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## THE FUTURE OF CORRUPTION BENCHMARKING IN THE EU

Reducing corruption has been among the priorities of most international institutions over a number of years now. In particular, corruption was a major preoccupation during the 2004 and 2007 enlargements of the European Union and continues to dominate the agenda of the initial period of Bulgaria and Romania's membership.

Not being in the core of EU's *acquis*, anti-corruption was a relatively new matter to tackle and, in contrast to other areas of EU competence, it had little specific guidelines to offer applicant countries. Still, the significance of transparent and accountable government for the functioning of the EU internal market and the delivery of its core policies required that anti-corruption be made one of the key requirements for membership.

In this process, the European Commission advanced its capacity to **evaluate anti-corruption progress**. Following an initial focus on adherence to international standards and acceding to major conventions, attention later shifted to meeting specific good governance targets. Member states have also contributed to understanding corruption and recommending action through the mechanism of peer reviews.

Nevertheless, **identifying anti-corruption progress remains largely arbitrary**. Corruption – and this is true not just within the EU but worldwide - remains a fluid concept, signifying different things to different people. More importantly, it is an evolving concept.

In its initial Progress Reports, the European Commission was skeptical about the measurability of corruption<sup>1</sup>. Afterwards, in its 2003 Communication on an EU anti-corruption policy (its latest so far)<sup>2</sup>, the Commission believed an EU monitoring mechanism of corruption would be redundant, referring instead to the existing ones such as OECD, GRECO, etc. These, however, were designed to evaluate compliance with the provisions of

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<sup>1</sup> "Whilst it is hard to know its extent, the persistent rumours about corrupt practices at various levels of the administration and the public sector in themselves contribute to tainting the political, economic and social environment.", *2000 Regular Report from the Commission on Bulgaria's Progress Towards Accession*, 8 November 2000, p. 17

<sup>2</sup> Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on a Comprehensive EU Policy Against Corruption, COM(2003) 317 final, Brussels, 28.5.2003

the respective international conventions and did not attempt to assess the effect of anti-corruption measures on corruption. Thus, the focus was still on *input* indicators (nominal compliance to anti-corruption regulations, procedures, etc) rather than *output* indicators (impact on corruption).

By 2006 it was clear that the transposition of international legal standards into national legislation would not suffice. Although Bulgaria had acceded to and integrated into its law the provisions of all major international anti-corruption instruments<sup>3</sup>, concerns about corruption in the country remained. The emphasis needed to shift towards measuring impact.

As a result, in the September 2006 Report the Commission presented the Bulgarian government with new anti-corruption guidelines - a number of targets and/or tasks, which the Commission called benchmarks<sup>4</sup> - to be completed by a certain date thus signifying the commitment of the government to anti-corruption reforms.

Thus, by implication the Commission signaled the need of a much more sophisticated tool for evaluating governance reform and progress among member-states – benchmarking. Unlike the targets/tasks set by the Commission for Bulgaria (and Romania), true benchmarking requires the availability of an instrument to **measure performance** which in turn is checked against an agreed standard or best practice (a benchmark). Applied to (anti)corruption this would imply the assessment of the impact of government policies on the prevalence of corruption, as well as public values and attitudes. **Diagnosing the state of corruption** and obtaining reliable information about its dynamics are crucial to the implementation of successful **prevention and control policies within the EU**.

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With these considerations in mind, in 2006 CSD set out to develop a comprehensive, detailed and empirically tested instrument for the evaluation of performance of the Bulgarian government anti-corruption strategy<sup>5</sup>. The Set of Indicators<sup>6</sup>, which CSD provided to the

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<sup>3</sup> For example, Bulgaria is among the few non-OECD members to have ratified its Convention on combating bribery among foreign officials while, according to the latest available ratification status of November 2005, not all EU member states had ratified it.

<sup>4</sup> Monitoring Report on the State of Preparedness for EU Membership of Bulgaria and Romania, September 2006, p.10

<sup>5</sup> In January 2006, the Bulgarian Council of Ministers adopted a National Strategy for Good Governance, Prevention and Counteraction of Corruption 2006-2008 (for further details see CSD Brief No. 7, [www.csd.bg/artShow.php?id=7071](http://www.csd.bg/artShow.php?id=7071)).

<sup>6</sup> See more details at: [www.csd.bg/artShow.php?id=8407](http://www.csd.bg/artShow.php?id=8407)

government, was based on CSD's methodology for measuring corruption. Developed with the support of the US Agency for International Development under the Coalition 2000 initiative<sup>7</sup>, this methodology has been successfully tested and applied in Bulgaria for nine years now and is recognized as best practice instrument by international institutions.

Thus, the Bulgarian experience has brought policy institutions and researchers both domestically and at European level a step closer to the development of a methodology for benchmarking corruption which could be the foundation of a future EU anti-corruption and good governance policy. Such a policy is warranted, above all, by the need "to reduce all forms of corruption, at every level, in all EU countries and institutions and even outside the EU."<sup>8</sup> A recent EC commissioned study<sup>9</sup>, which – as in CSD's methodology – relied on victimization surveys, found that the prevalence of corruption is tangible not only in member states of the last two enlargements. Recent experience of European multinationals embroiled in corruption scandals also suggests the need for a Europe-wide good governance policy to ensure the proper functioning of the Internal Market.

The evolution of the EU's policies in the area of anti-corruption suggests that the next logical step in this process is the **development of EU's own methodology for benchmarking corruption**, as has been done in other areas important to the functioning of the Internal Market. This would entail a capacity to diagnose the spread of corruption through a common measurement technique and comparing it against a certain best practice standard. Having such a diagnostic tool would be instrumental in the run up to the 2008 EC Communication on a comprehensive EU policy in this area and would tie in with the work of the EC's expert group on crime statistics.

Adopting a common corruption measurement methodology would offer a number of advantages:

- It would provide **verifiable data about the prevalence of corruption** and an insight into the mechanisms of corruption through the experience of the victims;
- It is **context-neutral** and could be utilized in any political, social or cultural environment thus being useful both during future enlargements and in countries where the Union provides assistance;
- It would allow **international benchmarking** to take place which is particularly useful in assessing the impact of international legal instruments;

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<sup>7</sup> See more details at: [www.csd.bg/en/c2000/](http://www.csd.bg/en/c2000/)

<sup>8</sup> Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee - On a comprehensive EU policy against corruption, COM/2003/0317 final

<sup>9</sup> *The Burden of Crime in the EU*, p. 57. Published by a consortium comprising Gallup Europe; UNICRI and other European research institutions ([www.europeansafetyobservatory.eu/euics\\_rp.htm](http://www.europeansafetyobservatory.eu/euics_rp.htm))

- It is an instrument for **risk assessment** as it provides information about the worst affected sectors of the public administration;
- It is an important overall indicator of the effectiveness of the Internal market and can be used as a fine instrument for targeting outstanding challenges.

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What gets measured gets done. Having an EU corruption benchmarking instrument would strengthen the **effectiveness** of the promotion of anti-corruption standards at home and in the countries where the EU provides good governance assistance. It would allow the Commission to acquire reliable detailed information for its evaluation efforts and to tailor its recommendations for action to specific local environments.

An advanced instrument for corruption diagnostics would significantly enhance the **credibility** of EU's policies in this area. Anchoring assessments in hard data would significantly enhance the Union leverage in bringing about change as it would deprive corrupt governments of deniability about the magnitude of corruption in their countries.