.

Of course such a consortium has to operate a 3 levels

1. Regional
2. National
3. Global

The idea of Corporate Consortium against Corruption has to get discussed. Governments, Media and Civil Society can catalyze this movement. Finally, corporates must take the first steps.