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Western Europe

Austria, Belgium, Britain, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland

Véronique Pujas

Overview

Corruption now occupies a central place as an issue of public concern on the political agenda in Western Europe. There is widespread diffusion of information about corruption and scandals involving politicians and political parties are subject to extensive media coverage.

A central trend in 2001–02 was the increasing political and media attention given to issues of financial transparency and corporate governance. There was a marked increase in efforts to prevent money laundering, linked to the ‘fight against terrorism’ following the attacks of September 11th. Efforts to fight organised crime and control tax havens moved forward much faster in the new international climate, as did judicial and police cooperation between Western European countries. The primary stimulus for the rise to the top of the political agenda of corporate governance was the collapse of Enron in the United States.

Governing parties confronted allegations of corruption in several countries in the region, notably France, Germany, Italy and Portugal. The political impact varied; while the German government took steps to introduce a corruption blacklist ahead of elections later in the year, the French president was re-elected in spite of allegations that continued to fuel the debate on whether presidential immunity should be removed. Corruption allegations in Italy provoked an extended conflict between the prime minister and the judiciary that is ongoing. At the same time, legislative changes introduced by the government of Silvio Berlusconi appeared to be primarily self-serving and undermined executive accountability.

There was growing concern about the level of fraud and money laundering carried out in and through private sector financial institutions. In Spain, criminal investigations began into one of Europe’s largest banking sector scandals in years. The credibility of the private sector has become a central political theme across the region.

In spite of the strength of civil society across the region, few NGOs focus specifically on anti-corruption advocacy. While corruption was regularly in the headlines, public reactions varied. Populist parties achieved electoral successes in some countries, partly because of disenchantment with corrupt political elites.

International and regional

The more significant initiatives to fight corruption in Western Europe in 2001–02 came mainly from international and supranational institutions such as the Organisation for Economic Co-operation and Development (OECD), the G8 and the European Union (EU). For individual national governments, it can be a relief to delegate sensitive political issues to international institutions, rather than grapple with them directly. The transnational features of corruption lend support to the argument that the problem is best fought by strengthening international security and through cooperation between justice systems.

The OECD Anti-Bribery Convention, ratified by all OECD member states except Ireland, is being progressively assimilated into national laws, though only a few cases are so far being investigated under the convention. A working group was established to monitor the situation, and in its first round of evaluations it criticised the implementation of legislation in several countries, forcing governments to amend their laws in line with the convention. Phase 2 monitoring, however, which is intended to examine the enforcement of the convention, got off to a disappointingly slow start. Reviews began in 2001 and were to be carried out at a rate of seven or eight per year, but in the first year and a half only four were carried out.¹ Without sufficient support from OECD governments for the monitoring process, there is a strong risk that the convention will not be properly enforced.

The Financial Action Task Force blacklist of financial jurisdictions that are not cooperative in the fight against money laundering continues to exert pressure. At the end of February 2002, the authorities of the Channel Islands of Jersey and Guernsey agreed to collaborate with OECD countries to improve the transparency of their financial systems.² Of the seven jurisdictions that remain on the OECD's list of uncooperative tax havens, three are in Western Europe: Andorra, Liechtenstein and Monaco.³

One of the main issues of concern at the July 2001 G8 summit in Genoa was 'transnational organised crime'. Corruption was linked to a wide range of other 'international crimes' that require similar interventions; corruption, money laundering, illegal immigration, terrorism and high-tech crime were all approached as global phenomena to be combated through international cooperation.⁴ The perception of corruption as a global problem marked an important turning point.

The events of September 11th drove forward cooperation between the judiciary, police and information services of the 15 EU member states, though some of its consequences may restrict civil liberties (see access to information box, p. 74). Measures that had been discussed for years, but remained blocked for political and technical reasons, were now incorporated in an action plan to combat terrorism and organised crime. The plan explicitly included corruption in all the relevant texts. For example, in November 2001 a new directive on money laundering was adopted, obliging member states to combat laundering of the proceeds of all serious crime, including corruption.

Confronting cash for contracts in Britain

The importance of prosecuting cases of private-to-private bribery was given great publicity in 2001 by the passage through the British courts of the biggest bribery scandal in two decades. The case was particularly significant because detecting and prosecuting the payment of bribes within the private sector is given far less attention than corruption in the public service. Although the Organisation for Economic Co-operation and Development (OECD) has found that Britain is among those countries with a greater will to prosecute, fewer than 10 cases of private-to-private bribery have gone to trial in the last 20 years.

The significance of private-to-private bribery became clear when the CEO of Hobsons, a food manufacturer, was brought to court, accused of stealing £2.4 million (US \$3.8 million) from the bank account of a subsidiary company in order to extend a lucrative contract with the Co-operative Wholesale Society (CWS). Two senior CWS officials were convicted of receiving corrupt payments of £1 million (US \$1.6 million) each. They were

sentenced to three and a half years in prison and ordered to pay back the bribes as well as legal costs. The judge ordered a retrial of the CEO of Hobsons after the jury failed to come to a conclusion on his case. The retrial is scheduled for January 2003.

The key events occurred in 1995 when Hobsons' agreement to supply 800 CWS stores with own-brand foods was due to end. Hobsons CEO Andrew Regan claimed that he was approached by a businessman who offered to broker an extension of the deal through his contacts at CWS headquarters. The £2.4 million (US \$3.8 million) paid to the businessman was accounted for as a 'brokerage fee', but the court found that the money had been channelled through Swiss bank accounts to companies in the British Virgin Islands whose beneficial owners were the executives from CWS.

Suspensions were aroused when the non-executive chairman at Hobsons was surprised to discover that the CWS contract had been extended. Regan assured him that there was 'nothing to worry about

The European Arrest Warrant is another illustration of the new, common European approach. Introduced to fight transnational crimes including corruption, it replaces extradition procedures and requires that an arrest warrant issued in one EU country be recognised and executed in all other EU member states. EU ministers reached political agreement on the warrant in December 2001, but the process was contentious. Italy's prime minister Silvio Berlusconi only agreed to the warrant under intense pressure from other EU member states. His opposition was based on the inclusion of provisions on money laundering, corruption and fraud. Furthermore, the requirement that national parliaments ratify the warrant may delay its implementation (scheduled for January 2004).

In addition, there is a progressive institutionalisation of the anti-corruption bodies set up by the EU. Europol (European Police Office) is engaged in a large-scale recruitment policy and extension of the cooperation agreements between member states' intelligence services while Eurojust, its European justice counterpart, was launched in 2001. The European Anti-Fraud Office is gaining credibility, particularly after its March 2002 disclosure of new investigations into possible procedural

... Hobsons' financial advisers regarded [the deal] as something of a coup'. The non-executive chairman, however, was unconvinced and had the £2.4 million 'brokerage fee' investigated.

The difficulties involved in prosecuting such a case are clear. The wronged company must be willing to involve the police. Where the damage to a company's reputation is perceived to be greater than the loss through corruption, involving the police can be a difficult decision. Furthermore, the defendants and witnesses were part of a network of conflicting interests, which can be a strong disincentive to reporting an incident or to prosecuting. Employees close enough to the malpractice to be in a position to report anything substantial often regard themselves as vulnerable to allegations of complicity.

The Hobsons-CWS scandal coincided with the preliminary stages of a wholesale reform of the laws on corruption in Britain, where the relevant statutes are around 100 years old. Reform began in February 2002 with the implementation of the OECD Convention into British legislation, prompted to a great extent by

the House of Commons Select Committee on International Development inquiry into corruption, in which Transparency International UK played a key role. The Anti-Terrorism, Crime and Security Act 2001 stated that corruption could be prosecuted under British laws regardless of where the offence was committed. The definition of the offence is to be clarified in the proposed criminal law that will establish a single offence of corruption with, for the first time, a statutory definition of 'acting corruptly'. This definition will apply to both public and private sectors. Consideration will also be given to creating a new offence of 'trading in influence', which will have particular application to the private sector.

It is hoped that these changes will increase the number of prosecutions for corruption in Britain. In the private sector, however, they will have a significant impact only if they are accompanied by a widespread recognition that stamping out corrupt payments is of greater importance for a company's long-term interest than avoiding scandal in the short term.

Catherine Courtney

irregularities within European institutions.⁵ Finally, along with the World Bank and the International Monetary Fund, the EU is engaged in the incorporation of anti-fraud strategies into its development assistance programmes.

The Council of Europe continues to focus on the institutional effectiveness of national anti-corruption laws and institutions through its Group of States against Corruption working group. The Criminal Law Convention on Corruption received enough ratifications (14) to come into force in July 2002.⁶ The Council of Europe is also continuing the OCTOPUS programme, which works to strengthen governance by introducing anti-corruption provisions in Eastern European countries that are seeking EU membership. The prospect of EU membership may prove to be one of the most effective incentives for governments to improve integrity systems.

The process of European integration and its impact on the fight against corruption depend both on intergovernmental policy-making – which in turn depends on national political will – and on the implementation of such policies by national governments. Unfortunately, commitment is less evident at the national level. The ambivalent responses of some governments to international

initiatives, such as Italy's initial objections to the European Arrest Warrant, mirror the disappointing record of a number of Western European governments in national efforts to fight corruption.

National

Over the past year, fighting corruption has been accorded different levels of priority among national governments in Western Europe. While successive disclosures of corruption cases involving political elites in Germany and France put this issue high on the political agenda in those countries, corruption was of less concern in Spain, where public attention has focused more on the activities of the separatist Basque movement, ETA. Polls conducted in 2001 showed that corruption was no longer of major concern to many Spaniards in contrast to terrorism, which is regarded as the most pressing problem.⁷

The political sensitivity of corruption issues at the national level often depends on whether it is an election year. France is no exception and, with elections timed for April and June 2002, several cases concerning the personal use of public funds were leaked to the media. President Jacques Chirac saw a significant number of judicial prosecutions launched against individuals in his entourage. These allegations concerned the periods when Chirac was president of his political party, Rassemblement pour la République (1976–94), and mayor of Paris (1977–95).

Some of the allegations included illegal campaign and party financing through kickbacks on public works (the *'affaire des HLM'* in Paris and the *'affaire des lycées de la région Ile de France'*); kickbacks on public printing contracts (the Sempap case); the use of municipal funds in Paris to pay political party staff members; and the manipulation of electoral lists to sway district votes.⁸ New allegations in 2001 were even more damning. In July 2001 Chirac was accused of using secret cash funds (normally used to finance intelligence activities or to top up the salaries of the prime minister's close staff) to pay for personal travel expenses.⁹ The allegations, and Chirac's refusal to testify in many of the above cases, helped to crystallise the debates on removing presidential immunity and on obstruction of justice.

At the beginning of the electoral campaign in February 2002, a fast-rising regional councillor from Chirac's party, Didier Schuller, who had escaped to Santo Domingo seven years earlier following corruption charges, returned to France. His reappearance reignited public debate on the illegal financing of political parties after it was claimed that money he had gained corruptly was used to finance Chirac's party.¹⁰

In Germany, in the wake of the party financing scandal in which the Christian Democratic Union has been embroiled since 1999, the governing Social Democratic Party (SPD) became mired in its own financing scandal in March 2002. SPD officials in Cologne were alleged to have received €260,000 (US \$257,000) from corporate donors between 1994 and 1999.¹¹ Though dating back some years, this scandal led to

a breakthrough in public awareness, with municipal corruption now recognised as systemic in Germany.

The British government faced a series of party financing scandals in 2001–02. The media probed several prominent cases in which government contracts or favourable decisions had been given to companies, including Enron, that had donated funds to the governing Labour Party. There was no proof that government decisions had been directly influenced by the donations but, in an attempt to avoid embarrassment, the party announced it was setting up a committee to vet all donations of more than £5,000 (US \$7,800).¹² In Scotland, First Minister Henry McLeish, Labour leader of the devolved government, resigned in November 2001 after it was revealed that he misused parliamentary financial benefits and failed to declare income.¹³

The British government went a step farther than other OECD countries, however, when new anti-bribery legislation, intended to bring British law into line with the OECD Anti-Bribery Convention, came into force in February 2002.¹⁴ Unlike other OECD countries' legislation that renders illegal the bribery of foreign government officials, the new law also makes facilitation payments illegal. The Confederation of British Industry criticised the banning of facilitation payments – small payments to 'facilitate' routine government services – on the grounds that it could put British companies at a competitive disadvantage. The British government argued that there was no basis for exempting such payments and commented that 'a culture of facilitation payments hinders those overseas governments who are trying to fight both grand and small-scale corruption in their countries'.¹⁵

Ireland was branded 'one of the most corrupt countries in Europe' in a report commissioned by a British-based charitable trust and published in April 2002.¹⁶ The report coincided with continuing proceedings at tribunals of inquiry into payments made to Irish politicians – including former prime minister Charles Haughey – and alleged planning irregularities implicating senior political figures.

Portugal's Socialist Party, which had been in power for six years, was blighted by allegations of corruption and mismanagement of public funds, as well as economic troubles. The crisis led to early general elections in March 2002 in which the governing party lost power.

Though the perceived level of corruption in Scandinavian countries is comparatively low, there are allegations of corruption and disclosure of scandals. In Denmark, the alleged misappropriation of funds in Farum Council, a local authority north of Copenhagen, became a national issue since the government had portrayed it as a model of financial management.¹⁷

In light of the multiplication of corruption scandals in Western European countries, governments have adopted a range of provisions to regain their integrity, but a gap remains between the rhetoric of reform and the effectiveness of actions undertaken. The new Italian government of Prime Minister Silvio Berlusconi is a case in point. Berlusconi was responsible for setting up the 'Fight Against International

Crime' working programme of the G8 meeting in Genoa in 2001. At the same time, while he and a number of colleagues were facing several charges of corruption and false accounting, he transformed the fight against corruption into a fight against investigative judges. In late 2001 a new law was adopted by parliament that severely impedes their work. Declaring false accounts also ceased to be a criminal offence in Italy, a change that may create a strong incentive for money laundering.¹⁸ Other obstacles were placed in the way of magistrates working on corruption and mafia cases, including the removal of their security escorts.¹⁹ The Senate adopted a reform of the High Council of the Judiciary, which has disciplinary powers over the judiciary.²⁰ The reform will change the composition of the council and may impact on the independence of investigating judges. In January 2002 the United Nations special rapporteur on the independence of judges and lawyers made an appeal to Berlusconi, calling on his government to respect the UN basic principles on the independence of the judiciary.²¹

The absence of major reform in political party financing and, above all, the absence of independent investigative agencies to control political party accounting procedures continued to delegitimise political parties throughout Western Europe. In most countries there has been insufficient reform of public administration in the fight against corruption. In Germany, the lack of progress of draft freedom of information legislation and the decision in 2001 to abolish the Office of the Federal Disciplinary Attorney may limit the risks faced by corrupt civil servants.²² Moreover, most European countries lack either an adequate witness protection programme or comprehensive protection measures for whistleblowers.

Conflicts of interest regularly emerge in Western European democracies, particularly in situations where political figures have stakes in private industry. A recent case in France concerned a member of the Audiovisual Control Authority who owned a large part of the financial capital of a major media company, the former Vivendi corporation.²³ It is also a contentious issue in Italy, where Berlusconi retains ownership of a significant proportion of TV broadcasting. Closely related concerns arise in privatisation procedures. Since 1996, the privatisation of the Spanish telecommunications and banking systems has been the source of numerous corruption allegations, especially concerning the close ties between the directors of the new entities and members of government.

Several countries demonstrated some improvement in the fight against money laundering. In Switzerland, more staff were assigned to the Money Laundering Reporting Office Switzerland (MROS) in late 2001 in an effort to improve its effectiveness. A cooperation agreement was announced in January 2002 between MROS and its partner in Monaco. In France, new provisions were adopted in May 2001 to strengthen the fight against money laundering by reinforcing the *Pôles économiques et financiers*, an institutional mechanism that brings together judges specialising in financial and organised crime. The lack of human and financial resources has since been criticised by staff.²⁴

Blacklisting in Germany

In recent years, Germany has endured party finance scandals that have involved the major political parties. Yet another scandal was exposed in the spring of 2002. Politicians in the city of Cologne had accepted 'donations' from companies in exchange for contracts to build a waste disposal plant and other large-scale construction projects. As further details emerged, an elaborate system of kickbacks and political donations in return for public contracts was revealed.

After more than a decade of high-profile scandals, Germany's federal government has gradually instituted changes to party financing statutes and, more recently, it presented a measure to parliament in April 2002 that would allow for the creation of a Register of Unreliable Companies. The register would list companies that have been caught paying bribes, using illegal employees or otherwise engaging in corrupt activity. Listed companies could then be excluded from bidding for public contracts for up to three years. Under the plan, the federal department in charge of public procurement would be responsible for putting companies on the blacklist, as well as for deciding whether companies had sufficiently improved their ethics management to warrant removal from the list.

Germany has had provisions since the mid-1990s at both the state and federal level that call for the exclusion of unreliable (and definitely criminal) companies from public procurement contracts. But although these 'Corruption Prevention Decrees' contain many common-sense risk management techniques, they have not been put to effective use. If the government's new proposal for a centrally held catalogue of 'unreliable' companies is to bring added value to the anti-corruption effort, stricter enforcement of the rules – including exclusion from the procurement process – is crucial.

Unfortunately, the proposal ran into resistance. The bill was twice held up in the upper house of the German parliament (Bundesrat), where the opposition commanded a majority of votes. The bill's opponents argued that the conditions for inclusion on the blacklist were arbitrary; that companies could be unfairly punished; and that certain aspects of the bill were potentially unconstitutional. The resistance came as a surprise given that several German states governed by the main opposition party have had similar blacklists for some time.

In spite of the bill's defeat, German anti-corruption activists continue to push for an effective blacklist. There remains a chance that the bill could pass the upper house in an amended form in September 2002. Ideally, such a list should be open to the public, administered by a neutral institution and supported by the chambers of commerce as well as the public administration. Restricting public access and empowering only officials in charge of public procurement to determine which companies should be included on the blacklist may introduce new risks of corruption. In addition, it should be quick and easy to put a company on the blacklist; the test should be whether the facts presented against a company are sufficient to allow for a legal indictment. Removal from the list should be just as quick and easy, provided the company can prove it has installed an effective ethics management system.

Such a blacklist could form the cornerstone of efforts to increase transparency in Germany. It would offer incentives for companies to install effective ethics management systems and thus would do much to prevent German politics from being damaged by further scandals of the type seen in Cologne.

Björn Rohde-Liebenau

Despite the fact that French justice ministers promised to respect the independence of the judiciary during investigations into the activities of politicians, many judges in charge of the bigger cases left the judiciary or changed positions in late 2001 and early 2002, albeit for varied reasons. Eva Joly, who ran the Elf Aquitaine investigation, resigned from the judiciary, as did Eric Halphen, responsible for the HLM case in Paris, and Anne-José Fulg  ras, former head of the finance department of the Paris court. Laurence Vichnievsky, who worked with Eva Joly, changed his position within the judiciary.²⁵ Their departures received much publicity, particularly because they published books in which they expressed scepticism regarding the fight against corruption in France and in Western Europe more generally.

Private sector

One of the major shifts in the fight against corruption in 2001–02 was the growing awareness that corruption undermines the legitimacy and stability of financial markets and institutions. In the early 1990s, analysts deplored the fact that corruption was only partially studied, with an over-emphasis on the political dimension and an under-emphasis on the roles of financial and economic actors. In contrast, much attention is now being directed at corruption in and through international financial mechanisms.

A number of factors in the last two years contributed to this development in Western Europe; one was the collapse of Internet stocks at the end of the 1990s, while another involved allegations that there were secret accounts for money laundering in Clearstream – a financial facility in Luxembourg used by banks to clear financial transactions.²⁶ By far the largest factor, though, was Enron’s bankruptcy announcement at the end of 2001. The Enron case dramatically increased awareness of the possibility of illegal collusion between law firms, auditing companies and banks in the manipulation of company accounts, providing false information to financial markets.

In Britain, it was estimated that fraud – including detection and prosecution – imposes costs on the country of up to £13.8 billion (US \$21.4 billion) a year. The 2000–01 annual report of the Fraud Advisory Panel, an independent body founded by the Institute of Chartered Accountants of England and Wales, argued that business fraud is ‘increasingly linked to corruption and money laundering and conducted by organised criminals’.²⁷

Investigations into corruption at the Spanish bank BBVA opened one of the biggest scandals to hit the European banking sector in years. The criminal inquiry, which began in April 2002, related to activities at Banco Bilbao Vizcaya before its merger with the Argentaria bank in 1999. The bank was alleged to have held €225 million (US \$223 million) in secret accounts in Jersey, Liechtenstein and Switzerland. The bank’s secret accounts were alleged to have allowed fraud, misappropriation and money laundering. Money was also allegedly channelled to fund the

election campaign of Venezuela's president Hugo Chavez, as well as that of former Peruvian president Alberto Fujimori. Twenty-three former executives and board members of BBVA, who resigned during the course of the year, were named in the investigation being carried out by Judge Baltazar Garzón.²⁸

In another prominent case in Spain, major fraud charges in a fund management company – linked to allegations of money laundering and graft – led to the resignation of the chairwoman of the stock exchange commission and the junior finance minister. More than €100 million (US \$99 million) of funds invested in the Gescartera company disappeared. Inquiries were carried out in both parliament and the high court in a case that touched high officials in the stock exchange, government and one of Spain's largest charities.²⁹

TI's Bribe Payers Index highlighted the role of multinational companies based in Western Europe in bribery in developing countries in May 2002 (see p. 266). The index identified the construction and arms industries as the most frequent sources of bribes paid by companies from exporting countries.³⁰ Several major multinational construction companies, including companies from Britain, France, Germany, Italy and Switzerland, face prosecution in the ongoing Lesotho Highlands Development Authority case.

While the Lesotho case is a rare example of a Western company being prosecuted for bribery under the national law of a developing country, the steady incorporation of the OECD Anti-Bribery Convention into national laws in OECD countries is making bribery abroad increasingly risky. Yet the Bribe Payers Index also revealed the deplorably low level of awareness of the OECD convention. The level of awareness will rise only when there is increased cooperation between investigative journalists in developing countries, NGOs and public prosecutors in OECD countries.

Some Western European companies are engaging more closely with the problem of corruption, partly in response to the OECD convention. In Germany, the railway company Deutsche Bahn acknowledged in December 2001 that its own internal investigations had revealed more than 200 cases of corruption. There was sufficient evidence in 25 cases to pass them to public prosecutors.³¹ A month earlier Frankfurt prosecutors announced that a former procurement chief of Deutsche Bahn had been arrested on charges of corruption, along with three managers of a supplier.³² In an effort to root out corruption, and on the advice of Transparency International Germany, Deutsche Bahn had established its own anti-corruption ombudsman to work in cooperation with prosecutors.

Civil society

Corruption within Western Europe has not been a major focus of advocacy work, in spite of the strength of civil society. The limited focus on corruption is reflected in the record of the national chapters of Transparency International in the region, whose prominence is the exception rather than the rule. A number of

Access to information in Western Europe

Most Western countries now have laws providing the public with a general right of access to government records.¹ The push for transparency extends to EU institutions. The European ombudsman issued a number of statements in 2001 that criticised EU bodies for failing to release information. These included a critical report of the Council of Ministers for failing to provide access to documents related to justice and home affairs. As a consequence, a new European regulation on public access to EU documents came into effect in December 2001. Moreover, the Council of Europe Committee of Ministers released recommendations for freedom of information legislation in February 2002.²

Two exceptions to the generally positive picture of freedom of information legislation in the region are Germany and Switzerland, neither of which has nationwide freedom of information laws. A draft bill was introduced in Germany in 2001, but progress was blocked by opposition from the administration and the corporate sector. Four of the 16 federal states in Germany have adopted freedom

of information legislation, albeit with restrictive provisions, but several federal states (including Bavaria, Hesse and Saxony) voted against freedom of information laws in the last year.

The Swiss parliament has pronounced in favour of introducing freedom of information legislation, and a public consultation on the issue was completed in March 2001. There was general public support for the right of access to information, but a number of concerns were voiced, for instance by state-owned enterprises that feared a loss of competitiveness. Details of the proposed legislation are still being discussed.³

While freedom of information legislation was passed in Britain in 2000, the government has been slow to implement it. In November 2001, it announced that the individual's general right to demand information will come into effect only in 2005. For the period leading up to 2005, a timetable has been laid down for public authorities to issue 'publication schemes' in which they set out systematically their plans for publishing information.⁴

The reluctance of these governments

NGOs in the region do, however, campaign on issues of broad relevance to the fight against corruption, including freedom of information and the regulation of financial markets.

Though there is considerable media interest in corruption scandals and journalists feel increasingly 'authorised' to investigate politicians, investigative journalism is not being given additional resources. Media interest is by no means uniform, though; for example, the reluctance of many French journalists to investigate political corruption contrasts with the assertive and contentious style of journalism in some other Western European countries. Symptomatic of this was the French media's apparent lack of concern for political financial accountability during the 2002 electoral campaign.

Politicians often use corruption allegations as a political tool, taking advantage of the media's interest in them, but this usage can in turn lead to public scepticism. Both corruption involving politicians and the instrumental use of corruption accusations have eroded public confidence in government and under-

contrasts with the speed and strength of the measures taken in late 2001 in Western European countries as a consequence of the attacks of September 11th. Governments' capacity to control press information and use electronic surveillance has been expanded. Intelligence and police services have unrestricted access to personal mail and electronic service providers, and personal information collected by official authorities is now kept on file for a longer period of time. There is a risk that the new anti-terrorism provisions developed in many European countries will undermine not only civil liberties, but also access to information.

Meanwhile, editorial freedom and investigative journalism are threatened by the deepening broadcasting crisis in several Western European countries, with major public and private broadcasting networks facing struggles to maintain editorial independence. In Italy, Prime Minister Berlusconi owns the three largest private television channels and, as head of government, also controls the three public channels.⁵ In France, a dozen journalists were prosecuted in 2001 for publishing articles investigating matters of public interest, including political scandals and

issues such as violations of the 'presumption of innocence'.⁶

In the area of e-government, many central and local governments have embraced the digital revolution and are putting on-line a wide range of materials from publications and databases to actual government services. Official websites and e-government services are, generally speaking, much more developed in northern European countries than in southern ones.⁷ In November 2001, the European Commission's new 'eEurope Awards for Innovation in eGovernment' were launched. Their aim is to highlight and promote the efforts made by European national, regional and local administrations in using information technology to improve the quality and accessibility of public services.

- 1 www.privacyinternational.org/issues/foia/foia-survey.html.
- 2 cm.coe.int/stat/E/Public/2002/adopted_texts/recommendations/2002r2.htm.
- 3 www.ofj.admin.ch/themen/oeffprinzip/intro-d.htm.
- 4 www.lcd.gov.uk/foi/impreg/annrep01.htm.
- 5 *Economist* (Britain), 25 April 2002.
- 6 www.ifex.org.
- 7 europa.eu.int/information_society/eeurope/index_en.htm.

mined the legitimacy of political parties and their leaders, resulting in increasing political apathy.

When it comes to elections, there have been mixed responses to the increase in press reports of scandals involving bribery and other forms of corruption. Populist parties such as the Lega Nord in Italy (part of Berlusconi's coalition government) and the Front National in France (whose leader, Jean-Marie Le Pen, challenged Chirac in the second round of the presidential election) have capitalised on protest votes against corruption among political elites. In part because of their criticisms of low ethical standards among elected politicians, such parties have attracted growing support in recent elections. Many voters, however, have not used their votes to sanction politicians facing corruption allegations, as demonstrated by the election of Berlusconi in Italy in May 2001 and the re-election of President Chirac in France in April 2002.

In Italy, widespread demonstrations in February 2002 provided an opportunity to assess the level of support for the anti-corruption crusade launched in the 1990s

against political elites involved in systemic corruption. Though the predominance of supporters of the political opposition gave the organisations and rallies strong political overtones, these demonstrations were organised to criticise the end of the *Mani Pulite* ('Clean Hands') trials, which had given hope for a new, uncorrupted political system. Forty thousand people attended one demonstration in Milan.³³ Unfortunately, Prime Minister Berlusconi's overt campaign against the prosecuting judges in several cases against him has been reinforced by the large majority he received in the 2001 general election.

Civil society organisations themselves have faced allegations of corruption. In Denmark, the chairman of the industrial employees within the General Union of Workers and Pension Fund, Willy Strube, committed suicide after he was alleged to have used the financial resources of the trade union for personal gain.³⁴

- 1 The country reports on the implementation of the OECD Anti-Bribery Convention (both Phase 1 and Phase 2 monitoring) are available on-line at www.oecd.org/EN/document/0,,EN-document-88-3-no-3-16889-88,00.html.
- 2 www.oecdobserver.org/news/fullstory.php/aid/648/Guernsey_and_Jersey_commit_to_co-operate_with_the_OECD_to_address_harmful_tax_practices.html.
- 3 www.oecd.org/EN/document/0,,EN-document-22-nodirectorate-no-12-28534-22,FF.html.
- 4 www.g7.utoronto.ca/g7/evaluations/2001genoa.
- 5 *Le Monde* (France), 2 March 2002.
- 6 conventions.coe.int/Treaty/EN/CadreListeTraites.htm.
- 7 www.cis.es/baros/mar2429.htm.
- 8 *Le Monde* (France), 29 March 2002.
- 9 *Le Monde* (France), 4 July 2001.
- 10 *Guardian* (Britain), 6 February 2002.
- 11 *Le Monde* (France), 9 March 2002.
- 12 BBC News, 22 May 2002.
- 13 *Guardian* (Britain), 9 November 2001.
- 14 The legislation was introduced as part of the Anti-Terrorism, Crime and Security Act 2001.
- 15 *Financial Times* (Britain), 29 January 2002.
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