

1. THE STATE OF CORRUPTION IN 2015 – 2016

Overall rate of corruption

An assessment of the level corruption and the development of anticorruption strategies and policies depend to a large extent on the way **dimensions and forms of corruption behavior** are defined and interpreted.¹ The overall conclusions about the corruption situation in the country for 2015 – 2016 are **not optimistic**.

Corruption in the civil service (administrative corruption)

Since 2011, administrative corruption has been gradually increasing and is currently at high levels. On the whole, after 1999 (not taking into account minor fluctuations) two specific periods linked to the political cycle could be delineated: 1) 1999 – 2011, when a contradictory process of marginal decrease of administrative corruption was observed (in 1999 about 29 % of the population reported involvement in corruption transactions, while in 2011 this indicator dropped to 9.4 %); 2) after 2011, when a process of gradual increase of corruption has been observed and the administrative corruption indicator reached 22.2 % for 2016, which corresponds to the involvement of 1.3 million citizens in corruption transactions.² Data for 2016 show that the level of administrative corruption was similar to the one in 2000 (Figure 1).

The dependence of corruption levels on the political situation is clearly visible in the period 2013 – 2014 when the highest observed level of administrative corruption was registered – 29.3 % of the population 18+ reported to have participated in corruption transactions at least once in the preceding year.

Until 2013, the dynamics of corruption followed the electoral cycle – it would decline after the stepping in of each successive government and return to higher corruption level in the end of its term. The sharp increase of corruption pressure in 2013 is explained by high levels of political instability which lead to two rounds of early parliamentary elections and mass street protests. Data for 2016 show that despite some tighter administrative control measures, administrative corruption is on the rise. In the period 2011 – 2016, the level of administrative corruption doubled.

On the one hand, Bulgaria is in unfavorable position compared to its neighbors in Southeast Europe (Figure 2). For comparison, the level of ad-

¹ This analysis is based on the corruption assessment methodology developed and applied by Center for the Study of Democracy since the 1990s. See further the Annex, which defines the main concepts used to measure and assess the corruption situation.

² This calculation is based on the premise that 1 % of the population aged 18 and over represent about 60,000 people. NSI data for the population by 31.12.2014 show that the population aged 15 and over was about 6,204,000, and the population aged 20 and over – 5,890,600.

FIGURE 1. INVOLVEMENT IN CORRUPTION (EXPERIENCE WITH BRIBES AND CORRUPTION PRESSURE, % OF THE POPULATION 18 +)

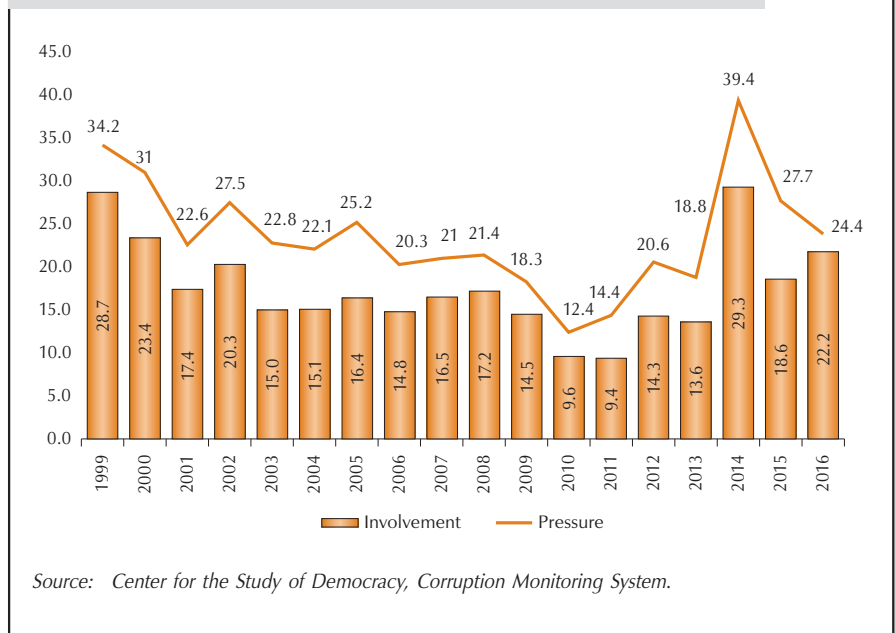
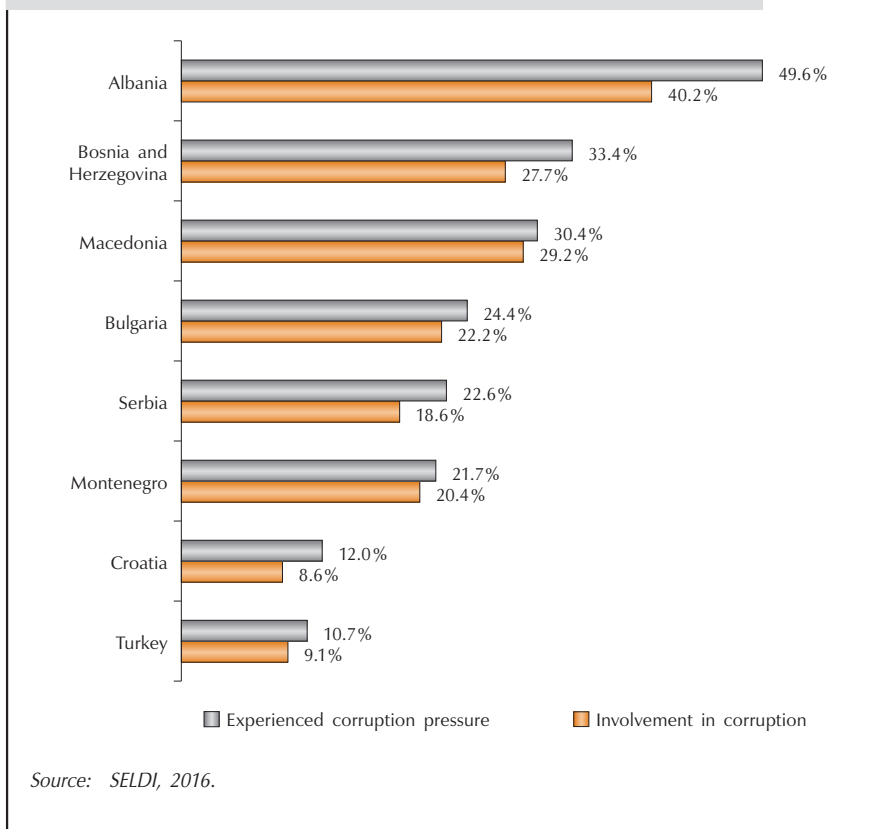


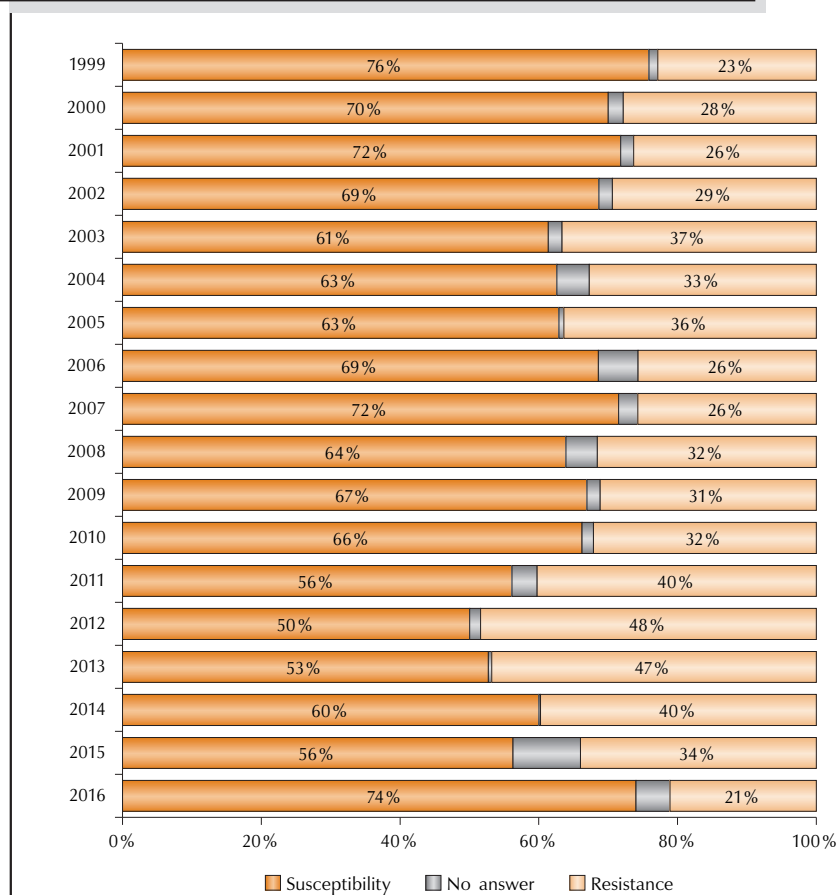
FIGURE 2. INVOLVEMENT IN CORRUPTION IN SOUTHEAST EUROPE (EXPERIENCE WITH BRIBES AND CORRUPTION PRESSURE, % OF THE POPULATION 18 +)



ministrative corruption indicators for 2015 had values of 8.6 % for Croatia, 9.1 % for Turkey, 18.6 % for Serbia and 40.2 % for Albania. In the period 2000 – 2002, when the first diagnostics using the CMS methodology was applied in SEE, the results for Bulgaria, though unfavorable, gave it the best relative position in the region with regards to administrative corruption.

On the other hand, the country’s position relative to other EU member states is very unfavorable. Data about corruption pressure (proposal from a public official to initiate a corruption transaction) in Bulgaria for the period 1999 – 2015 varied in the range 25-35 % of the adult population, while the EU average was 4 %, with the value for Denmark being 1 % of the population age 18 and over.³

³ TNS Opinion & Social. (2014). Corruption. Special Eurobarometer 397. Brussels: Directorate-General for Home Affairs, European Commission, p. 81.

FIGURE 3. SUSCEPTIBILITY AND RESISTANCE TO CORRUPTION PRESSURE⁴

Source: Center for the Study of Democracy, Corruption Monitoring System.

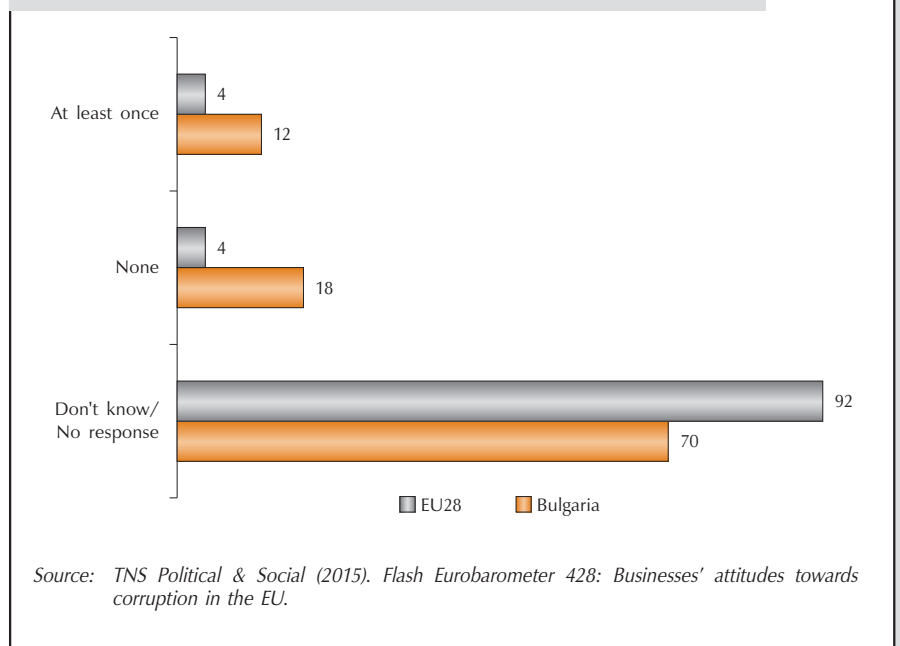
CSD data for the period after 1999 show that instances of pressure that leads to corruption transactions varied over the years in the range 30-50 % depending on the level of resistance by citizens (Figure 3). Most corruption transactions (as reported by the public) are initiated by public officials. Over the years, resistance to corruption pressure varied, but a slow improvement trend (more citizens refuse to participate in corruption deals) was observed till 2011. **Since then, it has deteriorated** and in 2015 resistance to pressure by public officials dropped to levels comparable to 1999.

Trends of the experience of the business sector with corruption are equally disturbing. In 2015, businesses reported that in 12 % of cases of contact with the public administration they experienced corruption pressure, which was higher than the EU28 average (4 %) indicating that a serious problem exists.⁵

⁴ Susceptibility to corruption pressure is measured as the share of citizens who experienced corruption pressure and accepted to be involved in corruption transactions. Resistance to corruption pressure is measured as the share of citizens who experienced corruption pressure but refused to be involved in corruption transactions. Please also refer to the Annex.

⁵ TNS Political & Social (2015). Flash Eurobarometer 428: Businesses' attitudes towards corruption in the EU.

FIGURE 4. EXPERIENCE WITH CORRUPTION PRESSURE IN THE BUSINESS SECTOR (2015)



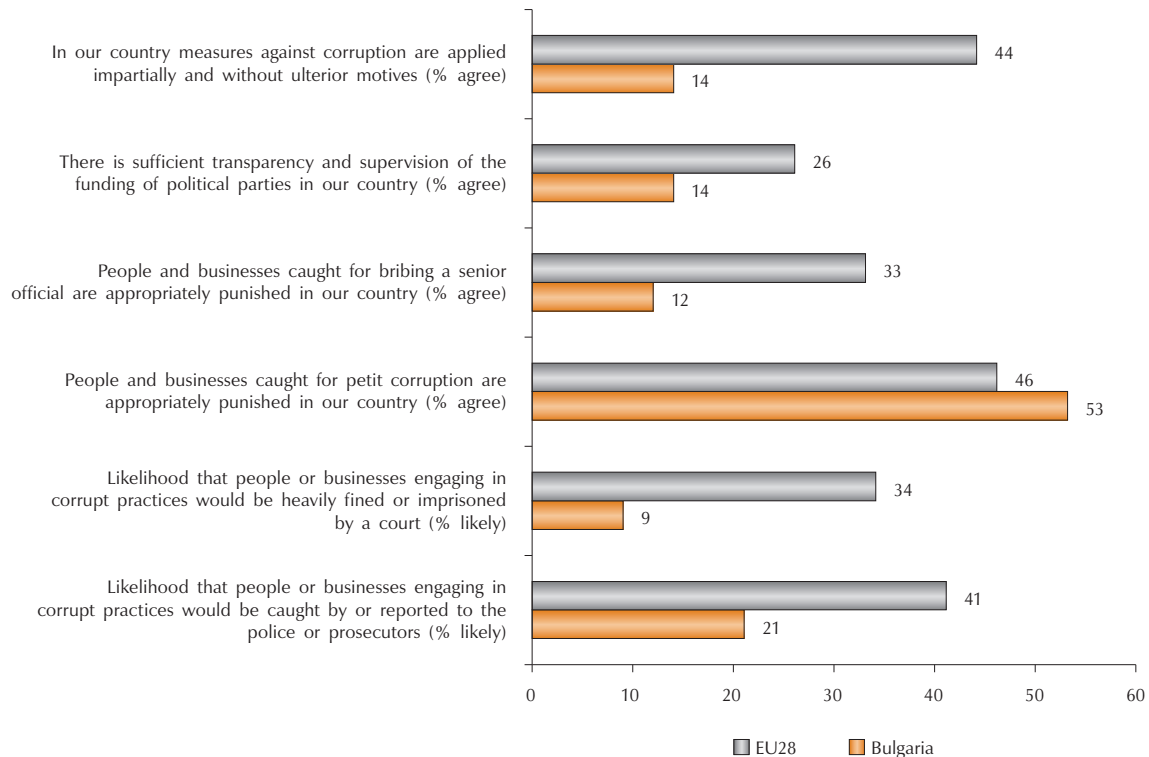
Most corruption transactions in the business sector remain unidentified and unpunished. Lack of sanctions is among the main factors that contribute to the embeddedness of different forms of corruption in the business environment. Regarding the prospects of corruption in the business sector to be identified and prosecuted the discrepancy between Bulgaria and the EU28 average is substantial. The only indicator for which in Bulgaria the probability of corruption being identified and sanctioned is higher than the EU28 average is corruption committed by lower ranking public officials.

Compared to **conventional crime**, law enforcement has not effectively started working on corruption-related crime in a way that is relevant to the volume and public risk. In the period 2010 – 2014, **cases of conventional crime and of corruption were processed in radically different ways by enforcement and judicial institutions.**

For the period 2010 – 2014, about 600 thousand victims of conventional crime were identified by surveys every year, while the police registered about 120 thousand annually, with only 34 thousand cases ending up being prosecuted (i.e., only 25 % of registered conventional crime cases and 5.7 % of committed cases of crime are being prosecuted). Regarding corruption, the number of involved citizens was 1.3 million, while only about 120-150 cases (0.01 %) reach the prosecution stage. This shows that the judiciary and the Ministry of Interior register and process a tiny portion of cases of corruption, which is fundamentally different from the way they deal with conventional crime. In addition to that, measures to counter political corruption practically do not exist (see further Table 1).

The high prevalence of corruption has turned it into **an element of the social environment**: in 2016 only about 22 % of citizens aged

FIGURE 5. BUSINESS SECTOR EVALUATIONS OF THE ENFORCEMENT OF ANTICORRUPTION POLICIES, BULGARIA COMPARED TO EU28 (2015)



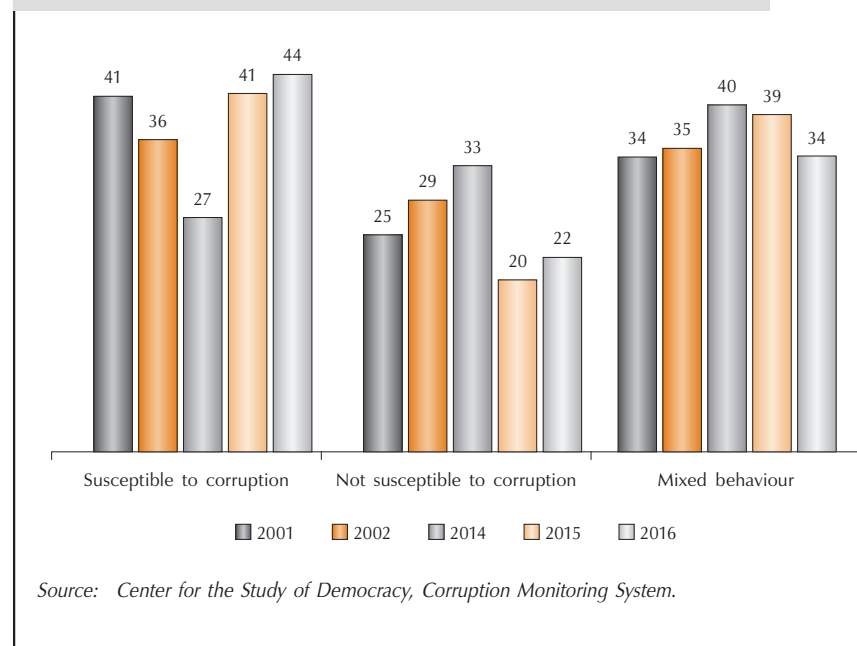
Source: TNS Political & Social (2015). Flash Eurobarometer 428: Businesses' attitudes towards corruption in the EU.

18 and over fully rejected the option of getting involved in corruption transactions. Another 34 % of the adult population hesitate and would decide depending on the situation, while about 44 % would give and accept bribes (Figure 6).

In summary, the corruption situation in Bulgaria in 2015 – 2016 could be characterized as follows:

- Critically high levels of administrative corruption;
- The few institutions which do not face corruption problems are those which do not manage substantial public resources;
- Corruption transactions are common at all levels of many public institutions and are carried out with the knowledge and/or silent acceptance of senior management. In this respect, corruption is not a matter of a “few rotten apples” but rather a systemic problem of the civil service;
- There is practically no consistent effort to counter political corruption.

The fact that corruption is widespread shows that key public institutions have been **captured** by private interests and/or that many public institutions have been in effect privatized by their employees, who

FIGURE 6. SUSCEPTIBILITY TO CORRUPTION⁶

use their entrusted power to obtain additional income/corruption rent. This leaves the public interest unprotected, public resources are spent ineffectively or in favor of private interests and the public sector turns into a double burden for taxpayers – through taxes as well as through corruption rent.

The issue of evidence in anticorruption policy-making

The main value of CSD's *Corruption Monitoring System* – the latest findings of which were presented above – is in allowing policy makers and non-governmental watchdogs to see the overall dynamics of corruption in the country. This value increases when its findings are juxtaposed with other corruption-related evidence.

There are two principal ways to measure and assess the levels of conventional crime and corruption:

- Based on **judiciary and police statistics**, which account for the number of cases registered by the police, the number of cases that have entered the judiciary stage and respectively the number of verdicts. For a number of reasons, the number of registered cases is much higher than the number of indictments and final verdicts.
- Based on **victimisation surveys**, which use a representative sample of the population aged 18 and over and measure the number of victims of a crime in the last year. The discrepancy between the real number of crime instances and the cases registered by the police is due to the fact that not all crime cases are reported (latency) and that not all reported crime cases are registered (police filters).

⁶ Share of citizens who would accept and/or give bribe in a role of citizen and/or public official.

If corruption cases are excluded, the conventional crime statistics for the period 2010 – 2014 (on average) show the following approximate proportions (Table 1):

TABLE 1. OFFICIAL STATISTICS AND VICTIMISATION SURVEYS' DATA ON CORRUPTION (2010 – 2015)

Victimisation surveys (administrative corruption)⁸	Values for 2015
Share of the population (18+), who have been offered to participate in a corruption transaction in the course of the year	24.4 %
Share of the population (18+), who have participated in at least one corruption transaction in the course of the year	22.2 %
Estimated number of people (18+), who have participated in at least one corruption transaction in the course of the year	~1,300,000
Official statistics of corruption crime	
Number of corruption crimes reported to the police	No data
Number of corruption pre-trial cases – average for the period 2010 – 2015	~120-150
Share of corruption cases processed by the judiciary	~0.0115 %
Number of verdicts (2015)	72

Source: Center for the Study of Democracy, National Crime Survey, Crime Statistics of the Ministry of Interior, Report on the Enforcement of the Law and the Activities of the Public Prosecution and the Investigating Authorities in 2015.

In order to appreciate the relevance of these data, a number of assumptions need to be pointed out.

First, the indicators used by public institutions in their databases vary. In this respect, it is probable that processed cases or victims include different classification of crimes. The Uniform Information System for Countering Crime which has been in development for more than 20 years still does not operate with full functionality. The exchange of information between institutions is not operational and it is therefore practically impossible to track how cases are processed by law enforcement starting from pre-trial and reaching the court proceedings. As already mentioned, the numbers in Table 1 and Table 2 are averages and are intended only as an illustration. They are not meant as a measure of effectiveness of these institutions but rather to exemplify the major difference in the policies and institutional capacity applied by criminal justice against corruption and conventional crime.

⁷ Data represent average values for the period 2010 – 2015 and are provided for illustrative purposes in order to show the more general proportions between the number of cases processed by law enforcement. Data vary by years, but these variations are not big enough to influence the overall proportions and the respective conclusions made. An unsolved issue regarding official statistics is their incomparability due to the lack of uniform criteria for data collection and their divergent public announcement.

⁸ The National Crime Survey, conducted by CSD since 2002, includes a list of ten crimes like: theft, robbery, abuse, vandalism, rape, etc. For recent details, please refer to CSD Policy Brief No. 56: Dynamics of Conventional Crime in Bulgaria 2014 – 2015, Center for the Study of Democracy, July 2015.

TABLE 2. OFFICIAL STATISTICS AND VICTIMISATION SURVEYS' DATA ON CONVENTIONAL CRIME (2010 – 2015)

Victimisation surveys (conventional crime) ¹	Average values for the period 2010 – 2015
Relative share of the population (18+), which has been victim of at least one crime during the year	~10 %
Number of crime victims (based on victimisation surveys)	~600,000
Official statistics (conventional crime)	
Crimes reported to police by citizens	~300,000
Crimes registered by the police	~120,000
Solved cases (by the police)	~45,000 – 50,000
Number of pre-trial crime cases opened	~34,000
Share of crimes process by the judiciary relative to the total number of crimes	~5.7 %
Number of convictions (verdicts)	~15,000

Source: Center for the Study of Democracy, Corruption Monitoring System, Crime Statistics of the Ministry of Interior, Report on the Enforcement of the Law and the Activities of the Public Prosecution and the Investigating Authorities in 2015.

Second, in the case of corruption these deficiencies hardly matter as the **number of cases processed by law enforcement is negligible** compared to the real magnitude of the problem. All the instruments and potential of the Mol, other enforcement institutions and the judiciary are deployed against conventional crime. Effective or not, their enforcement is on a significant scale – around 35,000 cases are processed by the criminal justice system annually. The annual rate of crimes of corruption is comparable – in some years even higher – to that of conventional crime. For a number of reasons – chief among which is that the design of the repression mechanisms is inadequate to the magnitude of the problem – only a few cases are identified, cleared up and prosecuted. “Designed” refers to a number of components – the regulatory framework, the numbers and skills of experts, the availability of well-coordinated network of criminal justice institutions.

Third, many cases of unlawful private gain are processed by law enforcement as different types of abuse of power, abuse of property or other economic crimes. At present, at least with respect to senior civil servants, the **collection of evidence for illegal enrichment** proves practically impossible. Collecting **evidence of abuse of discretionary power** is even more difficult. In this respect, in most cases it proves difficult or practically impossible to find sufficient evidence for *both* private gain and abuse of public discretionary power. If unlawful gain and abuse of power were to be prosecuted separately, this would disrupt the chain of corruption transactions and would be more effective in terms of bringing perpetrators to justice.