

Collective Action: engaging the private sector in the fight against corruption

Collective Action brings companies together with other relevant stakeholders, such as government and civil society, to tackle shared problems of corruption, raise standards of business integrity, and level the playing field.

The private sector is an important stakeholder in the fight against corruption and in governments' efforts to improve business integrity and fair competition.

Multistakeholder approaches, and in particular private sector-focused Collective Action initiatives, can play a key role in activating the private sector and harnessing synergies to tackle shared problems of corruption.



Working together better

Private-sector representatives can offer valuable insights on corruption matters to ensure that policymakers and standard-setting bodies take into account the business risks and realities that companies face.

Collective Action offers a way for governments to engage with the private sector in a sustained, transparent and productive way.

For example?

Integrity Pacts and the <u>High Level Reporting Mechanism</u> are forms of Collective Action that bring governments, businesses and civil society together to improve public procurement.

Governments are key stakeholders in the global Extractives Industries Transparency Initiative, a Collective Action initiative which supports good governance of oil, gas and mineral resources, and the CoST Infrastructure Transparency Initiative, which is enhancing accountability and transparency in infrastructure projects.

Supporting stronger business

By supporting, incentivising, or even requiring the development of Collective Action initiatives, governments can demonstrate a proactive approach to addressing corruption.

This can help to stabilise local markets, strengthen competition and attract foreign investment.

It's a win-win situation - so what's next?

Collective Action has long been supported by key standard-setters (e.g. OECD, B20/G20, World Bank, UNODC), as a powerful private-sector tool to address corruption and enhance conditions for fairer competition.

Governments and other influential bodies now need to find tangible ways to promote and engage in Collective Action with the private sector.

Only then will it become a global norm for sustained compliance and anti-corruption efforts.

How governments can support Collective Action

Commitment: Governments can demonstrate their commitment to an inclusive approach to fighting corruption by including Collective Action in national anti-corruption strategies (over <u>20 countries</u> already have) or other relevant corruption policy and guidance documents (e.g. <u>UK Bribery Act Guidance</u>)

Incentives: Governments can support companies that publicly demonstrate their commitment to Collective Action by positively acknowledging their efforts (e.g. when they bid for public tenders).

Leadership: Governments can demonstrate leadership by engaging in Collective Action initiatives and incorporating Collective Action in the compliance programmes of state-owned enterprises (as recommended by the <u>OECD</u>).



The Basel Institute's Collective
Action team offers tailored advice
and resources on Collective Action
to governments, companies and
multi-stakeholder groups around
the world. Since 2003, the team
has facilitated a variety of leading
multi-stakeholder initiatives aimed
at reducing corruption and raising
standards of business integrity.



Learn more at our <u>B20 Collective Action Hub</u> and contact Gemma Aiolfi, Head of Compliance and Collective Action, at gemma.aiolfi@baselgovernance.org.