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Contribution by

**Drago Kos**

Commission for the Prevention of Corruption of Slovenia  
Chairman of the Group of States against Corruption (GRECO)

**CORRUPTION AND DEMOCRACY IN EUROPE  
WHO IS BETTER ?**

Discussion paper  
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Document prepared by

Drago Kos  
Commission for the Prevention of  
Corruption of Slovenia  
Chairman of GRECO

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Council of Europe

## 1 Introduction

Corruption is so often brought in negative correlation with democracy that it looks that there is almost no written text on the first phenomenon without mentioning the second one. Even declarations from the most important world anti-corruption events usually begin with those two issues. Final declaration of "IV Global Forum on Fighting Corruption – From Words to Deeds" explicitly says that "corruption is a complex economic, political and social problem that threatens democracy, economic growth and the rule of law". Leaving aside the fact that there is no comprehensive international legal definition of corruption<sup>1</sup>, we have to recognise that there are very different definitions of the term "democracy". If we try to present their main features, we can understand "democracy" as free and fair elections and freedom, fairness and political equality in the processes of decision-making. There is also a very short sociological definition of corruption, which considers the latter as a "perversion of privileges"<sup>2</sup>.

The relationship between corruption and democracy appears to be simple; however, this relationship is complex, poorly understood and, above all, it is not an absolute one. We must not think that democracy can take absolutely no roots in a country where corruption is widespread<sup>3</sup>, and we have to realise that different approaches in fighting corruption might follow other goals and not necessarily strengthen country's democracy. Widespread corruption might lead to demands for "strong hand" and even to statements such as "better an honest dictatorship than a corrupt democracy". Citizens of the former Soviet Union and of the East Central Europe were ready to accept the use of emergency powers and suspension of their rights to deal with a widespread corruption and mafia crime. On the other hand, in some old democracies of the world corruption seems to be an inevitable part of them<sup>4</sup>, and in the other ones their myth of corruption-free countries survives in spite of one corruption scandal after another.

In general, it is clear that fighting corruption achieves a long –term strategic goal, which is to protect the democratic political process in every country where corruption leads to the atrophy of democratic institutions (parliament) and the decline of government institutions towards dictatorship. Some<sup>5</sup> also say that "enlightened" nations take it upon themselves to fight corruption and do not wait for political initiatives. This can be a very dangerous statement in countries where the level of corruption is more important determinant of attitudes towards democratic features than the country's democratic tradition, its current level of freedom and its current economic performance<sup>6</sup>.

## 2 European countries in transition

For a long time corruption has been perceived to be a disease typical for phases in society that precede the advent of democracy. Therefore, an idea has emerged according to which corruption is particularly likely to develop during the abrupt transition from a socialist society to a modern one in which clear distinction is made

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<sup>1</sup> Definition of corruption in the Council of Europe Civil Law Convention on Corruption is far from being a comprehensive one since it only gives a description of typical bribery.

<sup>2</sup> Klitgaard

<sup>3</sup> Such a conclusion could serve as an excuse for not moving forward with reforms

<sup>4</sup> Italy, Brazil,..

<sup>5</sup> Al –Sabah, Fighting corruption strengthens democracy

<sup>6</sup> Mainly in East-European countries

between the public and private interests. In 1990's, Europe has witnessed an uneven mix of reforms and chaos in the former communist countries of Central and Eastern Europe, which served not so much to move towards functioning market economy and a fully consolidated and complete democracy but to move far away from communism. Some expected that corruption will start to flourish after the changes, and according to perception of the population in those countries<sup>7</sup>, this has really happened. There were some common features of transition, which undoubtedly added a lot to the widespread development of old and new forms of corruption: privatisation and restitution, economic and moral chaos, democratisation of local government and, of course, the political context in which changes occurred<sup>8</sup>. Citizens of Central and Eastern European countries did not consider themselves as beneficiaries of a necessary transition but as its victims. They were highly sceptical about the course of transition and extremely pessimistic about economic trends. In principle they supported the move to a market economy and a democratic state, nevertheless, they felt the move had been handled with a mixture of incompetence and corruption. They were not blaming foreigners for such results but their own politicians and officials, which were considered to be the chief beneficiaries of transition.

Such feelings were followed by extremely negative public perceptions about their public officials, since their view was clear that the behaviour of officials had deteriorated since the end of communism.

Based on the above mentioned facts, it would be difficult to say that corruption in post-communist Europe is simply an extension of the corruption that existed under communism, this is an optimistic finding. If corruption in the post-communist countries would simply be the extension of the communist corruption, than we would have to deal with a "climate of corruption" that results from a long-term and immutable historical-cultural tradition. While this is obviously not a case, we are dealing with a mere "season of corruption" which, at best, may come to a natural end as the transition is completed and, at worst, it does not exclude the possibility of reforms. Paradoxically, if there has been an explosion of corruption in post-communist Europe, then that is itself proof that corruption is not (only) culturally and historically predetermined and it is a sign that reform is at least possible.

Theoretically, it is also clear what has to be done in order to decisively improve the situation in the area of corruption in these countries, which follows:

- impose tighter control and stricter penalties,
- encourage development of the officials' integrity,
- improve administrative efficiency,
- include citizens into the decision-making processes,
- improve openness and transparency,
- deregulate the state.

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<sup>7</sup> In almost all transition countries majority of their citizens express the opinion that there is much more corruption present than before the changes.

<sup>8</sup> Sometimes citizens did not hold their elected government and parliament as part of the solution but as part of the problem (Kostov in Bulgaria in 1997, Klaus and Zeman in the Czech Republic in 1998, Kuchma in Ukraine, Mečiar in Slovak Republic,...)

### **3 Are only post-communist countries corrupt?**

The answer to this purely rhetoric question is a very simple one, no. There is no country and no institution, which is immune to corruption. What matters are just the levels and forms of corruption. Of course, there are still some countries, which claim that they do not have any problems with this phenomenon, but such statements give better picture on the state of mind of their authors than on the real situation in their countries. Even Scandinavian countries, which serve as a model for non-corrupt society, are lately introducing some specialised mechanisms for the fight against corruption<sup>9</sup>. But among "old democracies" there are still some countries, for example Germany and the USA, which generally still do not feel any need to change anything in their legislative and institutional set-up. Also in the Group of States against Corruption – GRECO there is a visible difference among countries, which are ready to admit that they have corruption problems and are willing to cope with them, and countries, which will never admit any serious problems and needs for changes. Among the first ones are more or less all former communist countries, and among the second ones are many of so-called Western democracies. There are no secrets any longer; countries, which are strong enough to admit the existence of the problem, will also find the strength and resources to fight it. The others will not! It will be very interesting to observe how the mandatory provisions of the UN Convention against Corruption - UNCAC on establishing and/or maintaining specialised anti-corruption institutions will be implemented throughout the world. The difference in adoption and implementation of this first global anti-corruption instrument is visible already between the Third World and transition countries at one hand and developed Western democracies at the other. It is also no surprise why the idea on the monitoring of UNCAC's implementation is breaking through so slowly and is coping with so many obstacles.

Short glance at the Transparency International Corruption Perception Index gives us a proof that no country is entitled to declare itself as a "corruption-free kingdom". But what are the causes for corruption in so many so different countries? Could they be brought down to a common denominator?

### **4 Corruption and development of democracy**

Until recent, one of the most dangerous forms of corruption, political corruption, was studied mainly in the Third World and transitional countries; however, in the last few years huge political and financial scandals in Italy have spread to other European countries and even "model" democracies such as France, Germany and the United Kingdom have been rocked by financial scandals that have tarnished the reputations of leading political figures. It is obvious that the growth of democracy does not lead to the limitation of corruption itself, but there are characteristics of the democratic system that encourage the suppression of corruption and also characteristics of the democratic system that promote the development of corruption.

According to some authors<sup>10</sup>, there are two characteristics of modern democracies promoting the development of corruption: the increased number of decisions taken in the public rather than in the private sector, and the increased number of decision-making centres caused by administrative decentralisation. Development of democracy

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<sup>9</sup> In Norway special anti-corruption prosecution service is being developed

<sup>10</sup> Donatella della Porta, Corruption and Democracy, UNESCO Courier, June, 1996

always brings along the whole range of procedures for elimination of threats, which could endanger this development, including the threat of corruption. If corruption exists in spite of these procedures, it is not because democracy is a bad thing, but because different obstacles prevent these procedures from working properly.

Corrupters and corrupted follow rational motives based on a desire for gain and corruption increases if the expected benefits from it are higher than the risks involved. The risks involved mainly consist of different kind of sanctions and the possibility of them being effectively used, which depends on the structure and effectiveness of the internal (control mechanisms in state institutions), external (independent audit institutions, law enforcement and judiciary) and political (freedom and regularity of elections, balance of powers...) mechanisms.

There are also some other elements, which influence the level and the forms of corruption in concrete countries. Usually economic development is negatively related to corruption, but what about the democratisation? Are citizens willing to justify corrupt acts more when democratic political attitudes become more widely shared? Very simple comparison between Transparency International CPI and the Index of Corruption Permissiveness shows that citizens of countries that have less corruption have less or no understanding for corruption, and that high support for democracy is associated with low citizen justification of corruption. East Asian societies are the least likely to justify corruption followed by Western democracies and African societies. Former communist societies have the highest average level of corruption permissiveness among all regions in the world.

Another element, which is also very important in its relation to corruption is interpersonal trust as an important element of democratic political culture and a central element of social capital, which "lubricates" the functioning of democratic society. Surveys show that more trusting societies tend to be less likely to justify corruption, making acts of corruption in such a way culturally undemocratic.

What is very important is that corruption permissiveness in Western democracies has remained almost the same during the last two decades. Of course, there were some exemptions – in the USA, for example, corruption permissiveness index has increased from 1,26 in 1990 to 1,39 in 2000, and in Germany it has increased from 1,41 in 1990 to 1,61 in 1995. On the contrary to general situation in Western democracies, there is a major difference in post-communist countries where almost in all cases corruption permissiveness index went up significantly. This is a worrying fact since it also means that the development of democracy in these countries has not brought along more critical attitudes towards the acts of corruption. Moreover, in some cases exactly the opposite happened.

## **5 Who is really better?**

If we take given moment in time, 21 November 2006, it is obvious that Western democracies still have less corruption than the post-communist countries. Their democracies are far more developed than the other ones, their economic development has gone much further, citizens' justification of corruption is low, they strongly support democracy, interpersonal trust in these countries is much stronger, risks for corruption offenders are higher...

In the post-communist countries they are still struggling with the basic economic

development (including privatisation and restitution processes), they still have to work on the development of the basic democratic postulates, corruption permissiveness is high, interpersonal trust low, and there are no serious risks for those who profit from corruption.

What happens if we ask the same question dynamically, involving some period in the future?

Western democracies are generally satisfied with the corruption situation in their countries, they do not intend to invest a lot in the improvement of the situation, they do not intend to significantly change their legislative and institutional set-up, sometimes they even do not intend to follow international (mandatory or non-mandatory) recommendations and/or guidelines, they are very good in finding excuses why they are the "good ones" and why they do not have to do anything.

Post-communist countries are acknowledging that they have serious problems with corruption<sup>11</sup>, they are developing counter-measures in the form of new legislations, institutions, practises, they devote resources for that, they follow international directions and they increase risks for the perpetrators. Therefore, in the future they will close the gap between themselves and the Western countries. Then, the question is only when this will happen.

Western democracies, especially in the form of old EU member-states, are not devoting much attention to their own problems of corruption and, according to that, even less attention is paid to what is happening in the new democracies. Regardless of the fact that »fight against corruption« was and is political criteria for the EU accession, EU itself did not do much to help accession countries and it clearly considers them as second-rate EU members, which are the only ones who have to fight corruption. In such a way Europe, which is trying to become united in some areas, including the area of democratisation, in the area of anti-corruption is being split into two parts – the old and the new Europe, and in the latter we can find all European countries except 15 old EU member-states. This is absolutely wrong and might cause significant problems in the future.....but also might not: if the post-communist countries learn the lessons on major democratic achievements and anti-corruption exercises, if they implement international standards properly and if they continue to devote the same amount of resources to the development of democracy and to anti-corruption fight, they will close the gap soon. It is difficult to assess when, but in any case, much sooner than in the case of situation where Western democracies would be the ones struggling to do it!

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<sup>11</sup> Of course, they are sometimes forced to do so by their citizens/voters.

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