



Transparency

Education

BUSINESS

CLEAR WAVE

SOCIETY

Choice

Responsibility

Honesty



Lithuanian business initiative ‘Clear Wave’ to promote business integrity and transparency

- (A) Facts, history & current activities of ‘Clear Wave’
- (B) Key success drivers supporting the initiative
- (C) Challenges &
- (D) Opportunities

19 May 2017



(A) Facts of the initiative 'Clear Wave'

Business driven initiative to promote business integrity and transparency

Companies involved in this project assume a responsibility to create a responsible and transparent way of doing business and encourage their business partners to do the same.

Recognition using social label

First social label to communicate business commitment to transparent and responsible business practice in Lithuania.



Benchmarking good business practice, education and trainings for business and community.

(A) Facts of the initiative 'Clear Wave'

Members from SMEs to MNEs





(A) History

- Founded in 2007, as a counterweight to a big scandal of envelope wages in business sector.
- Idea - social label helping to indicate fair business for the society.
- Primary focus - promote companies, which maintain transparent accountability and payment to their employees.
- Expanded agenda lately:
 - ✓ company maintains transparent accountability and payment to their employees;
 - ✓ comply with the laws of the Republic of Lithuania and honestly pay the fees and taxes provided;
 - ✓ take transparent and fare participation in the Tenders (public procurement)
 - ✓ other business ethics' issues in perspective.



(A) Current Activities

(I) RAISING AWARENESS

- Initiating topics in media
- Initiative of discussions, seminars, forums and other events within transparent and ethical business topics
- Annual survey on transparency in business



(A) Current Activities

(II) DIALOGUE WITH PUBLIC INSTITUTIONS

- Public procurement working group: regular meetings, suggestions for the necessary Law changes for Lithuanian Public Procurement Office.
- Close cooperation with Tax Inspection and State Investigation Service of the Republic of Lithuania.
- Participation in OECD anticorruption network for Eastern Europe and Central Asia.

(A) Current Activities

(III) MOBILISING COMPANIES, AND ADDITIONAL TOOLS DEVELOPMENT FOR THEIR BUSINESS INTEGRITY

- Directly approaching companies
 - Project members approach their partners, suppliers & clients. Slight “push” for the supply chain works the best!
 - **In 2016 new initiative together with the Transparency Lithuania** launched – tool to evaluate every company members transparency level.
 - + Works as a roadmap for companies wanting to improve their anticorruption and transparency policies;
 - + Companies can compare, how they look among the other members;
 - + New level and quality of awareness;
- ! Not every company is willing to participate;
- ! Some got into debate, whether to stay with Clear Wave or not.

(IV) EDUCATION

- Preparation of educational material for Lithuanian educational institutions.
- Initiative of discussions and events at educational institutions.
- Annual action 'No country for shadow' to show the harmful impact of shadow economy and how it affects everyone's prosperity.

‘No country for shadow’. One of the best example of NGO, business and public sectors’ cooperation for the joint action in order to make an impact.

Over 1000 participants from different organisations (Public, NGO, Business) joined in 2016 and 2017.
More than 80 cities and towns participated.

NB! Could be replicated to address anticorruption issues.



Participants of the action ‘No Country for Shadow’ in Lithuanian cities.



‘No country for shadow’ 2015. Installation of “shadow” at the main square of Vilnius.



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2017 m. gegužės 15 - 21 d.
www.baltojibanga.lt



Specially prepared educational material spread for the citizens in all Lithuanian municipalities.

Meetings and discussions in Lithuanian municipalities with local business, communities, business controlling institutions and local government.

Partners' meetings at schools.

Lectures at schools initiated by economy teachers.

Interactive game for the youth in Vilnius city centre "Transparent way"

Other partners initiatives



(B) Key Success Drivers of the Initiative

(I) CLEAR IDEA

[No envelope wages]

- Easy to communicate.
- Understood by public.

! 'Low' topic for some companies.

! Deliberate communication when agenda expanded.

(B) Key Success Drivers of the Initiative

(II) FINDING THE KEY DRIVING PARTNERS

International companies already having ethical business practice and operating in Lithuania:

- ▶ Lifosa
- ▶ TEO LT (Telia)
- ▶ CSC RIMI Lietuva
- ▶ Nordic Sugar Kedainiai

(B) Key Success Drivers of the Initiative

(III) CREDIBILITY BY PARTNERSHIP WITH GOVERNMENTAL INSTITUTIONS

- President of the Republic of Lithuania
H.E. Dalia Grybauskaitė
Patroness of the Initiative 'Clear Wave'



- Partners:
the Ministry of Finance of the Republic of Lithuania, Tax Inspection of the Republic of Lithuania
State Investigation Service of the Republic of Lithuania

(B) Key Success Drivers of the Initiative

(IV) FINDING MEDIA PARTNERS

- Active communication with media to get ether on the particular topic
- Getting ads & banners *pro bono* from media (if possible)



(B) Key Success Drivers of the Initiative

(V) DOING IT BUSINESS WAY

- Having a roadmap
- Showing the value
 - ✓ Credits for reputation and customers' confidence
 - ✓ More publicity
 - ✓ Possibility to influence the market being as a role model and by active actions
 - ✓ ...

(B) Key Success Drivers of the Initiative

(VI) COMMITMENT AND EXPERIENCE FROM ADMINISTRATION & THE COUNCIL MEMBERS

- Contribution from business association Investors' Forum: knowledge, networks and credibility to start and develop the initiative.
- Council members representing different business sectors and respectful organisations.



(C) Challenges

(I) WHAT TO DO WHEN COMPANY ENTERS INTO A SCANDAL?

- Clearly defined criteria, when and how to react.
- Prepare step by step action plan in advance.
- Lawyer in the team or the board always helps!

NB!

The initiative is based on **trust** and partners recommendations.

We do not investigate cases. Companies and society should be clearly informed about that.



(C) Challenges

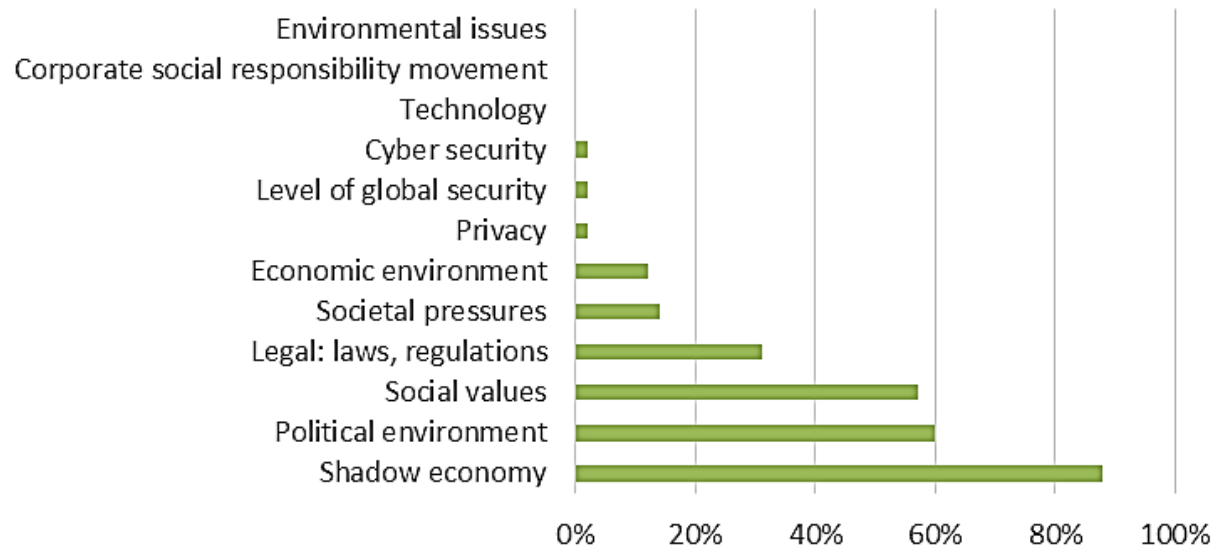
(II) ACCELERATING

- Getting more members to join
- Finding attractive ways of **communication** with business and community
- Funding
- Getting members involved in promotion of 'Clear Wave'
 - ✓ Involvement
 - ✓ Labeling the products & using 'Clear Wave' in their communication.

(III) OTHER BUSINESS ENVIRONMENT BARRIERS FACED BY COMPANIES

Investors Confidence Index, 2016, January

What are the business environment barriers impeding business ethics in Lithuania today?





(D) Opportunities

(I) AWARENESS OF INITIATIVE AND RECOGNITION OF THE LABEL IS GROWING WITH EVERY YEAR YOU WORK

- In Lithuania 'Clear Wave' label is recognised better than



(II) NOTION OF A SLIGHT CHANGES IN THE MARKET – BUSINESS BECOMES MORE CONSCIOUS

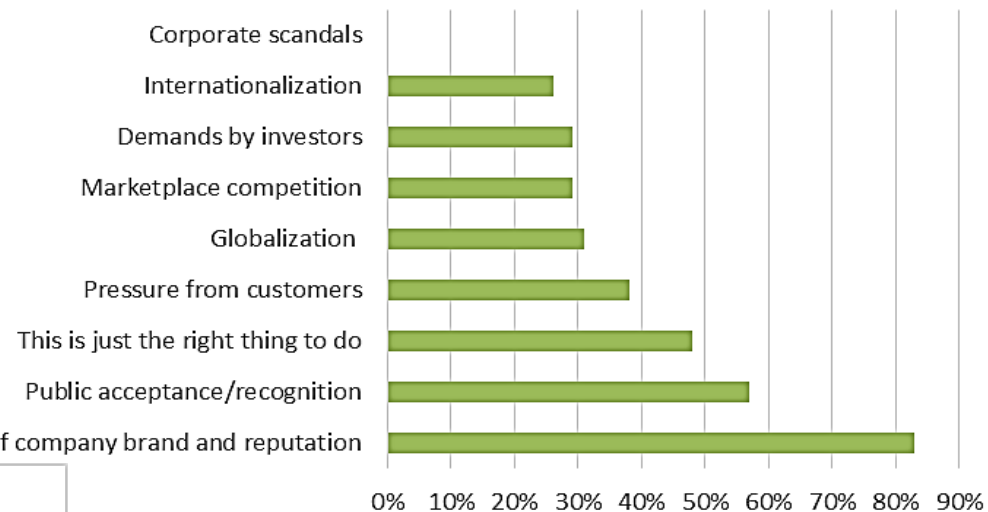
- Companies started to understand that they need to talk and show their own example to make an impact on the market.
- Companies having the knowledge of ethical business processes are concerned and willing to share their knowledge with the ones who does not have.



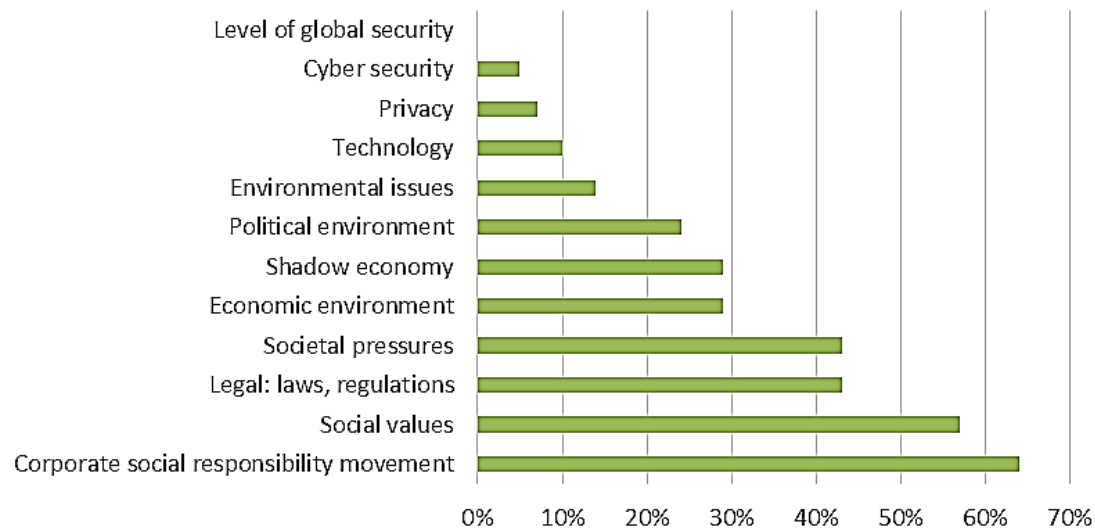
(D) Opportunities

Data from quarterly Investors' Forum research "Investors' Confidence Index in Lithuania".
January 2016.

Key drivers of ethical behavior in your business



Key business environment drivers impacting business ethics in Lithuania today



(III) CONSUMER PREFERENCES

- 49-56 % of respondents indicated that they most likely or definitely would choose a product or service, if it is more or less expensive than the alternative, if
 - ✓ the company is based on environmentally friendly behavior,
 - ✓ acting in a transparent manner
 - ✓ is Lithuanian or
 - ✓ socially responsible.
- However they do not tend to check the reputation or transparency of the companies, whose products or services are acquired.

[According recent research initiated by Clear Wave on Lithuanian customers behavior, February 2016]





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