The Role of the European Union in the Western Balkans: Perspectives on the Enlargement Process

Regional Anti-Corruption Report 2014
Anti-Corruption Reloaded
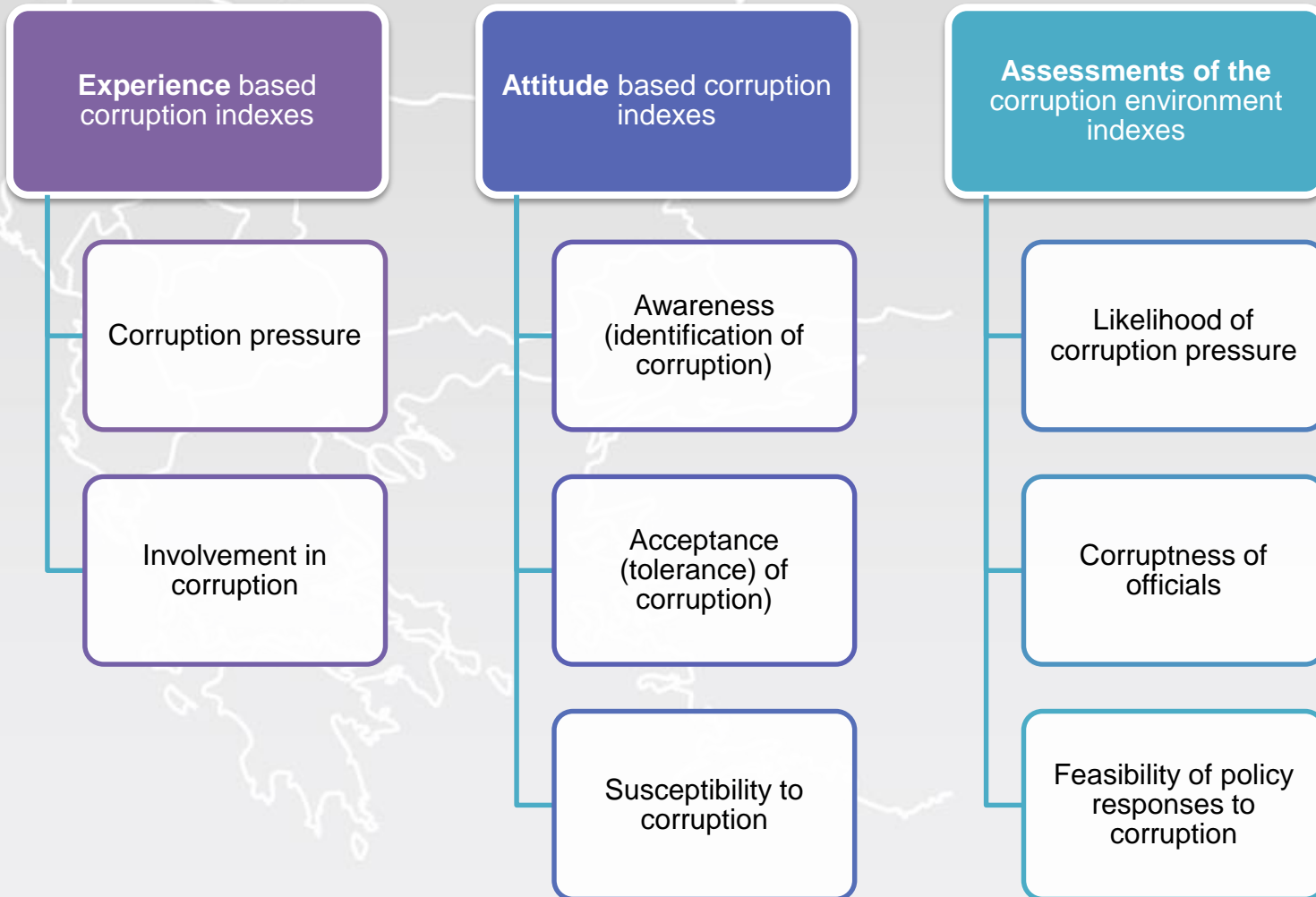**South East Europe Assessment**

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Brussels

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A project implemented
by a consortium led by the
Center for the Study of
Democracy

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- SELDI Process

- Corruption Monitoring System

- Corruption and Anti-corruption Dynamics 2002 – 2014: Main Findings

- Anti-corruption Diagnostics in SEE

- Key Recommendations

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Structure of the Corruption Monitoring System

Experience based corruption indexes
- Corruption pressure
- Involvement in corruption

Attitude based corruption indexes
- Awareness (identification of corruption)
- Acceptance (tolerance) of corruption)
- Susceptibility to corruption

Assessments of the corruption environment indexes
- Likelihood of corruption pressure
- Corruptness of officials
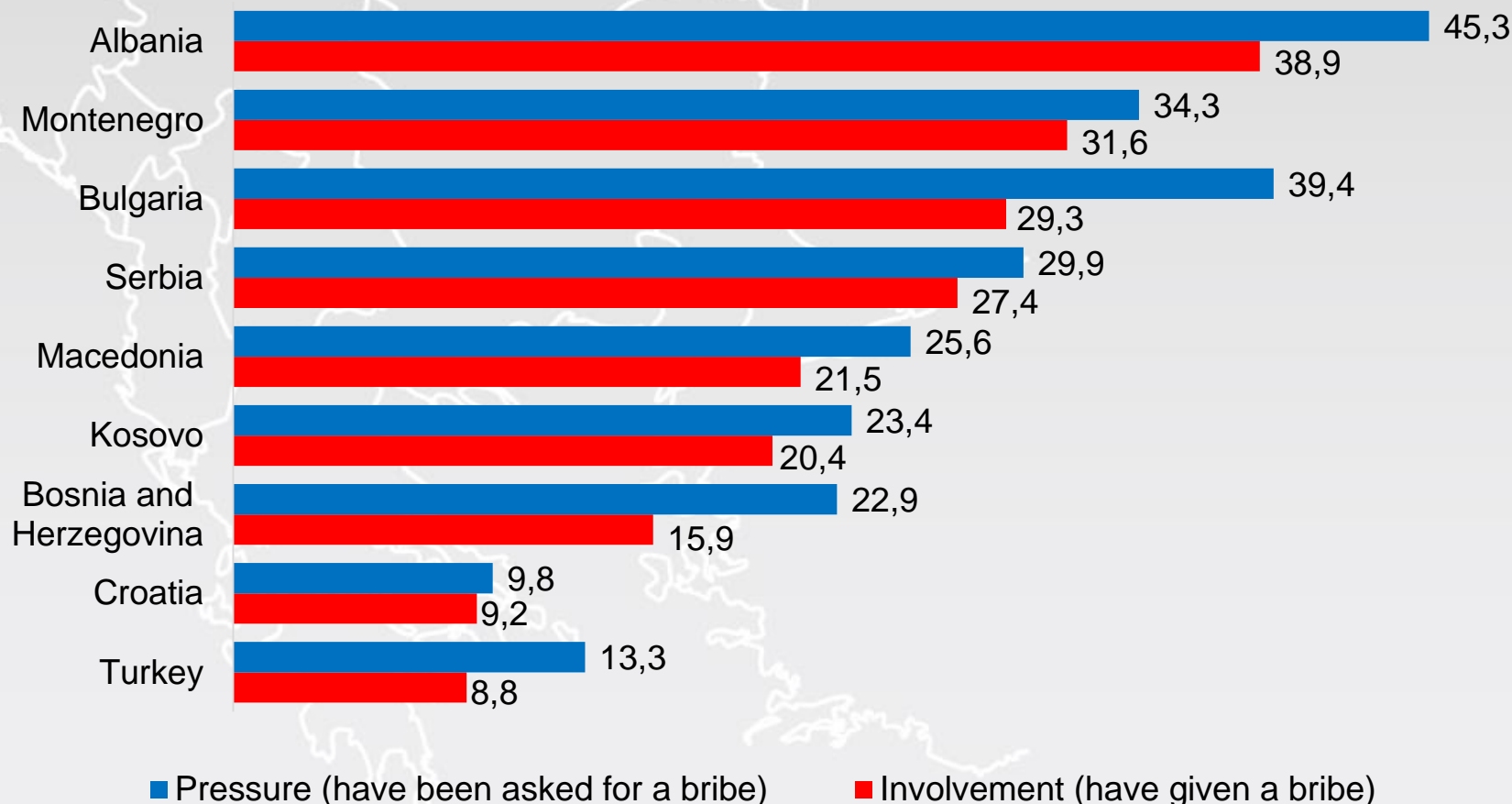- Feasibility of policy responses to corruption

Experience with corruption

- Administrative corruption in SEE is a **mass phenomenon** and cannot be confined to "single cases" of corrupt officials.

- **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.

- Overall, 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.

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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)

Country	Pressure (have been asked for a bribe)	Involvement (have given a bribe)
Albania	45,3	38,9
Montenegro	34,3	31,6
Bulgaria	39,4	29,3
Serbia	29,9	27,4
Macedonia	25,6	21,5
Kosovo	23,4	20,4
Bosnia and Herzegovina	22,9	15,9
Croatia	9,8	9,2
Turkey	13,3	8,8

■ Pressure (have been asked for a bribe)   ■ Involvement (have given a bribe)

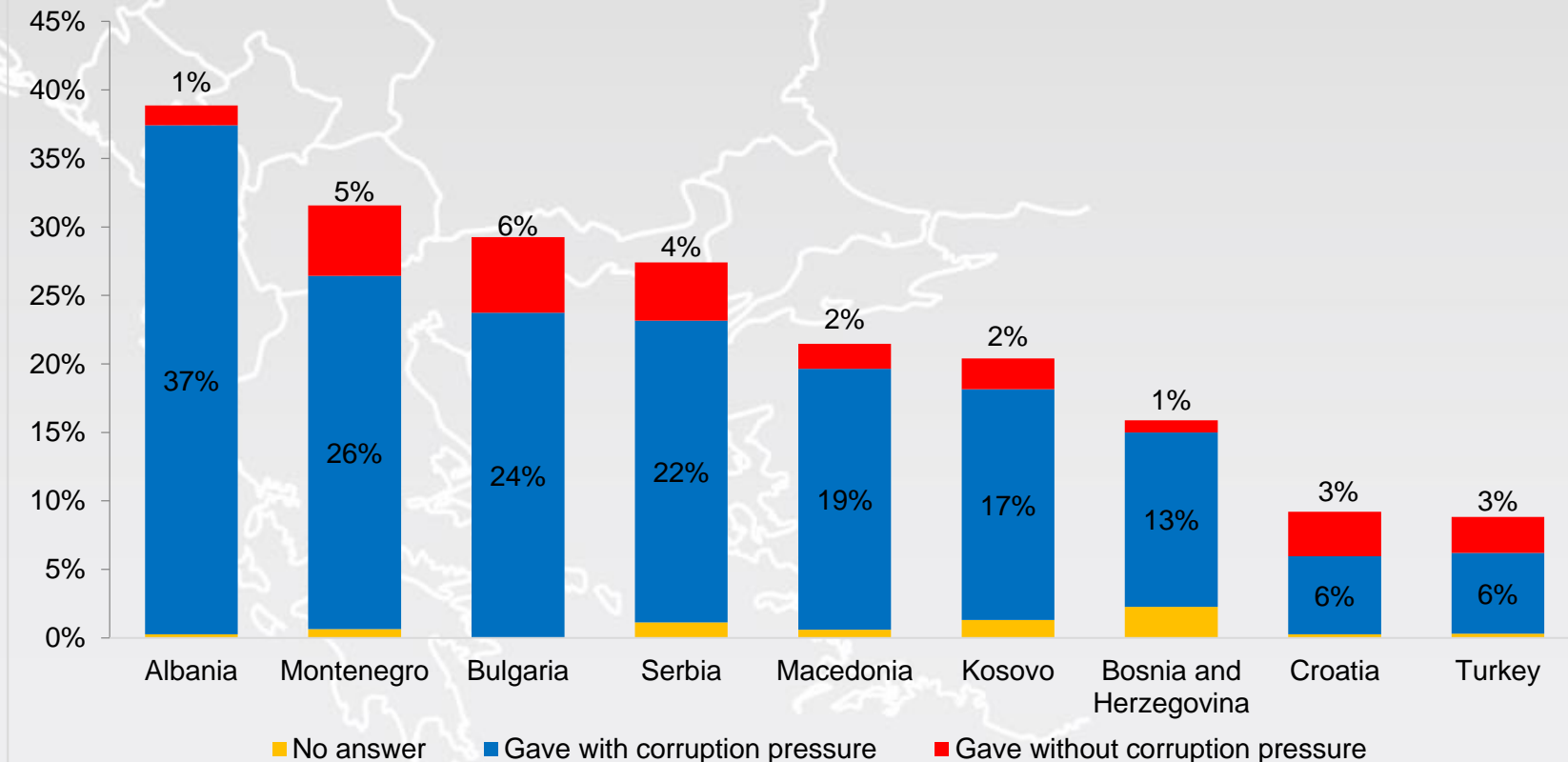Source: SELDI/CSD Corruption Monitoring System, 2014

Corruption pressure and resilience

- Most of the countries (except Bulgaria) with high corruption pressure and involvement are also characterised by **low resilience** (most of the respondents who were asked for a bribe gave one).

- 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.

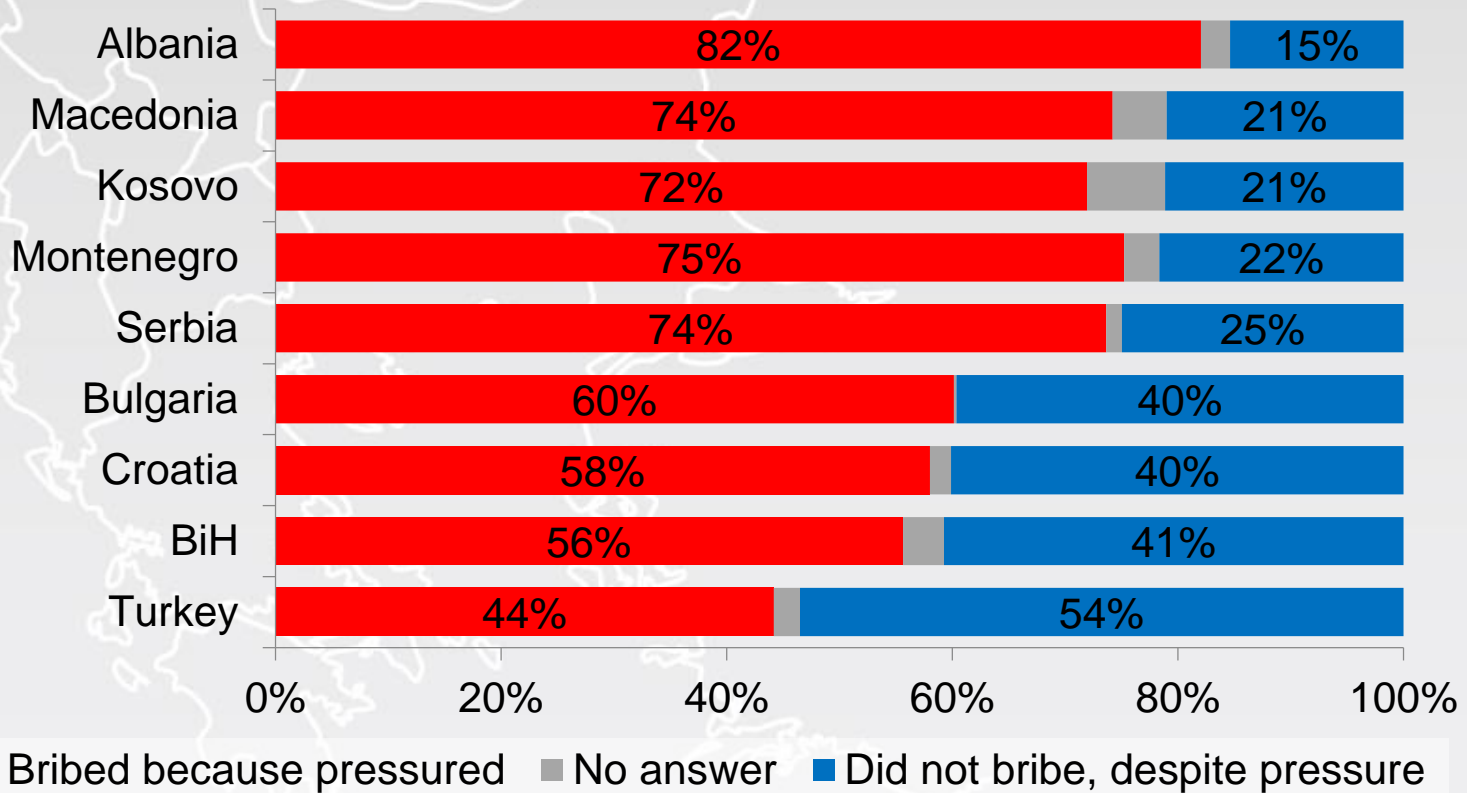# Involvement in corruption with or without corruption pressure

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

Source: SELDI Corruption Monitoring System, 2014

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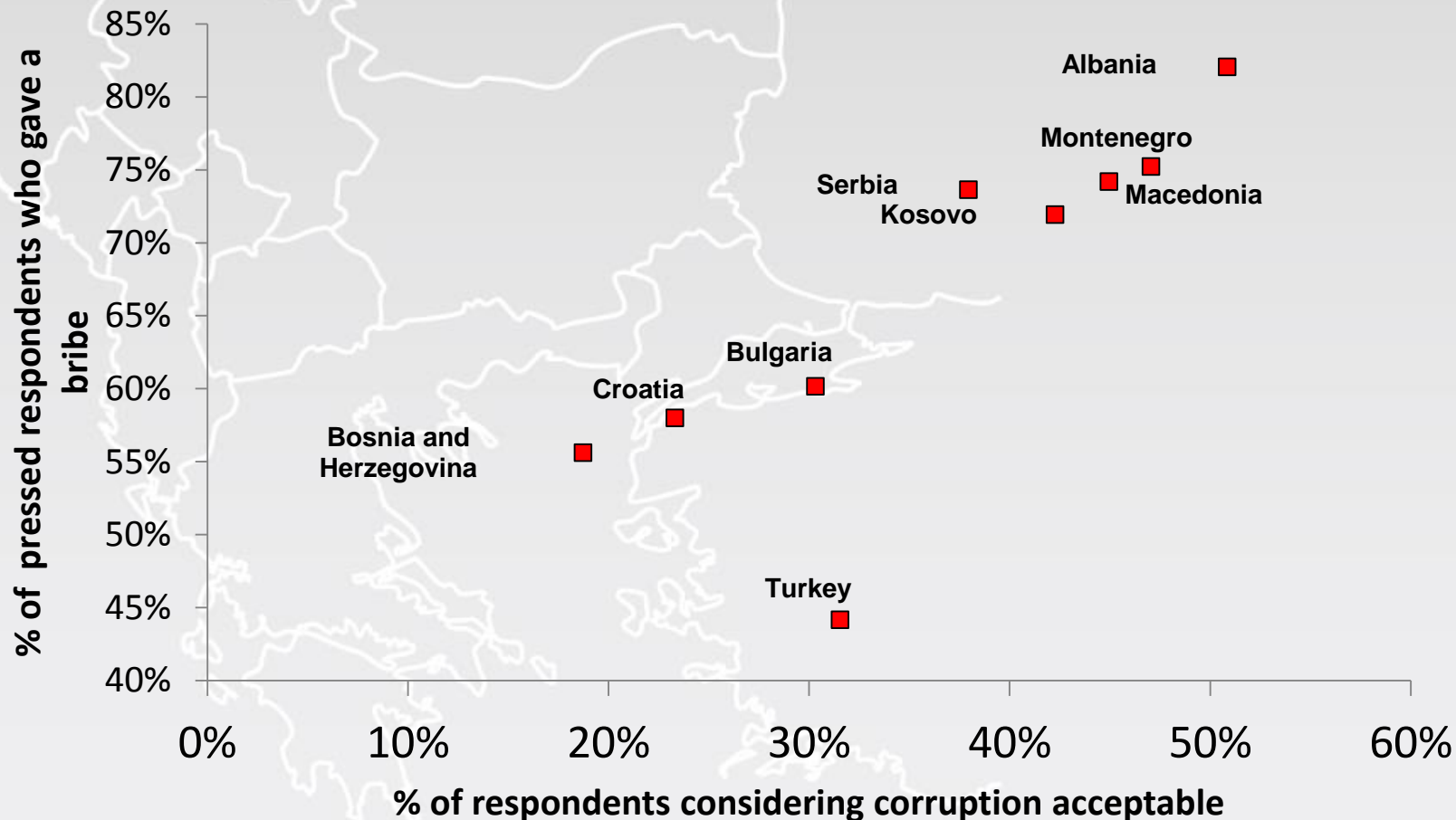Southeast European Leadership for Development and Integrity

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Resilience to corruption pressure

(among those pressured into bribing)

Country	Bribed because pressured	No answer	Did not bribe, despite pressure
Albania	82%		15%
Macedonia	74%		21%
Kosovo	72%		21%
Montenegro	75%		22%
Serbia	74%		25%
Bulgaria	60%		40%
Croatia	58%		40%
BiH	56%		41%
Turkey	44%		54%

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

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Corruption pressure and acceptability of corruption behaviour

% of pressed respondents who gave a bribe

% of respondents considering corruption acceptable

Albania
Montenegro
Serbia
Kosovo
Macedonia
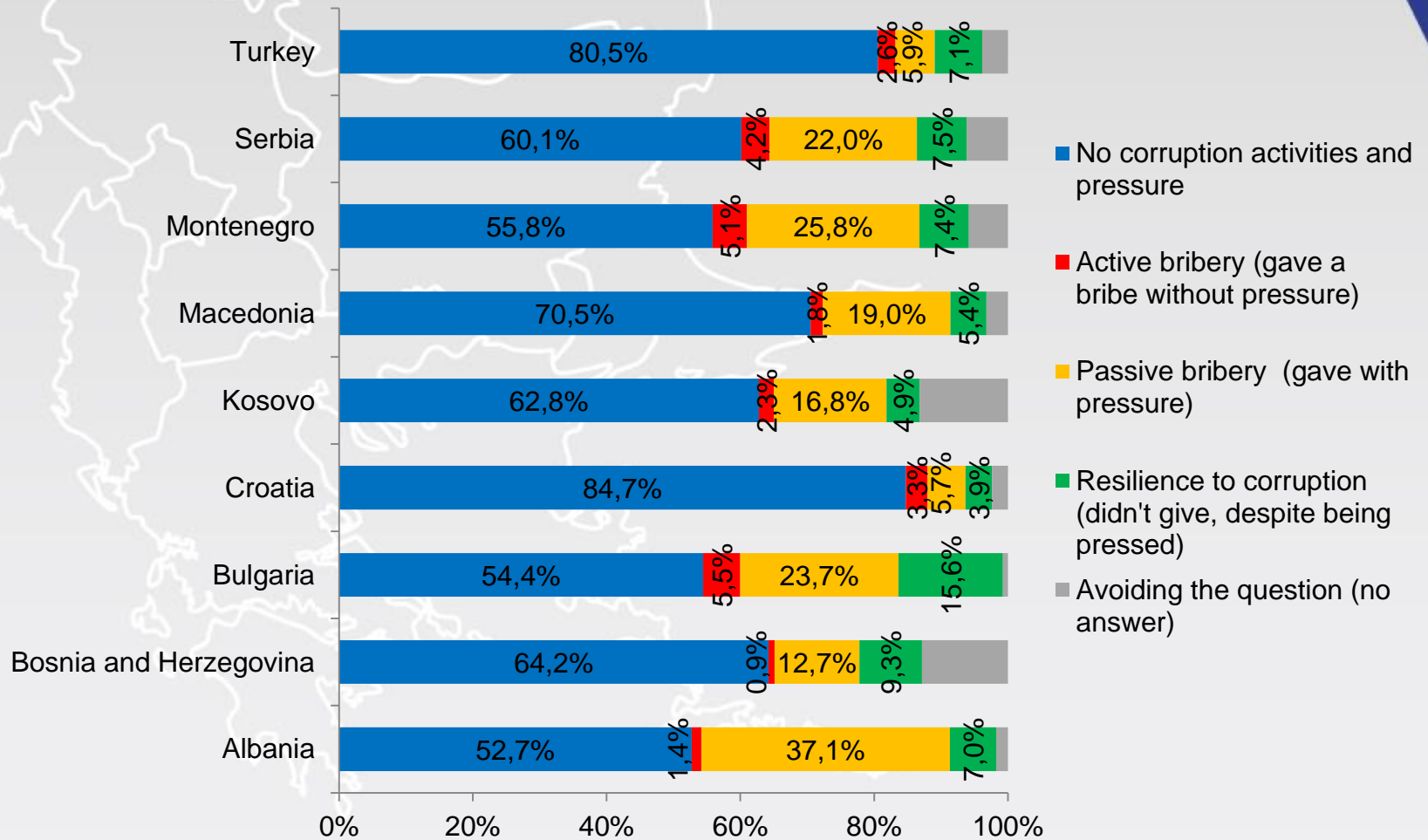Bulgaria
Croatia
Bosnia and Herzegovina
Turkey

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% or 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).

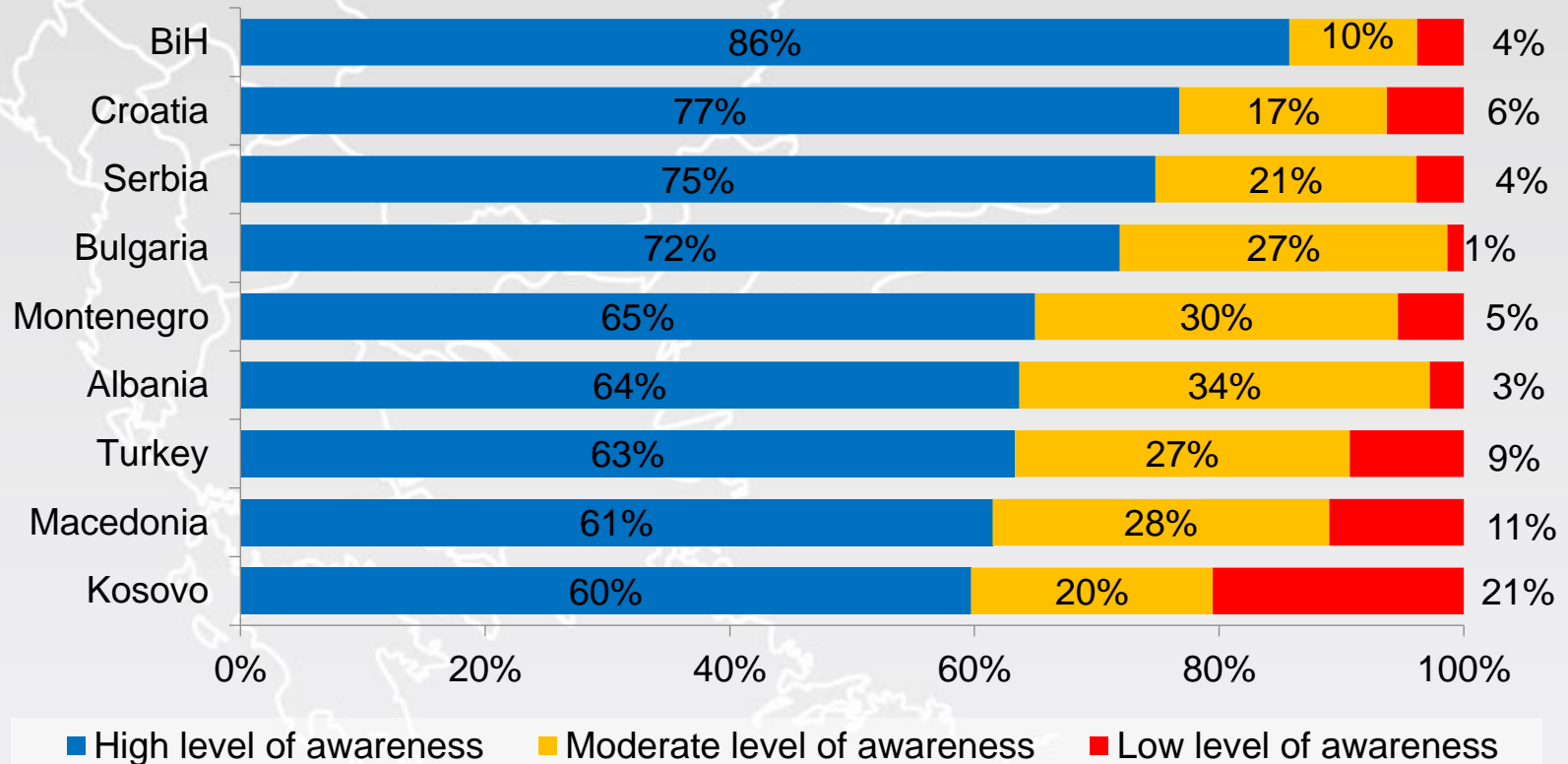# Corruption activities and pressure – citizens' involvement in corruption transactions

Source: SELDI Corruption Monitoring System, 2014

Attitudes towards corruption

- 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 potentially 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.

- In Albania and Kosovo high administrative corruption is coupled with lower levels of awareness and higher levels of acceptance.

- The highest **susceptibility** is observed in Albania, followed by Kosovo and Macedonia.

- The relatively lower susceptibility in Bulgaria for example (lowest after Turkey) indicates (together with low acceptability) the EU and civil society factors. People are forced to compromise on their principles by an overwhelmingly corrupt environment.

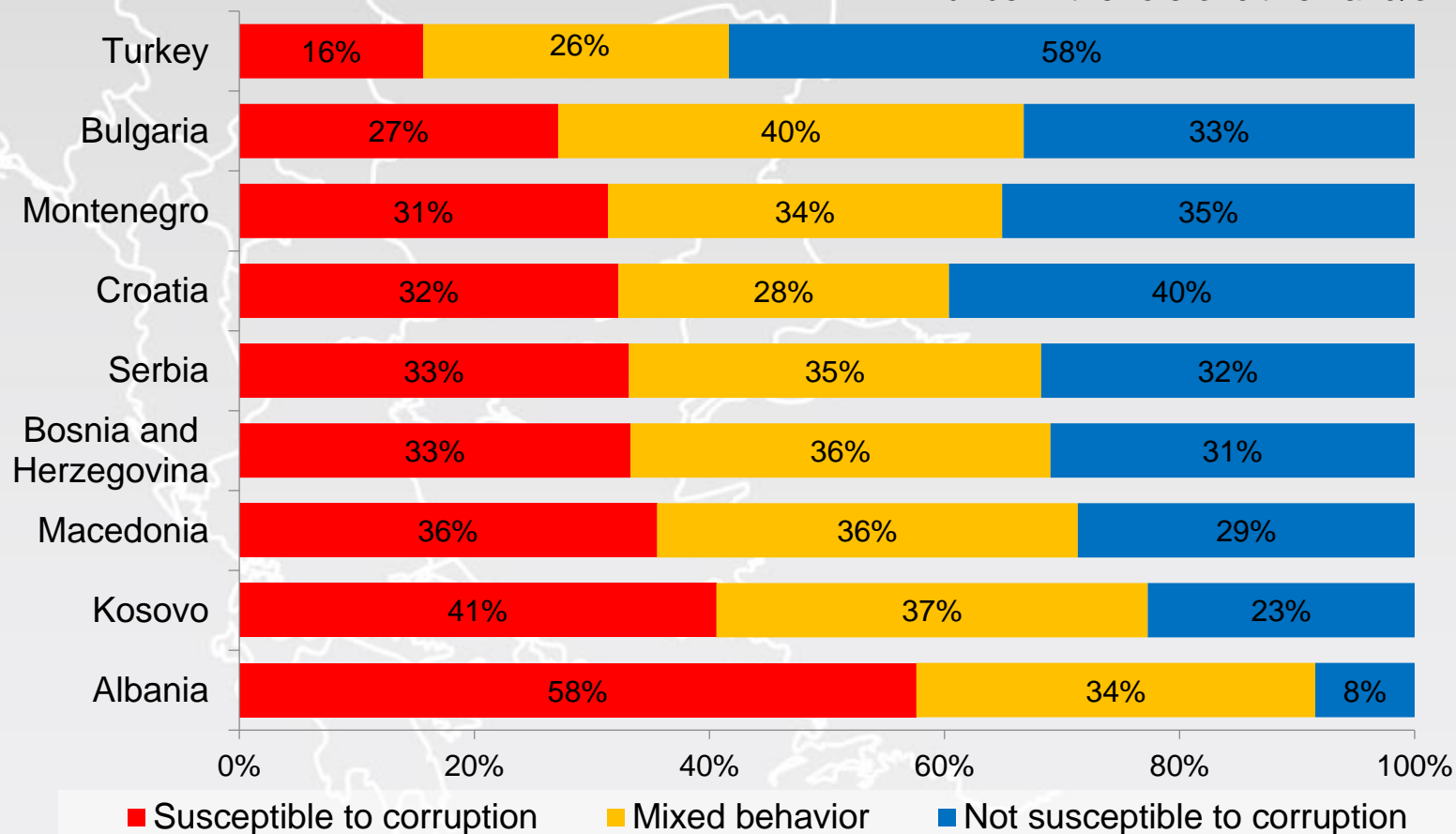# Awareness (identification) of common corruption practices

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

Country	High level of awareness	Moderate level of awareness	Low level of awareness
BiH	86%	10%	4%
Croatia	77%	17%	6%
Serbia	75%	21%	4%
Bulgaria	72%	27%	1%
Montenegro	65%	30%	5%
Albania	64%	34%	3%
Turkey	63%	27%	9%
Macedonia	61%	28%	11%
Kosovo	60%	20%	21%

■ High level of awareness ■ Moderate level of awareness ■ Low level of awareness

Source: SELDI Corruption Monitoring System, 2014

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Susceptibility to corruption

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

Country	Susceptible to corruption	Mixed behavior	Not susceptible to corruption
Turkey	16%	26%	58%
Bulgaria	27%	40%	33%
Montenegro	31%	34%	35%
Croatia	32%	28%	40%
Serbia	33%	35%	32%
Bosnia and Herzegovina	33%	36%	31%
Macedonia	36%	36%	29%
Kosovo	41%	37%	23%
Albania	58%	34%	8%

■ Susceptible to corruption   ■ Mixed behavior   ■ Not susceptible to corruption

Source: SELDI Corruption Monitoring System, 2014

Assessment 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. The smallest percent is in Croatia (64%).

- Nearly ¾ of the population in Albania (73%) 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.

Estimates of the corruptness of public officials

Officials perceived as most corrupted on a scale from 1 to 4, where 1 is "Almost noone is involved" and 4 is "Almost everybody is involved"

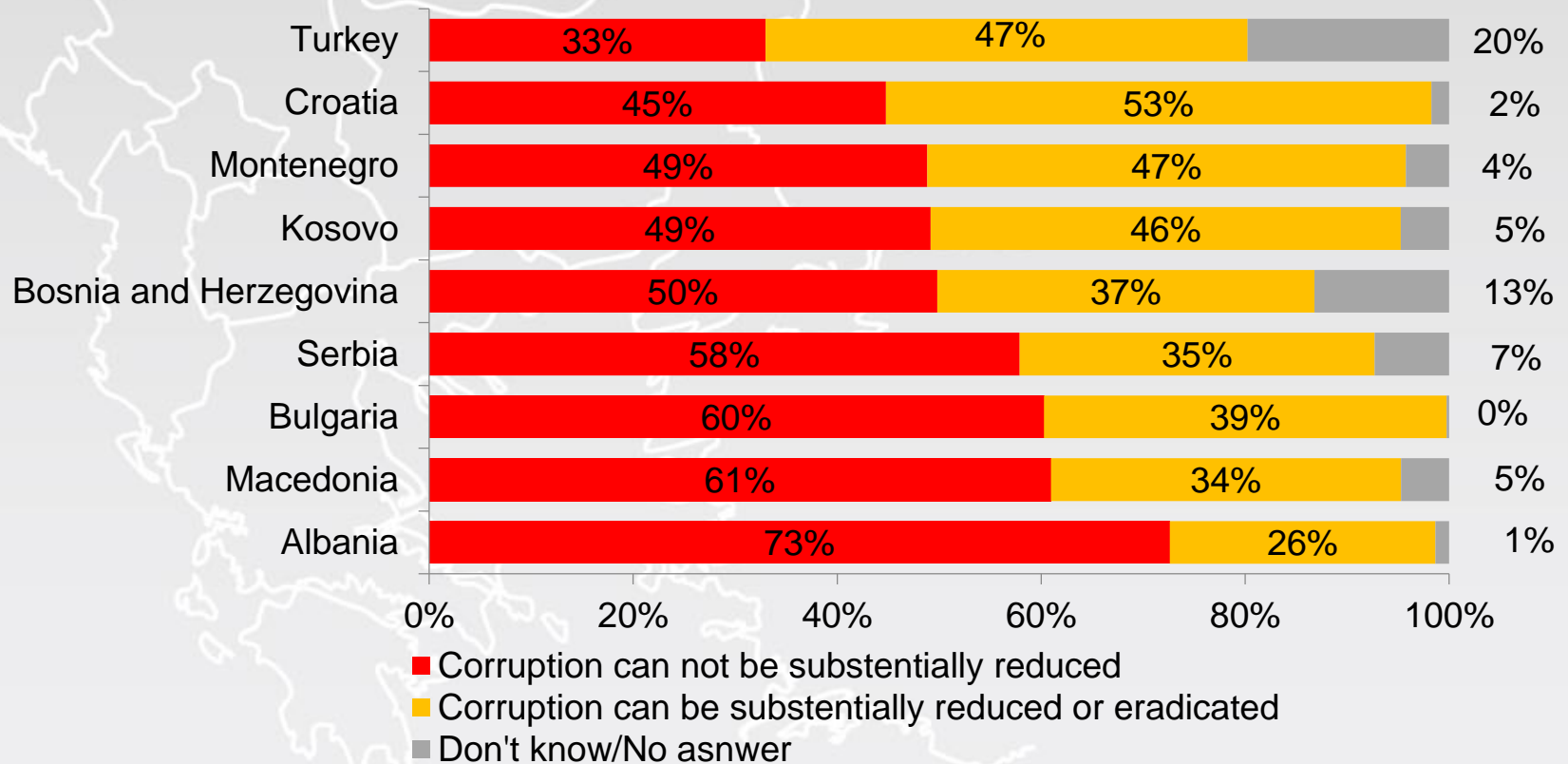| Official	Score
Ministers	3,0
Customs officers	3,0
Political party and coalition leaders	3,0
Members of parliament	3,0
Local political leaders	2,9
Judges	2,9
Officials at ministries	2,9
Tax officials	2,9
Public prosecutors	2,9
Police officers	2,8
Municipal councilors	2,8
Municipal officials	2,8
Lawyers	2,8
Doctors	2,8
Administration officials in the judicial system	2,8
Investigating officers	2,7
University officials or professors	2,6
Journalists	2,3
Teachers	2,0

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".

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Feasibility of policy responses to corruption (%)

(% of the population 18+)

Country	Corruption can not be substentially reduced	Corruption can be substentially reduced or eradicated	Don't know/No asnwer
Turkey	33%	47%	20%
Croatia	45%	53%	2%
Montenegro	49%	47%	4%
Kosovo	49%	46%	5%
Bosnia and Herzegovina	50%	37%	13%
Serbia	58%	35%	7%
Bulgaria	60%	39%	0%
Macedonia	61%	34%	5%
Albania	73%	26%	1%

- Corruption can not be substentially reduced
- Corruption can be substentially reduced or eradicated
- Don't know/No asnwer

Source: SELDI Corruption Monitoring System, 2014

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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.

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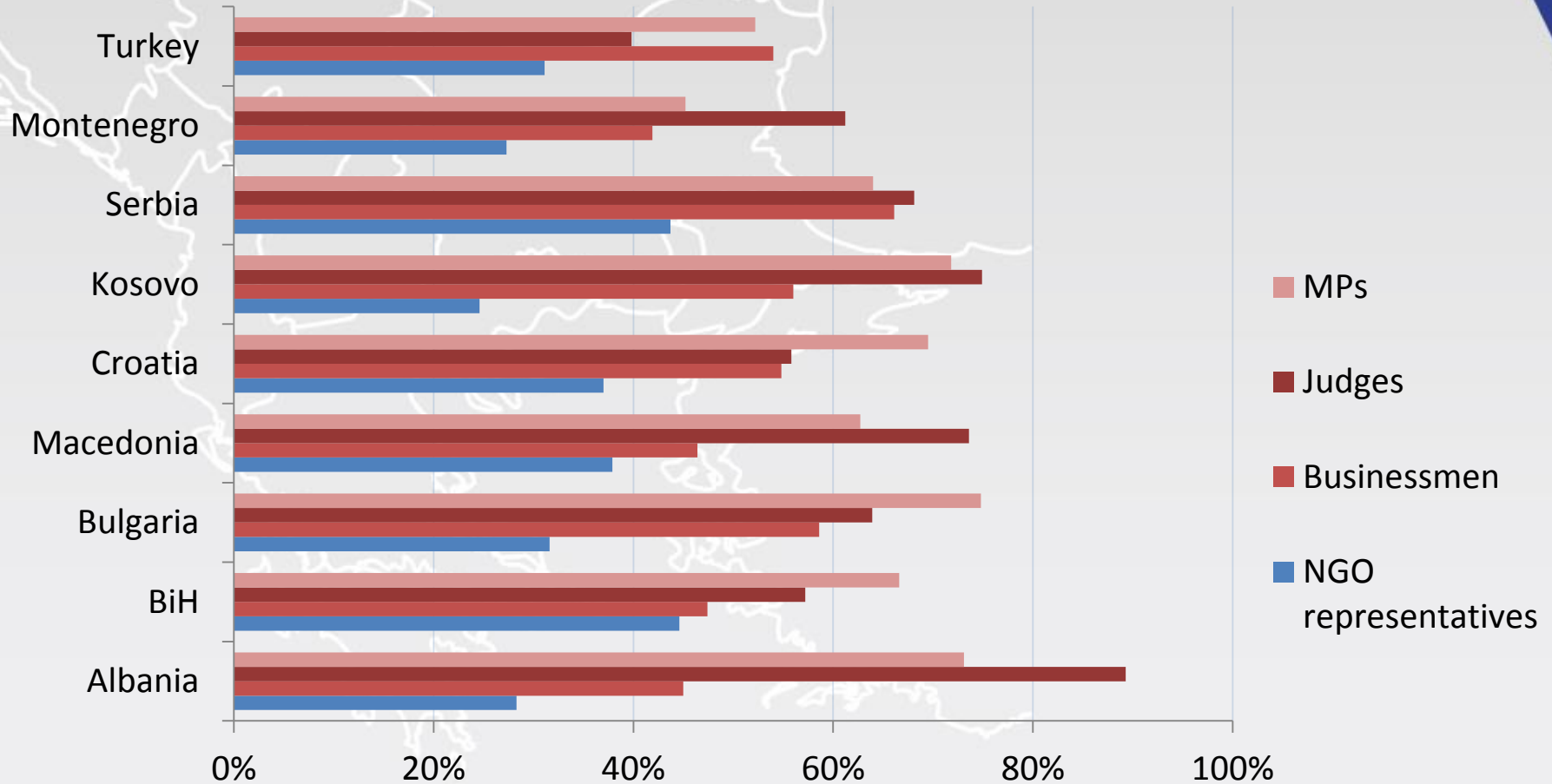Center for the Study of
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The judiciary in anticorruption

- 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.
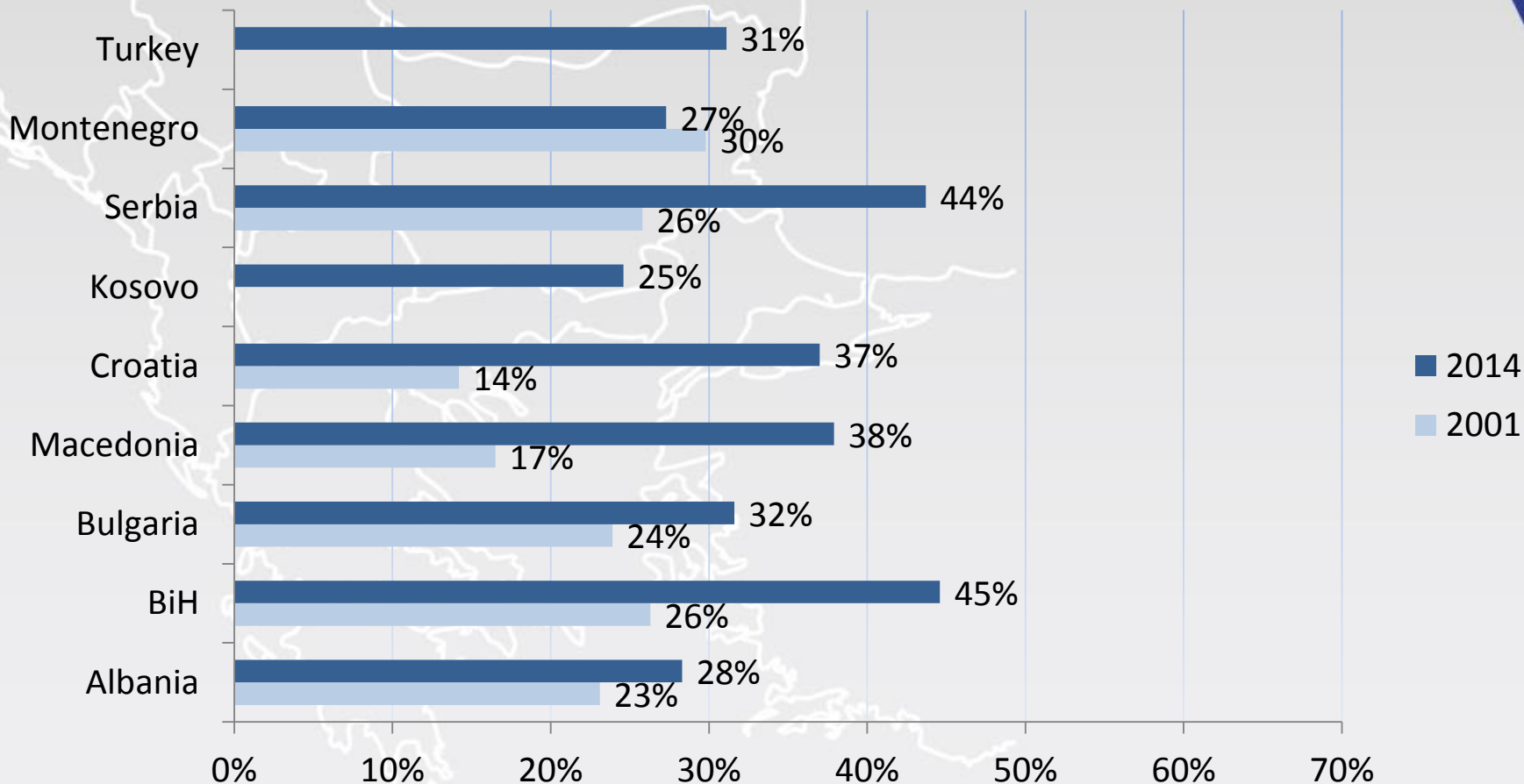
Civil society in anticorruption

- 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.

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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
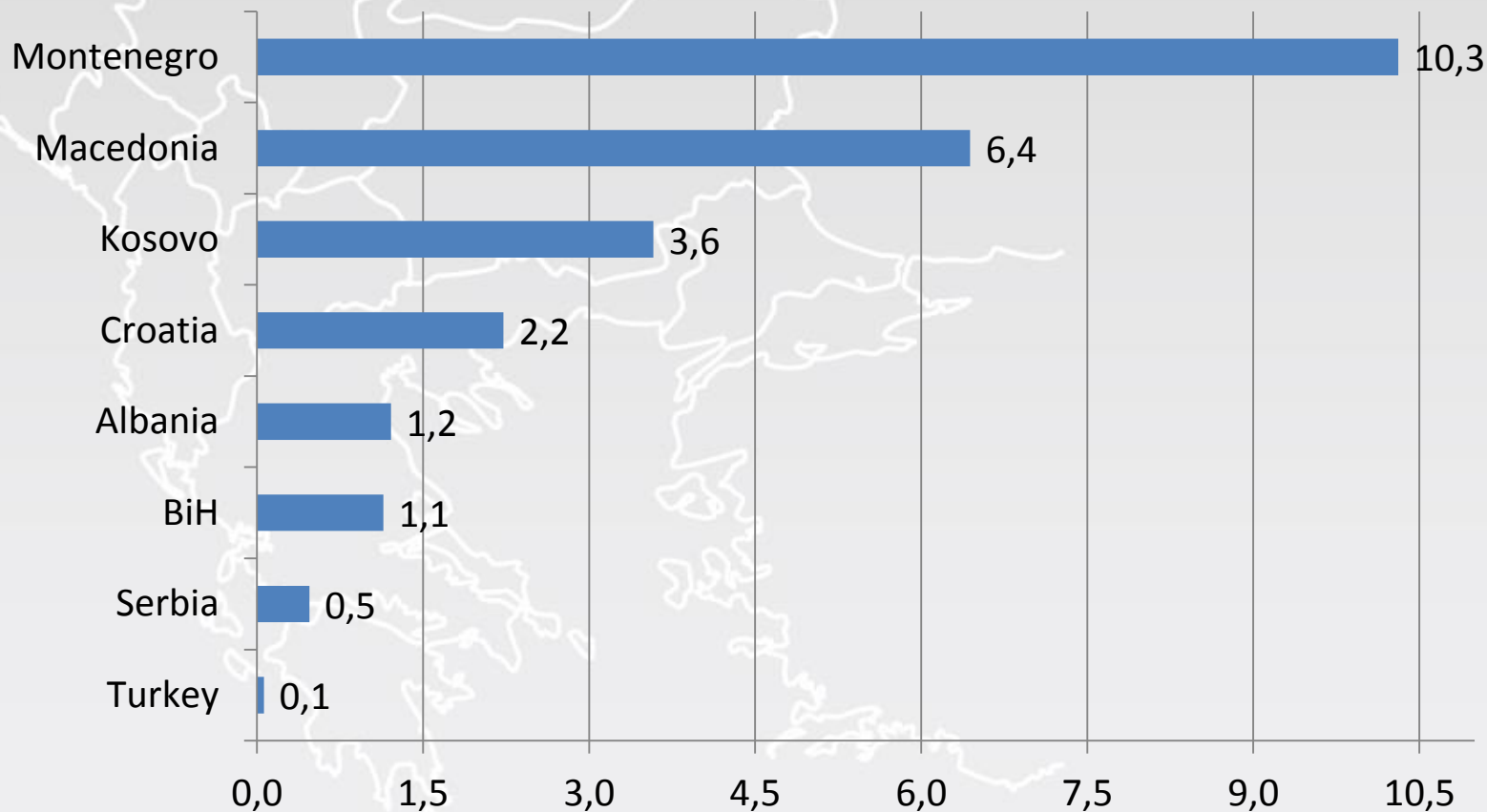
	2014	2001
Turkey	31%	
Montenegro	27%	30%
Serbia	44%	26%
Kosovo	25%	
Croatia	37%	14%
Macedonia	38%	17%
Bulgaria	32%	24%
BiH	45%	26%
Albania	28%	23%

0%   10%   20%   30%   40%   50%   60%   70%

Source: SELDI Corruption Monitoring System, 2014

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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

Montenegro — 10,3
Macedonia — 6,4
Kosovo — 3,6
Croatia — 2,2
Albania — 1,2
BiH — 1,1
Serbia — 0,5
Turkey — 0,1

0,0   1,5   3,0   4,5   6,0   7,5   9,0   10,5

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.

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Thank you !

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