



PARLIAMENTARY ASSEMBLY OF THE MEDITERRANEAN
ASSEMBLEE PARLEMENTAIRE DE LA MEDITERRANEE
الجمعية البرلمانية للبحر الأبيض المتوسط

1st Standing Committee on Political and Security related cooperation

"Strategies to Combat Public Sector Corruption in the Mediterranean"

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Report unanimously adopted during the 8th PAM Plenary Session in Marseille, 21 January 2014

1. Corruption is a longstanding and widespread phenomenon, which is deep-rooted on a global scale. The Mediterranean region is affected by high levels of corruption. According to Transparency International, corruption is wider spread in 16 out of 23 Mediterranean countries, and the average level of corruption in the Area is far from acceptable. Several cases of large scale corruption have recently emerged on the press among Mediterranean countries, pointing at the pervasiveness of the phenomenon. These scandals seem to be only the tip of the iceberg of a reality that is deeply embedded in both the private and the public sectors throughout the Mediterranean.

2. Corruption's socio-economic effects are widely acknowledged and condemned. Leading scholars Gray and Kauffman (1988) argued that Corruption is the single most relevant obstacle to international economic development, an argument which is still valid today. On these grounds, the need to tackle this plague has become more and more evident, and action has been taken throughout the world to effectively fight corruption. Within this context, the purpose of this report is to review some corruption issues currently affecting the Mediterranean region, and to suggest what parliamentary diplomacy can do in order to facilitate and promote the eradication of corruption in the area.

DEFINITION

3. A commonly agreed definition of corruption is the "misuse of public authority for personal gain, or to benefit family and friends"¹. Corruption is a complex phenomenon, and it can be divided into two broad categories: grand corruption, when it involves high public officials such as government representatives, and administrative or petty corruption, when the bribes are paid by the public to civil servants. Both have damaging socio-economic effects. The most frequent example of corruption is bribery, that is the payment made to public officials in return

¹ World Bank, "World Development Report 1997" (New York, 1997).

of a favour of some kind, often a contract in the case of firms. This phenomenon takes an international dimension when foreign public officials are paid by transnational corporations.

4. When dealing with corruption, it is often difficult to distinguish between the victim and the criminal, as both the bribe payer and the recipient benefit from the transaction. Generally speaking, the victim is often also to be found in a third party, that is the community at large.

5. There is a cultural element further complicating the recognition of corruption. Bribes can in fact be considered by some as a traditional expression of gratitude, or as a necessary lubricant in everyday practices. Especially in developing countries, corruption is also explained in terms of culture and custom, with frequent reference to gift giving. However, such cultural explanations can no longer be tolerated in an international context, and it is unanimously agreed that no cultural custom can justify the misuse of public authority for private gain.

Measuring Corruption

6. A widely cited measure of corruption is the Corruption Perceptions Index (CPI). The CPI is created by an international non-governmental organization called Transparency International. This index is essentially an aggregated, standardized "poll of polls" of experts, international business people, and citizens of each country covered by the survey. A country's score indicates the perceived level of public sector corruption, where 0 means that a country is perceived as highly corrupt and 10 means that a country is perceived as very clean. A score under 5.0 CPI is considered to point at serious corruption.

NEGATIVE OUTCOMES OF CORRUPTION

7. Corruption has been considered problematic on ethical grounds for a long time throughout the world; yet it is only recently that analysts have started to point at its economic drawbacks. Corruption has been shown to be economically problematic, at both a private and public level, because of its costs and effects on economic development.

8. The World Bank Institute (WBI) has estimated that Corruption is a very large industry involving the illicit flow of huge amounts of money (estimates are of above 1 trillion USD per year) from private firms to public officials.² This wealth is directly subtracted from society and finds its way in the bank accounts of public officials, with heavy consequences on the country's national income and standard of living.

9. But the damages corruption inflicts upon society are not confined to those of theft. To start with, high levels of corruption reduce trade, as consistent corruption practices discourage

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<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20190187~menuPK:34457~pagePK:34370~piPK:34424~theSitePK:4607,00.html>.

foreign investment and trade. When foreign investments are diverted away from the domestic economy the development and wealth of the state at issue can be seriously harmed.

10. Furthermore, corruption distorts the way the government uses its money, lowering the quality of the services it provides, and if bribe substitutes competition in the market, overall efficiency is worsened.

11. Bribery also affects equity. An example is tax payments, a mechanism to preserve equity. If the wealthy resolve to bribery to avoid fair taxation, taxes will be levied from fewer taxpayers with a negative effect on the economy. This would ultimately undermine tax and social security revenues, which have economic consequences by curbing a country's economic growth

12. All of this goes to the detriment of public good. Corruption undermines growth and contributes to poverty, it violates democracy and freedom: it is a major impediment to the achievement of the changes necessary for political, social and economic development.

ELEMENTS PROVIDING SPACE FOR CORRUPTION

13. The extent of corruption varies among the Mediterranean countries, because corruption operates within cultural and political context. There are a number of factors, depending on the qualities of a country's institutions, which can favour the pervasiveness of corrupt behaviour. While these factors are extremely complex to discern, the following section attempts at providing an account of the correlation between the level of corruption and several variables that might affect it. It will provide evidence to the argument that governance and democratic factors are strongly interrelated.

For a statistical overview of these correlations reference is made to Annex 1.

14. The first variables that will be put in correlation with the CPI are governance factors, broadly defined as the set of traditions and institutions by which authority in a country is exercised.

- α) The factor ***voice and accountability*** captures the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. It can be shown there is a relationship between high accountability and low corruption. The countries that differ the most from this trend are on one hand Italy, Greece and Albania, which have relatively high accountability with high perception of corruption. On the other hand, Turkey and Algeria have very low accountability compared to other counties in the Mediterranean with comparably public sector corruption.

- β) The factor *control of corruption* captures the extent to which legislation and its active implementation are in use to prevent and punish corrupted practices. There is a very clear relationship between high control of corruption and low levels of public sector corruption. The two countries that do not perfectly correspond to this correlation are Greece and Lebanon. Greece has high control of corruption but still experiences a high level corruption, and Lebanon has a very low level of corruption control in the regional comparison.
- χ) The factor *government effectiveness* captures the quality of public & civil services, policy formulation & implementation, and the degree of its independence from political pressures. On the whole, the measure of government effectiveness captures the credibility of the government. There is a strong relationship between high levels of government effectiveness and low level of corruption. However there is some data that falls outside the regression line. Firstly, Italy and Greece have highly corrupted public sectors despite high effectiveness ratio within the government. Secondly, Bosnia and Herzegovina and Mauritania have surprisingly low “government effectiveness” levels compared with their corruption index.
- δ) There is a correlation between the citizen’s level of *political rights* and the level of corruption in the public sector. Croatia registered the lowest correlation (in this linear regression) in the Mediterranean, due to its high perception of corruption. Moreover, Greece and Libya have higher levels of political rights compared with their respective corruption index. On the contrary, Algeria in the past had a lower level of openness in relation to its corruption index.
- ε) There is a relationship between *civil liberties* and the level of public sector corruption. However, Italy has the least correlation – with full civil liberties but very high public sector corruption, while Greece needs to further implement anti-corruption strategies. Two other countries that are out of the regression line are Israel and Turkey. Israel is in the lower end of the "free category" despite having the least corrupt public sector in the MENA region. The correlation shows that Turkey must assume its responsibility to improve civil rights, due to the fact that the level is too low in this regional comparison, in relation to the corruption perception index.
- φ) The variable of *open government*, which is essential to the rule of law. It involves engagement, access, participation, and collaboration between the government and its citizens, and plays a crucial role in the promotion of accountability. Requesting information from public authorities is an important tool to empower the citizens. Transparency is promoted as one of the most important medicines against corruption. A transparent institution is one where people outside or inside the institution can acquire the

information to form opinions about actions within the institution.³ However, an “open government” is far more than transparency, and encompasses elements such as: clear laws, official drafts of laws available to the public, and the availability of official information.⁴ There is a clear link between high levels of *open government* and low levels of corruption in the public sector. France has still steps to take to reduce its corruption level, to match the openness they have towards their citizens (France is the least corrupt country in the Mediterranean). On the contrary, Turkey must improve its transparency to the public to keep up with the parallel process to reduce its corruption levels in line with G20 plan.

For a more in depth account of the correlation of variable factor with corruption in the Mediterranean states, refer to Annex 1.

THE MEDITERRANEAN

15. Cases of international corruption of foreign public officials are widespread on our press in the Mediterranean area, at both a national and regional level. The Foreign Corruption Practices Act (FCPA) blog reports several bribes crossing borders either from or to Mediterranean states.⁵ Notoriously, cases of corruption between two countries of the region have been recently uncovered: the most known in this regard is the one that saw leading figures of state owned firms from Italy and Algeria prosecuted on the grounds of corruption.

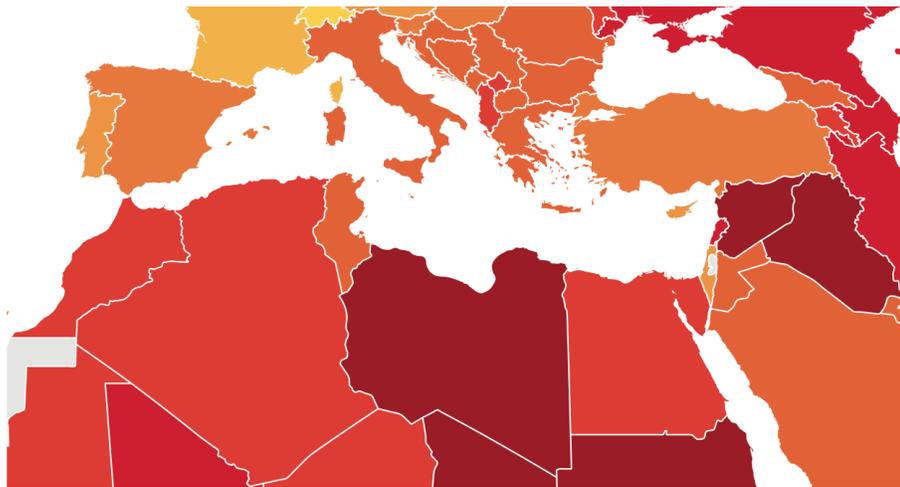
The following figure illustrates the level of corruption in the region, according to TI’s CPI.

³ Lindstedt, Catharina., & Naurin, Daniel. “Transparency is not Enough: Making Transparency Effective in Reducing Corruption”, in *International Political Science Review*. 31(3), 2010. pp. 302, 304.

⁴ [World justice project. “Factors: open government”](http://worldjusticeproject.org/factors/open-government). Retrieved 1 July 2013.

<<http://worldjusticeproject.org/factors/open-government>>.

⁵ <http://www.fcpablog.com> .



0-9 10-19 20-29 30-39 40-49 50-59 60-69 70-79 80-89 90-100

Public sector corruption (Transparency International “Corruption Perception Index 2013”)

Perception index 2013 (Mediterranean region)

Figure 7. Public sector corruption

<u>Country</u>	<u>Score</u>				
		Turkey	50	Greece	40
France	71	Croatia	48	Algeria	36
Cyprus	63	Jordan	45	Egypt	32
Portugal	62	Montenegro	44	Albania	31
Israel	61	Italy	43	Mauritania	30
Spain	59	BiH	42	Lebanon	28
Slovenia	57	Tunisia	41	Syria	17
Malta	56	Morocco	37	Libya	15

16. As the figure shows, the majority of Mediterranean states exhibit levels of corruption beyond average. Using the CPI, it is clear that the Balkan countries are associated with a high degree of perceived corruption (Albania is most corrupt); however, corruption in the MENA region is even greater, Israel aside. By contrast, the South Western European countries exhibit a lower level of corruption compared to the Balkans and the MENA: according to the CPI, France has the cleanest public sector in the Mediterranean.⁶ Thus there seems to be a clear-cut distinction between these three areas, both in terms of their level of perceived corruption and for what concerns their level of economic, political and social development.

SOUTH WEST EUROPE

⁶ Transparency International. “Corruption Perception Index”. Retrieved 2 July 2013. <<http://cpi.transparency.org/cpi2012/>>.

17. According to the CPI, South-Western European states are the ones in the EU with the highest perception of corruption, with Greece giving the worst performance. However, within the Mediterranean context this area has a comparatively lower level of corruption. Indeed, developed societies in West Europe have solid institutions and are characterized by strong administrative law traditions.

18. Yet, corruption related scandals have long agitated South-Western European countries. In Spain, popular party leaders have been investigated in 2013 for consistently receiving bribes from estate developers. Additionally, Spain has had a sharp drop of six points from last year's CPI score, as its politicians, royal family and companies continue to be embroiled in allegations of graft.⁷ In Italy, according to a Report by the Italian Finance Police (Guardia di Finanza) published on 1st December 2013 and quoted by the national media,⁸ the cost of corruption of public officers and employees amounts to 2.22 billion euro and fraud costs 1.35 billion euro each year (in 2013, charges were pressed against 5.073 civil servants). In France too, very large companies have been involved in trials for corruption of foreign officials. And this is just the tip of the iceberg.

19. The key weakness in South West Europe is the limited access to information (France excluded), despite the fact that laws ensuring access to information are in place in all these countries apart from Spain (a draft law is under consideration by the Spanish parliament). The main reason for limited access to information is that implementation is found to be poor in the majority of these countries. A movement of angry people in Greece, Italy, Portugal and Spain, known as the indignados took to the streets in 2011, outraged over the current high levels of corruption among politicians. The indignados claim that malpractice and corruption in Greece, Portugal and Spain, is neither sufficiently controlled nor sanctioned. In fact, only two per cent of civil servants have been subject to disciplinary procedures in Greece, despite the fact that the percentage of public officials involved in corrupt practices is believed to be much higher. Less than 5% of all corruption related proceedings end in a conviction in Portugal.⁹

20. Many states carry out controls on corruption. Some countries take in external control organisations, such in Spain (the Office of Inspection), or, such in Italy, established an independent anti-corruption agency (CiVit).¹⁰ France is one of the few countries that allow the

⁷ <http://blog.transparency.org/2013/12/03/cpi-2013-a-glimmer-of-hope-in-greece/>, Retrieved 11 December 2013.

⁸ http://www.corriere.it/economia/13_dicembre_01/denunciati-5-mila-dipendenti-pubblici-ecco-chi-sono-nuovi-falsi-poveri-04a008b6-5a58-11e3-97bf-d821047c7ece.shtml and http://www.tgcom24.mediaset.it/politica/2013/notizia/gdf-3-miliardi-rubati-allo-stato-tra-corruzione-e-truffe-dei-finti-poveri_2012755.shtml, Retrieved 1 December 2013.

⁹ Ibid. p.15.

¹⁰ CiVIT – The independent Commission for Evaluation, Transparency and Integrity of Public Administrations National Anti-Corruption Authority, http://www.civit.it/?page_id=6555, Retrieved 11 December 2013.

public to access internal control reports and other public information. France objective with this measure is to facilitate transparency and openness, in order to improve the relationship between the government and citizens.¹¹

21. In terms of the CPI, Greece is clearly an exception to be welcomed. The country's score rose four points in 2013 to 40, up from 36 in 2012. This is, inter alia, a result of a new anti-corruption strategy¹² formed and implemented by the National Anti-Corruption Coordinator. This new institution was first established in Greece under the provisions of Law 4152/2013. The National Coordinator's main tasks are in particular: a) formation of a national strategy to combat corruption at all levels of the public sector (political, governmental, judicial, administrative), b) the monitoring and evaluation of the implementation of this strategy and c) the coordination of all stakeholders involved in the implementation of the national strategy (for example, Ministerial Departments, Independent Authorities, Control and Prosecution Mechanisms, etc.). The National Coordinator enjoys administrative independence and reports directly to the Prime Minister. In the performance of his duties, the National Coordinator is supported by a) the Coordination Committee, which consists of General Secretaries of four Ministries, heads of Independent Authorities, heads of Control and Prosecution Mechanisms and the Public Prosecutor against Corruption and is chaired by the National Coordinator and b) the Advisory Body, which consists of specialists (professors, representatives of international organizations, etc.).

22. Several actions have been taken on a regional basis to overcome this phenomenon. The Council of Europe, for example, was the first organisation to adopt anti-corruption international standards for its member states. COE Resolution (97) 24 consists of principles, such as to (I) raise public awareness and promoting ethical behaviour, (II) protecting the persons who help the authorities in combating corruption and preserving the confidentiality of investigations, and (III) promote further specification of the behaviour expected from public officials – “codes of conduct”. These Council of Europe's standards are monitored by the Group of States against Corruption (GRECO). GRECO's main tones from 2012 onwards is change management of public officials, such as “conflict of interest prevention” and the “assets declaration system”.¹³

SOUTH EAST EUROPE

23. The citizens of the Western Balkan states perceive corruption as one of the main problems their countries are facing, an UNCAC (United Nations Convention Against

¹¹ *OECD*. “Trust in Government Ethics Measures in OECD Countries”. (Paris, 2000). p.56. Retrieved 1 July 2013. <<http://www.oecd.org/gov/ethics/48994450.pdf>>.

¹² <http://blog.transparency.org/2013/12/03/cpi-2013-a-glimmer-of-hope-in-greece/>, Retrieved 11 December 2013.

¹³ *Ibid.* pp.25ff.

Corruption)¹⁴ survey reports¹⁵. At the same time corruption is considered abroad as the main reason hindering these states' entry to the EU: the fight against corruption has been identified among the key challenges in the EU Enlargement Strategies for 2011, 2012 and 2013. In a survey released by UNCAC on the topic of corruption in the Balkans, by studying the actual experience of citizens rather than their perception, it appears that "one in six citizens of the region has either direct or indirect exposure to an act of bribery with a public official on a yearly basis"¹⁶.

24. The Governments of the region have ratified the UNCAC and the GRECO initiatives. The implementation of these Conventions has resulted in several legislative actions taken by the concerned states: all of them have started to set up effective legislation harmonized with international standards to criminalize corruption, although enforcement remains weak. For this reason, the European Union faces challenges in its overall approach to the South East Mediterranean in its effort to counteract corruption.

25. The first comprehensive step was to launch a "Stability Pact for South East Europe" (SPAI) in 2000, with the aim to abolish factors which are in favour of corruption.¹⁷ Other initiatives have further been set up in the region. For instance, the United Nations Office on Drugs and Crime (UNODC)'s regional program over the period 2012–2015 in South East Europe has undertaken a range of activities to confront corruption. With support of the EU, in-depth surveys on corruption have been conducted among the population and businesses community in the region. Support has also been offered on the implementation of the UNCAC.¹⁸

26. The Regional Anti-corruption Initiative (RAI) has dedicated its efforts to an anti-corruption agenda set up by its member countries (South East Europe), since its establishment in 2000. One of the priority areas for RAI work is "conflict of interest and declaration of assets".¹⁹ Part of RAI is also the "Integrity Experts Network" (IEN), which made all member states to form an institution solely focused on "integrity issues", in order to stop corruption and bribery.

27. Finally, the EU and the OECD have started a joint initiative named SIGMA (Support for Improvement in Governance and Management). The experts from SIGMA provide assistance to:

¹⁴ Background of the United Nations Convention against Corruption:

<http://www.unodc.org/unodc/en/treaties/CAC/>

¹⁵ United Nations Office on Drugs and Crime (UNODC), *Corruption in the Western Balkans: Bribery as Experienced by the Population* (New York: UNODC, 2011), www.unodc.org/unodc/en/frontpage/2011/May/corruption-in-the-western-balkans.html. The report was funded by the European Commission. The research area covered Albania, Bosnia-Herzegovina, Montenegro, Serbia, FYROM, and Kosovo.

¹⁶ Ibid.

¹⁷ *OECD: Anti-corruption network for transition economies*. "International Cooperation to Fight Corruption in South eastern Europe..." (Paris, 2005).

¹⁸ *UNODC: South eastern Europe*. Retrieved 1 July 2013. <<http://www.unodc.org/southeasterneurope/>>.

¹⁹ Regional Anti-corruption initiative: Secretariat for South eastern Europe. (RAI), and Integrity Experts Networks: South-Eastern Europe. "Rules and experiences on integrity issues". (February 2012). pp. 5,19.

EU accession countries; potential EU candidate countries; and to EU neighbouring countries around the Mediterranean, with the aim to, for instance, combat corruption by improving civil service management, the administrative legal framework and public governance strategy and reforms.²⁰

28. Despite challenges, Croatia shows that a post-Yugoslav country can join the EU and become the 28th member state, by making a series of bold decisions.²¹ On the other hand Albania's progress towards the EU has been slow since the country submitted a formal application. Repeatedly, Albania has been rejected to begin membership negotiations, because of the country's main problems, which are corruption and organised crime.²²

THE MIDDLE EAST AND NORTH AFRICA

29. Perception of Corruption is widespread in the MENA region, and Transparency International consistently ranks MENA countries below the world average, with some degrees of variation across countries.²³

30. Widespread corruption is affected by several governance factors consistently found throughout the area, which strongly affect corrupt behaviour. Among these, corruption is deeply rooted in the political infrastructure of the state (in the recent past mainly military dictatorships and totalitarian regimes); the institutional infrastructure of the public sector (typically very large, overstaffed with low salaries), and develops as a result of the relatively limited opportunities for public participation.

31. Several other factors that contribute to providing opportunities for corruption and encourage limited transparency in the region are instability and the prevalence of conflict. The interim government in Libya and the prolonged constitutional reform process in Tunisia and Egypt and the spill-over of the conflict in Syria have caused an uncertain political future in the region, thus favoring the arousal of corruption.

²⁰ *SIGMA* (Support for Improvement in Governance and Management) is a joint initiative of the European Union and the OECD. Retrieved 1 July 2013. <<http://www.oecd.org/site/sigma/about/>>.

²¹ *The Swedish Institute of International Affairs. (Ui.se).* Rappe, Elin. "Kroatiens EU-inträde – milstolpe för ökad fred och stabilitet i regionen?" (Translation: "Croatia's EU entry – a milestone for greater peace and stability in the region?"). 13 May 2013. Retrieved 1 July 2013. < <http://www.ui.se/blog/uibloggen/2013/5/13/kroatiens-eu-intrade--milstolpe-for-okad-fred-och-stabilitet-i-regionen.aspx>>.

²² *The Swedish Institute of International Affairs. (Ui.se).* Holmertz, Gert. "Gropig väg mot EU för Albanien".(Translation: " Bumpy road to the EU accession for Albania"). 15 April 2013. Retrieved 1 July 2013. <<http://www.ui.se/blog/uibloggen/2013/4/15/gropig-vag-mot-eu-for-albanien.aspx>>.

²³

http://archive.transparency.org/regional_pages/africa_middle_east/middle_east_and_north_africa_mena#sthash.jhQLRWX3.dpuf .

32. Heavy dependence on oil revenues also provides a fertile ground for corruption: indeed, oil companies work in a challenging compliance environment, where stakes are high and most deals involve a contract with public officials taking care of oil resources. The link between oil resources and corruption is corroborated by the number of cases reaching the news.

33. All countries exhibit weaknesses in terms of accountability and access to civil and political rights and political participation is less advanced in the Arab world than in other developing regions. Not a single country in the region figures in the top half of the world in terms of public accountability, as measured in terms of access to information or holding leaders accountable for their actions.

34. The extraordinary events of the Arab awakening have affected Egypt, Libya and Tunisia by giving a stronger voice to civil society. The demonstrations brought light to pervasive corruption at an elite level which also was one of the reasons to the revolts, apart from unemployment and economic factors.²⁴ The citizens demanded government accountability and political reforms.

35. Egypt, Libya, Tunisia and Morocco have ratified the United Nations Convention against Corruption (2000). However, written law is largely unattended due to high implementation gaps, and future progress depends more on political will than the creation of new laws, according to Global Integrity.²⁵ Strengthening the rule of law is essential for economic growth and development, which otherwise hinders businesses in establishing transparency in other environments. The World Economic Forum (2011) has confirmed that corruption is a problematic factor for doing business in the MENA region.²⁶

36. Several programs are at work in the region. Among these are the Arab Anti-Corruption Organization (AACO), the Arab Region Parliamentarians Against Corruption (ARPAC), the Program on Governance in the Arab Region of the United Nations Development Program (UNDP POGAR), and the joint CoE and EU program on Strengthening democratic reform in the Southern Neighbourhood. Another example is the UNODC regional program in the Middle East and North Africa, which is currently working at strengthening Egypt's complaint mechanisms against corruption.

MEASURES AGAINST CORRUPTION IN THE MEDITERRANEAN

²⁴ *The Swedish Institute of International Affairs. (Ui.se).* Bergquist, Lisen. "[Rättsstaten inget botemedel i sig](http://www.ui.se/blog/uibloggen/2013/6/13/rattsstaten-inget-botemedel-i-sig)"

(Translation: "The rule of law, not a cure in itself"). 13 June 2013. Retrieved 1 July 2013. <<http://www.ui.se/blog/uibloggen/2013/6/13/rattsstaten-inget-botemedel-i-sig.aspx>>.

²⁵ Ibid. p.5.

²⁶ Ibid. pp.5f.

37. Despite the fact that corruption has long and widely been regarded as immoral, the first effective action criminalizing corruption of foreign officials was taken by the USA in 1977 with the Foreign Corrupt Practices Act (FCPA). However, it is just in recent years that the world has acknowledged that corruption is a significant issue and has started to take concerted action against it. Nowadays, an increasing number of organizations and initiatives have been set up and are active on a global scale. The exponential and rapid increase in cases of investigation, prosecution, enforcement and fines undertaken against bribes justifies the statement that “we have entered the first serious international anti-bribery offensive in the history of humankind”²⁷.

As far as the Mediterranean Region is concerned, there exist different initiatives that aim to address the problem of corruption. For an extensive list of the different programs at play, refer to Annex 2.

Conventions:

38. Several anti-corruption conventions are in place, and many of them encompass different Mediterranean states. These conventions share important features: they all aim at setting international legislative standards for the prevention and criminalization of different types of corruption, and to provide mechanisms to foster their implementation at a national level. Transparency International summarizes the Conventions’ common role as follows:

- facilitate international cooperation in the control and sanctioning of corruption;
- provide internationally agreed reference points;
- create peer pressure on governments;
- provide civil society with a tool for holding their governments accountable;
- promote collective pressure on the private sector;
- provide for fora in which governments, and in some cases non-governmental actors, can meet to discuss corruption issues, align concepts and review anti-corruption efforts.²⁸

39. Most conventions are complemented by an intergovernmental follow-up mechanism that monitors and promotes, where necessary, the implementation of the agreement.

The Conventions at work in the Mediterranean are:

- **UNCAC** - *United Nation Convention against Corruption*
- **UNTOC** - *UN Convention against Transnational Organized Crime*;
- **AU Convention** - *African Union Convention on Preventing and Combating Corruption*;
- **OECD Anti-Bribery Convention** - *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*

²⁷ Wayne Sandholtz and Mark M. Gray: “International Integration and National Corruption” *International Organization*, Vol. 57, No. 4 (Autumn, 2003), p. 210.

²⁸

http://archive.transparency.org/global_priorities/international_conventions/conventions_explained#sthash.vUwU6UcM.dpuf.

- **CoE Criminal Law Convention and Protocol on Corruption**
- **CoE Civil Law Convention on Corruption.**

For more information, refer to Annex 2.

Regional and International Initiatives

40. Besides International Conventions, a number of initiatives are at play in the Mediterranean Region. Regional initiatives have been previously addressed: here, we will briefly account for the broadly international programs at work in the Mediterranean.

41. Transparency International (TI) is certainly one of the leading NGO in anti-corruption. Its primary goal is fighting corruption by raising public awareness on a global scale. TI regularly publishes a Corruption Perception Index (CPI), which has become the international standard to evaluate a country's perception level of corruption. Besides TI, many more NGOs and institutions are bringing their own contribution to the fight against corruption. For an exhaustive account of these organizations, please refer to Annex 2.

42. Other organizations working at the international level view anti-corruption as a top priority in their agenda. The WB and the IMF are among these. The G20, which also considers the eradication of corruption as a necessary step to fulfil its agenda, has worked at the implementation of an anti-corruption action plan for the period 2013-2014. The purpose of the action plan is to promote transparency and accountability in the public sector.²⁹ This should be done by using the UNCAC's review mechanism, involving the private sector and civil society in reviews that will be made accessible for the public. All G20 countries without whistleblower protection are furthermore required to implement whistleblower protection rules, ensuring that corruption can be reported without fear of harassment and legal action for reporting in good faith.³⁰

For a more inclusive list of the different initiatives at play in the Mediterranean, refer to Annex 2.

CONCLUSION

43. This report has highlighted the deeply rooted and all-pervasive character of corruption in the Mediterranean area. It has attempted to point at its large dimensions and harmful consequences, in order to prompt the necessity of an effective and concerted intervention to put an end to the corruption industry.

²⁹ *European Economic and Social Committee*. Rapporteur: Preciado, Moreno. "Civil society's role in combating corruption in the southern Mediterranean countries". No. REX/353 – CESE 1426/2012. (Brussels, 2012). pp. 3-4.

³⁰ G20. "G20 Anti-corruption action plan 2013-2014". pp.2f. Retrieved 1 July 2013. <<http://dialogues.civil20.org/node/301363>>.

44. Corruption has long been a profitable business. Historically, the revenues derived from bribes are high, whereas its costs for the bribe payer are low in terms of penalties. Economic incentives for bribery have therefore been consistently high. International anti-corruption initiatives are meant to disincentive rise the cost of bribery, both in terms of its economic (penalties) and social (public image) cost. Concerning the effectiveness of the international battle against corruption, Sandholtz and Gray state: “It has been noted that the ‘expected cost of bribery is the probability of being caught times the probability of being convicted times the punishment levied.’ Ten years ago, the expected cost was close to zero. Now, all three components of the expected cost equation have increased dramatically.”³¹

45. Yet, much work remains to be done. Conventions must be ratified by all countries, and actively implemented by their governments. Further action is needed apart from pressure from neighbouring countries, international organisations and citizen. A top-down transformation is needed in highly corrupted countries.

46. Pressure from the citizen has resulted in an effective method to bring about change in some North African countries. However the indexes in this report show that these countries face challenges in their transition process, thus, the post-Arab Spring countries have a long way ahead to reduce levels of public sector corruption. Strong laws are required to be implemented to enable an abolishment of informal laws created by cultural values that cause corruption to be an accepted phenomenon throughout society. Harmonising institutional reforms based on the rule of law and anti-corruption measures are necessary for the countries in the MENA area, in order to facilitate fruitful cross-border cooperation throughout the Mediterranean region.

47. Other actions could help the achievement of a Corruption free Mediterranean. This Report has argued that there is a positive relationship between levels of corruption and several political factors, such as voice and accountability, control of corruption, government effectiveness, political rights, civil liberties, open government. The fight against corruption cannot abstract from addressing these factors: the achievement of good governance, democracy and civil liberties is a fundamental step in the effort to overcome corruption.

48. The role of Parliamentary Diplomacy is largely consecrated to the achievement of economic and political integration through parliamentary dialogue. Its prerogatives allow it to be a major actor in the advancement towards international integration. Parliamentary diplomacy has a key contribution to put forward in the international fight against corruption; and PAM, as the main exponent of this type of mechanism within the Mediterranean region, has great scope for action in enabling and facilitating the regional anti-corruption effort.

³¹ Sandholtz and Mark M. Gray: “International Integration and National Corruption” *International Organization*, Vol. 57, No. 4 (Autumn, 2003), pp. 761-800.