



Good Governance and Political Pluralism
European Conference of the Schools of Political Studies
House of Parliament, Bucharest, 27-28 April 2006

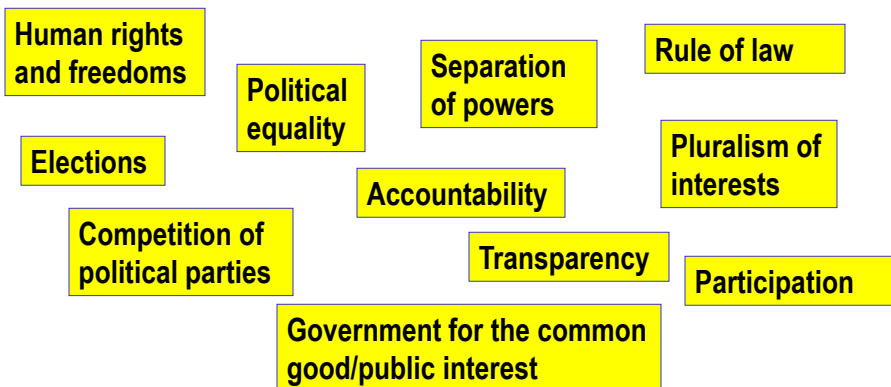
Corruption and the future of democracy in Europe

What are the issues?

Alexander Seger
Department of Crime Problems
Directorate General of Legal Affairs
Council of Europe
alexander.seger@coe.int

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Principles and features of democracy



= All European countries have democratic systems of
governance (most of them more, some less)

2

Challenges and the future of democracy in Europe

Globalisation. Shift of power and policy decisions from democratically legitimised governments to unaccountable supra-national levels and private corporations

Erosion of political decision-making and accountability. Shift from political levels to technocrats/administration/expert institutions (“guardians”)

The economics of democracy. Political finance and equality

Europeanisation and the democratic deficit (accountability)

”It is our collective judgement that the major generic problem of contemporary European democracy concerns the declining citizen trust in political institutions and participation in democratic processes”
(Council of Europe 2004: The Future of Democracy in Europe)

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Defining corruption and political corruption?

A “democratic” definition of corruption: the misuse of an entrusted position for private benefit

Legal definitions = bribery+

Political corruption?

Grey/white corruption - favouritism - lobbyism - use of administrative resources - patronage - trading in influence - mediated corruption - echange clandestin - betrayal of the democratic transript

#1001: Political corruption in democratic countries
the misuse of an entrusted public or political position in exchange for an undue political or other advantage in violation of democratic principles or processes

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Corruption in Europe

Perception of corruption

Europe:
7 countries in top ten, 6 in -100
 (TI CPI 2005 for 158 countries)

CPI trends over time 1995-2005

Experience of corruption

(TI Global Corruption Barometer)

Corporate illegal corruption:

in half of the European countries by >50% of companies

Corporate legal corruption:

in 2/3 of European countries by >50% of companies

(Daniel Kaufmann based on EOS 2004 of World Economic Forum)

Perceived as most corrupt institutions:

Political parties in 2/3 of European countries

Impact of corruption:

on political life highest in 75% of European countries (compared to business or personal life)

(TI Global Corruption Barometer 2005)

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Corruption and democracy: critical issues

Political corruption is the main corruption problem in Europe

Critical issues:

- 1 Political finances
- 2 Lobbyism
- 3 Conflicts of interest, patronage and revolving doors
- 4 Abuse of justice system
- 5 Corruption control



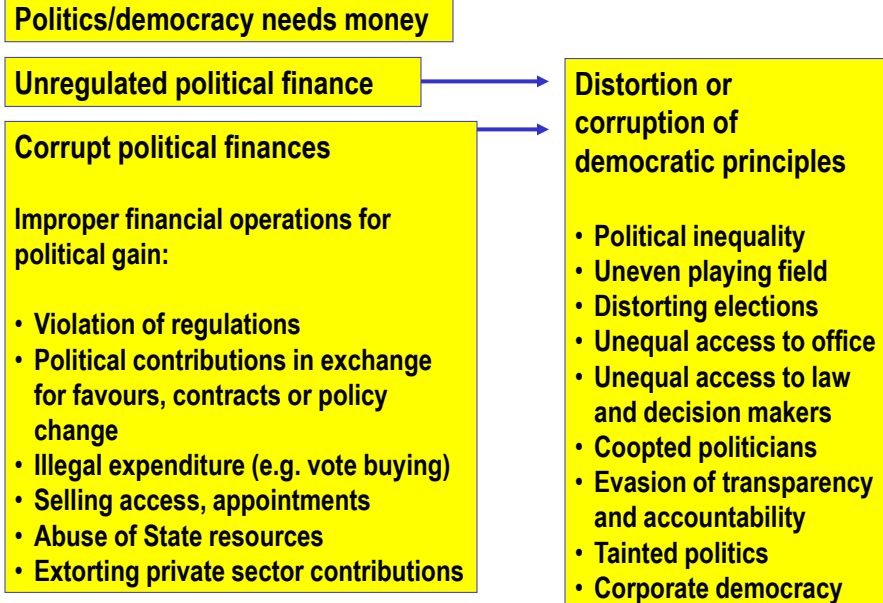
Corruption of democratic principles and processes

- Political equality
- Political competition and elections
- Accountability
- Transparency
- Rule of law
- Separation of powers
- Government for common good/public interest

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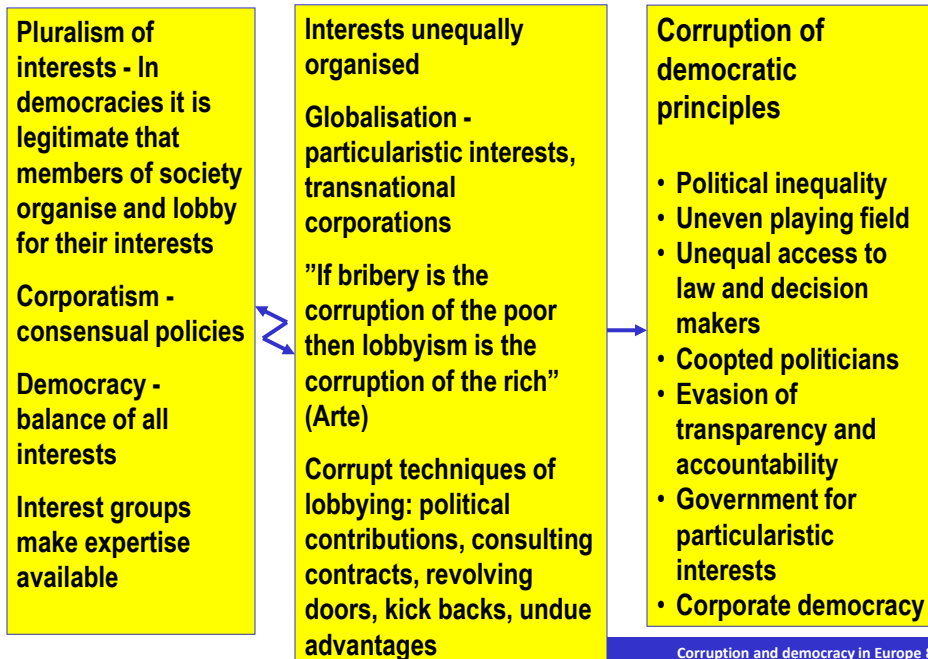
1 political finances



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2 lobbyism



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3 conflicts of interest

- Conflicts of interest = when somebody has the opportunity to use an entrusted position to obtain a personal gain
- Incompatibility of parliamentary mandates and civil service, judicial, ministerial and appointed offices
- Cumul des mandates
- Incompatibility of elected office with private sector employment and interests and other professional activities
- Revolving doors
- Patronage

- Corruption of democratic principles and processes**
- Undermines division of powers
 - Political inequality
 - Evasion of accountability
 - Government for particularistic interests
 - Unequal access to public resources
 - Clientelistic politics
 - Corporate democracy

4 abuse of the justice system

- Independence and integrity of the judiciary
- Independence of those investigating, prosecuting and adjudicating corruption
- Political pressure on judges, prosecutors, investigators by politicians
- Instruction of the prosecution by the executive
- Patronage and influence in the selection/ appointment/ promotion of judges or prosecutors or their removal
- Politically motivated prosecution/convictions or non-prosecution
- Immunities to prevent prosecution/protect corrupted politicians

- Corruption of democratic principles**
- Rule of law
 - Separation of powers
 - Violation of human rights (right to fair trial, fair administration of justice)

5 scandals and the control of corruption: purification of democracy?

The control of corruption carries risks for democracy

- Accusations of corruption as a means of political advancement and of discrediting opponents (Pericles vs. Kimon in 463 bc)
- Politicising corruption control
- Settling of accounts after elections
- Extortion
- Pretext for limiting rights and freedoms

Control of political finance

- favours those in power
- control of opposition
- discourages contributions
- limits "vitality" of politics
- limits freedom of expression

Purification limited

- Comeback of corrupt politicians / behaviours vs ineligibility rules
- Long arm of justice vs statutes of limitation

Corruption scandals affect election results

Scandals often cause improvements

- Conflict of interest rules
- Regulation on political finances
- Removal/resignation of suspected politicians

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Corruption and the future of democracy

470 bc - 2006: Power corrupts. Key principles of democracy are aimed at preventing abuse and corruption and holding rulers accountable

2006 - ∞: Success in controlling corruption critical for the future of democracy

Key challenges:

- Corruption and the corporate capture of democracy
- Corruption and declining trust and participation in democracy
- Erosion of democratic decision-making in favour of less accountable expert / technocratic bodies
- Corruption and the economics of democracy (political finances)

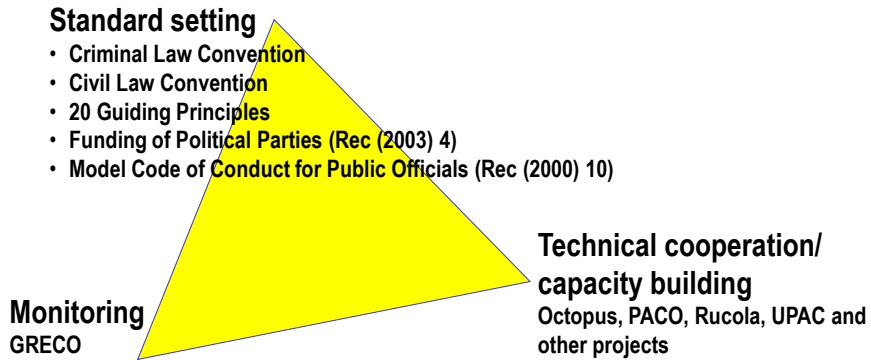
TO DO: enhance transparency and accountability

- Enforce rules on political finances
- Criminalise bribery of elected representatives
- Limit immunities
- Regulate conflicts of interest and codes of conduct for elected representatives
- Regulate lobbying
- Facilitate media scrutiny
- De-politicise anti-corruption measures (comprehensive long-term strategies, independent anti-corruption bodies)

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Council of Europe action against corruption 1996 - 2006



Given the impact of political corruption on democracy in Europe, how could the CoE approach this question in the future?

Octopus Interface

Octopus Interface Conference

**Corruption and
Democracy**

**Strasbourg
20 - 21 November 2006**

