



COMPANIES DISCUSS CORRUPTION IN MYANMAR AND HOW TO COMBAT IT

On 16 March, the Myanmar Centre for Responsible Business (MCRB) and ASEAN CSR Network (ACN) hosted a workshop in Yangon for senior managers of Myanmar companies on anti-corruption practices. The event, titled “Making the Change in Myanmar: A Practical Workshop on How Businesses can Combat Corruption,” was attended by more than sixty companies from a variety of background and size, as well as other organisations interested in addressing corruption in Myanmar.

During the workshop, participants were polled on where they are most likely to encounter corruption in their business and personal lives.

The most commonly reported instances of bribery had to do with paying income tax or government licenses and tenders. 27% of participants most often encountered bribery while dealing with ministries on license or tenders, while another 27% said the same of income tax offices. Another 15% of respondents identified Yangon City Development Committee (YCDC) as soliciting bribes, and 14% identified the customs office.

Respondents were also asked where they encounter corruption in their personal lives and identified, where YCDC (24%), immigration offices (24%), and traffic police (21%) topped the list.

The workshop, which was organised in partnership with the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Global Compact Network Myanmar was supported financially through the Prosperity Fund of the UK's Foreign & Commonwealth Office. Participants, many of whom are members of the UN Global Compact (UNGC), were able to discuss how to make a reality out of their commitment to the 10th principle of the UNGC which states that “Businesses should work against corruption in all its forms, including extortion and bribery.” Speakers at the workshop included the Chair of the UNGC Myanmar Local Network, Dr Aung Tun Thet and UMFCCI CEO U Tint Swai, as well as representatives from Transparency International Malaysia and the UN Office on Drugs and Crime (UNODC) local NGO, Spectrum, and representatives of local and international companies, namely SMART, Max Myanmar, Standard Chartered and Coca Cola.

The workshop was held to discuss the challenges companies face with regard to corruption and assist in the development of anti-corruption programs. Despite recent political and economic reforms in Myanmar, persistent corruption remains a major impediment to efficiency and

success for Myanmar businesses. According to the 2014 UNESCAP/UMFCCI Business Survey, Myanmar businesses identified corruption as their most common business constraint. While some Myanmar companies have adopted anti-corruption programs, many more lack anti-corruption policies and procedures for addressing this problem.

Said Vicky Bowman, MCRB Director: *"The new government knows that combatting corruption is vital to Myanmar's future, and we expect it to be strongly committed to taking this forward. As a starting point, we encourage them to survey the businesses community to determine which processes drive demand for bribes, and where reform efforts should be focused."*

Said Thomas Thomas, CEO of ASEAN CSR Network, *"We believe that the foremost responsibility of any businesses is to act with integrity and transparency. This includes taking a zero-tolerance approach to corruption and bribery. However, this is easier said than done, especially when corruption is systemic and has become a part of the normal way of doing business in many countries. To solve this, we must equip businesses with the proper knowledge and tools to combat corruption, and provide collective action platforms where they can get support. ASEAN CSR Network links like-minded organisations from across ASEAN to share best practices and work towards harmonized standards for business integrity."*

Daw Khine Khine Nwe, Joint Secretary General of Union of Myanmar Federation of Chambers of Commerce and Industry and Trustee of ASEAN CSR Network said, *"Our country's long-term success depends on our ability to eliminate corruption which has been one of the key challenges to doing business. Over 300 businesses in Myanmar have committed to the UN Global Compact and its Ten Principles, the most for any country in the ASEAN region. This movement indicates a strong commitment from the business community in Myanmar to responsible business practices, including the need to tackle corruption. Now we need to translate this commitment into concrete actions."*

Background

1. Myanmar Centre for Responsible Business (MCRB) is a Yangon-based initiative funded by the UK, Denmark, Norway, Switzerland, Netherlands and Ireland, based on collaboration between the UK-based Institute of Human Rights and Business, and the Danish Institute for Human Rights. The Centre was established to provide an effective and legitimate platform for the creation of knowledge, capacity and dialogue concerning responsible business in Myanmar, based on local needs and international standards, which results in more responsible business practices. It is a neutral platform working with businesses, civil society and government.
2. The ASEAN CSR Network (ACN) was established in 2011 with support from the ASEAN Foundation and the Japan-ASEAN Solidarity Fund, in line with the achievement of an ASEAN Community in 2015. As a regional organisation, ACN provides a platform for networking and cooperation at the ASEAN level, supports capacity-building and training

activities, helps to rally collective action on key issues, and provides a link with regional and international bodies interested in supporting the advancement of CSR in the region.

3. The UN Global Compact is an initiative to encourage businesses to adopt sustainable policies on human rights, labour, corruption and the environment. There are over 20,000 members globally, of which 322 are companies and non-business organisations in Myanmar. Of these, 194 are 'Active' and have met the annual requirement to submit a Communication on Progress (COP). A further 128 are Non-Communicating (i.e. their annual report is overdue). The UNGC has delisted 19 companies for failing to submit a COP within two years.

[https://www.unglobalcompact.org/what-is-gc/participants/search?search\[countries\]\[\]=127](https://www.unglobalcompact.org/what-is-gc/participants/search?search[countries][]=127)

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