

# Combating corruption in the European Union

## SUMMARY

Corruption is a major challenge for the European Union (EU), with all its Member States affected by the problem to some extent. Its scale, however, is difficult to measure both in Europe and elsewhere. Surveys on the perception of corruption among citizens and experts – such as the Global Corruption Barometer and Eurobarometer surveys – are the principal measurement tool.

Since the 1990s, countries around the world have joined efforts to address corruption collectively. This has led to the emergence of widely recognised international laws and standards, adopted in particular by the Council of Europe, the Organisation for Economic Co-operation and Development and the United Nations. Mechanisms, such as the Council of Europe Group of States against Corruption (GRECO), have been developed to monitor implementation of these rules.

The EU has gradually adopted laws addressing a range of corruption-related issues. These include a Directive on the Fight against Fraud to the Union's Financial Interests, as well as directives on public procurement, whistleblowers and money-laundering. However, the legal framework thus created remains patchy, the lack of minimum rules on the definition of criminal offences and sanctions in the area of corruption being one important missing element.

The EU has also developed its own tool for monitoring anti-corruption efforts – the EU anti-corruption report – only to abandon it after having issued its first edition. Recently, corruption-related issues have been addressed almost exclusively within the EU rule of law framework, a development criticised by various stakeholders, including the European Parliament. The latter has adopted numerous resolutions on corruption addressing, among other things, the impact of COVID-19, as well as systemic challenges to rule of law and deficiencies in the EU's fight against corruption.

*This briefing updates an earlier one published in 2022, which built on a [study](#) by Piotr Bakowski and Sofija Voronova, published in 2017.*



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## Introduction

Today, a broad consensus seems to exist on the multifaceted negative economic, social and political impact of corruption. The phenomenon is widely believed to undermine the stability of institutions and economic growth,<sup>1</sup> thus posing a direct threat to democracies. Corruption has been [linked](#) to higher levels of organised crime, weaker rule of law, reduced voter turnout in parliamentary elections and lower trust in public institutions. It is also argued that it has a negative impact on social welfare, public spending, the fiscal deficit, tax collection, vulnerable employment, gender equality and the absorption of EU funds. Furthermore, it is believed to lead to an increased 'brain drain' from countries that are struggling under its burden.<sup>2</sup>

Attempts have been made to quantify the cost of corruption in the EU. In 2016, the European Parliamentary Research Service's [Cost of non-Europe Report](#), which specifically focused on this subject, found that if indirect costs are included, EU GDP suffers annual losses ranging between €179 and €990 billion (depending on the assumed extent of reduction in corruption levels feasible for the EU Member States). According to a 2023 EPRS [study](#) updating this report, the estimated total cost of corruption risk in public procurement alone in the EU-27 between 2016 and 2021 was €29.6 billion; the total cost of corruption risk in contracts involving EU funds in the same period was €4.3 billion.<sup>3</sup> Globally, the yearly cost of bribery alone (paid in both developing countries and advanced economies) was [estimated](#) in 2016 at about US\$1.5 to US\$2 trillion (around 2 % of global GDP). Bribery is only one aspect of corruption, therefore the overall economic and social cost is likely to be bigger.

There are no corruption-free zones in the EU, as all its Member States are affected by the problem, albeit to varying degrees. With corruption-prone [citizenship and residence by investment schemes](#) operating in some Member States, high profile corruption and fraud cases and even assassinations of journalists investigating such cases,<sup>4</sup> the EU is facing a complex challenge. The COVID-19 pandemic and the ensuing social and economic crisis have only added to the difficulty, creating new risks and raising questions as to the adequacy of the existing control mechanisms for emergency financing of unprecedented volume under the EU recovery plan. In this difficult context, the robustness of the EU legal and policy framework and of the tools for evaluating the EU's anti-corruption efforts appears more important than ever.

## Defining and measuring corruption

### A broad concept

There is no universal agreement on the definition of corruption: practices considered as corrupt in one cultural context are not necessarily perceived as such in another. Even the oft-cited definition of corruption as abuse of (entrusted) power for private gain – seemingly fairly broad and general – may not cover all instances of collusion for gain. The narrow criminal-law approach associates corruption with a limited number of offences, including active and passive bribery, that is, giving and taking bribes. This is understandable, given the precision required in defining offences to be sanctioned with criminal penalties. However, corruption may also be conceptualised as a broader socio-economic problem encompassing a variety of issues, such as:

- **conflict of interest** – a situation where an individual is in a position to derive personal benefit from 'actions or decisions made in their official capacity';<sup>5</sup>
- **clientelism** – a system of exchanging resources and favours based on an exploitative relationship between a 'patron' and a 'client';
- **various forms of favouritism**, such as **nepotism and cronyism** (whereby someone in an official position exploits their power and authority to provide a job or favour to a family member or friend, even though he or she may not be qualified or deserving) and **patronage** (whereby a person is selected for a job or government benefit because of affiliations or connections and regardless of qualifications or entitlement);<sup>6</sup>

- **trading in influence (influence peddling)** – using personal connections with persons in authority to obtain favours or preferential treatment for a third party (person, institution or government), usually in return for their loyalty or any undue advantage;
- other similar forms of conduct.

While they are not necessarily illegal, such practices can be very harmful to states and societies, especially when prevalent. They can be encountered at all levels of society and their impact may vary depending on the decision-making power of the corrupt entity. Therefore a distinction is often made between everyday 'petty' corruption and political (often equated to 'grand', meaning big) corruption. Whereas the former takes place at the implementation end of politics, the latter occurs at high levels where policies and laws are made.

## Measuring corruption

Corruption is as difficult to measure as it is to define. Whereas most experts question a popular belief that the informal and hidden nature of corruption makes it unmeasurable, they do recognise the challenges of quantifying diverse aspects of this problem.<sup>7</sup> Objective data are useful only to a limited extent: for instance, the number of investigations or convictions may be indicative of the extent of corruption, but this number may just as well reflect how effectively law-enforcement agencies or the judiciary are responding to corruption. Moreover, statistical data and crime records on corruption cases are few, and those available have limited value given the high number of unreported cases.

In view of the difficulties in measuring corruption directly, various (indirect) indicators have been developed on the basis of the perception or experience of this phenomenon. Relevant information is gathered either through public opinion surveys – sent to a random or a representative sample of households or companies – or through expert assessment. The number of such indicators has grown considerably, to become the leading method of collecting data for measuring corruption. Whereas some are based on a single data source, others (known as 'composite' or 'aggregate' indicators), compile two or more individual indicators from various sources into a single index. Composite indicators are the most widely used measurement tool on account of their near-global coverage.

**Transparency International's Corruption Perceptions Index (CPI)** and the **World Bank's Worldwide Governance Indicators (WGI)** are currently the two leading composite indicators in the field. The **CPI** measures the levels of public-sector corruption worldwide, as perceived by business people and country experts. The most recent CPI of [2022](#) ranks 180 countries on a scale from 100 (very clean) to 0 (highly corrupt). It aggregates data produced by a number of independent institutions specialised in analysing governance and the business climate. In 2022 and for the 11 consecutive years preceding it, the global average remained unchanged at 43 out of 100. Furthermore, looking back over a period of 10 years, 155 countries had made no significant progress in fighting corruption or had even scored a decline. More than two-thirds of countries scored below 50, meaning that they faced serious corruption problems.

In contrast, the **WGI** [measures](#) corruption in both public and private sectors and combines expert assessments with public opinion polls. It covers six dimensions of governance, including control of corruption. These six aggregate indicators are reported in two ways: in the standard normal units of the governance indicator, ranging from approximately -2.5 to 2.5, and in percentile rank terms, ranging from 0 to 100, where higher values correspond to better scores. The percentile rank for a given country indicates the percentage of countries worldwide that scored lower.<sup>8</sup>

When analysing corruption, one can rely on many other indicators based on concepts that are broader than corruption itself. One such concept is the 'quality of government' (QoG), which covers issues such as the prevalence of corruption, bureaucratic effectiveness, rule of law and the strength of electoral institutions.<sup>9</sup> So far, most QoG research concerning Europe has focused only on the national level. However, since 2010, the [European Quality of Government Index \(EQI\)](#), based on the perceptions and experiences of EU citizens, has reached to the sub-national (in this case regional)

level, capturing citizens' perceptions and experiences with corruption, quality and impartiality in relation to three public services, namely – health, education and policing. The EQI is a composite indicator built on the World Bank's WGI combined with the results of a regional-level survey, the latter being used to explain to what extent regional variation exists around the WGI-based national-level scores. The [fourth edition](#) of the EQI, published in 2021 (previous editions were published in [2010](#), [2013](#) and [2017](#)), covers 208 [NUTS 1 and NUTS 2](#) regions in all 27 Member States and also includes an in-depth analysis on the situation in four regions: the Basque Country and Catalonia (Spain), and Lubelskie and Opolskie (Poland). It is based on a survey answered by 129 000 respondents. It confirms that there are significant differences among Member States but also regional variations within the Member States, i.e. the quality of the government depends very much on both the country and the region in which one lives.

## Citizens' perception of corruption in the EU

When it comes to public opinion, the main international survey is the Transparency International [Global Corruption Barometer \(GCB\)](#), which has collected data on people's experiences and perceptions of corruption all over the world since 2003. In 2021, a [Global Corruption Barometer \(GCB\) – EU](#) was published focusing specifically on the Member States. It confirmed a widespread perception of corruption in Europe: 62 % of the 40 000 respondents considered government corruption to be a big problem in their country. It also indicated that EU citizens were concerned about close links between business and politics, with over half of the respondents believing that bribes or connections are commonly used to secure contracts and a similar share thinking that their government was run by private interest.

The perception of corruption in the EU is also measured through the EU's own surveys, known as **Eurobarometers**. In July 2023, two such surveys were released addressing corruption perception among EU citizens ([Special Eurobarometer 534](#)) and businesses ([Flash Eurobarometer 524](#)) respectively.

The former indicates that corruption is a serious concern for EU citizens: 70 % of them think it is widespread in their country (with 45 % of respondents considering that the level actually increased in the 3 years preceding the publication of the survey), especially in national public institutions (74 %). Most EU citizens are sceptical about national efforts to combat corruption, with only a minority thinking that anti-corruption measures are applied impartially and without ulterior motive, that there are enough successful prosecutions to deter people from corrupt practices, or that there is sufficient transparency and supervision of the financing of political parties in their country. Moreover, in all but one Member State, a clear majority of respondents agree that high-level corruption cases are insufficiently pursued. Almost 3 in 10 respondents declare that it is acceptable to give a gift or do a favour to get something in exchange from a public administration or service.

The latter survey confirms corruption is also a concern for companies when they do business, with 35 % of respondents agreeing. Favours to friends and/or family members in public institutions and favouring friends and/or family members in business are the corruptive practices considered most widespread by almost half of the respondents. About 8 in 10 companies 'totally agree' or 'tend to agree' that overly close links between business and politics in their country lead to corruption.

## Addressing corruption through collective action

### International legal framework

International conventions, standards and guidelines adopted in particular by the Council of Europe, the Organisation for Economic Co-operation and Development (OECD) and the United Nations (UN), have had a strong impact on the laws and policies of the EU Member States. These instruments are the result of what has become global cooperation based on the consensus regarding the detrimental effects of corruption.

However, it was not until the 1990s that the first anti-corruption standards and conventions were adopted. Championed by the United States, cooperation focused at first on bribery in the context of international trade. It led to the adoption of the 1997 [OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions](#), so far [ratified](#) by 24 EU Member States. The [OECD Working Group on Bribery in International Business Transactions](#) was set up to monitor the parties' performance. Moreover, in 2021 a new [Recommendation](#) was adopted by the OECD to complement the Anti-Bribery Convention and further enhance its implementation.

The [2003 UN Convention against Corruption \(UNCAC\)](#) was the first international anti-corruption instrument whose provisions extended beyond criminal law. The convention, having a quasi-global reach, covers five main areas, including criminalisation and prevention of corruption. As regards prevention, the convention provides for a broad catalogue of actions that States parties are required to take, such as promoting transparency, integrity and accountability of public officials; ensuring appropriate systems of public procurement; setting up a regulatory and supervisory regime to prevent and detect money laundering; and involving civil society in anti-corruption efforts. Moreover, the UNCAC lists elements to be considered by the States parties, which include ensuring transparency in the funding of political parties, preventing conflicts of interest, promoting codes of conduct for public officials, and facilitating the reporting of corruption by public officials. The EU and all its Member States are [parties](#) to the UNCAC.<sup>10</sup> The [Implementation Review Mechanism \(IRM\)](#) is a peer review process for the convention's effective implementation.

The Council of Europe has recognised the major deleterious impact of corruption on political systems and the direct threat to democracies it poses. It has therefore taken a broad approach to the problem by adopting a host of standards (including the [Twenty guiding principles for the fight against corruption](#) and the [recommendation](#) on common rules against corruption in the funding of political parties and electoral campaigns), as well as the [Civil Law Convention on Corruption](#) and the [Criminal Law Convention on Corruption](#). All EU Member States have adopted the [Criminal Law Convention](#) and the one on [civil law](#). The implementation of the two conventions is monitored by the Group of States against Corruption ([GRECO](#)), which is the most comprehensive corruption monitoring system in Europe and has conducted five rounds of evaluation and compliance monitoring so far. Whereas the 27 EU Member States are individual participants in GRECO, the EU has been granted observer status.

Full EU membership of GRECO has been [envisaged](#) by EU institutions and bodies; in December 2020, following a request by the chair of the Committee on Budgetary Control, the Legal Service of the European Parliament provided its [opinion](#) on the issue, pointing to [Article 83](#) of the Treaty on the Functioning of the European Union (TFEU), in conjunction with [Article 218](#) TFEU, as the appropriate legal basis. Full EU membership of GRECO would require an invitation from the Council of Europe's Committee of Ministers and the conclusion of an agreement between the Council of Europe and the EU on the modalities of membership. When defining the EU's rights and obligations in GRECO, such agreement would need to take into account 'the specific nature of the EU, as a Union based on the principle of conferred competences, and its institutions, as well as the special features of EU law'.

## EU anti-corruption efforts

### EU instruments

Whereas corruption is primarily dealt with by individual Member States, the EU has long sought to develop a policy and legal framework, adopting several instruments to tackle this phenomenon directly and indirectly.

Historically, the EU first addressed corruption in the context of the protection of its financial interests, an area where it had more legal options than elsewhere. Accordingly, in the mid-1990s, it adopted two 'hard law' instruments: the [Convention on the protection of the European Communities' financial interests](#) (the PIF Convention) and the [Convention on the fight against](#)

[corruption involving officials of the European Communities or officials of Member States of the European Union](#). Both instruments required Member States to criminalise active and passive bribery.

Successive Treaty reforms have gradually enhanced the EU's competence in police and judicial cooperation in criminal matters. This has allowed the EU legislator to go beyond the narrow area of protecting EU financial interests when addressing corruption. The [Council Framework Decision 2003/568/JHA](#) on combating corruption in the private sector illustrates these increased EU legislative prerogatives. Under this decision, Member States are required to introduce effective, proportional and dissuasive criminal penalties for active and passive bribery. The most recent [implementation report](#) of 2019 noted a clear improvement in the level of transposition of the Framework Decision since the previous [implementation report](#) of 2011. It observed, however, that while several Member States had amended their legislation, the very few convictions for private-sector corruption across the EU suggest these laws had not been sufficiently enforced.

At present, [Article 325](#) TFEU provides the legal basis for the protection of the EU's financial interests against fraud and other illegal activities (including corruption). Moreover, corruption is listed as a 'euro-crime' for which the Parliament and the Council may establish minimum rules and sanctions by means of directives under Article 83 TFEU. Based on this provision, in 2023, the Commission made a [proposal](#) for a directive seeking to approximate national criminal laws on corruption. Article 83 TFEU has already served as the legal basis for adopting, in 2017, Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (the [PIF Directive](#)), which replaced the above-mentioned PIF Convention.<sup>11</sup> Interestingly, the Commission proposed this directive under Article 325 TFEU, but the Council and the Parliament disagreed with the Commission as to the possibility of adopting criminal law measures based on this provision, choosing instead Article 83 TFEU as the legal basis for the proposal.<sup>12</sup>

The PIF Directive includes a definition of EU financial interests as 'all revenues, expenditure and assets covered by, acquired through, or due to' the EU budget or to the budgets of EU institutions, bodies, offices and agencies, as well as to budgets managed and monitored by them. The directive lists the offences affecting such interests, including passive and active corruption. Moreover, it was the first-ever EU legal instrument to provide a definition of 'public official'. To provide adequate protection of EU funds from corruption and misappropriation, this definition covers not only all relevant officials holding a formal office in the EU, its Member States or third countries, but also persons not holding such an office, yet exercising a public service function in relation to EU funds (for instance, contractors involved in the management of such funds).

In September 2021, the Commission presented a [report](#) on the implementation of the PIF Directive (as envisaged under Article 18(1)). The report stated that, as of April 2021, all Member States bound by the directive had notified full transposition into their national law, most of them doing so, however, after the deadline (i.e. 6 July 2019). Regarding corruption, the report noted that in several Member States, an additional aspect – 'breach of duties' – was required to consider a conduct as active or passive corruption. The Commission argues that this significantly narrows the scope of the directive's definitions of corruption, by making prosecution dependent on proving such a breach of duty. Moreover, with respect to 'passive corruption', some Member States do not apply criminal sanctions to public officials 'refrain[ing] from acting in accordance with [the public official's] duty', contrary to the requirements of Article 4(2)(a) of the directive. In September 2022, the Commission presented the [second report](#) on the implementation of the PIF Directive, which identified several areas for improvement in terms of transposition but did not elaborate on the corruption-related provisions.

At EU level, a number of instruments also address corruption indirectly, including three directives that approximate national public procurement provisions: directives [2014/23/EU](#), [2014/24/EU](#), and [2014/25/EU](#). They contain detailed provisions on publicity and transparency at various stages of the procurement cycle and on abnormally low-priced tenders. They list corruption among the grounds for excluding economic operators from participation in a procurement procedure. Other such

instruments are the [EU anti-money-laundering](#) directives, which have contributed to increasing the transparency of financial flows across the EU. Adopted in 2015, [Directive \(EU\) 2015/849](#) (the Fourth Anti-Money-Laundering Directive) introduced the requirement for Member States to ensure that corporate and other legal entities incorporated within their territory obtain and hold information on their beneficial owners. It also imposed due diligence obligations on entities dealing with politically exposed persons. Moreover, it criminalised the laundering of the proceeds of a now extensive catalogue of offences ('predicate offences'), including corruption, tax crimes and fraud. In 2018, [Directive \(EU\) 2018/843](#) (the Fifth Anti-Money-Laundering Directive) was adopted, opening access to beneficial ownership registers 'in all cases' to 'any member of the general public'. However, in November 2022, the Court of Justice of the EU (CJEU) invalidated the relevant provision of the directive, considering such indiscriminate access a serious interference with the fundamental rights to respect for private life and to the protection of personal data.<sup>13</sup>

Effective protection of whistleblowers is another key element of the broader EU anti-corruption framework. [Directive \(EU\) 2019/1937](#) on the protection of persons who report breaches of Union law – which entered into force in December 2019 – provides whistleblowers with secure reporting channels and ensures their protection against retaliation. Following serious problems with the implementation of this directive, the Commission issued [reasoned opinions](#) against 15 Member States in July 2022 and subsequently submitted eight [referrals](#) to the CJEU. In May 2023, the Commission presented an anti-corruption package to reform the EU's anti-corruption legislative and policy framework and update the EU sanctions toolbox to include corruption, as [advocated](#) by the Parliament. The package is composed of:

- a [joint communication](#) of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy on the fight against corruption;
- a [proposal](#) for a directive on combating corruption by means of criminal law, based on Article 83 TFEU; and
- a proposal by the High Representative to complement the common foreign and security policy (CFSP) toolbox of restrictive measures (sanctions) with a dedicated sanctions regime to fight serious acts of corruption worldwide.

## EU bodies

Set up in 1999, the [European Anti-Fraud Office](#) (OLAF) is charged with detecting fraud and corruption affecting the EU's financial interests. In this vein, it conducts administrative investigations and informs the competent national authorities if it considers that a criminal investigation should be initiated. Between 2010 and 2022, the OLAF [recommended](#) recovering almost €8.5 billion to the EU budget, issuing over 3 400 recommendations for judicial, financial, disciplinary and administrative action to be taken by national and EU competent authorities.

Information exchange and operational cooperation between national authorities is facilitated by [Europol](#), [Eurojust](#) and the [European contact-point network against corruption](#) (EACN). The latter has been modelled after another network – the European Partners against Corruption (EPAC) – composed of anti-corruption authorities and police oversight bodies from Council of Europe Member Countries. The two networks work and complex negotiations, the EPPO is the first ever EU supranational public prosecution body empowered to conduct investigations and prosecutions of criminal acts against EU financial interests, as defined by the PIF Directive. These include VAT fraud (but only if it is connected with the territory of two or together, having the same mission and goals).

Poised to become one of the key elements of the EU anti-corruption framework, the European Public Prosecutor's Office (EPPO) – set up by means of enhanced cooperation – was established by [Council Regulation \(EU\) 2017/1939](#). Currently, 22 EU Member States participate in the EPPO, with Denmark and Ireland having an opt-out from the area of freedom, security and justice (AFSJ), and Hungary, Poland and Sweden having decided not to join. The EPPO remit also covers offences that are 'inextricably linked' to the above-mentioned criminal acts. The EPPO started operations in June 2021, and launched its first investigation of a major [corruption case](#) as early as July 2021.

## Monitoring mechanisms

As the EU lacked a comprehensive evaluation mechanism to monitor and assess Member States' anti-corruption efforts, the Commission's 2011 communication on [Fighting Corruption in the EU](#) launched a bi-annual EU anti-corruption report. The [first report](#), published in 2014, consisted of a summary part including a thematic section and a description of trends at EU level, as well as 28 country chapters. The report built on a number of existing datasets and international evaluation mechanisms, including GRECO, the OECD Working Group on Bribery and the UNCAC review mechanism, as well as the EU's own mechanisms (see below). It also relied on Eurobarometer surveys and various other sources of information emanating from experts and civil society. The report included country-specific recommendations, but did not provide for a formal procedure to evaluate their implementation. The Commission was supposed to come up with the second anti-corruption report in 2016, but in January 2017 it [announced](#) that it had abandoned this form of periodic assessment and would address corruption within the [European Semester](#) of economic governance.

The Commission's decision to discontinue the anti-corruption report was met with stark criticism from the European Parliament, think tanks, academia and civil society organisations.<sup>14</sup> It marked the beginning of a paradigm shift in the EU approach to corruption: after having pursued a comprehensive anti-corruption policy since the mid-1990s, the EU had started looking at corruption exclusively through the rule of law lens. This resulted in the evaluation of Member States' anti-corruption efforts at EU level remaining limited in scope and coherence, with several mechanisms assessing selected aspects of the relevant actions or specific Member States.<sup>15</sup>

These mechanisms include the [Cooperation and Verification Mechanism](#) (CVM), established for Bulgaria and Romania at the time of their accession to the EU, which has remained in place as a de facto permanent safeguard measure for these two Member States. The CVM provides specific benchmarks in the areas of judicial reform, the fight against corruption and, in Bulgaria's case, also the fight against organised crime. Its impact is, however, debatable: whereas some commentators point to its role as a lever to push for reform in the two countries, there is no hard evidence that formal legislative compliance translates into a change in the actual practices.<sup>16</sup> In September 2023, the Commission [closed](#) the CVM for [Bulgaria](#) and [Romania](#), taking forward the monitoring of their justice systems and anti-corruption policies under the Rule of Law toolbox. The [EU Justice Scoreboard](#) is another mechanism aimed at assessing Member States' justice systems in terms of their efficiency, quality and independence. Considering its scope, it only addresses very specific issues, such as preventing corruption within the judiciary and the operation of prosecution services dealing with corruption cases.

The EU Justice Scoreboard (and the CVM until its closure) now feeds into the Commission's [annual rule of law report](#) – a new mechanism introduced in 2020 – built around four subject areas, the anti-corruption frameworks being one of them. Four such reports have been published so far, in [2020](#), [2021](#), [2022](#) and [2023](#). These reports, covering all Member States, are chiefly based on existing sources including reports by GRECO, the OECD and the UNCAC. However, they also take stakeholder and Member State contributions into account, as well as country visits undertaken by Commission representatives in the Member States.<sup>17</sup> The annual rule of law report has been described by academic experts as an 'after-the-event' reporting mechanism 'making no concrete recommendations'.<sup>18</sup> It is argued that compared to the EU anti-corruption report, it fails to provide a full picture of systemic corruption issues across the EU, leaving out crucial areas most affected by the misappropriation of EU funds, such as public procurement. Whereas [Regulation 2020/2092](#) on a general regime of conditionality for the protection of the Union budget – which is another essential element of the EU Rule of Law toolbox – does apply to corruption, its scope of application is very narrow; the regulation only covers those breaches of the rule of law that 'affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way'. The EU's recent focus on strengthening the rule of law is therefore 'ill-fitted to tackle the outstanding complex and multi-faceted corruption-specific issues across the EU'.<sup>19</sup>

The [European Semester](#) of economic governance (which is technically not part of the EU Rule of Law toolbox)<sup>20</sup> also views corruption from a specific angle, as its principal goal is to improve coordination of economic, fiscal and employment policies across the EU. In this context, the European Semester reports have only made corruption-related recommendations to selected Member States.

## European Parliament position

Recognising that corruption represents a major threat to EU security, the Parliament set up the [Special Committee on Organised Crime, Corruption and Money Laundering](#) ('CRIM committee') in 2012. Its recommendations were [endorsed](#) by the Parliament in 2013 and [revisited](#) in 2016. In both resolutions, the Parliament called on the Commission to publish the second anti-corruption report and in the latter, it also invited the Commission to consider combining the various EU-level monitoring mechanisms (including the anti-corruption reports) into a broader rule of law monitoring framework. In another 2016 [resolution](#) on the establishment of an EU mechanism on democracy, the rule of law and fundamental rights, the Parliament made specific recommendations as regards setting up such a framework. The EPRS Cost of Non-Europe [report](#), published in the same year, estimated that doing so would ensure annual cost savings worth €70 billion. Whereas the Parliament's proposals have never been taken up in their entirety by the Commission, the launch of the above-mentioned annual rule of law reports can be seen to have been inspired by the Parliament's idea of a review cycle.<sup>21</sup>

In 2019, the Parliament [examined](#) systemic challenges to the rule of law and deficiencies in the fight against corruption across the EU. It focused on the growing threats facing investigative journalists and obstacles to investigations into the assassinations of journalists in Malta and Slovakia. These issues have been the subject of several resolutions, the most recent [one](#) adopted in October 2023.

In December 2021, the European Parliament adopted a [resolution](#) on the evaluation of preventive measures for avoiding corruption, irregular spending and misuse of EU and national funds in emergency fund and crisis-related spending areas. The Parliament called on the Commission and the Member States to include targeted measures dedicated to spending public money in times of crisis in their anti-corruption strategies. It stressed that the rules on the protection of the EU's financial interests also apply to emergency support instruments. The Parliament emphasised that 'the rule of law is an essential precondition for compliance with the principle of sound financial management of emergency funds as part of the EU budget'. It asked the Commission to promote the EU-wide harmonisation of definitions of corruption offences, a call concretised in a 2022 [recommendation](#), whereby Parliament demanded that the Commission put forward an EU anti-corruption directive based on Article 83 TFEU.

Moreover, the Parliament has not shied away from addressing alleged cases of corruption in its own ranks, as illustrated by its [December 2022](#), [February 2023](#) and [July 2023](#) resolutions seeking to strengthen transparency, accountability and integrity in the EU institutions. In a resolution of February 2023 on the same subject, it [noted](#) that 'internal monitoring and alert mechanisms of the EU institutions have dramatically failed to detect ongoing corruption' and that 'additional safeguards against corruption, such as a [declaration of assets](#) by Members at the beginning and the end of each mandate' should be considered.

The fight against corruption is also a key concern for the Parliament with respect to external policies. For instance, in 2021, the Parliament [called](#) on the Commission to submit a legislative proposal to include acts of corruption among violations that can trigger restrictive measures under the [EU Global Human Rights Sanctions Regime](#). More recently, in February 2022, the Parliament again [stressed](#) the negative impact of corruption on the enjoyment of human rights and called for an EU global anti-corruption strategy.

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## ENDNOTES

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- <sup>2</sup> A. Mungiu-Pippidi and R. Martínez B. Kukutschka, 'European Union Member States' in Alina Mungiu-Pippidi (ed.), [Controlling Corruption in Europe, The Anticorruption Report](#), Vol. 1, 2013.
- <sup>3</sup> M. Fernandes and L. Jancova, [Stepping up EU efforts to tackle corruption – a Cost of non-Europe report](#), EPRS, European Parliament, January 2023.
- <sup>4</sup> Such as the murders of Daphne Caruana Galizia in Malta, Ján Kuciak and his fiancée Martina Kušnírová in Slovakia and Viktoria Marinova in Bulgaria.
- <sup>5</sup> Strictly speaking, a conflict of interest is not a form of corruption, but a situation that may be conducive to it. It does not necessarily lead to corruption, as the official concerned may choose not to act in their personal interest. Nevertheless, conflicts of interest are analysed in close relation to corruption and addressed by anti-corruption laws and policies.
- <sup>6</sup> The definitions of this series of practices are based on Transparency International's [anti-corruption glossary](#).
- <sup>7</sup> See, for instance, A. Mungiu-Pippidi, [For a New Generation of Objective Indicators in Governance and Corruption Studies](#), *European Journal on Criminal Policy and Research*, Vol 22, Issue 3, September 2016; and D. Kaufmann, A. Kraay and M. Mastruzzi, [Measuring Corruption: Myths and Realities](#), World Bank Findings report, April 2007.
- <sup>8</sup> For a comparison of the two indicators, see A. Rohwer, [Measuring corruption: a comparison between the Transparency International's Corruption Perceptions Index and the World Bank's Worldwide Governance Indicators](#), Research Report 3, www.cesifo-group.de, 2009.
- <sup>9</sup> N. Charron, V. Lapuente and B. Rothstein, *The quality of government and corruption from a European perspective: a comparative study of good government in EU Regions*, 2013, p. 38 (A copy of this book is available in the European Parliament Library).
- <sup>10</sup> See the [Review of the implementation by the European Union of articles 15 – 42 of Chapter III. 'Criminalization and law enforcement' and articles 44 – 50 of Chapter IV. 'International cooperation' of the United Nations Convention against Corruption for the first review cycle](#), SWD(2022) 295 final.
- <sup>11</sup> It did so, however, only for the Member States bound by it. Therefore the Convention remains in force in Denmark, which is not bound by the PIF Directive.
- <sup>12</sup> A. Juszczak and E. Sason, [The Directive on the Fight against Fraud to the Union's Financial Interests by means of Criminal Law \(PFI Directive\)](#), *Eucrim*, Issue 2, 2017.
- <sup>13</sup> [Judgment](#) of the Court in Joined Cases *WM* (C-37/20) and *Sovim SA* (C-601/20) v *Luxembourg Business Registers*; see also [Press release No 188/22](#) of 22 November 2022.
- <sup>14</sup> M-R. Corman, [A critical appraisal of the EU's anti-corruption legal capacity: Emerging stronger from the Covid-19 crisis?](#) February 2021, p. 13; European Parliament Civil Liberties, Justice and Home Affairs (LIBE) Committee meeting of [4 May 2017](#); M. van Hulst, [European scholars call the European Commission to continue the Anti-Corruption Report](#), available at: <http://www.corruptie.org> accessed on 1 December 2022; Transparency International, [Ahead of the 60th anniversary of the Treaty of Rome, the EU must not abandon the fight against corruption](#), 2017, available at: <https://transparency.eu> accessed on 1 December 2022.
- <sup>15</sup> Cf. M-R. Corman, [op. cit.](#)
- <sup>16</sup> For an overview of the literature discussing the effectiveness of the CVM, see 'The Cost of Non-Europe in the area of Organised Crime and Corruption: [Annex II: Corruption](#)', EPRS, European Parliament, 2016, pp. 81-83.

- <sup>17</sup> R. Mańko, [The European Commission's annual rule of law report: From a monitoring tool to a comprehensive recommendations mechanism?](#), EPRS, European Parliament, March 2023, pp. 2–3.
- <sup>18</sup> L. Pech, [Doing more harm than good? A critical assessment of the European Commission's first Rule of Law Report](#), RECONNECT expert briefing, December 2020.
- <sup>19</sup> M-R. Corman, [op. cit.](#), pp. 8, 19-20 and 22.
- <sup>20</sup> Even though the Semester mainly focuses on socio-economic policies, it has been increasingly used by the Commission to comment on rule of law developments from the perspective of their impact on macro-economic stability and growth. See M. Diaz Crego, R. Mańko and W. van Ballegooij, [Protecting EU common values within the Member States: An overview of monitoring, prevention and enforcement mechanisms at EU level](#), EPRS, p. 21.
- <sup>21</sup> Cf. M. Diaz Crego, R. Mańko and W. van Ballegooij, [op. cit.](#), pp 83-86.

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