

Center for Strategic and International Studies

TRANSCRIPT

Event

“The 2023 Forum on Business and Democracy”

Panel 3: Strengthening Democratic Institutions by Combating Corruption

DATE

Tuesday, March 28, 2023 at 11:00 a.m. ET

FEATURING

Richard Nephew

Coordinator on Global Anti-Corruption, U.S. Department of State

Kathy Sheehan

Vice President and Associate General Counsel, Business Conduct & Ethics, Amazon

Michele Crymes

*Program Director, Anti-Corruption & Governance Center, Center for International Private
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Megan Bridges

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INTERNATIONAL STUDIES

Marti Flacks: All right, welcome back to the 2023 Forum on Business and Democracy. We're delighted to have our final panelists with us today.

Our last panel touches on one of the most fundamental ways that the private sector influences democracy – strengthening democratic institutions by combating corruption. Corruption diminishes faith in institutions, and it denies governments the resources needed to deliver services to their citizens. And the private sector, therefore, by necessity plays a central role in efforts to deter and prevent corruption through promoting strong rule of law, transparency, and citizen engagement.

And so I'm excited to have this final discussion with a group of experts who I'm going to introduce now and then turn over for a panel discussion, first starting with Kathy Sheehan, Vice President and Associate General Counsel for Business Conduct & Ethics at Amazon, where she leads the team responsible for the design and implementation of Amazon's Anti-Corruption and Business Conduct & Ethics Program. She's also the lead attorney advising the company on fraud and information-security legal issues.

Michele Crymes is the program director for the Anti-Corruption & Governance Center at the Center for International Private Enterprise; also a member of the National Endowment for Democracy family, where she works on a variety of global-transparency and integrity initiatives, and in particular the Anti-Corruption & Governance Center, which focuses on developing nimble evidence-based, anti-corruption programming for countries with new pro-reform leadership.

And Megan Bridges, who is a manager for the Americas at the U.S. Chamber of Commerce, where she supports the U.S.-Colombia Business Council, the U.S.-Cuba Business Council, and the Coalition for the Rule of Law in Global Markets. The coalition promotes and defends the rule of law in global markets as a critical factor in fostering a worldwide investment environment that supports equality, economic growth and shared prosperity.

And finally, our moderator, Richard Nephew, coordinator on global anti-corruption for the U.S. Department of State, where he is tasked with integrating and elevating the fight against corruption across all aspects of U.S. diplomacy and foreign assistance. Richard previously served as the deputy special envoy for Iran, principal deputy coordinator for sanctions policy, and director for Iran on the National Security Council staff, as well as a senior research scholar at Columbia University's Center on Global Energy Policy. And we're delighted that he's back in government in this incredibly important role at this important time.

So I'm going to turn it over to Richard to moderate our panel. Thank you.

Richard
Nephew:

Great. Thank you very much.

And let me start off by thanking everybody for being here today. It's a pleasure to join you all. It's a pleasure to see a number of familiar faces and friends around the room.

I don't think I need to tell you, but I think, by obligation to my title, I'm required to underscore how corruption is bad. It undermines the rule of law, increases costs for both businesses and consumers, and – and this is particularly important for the nature of this panel – it exposes businesses to both legal and reputational risk. So corruption is not just bad. It's bad for business, which is something that both government and business recognize.

Since the release of the U.S. Strategy on Countering Corruption at the first Summit for Democracy, the Department of State has taken significant action to address vulnerabilities in the international financial system, hold corrupt actors accountable, strengthen multilateral anti-corruption architecture, and increase diplomatic engagement to support partners who are fighting against corruption.

We've also taken proactive steps to engage with our private-sector partners. For example, at the first Summit for Democracy, the State Department announced a Presidential Initiative for Democratic Renewal, the Global Initiative to Galvanize the Private Sector as Partners in Combating Corruption, which blessedly was shortened to GPS in our normal – (laughter) – discourse and is being implemented by the Organization for Economic Cooperation and Development.

GPS recognizes the private sector has an important role to play in the fight against corruption, and it seeks to bring companies in as partners to share experiences with corruption challenges and co-create innovative solutions alongside government and civil society.

And we're very pleased to announce today, during the second summit, that so far 18 companies have committed to joining GPS. There are too many to name them all here, though some may be in our midst, but we're excited to have you join us on GPS and look forward to future collaboration. We welcome companies' participation in GPS regardless of size, sector, and location, and we are happy to be in touch further about this initiative.

But, of course, there is much more that we can do to confront this challenge together. And the goal of this panel is to discuss ways that companies can go beyond legal compliance in their efforts to prevent and deter corruption. While there are certainly businesses with room to do more on this, many are already doing this. And we should recognize that.

I look forward to hearing today with you more about what companies are doing already, the challenges they face, and what more we can do together. And so, without further ado, let's turn to our panelists and over to Kathy with our first question. Why is ethical business conduct and collaboration with stakeholders on anti-corruption standards so important?

Kathy Sheehan: Great question, Richard. You stole my thunder with corruption is bad. That was going to be my answer. (Laughter.)

But first I'd be remiss if I didn't say how excited we are to work with you and your colleagues at the State Department and at the OECD on GPS and other initiatives, to collaborate with our peers, with others in the industry.

But why is corruption bad? It's bad for business, obviously. But going beyond that, I'll start with, you know, Amazon has a leadership principle. Our leadership principles really matter at Amazon. And we have one that's called Success and Scale Bring Broad Responsibility. And, you know, the first sentence of it is my favorite one of all the leadership principles. It says we started in a garage but we're not there anymore.

And so the gist of the leadership principle is that we need to recognize that we have a broader responsibility to the communities in which we operate. And, you know, it ends with saying that leaders leave things better than they found them. And so when you think about corruption, it's – you know, we've heard people say it shakes faith in democratic institutions. It shakes faith in government. It interferes with economic-growth opportunities, both for – frankly, for small governments and for companies and communities around the globe.

And so I should say also, more importantly, and perhaps most importantly, it impacts individuals and the poorest members of our society. It has a disproportionate impact on them. Empirical data suggests that it does have a disproportionate impact on the poorest members of our society because, frankly, they pay a larger portion of their income in bribes when required to do so. And they don't have the power to stop it. They don't have the authority. They don't have the ability to question authority.

And so companies like Amazon and other multinationals, who have that ability to challenge it, must. And I think, in addition to complying with the law, as you suggest – obviously, everybody needs to do that – but also we need to be vigilant about preventing corruption around the globe by refusing to engage in it ourselves and calling it out when we see it.

And, you know, at Amazon we find that there is no business opportunity that's important enough to ignore corruption. In fact, we've walked away from very big opportunities, if we need to, in order to do business ethically and legally. And we are unafraid to do so, because we know how important that is. We are able to say that, you know, we are not going to, quote-unquote, you know, pay a bribe or engage in this type – maybe it's a conflict of interest; maybe it's some other form of corruption. We're able to walk away and say, OK, if this is the only way to do business here, we will do business elsewhere, whereas obviously, you know, individuals don't have that same power.

And so we think it's super-important for these types of collaborations so that we can work with our peers to continue to build out systems throughout the globe in order to prevent corruption globally.

Mr. Nephew: Thanks for that. And I think, you know, the comment that I jotted down is the readiness to walk away, right, and the readiness to kind of say this is not an opportunity –

Ms. Sheehan: Yeah.

Mr. Nephew: – that's worth taking because of the risks and the complications there. And so I want to turn things over to Michele a little bit. Talk a little bit about – you know, CIPE is not just anti-corruption, but anti-corruption is part of what CIPE is. And so maybe give us a little bit of a sense of how the anti-corruption fight is part of your organization's efforts, any successes you have, and how you kind of get this message of not every deal is worth sacrificing your credibility and integrity for?

Michele Crymes: This is a really great question. So I'm really excited to be here; glad to see some of the organizations we work with, like Solidarity Center, president of the American Apparel and Footwear Association, here today.

So what CIPE does primarily is we support democracy. And we do that through supporting economic growth, right. And we don't just do anti-corruption. We have a whole host of programs, do lots of things. And we do that by focusing on things like youth. How do we give youth access to

markets? How do we empower women to also be part of democracy, and then also part of economic growth?

And so what we really sort of look at a little bit is using anti-corruption as a way to remove the ability of those individuals to be able to access economic power, to be able to have a job, to be able to have, you know, security for your home, for your family. That's a big part of what we do.

So anti-corruption is key and important there, because if you are – we focus primarily also on small and medium enterprises. If you're someone really small and you can't afford to pay that bribe, or maybe you can but it could be taken away from the prosperity or your ability to hire someone else in your community, it could be taking away from the ability for you to do other things and really take that investment that you've made into your community and actually doing well with it.

So that's why we really focus on that. We believe it's important. We really focus with small and mediums. We have the same conversation. You know, in particular, corruption is just – as we've already said, it's bad. We already know that. So it's sort of the premise of where we are. We see a lot of success in terms of being able to have these conversations. We're able to work with small and medium – apologies – if it'll work with SMEs. I'm trying not to use alphabet soup in alphabet soup land. (Laughs.)

Mr. Nephew: It's Washington. Go ahead. Yeah. (Laughter.)

Ms. Crymes: (Laughs.) I was just going to do it.

Mr. Nephew: Yeah, we're fine. (Laughter.)

Ms. Crymes: So we see a lot of success there. We've been able to work, for example, in places like Thailand. We're hoping – we've had a lot of conversation, a little bit, about Cambodia, I've heard, as I was sitting here. We're hoping to work in those spaces and really having these conversations and talking about the practical – where the sort of rubber-hits-the-road conversation of this is how you can do it and this is how you can sort of move that needle forward and create what I always refer to, and I think a lot of people think about, is a community of entrepreneurs, of small and medium businesses, that are committed to being ethical and sort of working above board. And that's really where we focus and where we think there's lots of room and opportunity for discussions about anti-corruption.

Mr. Nephew: That was great.

Megan, I mean, obviously, the American Chamber also, you know, has got a lot of work with companies to think through the best way of approaching business conduct ethically. You know, again, you're approaching this in a slightly different direction than CIPE. And so, you know, maybe any reactions or thoughts you have about the kinds of work you're doing with companies to help both educate, inform, support them as they're doing this sort of work.

Megan Bridges: Thank you so much for that question, Richard. And I'll start by saying at the U.S. Chamber of Commerce a real core mission of ours is to, of course, promote trade and investment. And so, in so doing, we advocate and work with companies, governments and civil society to find solutions to enhance the rule of law, because we really see rule of law as being a key priority for trade and investment globally.

I sit on our Americas team, and we've done research year after year with business leaders throughout the Americas region. And time and again, rule of law comes out as the biggest opportunity and challenge for businesses in the region. And so, you know, we elevate the rule of law. In all of our conversations, in all of our programming, both domestically and globally, we see it as that much of a priority.

And so in 2010, for instance, we founded the Coalition for the Rule of Law in Global Markets, which I co-lead. And that is a tool that we use to engage with across society to co-create solutions. And so that's just one example. But we also engage in – with multilateral organizations in fora.

A great example is just last year we had the opportunity, in partnership with State Department, to co-host the CEO Summit of the Americas. And we couldn't let that opportunity pass by to not leverage and elevate rule of law as a key objective in conversations with business leaders and heads of state from the Americas region.

And so, you know, one such example is during the two days of the summit we convened a panel discussion with the heads of state for the Alliance for Development in Democracy governments – at the time it was the Dominican Republic, Costa Rica and Panama; it's since expanded to Ecuador – to hold a conversation around how democracy – how they see democracy as being really core to their trade policy and their policy for FDI attraction.

And so, since the summit, we've continued to work with State Department, with the alliance countries and others in the region, to continue to really drive the point home that there is a very, very strong linkage between rule of law and trade and investment. You need both hand in hand together. And we continue to drive that message forward.

Mr. Nephew: Yeah. And I'll say – this is something too I've, you know, found when I've done some of my travels, actually, is the direct linkage that's between the business climate, investment opportunities, as well as, you know, what the domestic rule-of-law scenario is, because, you know, ultimately, if you're a business, you want to know that you've got some predictability. You want to know that you've got some ability to plan ahead. You have to understand what the environment is. And then you have to understand that you've got some degree of protection.

And I think, you know, this is where there's a harmony that potentially exists between, you know, the private sector, to some extent, and civil society. And it's interesting. Most of the time, you know, there is a little bit of stove-piping that goes on where civil society is in one spot and then the business sector is in another, and then government's kind of over here too.

I think one of the tasks that we're taking on in my office is to try and break that down. I certainly think that the Biden administration is also trying to do that too. So – and here I'd be very interested, Megan and Michele, both of you, you know, your thoughts on how you can engage civil society, how you can bring civil society in, how you can partner with them and make some of those connections with the private sector, because, as one civil-society person said to me yesterday at a different meeting, you know, we actually are on the same side. We don't always feel like we're on the same side, and sometimes we've got different motivations for being on the same side. But, come on, there's still an opportunity there.

Ms. Crymes: I think one of the interesting things that we've found is that we try to be led by civil society and sort of by our partners on the ground. I think if sort of other private-sector actors start to engage with civil society, you'll find out that they're very innovative. And, like you said, we're on the same side. I think there might be sometimes differences in over sort of how to have conversations. But there are these really interesting spots where you agree 100 percent and you can take those places and sort of grow from there.

So I find what we do a lot is we turn to our partners in country and we say help us as we – we have an approach. This is what we think is good. But let's talk about what's actually happening here. How do we adapt that? How do we think – and maybe we find out, you know what, this is not the best idea for here. Maybe we need to remove this part of it. We'll adjust our approach. We'll talk about it a little bit differently. And we try

to put our actual – our civil society and our partners front and center in a lot of the work that we do.

I think that, in theory, if we do our work really well, an organization like CIPE, right, should be able to eventually – I don't want to say not exist, but we should be able to turn that over to the folks who are in country, and then everything is sort of working with those really wonderful professionals you meet and who develop all those projects. So we really find that it's the best way to work is to let them sort of lead us and to sort of listen to their needs and bring our approach, and then collaborate together really well.

I wonder maybe what your experience is, what you would – yeah.

Ms. Bridges: Absolutely. So through the Coalition for the Rule of Law in Global Markets, as I mentioned in my last response, we work very closely with civil society and, of course, our business stakeholders and governments. And one of the ways that we do that is drawing upon the rich expertise and research from our civil-society partners.

So a signature product of the Rule of Law Coalition is our Rule of Law Dashboard Report. It's been published since 2013. We're getting ready to actually launch it again in July of this year. It expanded from only 10 markets in the Americas to 120 as of this year globally. So it just really speaks to the real importance that our stakeholders are placing on this tool.

And so essentially the dashboard, it's a meta-measure, drawing from seven internationally recognized research indices and surveys. And we look to partners like the World Justice Project and Transparency International, pooling from their research to really understand sort of how countries are measuring up with regards to rule of law, but for business.

And so we are looking at five factors in particular – transparency, accountability, stability, predictability, and due process. We think when those are strong, business is strong abroad. And so the tool is just so important. It's an empirical tool. It helps drive data. It's a data-driven tool, excuse me. And we find that it's very helpful in having conversations with, again, government, civil society, and business partners to think through sort of where are the gaps in opportunities for the rule of law in specific markets.

Countries have the opportunity to see sort of a snapshot of how they're measuring up to the rule of law in those five factors in the -- you know, in the addition of the dashboard. But this is a product that we've been

publishing every two years. Countries also have the opportunity to look at how they've ranked across time; and also how they measure up in comparison to other markets; and also against an OECD benchmark which we believe that the OECD countries serve as a very good benchmark for other countries to kind of gauge where they're at due to the formal and informal commitments that OECD countries make to the rule of law.

So it's a terrific tool, and we deploy it in partnership with civil-society partners across markets. We've taken it on the road to Ukraine prior to the war. We took it to, you know, Argentina, Trinidad and Tobago, Guyana, so many markets, to really have those conversations with business leaders, civil-society leaders, and government leaders to have, you know, critical conversations around how to remedy the rule of law in their markets.

Mr. Nephew: Well, what's interesting – you may have gotten the same reaction before too – but, you know, I've found I can almost use it as a benchmark, when I go to countries, whether or not they're paying attention to some of these benchmarks and these data pieces. So there are some places I've been where the predominant, you know, complaint is why aren't we higher on this list or why aren't we, you know, in better stead on this data?

The more interesting conversations are where countries are saying how can you help me get to? How can you enable me to? What are the solutions that we can work on? And I think it's an indicator that there are some places where there's at least, you know, some commitment to the concept, that there's interest in trying to work there.

But I think, you know, the places where you're not, where you're seeing people who are just trying to check the box, where you're seeing people, you know, try and just, you know, deal with what the needful is and try and avoid, you know, making tough decisions, those are different places to operate in.

And so, you know, Kathy, I'm intrigued. I want to pull back on this thought that you put, you know, on the table earlier about there are places where we're not going to do business; you know, we're going to make those tough decisions. You know, give us a little bit of a sense of kind of – that's a tough set of decisions, though, that you have to make, and maybe a little bit on the thought process.

And then, related – and this is where I'm going to shift just a little bit to thinking about the challenges. And I'm going to come back to everybody,

you know, if you want to tail off with, tell us about the challenges you face and what are the regulatory and technological and other barriers, and then, you know, maybe a little bit of what we can do to address them, please.

Ms. Sheehan: Yeah. I guess I'd start with saying that there's – it's not an accident that Transparency International is called Transparency International, right. Transparency is a huge piece of dealing with corruption around the globe. And so, you know, if you think about where corruption resides, it's usually when there's a place where somebody has power over a resource that other people need. So think about that in the civil context or the, you know – you might be talking about a big deal that somebody wants and, you know, maybe five other companies want it. And the person who holds the key to that deal holds the power.

But in the public sector, you're talking about we may – you know, if you want to bring in – you want to build a building in a country, right. There are many, many, many permits and licenses required to build and occupy a building in many countries. In fact, there are some countries where the number of permits required there – these may be lower, so don't quote me on the number, but it can be upwards of, like, 4,000 permits required to actually complete a large building and occupy it. And that's 4,000 contacts with somebody who has, you know, the permit or the license that you need to move to the next step. And when you're trying to grow your business and you're trying to build quickly, that's power.

And so one of the ways we have to get ahead of that is to predict when you're going to run into those types of arrangements and who is going to interact with the people who hold that power and make sure that you've done all the things. And, you know, and I can list all the things that, you know, the DOJ says are required for a good compliance program. And those are, again, not an accident. You know, you need to educate people. You need to have policies that they know about. You need to train them. You need to have detection protocol in place and all of those things, right.

But even when you have all those things, there are things that we don't control. And that's where these types of collaborations come in, because, you know, we walk into a region and maybe we do have all of these procedures. And we do, right. But you then have to figure out, like, well, OK, what does that license cost? So how can I and my team determine whether we're paying more than we're supposed to be paying for a license if we don't know how much the license costs?

And in most – I shouldn't say most countries. In many countries there are schedules posted on websites that tell you what a license costs. Great. That's easy, right? They might even tell you what an expedited license costs, which is great, because you're allowed to pay extra for an expedited license. But there are many places, particularly in, you know, developing countries or in smaller regions in developed countries, where they don't have those schedules available. So how do I know what a license costs? And that's a critical part of the program is to know what you're supposed to be paying so to know if you're overpaying, right.

And so we're talking about things like collaborating with you and with, you know, our peers and with you guys to figure out, like, how do we help build that infrastructure up so that everybody has those schedules available. And so those are the types of things we think about, because those are the challenges we face. You get out there and it's like you're on the ground and somebody's trying to move quickly. So there's other things. You know, there's things that we control as well, of course. There's, you know, trying to predict and get ahead of problems like that, so, like, getting creative about how to address it.

So, you know, an example of something that we've done in the past is, you know, if you have a big deal – let's say you're working with a general contractor on getting a building up and running. You know, if you have an act-of-God clause, they're called in legal parlance, about, you know, what happens if there's a big storm that prevents the contractor from delivering on time, why can't we have a similar clause that says if, you know, access to government licenses are prohibiting your ability to move forward, you know, here's the steps you take? And you're allowed to meet – you know, you're allowed to miss your deadline.

You have to be careful about that, obviously, so people can take advantage of it. But why not predict that that could happen so that your vendor or your third party, your contractor, doesn't think that the best and easiest and smartest thing to do is to just pay the bribe and move on, right?

So you want to make sure that they're educated on what we care about and give them a better alternative to just paying the bribe and move on. It's not a perfect solution, obviously, for a lot of reasons I won't bore you with, but it's something that we think about and trying to be creative about on the front end, because the idea is prepare for these things so that, when they happen, there's something there as a backstop, because, you know, like I think somebody said at the beginning of this whole thing, you know, this type of behavior is going to happen around the globe, and you don't want to be taken by surprise by it.

So that's the type of thing, you know, that we think about and try to prepare for. And any company can do that. But there's things that we can't do alone. And I look at the transparency and the infrastructure, also just trying to, you know, make sure that anti-corruption standards are there around the globe, which they aren't everywhere, and that there are – that when they exist, they're actually enforced. Like, I can't tell you how many anti-corruption laws around the globe aren't necessarily enforced or are enforced in a very, you know, haphazard type of way. And so that's where this type of collaboration, I think, can help as well.

Mr. Nephew: The accountability challenge is something that I've spent a lot of time thinking about, and the enforcement piece of this too. But, you know, of course, you know, that all has to work in the confines of an environment where people see the benefits that come from that too. So maybe talk a little bit – and I'll turn it to Megan – tell us a little bit more about, you know, from your community, what you're hearing about the challenges and the both technological, you know, business challenges, any other challenges that you see in working on this issue.

Ms. Bridges: No, absolutely. Thank you. And going back to the dashboard report, so no country performs at 100 percent on our – on the indicators. No countries score above the OECD benchmark. So there's tons of opportunities to improve, to really frame conversations in a constructive way with governments.

And, you know, at the Chamber we have multiple mechanisms and opportunities to bring business solutions to the table, not just through our Coalition for the Rule of Law in Global Markets, but we also have an Association of American Chambers of Commerce in Latin America and the Caribbean. I mean, beyond that we have a very extensive network of Am-Chams globally. I counted 117, last I checked. So we have quite an extensive network.

And so, you know, we're very – we have a big opportunity to co-create solutions in partnership with governments and business. And so one solution that I've seen in my work with the coalition, and also with our Association of American Chambers of Commerce in Latin America and the Caribbean, is the real promise that we're seeing in the use of digital tools for government services and government procedures, kind of building off what Kathy was talking about in terms of concerns around licensing and permitting. There's a huge corruption risk there, as well as other areas like customs, public procurement and the such.

And so we see opportunities to apply digital tools to bring transparency to the front of those processes, and really not just bring efficiency, reduce backlogs, but to really curb corruption. So that's just one example of a solution that we are big fans of and continue to push forward.

I think, on a more sort of – a global kind of scale, of course, we're a trade association, and so free-trade agreements are – it's, you know, top of mind for us at the Chamber. We're very encouraged by the inclusion of anti-corruption provisions in some of the state-of-the-art trade agreements coming to the fore. The USMCA comes to mind, but also the trade protocol agreements with Brazil and Ecuador. They all include provisions on good regulatory practices, anti-corruption. And we really think that's also just really a great opportunity to show the bilateral commitment countries have towards anti-corruption and to provide investors with the confidence to make strategic investments and business decisions in markets.

Mr. Nephew: Well, thanks.

Michele, you know, same question to you. What are the challenges, and how can we address them?

Ms. Crymes: So I think one of the challenges that we often see, especially with sort of who our partner organizations are – small and mediums again – how do I do this alone? We're too small. Or how do we do it?

So what we find to be a really wonderful and great solution is collective action, right; sort of having conversations across a private-sector community of small and mediums, helping them to mentor each other, helping them to sort of learn about, if you don't have a compliance – you know, you're a mom-and-pop shop – how is that different than what maybe Amazon might do, right? But if you want to work with Amazon, you've got to figure it out, right? Like, that's how it works.

And so we've found this to be a really successful type of programming. We've had the most success in Thailand, where we were really actually able to sort of have a significant shift in culture where sort of, you know, there's the idea of sort of gift giving and things like this, which can be a form of corruption, which can happen in places like Thailand and many other places, but bringing the community together to say, hmm, maybe this isn't the best practice for us. Maybe this is deterring from our ability to, you know, be a successful private sector, and not doing it alone, because you don't want to be the only one who's not doing it, and sort of bringing folks together and understanding and working together.

So that sort of collective action we've seen be very successful in Thailand. We've seen it be very successful in parts of Eastern Europe. And I think it's a really great way to bring together the private sector through their different business associations, to also learn about – more about anti-corruption. Maybe you've got folks who just don't know what it is at all, right. You can start to bring folks in the fold.

So it sort of is dual-pronged. You know, there's the challenge of we don't want to do it alone, but what if other people don't do it? So you can say, well, do it together and sort of bring other people along with you. So I think that's a – it's a really great way. And we've seen tons of success along those lines.

Mr. Nephew: Thank you for that.

I mean, so I realized at one point that I forgot to draw attention to the fact you can submit questions to the massive QR code that is hanging above our heads. (Laughter.) But fortunately I didn't have to, because we've already gotten some questions. And seeing as we're running a little short, let me ask two of them. And take your pick.

So the first question actually speaks to something, Michele, I think, you said earlier about the importance of youth and engagement with youth and so forth. And so the question is, you know, what roles can businesses play in helping reinforce democracy by teaching the fundamentals of democracy to people of all ages? Essentially a question about civics, right.

And so the question is, you know, is there a way through all the various different programs and activities, both that CIPE does, the Chamber does, that even individual companies do, to try and reinforce these ideas and these principles, not just democratic principles but, you know, here the concept of anti-corruption?

And then the second question – again, pick and choose as you go – is how do you deal with the paradox of how you deal with policymakers in countries around the world that may themselves be corrupt? And I'll take this one on the chin a little bit before turning it over to colleagues here. We get asked this question all the time. You know, if we impose sanctions on somebody who is a serving member of government, do you talk to them? Do you engage with them? You know, we're government. We have to engage with some of these folks.

But I think the purpose of accountability tools, the purpose of helping to demonstrate that we've got a problem or concern with an individual or an entity or an institution, is to be able to say but we think that the

governments in question, we think the people in question, we think the companies in question, should do something about this, because part of the issue about accountability is putting a spotlight on these kinds of bad activities and, frankly, providing support to companies around the world that are trying to deal with these sorts of challenges too.

So I think, candidly, some of this starts with governments. It starts with our ability to help provide support and engagement here. But that doesn't necessarily help with you're on the front lines dealing with these challenges.

So maybe we'll roll this way, and we'll start with Michele. Again, take your pick of either of those challenges. And we'll come this way.

Ms. Crymes: So I was thinking more about, you know, how do you essentially hit all sorts of different aspects of any community, any society, and how do you bring people in? I think some of my colleagues do a really wonderful job at this. And sort of my work focuses on a bit more supporting them.

But one of the things that I've seen them do really quite amazingly is exactly what I talked about a little bit earlier, sort of getting the local context, understanding who those actual – who the community is, who needs help. Like, so what youth community in country X needs the actual help, right? I think my colleagues do a really great job at figuring out who those communities are, how to support them, how to do things that are innovative, right?

So I think I heard someone say earlier about like just the use of cellphone technology, using technology in ways that are really innovative and really different than sort of what I might think of as someone who's, you know, former compliance, it's a really interesting way to sort of approach programming. Again, being local, getting that context, I think that's really one of the most important things that anyone – at least an organization that's positioned in the way that CIPE is – that's, I think, where we find our most innovative programming happens and where we have lots of success – unexpected success, sometimes, as well.

Mr. Nephew: OK.

Ms. Bridges: Thank you.

Well, tackling that first question, you know, the U.S. Chamber of Commerce is the world's largest business association, which means we have not just a responsibility but also an opportunity to support democratic norms, to enhance the rule of law, combat corruption.

And so we actually – you know, your question on civics reminded me of an example. On our Chamber Foundation side, they just launched last year an initiative called the Civic Trust. And so the aim is working in concert with local and state chambers of commerce, as well as businesses, to really leverage business as a force for good in communities and to support aims of civic education, trust-building in schools, workplaces, and in communities. And this is just so important.

Just to really underscore this, in a study done last year by Edelman they found that in an environment where trust is declining in institutions across the board businesses are the most trusted institution in America today. And so we really have, again, a responsibility to leverage that to work with communities to build that trust.

And so, you know, within the Civic Trust their inaugural program is a National Civics Bee. So they work with American youth to do exactly what I mentioned – you know, building civic education, knowledge, skills; and also work towards building trust in all institutions, including our government.

Mr. Nephew: OK.

Ms. Sheehan: So I'm going to address youth as a very broad – (laughs) – broad spectrum. You know, we actually have a pretty big pro bono program in the Amazon legal department, and one of my favorite things that we do every year is Constitution Day, where we go into the schools at both middle-school level, elementary school, high schools to teach about the legal system and how it works. And we – and we do that in the United States, but we also have similar programs in other countries where we teach students how the – how the Constitution works if it applies to them, how, you know, their local legal system works. And so we think about it from that perspective.

But when I think about compliance, I think about it in a deeper way. Like, one of the biggest assets I have at my company in my favor when I'm trying to deal with compliance issues is that I have a leadership team that is deeply committed to ethical business dealings, and that's not – that is not always the case in many companies, and so I know how lucky I am. But one of the things that struck me not too long ago was that until I started doing this work I didn't really know what compliance was other than, like, that basic check-the-box view of what it means. And the reason – you know, I went to business school and I went to law school, and I didn't know what compliance was.

And so I think what we really need to start seeing is compliance education in the business schools and in the legal – in law schools. And we are starting to see that; that's the good news. I know a lot of schools have programs addressing, you know, compliance, anti-corruption work, et cetera. And I think until that becomes kind of a norm, and maybe – you know, maybe it's – maybe it'll never become as important as contracts, you know – (laughter) – and constitutional law, but it maybe shouldn't be an elective that people only take third year maybe, especially for business schools. Maybe it should be part of the regular curriculum so that people are educated on this before they get to their corporate compliance department, who then, you know, needs to educate them.

And so – and I – you know, I don't want to ignore the other question completely because everybody else – you know, I think we're all trying to dodge it slightly because it's a hard question. (Laughter.) But I think that's one way to address that as well. It is very difficult – obviously, as a business who is doing business in a country, you can't – you can't pick and choose who you get – who you have to work with in the government. We don't get to ignore that. However, you can – what you do is you refuse to engage in the corrupt behavior itself; and if it shows up at all you walk away, you walk around, and you call it out so that that

person gets called out to their leadership as well. That's, I think, the best way to address it.

Mr. Nephew: No, I love that way of ending because actually that's the point that I wanted to take it from, too; is, again, this is where there is responsibility for government. Again, part of the purpose of this discussion was to talk not only about the private sector, but also to bring in governments, you know, discussion. And this – and this is one of the responsibilities that the United States government has, that other governments have: to help the private sector, to help civil society and others by holding actors accountable, by calling them out.

And so I would just add to what you just said when you identify that there's bad activity that's going on, you don't engage in it but also – and I'll say this more generally to everyone who's watching and anyone who might hear these words eventually – but also tell people. Tell us. Tell us in the embassies. Tell us here in Washington. You know, give us an opportunity to help respond to it. And the same thing goes with other government partners.

Well, I think we've run through all the time that we had allotted and I am a stickler for trying to end on time. And otherwise, they told me they'll zap me through the microphone. (Laughter.) So I just want to thank very much our panelists for joining me up here today. I think we heard a lot of really interesting things. I think, you know, we heard a lot about youth engagement. We heard a lot about civics engagement. Certainly, the words I'm going to take back are readiness to walk away. Those are quite important ones. But the key thing is to try and find if we can create an environment where that's not required, where that's not necessary, and I think that's part of the reason why we are trying to find ways of creating a business environment both, obviously, here in the United States but internationally that doesn't require companies to have to make those type of tough decisions.

So if the rest of you enjoyed this as much as me, please join me in thanking our panelists. (Applause.) And thank you for your time.

Ms. Flacks: Thank you so much, Richard. And fantastic discussion, Megan, Michele, Kathy. Thank you so much for being with us. I'll let you exit the stage while I bring up our final speaker.

(END)