

Global Ethics, Compliance & Integrity

Yearbook 2018

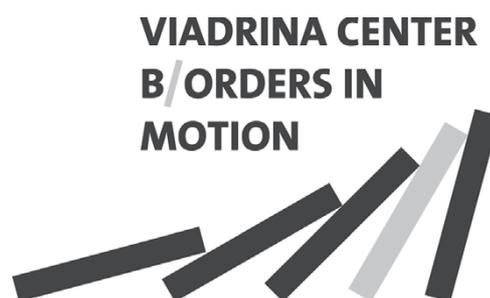
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A. Introduction

Prof. Dr. Bartosz Makowicz

This first edition of the Yearbook of Global Ethics, Compliance and Integrity focusing on “Cross Cultural Compliance” is the result of a number of projects, various discussions, conferences, workshops and international congresses on Ethics, Compliance and Integrity. At these events, industry representatives (usually chief compliance officers) repeatedly complained about the considerable challenges they faced when attempting to implement internationally uniform and reliable compliance management systems (CMS) within a global organization or group structure. Certainly, methods and standards on how to determine and manage risks in individual countries do exist. However, social and cultural borders or foreign culture and values may make it difficult to ensure not only compliance but also the integrity of all members of an organization / corporation.

Yet why is all this necessary? What does compliance have to do with values, ethics, culture and integrity? There is only one answer: everything! Human beings are at the center of any CMS along with their culture and underlying values. Human culture and values are formed by experiences, education, environment, religion and many other factors: these same values and culture determine whether a bribe has been accepted, environmental standards breached, interest rates manipulated or customers deceived. In all cases of non-compliance, values and the human culture therefore play a crucial role. In addition, human conduct and the values directing it are the subject of ethics, a branch of philosophy. A CMS cannot function effectively without a sound understanding of ethics and thereby the values and culture that prevail in the area where it operates. Is it not enough then for people to internalise the culture and underlying values? No! They must also ensure that their outward acts consistently accord with these values. It is at this point that integrity comes into play. Compliance and integrity may therefore be regarded as two sides of the same coin, whereas ethics represents a specialist discipline within these two areas. This explains the first of the two approaches in this work “Ethics, Compliance and Integrity”. The boundaries between these three terms are porous and complement each other.

The second approach deals with challenges where the boundaries are somewhat clearer. Nowadays, when national economies are so closely interwoven, it would be wrong to adopt a single approach to Ethics, Compliance and Integrity; rather developments should be viewed from a global perspective. Once a CMS has been implemented in one part of the organization or extended to a part located in a different culture, one must consider the differing ethical and moral rules, the culture and the values of its inhabitants. Otherwise, the system will be re-

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jected and produce nothing more than undesirable side-effects, thereby resulting in attempts at evasion.

This work takes up the challenge of creating a constantly updated compendium of expert knowledge on Ethics, Compliance and Integrity. The contributions contained in this first edition have been produced by over 44 experts from different continents and countries, diverse cultures and corners of the world with the common aim of promoting Ethics, Compliance and Integrity by means of effective and efficient CMS. They share valuable knowledge, techniques, experience, practice and methods. In this book, you will find practical contributions divided into seven chapters (besides this brief introduction). These have been produced as part of the “Cross Cultural Compliance” series of conferences which have taken place in Frankfurt, Bangkok and Hamburg over the past three years. The authors are not just lawyers but also renowned economists, philosophers, psychologists, communication experts, practitioners, consultants, public officials and other experts. This is the only way of doing justice to the interdisciplinary dimension of Ethics, Compliance and Integrity.

Starting with this introduction (Chapter A), several contributions deal with the future of compliance (Chapter B). The main part of the book (Chapter C) investigates challenges in the fields of compliance and integrity which arise in respect of the cross-border implementation of CMS. We then focus on the most common risks for global compliance in the field of corruption (Chapter D). Despite sophisticated anti-corruption systems, the preventive instruments of international organizations and the efforts made by the international community in this field, corruption still remains a wide-ranging phenomenon in many states. CMS standards (Chapter E), attempt to take account of cross-border differences and diverse cultures, on the one hand, and the efforts towards creating uniform solutions on the other. The last three chapters deal with more practical subjects: namely, the preferred methods of CMS (Chapter F), especially intercultural communication and whistle-blowing systems, which are heavily influenced by cultural aspects (Chapter G). The final chapter concerns Ethics, Compliance and Integrity in international trade (Chapter H).

We have therefore adopted in this book a rounded and self-contained concept which nevertheless retains a degree of flexibility. We will expand and update the work at regular intervals. We herewith invite interested authors and experts from the world of Ethics, Compliance and Integrity to submit their proposals for contributions. We will also ensure that similar works feature high-quality contributions in order to promote the development of Ethics, Compliance and Integrity in the long term.

It has been an honor and pleasure to have worked with the hundred or so contributors to this work. Thanks are due not only to the numerous authors but also to

the proof-reader Christopher Dallimore, the publisher and its team, translators and friends, my team from the Viadrina Compliance Center and all partners, sponsors and supporters who have enthusiastically helped with organizing the Viadrina Compliance Congresses! In particular, I would like to thank the Center “B/Orders In Motion” at the European University Viadrina Frankfurt (Oder) for providing financial support for the “Cross Cultural Compliance” project which gave rise to the contributions in this work with its long-lasting and sustainable results!

I am delighted that this project given rise to a global community of so many distinguished experts from all over the world and sincerely hope that this work will serve to promote the interdisciplinary and global research and practice of Ethics, Compliance and Integrity from the perspective of international organizations in the long term.

Professor Bartosz Makowicz

Frankfurt (Oder), 21st November 2018