

Report from the
Commission to the Council
and the European
Parliament
EU Anti-Corruption Report

Brussels, 3.2.2014



European Commission

Corruption remains one of the biggest challenges for all societies, including European societies. Although the nature and scope of corruption may differ from one EU State to another, it harms the EU as a whole by lowering investment levels, hampering the fair operation of the Internal Market and reducing public finances. The economic costs incurred by corruption in the EU possibly amount to EUR 120 billion per year. This represents only a little less than the annual budget of the EU.



Corruption

Corruption seriously harms the economy and society as a whole. Many countries around the world suffer from deep-rooted corruption that restrains economic development, undermines democracy, and damages social justice and the rule of the law.

Corruption impinges on good governance, sound management of public money and competitive markets. In extreme cases it undermines the trust of citizens in democratic institutions and processes.

The report defines corruption in a broad sense as “**any abuse of power for private gain**”.

The report describes good practices as well as weaknesses. The report seeks to promote high anti-corruption standards across the EU.



Corruption alone is estimated to cost the EU economy EUR 120 billion per year, just a little less than the annual budget of the European Union



Results of Eurobarometer survey on perceptions of corruption and experience of corruption

A positive perception and low experience of bribery in the case of Denmark, Finland, Luxembourg and Sweden- the number of people who think that corruption is widespread is significantly below the EU average

In countries like Germany, the Netherlands, Belgium, UK, Austria, Estonia and France, more than a half of the respondents think corruption is widespread; the actual number of people having had to pay a bribe is low (around 2%; less than 1% in the UK).

In some countries a relatively high number of people indicated they had personal experience with bribery, but with a clear concentration on a limited number of sectors (i.e. the healthcare sector), including Hungary, Slovakia and Poland



In certain countries, including **Portugal, Slovenia, Spain and Italy**, bribery seems rare but corruption in a broader sense is a serious concern; the perception of corruption is influenced by the recent political scandals and the financial and economic crisis that this is reflected in the respondents' negative impression about the corruption situation overall

As for the countries lagging behind the scores concerning both perceptions and actual experience of corruption, these include **Croatia, the Czech Republic, Lithuania, Bulgaria, Romania and Greece.**



At the European Level, three quarters of respondents (76%) think that corruption is widespread in their own country.

Around three quarters of Europeans say that bribery and the use of connections is often the easiest way of obtaining certain public services in their country.

Around two in three Europeans think the financing of political parties is not sufficiently transparent and supervised.

Just under a quarter of Europeans (23%) agree that their Government's efforts are effective in tackling corruption.

At European level, more than 4 out of 10 companies consider corruption to be a problem for doing business, and this is true for patronage and nepotism too. The smaller the company, the more often corruption and nepotism appears as a problem for doing business

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Main findings of the European Report

A. Political dimension

Prioritising anti-corruption policies

In many European Countries the financial crisis drew attention to integrity issues and accountability of decision-makers. Most of the States confronted with serious economic difficulties have acknowledged the seriousness of corruption-related problems and developed (or are developing) anti-corruption programmes to address the attendant risks and the risks of diversion of public funds.

Political accountability

The problem of the integrity and accountability of political elites. High profile scandals associated with corruption, misuse of public funds or unethical behaviour by politicians have contributed to public discontent and mistrust of the political system. Integrity in politics is a serious issue for many States



Liability of elected officials for corruption

A fundamental challenge regarding anti-corruption policies is the lack of a standard definition of public official at EU level which would include elected officials. There is a need for a clear harmonisation of criminal liability of elected officials for corruption offences.

Financing of political parties

- a) Illegal party funding
- b) Vote-buying and other forms of undue influence of the electorate

Most European States have recently amended their legislation on party funding and increased transparency standards, including on donations.



B. Control mechanisms and prevention

Use of preventive policies

Preventive policies cover a wide variety of aspects including clear-cut ethical rules, awareness-raising measures, building a culture of integrity within various organisations, setting a firm tone from the top in relation to integrity issues, to effective internal control mechanisms, transparency, easy access to public interest information, effective systems for evaluation of performance of public institutions, etc.

External and internal control mechanisms (other than law enforcement)

Control mechanisms play an important role both for the prevention and the detection of corruption, within public bodies. Deep-rooted corruption cannot be tackled without a comprehensive approach aiming to enhance prevention and control mechanisms throughout the public administration, at central and local levels



Asset disclosure

Asset disclosure for officials in sensitive posts is a practice which contributes to consolidating the accountability of public officials, ensures enhanced transparency and facilitates detection of potential cases of illicit enrichment, conflicts of interests, incompatibilities, as well as the detection and investigation of potential corrupt practices

Rules on conflict of interest

Conflicts of interests reflect a situation where public officials act or intend to act or create the appearance of acting to the benefit of a private interest.

The Council of Europe has defined conflict of interest a situation in which **“the public official has a private interest which is such as to influence or appear to influence, the impartial and objective performance of his or her official duties”**, private interest being understood to mean **“any advantage to himself or herself, to his or her family, close relatives, friends and persons or organisations with whom he or she has or has had business or political relations”**

