

Impact of bribery and corruption on business



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Some companies manage to survive and get away with bribery and corruption while others get caught up in public scandals that cost them a fortune destroying their brands, defending themselves and ultimately losing out on business, a top bribery and corruption-buster said. Retired Judge Ameer Ismail, Chairman of the Commission to Investigate Allegations of Bribery or Corruption (CIABC), speaking on the topic ' Bribery and Corruption: Impact on Business Environment' said that compliance with the law is easier said than done.

Compliance with policies, procedures and customer expectations around ethics is even harder. ' Corporate ethics' is about doing the recent ' right thing," he said addressing the recent Third Key Person's Forum jointly organized by the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) and Small and Medium Enterprise Developers (SMED). Any form of behaviour which departs from ethics, morality, tradition and civic virtue could be labelled as corruption and corruption slowly but steadily destroy the fabric of society.

Corruption is the misuse of power, office or authority for private profit which could occur in the public and private domain. Enforcement in all sides is necessary to ensure not only individuals but also high-powered politicians and corporations will be subject to the same standards. Law enforcement and corruption investigation would then be a uniform process, he told the audience. Ismail said that corruption is a global phenomenon, but it has a greater impact on developing nations and the characteristics of corruption is extremely destructive in the Third World where corruption occurs upstream.

Most of the money gained through corrupt means in the Third World is immediately smuggled out to safe havens abroad. He said that in the Third World corruption is not effectively confronted, but it is sometimes overlooked and not punished. It leads often to promotion of individuals rather than to prison in this part of the world. He said “ Big fish, unless they belong to the opposition, rarely fry. In contrast, through a process of accountability even top leaders in industrialized countries are investigated and prosecuted.

In the Third World it results in further impoverishment and diminishing of dwindling resources. ” Ismail pointed out that the per capita income of a large proportion of the population is far below the poverty line. The reality is that while some make a fortune through corruption in the Third World, the majority of the population cannot meet even their basic needs while national budgets have yawning gaps. He said corruption in such a scenario, if unabated, will lead to massive human deprivation.

Combating corruption in this region is not just about punishing corrupt politicians and bureaucrats but about saving life and preserving the right to life,” he said adding that it robs civic life of public virtue and in developing countries is most destructive and savage. Ismail said that because corruption reaches the very top in so many societies, a bottoms-up strategy for weeding it is unlikely to work. Instead a top-down approach is needed. In Malaysia when Abdullah Badawi became Prime Minister, he gained public support for trying to tackle corruption.

In India, Manmohan Singh began his prime minister-ship with the huge advantage of widespread public perception that he is clean and incorruptible. His public perception of probity remains intact, Ismail said. The media, he

noted, has a social responsibility to expose acts of corruption and nepotism, as the effective functioning of the press is dependent upon the public legitimacy of its existence. The media is a public trust. He said that its functions in the form of reporting and influencing public opinion ought to reflect public interest, societal sensitivity and democratic governance.