



Konrad
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Stiftung

DELGOSEA
Partnership for Democratic Local
Governance in Southeast-Asia

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Integrity as a Key for Successful Local Governments



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Corruption Perceptions Index 2016 Results





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Country	Ranking (out of 176 countries)	Scores (out of 100)
Singapore	7	84
Brunei	41	58
Malaysia	55	49
Indonesia	90	37
Philippines	101	35
Thailand	101	35
Vietnam	113	33
Laos	123	30
Myanmar	136	28
Cambodia	156	21

Legend:

- The **lower-ranked countries** in our index are plagued by untrustworthy and badly functioning public institutions. People frequently face situations of bribery and extortion, rely on basic services that have been undermined by the misappropriation of funds.
- **Higher-ranked countries** tend to have higher degrees of press freedom, access to information about public expenditure, stronger standards of integrity for public officials, and independent judicial systems.



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What's the problem?

The Organization for Economic Cooperation and Development (OECD) conveniently summarizes the economic effects of corruption based on numerous research studies:

- Corruption increases the cost of doing business.
- Corruption leads to waste or inefficient use of public resources.
- Corruption excludes poor people from public services and perpetuates poverty.
- Corruption corrodes the public trust, undermines the rule of law and ultimately delegitimizes the state.

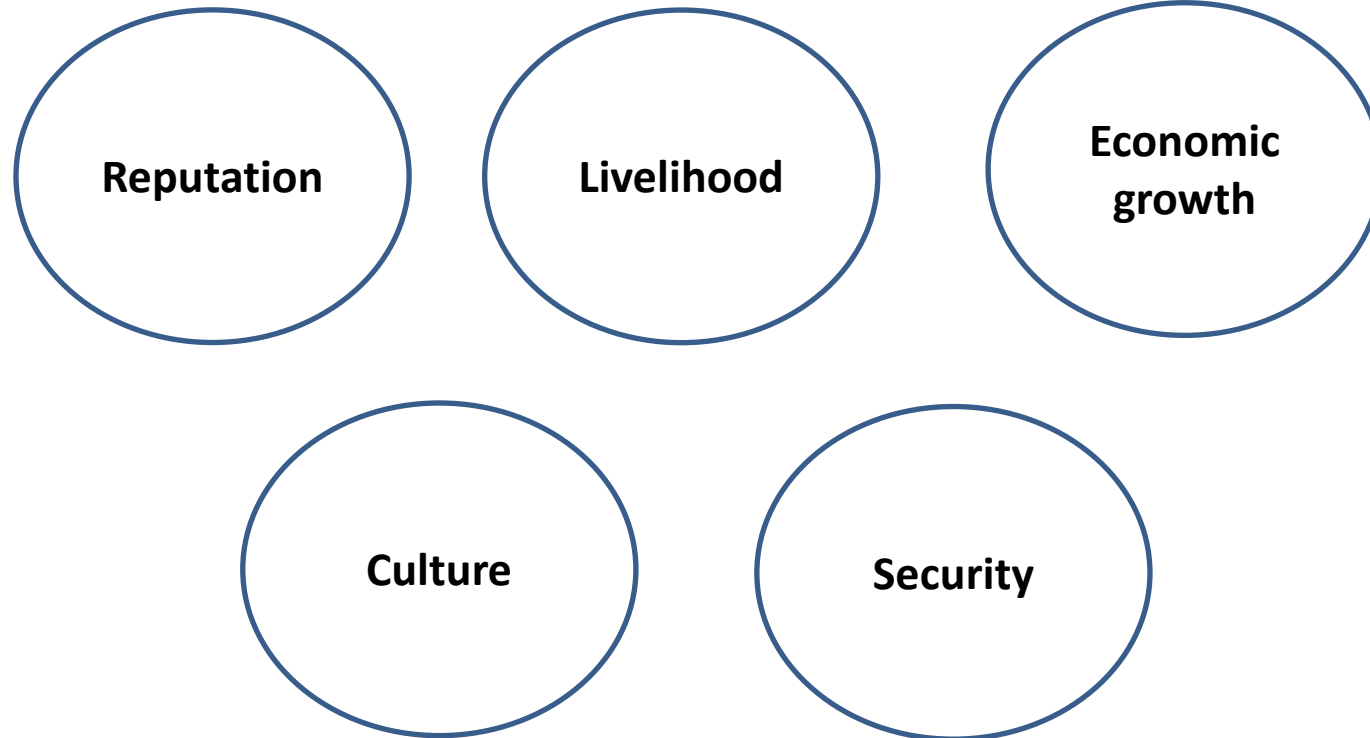


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How does it affect investments?





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INTEGRITY as one of the criteria in investing

A business venture decision, logically, must begin with having **trust in the community** where an investment is to be made

Investors would only venture into a particular political and social setting that would **produce returns for them**

Integrity and the availability of information, as research proved, **promote accountability and greater predictability of outcomes** would only venture into a particular political and social setting



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LGUs as Partners in the Integrity Process

When integrity is given premium as a
matter of standard,
trust in government is built.



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But what is Corruption in Local Governments?

Bribery

Extortion (Blackmail)

Patronage Systems

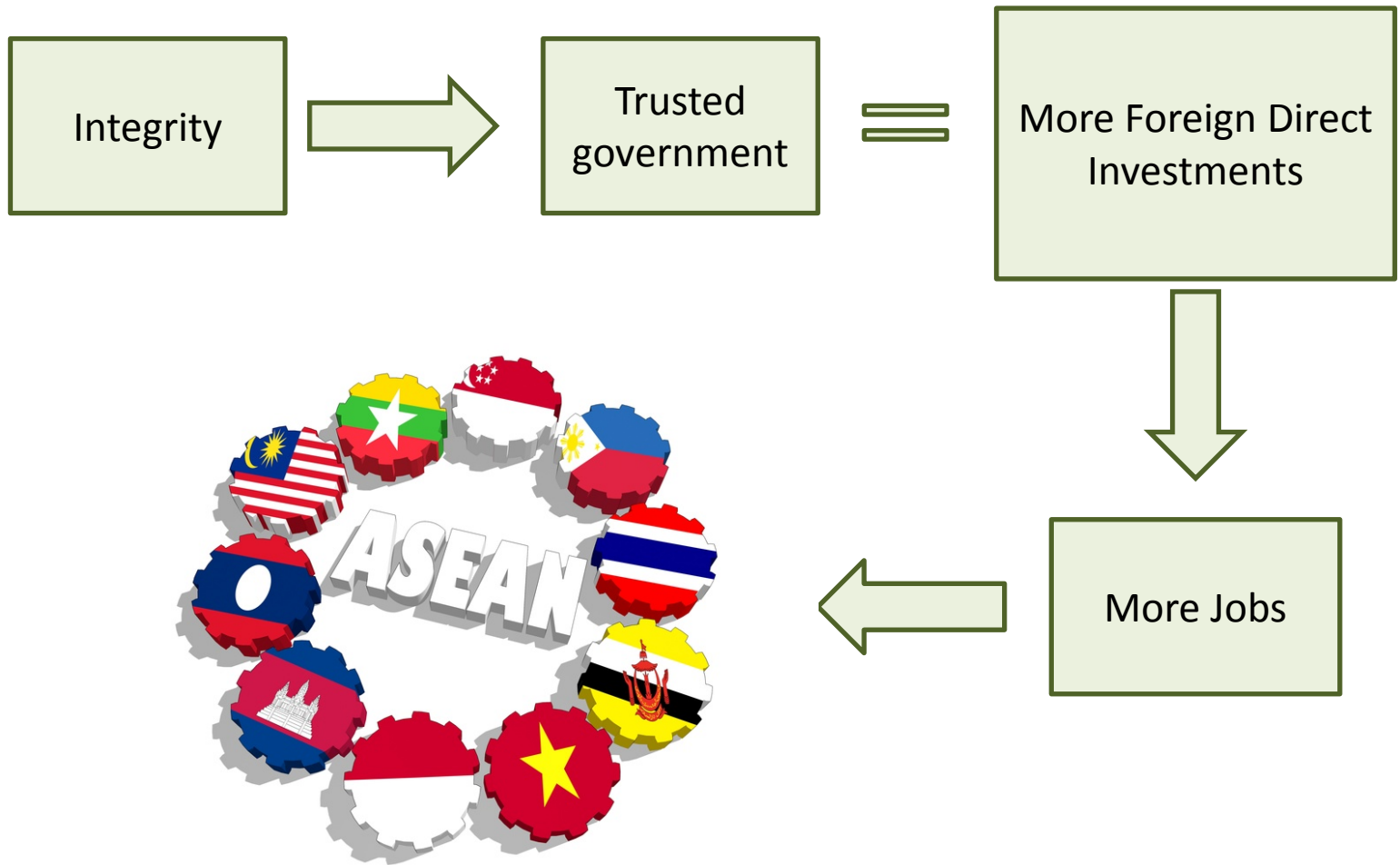
Nepotism



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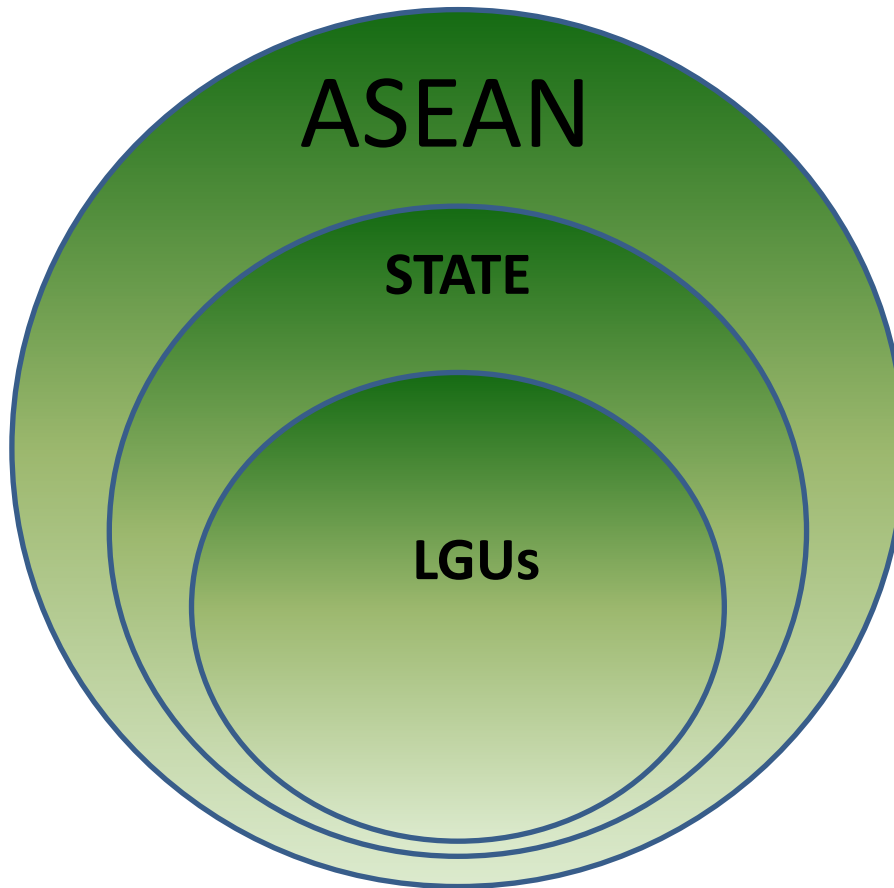


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LGU as the core



- **Negative** : LGUs perceived as corrupt and have non-transparent procedures in business registration pose obstacles in the development of local markets, especially small and medium businesses.
- **Positive**: They are key players for clean administrative procedures. They are a sustainable network for self-obligation and monitoring of transparent and uncorrupt structures and procedures.

The goal is to achieve greater visibility for their local communities as potential investment hosts.



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Philippine Example: Partnership for Integrity For Jobs Creation (**Project I4J**)

The integrity tools and mechanisms propounded under Project I4J are important to LGUs in as much as these could help in:

- Promoting good governance
- Carrying out their mandates
- Focusing on the purpose of public service
- Making informed transparent decisions in public office
- Establishing clear relationships with citizenry
- Promoting standards of efficiency in the public sector

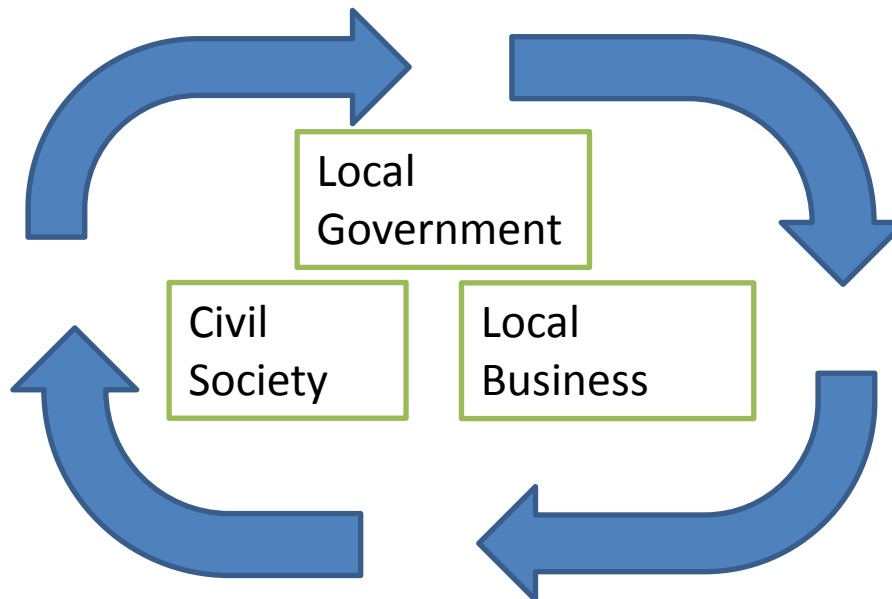


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Partnership for Integrity and Jobs (**Project I4J**)

Project I4J aims to develop integrity mechanisms and models of transparent, effective small business and investment registration and promotion procedures. It specifically aims to include LGUs in the Integrity Initiative set up by the European Chamber of Commerce of the Philippines (ECCP) and the Makati Business Club (MBC).





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It is the partnerships among **public officials**, **civil society** and **business** that have proven to be effective in better pro-active decision-making and better service.

In the end, a community imbued with integrity will be assured of attracting more sustainable investments and more business activity because the level of trust in the community rises to heights that will encourage entrepreneurs and attract the attention of industrialists. This is what will lead to more jobs, and in the long run, lower rates of poverty – truly a win-win solution for everyone.



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Summary

Integrity in *Local Governance*

is good for

Integrity in *Member States*

is good for

ASEAN