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Statement by Senator Ben Cardin
Chairman, U.S. Helsinki Commission

Combating Corruption in the OSCE Region:
The Link between Security and Good Governance
November 19, 2014

Good morning and welcome to this hearing of the Commission on Security and Cooperation in Europe. We have a panel of distinguished witnesses with us today to discuss combating corruption in the OSCE Region and the link between security and good governance.

Combating corruption may be the most important task we face today.

Democratic societies function based on a high level of trust in each other and the institutions that underpin democracies. Corruption undermines that trust, and thus undermines the very foundation of democracies. Research has shown a high level of correlation between failed states and endemic corruption.

That's not to say we don't have corruption in democracies. We do. But the level of corruption is not as high and having strong institutions such as an independent judiciary and an independent media are integral to keeping corruption in check.

The upheaval and turmoil that we have witnessed over the past couple of years is surely one of the most convincing pieces of evidence that we have to show the link between corruption and security. The spark that lit the fire in Tunisia was a street vendor sick of paying bribes to the police.

In Ukraine, the corruption which has plagued that country for decades only intensified during the regime of Viktor Yanukovich. A major component of the Euro-Maidan protests – the “revolution for dignity” – was the people's disgust with pervasive governmental corruption. With the election of President Poroshenko in May and a new, pro-European parliament elected last month, Ukraine has a real opportunity. While it is not an easy environment given Russia's aggression and de-facto control of parts of Ukraine, some steps have already been taken, but much more needs to be done.

In Russia, corruption and consolidation of power at the center has allowed Putin's government to undermine the legitimacy of its judiciary, silence independent journalists and systematically deprive NGOs of the ability to operate freely.

In Hungary, the U.S. recently announced that six Hungarians were determined to be ineligible to enter the United States under the authority of Presidential Proclamation Number 7750 which makes individuals excludable when there is credible information that those individuals are either engaging in or benefiting from corruption. The head of the Hungarian Tax Authority has publicly stated she is one of the six.

This is clearly an exceptional measure and I'm sure not undertaken lightly. On the contrary, I believe, this reflects on other developments which have made it more difficult for civil society and independent media to report on and combat corruption. This includes the expansion of criminal penalties for defamation using "emergency" parliamentary procedures and the subsequent threat to use those provisions against those raising concerns about the Tax Authority and the National Bank.

I'd like to turn now to our witnesses for their contribution. Unfortunately Khadija Ismayilova, an investigative journalist with Radio Free Europe/Radio Liberty in Baku, was not able to join us today because of a travel ban imposed on her by the Government of Azerbaijan. She has provided a written statement and copies have been distributed. We regret that she is not able to join us here for the hearing.

I'd like to welcome Dr. Halil Yurdakul Yigitgüden, who has been the Coordinator of OSCE Economic and Environmental Activities since February 2013. He is a former senior Turkish diplomat with extensive experience in the energy sector.

Next is Ms. Shaazka Beyerle, who is a visiting scholar at the Center for Transatlantic Relations at the School of Advanced International Studies at Johns Hopkins University. She is also a Senior Advisor with the International Center on Nonviolent Conflict. This year she published a book, "Curtailling Corruption: People Power for Accountability and Justice."

Finally, Mr. Anders Asland is Senior Fellow at the Peterson Institute for International Economics. He is an expert on economic policies in Russia, Ukraine,

and Eastern Europe, and he focuses on the broader implications of economic transition.

The complete bios of all of our witnesses have been distributed. So now I would like to turn to Mr. Yigitguden. You have the floor.