



## How to fight corruption and uphold the rule of law by Camino Mortera-Martínez, 27 April 2021

Corruption is a serious problem for Europe. It reduces the EU's GDP somewhere between the staggering range of €120-€990 billion each year. Corruption makes investing in Europe less attractive and weakens the rule of law by eroding citizens' trust in their governing institutions. The COVID-19 pandemic has made things worse – governments have not been as transparent as they should have about their public spending, and the ensuing economic crisis is poisoning national politics. Corruption will be a quandary for Europe's response to the pandemic: the sheer size of the EU's €1.8 trillion recovery fund will make it vulnerable to corruption, political manipulation and fraud. The EU needs to improve its lines of defence to make sure the fund does not fall into the pockets of corrupt politicians, in turn worsening the EU's pressing problem with democratic backsliding within the bloc. That is the main focus of a new policy brief by Camino Mortera-Martínez for the Centre for European Reform in partnership with the Open Society Policy Institute, '[How to fight corruption and uphold the rule of law](#)'.

So far, the EU's efforts to tackle corruption have had a limited impact. This is partly because Brussels is restricted in what it can do, unless a matter outside of its direct remit concerns EU funds. The setting up of the new European Public Prosecutor's Office (EPPO) will give the EU powers to prosecute criminals for the misuse of its money. While the EPPO is a good initiative on paper, it risks failing in practice because some member-states, including those grappling with significant corruption issues, have chosen not to take part in it. The author argues that the EPPO must be part of a full-spectrum strategy to address corruption and the rule of law in Europe, broadening its focus from laws and institutions alone.

The policy brief recommends the EU should:

- ★ Make the disbursements of EU funds conditional on joining the EPPO.
- ★ Use existing instruments such as European Investigation Orders to initiate anti-corruption investigations in countries outside of the EPPO.
- ★ Set up better anti-corruption enforcement mechanisms e.g. joining the Council of Europe's Group of States against Corruption.
- ★ Ultimately give the European Banking Authority greater oversight powers to reduce money laundering.
- ★ Adopt an uncompromising defence of the judiciary, penalising governments who undermine its independence and proper functioning.
- ★ Re-evaluate its rule of law review mechanism to give itself more powers to fight corruption e.g. effectuating a peer-review mechanism of member-states' democratic institutions.

*"How the EU gets out of the pandemic will determine citizens' views on the usefulness, and the legitimacy, of the Union in the medium term. The recovery fund is the bloc's chance to show that the EU is prepared to take bold steps to shape Europe's economy, respond to external shocks and use EU money to stop democratic backsliding. But the fund is at risk of pork-barrel spending and is at the centre of a spat between Brussels, Warsaw and Budapest about the so-called rule of law conditionality mechanism. To make the recovery fund work, and to protect future budgets, the EU needs to up its anti-graft plans – including a strong defence of the rule of law and democratic institutions across the bloc,"* said Camino Mortera-Martínez, author of the paper and senior research fellow at the Centre for European Reform.

### Note for editors:

For further information on the new research and to request an interview with Camino Mortera-Martínez [@CaminoMortera](#), please contact Rosie Giorgi in the CER press office on [pressoffice@cer.eu](mailto:pressoffice@cer.eu) or +44 (207) 233 1199.

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