

## **OSCE High-Level Regional Conference**

### **“The role of digital technologies in reducing corruption risks”**

#### **Keynote Speech by Professor Paola Severino**

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Distinguished Authorities, dear colleagues, it is a great pleasure and an honour, indeed, to address this audience today in the framework of the OSCE High-level Regional Conference “the role of digital technologies in reducing corruption risks”.

I have been preceded on this stage by most distinguished speakers, who have provided a short overview of the content and articulation of this two days event. I will thus refrain from anticipating the specific issues that might be raised and discussed during the panels, providing a more general picture of my personal involvement with the OSCE, of the mission of the Organization in support of the fight against corruption and of the new array of challenges and opportunities that the private and public stakeholders in this domain will have to factor in while facing the effects of the rapid pace of technological developments.

Before that, allow me to express my heartfelt gratitude to the Government of Kazakhstan for hosting this important event, to the Slovak Chairmanship for the support it has provided so far in pushing forward my agenda as Special Representative, and to Ambassador Zugic, Co-ordinator of OSCE Economic and Environmental Activities. Indeed, since my first appointment as Special Representative under the Italian Chairmanship in 2018, I have found myself working in close and constant contact with the Office of Ambassador Zugic, who has been always very supportive and resourceful. Therefore, if you allow me, I’d like to take this opportunity to thank Ambassador Zugic and all his team for the continuous and patient assistance and kind advice they have been providing since day 1 for the achievement of the objectives of

my mandate as Special Representative for the fight against corruption, objectives whose attainments wouldn't have been possible without your support.

Talking about my personal involvement with the OSCE, I'd like to recall that when the Italian Chair of the OSCE decided to appoint me as Special Representative for combating corruption, it had been the first time in the history of the Organization that a Special Representative was assigned such a task. It was for me an honour – as it has been an honour to have the mandate being confirmed by the Slovak Chair, to whom once again I'd like to express my personal gratitude, alongside the commitment to sparing no efforts in order to meet fully my mandate. At the same, being the first Special Representative for such an important topic within the legal, political and social domain I felt I was embarking into defining and nurturing a brand new chapter in the history of the Organization, a demanding challenge indeed.

In fact, I've realized very soon that the engagement of the OSCE in the international fight against corruption has not started with the appointment of a Special Representative. I found out that combating corruption occupied a very prominent role in numerous policy documents adopted by the OSCE throughout the past few years. And this epiphany, if I can label it as such, brought me to cogitate upon the question of how much the fight against corruption belongs to the core business of OSCE.

Indeed, in the international landscape, a number of organizations, from the OECD to the Council of Europe to the United Nations – just to name a few examples – are offering a valuable contribution to concerted efforts of the international community to counter effectively the phenomenon of corruption. Yet, after having served almost two years under the flag of OSCE Chairmanships, I have grown more and more convinced that, within the international struggle against corruption, OSCE has a unique role to play. Throughout my experience as Special Representative, I have witnessed that the demand for international cooperation from the governments concerned is very high. And I have witnessed that the demand to cooperate with the OSCE is, if possible, even higher. In my view, this is something that needs to be remarked in all available occasions. Then, where does the appealing factor of OSCE lie?

The added value of the Organisation in the international fight against corruption lies first and foremost in the core mission of the OSCE – to promote and strengthen security. The OSCE has always pursued an approach to security which makes it uniquely placed to counter the spread of corruption, in itself a serious challenge to security if not an overt security threat. This challenge, in fact, is best addressed through the cooperative, holistic approach which the OSCE advocates. Moreover, the OSCE is based on dialogue, respect and cooperation among equals – and for the international fight against corruption to succeed ownership of the countries concerned, as well as respect for the peculiarities which characterize the situation of each country, are essential.

Corruption is a complex, multifaceted phenomenon. It is a challenge which can undermine the security of both citizens and States, as well as the relations between States; it is the cause of serious malfunctioning of governments and institutions, striking at the very heart of the social compact; it is a distortion of the level playing field which prevents the optimal allocation of resources between producers and consumers, sapping legality, predictability and confidence. It is a crime as old as human kind itself; which has evolved throughout the centuries, and with modern technology has become all the more elusive and critical; and all the more important to tackle it.

It is a phenomenon which changes features from country to country, and at the same time doesn't stop at national borders; 'one size fits all' responses are therefore ineffective. Such a complicated, elusive and ever-changing challenge requires a comprehensive, joined-up response, calling for energies, efforts to be mobilized, and to be put together at all possible levels. Only concerted actions by governments and between governments and international organizations - with the aim at pursuing both operational synergies and, most importantly, processes of regulatory harmonization - can ensure that those efforts are successful.

This is the approach that I feel is mandatory for me to promote and that has informed my work ever since I have taken on the responsibility of Special Representative: focusing on the ownership of the countries concerned, respecting local peculiarities

and sensitivities; mobilizing the awareness and support from civil society; engaging and ensuring the association of the private sector.

This approach is fully reflected in the projects of cooperation promoted by the OSCE Secretariat which I have been most involved with – in Armenia, Ukraine, as well as in the Countries whose experiences we will be discussing today - in an attempt to give a concrete, satisfactory answer to the demand for integrity, legality, and a more effective fight against corruption, coming from both the public Authorities and the population. Before touching upon briefly on the driving theme of this conference, namely the role of digital technologies in the fight against corruption, I'd like to refer to what I firmly believe to be crucial levers that should be envisaged in any plan to counter corruption and enhance good governance: prevention and incentives.

Commonly, when we think about devising and implementing strategies to tackle and defeat corruption, the exercise firstly conjures up ideas and instruments that do fall within the realm of police and judiciary enforcement. Repression is certainly critical. However, I have been insisting for years that the real winner for good public governance lies in enhancing prevention and incentive mechanisms for "compliant" economic subjects.

In this regard, in my opinion, a change in the communication strategies is also needed. It has to be appreciated in fact that these instruments put in place are not a burden, but an important opportunity for both public administration and private companies.

The message must be – and is a winning message in my view - that being a compliant company brings competitive advantages. This is particularly true if we adopt a long-term perspective.

Shifting from an approach based upon the exclusive focus on the punitive/criminal side of the fight against corruption to an approach where the intellectual efforts are equally aimed at prevention and enforcement allows us to enrich the narrative and make any anti-corruption strategy more effective and sustainable.

We use to point to the criminal nature of the corruption phenomenon, which is obvious. But corruption is not only a crime; it is also a “ballast” which drags Countries down

and prevents them from developing the full potential of their economic systems. Contrary to a view that often is embraced as a counter-narrative to the call for fighting corruption, I found it extremely wrong to liken corruption to the grease which helps spin the wheels of the economy; instead, corruption should be regarded as the sand which prevents those very wheels from revolving more efficiently. Combating corruption, therefore, doesn't have to be viewed as an economic cost. To the contrary: it is an economic opportunity. Therefore, our communication strategies should stress that fighting this crime is not only a political necessity and a moral imperative: it is also, if not primarily, economically worth pursuing.

The reference to the value of an approach that place prevention and long-term strategies at the core of its ecosystem brings me to the last point in my speech, a crucial theme indeed and the one upon which this Conference has been conceived: digitalization.

The rapid digitalization process taking place across the OSCE area is generating substantial changes in all spheres of life and brings with it a range of profound security implications, including many in the area of good-governance and anti-corruption. Even in the digital era, corruption remains one of the major challenges affecting the OSCE area, as well as a major threat to democracy, human rights, rule of law and, last but not least, economic development.

On the one hand, digital tools and ICT can be used to foster democratic processes and increase transparency and citizens' political engagement. Many among our States have already started exploring the opportunities offered by ICTs to make use of e-solutions with a view to develop more transparent, accountable and corruption-free processes. In this regard, I'd like to refer to the discussion being carried out, also within and with the support of the OSCE, on the quest for advancing the digital transformation of the public sector in order to address corruption at the local level: in particular, the role of e-government solutions in the planning and executing of local budgets for the purpose of minimizing corruption risks in procurement.

On the other hand, the rapid pace of technological development gives rise to significant challenges for both the public and private sector. The low level of regulation which still characterizes new digital tools makes their use particularly attractive for criminals as they can be easily exploited to steal personal data, channel illicit funds, or commit other cybercrimes which put at high risk the security of our citizens.

Let's consider, for example, the new digital financial mechanisms that allow for a rapid and flexible movement of wealth flows. These are tools that - although they can stimulate greater connections between markets, creating new business opportunities - precisely because (often) unregulated are particularly attractive for profit-driven crime, which can exploit them to easily convey illicit funds that can pollute the legal economy. Moreover, this last argument is closely connected to another fundamental theme: that of cyber-security.

The new phenomena described above entail the need to imagine an equally original, innovative approach to law-making, one built upon the joint purpose to set up a transnational normative system of prevention and repression, since these illicit conducts do not know boundaries.

Indeed, the challenge of cyber-laundering – which serves the welfare of corruptors worldwide - must be tackled with the same weapons of advanced technology. An interesting response, for example, could be to create block-chain systems that prevent operations from encrypted addresses from being completed, recording in an accessible and traceable way the various transactions, especially with reference to bitcoins.

These are just some ideas, which I am placing on the table of this conference in order to put high on the agenda of our discussions the complexity of the issue which public authorities face.

As many of you know, these topics are not new to the OSCE. Throughout last couple of years, during the numerous official visits that I have conducted across the OSCE Region, I've noticed the strong interest of local stakeholders to be supported by the OSCE in their national fight against corruption, also by taking advantage of the opportunities offered by digital tools in this area. The OSCE on-line digital training

modules – which will be presented later today – are a right step in the direction of leveraging on the new technologies for increasing and improving the assistance that OSCE can offer to the Participating States.

Approaching the end of my speech, I deem it important to stress, once again, that, even in an ecosystem, that of digital revolution - where the “world is flat” and the speed of change has increased dramatically – fighting corruption remains a mission for the long haul. In order to succeed patience, perseverance and vision are needed. I am sure that the OSCE can lend an important contribution to this end. I feel privileged and honoured to enjoy the opportunity to be part of this contribution.

I wish you all a fruitful and constructive discussion

Thank you