



Corruption in Southeast Europe has been in the news and on the policy agenda of national and international institutions so often that its scrutiny hardly needs to be justified. However, it is precisely because it has proven to be such an intractable issue that innovative approaches to its understanding – and therefore its reduction – are justified.

Today corruption is frequently referred to as a “global concern”; less frequently understood is that it is also originated by factors which do not recognise national borders. This is especially true in Southeast Europe (SEE) where a number of interconnected common causes – armed conflicts, transborder crime, communist legacy, low level of development – have conspired to turn bribery and abuse of public office into a systemic problem for the countries in the region. In addition, there are also a number of factors that the SEE countries share without these being regional in nature: rapid modernisation and the ensuing shift in social structures, both internal (rural-urban) and international migration, ethnic minorities that are coextensive with the poor sections of the population, etc.

It is also often said that these countries are “in transition”; democracy and market economy are most frequently mentioned in this respect. What is not always appreciated is how broad and deep is the social makeover that they have undergone. SEE has suffered a period of political, social, economic and other upheaval which is inimical to compliance with official law and causes the proliferation of “micro” ethics which seem just only in specific contexts. The unsettling of established mores, loyalties and identities has hampered the shaping of sustained reformist constituencies which would demand better public governance. The general problem for a society that intends to reorder its entire mechanism of governance is where the reformist drive would come from. If **corruption has become the dominant mode** of transaction in public life, how would an **alternative political force** that receives the trust of a critical mass of citizens be built?

“Reform” has become an overused term, which is partly due to failure to appreciate that genuine reforms – anticorruption in particular – entail costs; the key consideration, therefore, is how these costs are to be distributed and borne. In an environment where patron-client relations are well embedded, no political agent wants its clients affected which leads to impasse and stalling reforms. Thus, talk of **the costs of reforms is shunned by both national government and international partners**, while the benefits are celebrated. Acknowledging this would help find a truly reformist constituency which is what the anticorruption efforts in SEE need today.

In this context, policies hoping to upset entrenched special interests cannot be delivered through traditional bureaucracies alone. High level of partisanship in SEE prevents reformist politicians from mustering the type of public support needed to make anticorruption efforts successful. For this to happen, **broad public coalitions** need to be formed both within the countries, and region-wide. It is often wrongly assumed that anticorruption efforts would

be opposed only by corrupt politicians and bureaucrats but somehow automatically supported by the general public. Corruption flourishes – or diminishes – not just because of the legal framework or government law enforcement but also in a social and cultural environment the informal rules and sanctions of which are sometimes more effective than those of law enforcement. Any anticorruption programme in the SEE countries needs to ensure that it is tailored to these local social networks in a way that makes them receptive to reformist policies.

**Figure 1. Common corruption-related vulnerabilities in Southeast Europe**



Source: (SELDI, 2013).

A further feature of corruption in SEE that warrants cooperation between government, including international institutions, and NGOs is that it has turned into a typical development problem for these countries. Institutionalised corruption distorts the economy, creates sharp inequalities, prevents the modernisation of the education system and public healthcare, affects social programs, diminishes the public's trust in government institutions and breeds disillusionment with reforms in general. All this makes corruption a typical development concern. Development problems, however, are rarely amenable to administrative solutions but require partnerships between government and business, between NGOs and public institutions in order to complement enforcement and prevention, to combine government policies and civic involvement, to create shared value.

In the past decade, both the nature of corruption and the anticorruption agenda in Southeast Europe have changed. Political corruption has replaced petty bribery both as the dominant concern of national and international reformists and as the cause of most social and economic damage. The **earlier emphasis on harmonising national legislation with international standards has now been substituted by a focus on its enforcement.** Statutory quality, however, continues to be a problem. Frequent and inconsistent changes to laws have resulted in procedural and statutory complexity and contradictory interpretation by courts. Complexity, however, is not a friend of good governance: it has the same effect as opacity. Furthermore, “the rules mainly focus on restrictions and prohibitions, to the detriment of public disclosure and transparency, which curtails their effect.”<sup>3</sup>

The Southeast Europe Leadership for Development and Integrity (SELDI)<sup>4</sup> has made the in-depth understanding of these changes one of its main priorities, as a requisite condition for its advocacy of **knowledge-driven anticorruption policies.** To this end, in the early 2000s, SELDI developed a civil society centric public-private cooperation model for the assessment of **both corruption and anticorruption,** tailored to the social and institutional

<sup>3</sup> (GRECO, 2014, p. 4).

<sup>4</sup> The SELDI countries are Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Serbia, and Turkey. The designation “Kosovo” is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence. The official denomination for “Macedonia” used in EU documents remains “The former Yugoslav Republic of Macedonia”. As the current report is not an official EU document, SELDI partners have unanimously agreed to use the shorter and accepted in the country name “Macedonia”.

environment of Southeast Europe. Such a combined evaluation allows policy makers and civil society to identify the correspondence – or, more often the absence of it – between anticorruption intentions and outcomes in terms of reduced corruption. Using this model, in 2002 SELDI carried out the first regional measurement of the proliferation of corruption and evaluation of institutional performance in the SEE countries.<sup>5</sup> The 2013 – 2014 round of assessment – the findings of which are summarised in this report – is a rare case in international monitoring practice whereby the same issues and the same region are revisited after a little more than a decade.

The evidence of progress is clear: two SELDI countries are now EU members; settlement of transborder conflicts has allowed both economic growth and the stabilisation of democratic institutions; important legislative developments have taken place, including the adoption of laws in key areas such as conflict of interest and asset declarations. The *Corruption Monitoring System* – SELDI's tool for measuring the proliferation of corruption – indicates that there is enhanced public sensitivity towards corruption. Nevertheless, “despite the positive efforts of establishing the regulatory and institutional base for countering corruption, including the establishment of specialised anti-corruption agencies, which are being introduced in the majority of the countries in the region, significant problems persist, especially with regard to the practical implementation of the existing legal framework and institutional enforcement.”<sup>6</sup>

This report compares the national legislation and institutional practice in a number of areas critical to anticorruption efforts: regulatory and legal framework, institutional prerequisites, corruption in the economy, the role of civil society and international cooperation. The coverage of the national institutional and legal aspects making regional corruption possible is not intended as a comprehensive inventory of regulations and practices in all countries but rather emphasises some of the priority issues relevant to potential efforts of stemming common sources of corruption in SEE.

Being the result of collaboration within SELDI, the report is innovative in both its method and its process. SELDI is distinguished from the other region-wide initiatives as being the first NGO-led effort to encourage public-private cooperation as an instrument for regional development. It complements existing international programmes in the following ways:

- By ensuring a leading role of civil society in establishing **regional public-private anticorruption partnerships**. This complements the exclusively intergovernmental nature of the other initiatives.
- By **integrating policy design and diagnostics** developed specially for the institutional, political and social environment of SEE.
- By providing institutional links (through its NGO network mobilisers) to **existing national efforts** starting or already underway in the participating countries. Most of these national programs are implemented in cooperation between civil society and public institutions.

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<sup>5</sup> (SELDI, 2002).

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