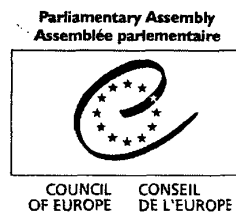


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ADDENDUM 3

**Poverty and the fight against corruption in the Council of Europe
member states**

The following texts were submitted for inclusion in the official report by members who were present in the Chamber but were prevented by lack of time from delivering them.

Mr COSARCIUC (Moldova) – Mr President, dear colleagues, first I would like to congratulate the rapporteur on an excellent report.

Over the last two years, Moldova has made minor improvements in respect of corruption.

It is rather difficult to defeat corruption in a society such as Moldovan's, where an equilibrium is to be found between freedom and state control.

Freedom requires the simplification of administrative and legal barriers for the benefits of economic and social activities.

At the time, maintaining a strict control over the society, and a real dialogue between government, civil society and the private sector over corruption will never be achieved. Society accuses the government of corruption, and so tolerates it at all levels as a day-to-day manifestation.

A successful campaign against corruption in Moldova requires the participation of government, business community and civil society. This is a massive issue that gives us signals that the punitive character of the Government policies towards society must be changed to be more consultative and educational.

Reforms in government agencies will not be effective if citizens do not have confidence in the rule of law and justice. Every person exposed to corruption should know which authority to approach and should be confident about justice and the rule of law. To achieve this we must implement reforms in law enforcement bodies and in the judiciary for applying the law on witness protection.

As a solution, the promotion of young specialists is needed, as they are the core of the incorrupt part of society. They are more self-conscious and have got skills and abilities to act consciously. They are the new generation who have adopted market economy rules as their own code of honour.

There is a correlation between corruption and human trafficking could not have taken place without the involvement of corrupt public officials. Especially at local level agency units have to be established, with involvement in anti-trafficking and anti-corruption activities at national and local level, in order to enhance functional and investigative capacities of state bodies, which need financial and logistical support.

The European Community's plans enhance legal work permits for citizens of Moldova should be initiated. This would be crucial for thousands of Moldovan citizens working illegally in most of EU countries, would stop smuggling of human being across the borders and would free thousands of women from being humiliated by illegal employers in EU.

Despite solemn declarations at national and international levels in recent years on the need to eradicate poverty in developing countries, many promises unfortunately remain unfulfilled due to poor governance by corrupt elites and judiciaries, combined with a lack of democratic institutions, leading to economic instability and a malfunctioning international trading system, by which many developing states are locked into excessive reliance on exports of raw materials in exchange for imported finished goods and services. Persistent export subsidies in industrialised countries, especially for agricultural commodities, undermine fair international competition.

The lack of foreign direct investment – and an inequitable distribution among countries thereof – means that eastern European countries, such as the Republic of Moldova, receive only a small fraction of the total.

In order to eradicate the poverty and corruption the Republic of Moldova as a Council of Europe member state, has to promote, as an absolute priority, good governance and law, democracy, the rule of law, an independent judiciary and the rooting out of corruption.

Mr CEBECI (Turkey) – I would like to congratulate our colleague, Mr Cousin, on his report examining the links between poverty and corruption and the measures to be taken to alleviate these two problems.

Although corruption is not a new phenomenon, it has gained even further magnitude in recent years. Corruption is a threat to good governance, erodes confidence in respect for democratic institutions and emerges as an obstacle to economic development.

The fight against corruption requires concerted action from the international community and a two fold strategy covering supply and demand dimensions of this phenomenon. At the national level, high-level public officials' and politicians' corrupt practices as well as corruption within the justice system should emerge as the priority areas of concern. Bribery, cheating in the public adjudication, defrauding and embezzling are frequent practices of corruption.

Political determination, good governance, transparency, accountability and a solid anti-corruption legal framework are the pillars of a successful fight against corruption at both national and international levels. Countering corruption is an effort that the whole international community, and developing countries in particular, have to face in their way to economic and social prosperity.

Our rapporteur has given a clear and full list of measures to be taken in the fight against corruption. We, the members of this pan-European Parliament, should urge our governments to adopt these measures and create a viable economic atmosphere free from corrupt practices. We should bear it in mind that we risk the future of our children if we ignore this problem or fail to address this issue in a prompt and swift manner.

Within the context of this report, I would like to underline another important aspect in the fight against the corruption. Unfortunately, we should not underestimate the role of multinational corporations in the process of corruption. It is not ethically proper to focus only the receiving end of this equilibrium. The multinational corporations should also do their best to minimise their involvement in corruption. Member states of the Council of Europe should enforce their legislation prosecuting their nationals who are involved in corruption-related offences abroad.

I thank the rapporteur once again for his work. I support his report and the draft resolution.

Mr CULLEN (Canada) – I am very pleased to participate in the debate on poverty and the fight against corruption in Council of Europe member states and I would like to thank Mr Alain Cousin, the rapporteur, for his excellent work on this topic. Mr Cousin's draft resolution deserves the support of this Assembly to support parliamentarians around the world who are focused on the negative impacts of corruption – and who are fighting to eliminate corruption or reduce it substantially. This is no small task because corruption has become endemic in many of our societies. No country is immune from corruption.

Transparency International ranks countries each year using its corruption perceptions index. In 2003, Canada was ranked the 11th least corrupt country out of a group of 133. Bangladesh was ranked the most corrupt country. Many member states of the Council of Europe did not glorify themselves on this list. By way of example, Georgia was 127th. Azerbaijan was 125th. Ukraine was 111th. I could go on. On a more positive note, Finland, Iceland and Denmark were ranked the three least corrupt countries on the list of 133 countries.

There have been various attempts to measure the impact of corruption on a country's GDP. Experts in this field have estimated that a one unit increase in bribery or corruption, on a scale of zero to 10 would lower real GDP growth by 0.3 to 1.8 percentage points, or by 1% to 1.3% depending on the methodology used.

Not only does corruption affect economic performance; it also creates income distribution inequities – the very few monopolise a country's income and wealth while the majority are mired in poverty. Political instability is often an outcome.

We know that poverty and corruption are highly correlated. Poor countries are likely to be corrupt. The reverse is also true – corrupt countries are likely to be poor. We need to recognize, however, that it is greed, not poverty, that is the factor which motivates government and corporate leaders to engage in corrupt activities.

Parliamentarians around the world are beginning to turn their attention to the fight against corruption and money laundering. The Global Organization of Parliamentarians Against Corruption, or GOPAC, is such an initiative.

The Global Organization of Parliamentarians Against Corruption was founded in 2002 at a conference hosted by the Canadian House of Commons and Senate. GOPAC now has over 400 members around the world, organized into regional and national chapters. GOPAC is the umbrella organization to motivate, support, and organise regional chapters around the world – chapters that have been formed in North

America, in Asia, in Africa, in the Middle East, in the Caribbean, here in Europe, and in the newly independent states. Other chapters are being formed on a regular basis.

So, parliamentarians are increasingly involving themselves in the fight against bribery, corruption and money laundering.

We better understand the destabilising influence of bribery and corruption, and the economic costs associated with it. We understand also how corruption and money laundering are connected. The Parliamentary Assembly of the Council of Europe has been a leader in the fight against money laundering. Passage of the draft resolution before this Assembly today will continue this good work by attacking corruption in a similar way.

Parliamentarians can work together to find the solutions to these very difficult problems.

Thank you.