

Regional conference on “Corruption-free Cities of the Future”

7-8 December 2017, Tirana, Albania

Speech by Herwig VAN STAA (Austria, EPP/CCE), Congress spokesperson on promoting public ethics and preventing corruption.

Theme: The role of local governments in the fight against corruption

Dear Ministers,
Honourable Ambassador,
Ladies and Gentlemen,

I am honoured to address this regional conference on “Corruption-free Cities of the Future”, in my capacity as spokesperson for the Congress of Local and Regional Authorities on promoting public ethics and preventing corruption.

Despite the optimistic title of this conference, I think we all agree that that corruption still poses a major threat to the legitimacy of the democratic institutions of our towns, cities and regions, as well as to the trust that our citizens put in their representatives.

Besides, in all its various forms – whether it is the lack of transparency in public procurement, nepotism or favouritism practices in the recruitment process, or the abuse of administrative resources in election campaigns, corruption has an extremely high cost.

It costs European governments billions of euros each year, including loss of public funds through misallocations and lower quality of goods, services and works.

There are also hidden costs. Corruption leads to distortion of competition, increasing unpredictability and reduced business appetite for foreign investors. In the end, it leads to a loss of trust and morale.

So there is no getting away from it: there are no corruption-free zones in Europe and the fight against corruption concerns us all. It concerns all our countries and all levels of government.

Local and regional authorities are not spared by this phenomenon. They suffer from the consequences of corruption as much as any other public authorities.

In some respects, decentralisation can narrow the scope for corruption. Politicians and public officials at subnational levels are more accountable to the citizens they serve. Voters may be better able to discern the quality of their leadership and the results they deliver. Likewise, local and regional politicians and civil servants can be more in touch with the specific needs and contexts of their cities or regions.

But this is not the whole story: there may equally be greater opportunities and fewer obstacles to corruption at the local and regional levels. For instance, community contacts between public officials and business representatives are often closer. With greater vested interests, including family, friendship and business ties, decision-making can be unduly influenced. This is well-illustrated by the existence of informal power networks, and the “revolving door” phenomenon.

In the area of public procurement, local and regional authorities often have weaker governance capacity, such as low IT capacity or weak contracting expertise. Contracting, especially when it comes to public procurement, is complex and requires expertise. This problem is exacerbated where local and regional governments have inadequate financial resources or are under pressure to cut budgets