Monti: "Attacking Corruption is our Priority"

Judith Harris (October 23, 2012)



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ROME - Corruption costs, in Italy as elsewhere. But according to the <u>Corte dei Conti</u> [2] (the Italian government's Court of Auditors), in Italy the costs here have become unsustainable, bringing from 25% to 40% in losses in industrial growth and business. Put another way, corruption means that to do business here costs from 25% to 40% more than it should, making countless Italian manufacturers uncompetitive by comparison with those elsewhere who are not being shaken down.

A new 400-page study, presented Monday to Premier <u>Mario Monti</u> [3], is called the Rapporto della Commissione per lo studio e l'elaborazione di misure per la prevenzione della corruzione, or Report by the Commission for the Study and Development of Measures for the Prevention of Corruption, and



is a group project directed by Roberto Garofoli of the Ministry for Public Administration. As an obviously concerned Premier Monti commented, "Corruption undermines confidence in the markets and in our companies, and we are losing investments from abroad. To attack corruption is a Government priority."

Transparency International [4] points out that Italian corruption has worsened in recent years. The perceived level of corruption - more formally known as the Corruption Perception Index [5](CPI) posits Italy at number 69 down on the scale of countries, in the neighborhood of Ghana and Macedonia. Among the types of corruption, Transparency adds, is political corruption first and foremost. (An example from recent days: Domenico Zambetti, the Lombard regional politician, elected by the Partito della Liberta', who was hauled away in handcuffs Oct. 10 for having allegedly paid an 'Ndrangheta boss \$250,000 for 4,000 votes.

On the CPI scale of 1 to 10, Italy ranks 3.9 as compared with the European median of 6.9. This report goes on the say that the situation is actually worse than the Court of Auditors suggests because of such other costs as in administrative delays, dysfunctions in the public bureaucracy, public works that are sometimes futile and poor public services. The result is "an increase in creeping costs and an extraordinary increase in the costs of major public works."

Although both these Italian and international reports indicate a worsening of corruption, prosecutions have dropped from 311 cases in 2009 to 223 in 2010, or by almost one-guarter. By the same token individuals charged with corruption have shrunk about one-third during the same period, from 1,821 during the same period to 1,226. Definitive court sentences echo this dismal trend, down from 1,700 in 1996 to 239 in 2006.

Those with a long memory will recall that the Tangentopoli [6] scandal that brought down the First Republic in 1992 began with a Socialist accused of corruption. Such was the outrage at the reports of corruption that Socialist party leader Bettino Craxi [7] fled Italy. The majority Christian Democratic party was dissolved. "This is a second Tangentopoli, but worse," Monti's Justice Minister Paola Severino [8] declared in an interview with Sky TV. "The quantity of cases that we are examining and that are under the eves of us all makes this obvious...a series of extremely grave and diffuse cases of corruption, which are inserted within a framework of very serious political weakness. The very real needs of the country make these episodes extremely serious. Making money illegally from public funds while Italians are being asked to make sacrifices is of unequalled gravity."

What is to be done? The Government is putting before Parliament an anti-corruption law which, it is hoped, will be passed within a month. But the political disputes continue. Nichi Vendola, speaking from the left, accuses what is still former Premier Silvio Berlusconi's party of being "obsessed" with attempts to block a new anti-corruption bill. In turn, Berlusconi's shadow, Fabrizio Chicchitto, retorts that, "Vendola lies knowing that he is lying," for the original anti-corruption bill was presented by the PdL itself in both the Chamber of Deputies and the Senate, where, "It wasn't obstructionism, but a debate on the merits of the bill."

It is a fact that the original anti-corruption bill was presented by Angelino Alfano when he was justice Minister in 2010. With the fall of the Berlusconi Government, however, the punitive measures became considerably more severe. The measures this government proposes would increase the number of years before charges are automatically dropped under the statute of limitations (prescrizione).

It is no coincidence that among the most ardent promoters of anti-corruption legislation is the financial daily II Sole-24 Ore. An editorial Oct. 6 urged legislators to get busy. "'Hurry up,' we wrote, and we have repeated it often because we need a healthy economy, loyal competition, fiscal justice, growth, legality, public ethics. Honest citizens are paying too high a price and have been for too many years because of the political inertia caused by more than two decades of the spread of corruption." Political candidates with serious pending judicial inquiries would be prohibited from running for office.

Corruption does not strike only on the highest level, of course. Moving downard, corruption also means giving buddies jobs which they fulfill in a sloppy way, if at all. One small example: a doctor



vouchsafed that three members of the same family were blind and hence entitled to monthly welfare wages. Tax police from the Guardia di Finanza filmed them, and proved that their blindness was entirely fraudulent. Another phony blind individual at Tivoli near Rome got away with his fraudulent claims of complete blindness for 25 years, receiving in the meantime nearly half a million dollars.

Another hideous example? When a tourist at Saint Peter's collapsed and was taken to a hospital in an ambulance, the driver requested payment of \$1,600.

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