

Regional Anti-Corruption Report 2014

Anti-Corruption Reloaded

South East Europe Assessment

30 January 2015
Skopje

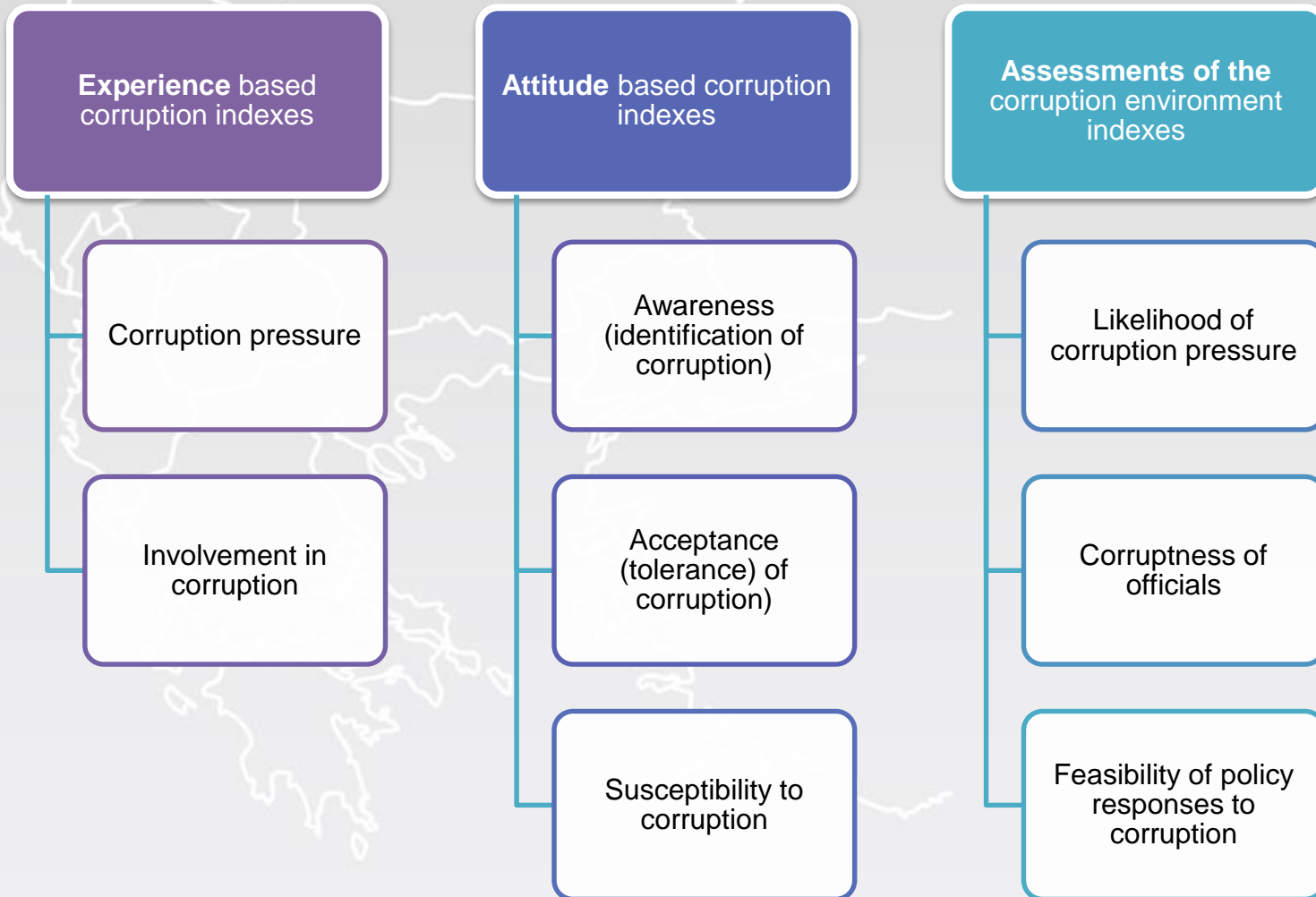
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Structure of the Corruption Monitoring System

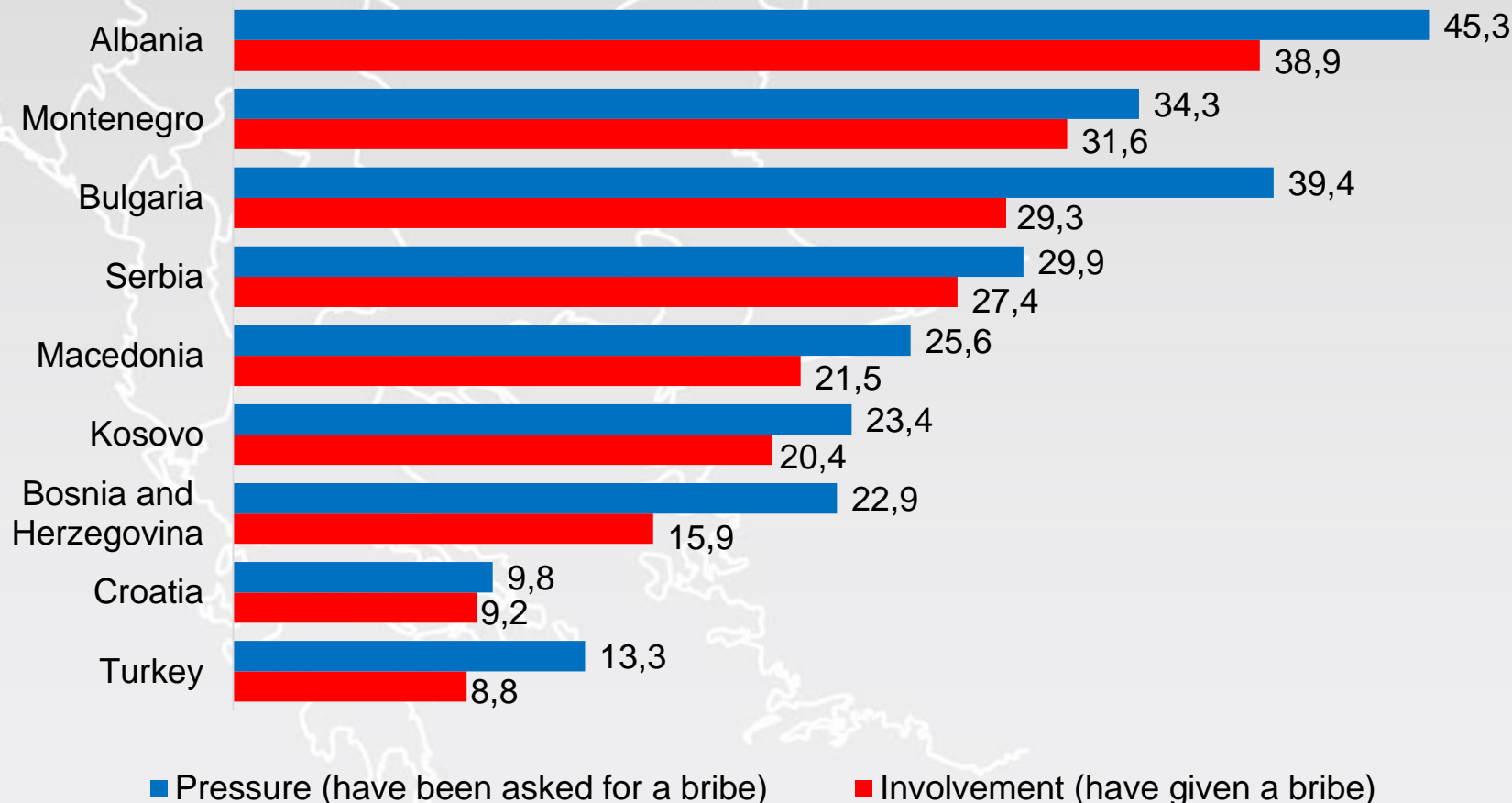


Experience with corruption

- Administrative corruption is a **mass phenomenon** and cannot be confined to “single cases” of corrupt officials. Even in Turkey and Croatia, where levels of administrative corruption are lowest in the region, about 8-9% of the population reports having given a bribe in the preceding year.
- Developments in Bulgaria suggest that **EU membership in itself is not enough** to lead to sustained reduction in corruption but efforts need to be integrated into public institutions, and results should be sustainable already before accession.
- Administrative corruption is **systemic** and should be regarded as a specific characteristic of the mode of operation of public institutions. Different paths of social, economic and institutional development render differing results.
- Overall, with the exception of Bulgaria, the changes since previous SELDI rounds of CMS diagnostics (2001 and 2002) for all countries are positive. However, they are considered unsatisfactory. Progress has been slow and uneven.

Corruption pressure and involvement in corruption (2014)

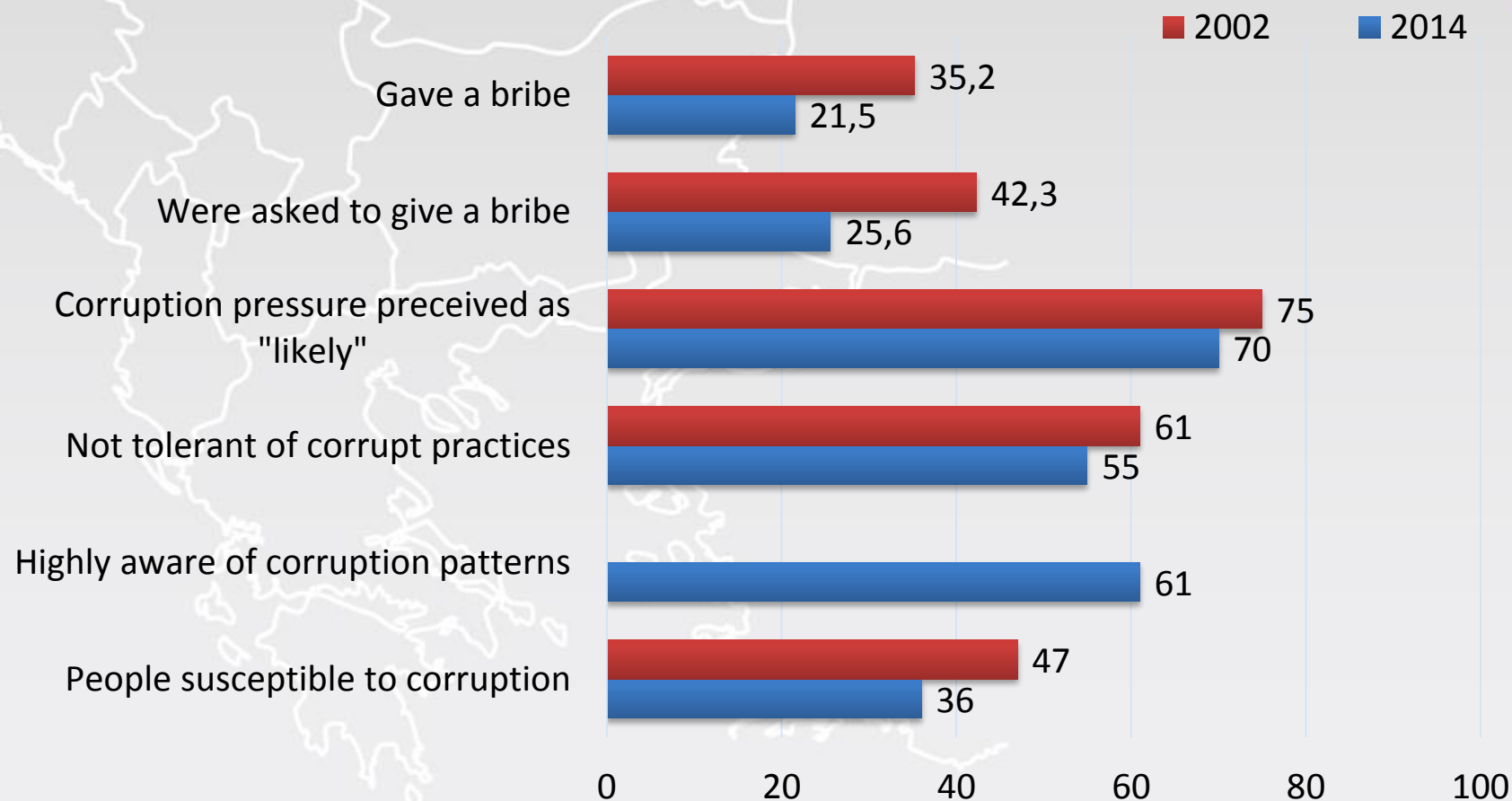
(% of the population 18+ who have been asked to give and have given a bribe (money, favour, gift) in the last year)



Source: SELDI/CSD Corruption Monitoring System, 2014

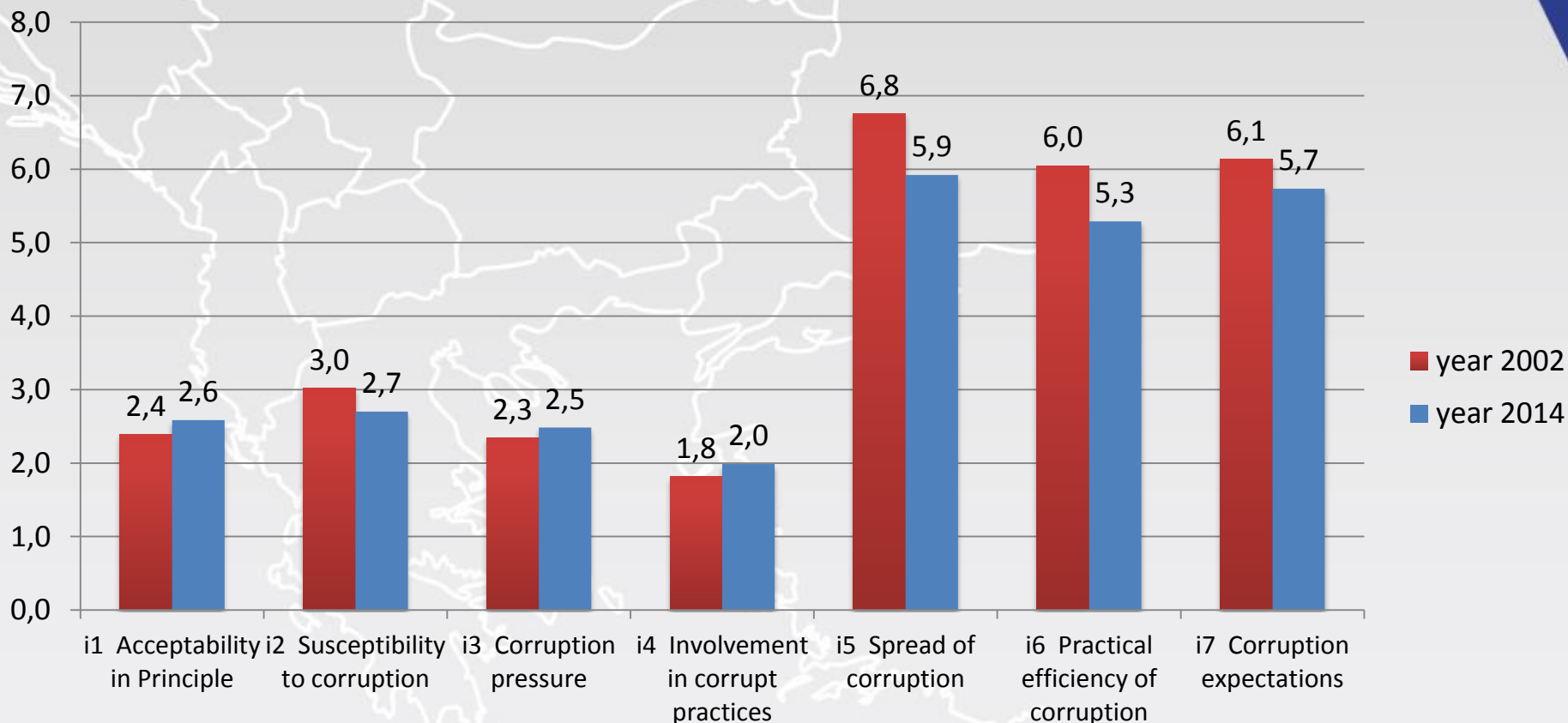
Corruption profile of Macedonia

(% of the population 18+)



Source: SELDI/CSD Corruption Monitoring System, 2014

Corruption Levels and Survey Results for Macedonia



Source: SELDI/CSD Corruption Monitoring System, 2014

Anticorruption Policies and Regulatory Environment in Macedonia

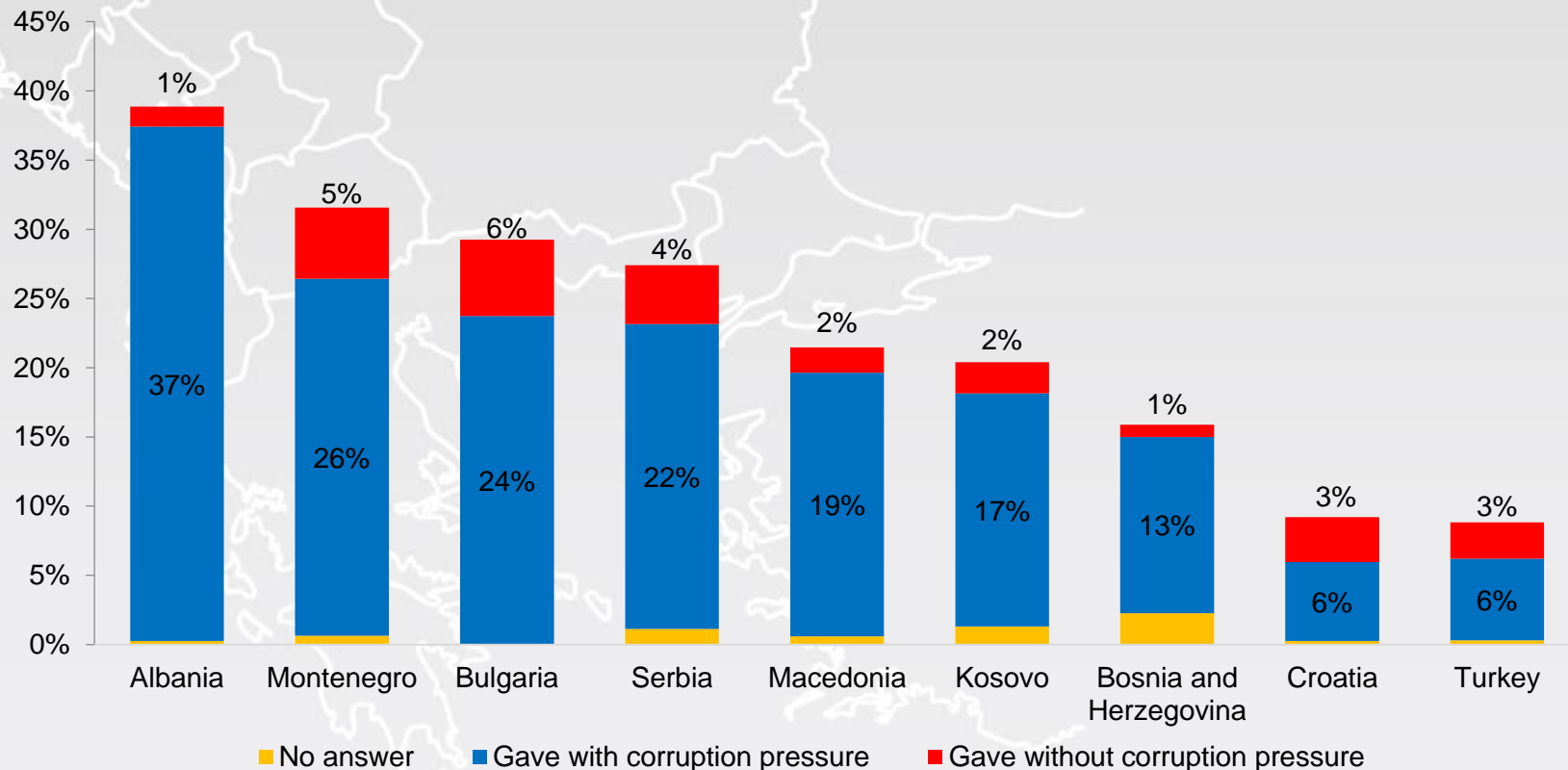
- Fairly well developed legal and regulatory framework for anti-corruption
 - Law on Prevention of Corruption (2002)
 - State Programme for prevention and repression of corruption and conflict of interests (2011-2015)
 - Need for better whistleblower protection and establishment of integrity systems
- Insufficient implementation in practice

Resilience to corruption pressure in the SELDI countries

- Most of the countries with high corruption involvement and pressure are also characterised by low resilience to corruption pressure (most of the respondents who were asked for a bribe gave one).
- Exceptions: Bulgaria, in the top three countries in terms of corruption pressure and actual transactions, but in terms of resilience rank together with less corrupted countries like Croatia and BiH.
- Macedonia rises to second rank in terms of respondents who yield to pressure.
- The high resilience in Turkey explains why actual corruption transactions are less common than even in Croatia, regardless of the higher pressure (13.3% pressure in Turkey, while only 9.8% in Croatia).
- Data also shows that **resilience to pressure is substantially higher in less corrupt environments** (e.g. Turkey compared to Albania).
However, this does not make resilience a factor to reduce corruption; rather it reflects the overall atmosphere in society.

Involvement in corruption with or without corruption pressure

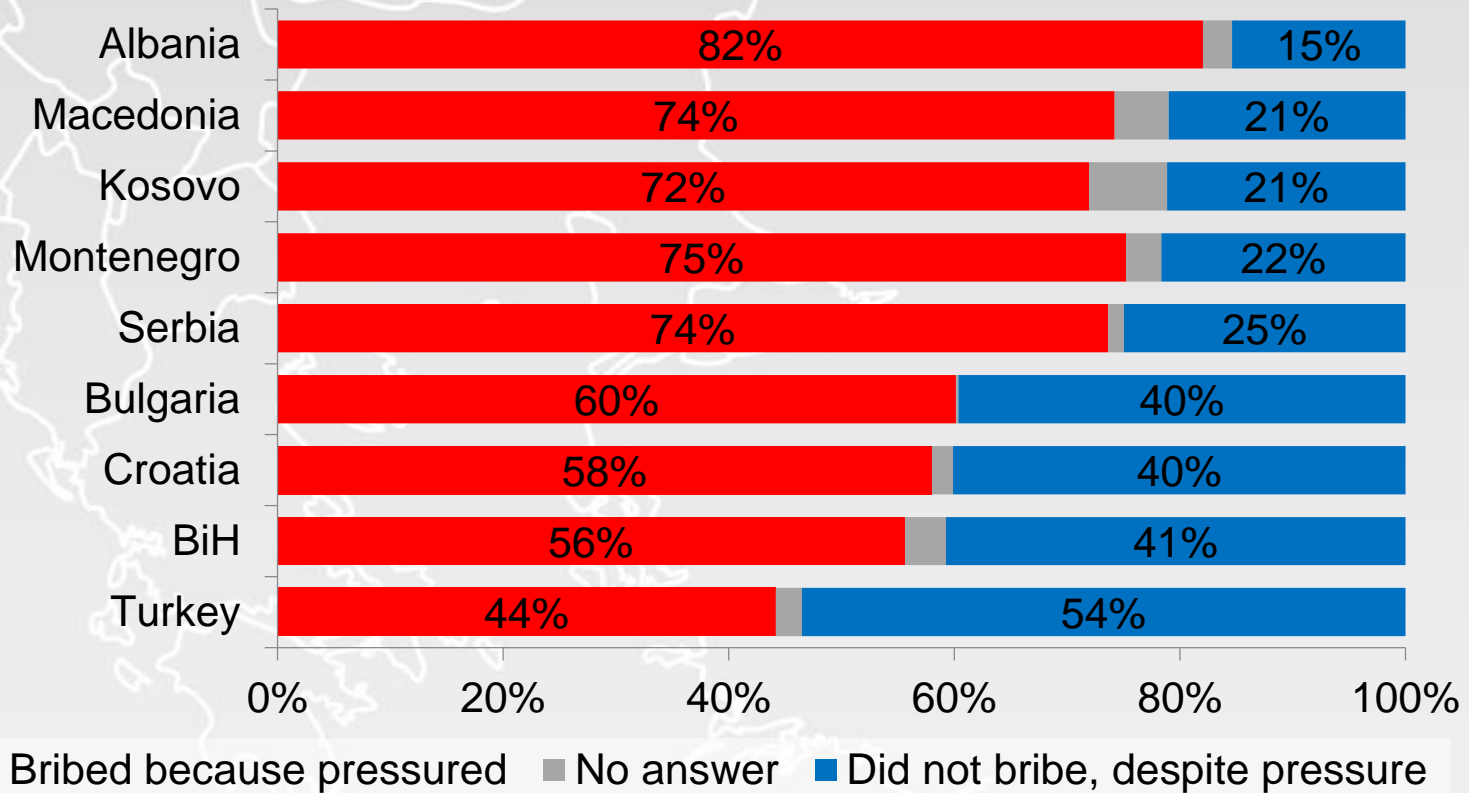
(% of the population 18+, who have given a bribe with or without corruption pressure)



Source: SELDI Corruption Monitoring System, 2014

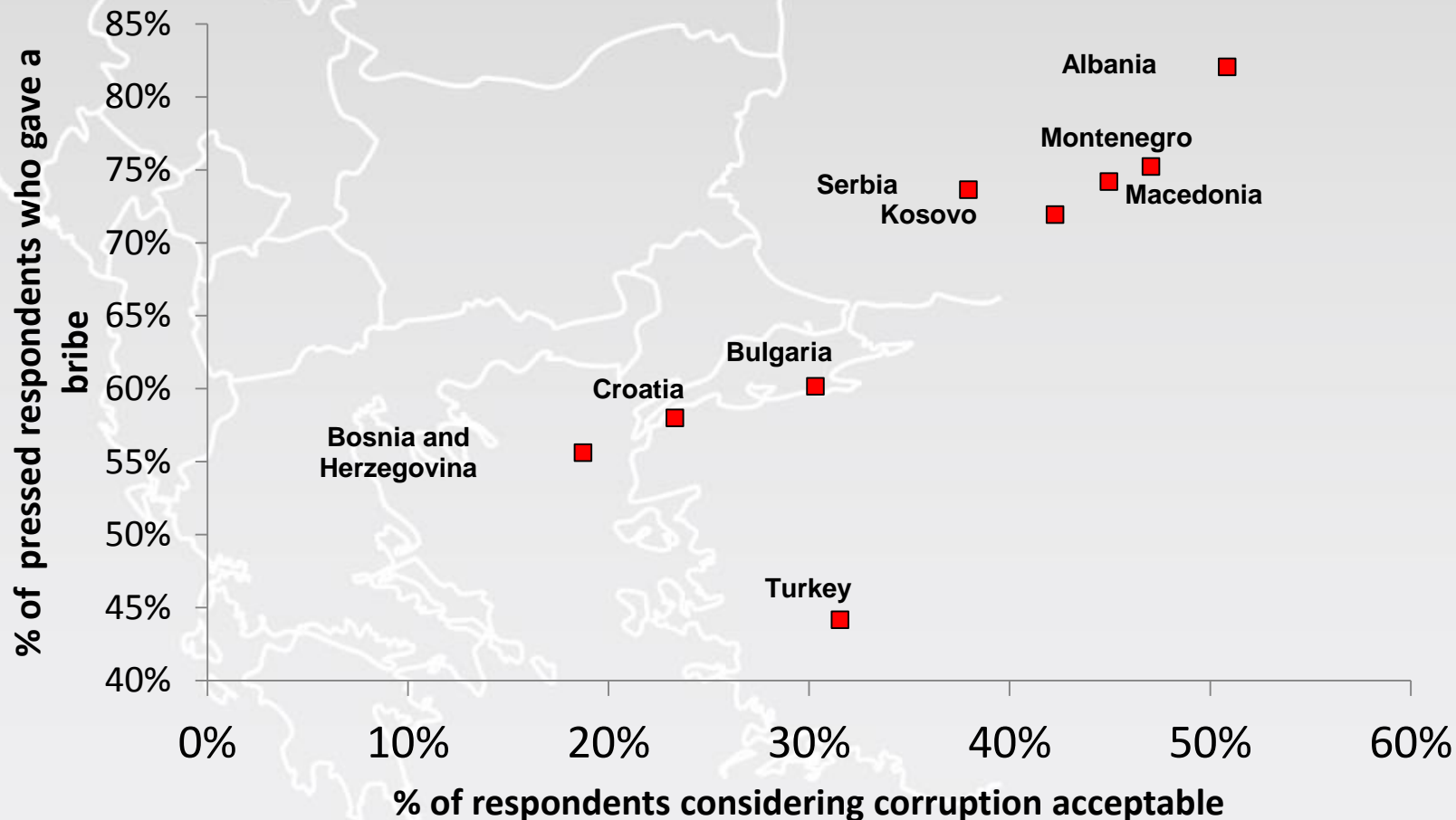
Resilience to corruption pressure

(among those pressured into bribing)



Source: SELDI/CSD Corruption Monitoring System, 2014, base: respondents who experienced corruption pressure

Corruption pressure and acceptability of corruption behaviour

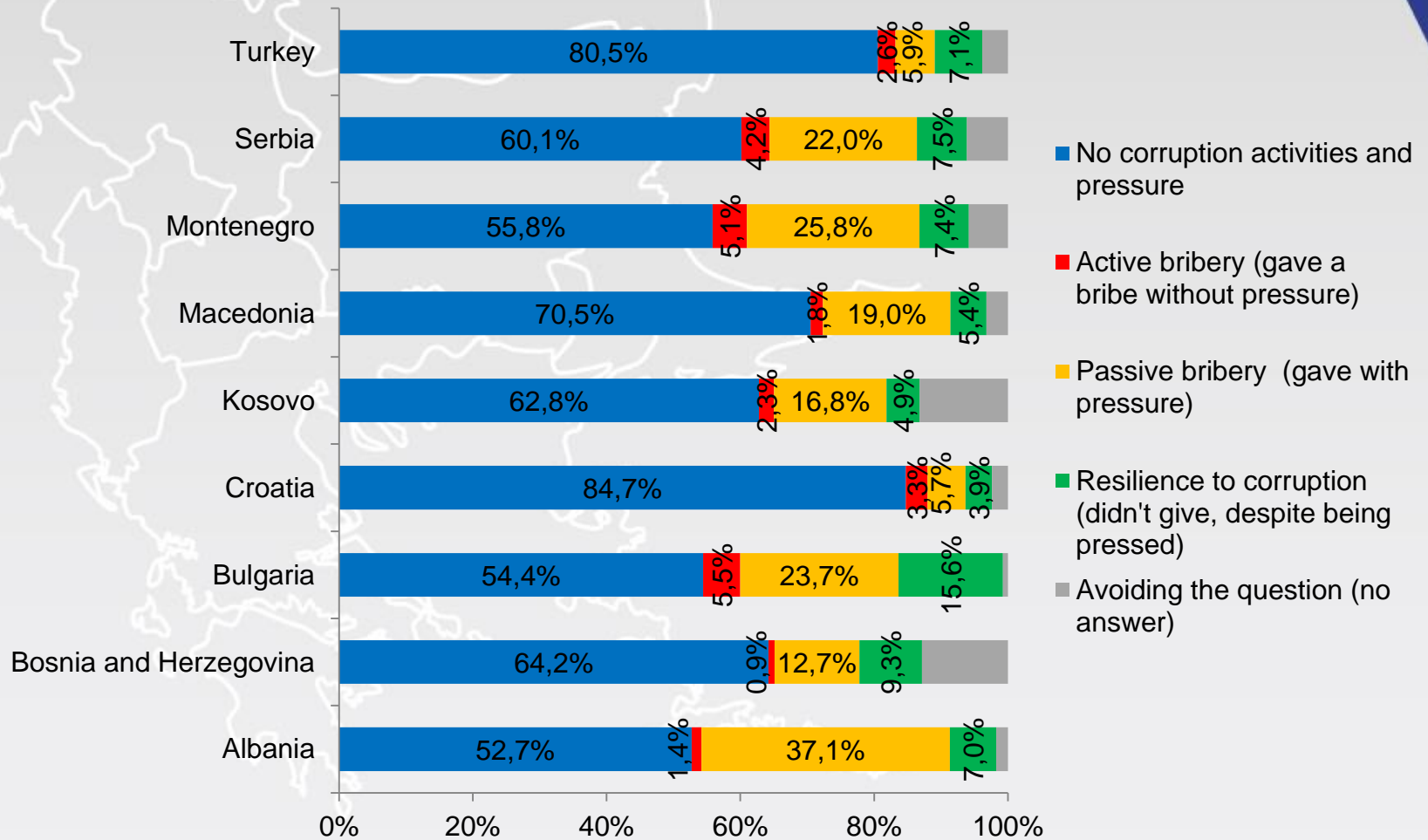


Source: SELDI/CSD Corruption Monitoring System, 2014

Corruption activities and pressure – citizens' involvement in corruption transactions

- In some cases transactions are admittedly initiated by citizens, without being pressed - Bulgaria (5.5%) and Montenegro (5.1% of the population), and also in low-corruption countries like Croatia and Turkey (3,3% and 2,6% respectively).
- The reasons are probably a complex combination of:
 - corruptness of the environment (if everyone is considered corrupt, people might try to give a bribe without pressure just to appease),
 - levels of corruption pressure (if the pressure is declining very fast, the citizens might try to initiate the transaction themselves in particular if they have done or ask for something undue),
 - effectiveness of the law enforcement (if the law enforcement is effective or the punishment is very severe, people might avoid offering bribes themselves, without indication that these bribes are expected and would be accepted by the official).

Corruption activities and pressure – citizens' involvement in corruption transactions



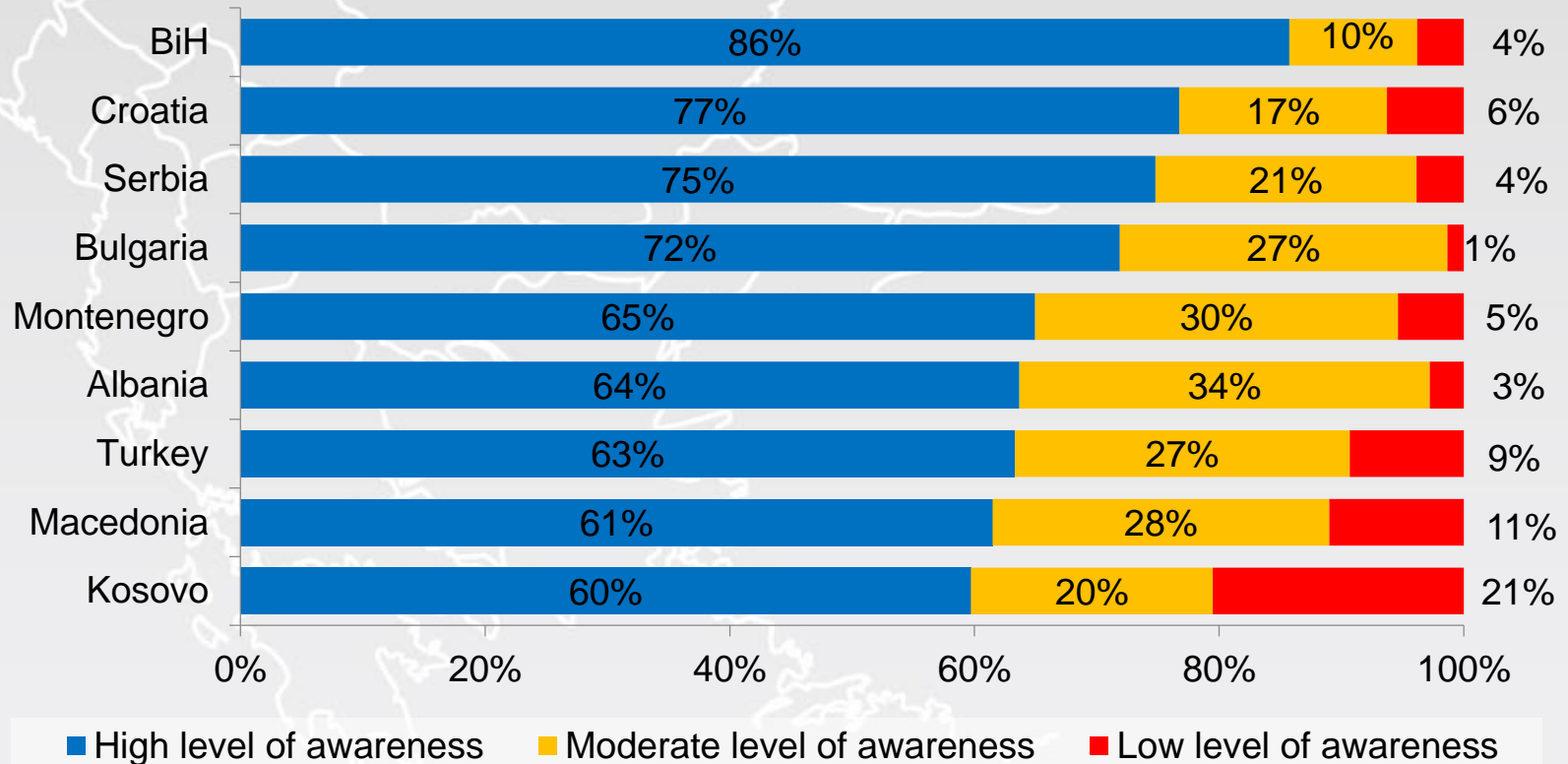
Source: SELDI Corruption Monitoring System, 2014

Attitudes towards corruption

- CMS includes three attitudes indexes: acceptability, awareness of and susceptibility to corruption.
- High levels of administrative corruption usually coincide with higher levels of acceptability (Albania) and *vice-versa* (Turkey, Croatia).
- Exceptions (e.g. Bulgaria, Bosnia and Herzegovina): lower acceptability comes with higher levels of administrative corruption. This normally breeds resignation, distrust with public institutions, and high potential for protest.
- Higher levels of awareness of corruption (Bosnia and Herzegovina) are not directly linked to lower levels administrative corruption (Turkey). Awareness reflects political debates, which does not directly translate into reduction of corruption behaviour.
- The highest susceptibility is observed in Albania, followed by Kosovo and Macedonia.
- In Albania and Kosovo high administrative corruption is coupled with lower levels of awareness and higher levels of acceptance.
- The relatively lower susceptibility in Bulgaria for example (lowest after Turkey) indicates (together with low acceptability) the integrity of the citizens. A factor in this respect is the role of NGOs and civil society.
- Still, the very high corruption pressure in Bulgaria, combined with the low tolerance and susceptibility to corruption, explains its mixed behaviour. People are forced to compromise on their principles by an overwhelmingly corrupt environment.

Awareness (identification) of common corruption practices

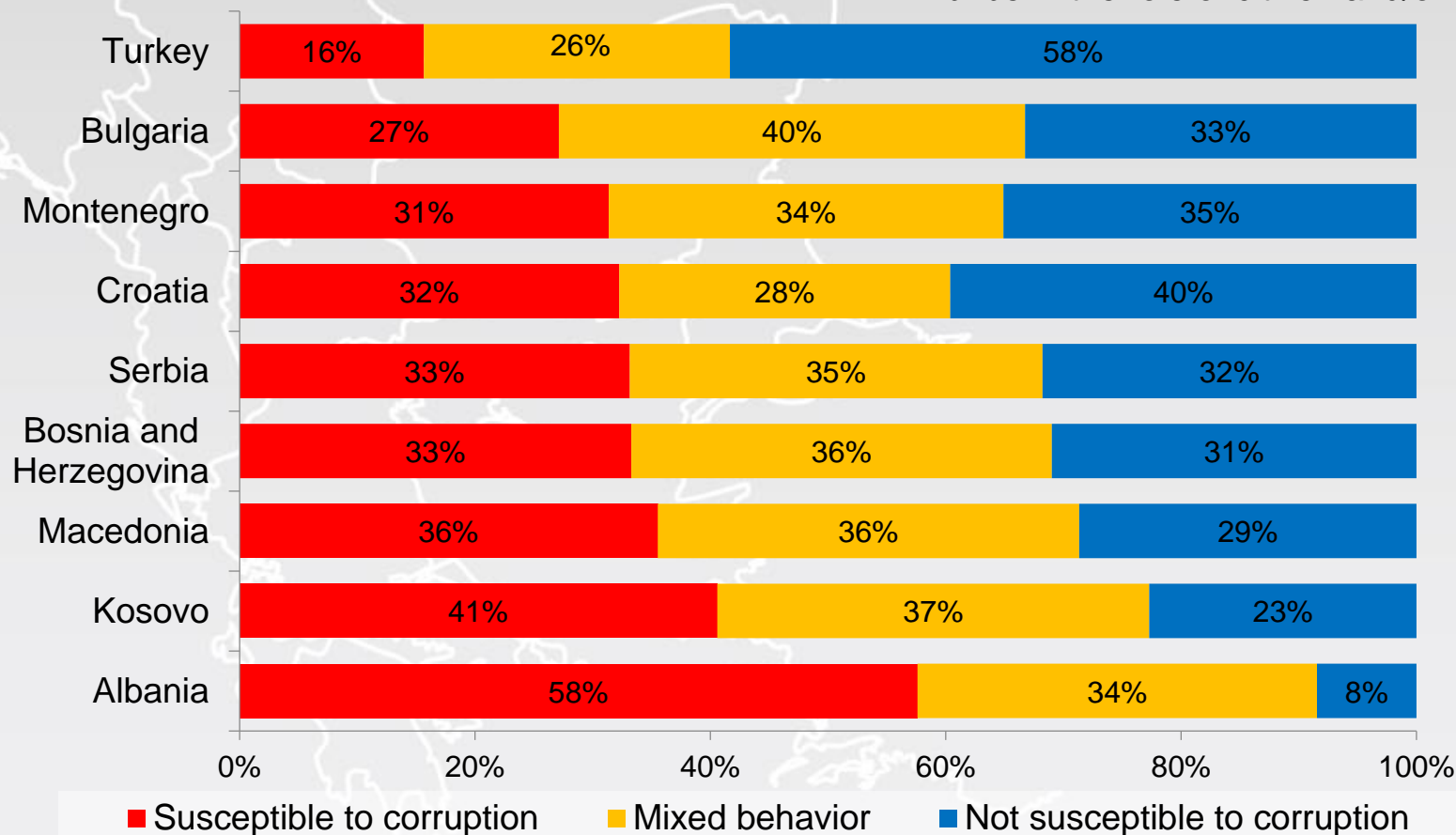
(% of the population 18+ identifying common corruption practices - all (high), many (moderate) and few (low))



Source: SELDI Corruption Monitoring System, 2014

Susceptibility to corruption

(% of the population 18+ that would give and/or accept a bribe in the role of citizen and/or official)



Source: SELDI Corruption Monitoring System, 2014

Assessments of the corruption environment

- More than half of the population of SELDI countries believe they live in a highly corrupt environment with likely corruption pressure by public officials.
- Highest expected corruption pressure observed in Bulgaria and Kosovo (more than 90% of the participants believe pressure to be likely). The smallest percent is in Croatia (64%).
- Nearly $\frac{3}{4}$ of the population in Albania (73%) have consider corruption inevitable and systemic and don't think that it can be substantially reduced.
- The highest percentages of people who are optimistic about the anticorruption policies are in Croatia (53%), Montenegro, Kosovo and Turkey (46-47% respectively).
- The perception that all or most public officials are corrupt predominates among the people in Southeast Europe.
- As an average for the region, government ministers and custom officers are perceived as the most corrupt public officials, together with political party leaders and members of parliament.
- Perceived as least corrupt are teachers, journalists, university professors and investigation officers.
- Political corruption is a common and far from adequately addressed problem.

Estimates of the corruptness of public officials

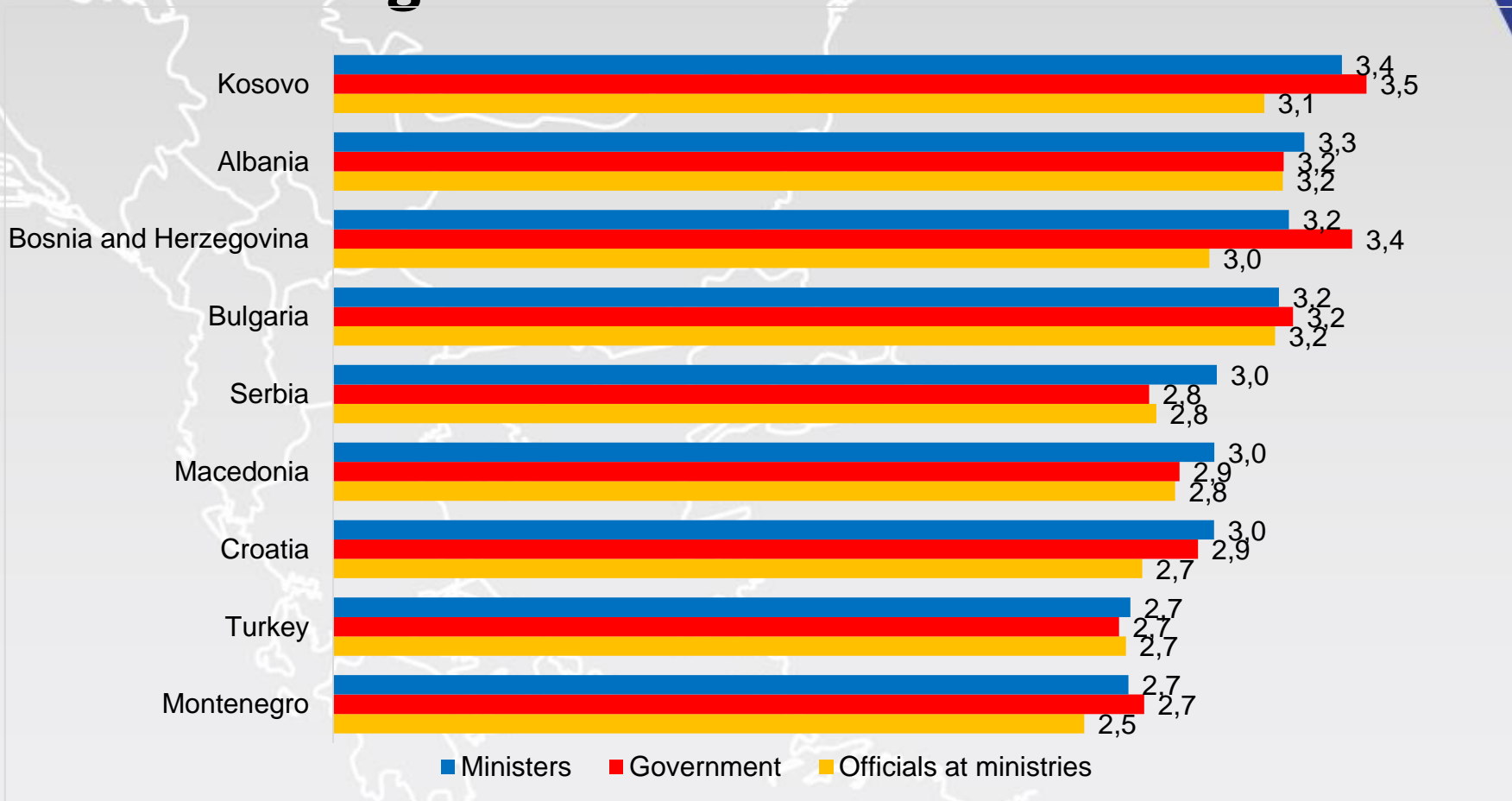
Officials perceived as most corrupted on a scale from 1 to 4, where 1 is "Almost no one is involved" and 4 is "Almost everybody is involved"



Source: SELDI Corruption Monitoring System, 2014

Note: For public officials the scale is from 1 to 4, where 1 is "Almost no one is involved" and 4 is "Almost everybody is involved".
For the institutions the scale is from 1 – "Not proliferated at all" to 4 – "Proliferated to the highest degree".

Estimates of the corruptness of the government and ministers



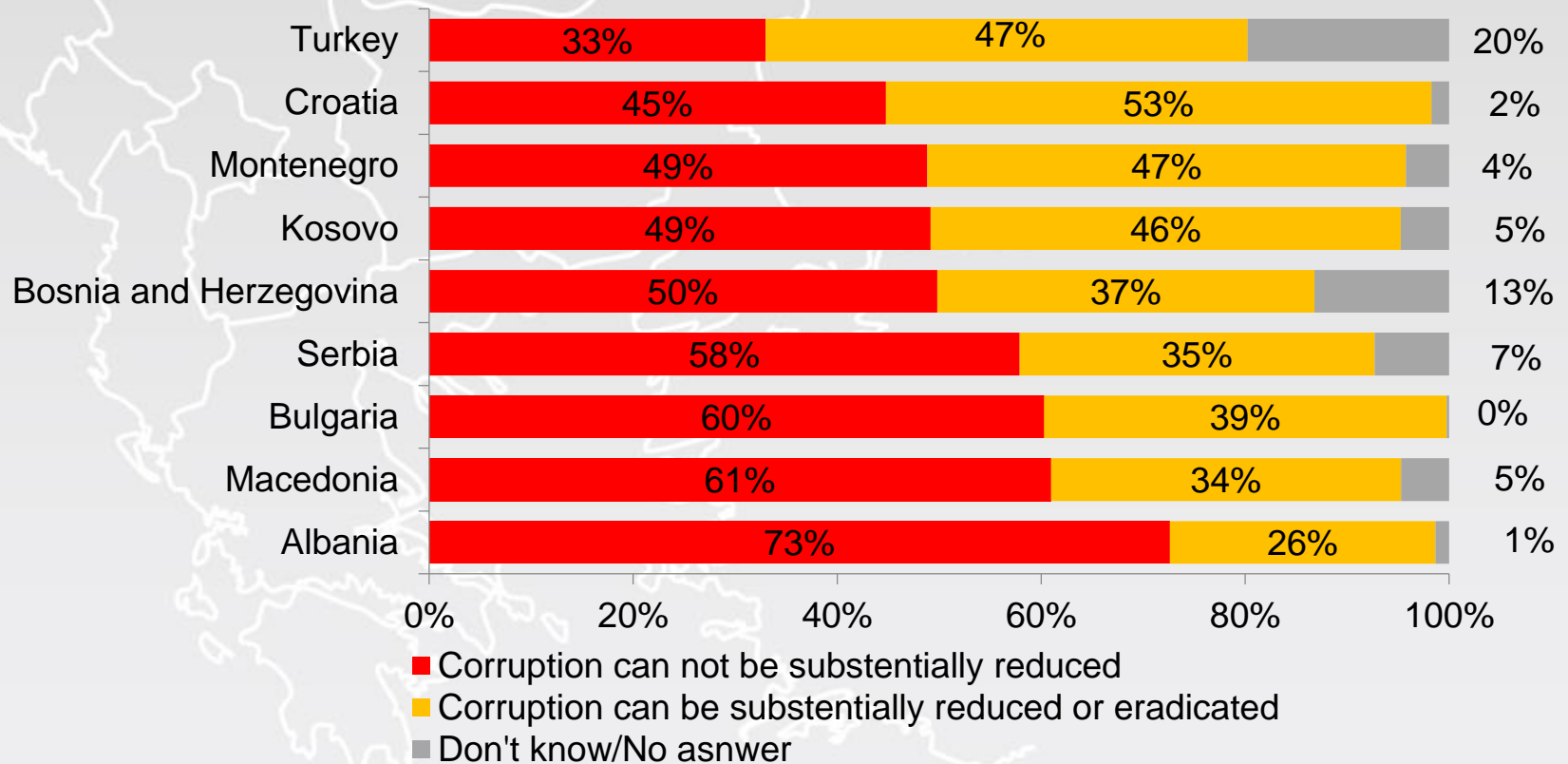
Source: SELDI Corruption Monitoring System, 2014

Note: For public officials the scale is from 1 to 4, where 1 is "Almost no one is involved" and 4 is "Almost everybody is involved".

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Feasibility of policy responses to corruption (%)

(% of the population 18+)



Source: SELDI Corruption Monitoring System, 2014

Anticorruption policies and legislation

- Frequent and inconsistent changes to laws resulted in procedural and statutory complexity and contradictory interpretation.
- Corruption is now a major electoral campaign issue, which tends to water down the commitment to strategic pledges.
- Strategies address all possible aspects of corruption, instead of prioritising.
- Shift of attention from petty corruption to grand, and criminalisation of a wider array of abuses of public office. The key challenge is to keep up with the shifting manifestations and forms of corruption.
- Compromised autonomy of the oversight and law enforcement bodies and interference by politicians.
- None of the SELDI countries has an adequate complaints management mechanism in the public administration.
- Shortage of reliable and publicly accessible data on the performance of government institutions, especially as relates to anticorruption.
- Key issue is how to combine preventive and repressive functions. The focus is placed on supervision and control.

Difficulties faced by the anticorruption institutions

Not feasible to create institutions with extraordinary powers that would affect the constitutionally established balance of power. Authority limited to requiring other government agencies to report on the implementation of the tasks assigned to them.

The agencies need to be careful not to duplicate powers conferred to other bodies (e.g. national audit institutions or law enforcement).

Most were provided with limited institutional capacity (budget, personnel) despite intentions to the opposite.

Institutional practice and enforcement of the law

Legislature

- Parliaments in the region do not rank high in the public trust.
- Codes of ethical behaviour are rare and unenforced; lobbying regulation is even rarer.
- Only recently have procedures for lifting immunity from prosecution started to be introduced.
- Anticorruption bodies typically supervise an executive agency, rather than deal with corruption.
- Significant concern are the financing of political parties and electoral campaigns (anonymous donations, voter bribing).

Civil service

- Lack of adequate legal and institutional traditions.
- Culture of “control” of the administration instead of managing its work.
- Poor management, obscure criteria and inadequate division of powers and responsibilities.
- Any gain in professionalism and institutional capacity leads to improvement in integrity.

Law enforcement agencies

- Environment of constantly expanding range of incriminated corruption-related practices.
- Risk of channelling a disproportionate number of cases only to law enforcement and the prosecution.
- Law enforcement agencies have high vulnerability to corruption, especially by organised crime.
- Law enforcement agencies are responsible for both organised crime and corruption.
- They are embedded in the larger police force or the ministries which deprives them of institutional autonomy.

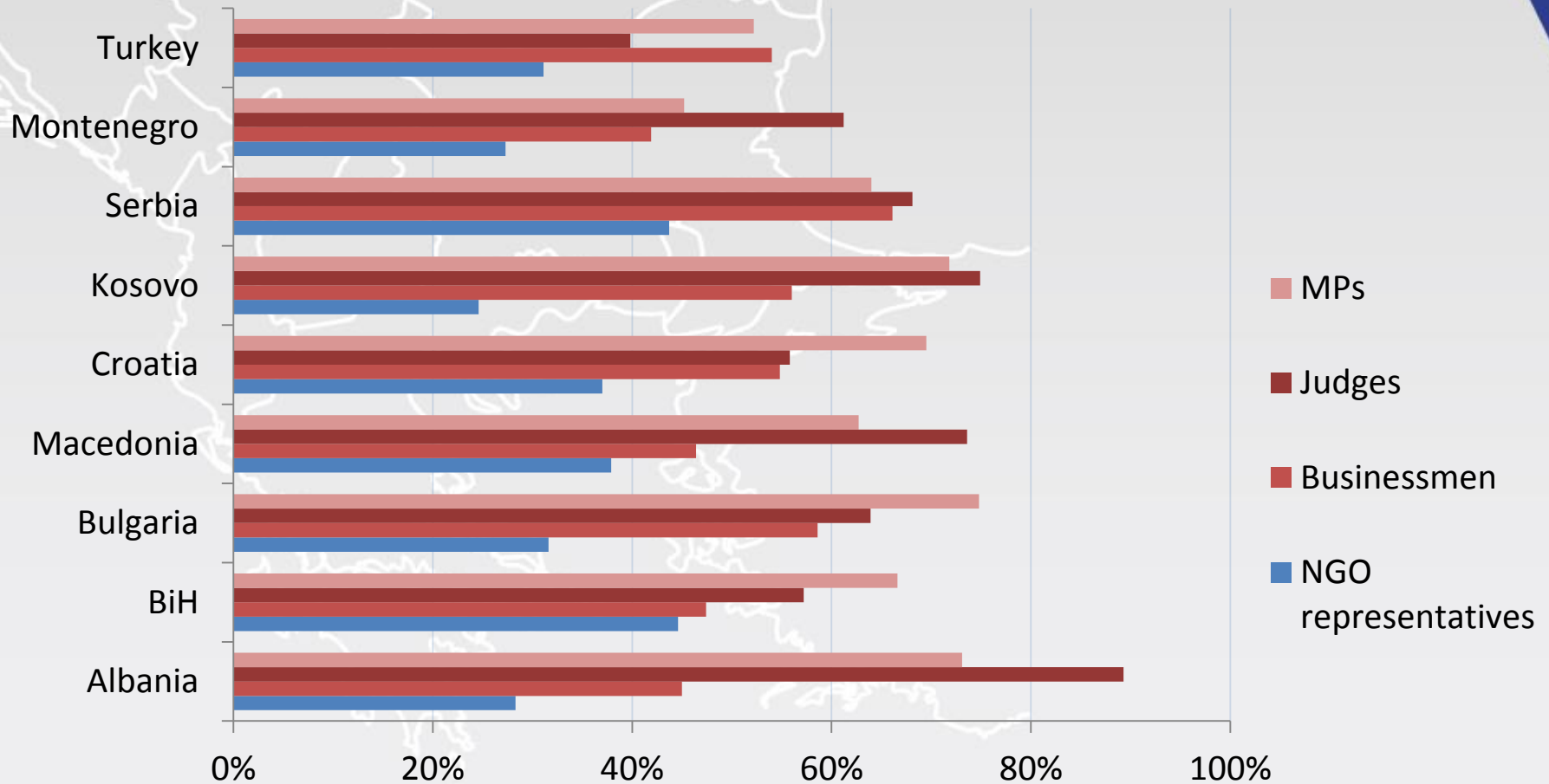
The judiciary in anticorruption

- Judicial branch in SEE has been as effectively captured as the other branches. No checks on the rent-seeking by magistrates.
- Constitutional issues, primarily related to restoring the balance between independence and accountability;
- Complexity of the criminal prosecution of criminal offenses of corruption, especially at the political level;
- Overall insufficient capacity and related issues of low professionalism, excessive workload and resulting backlog of cases, case management, facilities, etc.
- In none of the SEE countries is there a reliable, systematic and comprehensive mechanism for collecting, processing and making publicly available statistics on the work of the courts and the prosecution, in particular on corruption cases. A possible best practice to be replicated – although still underdeveloped – is Kosovo’s Platform of Anticorruption Statistics, designed by an NGO.

Civil society in anticorruption

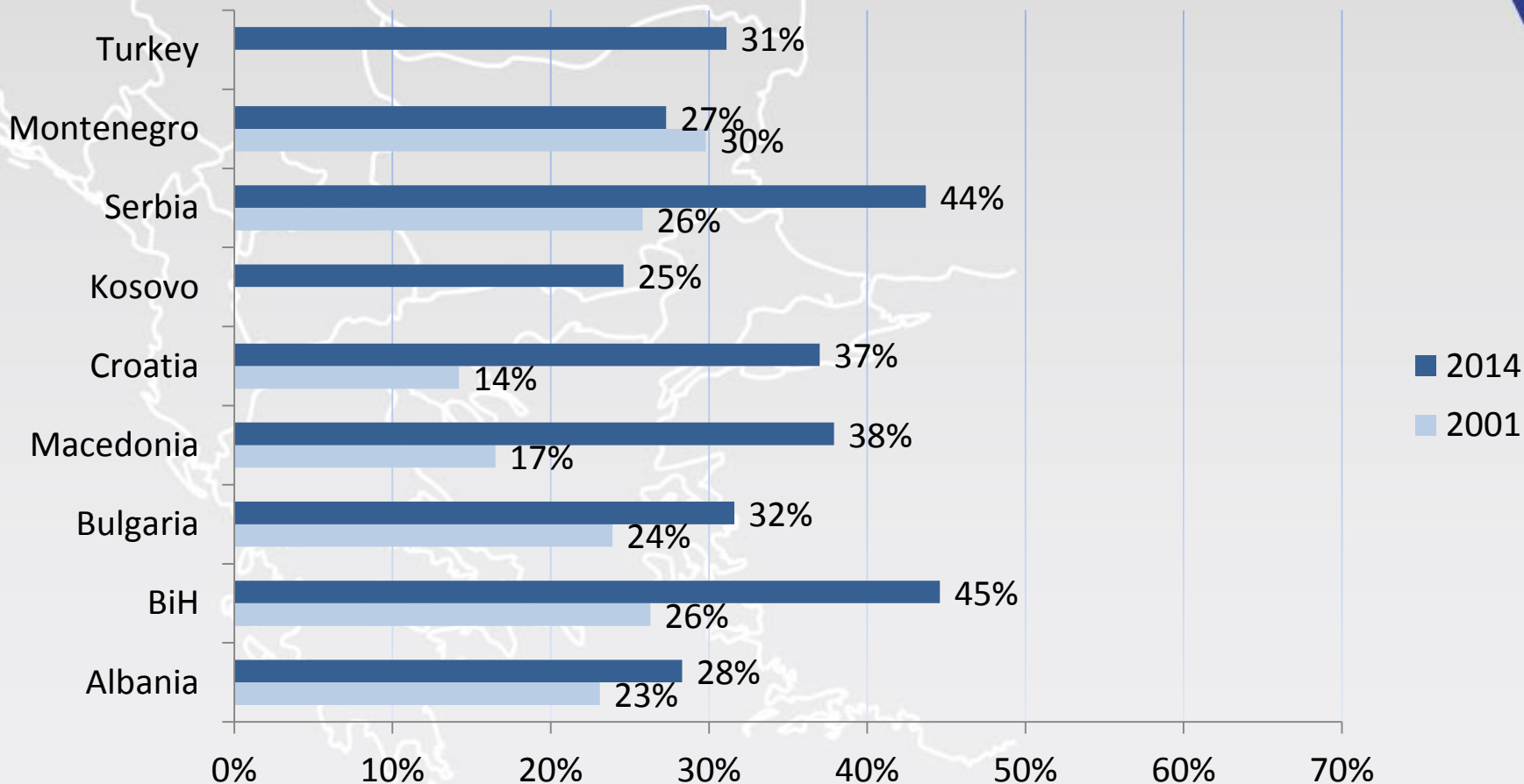
- CSOs are among the most important stakeholders in anticorruption.
- However, there is a lack of effectively established formal mechanisms for engaging civil society on the part of the national governments. Lack of administrative capacity and clear vision and understanding of the potential of CSOs.
- The risk of the capturing of CSOs by special interests and corruption stems from:
 - absence of mandatory procedures for transparency in the sector;
 - ineffective control of compliance with financial regulations;
 - lack of auditing culture;
 - low level of self-regulation.

Estimates of the proliferation of corruption among the following groups



Source: SELDI Corruption Monitoring System, 2014

Change in public estimates of corruption among NGO representatives in the SELDI area

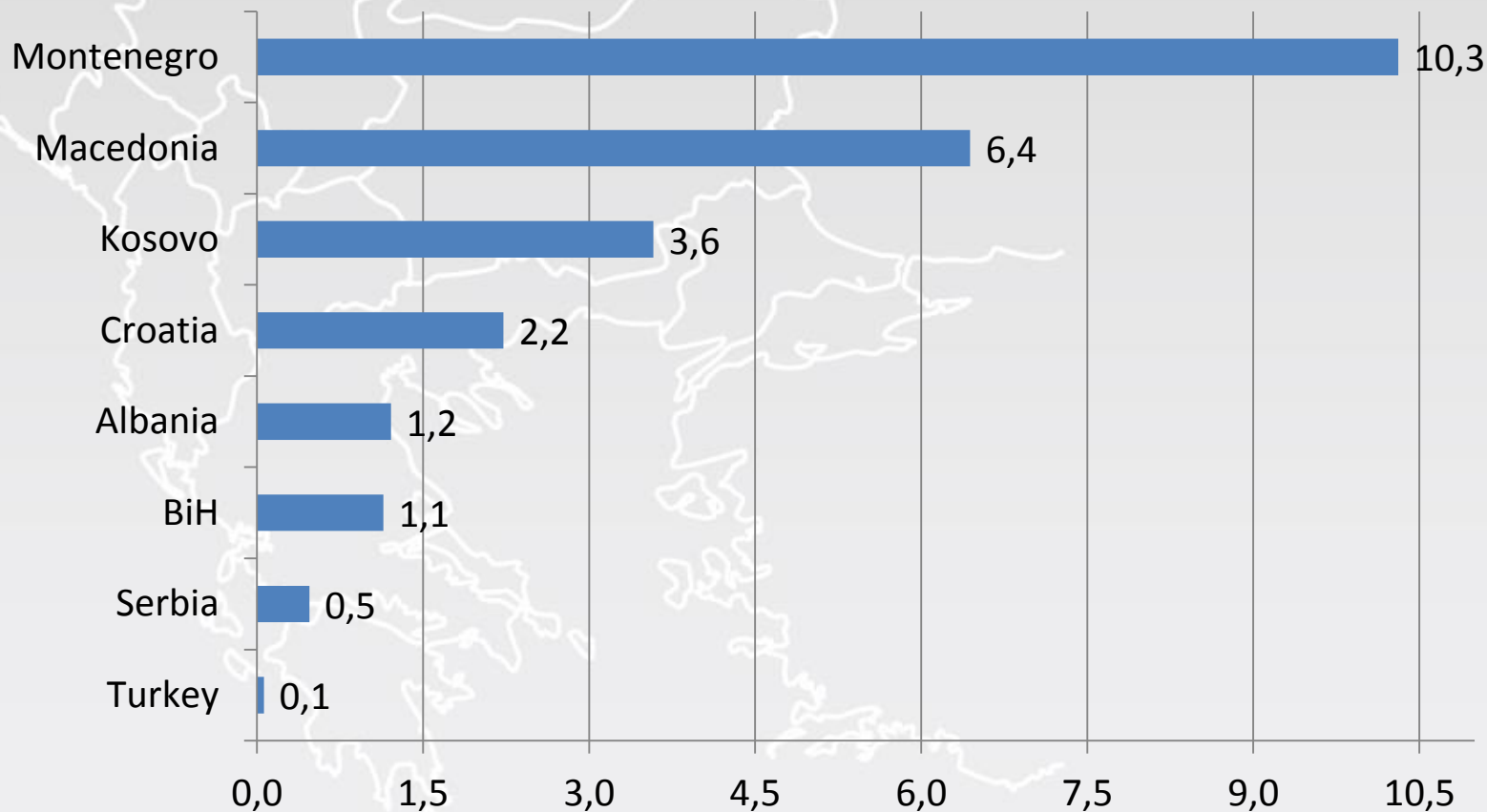


Source: SELDI Corruption Monitoring System, 2014

International cooperation

- Indispensable factor in the anticorruption developments - facilitate the adoption of reform policies that might otherwise have been shunned by national politicians.
- Encouraging public demand for reforms.
- Risk of unrealistic expectations for quick fixes.
- Affect mostly the executive branch agencies, while the judiciary, parliaments and other concerned public and private institutions were not sufficiently involved.
- There is need of trilateral cooperation (international partners, reformist politicians and parties, civil society).
- The effectiveness of international assistance needs to be periodically evaluated through impact assessment methods.

EU funding for anticorruption per capita of the population (€), 2007 - 2012



Source: Calculated from data from European Parliament, 2013.

Key recommendations

Deliver effective prosecution of high-level corruption

- Sentencing of corrupt politicians from the top political echelon provides a strong example for everyone and have proven very effective in strengthening anti-corruption measures in Croatia and Slovenia.

Adopt an independent corruption and anti-corruption monitoring mechanism

- The mechanism should be implemented through national and/or regional civil society network(s), and should be independent of direct national government funding. It should serve as a vehicle for opening up administrative data collection and public access to information.

Anti-corruption efforts should be focused on critical sectors

- Energy, public procurement, corporate governance of state owned enterprises, large-scale investment projects.



Thank you !