



Enlargement Thursday 20 July 2006

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Full interview with Miklos Marschall, Regional Director, Europe and Central Asia, Transparency International

In Short:

It is not impossible to fight the corruption problem in the new Member States, but the EU has neither the tools nor a coherent strategy, says Miklos Marschall of Transparency International in an exclusive interview with EurActiv.

Barring the odd exception of Italy and Greece, The Transparency International's CPI index of most corrupt nations in the enlarged EU, consistently lists the new Member states as more corrupt than the old 15. Should the EU be afraid of the contagion effect this may have on the general business and administrative culture of the EU ?

While corruption is indeed a severe problem in many of the new Member states, I don't believe corruption will be "exported" by the new members to the EU institutions as some analysts claim. It did not happen when Greece, Spain, Portugal joined the EU, despite the fact that those countries had serious problems with corruption too. It worked the other way around: the EU standards and procedures have had a "civilizational" impact on those countries. What is different in the current situation is the sheer number of the new members, the nature of the "big bang" enlargement. In that sense, I agree, the EU must closely watch how EU moneys will be distributed and spent in the new Member states. But, I don't believe it is the new members that represent a serious threat to the integrity of the EU institutions.

'During the communist period, obtaining products through bribery was socially accepted as a way of life. Indeed, it could even amount to a necessity for survival. It was a necessary tool for making the bureaucratic system more efficient. For many individuals, the giving and accepting of bribes was an indication that they were enterprising, self-sufficient and doing well' writes Jolanta Babiuch-Luxmoore of Transparency International in a paper, and goes on to spell out the dilemmas that the EU 25 face today: 'How can an already corrupt society combat its own corruption? How can people find the will to oppose what seems to be normal and unexceptional?'

What solutions can TI suggest to start solving this complex problem? How long will it take to cure the evil?

We have to understand that corruption is a symptom of a serious socio-economic "disease" that is more complex than corruption itself. Some analysts call it the crisis in the interactions between citizens and public institutions. Dysfunctional public institutions were the main cause of corruption in the East- and Central European countries. It was not greed or temptation for "big money" that drove corruption in the former Communist countries. It was much more "survival": the need to get simple things done in an environment of incompetent and dysfunctional public institutions and services. In addition, those institutions belonged to an alien power, therefore, it was almost a civic virtue to 'beat the system' by getting around it.

The good news is that much has changed in the last 10-14 years. The shortage economy is history, and the day-to-day petty corruption has consequently been reduced quite significantly. Thanks to public administration reforms, many of the public institutions have become more transparent, competent and citizen-friendly. Yet, there still are notable exceptions: courts, police, land registries and the health sector.

In my opinion, the 'corruption culture' argument suggesting that corruption is so much part of people's daily life in East-

and Central-Europe that it makes the fight against it almost impossible is superficial and misleading. Like citizens in Western Europe, East Europeans also prefer competence to incompetency, transparency to secrecy and legality to illegality. The difference was that they had not been given those options in the past. The "culture of corruption" has already disappeared where reforms have changed the rules: in the service industry no one pays any bribes any more. As I said, much has changed in the past 10-15 years, and I am confident much of the remaining petty corruption will disappear because the economy will continue to get further civilized.

The EU has adopted a safety clause that will allow the Commission to freeze collaboration in selected areas with the new Member States if there is a serious administrative failure to comply with the *acquis communautaire*. Can this provision in anyway be applied to the problem of corruption?

I am sceptical about the applicability of this clause to corruption. Non-compliance with an *acquis communautaire* is easy to identify, however, defining and measuring corruption is much more complex, and it is very difficult to draw the line between tolerated and non-tolerated corruption.

The EU Commission has pointed to the seriousness of corruption problem every year in its annual reports on the state of preparedness of the acceding countries. What sort of effort, strategy and resources has the Commission invested to counter the problem over the years and how do you assess the results?

It is true, the EU Commission has repeatedly singled out corruption as a serious problem in the accession countries. On the other hand, the EU has not established a coherent anti-corruption strategy of its own. Unlike OECD or Council of Europe, the EU does not have specific anti-corruption initiatives.

What sort of political and institutional tools does the EU have after the accession on 1 May to keep the corruption problem high on the political agenda in the new Member States?

I am afraid the EU will have much less clout with its new members than it had before they joined. The pre-accession negotiations were a very powerful tool for the EU to generate change in the accession countries. Now, this external pressure will be gone.

Is it considered an EU task to combat corruption in present 15 Member States? If not, should it be and how?

The Fifteen face serious corruption problems too. Political corruption and corporate fraud are especially significant. The EU must address corruption in a more coherent way. Maybe the application of the GRECO peer review process launched by the Council of Europe might be a helpful tool for the EU as well.

A corruption analyst like Leslie Holmes of Melbourne University states that too many members of the elites in the new Member States have a vested interest in continuing state tolerance of relatively high levels of corruption. Do you share that view?

Yes. The last 10-15 years of transition can be described as a struggle between the reformist and the rent-seeking elites. Of course, when you have massive privatization, the temptations are high to seek rents. New political parties had to establish their base of support. The easiest way to do so was through channelling some of the extra-profit from privatization or big public contracting into party pockets.

Is it your assessment that the nature of corruption in the ten new Member States has changed from petty corruption to a bigger scale phenomena involving huge business interests?

Precisely. As a result of the overall economic development in the new Member states, petty corruption - the legacy of the shortage economy - has diminished. Surveys tell us it is easier to do business in CEE now than 5-10 years ago. On the other hand, large scale "grand corruption", especially political corruption has been on the rise. In that sense, I am afraid to say, the new Member states are catching up with their Western European counterparts. More sophisticated schemes are being used and financing of expensive political campaigns represents the demand side of corruption.

A strong and independent media is generally seen to have an important role in fighting corruption. How able are the media in the ten new Member States to assume this role?

The record has so far been rather disappointing. No doubt, the media is pluralistic, however it is hardly independent. Public broadcasting institutions are subjected to permanent political interference. They are not the non-partisan arm's length institutions as we envisioned them at the outset of the transition.. Because of special licensing deals, and tax breaks, commercial channels are too dependent on the political class.

Some analysts say that it is only the persistent external criticism that has made corruption issue and an acute social problem in East Central Europe. Do you agree?

External pressure has certainly been a key factor. In a positive sense. Making the political elite accountable to Brussels is extremely important. The concept of divided sovereignty is very helpful in a region with a history of non-democratic and unaccountable elites. Pressure from outside and "above" together with watchdogs from civil society inside are both needed to keep the rent-seeking ambitions of the political and business elite under control.

Are the EU institutions own anti-fraud bodies, such as OLAF, well enough equipped to deal with the greater challenge of corruption arising from the enlargement?

While OLAF has established partnerships in each of the new Member states, I think much needs to be done in training the various anti-corruption personnel in the accession countries. Combatting corruption requires co-ordination, sharing of information. Law enforcement personnel in the new Member states still lack the necessary knowledge, experience and language skills to make them equal partners in an all-European law enforcement system.

Links

- Time-saving overviews: [Interview with Neil Kinnock on recruitment for enlargement and preventing corruption](#)

Official documents:

- Commission: [OLAF Co-operation with the new Member States](#)
- Council of Europe: [GRECO \(Group of States against corruption\)](#)

EU Actors' Positions:

- [Transparency International](#)
- [Transparency International: Corruption Perception Index 2003](#)

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