

Mainstreaming Collective Action: Establishing a baseline

Executive summary of report by the Basel Institute on Governance published in March 2020 at: <https://baselgovernance.org/publications/mainstreaming-collective-action-establishing-baseline>

Key points

- This paper provides a clear description of anti-corruption Collective Action and why it should be included in companies' compliance programmes as a risk mitigation tool to analyse and address persistent problems of corruption.
- It explains why Collective Action needs to be mainstreamed as a norm in international and national policy documents, plus other relevant guidance by standard-setting organisations.
- Forms of Collective Action are now advocated in various documents and standards by multilateral organisations and other standard-setting organisations such as the UNODC, OECD, European Union, UN Global Compact, World Bank and World Customs Organization.
- At the national level, there are at least 17 clear endorsements of Collective Action in National Anti-Corruption Strategies, from Malawi to the UK.
- However, despite these positive signals, there is more work to be done before Collective Action enters the mainstream of anti-corruption compliance.

Executive summary

The concept of multi-stakeholder anti-corruption Collective Action to address corruption has existed since the mid-1990s. Its tools enable the private sector to engage with peers, government, civil society and other stakeholders to address systemic corruption. It also fosters fair competition, transparency and a level playing field.

The uptake of Collective Action as a useful tool to address certain forms of bribery and corruption has been piecemeal, sporadic and often optional for companies. This is despite direct and indirect references in a wide range of legal and guidance instruments that target the private sector.

Collective Action needs to be mainstreamed as a norm so that it becomes obligatory for the private sector to actively include it within an anti-corruption compliance programme. Primarily, this means including Collective Action in standards that address anti-corruption

programmes at the international and national levels (such as National Anti-Corruption Strategies (NACS)), as well as through other influential guidance documents.

This report establishes a baseline of endorsements of Collective Action in these documents. Although this report does not contain an exhaustive list, it is clear that the baseline is rather low.

- **At the international level**, forms of anti-corruption Collective Action are advocated in standards, guidance and, for example, through activities supported by the United Nations Office on Drugs and Crime (UNODC), Organisation for Economic Co-operation and Development (OECD), European Union (EU) and United Nations Global Compact (UNGC).
- **At the national level**, there are currently around 17 endorsements of Collective Action in NACS identified by our research. The lack of precision is an acknowledgement of the incompleteness of the available data relating to NACS, and also the quality of the endorsements or adoption of Collective Action. These range from explicit references to Collective Action tools through to rather vague statements about multi-stakeholder dialogue or approaches to tackle corruption.
- There are endorsements in a range of publications by other **standard-setting organisations** that are directly relevant to the private sector, such as the World Bank in its Integrity Compliance Guidelines, or which are indirectly relevant, such as the World Customs Organization (WCO). The fact that the influential GRI Standards invite companies to share details about their involvement in anti-corruption Collective Action also indicates growing interest by investors in its potential to address corruption.

Quantifying the impact that the inclusion of Collective Action in policy documents has had so far on the uptake of Collective Action by the private sector is challenging. Encouraging Collective Action in certain environments can contribute to reducing or preventing bribery and fostering new investment. It is, however, only one element in an often complex wider context.

The Basel Institute's advocacy efforts at a global level will include engaging in review processes of the main anti-corruption instruments where possible and appropriate to do so. It will also be important to continue working with influential international forums at the non-State level where those organisations target the private sector, directly or indirectly.

At the national level, efforts will focus on NACS, which are government policy tools that set forth their priorities and plans to counter corruption. This could include working directly with government bodies in countries developing or reviewing their NACS, as well as with relevant associations such as the Network of Corruption Prevention Agencies (NCPA), Southern African Development Community (SADC) and other similar bodies.

We hope that our efforts will help to create a critical mass of standard setters that will influence companies to such an extent that anti-corruption Collective Action becomes an integral element in a standard compliance programme.

This will not mean that companies have to engage with Collective Action tools everywhere and always. Applying a risk-based approach, it will mean actively considering how to tackle the corruption challenges in the wider environments where the company operates and giving careful thought to whether Collective Action has a role to play.

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