



Corruption in EU Member States

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Abstract: Objectives: To furthering and upholding the core values of pluralist democracy, human rights and the rule of law in Europe. **Prior work:** The criminalisation of corruption in the public and private sectors, liability and compensation for the damage caused by corruption, the conduct of public officials, the financing of political parties and electoral campaigns and include twenty guiding principles for the fight against corruption. **Approach:** It takes a multidisciplinary approach to the fight against corruption and has adopted multi-faceted legal instruments to address it. **Results:** These instruments are designed to strengthen member States' democratic, legal, and institutional capacity to withstand corruption as well as to detect and sanction it effectively when it occurs. **Implication and Value:** The Council of Europe guiding principles who views corruption as a serious threat, to be transposed into national practice.

Keywords: Council of Europe, fight against corruption, legal instruments, guiding principles, political parties

1. Introduction

How does corruption affect the entire society? It hits her deeply and disturbs her economy. It hampers economic development, undermines democracy and damages social justice and the rule of law, all of which are deeply rooted in most of the world's states. This corruption also affects the EU Member States, through the impossibility of sound public money management, the existence of satisfactory governance, by taking on competitive and coveted markets. In most cases, the confidence of citizens in democratic institutions and processes is sharply decreasing.

A report has been drawn up to analyze corruption in the EU Member States, the measures envisaged and taken to combat it. The purpose of this

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paper is the possibility of a collective debate with the involvement of the European Commission, the Member States, the European Parliament and other interested institutions, so that concrete measures can be taken at European level.

2. Aspects of Corruption in EU Member States

Although a considerable effort has been made at EU level to implement the legal instruments and institutions needed to prevent and combat corruption, the human factor and the plans overcap. A strong accent in justifying the systemic failure to address this problem, on an effective inability to implement the rules. Two aspects have crystallized: on the one hand, the concrete results are completely absent and, on the other hand, there is a lack of a policy of eradicating corruption at European level.

The EU's first major contribution to this fight was the 2011¹ EU Anti-Corruption Communication through the EU Anti-Corruption Report to assess and monitor Member States' efforts to mobilize political engagement to combat it effectively. After the publication of this first report, the following will be published every two years.

Being an International Report, it gives a broad definition to corruption, considering it to be "abuse of power for private gains." Thus, the report includes specific corruption acts and concrete measures taken by Member States to prevent and sanction corruption, in application of its own legal provisions, and also includes a series of measures imposed on areas of activity with an impact on the risk of corruption and control of it.

The report contains a number of key issues, which are the guidelines for the Member States. These good practices emphasize the weaknesses and initiate the steps that Member States must take to fight effectively. However, it is important to recognize the European Commission as having the decisive role in combating corruption with national competences. At macro level, the EU's interest is to ensure an effective anti-corruption policy for the Member States, which is why it supports the Member States directly in achieving this goal. So, the report promotes high anti-corruption standards in the EU and highlights issues and good practices, gives credibility to EU efforts on the credibility of efforts to promote anti-corruption standards.

Thus, corruption can be defined as a complex phenomenon with economic, political, social and cultural dimensions, which has infiltrated all levels of

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0308:FIN:EN:PDF> .

societies. The political response expected to resolve this situation can not be summed up to a standard set of measures; there is no single solution for all EU countries.

Given that the financial crisis has put additional pressure on EU citizens, additional guarantees of integrity have been imposed on public spending. European citizens expect the EU to play a decisive role in helping Member States protect the legal economy of concerted action on organized crime, financial and fiscal fraud, money laundering and corruption in general, supporting the offenses listed in periods of economic crisis involving budget austerity. Corruption costs the EU at the level of 2011, 120 billion euros, an amount close to the annual amount of the EU budget.

Promoting a sustainable and smart economy was only possible through the implementation of the EU 2020 strategy - the growth strategy of this decade - a direct leadership in achieving a high level of employment, social cohesion and productivity growth. From what has been done so far, it is clear that the success of the Europe 2020 Strategy is closely linked to good governance at the institutional level, the establishment of the rule of law and the control of corruption. The EU's competitiveness can not be seen in the fight against corruption. Thus, anti-corruption was highlighted by measures taken by some EU Member States as part of the European semester - the annual cyclical economic policy coordination involving a detailed country-by-country analysis of the economic and structural reform programs, as well as recommendations specific. It has been noticed that improving the efficiency of public administration, through transparency in the conduct of activities, contributes to the reduction of the risks related to corruption. The European industrial renaissance foreseen in the European Commission's Communication of 2014 stems from the consideration of a quality public administration, the core of the EU's development strategy.

The European Commission's Communication¹ also contains additional points for each chapter of each country, which demonstrates the Commission's concern to identify the necessary measures to prevent and combat corruption. They have been adapted to the realities of each country, to socio-political needs and contexts. The measures are of a concrete nature without excessive details regarding the expected changes in the field. The report is not alien to the recommendations already made by other

¹ Notably the United Nations Convention against Corruption, as well as Council of Europe anti-corruption legal instruments, including the Resolution (97) 24 on the twenty Guiding Principles for the fight against corruption and the recommendations No. R (2000) 10 on codes of conduct for public officials and No. R (2003)4 on common rules against corruption in the funding of political parties and electoral campaigns.

corruption reporting mechanisms such as GRECO, which is the Council of Europe and the OECD.

As a follow-up to this Report, the European Commission has engaged in a constructive, forward-looking debate on the best methods of combating corruption, with a special look at the issues that required additional attention. The debate envisaged by the European Commission aims at massive participation by Member States at national level involving private sector and civil society and active participation of representatives of the Member States at the European Parliamentary level as well as at the level of national Parliaments.

Moreover, the European Commission wants to put in place a joint program built on the experience of Member States, local NGOs and other stakeholders to overcome the shortcomings of anti-corruption policies, to raise European citizens and provide them with lifelong learning. Everything has to start from the neuralgic points of the program in order to overcome them. The program of sharing the experience gained by the Member States was carried out after the report was adopted on the basis of feedback and stakeholder discussions to address them decisively.¹

The European Commission is to analyze the reports as they are being drafted, in order to continually improve the gaps. The methodology will undergo numerous revisions leading to the development of corruption indicators as close to reality as possible.²

Since 2013, two surveys have been conducted to prepare EU anti-corruption reports: a special Eurobarometer and a Flash Business Survey. For most Member States, the placement of the CPI index brought to the attention of Transparency International at the level of Eurobarometer responses has led to almost total overlap.

¹ The total economic costs of corruption cannot easily be calculated. The cited figure is based on estimates by specialised institutions and bodies, such as the International Chamber of Commerce, Transparency International, UN Global Compact, World Economic Forum, Clean Business is Good Business, 2009, which suggest that corruption amounts to 5% of GDP at world level. See also the Commission Communication on Fighting Corruption in the EU of 6 June 2011: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0308:FIN:EN:PDF>.

² Excellence in Public Administration for competitiveness in EU Member States (2011-2012).: <http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/improving-public-administration/>

The Eurobarometer data¹ has been grouped according to the general perception of corruption and the bribery of ordinary commercial trajectories and not only, with a clear difference between Member States.²³

The results show that there are EU countries such as Finland, Luxembourg, Sweden, Denmark where the bribe taking is insignificant. As for the United Kingdom, although the perception of bribery is in the values of the other states mentioned, the respondents still have the opposite view, considering that corruption is widespread in the country.⁴

There is a discrepancy between the corruption phenomenon highlighted in the acts and the phenomenon of perceived corruption at the individual level, as shown by the survey carried out in the Netherlands, Germany, France. In fact, Transparency International has the best performance in these countries. In Austria, the respondents reported that they should have given a bribe, but the fact incriminated indicates a very small percentage.

Only in certain sectors of activity are European countries such as Hungary, Slovakia and Poland, where the medical sector is the most important,

¹ COM (2014)14.

² A survey conducted among the general population in all Member States every two years, based on face-to-face interviews with a sample of 1000 or 500 respondents (depending on the size of the population). A total of 27.786 persons (representative sample) participated in this survey in late February and early March of 2013. The survey dealt inter alia with corruption perception generally, personal experience with corruption as well as attitudes towards favours and gifts. While the Eurobarometer surveys are run every second year since 2007, the Commission decided in 2013 to tailor questions to the needs of this report. Therefore, any comparison with previous years should be undertaken with caution. Full report is available at http://ec.europa.eu/public_opinion/archives/eb_special_399_380_en.htm#397.

³ A survey conducted among the general population in all Member States every two years, based on face-to-face interviews with a sample of 1000 or 500 respondents (depending on the size of the population). A total of 27 786 persons (representative sample) participated in this survey in late February and early March of 2013. The survey dealt inter alia with corruption perception generally, personal experience with corruption as well as attitudes towards favours and gifts. While the Eurobarometer surveys are run every second year since 2007, the Commission decided in 2013 to tailor questions to the needs of this report. Therefore, any comparison with previous years should be undertaken with caution. Full report is available at http://ec.europa.eu/public_opinion/archives/eb_special_399_380_en.htm#397. Corruption Perception Index (CPI) is published every year by Transparency International: <http://cpi.transparency.org/cpi2013/>, covered six sectors in EU28, and was launched for the first time in 2013, carried out between 18 February and 8 March. Businesses from the energy, healthcare, construction, manufacturing, telecommunications and financial sectors (all company sizes) were requested to provide their opinion. Full report is available at http://ec.europa.eu/public_opinion/archives/flash_arch_374_361_en.htm#374

⁴ Corruption Perception Index (CPI) is published every year by Transparency International: <http://cpi.transparency.org/cpi2013/>.

namely healthcare provides the highest percentage in this field. It would appear that there is a gap in the legislative framework that allows the phenomenon to expand. With regard to the other institutions, such as police, customs, magistrates, politicians, etc. there was a reluctance on the respondents to say positively. Broadly, in these countries of the former communist bloc, corruption reaches odds close to the absolute maximum.

In other countries like Spain, Italy, Portugal, corruption was taken seriously. Opinion polls have revealed that in the last period of time, crushed by economic crises, political scandals and monetary instability, public opinion has been marked by the idea that the citizen is expected to overpay by giving bribes, or have had elements that resulted that they can only obtain goods and services in this manner.

With regard to the other Member States, corruption would seem to be at home, given the poor economic and financial development.

And in these countries there were respondents who indicated that they were bribed, believing that even in their country, corruption captured almost all areas of activity. The Czech Republic and Croatia, however, stand out above the average of the countries in the group they are part of, in the sense that this coefficient is below the group average.

Also, the countries of Malta, Latvia, Cyprus, Ireland are also at medium level in terms of corruption and how they perceive among respondents.

Globally, about three-quarters of respondents in the EU believe that corruption is the most widespread in the country of origin. This topic became dominant in Italy, Greece, Spain, Lithuania and the Czech Republic. It is no less true that a quarter of Europeans think they are affected by corruption even in daily work. In this regard, direct answers were obtained from Spanish, Greek, Cypriot, Romanian, Croatian citizens. This is not the case in Denmark and Finland, where the respondents did not say they are affected.

More than half of Europeans say that public service delivery in their country is done only on bribery and relationships. This is what the citizens of Greece, Cyprus, Croatia and Slovenia are thinking.

Funding political parties is another sensitive subject of corruption because it is not transparent and can not be supervised. This is the opinion of respondents in Greece, Spain, the Czech Republic, with Denmark, Sweden and Finland opposite.

Only a quarter of European respondents admit that their governments are effective in combating corruption and that there are sufficient accusations

in this respect to discourage the spread of the phenomenon through general prevention.

With regard to business, in the Flash survey, perceived corruption has high values in countries like Greece and very low in Denmark, as is shown by the Eurobarometer presented earlier.

In the EU, almost half of companies consider corruption a problem for successful businesses, similar to nepotism. In the field of construction, corruption affects half of them, in telecommunications one third, etc. IT companies take it seriously, trying to limit it locally. The smaller the company, the more nepotism and corruption suffocates. There are states where corruption is the only unresolved problem, such as Greece, Slovenia, the Czech Republic, Portugal.

From country checks, there has been a wide range of corruption-related problems, more or less effective control mechanisms. Of course there are also common elements that can be observed at EU level, or in groups of Member States. A neuralgic point for all states is public procurement, which is prone to corruption due to mismanagement of risk or weak control mechanisms. EU Member States' reports take into account both good, positive buying practices and negative ones.¹

A major problem for anti-corruption policies is the lack of a unified definition of civil servant at EU level, including officials or dignitaries elected. In 2012, the European Commission presented a proposal for a Directive on protection against fraud and offenses related to EU financial interests, which contains a definition of a civil servant, including persons holding a legislative function. In the Council and the European Parliament, the discussions focused on the lack of support in terms of people with a legislative role and aimed at sanctioning corruption by elected officials. Hence the European Commission's view of harmonizing the criminal liability of the elected officials for the commission of corruption offenses.

Another problem of corruption left unresolved at European level is the funding of political parties as a knot for the remaining corruption phenomena presented. Recent corruption cases detected with politicians from various states involved have signaled the importance of this issue. The bought votes, the material influence of the electorate through the so-called electoral memories, were found in several European states.

¹ http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/index_en.htm.

3. Conclusion

Of particular importance in assessing the corruption phenomenon in the Member States is GRECO's assessment of the funding of political parties with an impact on the harmonization of the legislative framework, including the institutional framework. In the vast majority of EU countries, this alignment of the legislative framework has been made, especially with regard to transparency, particularly in relation to non-committed donations. It has not yet been possible to publish the accounts of these parties in any of the EU Member States. There is, however, a voluntary agreement between the parties to ensure to a large extent financial transparency. GRECO's recommendations have helped to limit corruption at this level, with regard to donation ceilings, sponsorship of state-owned companies, the possibility of permanent oversight and the imposition of sanctions.¹²³

4. References

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¹ COM (2012) 363.

² See general approach of 3 June 2013, Council Doc. 10232/13.

³ See opinion of the Committee of Legal Affairs, A7-0000/2013.

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