

Situation analysis
Policy and Regulatory activities

Anti-Corruption Activities in the Western Balkan Countries

by
S. Taseva Ph.D

"Having regard to the slow improvements in the indicators that are showing progress in the efficient fight against corruption, there is a need for strengthening of the understanding that the declaratively expressed political will and determination to fight corruption must imply detachment from political party and narrow political interests in the best interests of overall societal development".

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The war and collapse of former Yugoslavia, accompanied by uncertainties in the process and economic reforms, resulted in a sharp decline in the economic activity, dramatic increase of unemployment and poverty rates and rapid decrease of Human Development Index (HDI). Of the components of the HDI, only income and gross enrolment are somewhat responsive to short term policy changes. For that reason, it is important to examine changes in the human development index over time. The human development index trends tell an important story in that respect. Between 1995 and 2007 the Republic Macedonia HDI rose by 0.30% annually from 0.782 to 0.817 today. (HDI 2007).

According to the Human Development Reports, unemployment is very high in almost all countries across the region and it is around 30%. HDI for 2004 was at the same level as HDI in 1991, a year marked with the beginning of the political and economic crisis in the region, similar in all countries in the Balkans. Following the restoration of the peace and stability in the region, the Governments have been carrying out comprehensive reforms programme aimed at establishing a liberal economic system and democratic processes.

Despite the considerable progress in the setting of democratic and market institutions, the governing structures are still hindered by the poor reinforcement and implementation of the newly adopted laws, insufficient institutional capacity, incompetent administration and lack of strategic coordination among state institution. Consequently, in the period of transition, the states were not able to respond adequately to the changes that have occurred and the demands of the transformation to a free market, which to a large extent lead to an emergence of corruption. It could be said that until now, the existing institutional frameworks have remained unable to address the issues related to the conflict of interest, transparency in the decision making process and corruption in an effective manner.

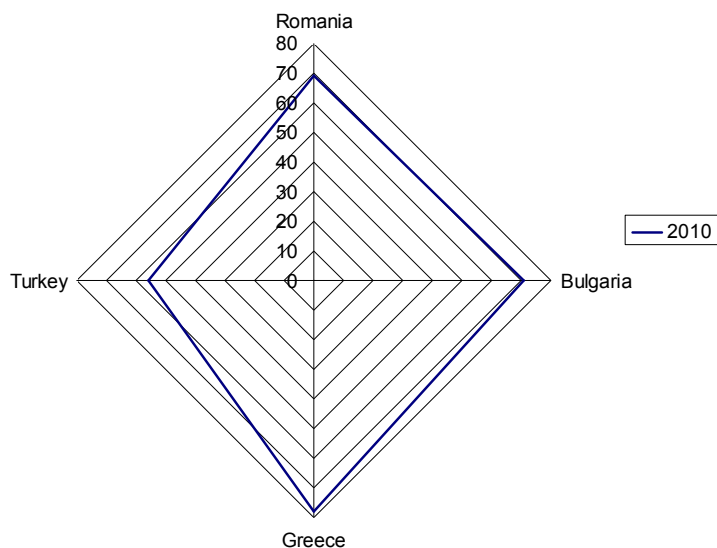
Different polls and surveys conducted in the region have shown that both the public and the business are seeing corruption as one of the priority areas to be addressed.

On the latest Corruption Perception Index (CPI 2010)³ ranking list, the best positioned countries from the region are Macedonia and Croatia on 62nd place with a score of 4.1 index points; Montenegro is 69th 3.7; Serbia 78th with 3.5; Albania 87th with 3.3 Bosnia and Herzegovina 91st with 3.2 and Kosovo for the first time ranked as 110 with 2.8 index points. This presents a progress compared to the previous years, and shows that the countries in the sub-region have initiated efforts to improve their image of highly corrupt countries.

² South East Europe: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Kosovo. Western Balkans is here defined as comprising Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Kosovo

³ Corruption Perception Index 2010, Published by Transparency International, www.transparency.org/news_room/in_focus/2007/gcr_2007

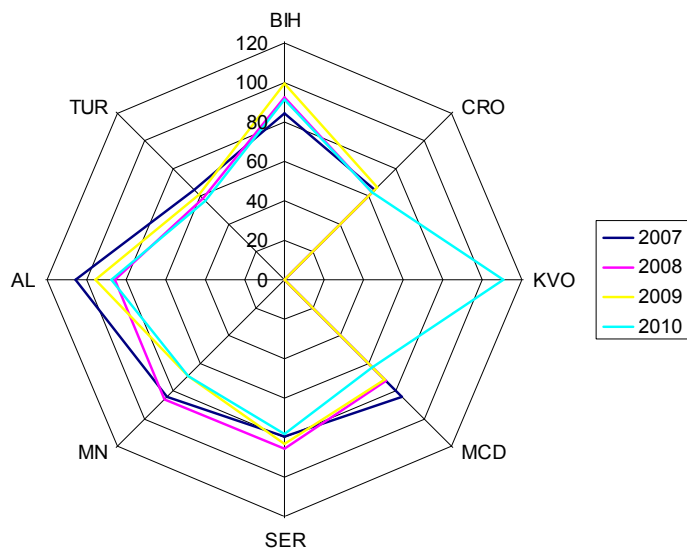
Graph 1: CPY 2010 for the EU member countries Romania, Bulgaria and Greece with Turkey



Romania 3.7 (69), Bulgaria 3.6 (71) and Greece 3.5 (78); with Turkey 4.4 (56).

On the Corruption Perception Index (CPI) 2007⁴ ranking list, the best positioned country from the region was Croatia on 64th place with a score of 4.1 index points; Serbia 79th with 3.4; Bosnia and Herzegovina, Montenegro and Macedonia shared the 84th position with 3.3 and Albania was ranked 105th with 2.9 index points.

Graph 2: CPI 2007, 2008, 2009, 2010 for the Western Balkan countries



Year	BIH	CRO	KVO	MCD	SER	MN	AL	TUR
2007	84	64		84	79	84	105	64
2008	92	62		72	85	85	85	58
2009	99	66		71	83	69	95	61
2010	91	62	110	62	78	69	87	56

⁴ Corruption Perception Index 2007, Published by Transparency International, www.transparency.org/news_room/in_focus/2007/gcr_2007

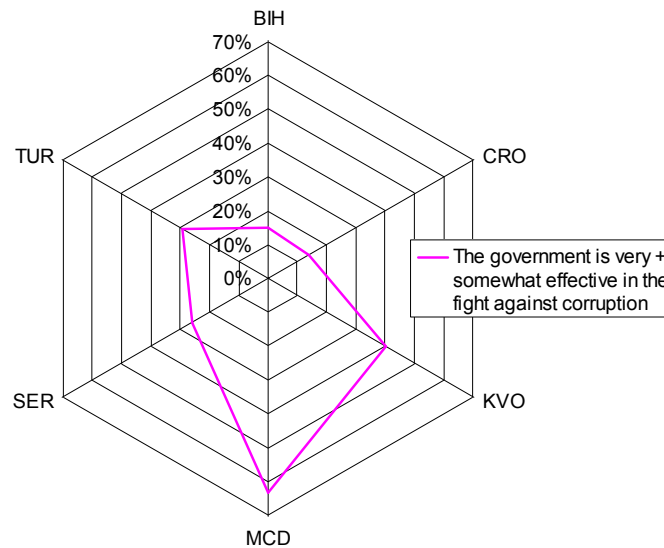
Global Corruption Barometer

However, the results of the Global Corruption Barometer⁵ in 2007 have shown that more than 32% of the respondents in Albania, Kosovo and Macedonia, and between 18-32% from Serbia have reported paying bribes to obtain a service. This demonstrated that even though the countries have developed national anti-corruption strategies and action plans, and have undertaken some specific steps for strengthening their institutional and legislative capacities to prevent and confront corruption, there was a strong need to strengthen the implementation, achieve sustainability and solid government's commitment towards qualitative improvement that will make a difference in the society. In this respect a substantial and coordinated donor's support has been considered to be crucial.

Results from the global Corruption Barometer 2009 have shown that 63% of the respondents in Macedonia consider the Government very or somewhat effective in the fight against corruption. The same opinion share 40% of the respondents from Kosovo, 29% from Turkey and 26% from Serbia. Only 15% of Croatian and 14 % of respondents from Bosnia and Herzegovina share this opinion.

Western Balkan/ potential EU candidate countries

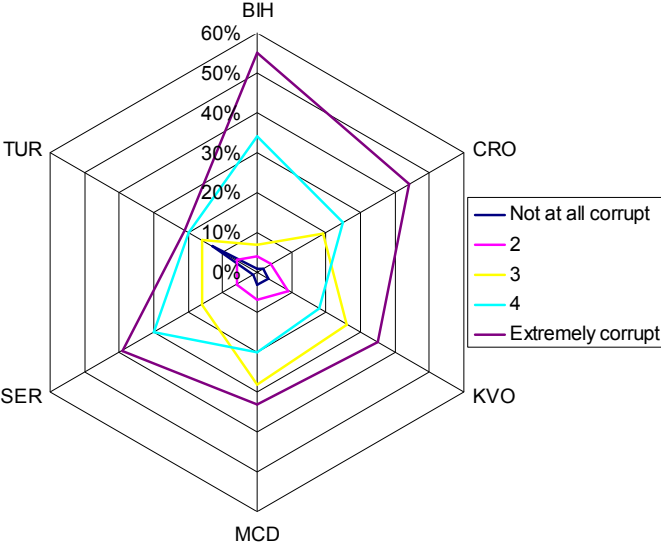
Graph 3: How would you assess your current government's actions in the fight against corruption?



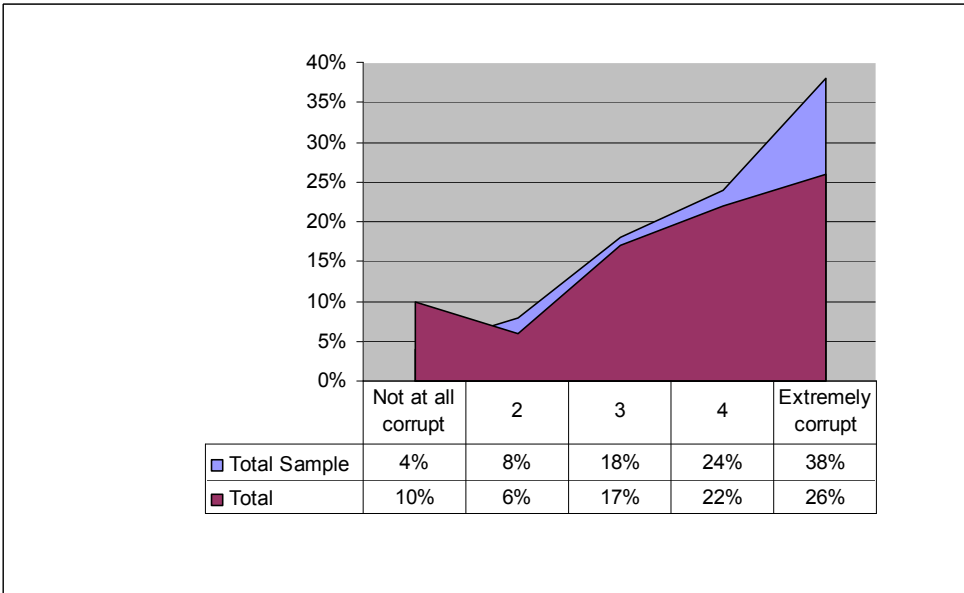
	Total Sample	BIH	CRO	KVO	MCD	SER	TUR	Total
The government is very + somewhat effective in the fight against corruption	29%	15%	14%	40%	63%	26%	29%	29%

⁵ Global Corruption Barometer Report, Published on 6th of December 2007 by Transparency International, www.transparency.org/news_room/in_focus/2007/gcr_2007

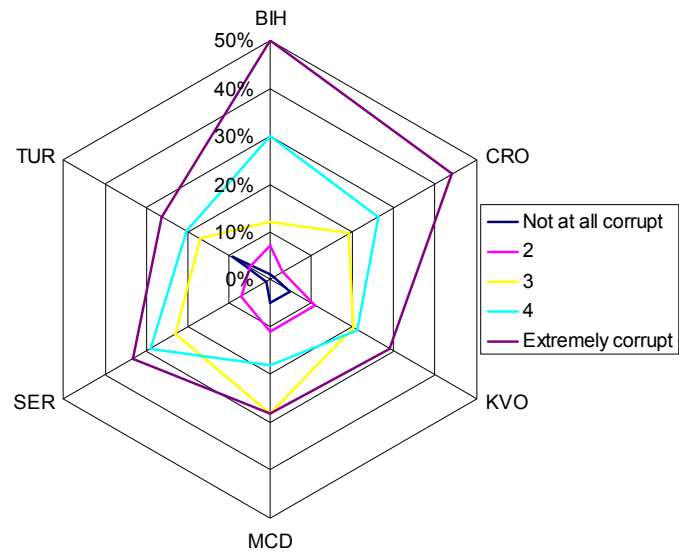
Graph 4: To what extent is this category affected by corruption in your country: Political Parties?



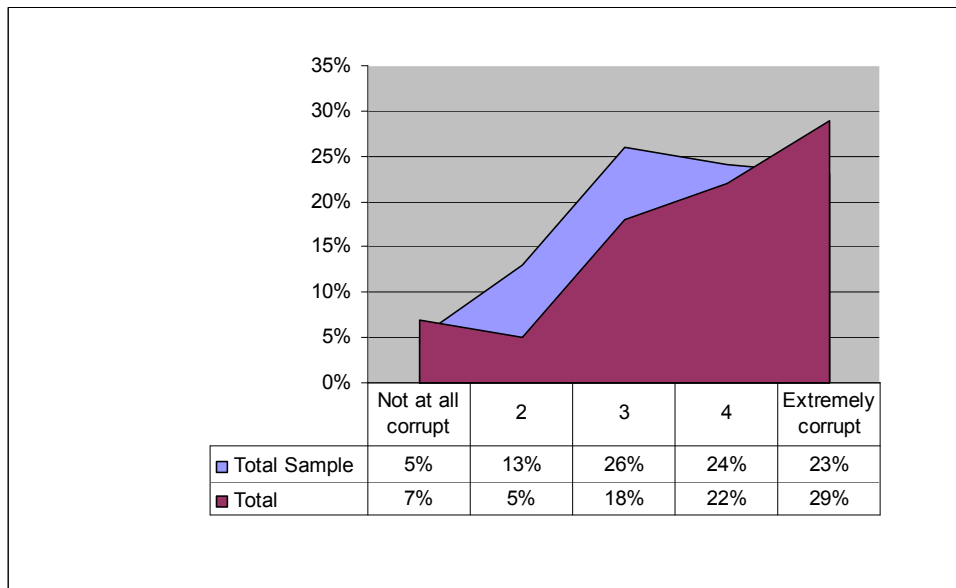
	Total Sample	Western Balkan/ potential EU candidate countries						Total
		BIH	CRO	KVO	MCD	SER	TUR	
Not at all corrupt	4%	1%	2%	3%	3%	1%	13%	10%
2	8%	4%	4%	9%	7%	6%	6%	6%
3	18%	7%	19%	26%	28%	16%	16%	17%
4	24%	34%	25%	18%	20%	30%	20%	22%
Extremely corrupt	38%	55%	44%	35%	33%	39%	21%	26%



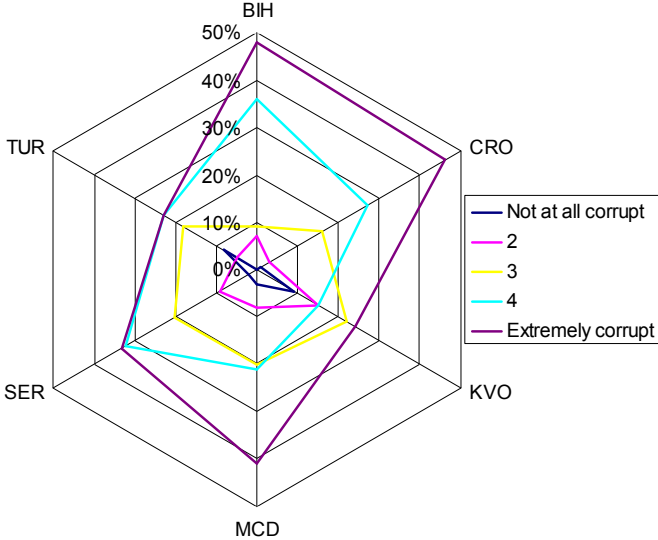
Graph 5: To what extent is this category affected by corruption in your country: Business/ private sector?



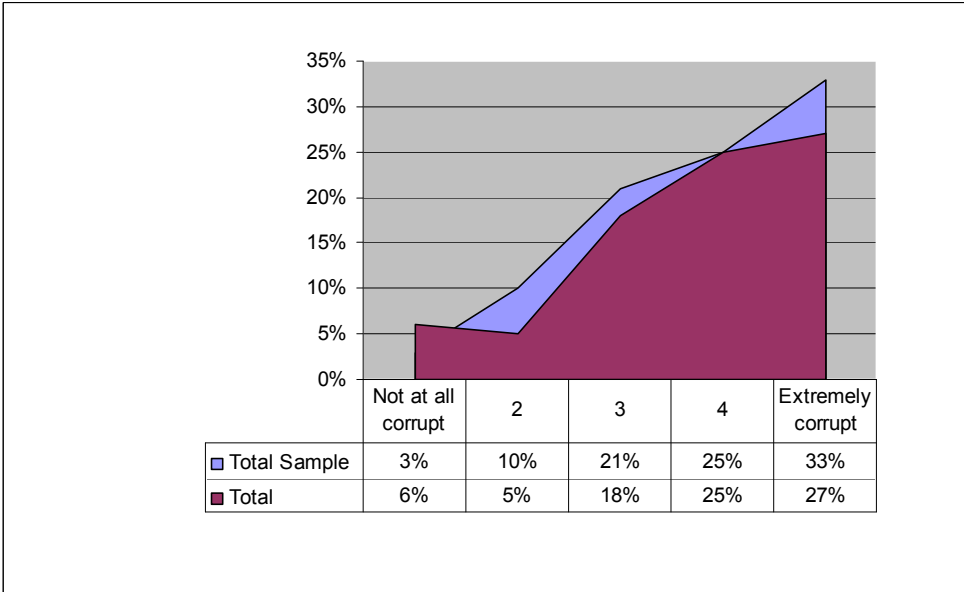
	Total Sample	Western Balkan/ potential EU candidate countries						Total
		BIH	CRO	KVO	MCD	SER	TUR	
Not at all corrupt	5%	1%	1%	5%	5%	1%	9%	7%
2	13%	7%	3%	11%	11%	7%	5%	5%
3	26%	12%	19%	20%	28%	23%	17%	18%
4	24%	30%	26%	21%	18%	29%	20%	22%
Extremely corrupt	23%	50%	44%	29%	28%	33%	26%	29%



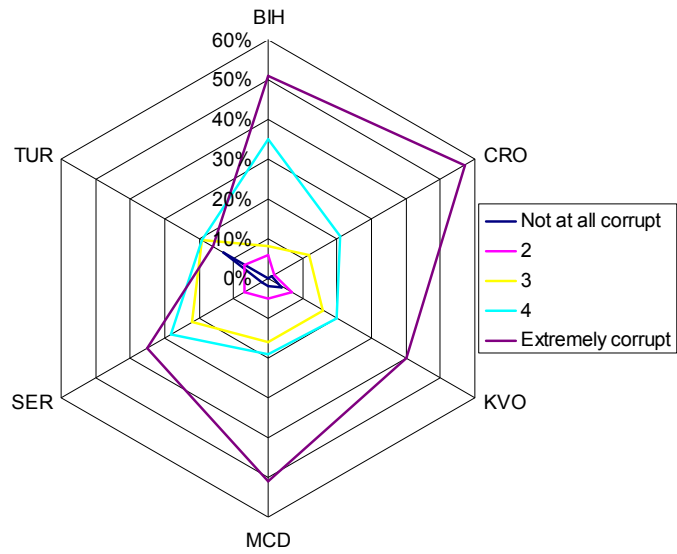
Graph 6: To what extent is this category affected by corruption in your country: Public Officials/Civil Servants?



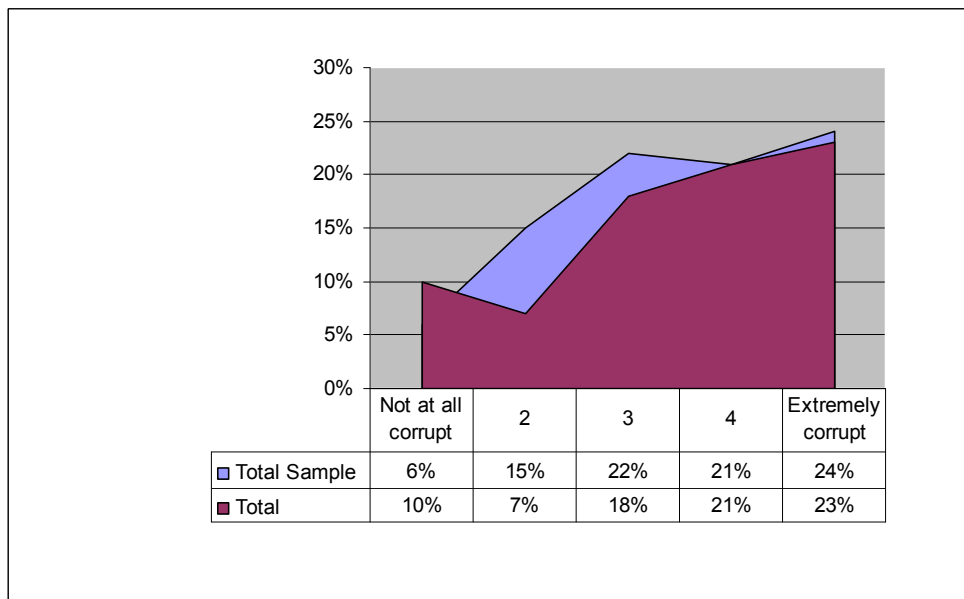
	Total Sample	Western Balkan/ potential EU candidate countries						Total
		BIH	CRO	KVO	MCD	SER	TUR	
Not at all corrupt	3%	0%	1%	9%	3%	2%	8%	6%
2	10%	7%	3%	15%	8%	9%	5%	5%
3	21%	9%	16%	22%	20%	20%	18%	18%
4	25%	36%	27%	15%	21%	32%	23%	25%
Extremely corrupt	33%	48%	46%	24%	41%	33%	23%	27%



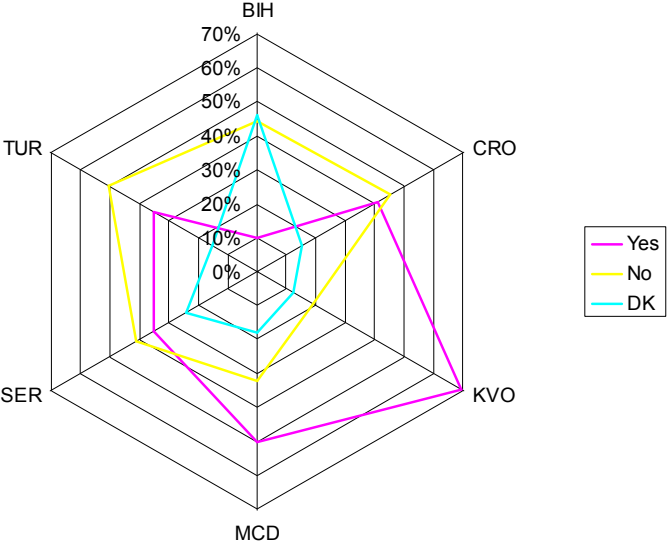
Graph 7: To what extent is this category affected by corruption in your country: Judiciary?



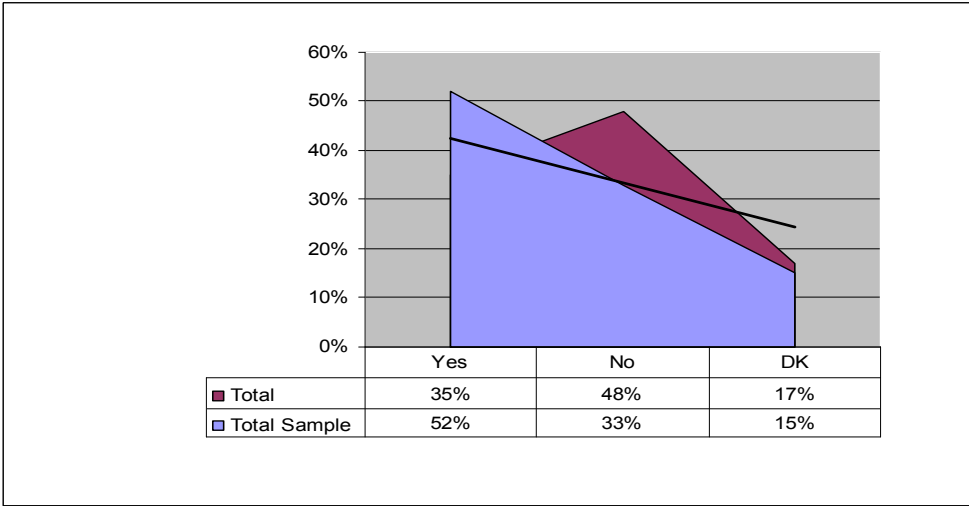
	Total Sample	Western Balkan/ potential EU candidate countries						Total
		BIH	CRO	KVO	MCD	SER	TUR	
Not at all corrupt	6%	0%	1%	4%	2%	2%	13%	10%
2	15%	6%	2%	7%	5%	7%	7%	7%
3	22%	8%	12%	16%	16%	22%	19%	18%
4	21%	35%	21%	20%	19%	28%	19%	21%
Extremely corrupt	24%	51%	57%	40%	51%	35%	16%	23%



Graph 8: Would you be willing to pay more to buy from a company that is clean/corruption free?



	Total Sample	Western Balkan/ potential EU candidate countries						Total
		BIH	CRO	KVO	MCD	SER	TUR	
Yes	52%	10%	41%	69%	50%	35%	35%	35%
No	33%	44%	45%	19%	32%	41%	50%	48%
DK	15%	46%	15%	12%	18%	24%	15%	17%



UNODC Balkan study

In the executive summary of its latest Balkan study⁶ titled “Crime and its impact on the Balkans and affected countries” published in March 2008, the UNODC will conclude: “While conventional crime levels are low and organized crime appears to be in decline, there is one area of criminal activity that is *especially problematic in the Balkans – corruption and economic crime*. These offences are particularly difficult to measure, but there are two areas where South East Europe leads the world in victimization according to the crime *victim surveys: payment of bribes and consumer fraud*. *More recent surveys have shown that large shares of the population continue to report paying bribes.*”... This Report additionally stresses the need for closer identification of the problem with corruption in the Western Balkan Region, and especially the need for its more efficient suppression.

In-Country activities

The countries of the Western Balkans recognize that public corruption is a serious problem affecting the political, social and economic aspects of the everyday life of their citizens. The European Commission (EC) in its Progress Report published in November 2007, states for the entire sub-region that *"The enforcement of the rule of law, notably through judicial reform, and the fight against corruption and organized crime are top priorities"*.

The communication highlights the progress the Western Balkans and Turkey made towards European integration during a difficult year of global economic crisis, and spells out the main challenges facing them in the months and years to come. In the light of the progress achieved, the Commission decided to recommend the opening of negotiations with the Republic Macedonia. In a major step forward for the region, visa liberalization for the Western Balkans will progress substantially in 2010. In its 2009 progress report Brussels criticized the EU-hopefuls over widespread corruption and shortcomings in the judiciary in the document.⁷

As a result of the strong emphasis put on anti-corruption efforts in all WB countries in the EU progress reports as well as the fact that all countries in the Western Balkans region have ratified the UN Convention against Corruption (UNCAC came into force on 14 December 2005), a number of initiatives have been launched with respect to combating corruption.

In order to implement the UNCAC, most of the countries in the region have developed national anti-corruption strategies, programmes and action plans, and have undertaken some specific steps for strengthening their institutional and legislative capacities to prevent and confront public corruption. Some of the countries have already started the procedure for revising the existing strategies (Montenegro, Serbia, Kosovo, Croatia) and monitoring mechanisms, while some have been more advanced and have already adopted follow-up AC Programmes based on the efficiency indicators (Macedonia). However, the key implementation commitments of the national strategy to combat corruption are yet to be fulfilled

The establishment of the anti-corruption bodies differs through the region. In some of the countries the AC bodies are independent administrative units based on special laws, as in the Republic Macedonia and Kosovo and recently in Serbia (the Agency for the Fight against corruption in Serbia), the Unit for Anti-corruption Initiative in Montenegro, with some announcement for the future changes in their status and position, while others are functioning as part of the prosecutor's office (USKOK in Croatia). A common characteristic for these bodies is that they are not appropriately resourced (lack of staff, equipment and budgeting), they are not

⁶ For the purposes of this Report, the Balkans comprises the nine nations of the Stability Pact: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, and Serbia. This study was undertaken by the Research and Analysis Section of the United Nations office on Drugs and Crime in the framework of the project “Illicit Market Studies” (GLO/H93).

⁷ http://en.wikinews.org/wiki/European_Commission_publishes_progress_report_on_Western_Balkans

accordingly treated by the Parliaments and the Governments, and there is a need for better cooperation with the judiciary, other law enforcement agencies, state agencies and governments. The State Commission for Prevention of Corruption in the Republic Macedonia has inspection powers and supervisory functions in respect of official's assets, conflicts of interest and incompatibilities as well as for controlling of political campaign financing.

The development concerning the legislative reforms related to fight against corruption is evident. The legal framework addressing various forms of corruption has been extended, both qualitatively and quantitatively. Part of the anti-corruption legislation in the WB countries comprises different acts related to: Conflict of Interest Prevention; Corporate Criminal Liability, Money Laundering Prevention, Witness Protection; Personal Data Protection; Right to Access to Information and others. It is important to note, however, that the operational implementation of the laws has been weak to date. In most cases, the bodies responsible for implementation of the adopted laws lack resources, both human and financial, to adequately carry out their mandate. It results in a situation where the public perception of corruption is disproportionate to the detection and prosecution of corrupt practices, which means that additional efforts are to be made both in terms of legislation and enforcement.

Stimulate the political will

What is crucial for combating corruption is to create and stimulate the political will and determination of public authorities. By adopting different programmes for prevention and fight against corruption the respective governments, parliaments and political parties have expressed their political will and determination to act against corruption. However, having in mind the slow improvements in the indicators that are showing progress in the efficient fight against corruption, there is a need to strengthen the understanding that the declaratively expressed political will and determination to fight corruption must imply detachment from political parties and narrow the political interests in the best interests of overall societal development.

Civil society in the WB region is not playing the requisite role in facilitating the participation; raising awareness and exercising different kind of pressure on the governments and the politicians to act. The active involvement of the civil society in the process of political, social and economic reform in the Western Balkans has been acknowledged as an essential element for strengthening of the democracy in the public life and reconciliation. Having been recognized, the importance and the role of the civil society for the processes of EU association and integration, in April 2008, the European Commission has organized a Conference devoted to Civil Society Development in SEE. Conference Civil Society Development in South East Europe: "Building Europe Together," was held on 17-18 April 2008 for the representatives of the Non-Governmental Organizations from the WB and SEE countries. During the Conference the Civil Society Facility has been presented as a newly established institutional EC mechanism. The facility will build on the strategy developed over time, but on increased focus and importance to: raise the capacity of the local NGOs; strengthen the responsibility in the CSO's sector; facilitate the networking and partnership building and create mutual knowledge and understanding.⁸

However, despite some positive steps, civil society in the WB region remains weak and needs to be adapted to the present circumstances. It is, therefore, important to create conditions conducive to further growth of their activities. In this respect UNDP CO's have already supported implementation of projects aiming to strengthen the civil society capacities in some of the countries in the region (Kosovo).

In addition, and bearing in mind that the phenomenon of corruption has to be tackled from more sides and with different means, there is also a need for stronger cooperation, coordination

⁸ According to the presentation of Mr. Yngve Engstrom, Head of Unit, Regional programmes, Civil Society Facility, IPA 2008-2010 for Albania provides 4.9 million foreseen to support civil society and media on the basis of the recommendations to be provided by the Multi beneficiary "tailor-made" technical assistance; 3.5 million Euro for B&H; 1 million for Macedonia for improving decision making process, increase social services and community-based activities; raise awareness on fight against corruption and organized crime.

and networking among the anti-corruption bodies and stakeholders in the society, such as NGO, media, universities, donor community and others. Transparency and communication with the public and media are to be developed in the future in order to develop public opinion and to facilitate public support of the anti-corruption activities and anti-corruption institutions. In addition to the participation and strengthening of the role of the civil society, there is a need for additional support of the awareness raising, investigative journalism and accurate and appropriate media information, as well as for the integrity trainings and education for the young journalists.

Facilitation of the Anti-Corruption Activities

Given the importance of the UNCAC implementation for all countries in the region of the Western Balkans, the need for creating an additional mechanism for coordinating the implementation activities with the EU accession processes may be envisaged. The importance of the two ongoing processes may enable conceiving of and contemplating a future possibility for establishment of a specific focal point for coordination, planning and programming of the sub-regional anti-corruption activities. The UNCAC is providing legal basis for different cooperation activities, such as the recommendation for the States Parties to consider using sub-regional, regional and international conferences and seminars to promote cooperation and technical assistance and to stimulate discussion on problems of mutual concern, including the specific problems and needs of the developing countries and countries with economies in transition.

The embracing mission of the UNDP is supporting the national efforts for promoting of sustainable development and helping the countries to develop socio-economic structures and governance systems that ensure sustainable, equitable, high and growing human development for all, which has a very strong correlation with the EU accession processes and implementation of the UNCAC. This may be an additional niche for closer cooperation and creation of a unique and correlated approach towards a sub-regional facilitating mechanism for facilitating of the anti-corruption activities within the UNDP structure.

Integrity

Integrity has also been strongly incorporated in the UNCAC where in the Article 5 as a part of preventive anti-corruption policies and practices it recommends that: “Each State Party shall, in accordance with the fundamental principles of its legal system, develop and implement or maintain effective, coordinated anticorruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability. In the Article 8 related to the Codes of conduct for public officials it states:”*In order to fight corruption, each State Party shall promote, inter alia, integrity, honesty and responsibility among its public officials, in accordance with the fundamental principles of its legal system.*”

If we accept the understanding of the integrity as a concept which has to do with consistency of actions, values, methods, measures, principles, expectations and outcomes — not necessarily in every minute detail, we can agree about the GRECO⁹ input to the member countries integrity. When evaluating things in terms integrity GRECO estimate and validate the quality of a system through the all above listed techniques: member check, interviewer corroboration, peer debriefing, prolonged engagement, negative case analysis, auditability, confirmability, bracketing, and balance, and all within the terms of that particular system's (state's) ability to achieve its own goals.

⁹ Group of States against Corruption (GRECO) Council of Europe