

Opinion of the European Economic and Social Committee on ‘fighting corruption in the EU: meeting business and civil society concerns’

(own-initiative opinion)

(2016/C 013/11)

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On 16 October 2014 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on:

Fighting corruption in the EU: meeting business and civil society concerns

The Consultative Commission on Industrial Change (CCMI), which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 15 July 2015.

At its 510th plenary session, held on 16 and 17 September 2015 (meeting of 16 September 2015), the European Economic and Social Committee adopted the following opinion with 184 votes in favour and one abstention.

1. Recommendations

1.1 The EU should develop without delay a **coherent and comprehensive 5-year anti-corruption strategy and accompanying action plan, endorsed by the presidents** of the European Commission, European Parliament and European Council. EU Presidencies and the EU institutions should **commit themselves to clear anti-corruption objectives in their programmes**, as well as in interinstitutional cooperation. They should have a forward-leaning agenda and focus on cross-cutting anti-corruption issues within the EU and in the EU’s external relations, on increased support to the Member States and enhanced transnational cooperation, on improvement of the integrity of the institutions and on protecting the EU’s financial interests. **Promoting transparency and preventing corruption** should be core objectives in all EU policies. The strategy should take into account the recommendations in this opinion.

1.1.1 **The first priority should be to support the Member States in their efforts to implement and enforce** existing national, European and international instruments.

1.1.2 **Progress on the strategy should be reviewed** as part of the European Semester exercise, taking into account the Commission’s anti-corruption reports and regular surveys. The prevalence of corruption should also be taken into account in EU monitoring of how the rule of law is upheld in Member States, and specifically addressed as part of the conditionality of economic support programmes agreed with Member States and third countries.

1.2 **Enhanced and inclusive transnational anti-corruption cooperation** should be the key concept of the strategy.

1.2.1 The European Commission and EU Member States should **strengthen transnational anti-corruption cooperation** in the context of the renewed EU Internal Security Strategy 2015-2020 (COM(2015) 185), **enhance coordination** among the relevant bodies (OLAF, Eurojust, Europol, Ombudsman, Court of Auditors) and **ensure effective management** of the European Anti-Corruption Network (EACN). They should **expand exchange of best practices** and **enhance coordination and cooperation between national public prosecutors** in cross-border criminal cases, for example in the recovery and repatriation of criminal assets.

1.2.2 The European Council has a **key leadership role** and can spur fighting corruption by:

— initiating programmes to **promote awareness and education in the Member States concerning the value of integrity in society and the economy**: the nature and extent of corruption in politics, the judiciary and public administration; the role of corruption in the repression of media freedom, the spread of organised crime and the erosion of competitiveness; and to open a substantive debate about the future of democratic governance in Europe,

- encouraging and introducing **enhanced measures to prevent corruption**; also initiating in this context actions to review and promote the implementation of the UNCAC within the EU (in line with UNCAC/Article 63 and Resolution 3/1),
- **stepping up efforts to harmonise national criminal legislation**, where this has become a barrier to effective investigation and prosecution of corruption cases. Particular attention should be paid to the **harmonisation of definitions of corruption** and conflicts of interest. This could be achieved preferably through EU legislation or through the 'Open Method of Coordination' with the aim of detecting legislative outlines that could guide Member States,
- adopting, without delay, the regulation to **establish a European Public Prosecutor's Office (EPPO)** and the renewed regulation concerning **Eurojust**.

1.2.3 **The Tripartite Social Summit** should, based on Articles 152-155 TFEU, consider how the social dialogue at both horizontal and sectorial levels could contribute to the efforts to prevent and combat corruption.

1.2.4 Based on Article 11 TFEU, **the consultation and participation of civil society** and of the **European Economic and Social Committee and the European Committee of the Regions** concerning engagement in EU anti-corruption initiatives should be enhanced.

1.2.5 The EU institutions and the relevant bodies should, in cooperation with Member States, step up actions to **raise public awareness** of how citizens can become involved in the fight against corruption, highlighting the rights and redress available under EU law. An information campaign aimed at mass media outlets would be needed, for example to make clear the channels available to citizens to report suspicion of corruption and the misuse of EU funds. This should go hand-in-hand with greater transparency about how EU funds are spent.

1.3 The EU should, in addition to legislative measures, initiate and support alternative measures to **promote the adoption and implementation of codes of conduct and standards on compliance and anti-corruption, particularly bribery, in individual companies**, in line with international, sectorial and European instruments and guidelines. The concept of transparent and inclusive involvement of relevant stakeholders, including employees, should be part of the implementation of an ethical code (also including adequate provisions about whistle-blowing) by the individual company. Companies worldwide should be required to have an anti-corruption management system in place to be selected for projects which receive EU funds.

1.3.1 The EU should also use the renewal of the EU Corporate Responsibility Strategy to examine, with the assistance of business, social partners and commercial associations, how best practices in corporate governance and ethics can be widely disseminated.

1.3.2 The recent non-financial reporting directive which requires large EU companies to report on their compliance and ethical standards is welcome. It should **encourage companies to ensure that anti-corruption standards including adequate alert mechanisms are upheld throughout their supply chain** and that proportionate measures are also adopted by small and medium-sized enterprises.

1.3.2.1 This concerns particularly the supply of natural resources which is a frequent source of vulnerability for corruption. The EU can build on best practices in the forestry sector and regulatory approaches to conflict minerals in the US. The European Commission should, in this context, ensure a consistent approach in the review of its raw materials strategy. It should also work with European-level business representatives to develop a coherent and consistent approach to eradicating corruption in the supply chain.

1.4 The European Commission should again **review public procurement** directives, specifically to see how the transparency and soundness of the procedures can be improved. It should proactively monitor how existing provisions on **preventing conflicts of interest and favouritism** are implemented by Member States (also at regional and local levels) and provide more detailed guidance where necessary. Public procurement rules should cover all companies regardless of origin.

1.4.1 The European Commission should ensure that there are appropriate channels for reporting corruption in public procurement procedures at national and local level, and allow better possibilities for seeking redress — also by players other than those who are directly affected. The EU and the Member States should promote a **high degree of transparency** in these procedures. It is appreciated that e-procurement will become the standard. Awareness should be raised of the fact that information relating to the tender process and the winning contracts is available on the electronic EU platform TED (Tenders Electronic Daily) in formats that are easily accessible and analysable.

1.4.2 Companies bidding for public procurement contracts should provide information about their ownership, including the beneficial owner of the company. Large companies bidding for contracts should **have in place a robust anti-bribery and anti-corruption code** (in line with international, European and sectorial instruments/guidelines) Disclosure of information should respect the protection of trade secrets (re. EESC's opinion INT/145) and should not be hampered by differences in national data protection legislation.

1.4.3 The use of sanctions with, as the ultimate sanction, the **debarment from public procurement tenders** for a proportionate period of time, as well as equivalent measures for persons in the public sector, should be encouraged by the EU as a deterrent against corruption. The European Commission, the European Investment Bank and EU Member States should create an EU-wide cross-debarment system to integrate European-level and national-level debarment systems and ensure corrupt persons are prohibited from participating in public tenders in the EU, as provided for in the new EU procurement directives (2014/24 and 25). Persons in the public sector should have to face equivalent consequences. Such debarment should be considered above all in cases when a company has been convicted for wrongdoing or has neglected to **put in place preventive anti-corruption measures**. The system should make allowances for companies who have carried out reforms and taken appropriate steps to prevent corrupt acts from occurring ('self-cleaning'). The use of 'integrity pacts' — commitments by public authorities and business to heightened standards of transparency and integrity in public procurement — should be promoted. Stricter attention to ethical behaviour and obedience in state-owned companies and public administration, both at national and regional/local level is required.

1.5 The EU should **improve the transparency of financial flows** across the EU. Recent legislation to improve the transparency of corporate ownership as part of the fourth Anti-Money Laundering Directive is welcome, but there is a **need for public information** on the beneficial owners of trusts and other corporate vehicles. Transparency of international financial flows would be improved above all through enhanced corporate reporting, based on international sectorial guidelines and relevant EU legislation that would require multinational companies to report key financial data in the countries where they operate.

1.5.1 The **compliance of banks** with applicable EU legislation should be improved. The European Commission and the European Banking Authority should in this context take a more active role in ensuring that weaknesses in the implementation of the rules in one Member State do not weaken the overall system. The European Commission should also use its competences to harmonise criminal sanctions in this area to ensure that there are properly dissuasive sanctions in all EU jurisdiction. Member States should also be guided to establish a criminal offence for intentionally committed **illicit enrichment by a public official**, as stated in Article 20 of UNCAC.

1.6 In many cases, exposure of corruption is dependent on the willingness of whistle-blowers to come forward, provided this is done in good faith and on reasonable grounds. The European Commission should seek alternative ways to **promote the protection of whistle-blowers**, undertake a study on the feasibility of EU-level instruments, possibly a regulation or directive, taking account of international sectorial guidelines and the relevant European Parliament resolutions. Respecting privacy and trade secrets should not prevent the exposure of corruption (Directive 2013/36/EU (CRD IV)). Appropriate safeguarding provisions should be in place to protect relevant parties against incorrect whistle-blowing.

1.7 The distribution and **spending of EU taxpayers' money** via the EU's structural and investment funds (including EFSI) present risks for misuse, as evidenced by experience and research. Fraud is often linked with corruption but investigation is hampered by weaknesses in cooperation between the EU and the national authorities. The EU should take a more prominent role in the monitoring/auditing of the use of the financing based on **the concept of non-tolerance of corruption and fraud. The European Public Prosecutor's Office (EPPO)** should be set up as an independent and efficient European office having appropriate resources to investigate and prosecute not only crimes affecting EU finances, but also serious cross-border offenses such as corruption, as laid down in the Lisbon Treaty. Eurojust's capabilities should also be strengthened as third states not covered by EPPO are occasionally involved.

1.8 The EU should step up its **participation in anti-corruption efforts on the global stage**. It should include **strong anti-corruption provisions in agreements** with third countries. There should be strict conditionality provisions in financing programmes (pre-accession, neighbourhood, development cooperation funds and overseas aid, etc.) in relation to tackling and preventing corruption (also to protect the funds themselves). Robust mechanisms to monitor implementation and effectiveness must be in place.

1.8.1 Measures to efficiently protect, both in the Internal Market and on the international stage, EU companies which observe ethical standards against third-country competitors which neglect such provisions, should be taken. One of the elements of protection should be that 'contract conditions should be drafted in such a way as to fairly allocate the risks associated with the contract' (recital 65 of CEF Regulation (EU) No 1316/2013). This principle should be included in the text of all EU instruments dealing with EU funding.

1.8.2 The EU should also strengthen efforts to **prevent its financial system from becoming a safe haven for dirty money**. Events for instance in Africa, the Middle East and Ukraine in recent years have demonstrated the inadequacy of bilateral approaches to the recovery and repatriation of stolen assets. The European Commission should take a more active role in providing assistance and coordinating the return of stolen assets to these countries.

1.9 The **EU institutions themselves must ensure they are a beacon of transparency, integrity and good governance** in a way that sets the standard for its Member States. Only in this way will the EU institutions have the authority and credibility to initiate, guide and implement the measures set out above. To this end, the institutions should **aim for maximum accountability and transparency** of the decision-making process, which would include the creation of a 'legislative footprint' for EU legislation and policies — i.e. a public and timely record of interaction between EU institutions, the Member States and lobbyists — as well as legislation about mandatory registering of lobbying in EU.

1.9.1 The EU should also be consistent and proactive in **monitoring and preventing conflicts of interest**, as they can sway decision-making. Independent ethics committees with the power to issue binding recommendations and sanctions should be established. Further reforms should be set out in the 5-year action plan referred to in recommendation one and taking into account the conclusions of the Commission's and OLAF's anti-corruption reports.

1.10 The **EESC should** take purposeful actions in contributing to fighting corruption in the EU:

- raising awareness in civil society as follow-up to the opinion,
- involving itself in the relevant public-private dialogue concerning corruption, as desired by the Commission,
- addressing the fight against corruption and fraud in forthcoming opinions and considering additional opinions, including opinions on sector-specific corruption,

- initiating the issue in the cooperation with national ESCs and contacts with stakeholders, as well as in the EESC's external activities,
- assessing the revision of the internal EESC Code of Good Administrative Behaviour and of the Code of Conduct for EESC members, including the introduction of internal rules about whistle-blowers,
- promoting regular cooperation in the field of anti-corruption efforts with the EU institutions (the European Parliament, the European Council, the European Commission), with relevant agencies and with the Committee of Regions,
- establishing an anti-corruption monitoring group.

2. Description of corruption

2.1 Corruption is commonly defined as 'any abuse of power for private gain', inspired by UNCAC. The opinion has this definition as its point of departure.

2.2 Corruption is widespread globally. **Corruption in Europe is estimated to cost the EU's taxpayers approximately EUR 120 billion per year** (excluding fraud of EU public money) which almost equals the EU's overall annual budget, representing one per cent of the EU's GDP. There are significant differences in corruption between the Member States. In many of them corruption penetrates all layers of public and private life. The European Commission mentions in the introduction to the 2014 EU Anti-Corruption Report 'Corruption seriously harms the economy and society as a whole The Member States of the EU are not immune to this reality. 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.'

2.3 **Corruption has many faces.** It can be classified as public sector corruption, private sector corruption and political corruption, depending on the sector in which it occurs. Corruption always involves at least two consenting players in the illegal act.

2.3.1 Typical examples of corruption are acts of bribery, both in its active and passive form, including the offering, giving and accepting or soliciting of an advantage as an inducement for a legal, illegal or unethical action, which can take the form of gifts, loans, fees, facilitation ('side') payments, rewards ('kick-backs') and other advantages such as reduced taxation, visas, services, sponsorship and donations. Corruption is in many cases linked to other illegal practices, such as price-fixing, bid-rigging, money-laundering, illegal enrichment, blackmailing and fraud. It is also present in less tangible transactions such as favouritism and nepotism in appointing public officials, influence peddling and trading in favours, clientelism, unethical immunity, amnesty and privatisation practises, bribing judicial and police authorities, funding of political parties, rigging electoral campaigns. Unregulated or poorly managed conflicts of interest can lead to corruption, for example lucrative positions in companies offered without 'cooling-off' periods to former public officials ('revolving doors').

2.3.2 All this unethical and illegal activity is facilitated by a number of factors. This includes legal impediments (immunities for elected officials and statutes of limitations); the absence of international standards, codes of conduct, ethical guidelines and adequate alert mechanisms; the lack of transparency around public decision-making and how this is influenced, for example lack of disclosure by elected or appointed public officials of outside income and activities, or of opaque meetings with persons aiming at influencing such decisions.

2.3.3 Corruption is often connected with the informal economy and with organised crime. In its 2013 Serious and Organised Crime Threat Assessment (SOCTA), Europol identifies an estimated 3 600 organised crime groups and networks currently operating within EU borders, increasingly infiltrating all aspects of the economy.

2.4 **Corruption is perceived to be a major and increasing transnational problem across the EU and internationally.** Corruption does not stop at national borders.

2.5 In June 2011, the **European Commission** took an important step to address and tackle corruption in Europe by adopting a comprehensive anti-corruption package. It established an **EU anti-corruption reporting mechanism**. In February 2014, the first EU Anti-Corruption Report — COM(2014) 38 final — was published. Further reports are intended to be issued every 2 years. This first report **aims at launching a wide stakeholder debate, including civil society to support anti-corruption efforts and to identify ways in which European institutions can help to tackle corruption**. The concept of ‘participation of society’ is inspired by Article 13 of UNCAC.

2.5.1 The report addresses corruption problems specific to individual Member States and underlines generally that the Member States should strengthen their efforts to tackle corruption, as they insufficiently transpose, implement and enforce provisions of international and European relevant instruments.

2.5.2 Two **Eurobarometer perception surveys** were published alongside the report: (a) the Special Barometer on Corruption and (b) the business-focused ‘Flash survey’.

2.5.2.1 Main snapshots of the surveys are as follows, where all ratios refer to the number of EU citizens/companies having responded to the survey:

- **three quarters of EU citizens think that corruption is widespread in their own country**. In ten Member States, the figure is higher than 90 %,
- **more than half of Europeans think the level of corruption has increased over the past 3 years**,
- **three quarters of Europeans say that bribery and the use of connections is often the easiest way of obtaining certain public services** (for instance in medical and healthcare) **in their countries**,
- **more than two thirds of Europeans think that corruption exists in the EU institutions, and over half of them think the institutions do not help to reduce corruption in Europe**,
- **about half of the companies think that corruption is a problem for doing business**. State-owned companies and the public sector, including taxation and customs authorities appeared particularly vulnerable,
- **more than half of the companies note that corruption in public procurement is widespread** due to conflicts of interest, non-transparent practices and favouritism. Public procurement for projects and contracts in urban development, infrastructure, construction and healthcare is identified as especially vulnerable to corruption at all levels.

2.6 An OECD report in December 2014 shows that the scale of **foreign bribery** remains unacceptable high. It describes over 400 cases in 2009-2014 of bribing foreign public officials. The bribes were 11 % of the total transaction value on average and in many cases linked to public procurement. Two thirds of the cases occurred in four sectors: extractive, construction, transportation and storage, information and communication.

2.7 As regards efforts to protect the **EU’s financial interests (taxpayers’ money handled by EU)**, in 2013 there were 16 000 cases of **irregularities reported (approx. EUR 2 billion) in the use of the EU’s funds**, of which 1 600 cases (EUR 350 million) were fraudulent. Since 2009 the number of reported irregularities has increased by 22 % and the value by 48 %. Falsification of documents (probably often linked to corruption) was the main source for this behaviour. The EU Court of Auditors noted in its Annual Report for 2013 **misuse or errors of around 5 % of the granted EU funds**, above all in regional policy, energy and transport, agriculture, environment, fishery and health.

3. International instruments against corruption and bribery

3.1 In addition to their own national anti-bribery and anti-corruption legislation, EU Member States are party to a number of international conventions and treaties, as well as complying with the relevant EU legislation. Each of these conventions has its own monitoring procedures in place, usually involving some form of peer review.

3.2 The most important international instruments and mechanisms to fight corruption are:

- United Nations Convention against Corruption (UNCAC),
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions,
- Council of Europe 1999 Criminal Law Convention on Corruption; Civil Law Convention on Corruption).

3.3 The EU's most important legal instruments against corruption are:

- Article 83(1) TFEU which provides a mandate for EU to address serious crime (mentioning among others corruption) with a European or cross-border dimension,
- Article 325(4) TFEU which provides a legal basis for all necessary measures to fight against fraud affecting the financial interests of EU,
- 1997 Convention on the fight against corruption involving officials of EU and EU Member States,
- Framework Decision (2003/568/JHA) on combatting corruption in the private sector.

3.4 UNCAC is the most comprehensive of the international conventions, All EU Member States have ratified the convention and the EU is also a signatory.

3.5 The EU has adopted directives, communications and framework decisions which mainly establish minimum standards and address matters which relate to the fight against corruption and fraud: tax fraud and tax evasion, money laundering, corporate social responsibility, reporting on non-financial transactions, corporate governance, public procurement and auditing. The EESC has issued opinions on these EU initiatives on a regular basis.

3.6 The EU has also introduced anti-corruption and anti-fraud provisions in its funding programmes — both internal and external (including cohesion, regional, agriculture, enlargement, neighbourhood and development policies).

3.7 As a first measure to protect law-abiding EU companies working in third country markets, the principles contained in Recital 65 of the CEF Regulation (EU) No 1316/2013 and Rule 3.24 of the EBRD 'Procurement Policies and Rules', asking for fair allocation of the risks associated with the contract, should be included in the text of all EU instruments dealing with EU funding.

3.8 The European Commission has since 2011 implemented, based on Article 325 TFEU, a comprehensive **anti-fraud strategy** CAFS (COM(2011) 376) to improve the entire anti-fraud cycle — prevention, detection and the conditions for investigations of fraud and to achieve adequate repatriation and deterrence, with dissuasive sanctions. Commission services have developed sectorial anti-fraud strategies. The draft directive (COM(2012) 363) on the fight against fraud to the EU financial interests by means of criminal law (PIF) is also of relevance.

4. Self-regulation — ethical codes concerning corruption and bribery

4.1 **Self-regulation has an important role in fighting corruption and bribery.** Companies are increasingly including corporate responsibility, compliance and corruption prevention as part of their overall policy and management. The ethical codes of individual companies are mainly based on international, sectorial guidelines and are also supposed to implement related EU standards (reporting non-financial information, corporate social responsibility etc.). The core objective with a company code is to promote ethical behaviour in all of the company's activities, to commit all stakeholders and to implement it in a transparent and inclusive way, addressing it also in the context of the social dialogue.

4.2 Core **international guidelines** and mechanisms, describing the principles for companies to avoid corruption and bribery and to spur ethical behaviour and transparency are:

- ICC Rules on Combatting Corruption, Guidelines on Whistle-blowing, Handbooks etc.,
- UN Global Compact: 10 principles against corruption and the accompanying guidance on reporting,
- OECD Guidelines for Multinational Enterprises: Recommendation seven on ‘Combating Bribery, Bribe Solicitation and Extortion’,
- ISO 37001 standard on ‘Anti-Bribery Management Systems’ (under work, ISO PC/278),
- World Bank Group Anticorruption Guidelines,
- Global Reporting Initiative (GRI, GR4),
- Transparency International’s Business Principles for Countering Bribery etc.

Guidelines by industry on EU level — for instance the European construction industry (<http://www.fiec.org>, including relevant guidelines and joint statements), extractive industries (www.eiti.org) — are of core relevance in the sectors concerned. The same goes for national guidelines (for instance the German Sustainability Code, Danish Industry’s Guidelines) which are considered to have a substantial role in the guiding of companies’ behaviour.

4.3 The European Parliament and the Commission have adopted their own internal ethical guidelines to complement the obligations of civil servants flowing from the EU Staff Regulations, including a code of conduct for European Commissioners and a code of conduct for Members of the European Parliament providing guidelines on how to deal with gifts and donations, other financial interests and conflicts of interest. The EESC has adopted similar codes.

5. Observations as regards business’ and civil society’s concerns

5.1 The situation concerning **corruption** and fraud of public funds **within the EU is unacceptable**. The consequences are felt keenly by civil society and business. Corruption brings additional costs for consumers and an uncertain environment for companies observing ethical standards. The EESC notes with displeasure the widespread corruption and fraud in the EU’s Member States, as well as the weak political commitment of governments and local authorities to fighting corruption effectively, including insufficient implementation and enforcement of existing international, European and national instruments.

5.1.1 Citizens, social and economic players, regardless of where they live in Europe are entitled to live in a transparent and fairly governed society based on rule of law. The financial and euro crisis has led to increasing criticism among citizens of flagrant corruption and **to a fading trust and the citizens’ loss of confidence** in democratic governance at EU level, and thus to spreading **Euroscepticism**. **Civil society expects** that the EU and the Member States enhance their efforts in fighting corruption and fraud. Decision-makers must convince that they are acting in the public interest.

5.2 The **EESC engages itself** for these reasons in the efforts to tackle the problem. It **responds** to the European Commission’s desire that civil society be involved in the fight against corruption; the opinion’s main objective is to **contribute** to the Commission’s next anti-corruption report (in 2016), as well as to take its share in **raising awareness**, spreading information, and promoting transparency.

5.3 **Corruption is not only a matter of integrity and ethics but also of economics since it damages the licit economy** — fair circumstances and conditions for trade, investments and competition — and thereby affects growth and competitiveness. World Bank and World Economic Forum data show that economic competitiveness is closely correlated with a government's ability to control corruption. Studies have shown that control of corruption in the EU is strongly correlated with ease of doing business, as well as the negative impact of corruption upon private investment.

5.3.1 Corruption adds costs to business as 'clean' companies risk losing contracts in a corrupted environment. It thus hampers the efficiency of the internal market and could thereby have a damaging impact on efforts to achieve the goals of the 2020 growth strategy and to improve Europe's global competitiveness — thus weakening possibilities to improve employment and wellbeing in Europe, as well as the competitiveness of EU companies operating abroad.

5.3.2 **Companies with a good anti-corruption track record attract investors.** The image of the corporate world is at stake when a company is found guilty of bribery and corruption. It not only damages its own reputation but also sheds a negative light on business as a whole. The administrative and financial burden for business, in particular SMEs, should however also be taken into account in the provisions about compliance with anti-corruption legislation and reporting requirements.

5.4 The media reports regularly about **corruption at the highest level** in many Member States as well as elsewhere in the world. **Political corruption** (for instance linked to appointments, bribes and the funding of political parties and electoral campaigns, the rigging of sport events), above all **when judicial and police authorities are involved is perceived among citizens as most seriously damaging for society.** An end must be put to this practice, as well as to the widespread practice of **'under the table' payments** in many Member States which affect the daily life of citizens. These phenomena in society seem to be based on a change in the perception of legality. This must be addressed: citizens have the right to rule of law, good governance and public services, clear of corruption. A change in attitude is needed and a culture of transparency should replace a culture of corruption where it exists. This should basically be tackled by legislation and as part of fostering and education.

5.5 The EESC **supports the anti-corruption measures and recommendations by the European Commission**, the EU's anti-fraud efforts, as well as the European Parliament's actions, in particular Action-Plan 2014-2019 to tackle organised crime, corruption and money-laundering. In addition, the recommendations in the reports by the Council of Europe's Group of States against Corruption (GRECO), the UN, OECD and ICC are indispensable and should be taken into account in the strengthening of the anti-corruption policies and activities of the EU and its Member States.

5.6 The strongly intertwined nature of the economies of the Member States and the growing scale and speed of cross border money flows increase the risk of spreading corruption within the EU. Corruption has **become a transnational phenomenon** and it can no longer be seen as only a matter of national criminal law. It could be compared with an infectious disease to which nobody can automatically be considered to be immune; it needs purposeful health care. Today's fragmented approach must be replaced by a more coherent approach to achieve significant progress. The Commission's reports should adequately address this dimension: **Anti-corruption measures must be designed and implemented in the context of an increasingly integrated Europe and globalised economy.**

5.6.1 **Fighting corruption must therefore be put at a higher place on the EU agenda;** the EU should take a more prominent role to promote transparency and safeguard the integrity of the internal market, external relations and the EU institutions and spending. **A stronger focus on fighting corruption is needed in all relevant EU policies**, both internal and external. Business and civil society expects this development and **the opinion draws attention to the need for effective leadership and coordination by the EU.** The EU has the potential to use its political weight to promote an EU-wide area based on integrity and high anti-corruption standards.

5.7 Nothing less than an **explicit undertaking** — a European anti-corruption pact to achieve a credible and comprehensive strategy — is needed. It must be **managed ‘from the top’** and engagement of all relevant stakeholders at EU, national and local levels is needed in this endeavour.

5.8 The **Member States are on the frontline** in the fight against corruption and fraud. Implementation of robust anti-corruption measures is their responsibility (above all robust legislation and a functioning anti-corruption authority to tackle corruption in political and judicial governance, and organised crime), as well as their proactive participation in transnational cooperation and in raising public awareness about fighting corruption and fraud.

5.8.1 **Engagement of civil society**, including business, business associations and social partners in the national anti-corruption efforts would be important, above all with the objective of **raising awareness and offering guidance** on how to avoid corruption, fraud and bribery. Individual companies’ and authorities’ behaviour is, in this context, of core relevance. National arenas, for instance the **OECD’s National Contact Points** and **Transparency International’s advocacy and legal advice centres (ALACs)** would also play a significant role in national anti-corruption efforts. The **media** should acknowledge its profound role and responsibility in raising public awareness about corruption and anti-corruption efforts in the Member States.

Brussels, 16 September 2015.

The President
of the European Economic and Social Committee
Henri MALOSSE
