

IPALMO



Institute for the Relations between Italy and the Countries of Africa, Latin America, Middle
and Far East

**BUILDING CAPACITIES OF PARLIAMENTARY INSTITUTIONS AND
PROMOTING CITIZENS' PARTICIPATION IN THE ARAB COUNTRIES
AND THE MIDDLE EAST**

Pilot Phase

IRAQ – JORDAN – LEBANON

**The Role of the Italian Parliament in Promoting Transparency and
Fighting Corruption**

Robert Cajati
Ipalmo, Italy

INTRODUCTION

Generally speaking, in the recent past, parliamentary action to curb corruption has been relatively weak, while the most significant work has been implemented by the judiciary and/or the executive branch¹. In the last few years, however, a growing awareness among MPs on the importance of fighting corruption seems to have developed worldwide. International cooperation among national parliaments and global and regional networking has spread. In 2002, parliamentarians from many different countries met in the Chamber of the Canadian House of Commons and created the Global Organization of Parliamentarians Against Corruption (GOPAC). The main idea is that parliaments, as the core institutions for democratic representation, could no longer maintain an attitude of complacency and fatalism toward a phenomenon which, not only determines direct and indirect economic damages, but also undermines the democratic process, violates social justice and creates distrust in state institutions. The belief that corruption has multifaceted negative effects is increasingly equally shared by a wider sector of international public opinion as well as by experts in political science and economics, supported by a progressively more watchful media. The wrong idea, present in some political and business circles that corruption is a necessary evil to face the cost of politics and to lubricate some mechanisms of the economy, is fortunately losing ground.

One of the reasons why parliaments do not always seem alert in fighting corruption is that corruption is present in their ranks². From this point of view, political corruption can be considered one of the most harmful forms of misbehavior because: 1. it deprives the legislative branch from the necessary will and strength in fighting a phenomenon which might consequently spread throughout the social fabric; 2. it delegitimizes democratic institutions, putting in danger the basis of democracy.

This happened in Italy prior to 1992, while afterwards a process of healing was evident.

The present study, after an introductory chapter on the main findings from relevant literature and some hints at the best practices at the international level, will examine: the events and the main causes that brought about the judicial action against the political corruption in Italy in the nineties and the reaction of the Italian Parliament; the strategy undertaken by the Italian Parliament, to prevent systematic corruption from developing again, through classic parliamentary instruments (e.g legislative and oversight function). The political and social constraint which emerged in the last 16 years will be highlighted with the scope of singling out the best strategy parliaments should adopt to effectively fight corruption; some peculiar circumstances given.

¹ Global Organization of Parliamentarians Against Corruption (GOPAC) and The World Bank Institute, *Controlling Corruption: A Parliamentarian's Handbook*, Ottawa, Canada: GOPAC, 2005

² Stapenhurst, Rick, Niall Johnston and Riccardo Pelizzo (ed.), *The Role of Parliaments in Curbing Corruption*, Washington DC: World Bank Institute, 2006

PARLIAMENT AND ANTI-CORRUPTION BEST PRACTICES

The role of parliaments in trying to limit and curb corruption is necessarily shaped by the very nature of their institutional role in a functioning democracy. The tools in the hands of the popular assemblies are obviously very different from the ones of the judicial and executive powers. Broadly speaking, parliaments should create the prescriptive framework in which the judicial and the executive powers can move. The relationship between the parliament and the executive branch is generally highly interrelated since anti-corruption laws are often produced by the cabinet or emanate from multilateral agreements where, in these cases, the task of the assemblies is limited to ratification: a fact that however does not reduce their role. From this point of view, the fact that parliaments should have the last word in creating, approving or rejecting a law, it is an important factor which gives parliaments a high responsibility. International experience has demonstrated that not all anti-corruption laws are good laws. Sometimes the fight against corruption has been used in eliminating political adversaries or has had perverse effects on economic activities. All of this is without giving positive results in terms of curbing corruption. This happens mainly in countries where the legislative framework is difficult to abide by because it is too far from the real world of business and social interaction. Systemic shortcomings, at the interface between the public and the private sectors and between the administrative authorities and the citizens, bring about endemic malaise: everybody breaches the law for necessity and corruption is widespread and socially accepted. In such an environment, repressive actions against corruption, based on laws which leave a lot of discretionary powers to the executive and judicial branches, could even be dangerous and distort the democratic process as does corruption. Too often, fighting corruption has become an instrument of political confrontation.

These considerations bring us to believe that the legislative activity of the parliaments in corruption matters goes far beyond the simple dealing with the creation of repressive rules to be enforced against corruptors. The major challenge here is to pursue policy reforms which will enable, at least in the long run, an institutional framework where corruption will be the exception rather than the rule; where citizens and companies will expect to receive public goods or services on the basis of their rights, their capacity of competing and their merits, rather than through bribery, kickbacks or nepotism. Legislation has a crucial role in shaping an institutional framework that allows automatisms, such as competition, to make corrupt practices unprofitable. The legislative function in preventing corruption necessarily implies a sound analysis of the reasons and causes of corruption and the actions that can indirectly decrease the incentives of poor conduct. The roots of corruption change from country to country and derive from history, culture, political contingencies, economic institutions, poverty, weak governments and so on. If one examines the most relevant policy-oriented literature of the last decade

on the matter, the general opinion is that there is an inverse correlation at a global level between corruption and governance; that is to say low governance is combined with high corruption³.

More specifically, the relevant literature identifies “bad incentive and bad systems, rather than bad ethics⁴” as fostering corruption. From a political standpoint, “free and fair elections, competitive political party funding, freedom of information, a free and independent media and freedom of assembly and speech⁵” make corruption less likely to occur. In other words, there is a strong inverse correlation between civil liberty and corruption. The first set of reforms needed to reduce bribes and kickbacks is then political reform. Transparency is another important principle to be implemented: the free flow of information on the acts of government and authorities and on public financial flows, as well as on the assets and incomes of high government officials allows a constant control and supervision by the citizens through civil society organizations, increasing the general accountability of the system. Another important factor in decreasing the chances of widespread corruption is the effectiveness of public administration. A well-organized civil service where recruitment and promotions are based on merit tends to be a great antidote of illegal practices linked with bureaucracy and the waste of public funding. If we look, for example, at public procurements and contracts, only an efficient public administration can deal with the complicated procedures for competitive bids, ensuring that the choice fall on the most cost-effective offer. Furthermore, in the economic domain, relevant literature agrees on the fact that liberalization, deregulation and the simplification of rules, represent measures which reduce the risk of corruption because this reduces the discretionary powers of politicians and bureaucrats. Different international indicators show that these mentioned factors have an important relationship with the intensity of corrupt behavior. If we look at the Corruption Perceptions Index 2007 prepared by Transparency International we can see that the 20 perceived less-corrupt countries in the world rank very high in terms of economic competitiveness, economic freedom and political freedom. Most of them are among the 20 best ranking (or immediately below) in the Global Competitiveness Index 2006-2007 by the World Economic Forum, in The Index of Economic Freedom by the Heritage Foundation and in the Freedom of the World Survey which substantially measure political and social freedom. Totalitarian states or countries with a command economy tend to be those perceived as the most corrupt⁶.

Criminal law is of course an important part of anti-corruption strategies. It can deter offenders and decrease the risks of misconduct. Criminal laws, however, should be enforceable. It is useless to produce stricter criminal laws if the existing ones are not actually enforced. Sometimes laws which provide for too harsh of punishment are not enforced because they are considered unfair and not

³ See World Bank Governance Indicators (Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption)

⁴ World Bank, *The Role of Parliament in Curbing Corruption*, Washington, 2006

⁵ *Ibidem*

⁶ Transparency International, Corruption Perceived Index 2007, www.transparency.org/

proportionate to the crime. Looking at the experience of the countries where corruption is systemic, repressive laws are completely useless. Illegal activities are linked to dysfunctional government and any repressive campaign would result in mass-arrests and in subversive actions against the status quo. In these cases, priority should be given to general reforms which take time to work, but that can remove the deep-rooted causes of corruption. The other possible outcome of invoking very hard repressive laws against corruption in the emergence of some political scandals is a window-dressing effect. Some arrests to quiet public opinion are enforced, often against opposition leaders or political adversaries.

Indirect strategies aimed at over-compassing governance reforms seem to work better. Transparency should be devised together with the relevant mechanisms to ensure their actual implementation. In this phase, mass media and civil society organizations should be involved to reinforce the political will inside of parliaments. Secondly, wide reform in the economic institutions to allow free markets to work more properly should be implemented together with a serious reform of the public administration. This kind of strategy has shown dramatic improvement in national standards in terms of reduction in corrupt practices. This is particularly true in countries with low governance standards. In these countries, corruption is a symptom of dysfunctional government and markets. Repressive anti-corruption strategies do not seem to reach significant results. This happens also with the creation of anti-corruption commissions and committees, which in situations of endemic illegal behavior can end up extorting rents as it happened in low governance countries such as Kenya, Malawi, Nigeria and Sierra Leone. On the contrary, such kinds of commissions had good results in countries with high governance standards such as Australia and Chile. In dysfunctional situations, reforms targeted to improve the economic environment have had, instead, the side effect of reducing corruption as well. This is particularly evident with the simplification of administrative procedures, which reduces the discretion of governments in the concessions of licenses and permits. More significant good results are obtainable with general economic liberalization, which tends to lead to plummeting clientelism because it brings about a relative decline in the state's involvement in economic decision making and the concomitant rise of market forces.

What is important to note is that different situations require different strategies. According to Jeff Huther and Anwar Shah, in their evaluation of anti-corruption programs carried out by the World Bank, different governance qualities require different approaches in combating corruption (as described in the table below)⁷.

⁷ Jeff Huther and Anwar Shah, *Anti-corruption Policies and Programs: A Framework for Evaluation*, World Bank 2000

Effective Anti-Corruption Programs Based on Governance Quality

Incidence of Corruption	Governance Quality	Priorities of Anti-Corruption Efforts (Based on Drivers of Corruption)
High	Poor	Establish rule of law, strengthen institutions of participation and accountability, limit government interventions to focus on core mandate
Medium	Fair	Decentralization and economic policy reforms, results-oriented management and evaluation, introduction of incentives for competitive public service delivery
Low	Good	Explicit anti-corruption programs such as anti-corruption agencies, strengthen financial management, raising public and officials' awareness, no bribery pledges, fry big fish, etc.

Source: Huther Shah 2000

Parliaments, in counties where the incidence of corruption is still high or medium, should therefore focus on "indirect measures" with an all-encompassing strategy directed to reform the entire system. As Daniel Kaufmann, Director of the Global Programs and Governance of the World Bank Institute puts it: "A fallacy promoted by some in the field of anticorruption, and at times also by the international community, is that one "fights corruption by fighting corruption"—through yet another anticorruption campaign, the creation of more "commissions" and ethics agencies, and the incessant drafting of new laws, decrees, and codes of conduct. Overall, such initiatives appear to have little impact, and are often politically expedient ways of reacting to pressures to do something about corruption, substituting for the need for fundamental and systemic governance reforms"⁸.

⁸ Daniel Kaufmann, *Back to Basics—10 Myths About Governance and Corruption* in Finance and Development September 2005, Volume 42, Number 3 <http://www.imf.org/pubs/ft/fandd/2005/09/basics.htm>

POLITICAL CORRUPTION IN ITALY: THE EMERGENCE OF TANGENTOPOLI AND MANI PULITE

When it comes to analyzing the causes of corruption, many misleading ideas generally emerge. This was particularly true in the seventies and eighties when accurate and in-depth studies on the phenomenon were not completed and ideological moralistic points of view, without the support of analysis and academic research, were prevalent. As far as political corruption in Italy is concerned, a wide range of wrong assumptions were taken. Some argued that Catholic and Latin countries were more prone to corruption because of cultural reasons. A conviction contradicted later when facts showed that not only Italy, France and Spain were progressively involved in political scandals, but also countries such as Belgium, the Netherlands, Germany and the UK⁹.

Others, mainly among the communist ranks, were convinced that capitalism and market-economy greed were the main causes of corruption; suggesting that a greater control on the private sector would reduce the problem, not considering that in the communist block corruption was a widespread phenomenon. Worst of all, there were opinions, fortunately limited in numbers, which attributed the problem of corruption to the indulgency of customs ingenerated by democracy and freedom, and which advocated draconian repressive rules.

Policy research and academic enquiries, which proliferated in the second half of the nineties, put some clarity in the debate on the root causes of corruption in general. We will see them later with the aim of singling out the most apt parliamentary tools in devising legislation to prevent corruption. It is important here to outline the two basic causes of political corruption in Italy which brought about the 1992 judicial action with the consequence of a deep political crisis.

On the one hand, the political dynamics in Italy were characterized in the Cold War period by a blocked democracy. The presence of a strong communist party did not allow a change in the parliamentary majority in leading the country. For nearly 40 years, the same parties' coalition, with minor changes in that period, governed Italy. The uninterrupted staying in power of the centre-left coalition brought about progressive control of the state structure by those political parties (the so-called *stato dei partiti*, namely state of the parties). Clientelistic practices multiplied as well as illegal mechanisms in government procurements, public works, government employment and so forth¹⁰. The lack of effective democratic checks and balances and the absence of genuine competition among political parties based upon debate on concrete problems (rather than empty ideological confrontation) developed political patronage as the most effective way to gain re-election. There was a deliberate

⁹ Veronique Pujas, Martin Rhodes, *A clash of cultures? Corruption and the ethics of administration in Western Europe Parliamentary Affairs*, Oxford, Oct. 1999

¹⁰ Veronique Pujas, *Les scandales politiques en France, en Italie et en Espagne : constructions, usages et conflits de legitimité*, European Un. Institute, PhD theses, 1999

behavior to determine the excessive bureaucratization as well as bureaucratic inefficiency, so that the provisions of services to individual constituents could be provided by the system of political patronage¹¹.

On the other hand, the lack of rules in party funding up until 1974 and an ill-conceived law afterward, were the other main causes of political corruption.

Before 1974, bribes on party contracts and supplies, the diversion of public money, incomes from party economic activities and donations from flanking organizations and from abroad, created systemic corruption even though it was not necessarily illegal. The approval of Law No. 195 of May 2, 1974 introduced tight regulations which made donations from public sector companies illegal, required the declaration of contributions from private sources, and provided public subventions for parties receiving more than two per cent of the vote. The law penalized forms of financing that were previously legal, maintained the immunity of members of parliament from prosecution, and created procedures for the publication of party accounts that provided for neither transparency nor effective scrutiny.

Corruption in Italy, however, was not only related to the illegal financing of political parties. Patronage and clientelism on the one hand, an overregulated licensing and permit system, an inefficient bureaucracy with a high level of discretionary powers and a malfunctioning market economy on the other hand, made corruption a quick and effective way to obtain a wide range of services and favors. The systemic use of bribes and kickbacks implied petty corruption mostly at an administrative level, involving small private enterprises, and grand corruption at a political level, involving large public and private companies. The widespread character of the phenomenon and the fact that political parties and institutions were involved made it very difficult to fight. The petty corruption turned out to get a sort of legitimacy from the grand corruption and a general silence and complacency were present in the wide ranks involved.

“The systemic nature of this practice in Italy can be illustrated with a case from the Italian north – the construction of the third line of the Italian metro system – where such practices were originally thought to be less developed than in the south. All companies which obtained contracts for the third line of the Milan Metro Underground system were required to pay bribes equivalent to 4 per cent of the contract’s overall value. According to the public prosecutors, the shares of the Christian Democrats and the Communist Party/Democratic Party of the Left were equal to one per cent, whereas the Socialist Party’s share was two per cent. This revealed the transversal nature of party collusion in corrupt practices. In some cases at the local level the practice involved a ‘consortium’ of more than one party. For example, a representative of one of the parties (usually the DC or PSI) would collect bribes and then distribute the agreed upon ‘shares’ among the consortium parties. These, according to the prosecutors in one of the investigations concerning Bettino Craxi, included the former Communists

¹¹ Antonio Acconcia, Claudia Cantabene, *A Big Push to Deter Corruption: Evidence from Italy*, Working Paper, No. 159, CSEF, May 2007

(the PDS), and sometimes the Social Democrats and the Republicans. Corruption had become a cross-party, consensual process of mutual enrichment."¹²

A significant part of the civil society and media, together with political figures, were quite vocal in denouncing the phenomenon. Nevertheless, up until 1992 only single cases of corruption emerged and were prosecuted. According to many observers, the end of the Cold War finally made it possible for the judiciary to intervene in a more drastic and incisive way without the danger of putting the whole democratic system in Italy in jeopardy. Besides, the systemic corruption, together with patronage and clientelism, it was becoming too costly to the Italian economic system, both from a financial standpoint and in terms of efficiency and competitiveness.

In February 1992, starting from a minor case of bribes, the judiciary began a systematic investigation on the illegal financing of political parties called *Mani Pulite* (Clean Hands). Many mid and lower-level political figures were arrested together with CEOs of important private companies. Enimont, ENI, FIAT and many others were involved in the investigation. Those arrested started putting the blame on the main political figures, such as Bettino Craxi of the Socialist Party and Christian Democrat Arnaldo Forlani. The whole political system collapsed with four of the five majority parties vanishing in the course of less than two years. Some of those arrested committed suicide while the dramatic events were mounting.

It was clear that if the judiciary were to carry out the investigations and prosecutions of everybody who breached the political party financing law, massive arrests would have occurred, creating predicaments for the entire political and economic system. On March 5, 1993, Parliament approved the Amato Government Provision which allowed criminal charges for several bribery-related crimes to be replaced by administrative charges.

The Parliament elected in 1994, with many new entries and a general different structure in political parties, continued a policy targeted at reducing the destabilizing effects of the judicial action. Both the center-right majority and the center-left opposition did not do anything to prevent many trials from being cancelled due to the expiration of statutory terms. Was the Italian Parliament too weak in the fight against corruption in that occasion? Were there ethical breaches of the idea that illegality should be punished at any cost? According to some, this attitude was immoral because it allowed illegality to go unpunished. However, the main issue to be addressed in those circumstances was not a moral one, but rather how to fix the whole system which through inapplicable rules had put hundreds of thousands of Italians in a situation to commit illegal activities in order to carry out perfectly legitimate endeavors. Politicians and political parties did not have a legal way to get the financial

¹² Véronique Pujas and Martin Rhodes Party Finance, *Corruption and Scandal: Commonalities and Contrasts in Southern Europe*, paper originally presented at the conference on 'Political Parties and Corruption', European University Institute, Florence, March 18-20, 1999

resources needed; large and small companies had to deal with a disproportionate presence of the State in the economy and an inefficient and unaccountable bureaucracy with large discretionary powers. Corruption was largely perceived as a means to oil clogged wheels. One has to consider also that many indicted politicians did not commit illegal activities with the intent of gaining personal financial advantages, but rather to allow their political parties to acquire the resources needed to carry out legitimate political activities. The action of the judiciary was perceived in many political circles as a sort of *coup d'état* against the political establishment, pointing out that investigations were not carried out with the same intensity in all directions leaving the old Communist Party almost untouched. This idea is still strong in some political circles: if one observes that as late as April 2006 various drafts of laws were proposed by several MPs to create a Commission of Enquiry to examine the facts of 1992 from a political point of view, and more specifically¹³:

- why the judiciary never intervened to stop corruption previous to 1992;
- outline the differences between the actions of those caring for the financing of political activities and those looking for personal economic gains;
- find out if the intent of the judiciary was simply meant to restore legality or if it had other purposes.

The idea behind this, is that the fight against corruption was a way to change the political framework in Italy and/or a radical tool in political confrontation. An interpretation derived from the belief that the role of the Italian judges in the history of Italy had a dual-purpose, waving between two different attitudes: one of collusion with the political powers and the other of overt competition with it:

“analysis of the interactions between politicians and judges in the history of the Italian Republic allows one to discuss the role of two other important variables: the informal networking between politicians and judges, and the professional culture of the magistracy. The three sets of variables are in fact used to explain two different strategies adopted by Italian judges in their interaction with the political system: a strategy of 'role substitution', according to which some judges act as a surrogate power for the protection of the citizens against corrupt politicians, and a 'collusive strategy', consisting of various levels of hidden exchanges between judges and politicians.”¹⁴

Whatever the interpretation and the analysis of the facts of *Tangentopoli* and *Mani Pulite* may be, the investigation of the judiciary allowed for an end to a situation which was not sustainable both from a political and an economic point of view.

¹³ See: Camera dei Deputati, Proposta di Legge n. 85 d'iniziativa del deputato Volontà, Presentata il 26 aprile 2006 and others

¹⁴ From the abstract of: Donatella Della Porta, *A judges' revolution? Political corruption and the judiciary in Italy*, in <<European Journal of Political Research>>, Volume 39, Issue 1, Page 1-21, January 2001

The major blame for political corruption however should be put on a malfunctioning democracy without a physiologic change of power and on the complacency by both politicians and other institutions before 1992 in accepting unrealistic rules and the systematic breach of them¹⁵.

Reforming a dysfunctional system rather than looking for past personal responsibility seemed to be the most appropriate strategy in finding a way out from all of this.

The most important reform came to light as an effect of spontaneous political developments. Since 1994, the new political framework has allowed for a sound competition between two opposing coalitions, both entitled to lead the country in case of electoral victory. In this situation, any irregular activity carried out by a single or group of politicians is suitable to a strong reaction by the media and the judiciary, politically supported by the opposing party or coalition. In other words, the current political dynamics allow mechanisms of checks and balances due to the harsh competition between the two coalitions. Today, for an Italian politician to engage in illegal activities, such as bribes and kickbacks, is an extremely dangerous decision with a very high cost/benefit ratio. The apprehension of damaging his public image, the reaction of his peers who fear a loss of credibility of their political party and the risk of losing his post in the following election bring about higher accountability. This view is shared by political science literature:

“political competition - has long been recognized as an important factor determining the efficiency of political outcomes (Downs, 1957). In brief, the existence of free and fair elections guarantees that politicians can, to some extent, be held liable to the actions taken while in public office (Linz and Stepan, 1996; Rose-Ackerman, 1999). The more the system forces politicians to face the electorate and the risk of loosing office, the higher are their incentives to stick to good governance. This would imply for example, that political systems allowing for clean and fair executive reelections would have less myopic and more electoral-conscious politicians and therefore, less corruption (Linz, 1990; Linz and Stepa, 1996; Bailey and Valenzuela 1997; and Rose-Ackerman, 1999),”¹⁶

It is no wonder that according to many foreign observers and analysts, the political component of corruption in Italy decreased dramatically since 1993¹⁷. This consideration does not imply that after 1993 no corruption case emerged from further judicial investigations, but that the systematic corruption at the political level has ended. For example, in 1995 several public sector managers were accused of having diverted public resources to private purposes. On December 19, 2001 a general manager of the hospital "Le Molinette" in Turin was caught while accepting a bribe. He confessed later that bribes were used to cover for the "costs of politics" In May 2002, the Potenza Public Prosecutor's Office requested the arrest of more than 20 people involved in the INAIL (National Institute of Insurance)

¹⁵During a TV interview, Henry Kissinger was asked his opinion on the widespread corruption discovered by the judiciary. Kissinger answered sarcastically: "Italians are intelligent people who sometimes do not abide by stupid rules"

¹⁶ R. Stapenhurst, N. Johnston, R Pelizzo (Edited by), *The Role of Parliament in Curbing Corruption*, World Bank Institute, Washington DC, 2006

¹⁷ Johann Graf Lambsdorff, *Ten years of the CPI: determining trends*, Research on corruption, Transparency International, 2005

affair, which concerned bribery and illicit public contracts. The arrest of two MPs, Antonio Luongo (DS, one of the centre-left parties) and Angelo Sanza (FI, one of the centre-right parties), was also requested. The Lower Chamber rejected the request, in a decision supported both by government and opposition. These cases show that the legal framework for party funding was still weak and major changes should be devised and implemented. Through different laws in 2002 and 2004 the Italian Parliament increased funding, giving political parties subsidies. The present legislation in the matter of political party funding, although susceptible to improvement, seems to work better than those adopted in the past.

Since 1992, it has been clear that political parties needed to restore public confidence among citizens. The fatalism and acceptance of corruption as a normal state of affairs in Italian public opinion during the eighties was in fact substituted in the nineties by an acute anger and recrimination, dangerous for the democratic institutions.

Under these circumstances in the subsequent years, the Italian Parliament adopted all the classic instruments in fighting corruption, obtaining success in some areas while making minor achievements in others. We will examine the main actions carried out by the Italian Parliament in the following chapters starting from the reform of political party funding which was strategically important in restoring legality in the Italian political life.

POLITICAL PARTY FUNDING

The present legislation which regulates the funding of political activities, in spite of some weak and insufficient regulations, seems to prevent the illegal behaviors of the past. This is the result of a long process of reforms which started after the *Tangentopoli* political crisis. The issues related to political party funding represent an interesting subject which has not been so far sufficiently analyzed. The choice to be made is between a theoretically “just law” which takes care of the democratic balance (mainly public funding) and a more pragmatic approach which would tend to accept the real balance of power in the society (more private funding). Whichever system is chosen, two conditions should be assured in order to avoid the danger of widespread political corruption: 1. transparency of financial flows; 2. assuring political parties in accessing the funding they need to carry out their functions.

In 1992, there was a great deal of confusion on this subject. Italian public opinion, outraged by the uncovering of widespread corruption and abuses perpetrated by political parties, supported the idea that political endeavor did not deserve any funding at all. In 1993, a popular referendum asked for the end of public party funding¹⁸. This is the classic example of how populism based on moralistic assumptions can have devastating effects on the search for viable solutions to the problem faced. It is clear that corruption was a way to acquire needed financial resources. Abolishing public funding could be a solution only if public opinion would have been ready to accept a total liberalization of private funding, a solution however that was not acceptable to the Italian political framework. In order to have norms finalized to guarantee a democratic balance, a mix of private and public funding should have been devised. What Italy really needed was a system based on the transparency of all the financial transactions and an effective mechanism of control.

The old legislation based on Law No. 195/1974 provided for two kinds of public funding: funding for the electoral campaigns of the two chambers of Parliament and funding for the ordinary activities of parties represented in Parliament.

It was mandatory for political parties to comply with very modest reporting requirements, such as a generic financial balance sheet to be published in the official newspaper of each party as well as in one national newspaper. These statements were then verified by a technical committee appointed by the Conferences of Presidents of the parliamentary groups of the two chambers. The committee would draft an annual report of its findings, which would be published, alongside the political party balance sheets, in the official gazette. The law also provided for criminal sanctions for violations of the rules. The main weaknesses of Law No. 195/1974 were an insufficient flow of financial resources to the parties or the absence of a ceiling for political activity expenditure and most importantly, the lack of a system of effective control on the party's budget. It is evident that a technical committee, appointed by

¹⁸ In the referendum of April 18, 1993, 90.3% of voters expressed a preference against public financing.

the Conferences of Presidents of the parliamentary groups of the two chambers, could not be independent from the political powers since it was appointed by the same parties that were supposed to be checked.

Some minor changes were approved with two laws: Law No. 441 of July 1982, which established that MPs and local councilors should present their annual income tax returns and provide details of election campaign spending and Law No. 413 of August 8, 1985 which required parties to publish an account of party expenditures for electoral campaigns with detailed descriptions of costs (e.g.: expenses for media access, publications, posters, etc.). Moreover, it established that state subsidies should be redistributed between the party's central organization and its local groups. The transparency provisions however do not seem to be well devised since the system of checks is weak.

After *Tangentopoli* and *Mani Pulite*, the Italian Parliament, aware of the need for a more functional legal framework for party funding, approved Law No. 515 of December 10, 1993. This law did not address the problem in a realistic way, in order to assure the political parties with the resources they needed for all their activities; this was because the above-mentioned popular referendum asked for the elimination of all the public subsidies to political parties. And in fact, the law provided for the abrogation of the annual public funding for political activities. Campaign subsidies were replaced by campaign reimbursement (distributed among parties according to the percentage of votes they obtain). Campaign contributions and campaign spending were limited for each party to a sum obtained by multiplying the number of inhabitants per constituency by 200 lire with a maximum spending for each candidate of 80 million lire, plus 100 lire per citizen in a single-seat constituency and 10 lire per citizen in a multiple-seat constituency. Norms on the access to the media were also introduced. These rules were backed with tough administrative sanctions¹⁹. The most relevant and positive innovation of the law pertained to the checks on the budgets. The technical committee appointed by the Conferences of Presidents of the parliamentary groups (as in Law No. 195/1974) was substituted by the *Collegio di controllo sulle spese elettorali presso la Corte dei Conti* (Audit Court) made up of three members chosen among the judges of the intermediate level (*Consiglieri*) of the Audit Court which made the process much more reliable since the Italian Audit Court is an independent institution with constitutional ranking. At the local level, the law provided for the institution of the *Collegi regionali di garanzia elettorale* (regional electoral oversight bodies) constituted by the President of the Appeals Court (or of the tribunal). These regional boards have the task of verifying to ensure the correctness of the statements of accounts of individual candidates.

This system of control has many strong points, but also some disadvantages:

¹⁹ Fines between 50 million and 200 million lire can be issued for breaking the law on campaign publicity. Moreover the State can suspend the license of a radio or television station for violations of the rules regarding the electoral campaign.

"First of all, the special board is not a permanent body. Its members are drawn fresh for each election. In practice, their choice has not been influenced by political considerations and the special board is considered to enjoy a high level of independence. Its independence is reinforced by the fact that the three members of the court have the status of audit court judges. But the choice is not dependent on the members having expertise in the area of party funding. Moreover, given that the special board is chosen for each election, for a period of at most nine months, the individual members are not able to build up expertise. Another disadvantage is that in the case of concurrent elections (for instance, national and European), two different boards will be appointed, with inevitable consequences for the coordination of the oversight process. Secondly, the control consists of a procedural check of whether the sums listed in the balance sheet and the invoices and bills match. The control body does not have any autonomous power to verify whether these reflect actual expenditure. Finally, there is no coordination between the special boards of the Audit Court and the regional electoral monitoring bodies, which are discussed below."²⁰

The consequence of the new party funding regime immediately showed its weakness in regards to the under-provision of funding to political parties. Many political parties went bankrupt and the urgency for new funds was apparent. The mechanism devised by the new Law No. 2 of January 2, 1997 did not, however, solve the problem. The idea was based on a voluntary income tax percentage (IRPEF) to be destined to a common fund, and redistributed on the basis of electoral results. These subsidies cannot be labeled as private funding, as those using the tax return facility did not have the choice over which party should be the beneficiary of the donation. The four per thousand of the IRPEF donation did not have much success, since only one million Italians (out of fourteen million potential contributors) used this facility and it was abolished in 1997. Law No. 2 of January 2, 1997 provided for tax concessions to political parties and incorporated provisions to make party balance sheets more detailed and comprehensive, more similar to those of a business company, by including detailed economic account and inventory.

Law No. 157/99 reintroduces public financing to political parties disguised under the label 'electoral reimbursement', to be assigned to parties in proportion to their electoral results²¹. More measures were provided for tax breaks, donations and funding.²²

More funding was approved in different laws in 2002 and 2004, giving political parties subsidies in various ways (e.g. party press and radio stations). A norm to lower the ceiling to qualify for electoral reimbursement to one percent of the vote has had the negative effect of favoring a high fragmentation of the political groups.

Another aspect of the problem has aroused lately with a strong media campaign supported by public opinion on the "costs of politics". The issue is not only related to political party funding, but

²⁰ M. Siclari, *Case study 3: Controlling political party funding in Italy*, Transparency International website, www.transparency.org/content/download/5455/31858/file/italy.pdf

²¹ All parties that exceed the 4% of votes or have at least one MP elected are entitled to a share of this fund

²² Taxpayers are given a deduction of 19% from their income tax bill for contributions to a political party, up to a maximum of 200 million lire. Moreover 5% of funding received by each party must be devoted to increase women's participation in political life. As an effect of this law, the Italian State has granted to political parties 663 billion lire in three years (summing up electoral reimbursement and tax relief)

also involves all the indirect costs of supporting administrative bodies, and the numerous political appointments at the local level, on the bill of taxpayers. If a rationalization of this latter point is certainly appropriate, a populist move to cut political funding would be counterproductive in the fight against corruption.

THE ITALIAN PARLIAMENT'S ACTION AGAINST CORRUPTION: ANALYSIS OF THE PHENOMENON

After the storm of *Tangentopoli*, it was clear that political parties needed to restore public confidence among citizens. On the one hand, the fatalism and acceptance of corruption as a normal state of affairs in Italian public opinion was substituted by an acute anger, dangerous for the democratic institutions. On the other hand, the action carried out by the judiciary risked to take on a subversive character, since too many individuals in the economic and political environment were formally susceptible to being indicted and prosecuted.

Under these circumstances, the Italian Parliament adopted a strategy consisting of: 1. a containment of the judiciary action²³ and 2. a general reform of the system to eliminate the root causes of corruption. The preventive and indirect measures were preferred. All the classic instruments in fighting corruption were adopted such as: analysis of the phenomenon, legislative function and oversight function. It is important to note that some laws, namely those related to some aspects of transparency or to the reform of the bureaucracy were already approved respectively in 1990 before *Tangentopoli* and in 1993 before two parliamentary commissions were instituted to study and make recommendations on the legislative action against corruption.

In September 1996, the President of the Chamber of Deputies appointed a committee to study the phenomenon of corruption made up of three authoritative scholars, Cassese, Arcidiacono and Pizzorno, which produced a detailed report in October of the same year²⁴. At the same time, the Chamber of Deputies also appointed the Special Commission for the Prevention and Repression of Corruption to examine the best-suited projects for laws to fight corruption.

The report prepared by the Cassese Committee analysed dimensions, typology and causes of corruption, outlining the most affected sectors and the conditions which tend to favour the phenomenon.

For the first aspect (affected sectors) the following areas were singled out:

1. public administration expenditures for goods and services offered by the private sector;
2. services offered by public administration;
3. authoritative powers of public administration (e.g. tax controls).

Regarding the conditions which favour corruption, the committee singled out the following:

1. the overextension of government and public administration in the management of the economy;

²³ On March 5, 1993, Parliament approved the Amato Government provision which allowed criminal charges for several bribery-related crimes to be replaced by administrative charges instead and later the new elected parliament in 1994, with the support of both the center-right majority and the center-left opposition, did not do anything to prevent many trials from being cancelled due to the expiration of statutory terms

²⁴ Camera dei Deputati, *Rapporto del Comitato di Studio sulla Prevenzione della Corruzione, Atti Parlamentari*, Roma, ottobre 1996

2. a very cumbersome legal framework which gives large discretionary power to the bureaucracy;
3. the way the administrative decentralization was implemented (e.g. no fiscal accountability for local authorities);
4. political funding;
5. confusion between the roles of the politicians and bureaucrats;
6. weakness and inefficiency of public administration and of procedures;
7. ineffective system of controls;
8. distrust by the citizens in the judiciary;
9. economic distortions determined by inefficient markets;
10. low prestige of the government officers.

The committee provided for a long list of recommendations (23) subdividing them in three categories according to their possible implementation in the short, medium and long term. These were aimed at: deregulation of economic activities, simplification of the current legislation (*delegificazione*), a reform of political funding, control and transparency on lobbying, reduction of the political role in the economy, strengthening the technical capacity of the public administration, promotion of codes of conduct, transparency in public contracts and in the disclosure on the assets and incomes of the senior officers and so on.

The second committee, the Special Commission, which worked until the end of March 1998, prepared a draft legislation, which was approved unanimously taking into account two “principles of law”: 1. a high level of performance and 2. impartiality in administrative organisation (principles already embodied in Article 97 of the Constitution). The remaining 29 articles contained measures designed to prevent or repress corruption in public administration. These included four new provisions²⁵:

- the introduction of a “Guarantor of Legality and Transparency in Public Administration Work”;
- transparency in political and administrative activity through the publication of the income and assets of everyone holding a political or administrative post;
- the registration and control of associations and companies that do lobbying work;
- the publication of an “Official Bulletin of Contract Work in the Public Administration”;
- the relationship between the penal code and the disciplinary measures affecting public officers.

Not all of these recommendations were implemented as proposed, but the substantial principles of the recommended legislation are now fully incorporated in the Italian legal system. It is interesting to note that some reforms proposed by the two commissions were already on their way to being

²⁵ Ufficio Studi della Camera dei Deputati, *Da Tangentopoli ad oggi: i principali interventi in tema di reati contro la pubblica amministrazione*, Roma, maggio 2007

implemented and some legislation (e.g. public administration reform or the basic law for transparency on the deeds of government) had already been approved since 1990 and 1993. It is a clear sign that both in the cabinets at the end of the eighties and the beginning of the nineties and among many parliamentarians, the need for over-encompassing change in governance was deeply perceived as fundamental in putting the country on the right path. The need for reforms was also deeply felt because of the financial and political crisis in 1992 and because Italy needed to improve its competitiveness to be better prepared to face the single European market and its "membership" in the Euro Zone. The so-called *vincolo esterno* or external tie, also in government budget matters, together with new regulations imposed by the European Union, helped limit the strong political and social constraints on policy reform.

LEGISLATIVE FUNCTION

The Italian Parliament adopted a strategy of reform in the most affected sectors to eliminate or reduce the conditions that favour corruption rather than working on the side of repressive laws. It is possible to divide the main laws related directly or indirectly to the fight against corruption in three categories: A. laws in areas in which corrupt actions would be likely to occur if the legislation is not “corruption-proofed”; B. laws aimed at creating a social and legal environment in which corruption is less likely to occur; C. laws that punish the corrupt²⁶.

A. *Laws in areas in which corrupt actions would be likely to occur if the legislation is not “corruption-proofed”* (e.g. procurements and public works). For example, the 1994 Law No. 109 “Framework Law on Public Sector Work” and subsequent amendments provided for the following in relations between public administrators and contractors:

- the setting up of the Observatory for Monitoring Public Sector Work and the Related Authority (*Osservatorio per la vigilanza sui lavori pubblici e la relativa Autorità*), which was assigned specific “obligations to report” (*obblighi di denuncia*);
- a division between the planning and the awarding of contracts and concessions;
- measures to limit unlawful behaviour, reduce the instances of collusion and corruption and make them more easily verified.

The cases of corruption related to public works radically diminished. Initially this was due to the fact that after *Tangentopoli*, the government procurements in this sector diminished as well. Later on, the number of reported illegal behaviours in that sector was much lower than in the eighties and nineties and the overall corruption level in Italy, measured by the CPI (Corruption Perceptions Index) of Transparency International decreased substantially²⁷. According to various observers and analyses, however, the Authority did not seem to give a great contribution to the transparency of the procedures and the diminishing of the illegal behaviour appeared to be more linked to the change of the electoral system: “incentives for corruption were provided by the search for preference votes in Italy’s previous open-list system of proportional representation. These have been removed with the new electoral system, and this has been reflected in a likely overall decline in the extent of corruption affecting Italy”²⁸.

Hopefully, the reform of the Authority in 2006 which expanded its role to all government contracts (*Autorità indipendente per la vigilanza sui contratti pubblici di lavori, servizi e forniture*) might give a higher

²⁶ World Bank, *The Role of Parliament in Curbing Corruption*, Washington, 2006

²⁷ In 1995, the first year in which data was available, Italy had a score of 2.99 and ranked 33rd out of 41 countries considered. In 2004, Italy had a score of 4.8 (higher scores imply less corruption) and ranked 42nd out of 145 countries

²⁸ Miriam Golden, Lucio Picci, *Corruption and the Management of Public Works in Italy*, University of California at Los Angeles, University of Bologna, August 28, 2005

contribution in informing the Cabinet and the Parliament thanks to new technological tools (e.g. database on all government contracts).

Furthermore, on the positive side, the financial constraints due to the Maastricht treaty on the government budgets both at central and local level, helped to create more careful management of spending, which improved the overall situation preventing the past systemic abuses in government procurements.

B. *Laws aimed at creating a social and legal environment in which corruption is less likely to occur.* Many different laws aimed at the reform of the public administration and at fostering transparency were approved. In 1993, Legislative Decree No. 29 (later embodied in the Law No. 165 of 2001), together with other legislative initiatives approved in the following years, introduced: 1. a sharper distinction between administrative management and direct influence on political power in connection with organisational procedures and public sector work; 2. provided for a general framework of administrative reform including decentralisation, the reorganisation of the state administration and the completion of the privatisation of the public sector; 3. the simplification of laws and procedures, the speeding up of controls and a radical alteration of the state budget²⁹. These laws, which do not have the fight against corruption as an immediate objective, are aimed at fostering administrative impartiality, a high level of performance, and developing a new and direct approach to service and responsibility on the part of the administration towards citizens. The overall performance of the Italian public administration improved slightly: information technology was introduced and some branches showed an increased effectiveness. Most of the Italian public administration seems however still substantially managed with the old methods based on the formal implementation of norms and rules rather than on the modern techniques of human resources management. The strong resistance on the part of the bureaucracy and trade unions prevented the most significant part of the new legislation to be actually implemented.

In regards to transparency, new legislation was introduced in the nineties which allowed Law No. 241 of August 7, 1990, the basis of the legal mechanism which aims to achieve transparency in administrative activity, to really be implemented. New provisions were introduced to make it easier for citizens to have access to administrative documents, allowing procedural simplification and self-certification. A different set of laws provided for public disclosure of assets and incomes of candidates running for public office, public officials, politicians and legislators. If we look at the new Transparency Index checklist³⁰ that the World Bank Institute has started working on recently (see table below), Italy complies quite well with most of the points.

²⁹ *Ibidem*

³⁰ <http://www1.worldbank.org/devoutreach/september05/article.asp?id=339>

TRANSPARENCY: BASIC CHECKLIST FOR COUNTRIES' SELF-ASSESSMENT	
1	public disclosure of assets and incomes of candidates running for public office, public officials, politicians, legislators, judges, and their dependents;
2	public disclosure of political campaign contributions by individuals and firms, and of campaign expenditures;
3	public disclosure of all parliamentary votes, draft legislation, and parliamentary debates;
4	effective implementation of conflict of interest laws, separating business, politics, legislation, and public service, and adoption of a law governing lobbying;
5	publicly blacklisting firms that have been shown to bribe in public procurement (as done by the World Bank); and "publish-what-you-pay" by multinationals working in extractive industries;
6	effective implementation of freedom of information laws, with easy access for all to government information;
7	freedom of the media (including the Internet);
8	fiscal and public financial transparency of central and local budgets, adoption of the IMF's Reports on Standards and Codes framework for fiscal transparency, detailed government reporting of payments from multinationals in extractive industries, and open meetings involving the country's citizens;
9	disclosure of actual ownership structure and financial status of domestic banks;
10	transparent (web-based) competitive procurement;
11	country governance and anti-corruption diagnostics and public expenditure tracking surveys (such as those supported by the World Bank); and transparency programs at the city (and subnational) levels, including budgetary disclosure and open meetings.

Only point 4 (conflict of interest laws, separating business, politics, legislation, and public service, and adoption of a law governing lobbying) in spite of a very lively political debate on the subjects, it is still to be addressed by the Italian legislature. Fiscal and public financial transparency of central and local budgets (point 8) is formally implemented but there is still a lack of transparency due to the cumbersome way in presenting budgets which appear unclear to non-experts. Also the issues at point 11 have space for much improvement.

Finally, in regards to overall economic reform in limiting the role of the State in the economy and making markets work better, since the nineties much progress has been made. Privatization of large government companies was sometimes coupled with new market regulation to enhance competition. The Antitrust Authority, created by the 1990 Competition Act, has had an important role. The old patronage and clientelistic practices in hiring personnel in large service companies has been dramatically reduced. As the recent report prepared by OECD on the Regulatory Reform in Italy affirms: "Competition policy enforcement, combined with advocacy, helped change Italy's culture of economic intervention, improved market confidence, and helped persuade the public of the importance and benefits of market reforms".

Market friendly regulatory reforms however have a long way to go and more efforts are needed in terms of political will to modernize a cumbersome legal system. The presence of political figures

within government boards, banks and public services companies, is still very high; along with the continuing problem of an over-regulated market.

C. *Laws that punish the corrupt.* After *Tangentopoli*, the Italian Parliament amended some parts of the penal code in matters related to offences committed by public officials and private individuals against the public administration. New legislation was also introduced mainly to fight organized crime (e.g. anti-Mafia legislation and on financial and money-laundering issues). Besides, Law No. 97 of March 27, 2001, on the relationship between the penal code and the disciplinary measures affecting public officers, provided for the immediate transfer of public officers under investigation and their dismissal in cases of definitive sentencing. This law was amended afterward and has been recently criticised in the mass media as a classic example of measures which are not actually implemented (most of the public officers under investigation maintain their positions and even if found guilty are not dismissed). As it happens with other repressive laws, sometimes political constraints, such as the opposition by the trade unions to punish misbehaviour in the public administration, tend to make repressive rules less effective than preventive ones³¹.

A change in the legislation related to the "Overuse of Power" (*Abuso d'ufficio*) often connected with corruption crimes, was also provided with Law No. 234/1997; the norms were made more circumstantial in order to allow for an easier and more punctual enforceability.

In the last 15 years, the Italian Parliament produced a wide range of legislation which has positively affected the reduction of the phenomena of corruption. Shortcomings derive from the fact that some very good laws were not fully implemented because of social constraints. Contrary to prevailing beliefs, sometimes one part of the organized civil society plays a conservative role against the implementation of the new rules.

Furthermore, from a legislative standpoint there are still some areas to be addressed such as: 1. conflict of interest laws, separating business, politics, legislation and public service; 2. laws governing lobbying; and 3. laws to fight nepotism and cronyism. This latter misbehaviour aroused a scandal in connection with rigged competitive examinations for the posts of university professors, where nepotism and cronyism according to mass media and many observers are very common. Theoretically, the system of hiring and promotions in the academic field is subject to a formal mechanism of control, the competitive examinations (*concorsi*), which should prevent favouritism from happening. In reality, the system of competitive exams showed, not only in the university system, many weaknesses. The fact that once a position is gained it is forever has improved the methods to circumvent serious evaluations. What is interesting to note is that the best universities at the international level do not use competitive examinations to hire professors; rather they tend to choose the best possible scholars to maintain their level of excellence. It is clear that in this case merit is not considered assured by a system of control, but

³¹ *Ibidem*

rather by the automatism of competition. In Italy last year, Prof. Mario Monti (Former EU Commissioner), President of the Bocconi University, proposed a radical reform of the University system, abolishing the “legal value of the degree” (valore legale del titolo di studio) to promote free competition among higher education institutions, both in research and instruction. So far, the proposal has not engendered any political debate.

OVERSIGHT FUNCTION

There is no permanent parliamentary commission in charge of conducting general anti-corruption enquiries or controls. A Commission for Preventing and Fighting Corruption in Public Administration (*Alto Commissario per la prevenzione e il contrasto della corruzione e delle altre forme di illecito nella pubblica amministrazione*) does exist under the control of the executive branch. Parliament as a whole, and individual members, can monitor the work of the public service closely and any member can raise specific matters, using the parliamentary power of inspection (*sindacato parlamentare ispettivo*). They may address official questions, orally or in writing, to the government or individual ministers on any aspect of government activity, including public sector corruption. This power has often been used by parliamentarians, mainly to have more in-depth knowledge of single episodes correlated with corruption, generally emerged by mass media coverage or judicial actions. Either or both houses may set up special commissions of enquiry, consisting of members of parliament, on matters of public interest including corruption in public life, using the same powers as criminal investigators (as in the Commission of Enquiry into the P2 lodge or the Parliamentary Commission on the Mafia). Different commissions of enquiry on corruption were proposed for the task of analysing the past events of the nineties and making political assessment of the use of justice as a tool of political confrontation. Such propositions were not approved probably to avoid an unnecessary and difficult debate on the past.

Parliament has important instruments for the control of public spending and the management of public administration. One of these is represented by the important role of the *Corte dei Conti* (Audit Court) in the auditing of the state budget management. The *Corte dei Conti* pursues these two aims through two functions: the audit function and the jurisdictional function. The *Corte* is responsible for “a priori” audit of the legality of government acts, and also for “a posteriori” audit of the state budget management. It participates, in the cases and in the manners foreseen by the law, in the supervision of the financial administration of those bodies to which the State contributes funds on a routine basis. It reports directly to the chambers of Parliament on its findings. The *Corte* is neither an organ of the Parliament nor of the government. Article 100 of the Constitution places it in the particular position of an organ of constitutional relevance.

More specifically in regards to government contracts, Parliament can make use of the Authority for Monitoring Public Sector Contracts in order to have in-depth knowledge of government spending both at a central and local level.

The Italian Parliament has at the moment different joint commissions composed of members of the two branches, Chamber of Deputies and Senate, on specific matters: besides the already cited Anti-Mafia Commission there are two commissions related with transparency, the *Commissione parlamentare di vigilanza sull'anagrafe tributaria* (tax register on parliamentary income and electoral

expenditure) and the *Commissione per l'accesso ai documenti amministrativi* (disclosure of administrative documents); one commission competent in enquiring on possible illegal activities related with waste disposal, the *Commissione parlamentare di inchiesta sul ciclo dei rifiuti e sulle attività illecite ad esso connesse* and finally a committee for the procedure of indictment, *Comitato parlamentare per i procedimenti di accusa*, which examines the requests presented by public prosecutors for the lifting of parliamentary immunity³², and makes recommendations to the assembly which makes the final decision in the case.

³² Parliamentary immunity applies both to criminal and civil procedures

CONCLUSION

According to international observers³³, as well as to scholarly analysis³⁴ the corruption in Italy decreased on the whole. The reduction was more evident in the area of political corruption while in other sectors it still seems persistent. One of the most important factors that brought about a great improvement in the former was the change in the political dynamics after 1992. Since 1994, the new political framework allowed for sound competition between two opposing coalitions; both entitled to lead the country in case of electoral victory. In this situation, any irregular activity carried out by a single or group of politicians was susceptible to a strong reaction by the media and the judiciary, politically supported by the opposing party or coalition. In other words, the current political dynamics allow mechanisms of checks and balances due to the harsh competition between the two coalitions. Furthermore, the present legislation in matters of political party funding, although susceptible to improvement, seems to work better than laws adopted in the past and has contributed to decrease political corruption.

In regards to other sectors, where corruption seems still high, one has to consider that general reforms work slowly. In spite of the genuine efforts carried out by our Parliament, many reforms such as the one in public administration, have suffered because of strong social and political constraints. Since fighting corruption is not a moral crusade, but rather a change in the social environment, time is a key factor. Only with the improvement of the efficiency of the public sector with high management standards based on merit, will it be possible to envisage a turning point.

³³ Transparency International (TI), *Global Corruption Report* (2003); (2005); (2006), Berlin, Germany

³⁴ Arnauld Miguet, *Political Corruption and Party Funding in Western Europe An Overview*, London School of Economics, April 2004 and Johann Graf Lambsdorff, *Ten years of the CPI: determining trends*, Research on corruption, Transparency International, 2005

SELECTED LITERATURE

Abed, George T. and Sanjeev Gupta, ed. *Governance, Corruption, and Economic Performance*, Washington DC.: International Monetary Fund, 2002.

Acconcia Antonio, Cantabene Claudia, *A Big Push to Deter Corruption: Evidence from Italy*, Working Paper, No. 159, CSEF, May 2007

Bellver Ana and Kaufmann Daniel, *Transparenting Transparency: Initial Empirics and Policy Applications*, The World Bank, 2005 http://papers.ssrn.com/sol3/papers.cfm?abstract_id=808664

Bellver, Ana, and Daniel Kaufmann, *Transparenting Transparency: Initial Empirics and Policy Applications*, World Bank Policy Research Working Paper, Washington, 2005
<http://www.worldbank.org/wbi/governance>

Camera dei Deputati, *Rapporto del Comitato di Studio sulla Prevenzione della Corruzione, Atti Parlamentari*, Roma, ottobre 1996

Camera dei Deputati - Ufficio Studi, *Da Tangentopoli ad oggi: i principali interventi in tema di reati contro la pubblica amministrazione*, Roma, maggio 2007

Camera dei Deputati, Proposta di Legge n. 85 d'iniziativa del deputato Volontà, Presentata il 26 aprile 2006

Della Porta Donatella, *A judges' revolution? Political corruption and the judiciary in Italy*, in <<European Journal of Political Research>>, Volume 39, Issue 1, Page 1-21, January 2001

Global Organization of Parliamentarians against Corruption (GOPAC) Arab Region Chapter ARPAC, *Constitution, rules and regulations*. (date not reported)
http://www.gopacnetwork.org/Docs/ARPAC%20Constitution_en.pdf

Golden Miriam, Lucio Picci, *Corruption and the Management of Public Works in Italy*, University of California at Los Angeles, University of Bologna, August 28, 2005

GOPAC- ARPAC - UN, *Conference of State Parties, Dead Sea, Jordan. Declaration Forum for Parliamentarians*, December 13, 2006
<http://www.gopacnetwork.org/Docs/Jordan/PARLIAMENTARY%20ACTION%20ITEMS.pdf>

GOPAC, *Regional Conference on the Role of Arab Parliamentarians in Fighting Corruption. Launch of the GOPAC Arab Chapter* (Beirut, Lebanon, 18 - 20 November, 2004)
<http://www.arpacnetwork.org/arpdocs/dawr.pdf>

Huther Jeff and Shah Anwar, *Anti-corruption Policies and Programs: A Framework for Evaluation*, World Bank 2000

Lambsdorff Johann Graf, *Ten years of the CPI: determining trends*, Research on corruption, Transparency International, 2005

Kaufmann, Daniel, *Rethinking Governance: Empirical Lessons Challenge Orthodoxy*, Global Competitiveness Report 2002–03, World Economic Forum, Geneva, 2003
http://www.worldbank.org/wbi/governance/pubs/rethink_gov.html

Kaufmann Daniel *Back to Basics—10 Myths About Governance and Corruption* in Finance and Development September 2005, Volume 42, Number 3 <http://www.imf.org/pubs/ft/fandd/2005/09/basics.htm>

Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi, *Governance Matters IV: Governance Indicators for 1996–2004*, World Bank Policy Research Working Paper 3237, Washington, 2005
<http://worldbank.org/wbi/governance/pubs/govmatters4.html>

McAnthony Tilla, Stapenhurst Rick and Ulrich Martin, *Parliamentarians fighting corruption. A conceptual overview*, GOPAC
<http://www.gopacnetwork.org/Docs/Parl%20Fighting%20Corruption%20a%20conceptual%20overview%20EN.pdf>

Miguet Arnaud, *Political Corruption and Party Funding in Western Europe An Overview*, London School of Economics, April 2004

Nasser Saidi, *Corporate Governance in MENA Countries: Improving Transparency and Disclosure*, The Lebanese Transparency Association, Beirut, 2004
http://www.transparency-lebanon.org/CG/Transparency&Disclosure_CGMENA.pdf

OECD, *Fighting Corruption. What role for civil society? The experience of the OECD*, OECD, Paris, 2003,
<http://www.oecd.org/dataoecd/8/2/19567549.pdf>

Pujas Véronique and Rhodes Martin, *Party Finance, Corruption and Scandal: Commonalities and Contrasts in Southern Europe*, paper originally presented at the conference on 'Political Parties and Corruption', European University Institute, Florence, March 18-20, 1999

Pujas Veronique, Rhodes Martin, *A clash of cultures? Corruption and the ethics of administration in Western Europe Parliamentary Affairs*, Oxford; Oct. 1999

Pujas Veronique, *Les scandales politiques en France, en Italie et en Espagne :constructions, usages et conflits de legitimité*, European Un. Institute, PhD theses, 1999

Regional Conference on the Role of Arab Parliamentarians in Fighting Corruption, Launch of the GOPAC Arab Chapter (Beirut, Lebanon, November 18 - 20, 2004)
<http://www.arpacnetwork.org/arpdocs/dawr.pdf>

Robertson Ross (By), *Parliamentary Ethics and Accountability. A Code of Conduct for Parliament*, GOPAC, 2004 <http://www.gopacnetwork.org/Docs/Ross%20Robertson%20Paper.pdf>

Salem, Paul, *The Impact of Corruption on Human Development in the Arab World*, The Lebanese Transparency Association - UNDP, (?)

Schenkelaars Fred and Imram Ahmad, *Transparency and Accountability in the Public Sector in the Arab Region - Concept Paper 4: Access to Information, Transparency and Accountability*, UN, March 2004.
<http://unpan1.un.org/intradoc/groups/public/documents/un/unpan007714.pdf>

Siclari M., *Case study 3: Controlling political party funding in Italy*, Transparency International website, www.transparency.org/content/download/5455/31858/file/italy.pdf

Stapenhurst Rick, Johnston Niall, Pelizzo Riccardo (Edited by), *The Role of Parliaments in Curbing Corruption*, World Bank Institute, 2006

Transparency International (TI), *The Anti-Corruption Handbook: National Integrity System In Practice 2006?* http://transparency.org/policy_research/ach

Transparency International (TI), *TI Source Book 2000. Confronting Corruption: The Elements of a National Integrity System*, Berlin, Germany: TI, 2000.

Transparency International (TI), *Report on the Transparency International Global Corruption Barometer*, Berlin, Germany: TI, 2005.

Transparency International (TI), *Global Corruption Report*, Berlin, Germany: TI. (2003); (2005); (2006)

UNDP, UN, *Public Sector Transparency and Accountability in Selected Arab Countries: Policies and Practices*, New York, 2004 <http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN021716.pdf>

United Nations (UN), *Unlocking the Human Potential for Public Sector Performance: World Public Sector Report*, UN, 2005

United Nations (UN), *Business against Corruption*, United Nations Global Compact Office, 2006

United Nations Development Program (UNDP), *Corruption and Good Governance*, New York: UNDP, 1997

United Nations Development Program, *Governance for the Future: Democracy and Development in the Least Developed Countries*, UNDP, 2006

United Nations Development Program, *Sources for Democratic Governance Indicators*, UNDP, 2003, United Nations Office of Drugs and Crime, *The Global Programme Against Corruption: UN*

Williams John G. (By), *The Role of Parliaments in Holding Government to Account and Controlling Corruption*, GOPAC http://www.gopacnetwork.org/Docs/JW%20article%20for%20Commonwealth%20Secretariat%20July%20%2703_en.pdf

World Bank, *Strengthening World Bank Group Engagement On Governance And Anticorruption*, Washington, March 21, 2007

World Bank, *The Role of Parliament in Curbing Corruption*, Washington, 2006

Huther Jeff and Shah Anwar, *Anti-corruption Policies and Programs: A Framework for Evaluation*, World Bank 2000

Kaufmann Daniel *Back to Basics—10 Myths About Governance and Corruption* in Finance and Development September 2005, Volume 42, Number 3 <http://www.imf.org/pubs/ft/fandd/2005/09/basics.htm>