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Swiss companies abroad admit paying bribes



by **Jeannie Wurz**, [swissinfo.ch](http://www.swissinfo.ch)

More than one in five Swiss companies with an international presence pays bribes to facilitate business in foreign countries, says a study from the Institute for Entrepreneurship at the University of Applied Sciences in Chur.

The report, published in the magazine *Die Volkswirtschaft*, looked at how often Swiss enterprises are confronted with corrupt behaviour abroad, which preventive measures they undertake, and how to evaluate whether the measures taken are effective.

Forty per cent of companies acknowledged making under-the-table payments ([swissinfo](http://www.swissinfo.ch))

Forty per cent of the 510 companies surveyed said they are expected to make informal under-the-table payments to conduct business internationally. Fifty-six per cent of those confronted by corruption do in fact make informal payments, which amount to five per cent of their revenue on average.

In addition, one in four companies surveyed said they believe that in the past two years they lost a contract for a government or private job to a competitor who was allegedly involved corrupt dealings. This was reported most often by companies operating in Russia, followed by Germany, China, India, Brazil, Italy and Poland.

The companies most often confronted by corruption operate their own production, distribution or service facilities in the country, or conduct business with the help of local agents or distributors.

Because of the threat of corruption, ten per cent of companies said that in the past five years they had decided not to enter a particular market. This was especially true for countries in central and eastern Europe, including Russia, Bulgaria, Poland, Romania, Serbia, Montenegro and Ukraine, but also for China and India.

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Honesty of Swiss companies

The authors of the study said they were surprised by the high percentage of Swiss companies that is said to have paid bribes, but found that the number was relative, and more representative of the level of corruption worldwide.

Switzerland was the least corrupt of 28 leading exporters cited in the Bribe Payers Index (BPI) 2011, published by the watchdog Transparency International.

When asked what measures they take to prevent or deal with corruption in other countries, Swiss businesses most often named written documentation of business practices, evaluation of the integrity of potential partners before signing a contract, as well as consistent investigation of violations.

However, the study found that open and clear communication by corporate management of the company's unwillingness to tolerate corrupt practices was the only measure statistically effective in reducing the amount of bribes.

Jeannie Wurz, [swissinfo.ch](http://www.swissinfo.ch)

CRIMINAL LAW

In recent years, Swiss criminal law on corruption has been considerably tightened. In order to reduce the chance of criminal liability, Swiss companies must develop successful preventive measures.

According to the new legal situation, natural persons as well as companies can be criminally prosecuted for bribery of foreign officials.

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