

FOREWORD

State-owned enterprises (SOEs) are important globally and at the local level because they command such large amounts of state resources and they affect so many people's lives.

SOEs exist because governments wish to serve their publics by enhancing the wealth and quality of life in their countries, through delivering crucial services, stimulating economic development, attracting investments and protecting strategic resources. Many SOEs have been partially privatised to expand their operations, improve operating efficiency and to release wealth for other vital purposes. SOEs are increasingly operating outside their home countries and some are among the world's top companies, especially in the extractive sector.

Yet, despite their importance to societies and the valuable work they do for their communities, the successful operation of SOEs may be threatened by corruption because of their unique closeness to politicians, the vulnerability of the sectors they operate in and the wealth and resources which they manage. Poor state structures for oversight of SOEs, and weak governance and management systems can lead the way for politicians and public officials to intervene improperly in the running of SOEs. This opens the door for bribery, theft of assets and other forms of corruption.

Major corruption scandals involving SOEs have shown the often devastating economic and social consequences that can result for countries and their peoples. This is particularly so in resource rich countries where ordinary people remain poor while the elites enrich themselves and public goods are exploited or simply misused. However, this can happen in any country and in all sectors, from communications and construction to education and public health.

For these reasons, it is essential that SOEs operate to the highest standards of integrity and transparency, and are beacons of integrity for their countries. To contribute to achieving this aim, these 10 Anti-Corruption Principles for SOEs (the SOE Principles) aim to help and guide SOEs to perform to high standards of integrity and implement anti-corruption programmes. The code sets out 10 best practice principles, which are supported by extensive guidance on how SOEs can structure policies and procedures to counter corruption. The SOE Principles are intended to complement the valuable work being undertaken by the Organization for Economic Co-operation and Development (OECD) in providing governments with guidance on corporate governance and anti-corruption practices for SOEs.

The SOE Principles are aligned to the Business Principles for Countering Bribery, first published in 2003 as an initiative of Transparency International and now in a third edition. The Business Principles have shown how voluntary codes can contribute to change, not only by affecting the behaviour of businesses but also by having a significant influence throughout the world on the development of anti-bribery laws, codes and tools. Transparency International looks forward to the SOE Principles having the same impact on governments, SOE and their stakeholders.

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