SIXTH FRAMEWORK PROGRAMME

PRIORITY 7

FP6-2004-CITIZENS-5

SPECIFIC TARGETED RESEARCH PROJECT:

Crime as a Cultural Problem.
The Relevance of Perceptions of Corruption to Crime Prevention.
A Comparative Cultural Study in the EU-Accession States Bulgaria and Romania, the EU-Candidate States Turkey and Croatia and in the EU-States Germany, Greece and United Kingdom

REPORT: Kick-Off-Meeting, Sofia, 2-3 February 2006

Host: Centre for Liberal Strategies

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Dr. Dimitar Bechev

PROGRAMME

THURSDAY, 2 February

09.00-10.00 Welcome

Dr. Daniel Smilov (Centre for Liberal Strategies):
Rashko Dorosiev, M.A. (Centre for Liberal Studies):
Dr. Dirk Tänzler (University of Konstanz):

SESSION 1: CRIME AND CULTURE – AN EMPIRICAL APPROACH TO CORRUPTION

10.00 – 11.00 Dr. Dirk Tänzler (University of Konstanz): Crime as a Cultural Problem
Diskussion

11:30 - 12:30 Dr. Dr. Kostadinos Maras (University of Tübingen): The Grounded Theory Method of Data Analysis and the Application of the Software Atlas-ti
Diskussion

14:00 - 15:00
SESSION 2: CORRUPTION AND ANTI-CORRUPTION PROGRAMMES: A FIRST OVERVIEW (COUNTRY PRESENTATIONS)

Corruption in Bulgaria: Perceptions of experts and the general public
Dr. Daniel Smilov and Rashko Dorosiev, M.A. (Centre for Liberal Strategies)
Diskusison

Corruption and Measures of Anti-Corruption in Romania
Prof. Dr. Ioan Mărginean and Dr. Iuliana Precupețu (Research Institute for the Quality of Life)
Diskussion

Perceptions of Corruption and the Relevance of Anti-Corruption Discourses in frame of Turkey's Bid for EU Accession: *"Is the donor content when the recipient is content?"*
Zeynep Şarlak (M. A.) and Esat Bozyiğit (M. A.) (University of Galatasaray).
Diskussion

Corruption in Croatia
Prof DR. Aleksandar Štulhofer, Prof. Dr. Ognjen Čaldarović and Prof. Dr. Krešimir Kufrin, (Dept. of Sociology, Faculty of Humanities and Social Sciences, University of Zagreb)
Diskussion

Corruption and Anti-Corruption in Germany: Progress and Deficits
Dr. Angelos Giannakopoulos, University of Konstanz
Diskussion

Report Greece
Prof. Dr. Effi Lambropoulou (Panteion University, Athens)
Diskussion

Corruption and Anti- Corruption Programmes in the UK
Dr. Sappho Xenakis (SEESOX)
Diskussion

FRIDAY, 3 February

SESSION 3: PANEL AND OPEN DISCUSSION

SESSION 4: MEETING OF THE NETWORK CO-ORDINATION BOARD

OVERALL VIEW OF THE MEETING

During the preparation of the proposal of the project submitted in April 2005 and until the beginning of the project in January 2006 the consortium partners agreed on the overwriting guidelines of the research work.
Accordingly, the meeting featured five topical foci, the content of each of which is as follows:
1. Project methodology
2. Content analysis software Atlas.ti
3. Project team presentations
4. Detailed aspects of data collection

1. The project's empirical approach proceeds from the assumption that the *'bottom-up' definitions* held within 'everyday theories' of corruption are anchored in social patterns of perception that actors apply unconsciously. For this reason, they cannot be polled in the direct method commonly used in opinion research, but rather must be *reconstructed* from administrative and other official documents and recorded statements of those persons interviewed. Building on this insight, both the documents as well as the expert interviews are to be subjected to a computerised qualitative content analysis (content analysis software *Atlas-ti*) according to the principles of *grounded theory* methodology.

2. The Atlas-ti software programme to be used by all project participants for their data analysis was introduced and tested through a joint analysis of speeches from an EU Parliamentary debate. Much of the discussion revolved around details of the program's functioning, above all with reference to the coding procedure and how memos reflecting the coder's insights into the text can be recorded and represented while using the software. A matter of great interest was the depth of analysis necessary to obtain codes that plumb the material of a sufficient breadth and depth.

3. Each project team presented a comprehensive account of the actual state of corruption and anti-corruption measures in the countries involved. In the discussion that followed the presentations were embedded in a comparative reasoning that revolved on the conditions generating corrupt practises in transition societies on the one hand and in EU member states on the other.

4. Although the 'guidelines' provided by the workpackages are quite concrete, there is no set concept for data selection and collection that could apply to all project teams. Each group must proceed from its own context and work within the range of possibilities available to it, provided of course that the overall work planning in all its details is observed. In other words, the project groups are free to define their own priorities for data collection.

5. Finally, technical and administrative aspects of the project have been also discussed. The session directed the attention of the participants to the detailed workplan contained in Annex I, pp. 30-32. Detailed points of discussion have been: contacts to key persons in each target group, contact to national and international organisations involved in anti-corruption policies, administrative aspects such as reporting, audit certificates, presentation of the reporting template.

SESSION 1: CRIME AND CULTURE – AN EMPIRICAL APPROACH TO CORRUPTION

(open to further senior and junior researchers)

Crime as a Cultural Problem

Dr. Dirk Tänzler (University of Konstanz)

Colleagues,
Ladies and Gentlemen,

I would like to start the open discussion of our research design by presenting arguments for an intercultural and comparative approach to the study of the phenomenon of corruption. I will then outline the consequences of this design for our fieldwork and the interpretation of the collected data. After a short overview on the project, three questions are to be answered:

1. Why culture?
2. What is culture? – And:
3. How should we approach culture?

The first question refers to the problem of how to define the object of our research; the second question seeks to formulate a scientific concept of culture; and the third question seeks to discuss the consequences of these assumptions for our methodology.

Finally, in the last part of my talk, I will try to outline our research program in its main dimensions:

Summary

The study aims to develop means to optimise corruption prevention in the EU. The urgency of such a project is reflected in the fact that corruption in all its phenomenological dimensions acts as a hindrance to the process of Europeanisation of South Eastern EU-candidate countries. Corruption holds the potential to retard seriously the process of the Community's enlargement and integration, even to the extent of threatening the very core of its concept of social order. The project contributes to the overcoming of such blockages in that it traces those attitudes, determined by mentality and specific socio-cultural conditions, that constitute barriers to the transformation of these societies into modern European states.

The prevention policies that have been developed by the EU and implemented so far within individual member countries have in general been characterised by legislative, administrative and police force measures. These are based on a definition of corruption prevention developed in political and administrative institutions that, for its implementation, rely on a 'top-down' procedure. We believe that this concept of corruption is both in the theoretical as well as the practical sense insufficient. To optimise corruption prevention, we vote for widening the scope of how we define and approach the problem.
Our project proceeds from the assumption that the considerably variable perceptions of corruption, determined as they are by 'cultural dispositions', have significant influence on a country's respective awareness of the problem and thereby on the success of any preventative measures.

For this reason, the project purports to conduct not an inquiry into the nature of corruption 'as such', but rather into the perceptions of corruption held by political and administrative

decision-makers in specific regions and cultures, those held by actors representing various institutions and authorities, and above all by the citizens and the media in European societies.

As a consequence, our research will have a dual focus: it operates both at the formal, institutional *and* at the informal, practical level. We will analyse the counter-corruption policies *and* the social-cultural contexts they work in. And we will investigate the 'fit' between 'institutionalised' prevention measures and how these are perceived in 'daily practice', as well as how EU candidate countries and EU member countries as a result handle the issue of corruption. In a final step, we intend to make specific recommendations for readjusting this 'fit' and to investigate which role the media play within this process in each individual country.

Media do not have only a 'passive' technical role in 'neutrally' transmitting information. In modern societies, media have substantial influence on the social patterns of perception and recognition, for example on the definition of pro-blems like crime and corruption. Hence, another crucial goal of our research project is to demonstrate that the media must be recognized as a powerful instrument in combating corruption.

After this short sketch of our project, I now come to the first question:

Why Culture?

Some days ago, Mr. Olli Rehn, the commissioner responsible for the EU-enlargement, gave an interview in a German newspaper. Referring to Bulgaria and Romania he said:

"There are serious efforts of reform (…). Corruption also is a cultural phenomenon. To eliminate it will take a long time, and, well, this will never be achieved totally (FAZ from the 28.01.2006; Translation by the Author)."

Mr. Rehn's statement is an expression of realism. Corruption is a universal problem even in the modern states of the West. What Mr. Rehn also suggests is that corruption is a much bigger problem in some regions than in others. – But a problem for whom and of what kind? An example from another continent may help us to look at the subject of interest from another perspective:

One of the most recent prime ministers of the Philippines lost his office because he was too honest and avoided strictly all illegal behaviour. In the eyes of a Western observer, he incorporated all the liberal democratic principles modern citizens believe in as preconditions for 'good practice', if not, like Voltaire's Candide, for the "best of all possible worlds".

In the eyes of the Philippine people and voters, this honest man appeared incompetent and immoral because he proved himself unable to look after the members of his immediate and extended family and his friends. Why should people without personal relations to this prime minister have trusted him, seeig as he did not behave responsibly and loyally even to his intimate relatives and companions?
In the Philippine case, the Western model of democratic institutions and political culture does not fit with the expectations and the social practice of the people in everyday-life. The conflict here results from the incompatibility between, on the one hand, the paternalistic habit in a traditional system of moral reciprocity combined with substantial benefits still alive in the popular imagination and, on the other, the individualistic habit of competitive actors in a modern, functionally differentiated system based on the anonymous principle of formal legal

rights as represented by the unhappy prime minister. Not only the Philippines held nepotism and gift exchange for 'good practices'. What *we* subsume under the category 'corruption' may be a universal type of social practice, but it also holds different cultural meaning.

In the current process of enlargement and integration, the EU acts like the Philippine prime minister and then wonders why people so ungratefully persist in their bad practice. This misunderstanding is the starting point of our research; our task will be to reconstruct the motives and causes behind the conflict.

Efforts to prevent corruption within the EU and in the EU candidate countries generally consist of a set of administrative measures oriented to institutionalised values and goals, put into effect by experts "from the top down". The experts do their best. But, neither in the elementary definitions determining existing counter-corruption policies nor in their implementation are those everyday life orientations rooted in socio-cultural contexts and conducive to corrupt behaviour taken into account. Here, we see the structural causes of the limited effects of the counter-corruption policies currently being applied within the EU and its candidate states. They do not reach the "bottom" at which corrupt behaviour and its social legitimation prosper and which is constituted by cultural modes of perception and reasoning on corruption.

Therefore, countermeasures undertaken at a general societal level must rely on our knowledge of these modes of perception and reasoning. But we cannot develop an 'easy' solution where we 'add' some 'forgotten' aspects to the existing procedures because these new aspects conflict with the 'logic' of these procedures. If this is true, a practical consequence of our theoretical assumption on corruption as a cultural problem is that change in the current situation presupposes a preceding change of mind.

Experts must gain a better understanding of the social contexts they work in. Our cross-cultural comparison will deliver empirically grounded conclusions about the way corruption is socially perceived and valued. Its first goal is to examine specific countries and determine which patterns of everyday life perceptions of corruption are currently dominant.

In a further step, in co-operation with policy-makers in the field, our research aims to operationalise the knowledge gained through employing a "bottom-up" strategy. Putting our conclusions to discussion with experts from the EU, the NGOs, and the national agencies dealing with corruption raises the potential impact of expert knowledge on corruption in a twofold way:

On the one hand, it helps them gain retrospective insight into the specific shortcomings of current anti-corruption management. Indeed, it may be that aspects of corruption perception not susceptible or even resistant to administrative measures may to date not have been sufficiently taken into account.

On the other hand, it provides foundations for prospective, long-term action, as it supplements existing policies with regulatory strategies that incorporate the specific contexts of the perceptions of corruption in each individual country. Very often, the experts have informal insider information, but then the institutional programs hinder them from following their better knowledge. The revelation of this 'inner-organisational' conflict and the stimulation of a discussion about it among representatives of institutions and politics will be another crucial goal of our research project.

I have attempted to demonstrate the usefulness of a cultural approach to corruption. Doing this raises question two:

What is Culture?

Although our research is empirically grounded and has definite practical goals, there is, obviously, some theory behind the research design. But we do not treat theory as a dogma and a set of eternally true axioms, but rather as a practical tool we use to answer empirical questions.

What I want to demonstrate by the following considerations is that there is a strong link between our theoretical approach to culture and our empirical research method. In general, we do not consider 'culture' to be an additive factor, neither as an aspect nor a dimension or a subsystem of a society (as in the value-system in a Parsonian sense). Therefore, we will not define it methodologically as a specific variable. To the contrary, we understand 'culture' as a holistic entity that is at the same time relative in nature.

Culture defines the whole world an actor lives in, but this world varies among different societies and might differ historically within a single society. In other words: Culture as a 'whole' is not the sum of empirical phenomena, but, metaphorically speaking, the 'logic' or 'grammar' we use to perceive and conceptualise the world of phenomena. In former times, this was called the 'spirit of the social facts' manifested in a specific expressive 'style' of actors.
Reality does not exist by itself "out there" and "ready-made" for my mind to perceive. Instead, it is constituted by the forms of perception and recognition and, on this basis, is constructed in the process of social interaction. With Thomas Luckmann, we can define culture as a store of knowledge shared by all those participating in a single social world. This knowledge does not *represent* the world, but – following William Issac Thomas' famous aperçu – *defines* problems and solutions, in other words it defines all the reality that is possible within this culture. As a tool to deal with practical problems, it serves to establish social order and security. In effect, it also guarantees cognitive reliability and affective confidence, as well as personal identity, and therefore enjoys high appreciation by individuals.

From the perspective of the culture of another society, this cultural 'whole' is evidently limited, a restricted social construction of only relative truth. But what is true for each society is also true for the single individual. An individual does not only share a culture with other members of his society, made up of a stock of common knowledge stemming from experience handed down from earlier generations. Instead, an individual possesses a single life-world, as well, a private perspective on the reality that is constituted by his authentic experiences. Phenomenologists speak of the horizon of one's life-world as the world taken for granted. On the other side of the horizon exists an open world waiting for exploration. You can shift your horizon, but when you do, you leave a familiar home and start an adventure full of risks.

Cultures and life-worlds are different relevancy systems, but cultures and life-worlds also contain within them different relevancy systems, as well: people live in the reality of everyday-life, but also in the realities of religious experience and faith, of science, dream and fancy, etc. Furthermore, even so-called common knowledge is distributed unequally between different social classes, milieus, generations, genders, professions, and other social categories.

One differentiation that is crucial for our research is that between experts and layman. This binary opposition distinguishes between two styles of perception and behaviour, characterised

by monopolized, 'holy' special knowledge on one hand and 'profane' everyday knowledge on the other. Following Alfred Schutz, the perspectives of experts and laymen refer to different systems of relevance and perform different cognitive styles: these two groups act in different realities. What we will try to accomplish through our empirical research project is to identify the rationalities of these actors. We seek to see if they are compatible or not and, if they are not, then discuss how to bring them together.

In short: Culture is not a specific substance or aspect, but rather the *form* of social reality. It is the stock of knowledge people use to construct their reality. And what social scientists do is to reconstruct this knowledge from the data, which we see as cultural products, that is as manifestations of social interaction. Therefore, I must now say something more about our method. I must answer question three:

How should we approach culture?

We do not ask in a philosophical way *what* culture should be substantially and ideally. Instead we consider it sociologically, in other words *how* it 'really' works, *how* it is constructed by empirical actors under pragmatic conditions. We have already seen: on these grounds, our theory corresponds to our 'object'. We consider social reality as an effect of something like an applied 'everyday theory', and this theory is nothing other than a tool to solve the problems of the human beings involved. Hence, in analogy to the pluralism of scientific discourse; we conceptualise the social world as a pluralism of perspectives.

In our project; we proceed from the observation that, not only in the context of EU enlargement and integration, official representatives of social institutions perceive corruption as a phenomenon that must be countered with legal sanctions.

This *top-down* perspective on corruption is not false per se. But it is only relatively true. Corruption is neither a universal phenomenon grounded in the dark side of human nature, nor is it an expression of pre-modern consciousness. It is, in the sense of Michel Foucault, the historical product of an expert discourse. From a legal perspective, corruption is a special kind of deviant, criminal behaviour. Seen sociologically, it is primarily a type of social relation that has specific meaning which differs from culture to culture.

What is labelled as 'deviant', 'criminal', and 'unsocial' in one discourse is qualified as 'normal', 'moral', and 'social' in another. Phenomena such as nepotism, bribery, and even blood feud (vendetta) are, neutrally described, mechanisms for achieving solidarity within and between kinship groups. Social anthropologists see them as forms of social exchange and moral reciprocity (an eye for an eye, a tooth for a tooth).

A cultural definition of crime and corruption – I think that will be obvious – implies a relativist concept, relative to the different modes of perception and recognition of the phenomenon by different social actors from different societies. However, I do not mean that it is relative in the sense of diminishing the gravity of the problem. Trying to understand even bad things does not mean that we legitimise them and give up our own normative standards. To the contrary, such a cultural comparison might even help to clarify our own normative standards as well-founded and, in consequence, to enforce our own position. But this is an empirical, and not a theoretical question.

In general, we 'operationalise' culture in terms of perception and recognition. Culture in this sense stands for a conceptualisation of society from the subjective perspective of the social

actors, from the intentions they try to realise in social action, and not from the so-called objective perspective of a theoretical observer.

The act of creating theory conceived as an explanation of phenomena by reducing these phenomena to general causes presupposes a hermeneutical interpretation of the meaning empirical actors attach to these phenomena. The empirical actors' subjective intentions 'as such' are entities that a single consciousness cannot reach. However, they are expressed and communicated through social interactions and therefore are manifested in signs and symbols which carry objective, because societally shared, meaning. But again, this objectivity is a social construction and, insofar, a cultural fact of relative relevance that must be interpreted by the researcher.

Our research interest is, firstly, the manifest content through which determining interests are communicated, and, secondly, the latent structures of meaning contained within this communication structure. But the project will not follow an investigative procedure. It does not intend to uncover any 'hidden truth' and to represent unknown 'facts', but rather to reconstruct the strategies people use to define, legitimise, apologise for, criticise or damn corruption.

In the end, we are not interested in the facts, the stories, that is the content of what people tell us, but rather in the *form* of their narratives and argumentations. Facts, stories, personal or professional secrets, insider information etc., are used only as illustrations and examples to make manifest perception of and reasoning on corruption. These narrative forms could even be fictitious – or even a projection of the researcher – and they would still not diminish the usefulness of the given interview for our project.

This has to do with the fact that our research is not conceived of as an impact analysis in the sense of a quantifiable target-performance comparison, but rather as a reconstruction of the *logic* of anti-corruption measures and the extent to which they are appropriate to the problem in light of the results of the empirical cross-cultural comparison.
Our research will not collect data on a defined phenomenon, but instead definitions of the phenomenon we are investigating. These definitions of the phenomenon refer back to different relevancy systems, which we must reconstruct in a process of open coding.

The project's empirical approach proceeds from the assumption that the *"bottom-up" definitions* held within "everyday theories" of corruption are anchored in social patterns of perception that actors apply unconsciously. For this reason, they cannot be polled in the direct method commonly used in opinion research, but rather must be *reconstructed* from administrative and other official documents and protocolled statements of those persons interviewed. Building on this insight, all our data will be subjected to a qualitative content analysis according to the principles of *grounded theory* methodology as developed by Anselm Strauss. My compatriots, Angelos Giannakopoulos and Kosta Maras, will provide deeper insights into this in their talk today.

The Grounded Theory Method of Data Analysis and the Application of the Software Atlas-ti

Dr. Dr. Kostadinos Maras (University of Tübingen)

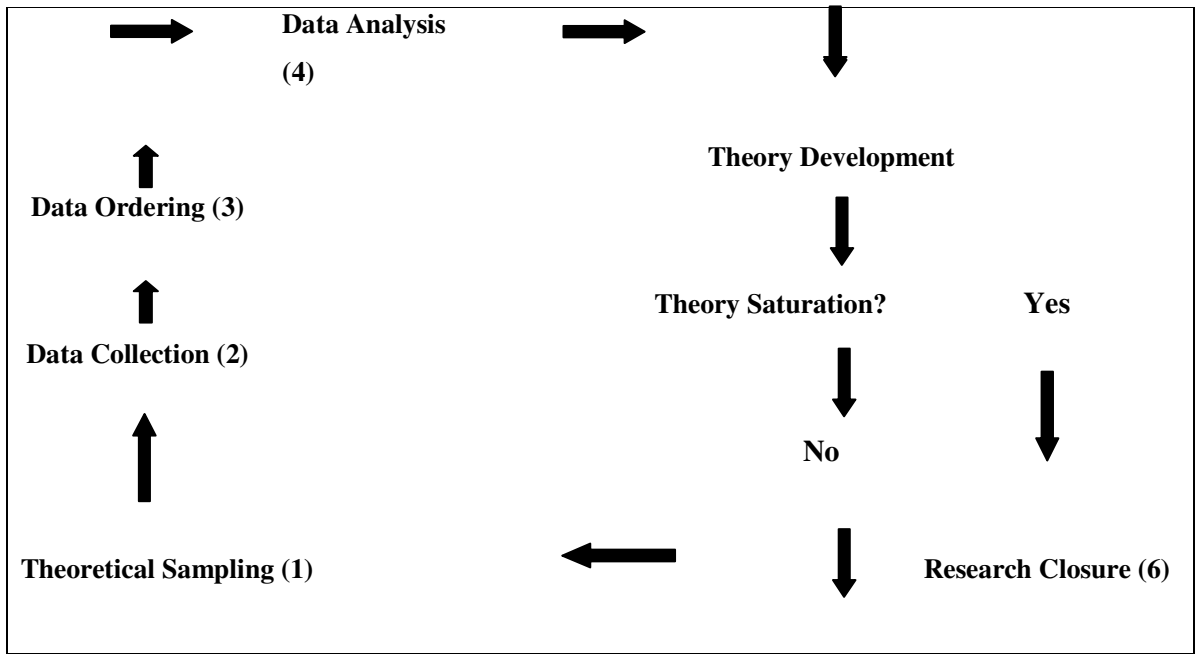
1. Content analysis:

Content analysis analyses not only the manifest content of the material – the concept of content can be differentiated in

- Themes and main ideas of the text as primary content
- Context information as latent context. This second, non-explicit level of content analysis is all the more important since our project aims at illuminating a) the conceptual preconditions sustaining the perceptions of corruption among institutional actors and b) the cultural patterns underlying both the anti-corruption policies and the understanding of corruption among the groups targeted by the prevention measures.

These two levels of content analysis approach are interconnected by making specific inferences from the manifest content of corruption discourses to their inherent properties, that is to say motivational resources, cultural beliefs, reality assumptions, and ethical values. For our purpose content, analysis means fitting the research materials into a model of communication: It should be determined in what part of the communication inferences shall be made to the aspects of the communicator (experiences, beliefs, dispositions), to the situation of discourse production, and to the socio-cultural underpinnings. Hereby we neither test hypotheses nor do we validate or justify a pre-existing theory. Instead, we look for a theoretical set (patterns of argumentation or schemes of reasoning) that accounts for the research situation – in our case societal perceptions of corruption – as it is. As does the Grounded Theory on which it is based, the content analysis we are going to carry out procedes inductively: the theoretical insights aimed at will be discovered, developed and provisionally verified.

Scheme: Data Collection, Data Ordering and Data Analysis

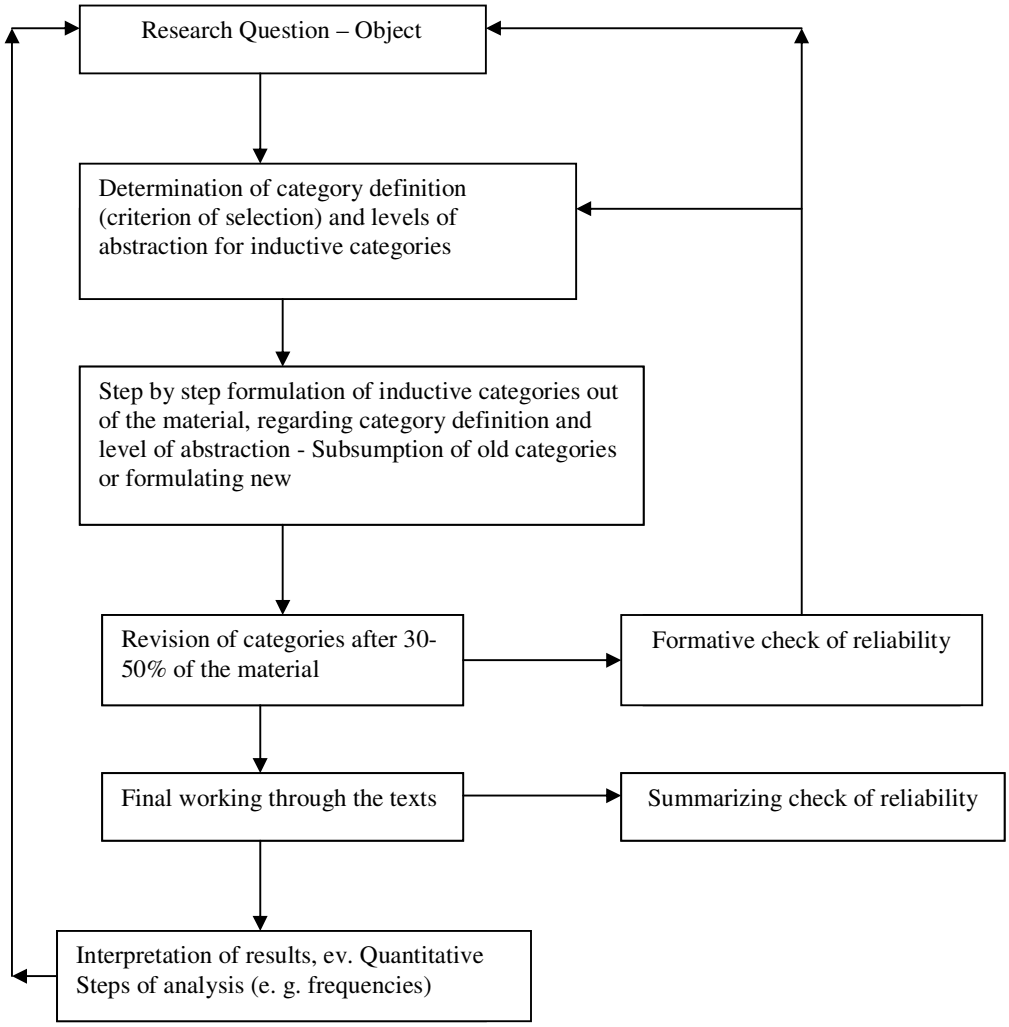


The circularity obvious in this scheme owes to the fact that in a way, the hermeneutical circle holds true in the case of content analysis as well. This means that, unlike sampling done in quantitative investigations, theoretical sampling cannot be planned before embarking on a grounded theory study. The specific sampling decisions emerge during the research process itself. This in turn can only be established though the analysis of the data and the development of the ordering codes and categories. Codes or categories can be considered saturated when no additional data can be found that can add further properties. In other words, we are able to conclude that no further data could be supplied that function as instances of these categories. Of course, since not all categories are of equally relevance, we should take pains to ensure that the core ones be saturated. Theoretical sampling comes down in practical terms to two sampling events: An initial case is selected and, on the basis of the data analysis pertaining to the case and hence the emergent theory, additional cases are selected. This selection could be carried out either by choosing a case a) to extend the emergent theory, b) to test it or c) to supply contradictory outcomes (but for predictable reasons). As far as the collection of data is concerned, the grounded theory approach favours the use of multiple sources converging on the same phenomenon. Data bases from different sources widen the scope of findings for the categories. Since we will be dealing with six target groups/data bases, this diversity criterion can easily be matched. Ordering the data will in turn depend on the number of cases to be evaluated – for our project a chronological order, for example, does not seem to make much sense.

2. Development of Codes/Categories

- Since content analysis boils down to systematic text interpretation, all depends on a reliable technique for compressing the propositions of the text into few content categories based on an explicit rule of coding. Concerning this rule, the most important guideline consists in making inferences based on the identification of core characteristics of the propositional content of the text. For their part, these characteristics provide the basis for forming the codes and their interrelationships (categories).
- In the framework of the qualitative content analysis that we intend to undertake, the categories of interpretation should be as close as possible to the materials gathered. This means that we, for the most part, proceed inductively – and develop the interpretation aspects step by step, abstracting them from the textual database. Broadly speaking, formulating codes comes down to finding general variables that the propositions or a cluster of propositions in the analysed text are instances of.
- In contrast to an a priori coding that establishes the categories prior to the analysis based upon certain theoretical presuppositions, we follow a coding method that relies itself on the emergent meaningfulness of certain propositions. The emerging coding is an open process in that the exploration of the relevant data is not carried by prior assumptions of what we might discover. This is all the more important in view of the fact that we want to prejudice neither the data choice nor the propositional utterances of the actors. Because we do not have to prepare an articulated problem in advance, we rely on generating problem cases all along the research process.
- The identification of characteristic features as well as the inferential abstraction are especially suitable to generate recurrent patterns of argumentation und schemes of reasoning. With a certain interpretative skill they can be reconstructed on the basis of the inductive references established by the codes or categories.

3. Method scheme



4. Computer program for support of qualitative analysis

The **Atlas-ti** qualitative data analysis software package we will be working with supports (but is no substitute for) the process of interpretation, for it helps considerably in reducing the volume of the propositional content of the texts under examination. There are two models of data analysis within **Atlas**: firstly the 'textual level' that focuses on the raw data and comprises procedures like text segmentation, coding and memo writing; and secondly the 'conceptual level' which concentrates on framework building activities such as interrelating codes, concepts and categories to form theoretical networks.

SESSION 2: CORRUPTION AND ANTI-CORRUPTION PROGRAMMES: A FIRST OVERVIEW (COUNTRY PRESENTATIONS)
(Open to further senior and junior researchers)

Corruption in Bulgaria: Perceptions of experts and the general public

Dr. Daniel Smilov and Rashko Dorosiev, M.A. (Centre for Liberal Strategies)

Summary
The presentation by Dr. Daniel Smilov was based on a publication of the findings of a research project evaluating anti-corruption projects in four South East European countries: Bulgaria, Macedonia, Albania and Bosnia and Herzegovina. (Martin Tisne and Daniel Smilov, *From the Ground Up: Assessing the Record of Anticorruption Assistance in Southeastern Europe,* CEU Press, Budapest, 2004.) Three types of anticorruption programmes were studied: Civil Society Projects; Government Omnibus Programmes; Institutional Reform Projects. The evaluation methodology employed outlined first the underlying assumptions behind all these measures and the expectations in the public that they create. Secondly, the instruments used in all of the programmes were described and analysed. Finally, the results and impacts of these programmes were assessed vis-à-vis their underlying assumptions, and the efficiency of the used instruments.

1) Civil Society Projects
The following basic assumptions were attributed to civil society projects: civil society pressure can have influence on government; there is a common understanding between donors and recipients of aid on the nature of corruption; corruption is a non-partisan issue; public awareness motivates citizens to act.

The following tools and instruments have been used in civil society projects: anti-corruption coalitions of NGOs; Monitoring Groups/Watchdogs; Anti-corruption awareness campaigns; Surveys; Technical assistance for anti-corruption NGOs.

The stated objectives of the civil society projects are as follows: building up demand for reform; increasing transparency and accountability; raising public awareness; providing expert help for governments; developing the capacity of civil society.

The most elaborate civil society anti-corruption programme in the region has been the setting up of anticorruption coalitions. They feature a steering committee composed of NGOs, regular public meetings, the elaboration of an action plan or policy framework to deal with corruption; a small grants programme. Generally, they are characterized by a non-confrontational stance with government.

The effects of the civil society programmes and the anti-corruption coalitions in particular were judges to be the following: an increase in corruption awareness; creation of new structures and new legislation to fight corruption; strengthening the capacity of civil society;

The overall assessment of the civil society projects was the following. First, the NGO coalitions were neither broad nor sustainable. They were seen as too close to government. Indeed, they raised awareness to corruption, but also they created expectations which no government in fact could fulfill. Also, there was a discrepancy between the demanded types of reform and the offered solutions. Finally, they had limited impact on government agenda, and fail to create stable constituency to fight corruption. Corruption, as a concern for society,

became a problem superceding all others. Ultimately, this led to deligitimation of governments and had a questionable impact on democracy.

2) Government omnibus programmes
These programmes are coordinated assemblage of governmental structures and policies specifically designed to fight corruption. Albania and Bulgaria were the primary examples in the study of the adoption of such programmes. Their assumptions are: corruption needs to be tackled through a comprehensive set of institutional and legislative measures encompassing most of the jurisdictional areas of governments; their adoption increases the motivation of governments to carry on reforms.

The instruments used in omnibus programmes are: national anticorruption strategy plan (sets priorities, provides a strategy); ministerial commission, anticorruption monitoring group (Albania); dedicated commission or agency (Macedonia)

Broadly, the effects of these programmes were judges to be the following. First, in terms of achievements: a degree of public participation; a degree of public support (weak); a degree of political backing (questionable). The more problematic effects of these programmes were that in some instances they seemed to be a prop for the donor community. Also, they had a questionable impact on the rule of law because led to the adoption of programmes and new legislation which did not have a straightforward visible, tangible impact. Also, sometimes they posed the danger of becoming a political tool in the hands of the government. Finally, it could be said that the risks on balance outweigh the benefits, or anyhow, the tie is to close to call.

On the basis of this analysis, as well as the analysis of the third type of anti-corruption measures – institutional reform projects (which cannot be summed up here) – the following recommendations were drawn:

- There should be an increased focus on politics in the fight against corruption. The predominant current depoliticized approach based on politically neutral "expertise" has exhausted its potential.
- Anticorruption initiatives should be based on a better understanding of networks of influence;
- Programmes need to meet public expectations –otherwise they create a cynicism trap; The current conceptualisation fuels citizens frustration
- Anticorruption should aim to improve democratic representation rather than try to turn power into the hands of experts, anti-corruption commissions, non-political NGOs, etc.
- Political party reform is necessary for a successful anti-corruption effort;
- A pluralistic vision of society should be employed in anticorruption – new actors should be taken on board, as trade unions, business associations, lawyers associations, political clubs and parties;
- There should be a movement from coalitions to networks (coalitions were not broad, sustainable, or confrontational enough)

Lessons learned:
- Omnibus programmes not a universal remedy
- There is a need to show results to the public
- Institutional projects need a supportive environment to succeed

Rashko Dorosiev, Centre for Liberal Strategies

Summary

The main goal of the presentation was to provide some basic information about the perceptions of corruption of the experts and the general public in Bulgaria.

Two different sources of information about the experts' opinions on the spread of corruption in Bulgaria were presented: TI Corruption Perception Index and the Freedom House Nation in Transit Report. TI CPP index indicates that after a period of marked improvement between 1998 and 2002, corruption perceptions seem to be stagnating around a relatively moderate level over the last five years (4.0 for 2005). In 2005 Bulgaria was ranked 55th out of 158. In the same way, the Freedom House Nations in Transit survey indicates slight decrease in the spread and the influence of corruption in Bulgaria over the last several years.

According to data from Vitosha Research Pooling agency Bulgarian public perceives corruption as a very important social issue. The respondents ranked corruption as the third most important social problem after the unemployment and the low incomes. People who perceive corruption as deeply rooted in the public life of the country are also tend to believe that nowadays corruption is an efficient instruments to get thinks done when dealing with the public institutions. Customs, courts and healthcare system are perceived to be the most corrupted public institutions in Bulgaria.

Most of the respondents included in the survey are incline to explain the wide spread of corruption in Bulgaria with various economic factors. These include fast enrichment of those who are in power and low salaries of the public servants. Additional factors that facilitated this process are imperfect legislation, ineffective judicial system, lack of strict administrative control and last but not least moral crisis in the period of transition.

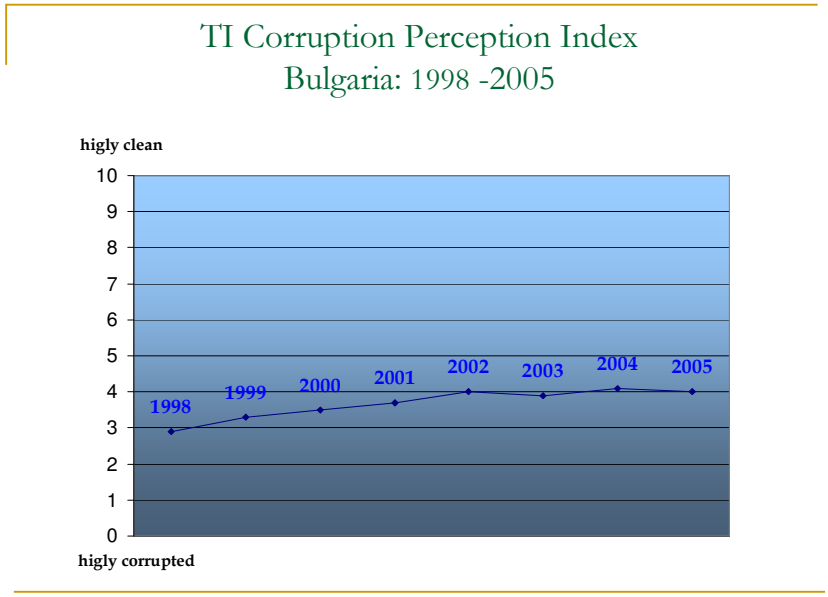
The Bulgarian project team emphasized that there is much data available to researchers due to the efforts of the Bulgarian NGO "Coalition 2000". One important source of information in this context has been public opinion polls. It was noted that the Centre for Liberal Studies has conducted three projects that can be of particular use for the research undertaking at hand. One was an assessment of anti-corruption initiatives in four Balkan countries. Here, interviews were conducted and documents collected on ant-corruption projects, especially those funded from outside the country at hand (with an eye to assessing agenda-setting). Of particular interest in this project were the states' basic assumptions that influenced the form and the conducting of the projects, as well as the basic instruments used to measure the phenomenon. A matter of investigation was how people defined what targets were set for combating corruption; how did they define success and failure? The Centre's previous work has resulted in a body of case studies that can be used for "Crime and Culture", as they were based on detailed interviews which could be analysed on the basis of the Atlas-ti software.

The second of the Centre's projects was structured according to a similar logic: it explored the understanding of organisations as represented by the participating prosecutors, judges and police. It asked of these respondents which instances of corruption they had encountered, their origins, and which measures the state should take in combating them. In this case, too, a set of interviews formed the base of the data.

In the third project, four case studies of corruption scandals in Bulgaria were presented. The data base was the media coverage they received. The Bulgarian team inquired at this point as to whether this material could be used in the project at hand. Although the answer to this question was not immediately clear, it was apparent that the material would in any case form useful background material.

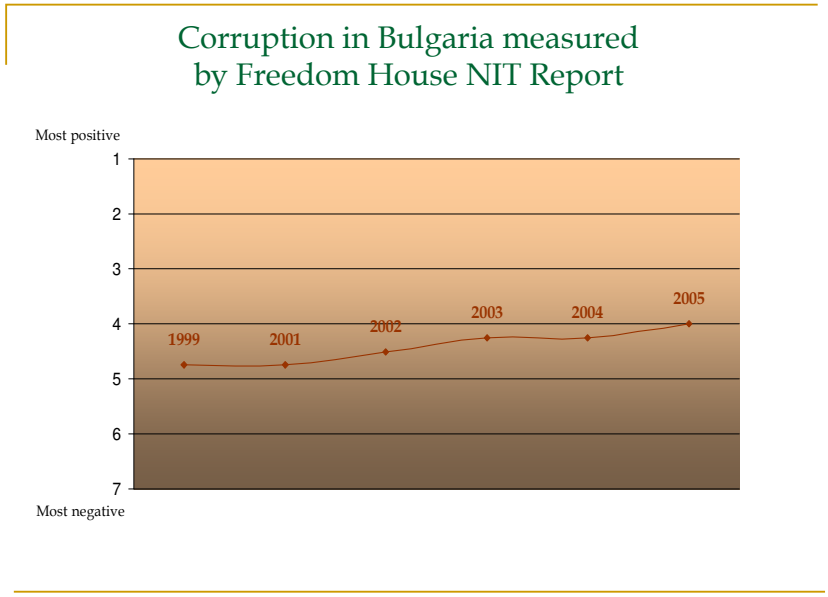
The corruption perception index pertaining to Bulgaria shows a slow, but steady, increase. Bulgaria is 55th among the 158 countries rated by Transparency International for this index.

Slide 1:



The Nations in Transitions Report put out by Freedom House, based on "internal impressions" of corruption show corresponding results.

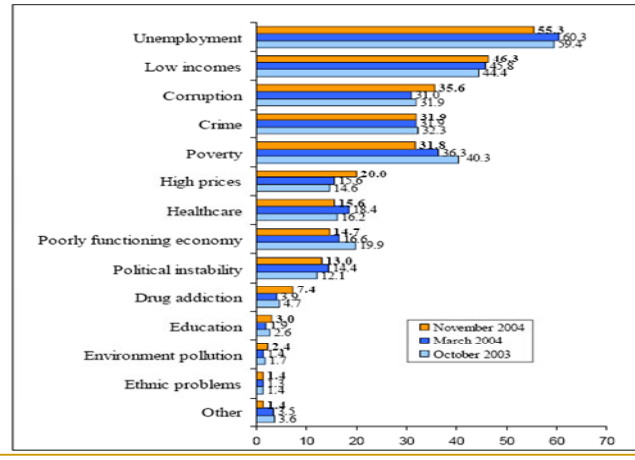
Slide 2:



The Bulgarian agency that measures the public perception of corruption is an NGO called "Coalition 2000". Its findings can be seen in Slide 3: corruption and crime are high on the list of issues of importance to the Bulgarian public, following those of unemployment and poverty.

Slide 3:

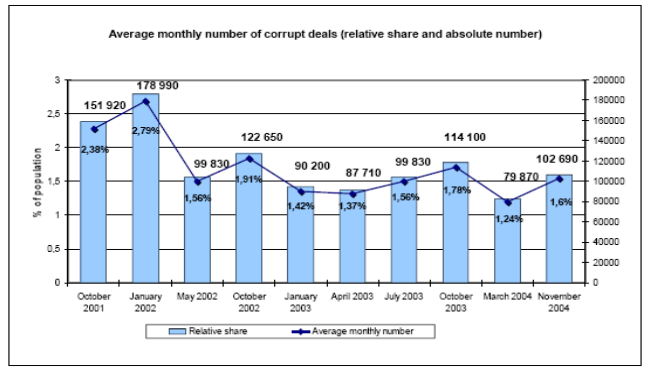
Public importance of corruption



Furthermore, it is possible to indicate how many corrupt transactions are undertaken in Bulgaria.

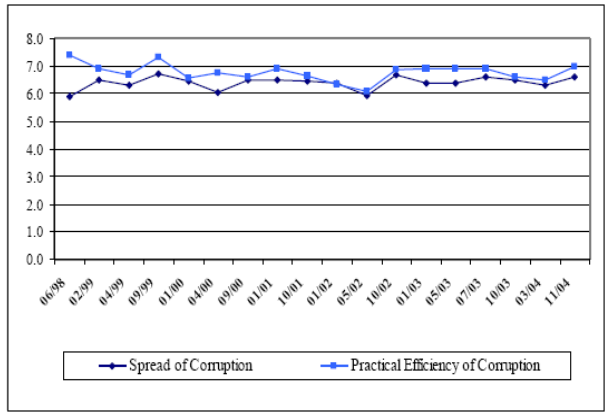
Slide 4:

Average monthly number of actually concluded corruption deals



Slide 5:

Spread and practical efficiency of corruption (min=0 max=10)



In addition, it is possible to measure the spread of corruption by institution, as well as by occupational group:

Slide 6:

Spread of corruption by institutions

	Oct 2002	*Jan 2003*	*May 2003*	*Jul 2003*	*Oct 2003*	*Mar 2004*	***Nov 2004***
Spread of corruption in general							
In Customs. Among customs officers.	30,4	53,3	50,0	54,1	49,5	46,3	50,9
In court. In the judicial system. In the system of justice. Among lawyers.	28,5	48,2	42,9	45,3	42,0	39,8	40,8
In the healthcare system. In medical care. In the National Health Service.	20,6	27,3	27,6	30,9	27,8	26,7	35,2
In the system of the Ministry of Internal Affairs (including Traffic Police, the investigation service)	19,9	28,6	30,6	30,9	33,9	26,9	33,8
In the higher ranks of power (Parliament, the Presidency, and the Government). Among the political elite.	30,3	24,7* 23,1** 1,3***	27,6* 27,5** 2,5***	28,5* 28,2** 1,7***	26,1* 26,3** 1,9***	22,8* 24,0** 1,6***	16,9* 19,3** 1,1***

Slide 7.

Spread of corruption by occupational group

Relative share of those who answered, "Nearly all and most are involved in corruption"	Sep '00	Jan '01	Oct '01	Jan '02	May '02	Oct '02	Jan '03	May '03	July '03	Oct '03	Mar '04	Nov '04
Customs officers	75,2	74,3	77,3	74,2	70,8	79,2	76,6	74,3	76,9	74,5	70,6	**70,3**
Police officers	54,3	51,0	53,7	47,0	50,7	59,6	57,7	57,7	61,4	59,2	52,3	**58,8**
Judges	50,1	50,6	56,4	55,0	50,8	63,0	62,2	59,6	61,8	57,3	56,0	**56,1**
Doctors	43,6	27,0	46,8	45,7	52,3	54,9	51,0	49,8	53,4	52,9	46,7	**55,4**
Prosecutors	51,3	50,7	54,8	55,4	51,0	63,0	62,1	59,3	60,6	55,7	54,1	**55,3**
Lawyers	52,9	50,3	55,0	55,5	52,5	62,3	60,1	60,0	57,5	55,8	53,8	**54,9**
Investigators	43,8	43,5	48,4	48,0	43,1	57,5	55,4	53,6	55,4	49,2	48,2	**51,7**
MPs	51,7	52,6	43,5	47,8	39,2	56,2	53,5	57,5	56,9	54,5	50,8	**50,7**
Politicians and leaders of political parties and coalitions	43,8	39,1	40,8	43,0	33,0	54,0	50,7	51,3	50,8	47,6	51,0	**50,5**
Tax officials	53,7	47,3	51,6	51,2	41,9	58,0	52,6	51,8	54,1	49,3	43,0	**49,9**
Mayors and municipal councilors	32,1	30,9	26,3	31,8	23,4	48,3	45,7	43,6	45,0	43,4	37,9	**47,0**
Ministers	55,0	52,3	41,2	45,4	35,6	50,8	49,5	52,6	54,9	52,6	47,2	**45,4**
Municipal officials	41,6	35,9	30,6	39,4	30,0	49,1	40,9	39,8	42,2	36,5	31,6	**44,3**
Ministry officials	40,7	43,9	45,8	47,1	36,7	48,3	44,6	44,4	45,1	40,1	36,5	**42,6**
Administrative court officials	40,2	36,8	41,7	41,1	36,5	45,0	42,4	37,5	37,9	33,5	33,2	**42,2**
Businesspersons	42,3	43,6	42,2	41,6	41,4	48,9	52,7	50,9	48,7	47,6	41,2	**38,5**
University professors and officials	28,1	21,6	27,4	27,7	29,8	33,4* 23,1**	30,8* 20,0**	31,7* 19,0**	34,1* 21,2**	36,5* 23,2**	28,9* 16,3**	**33,1* 26,1****
Bankers	33,5	35,6	32,5	31,7	29,5	37,2	43,4	35,8	37,1	37,3	31,2	**30,6**
NGO representatives	23,9	18,2	19,8	21,8	15,3	21,4	20,2	21,0	21,6	22,3	21,6	**23,7**
Teachers	10,9	5,8	9,3	9,7	9,8	13,9	9,8	11,6	10,9	11,0	8,6	**14,0**
Journalists	13,9	11,3	10,5	12,2	9,5	15,3	12,1	13,3	12,9	14,6	9,9	**11,4**
Local political leaders	36,8	34,2	35,1	34,4	27,1	-	-	-	-	-	-	-

Of relevance are the factors that lead to the spread of corruption:

Slide 8:

Relative share of the major factors accounting for the spread of corruption

	Sep '00	Jan '01	Oct '01	Jan '02	May '02	Oct '02	Jan '03	May '03	Jul '03	Oct '03	Mar '04	Nov '04
Fast personal enrichment sought by those in power	57,8	60,8	59,2	58,6	58,6	58,4	60,3	58,5	61,7	62,0	65,1	58,0
Imperfect legislation	40,5	39,1	38,0	43,0	39,7	39,2	34,9	38,0	40,9	32,6	37,1	35,2
Ineffectiveness of the judicial system	22,2	27,2	28,5	32,3	31,2	38,0	31,2	34,1	37,1	29,9	42,6	35,0
Lack of strict administrative control	32,3	31,8	35,2	34,5	38,9	34,5	32,3	31,2	33,7	38,6	37,3	32,9
Low salaries of officials	41,6	33,7	32,3	38,5	36,0	36,6	31,2	27,6	28,9	28,3	27,0	30,9
Intertwinement of official duties and personal interests	32,6	25,8	31,7	26,7	26,9	28,8	29,1	30,6	31,6	33,5	36,7	27,1
Moral crisis in the period of transition	17,0	18,9	21,1	18,3	16,3	13,2	15,8	15,6	14,4	16,9	16,2	15,7
Specific characteristics of Bulgarian national culture	4,2	5,9	4,4	5,3	4,3	4,9	5,7	7,0	7,2	5,3	5,8	5,4
Problems inherited from the communist past	7,8	4,4	5,8	5,0	6,9	6,3	4,4	3,6	4,3	6,0	5,0	4,6

Corruption and Measures of Anti-Corruption in Romania

Prof. Dr. Ioan Mărginean and Dr. Iuliana Precupețu (Research Institute for the Quality of Life)

Summary

The objectives of the paper were to highlight some characteristics of corruption in Romania (level and pattern of phenomenon) based on previous research, to point out anticorruption measures put into place lately and underline some problems related to the legal and institutional measures against corruption.

Looking at the characteristics of corruption in Romania, we can see that this country is placed 85th in the CPI 2005 ranking, with a score of 3 (no of surveys 11, standard deviation 0.9, high-low range 2.0 - 5.1, confidence range 2.6 - 3.5) which indicates a very high level of corruption. In comparison to EU countries and those who are expected to join EU (the accession country of Bulgaria and Turkey and Croatia, expected to become members at a later stage), Romania ranks the last among these countries. Also, this country is placed in the category of societies with relatively high levels of state capture and administrative corruption (World Bank, 2000).

In regard to pattern of corruption, the recent history of the country is relevant if we adopt the paradigm of path dependency in trying to explain the phenomenon.

The double transition to market economy and democratic system meant building basic institutions of the state and creating foundations of market economy. Romania has had a very low starting point in 1989 as it has been through one of the strictest communist regimes in Eastern and Central Europe, while other countries in the region enjoyed more 'opening authoritarian regimes' with reforms starting early on. Many challenges had to be tackled in the early years of transition: the legislative vacuum: writing an unprecedented volume of laws, regulations, and policies, transferring wealth from the state to private sector on a very large scale, building civil society from scratch, creating accountability mechanisms within and external to public sector in order to check the abuse of public office. The results were: a very difficult and slow process of separation of state powers, a mix of political and economic interests, fusion of political and economic power: the fusion of the party and the command economy was replaced by the fusion of transitional state and preponderantly private economy and among others, the non-transparent methods of privatization. This combination of factors created high opportunities especially for state capture, but also for administrative corruption.

A set of legal and institutional measures have been adopted in Romania in order to fight corruption. However, some problems were highlighted by some studies: the incomplete implementing of legislation, the reduced use of administrative tools in combating corruption, insufficient coordination between institutions with responsibilities in controlling corruption and those that are prosecuting corruption, the lack of independence of prosecutors and also, the inflation of legislation and institutions in the field of corruption. Also, it is possible that the too much commotion about corruption and too much ado in the media might impede on the implementation of the anticorruption strategy as institutions respond to external pressures rather than carry out their anticorruption activities in a correct and thorough way.

Slide 1:

Objectives:

- Highlight some characteristics of corruption in Romania (level and pattern of phenomenon) based on previous research

Sources: ICCV database "Romania 2004: people's representations towards corruption", CPI rankings (TI), WB reports, Freedom House reports

- Point out anticorruption measures put into place lately
- Underline some problems related to the legal and institutional measures against corruption

According to the Romanian group, there is a high level of corruption in Romania. TI ranks the country at 85th place among the new and EU candidate countries. Furthermore, national surveys confirm this, as respondents concur that the level is indeed high. These were the findings of the survey that the Institute for the Quality of Life conducted in 2004, for example. The judiciary, the customs authorities, Parliament, and the health authorities were held to be the most corrupt institutions.

Slide 2:

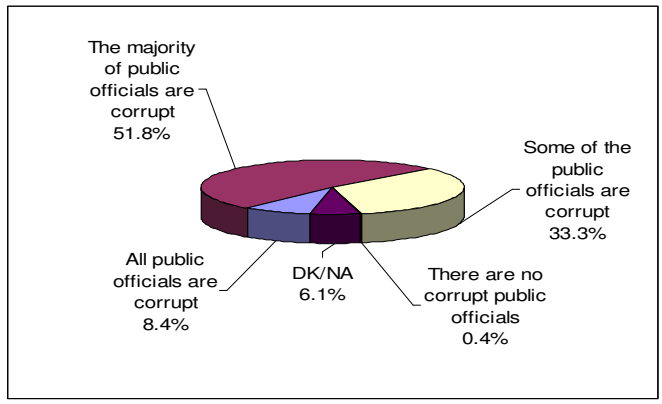
Characteristics of corruption in Romania

LEVELS

- Romania is placed 85th in the CPI 2005 ranking, with a score of 3 (no of surveys 11, standard deviation 0.9, high-low range 2.0 - 5.1, confidence range 2.6 - 3.5) which indicates a very high level of corruption
- In comparison to EU countries and those who are expected to join EU (the accession country of Bulgaria and Turkey and Croatia, expected to become members at a later stage), Romania ranks the last among these countries
- Romania is placed in the category of countries with relatively high levels of state capture and administrative corruption (BEEPS survey, World Bank, 2000)

Slide 3:

Perceptions on how spread corruption is among the public officials



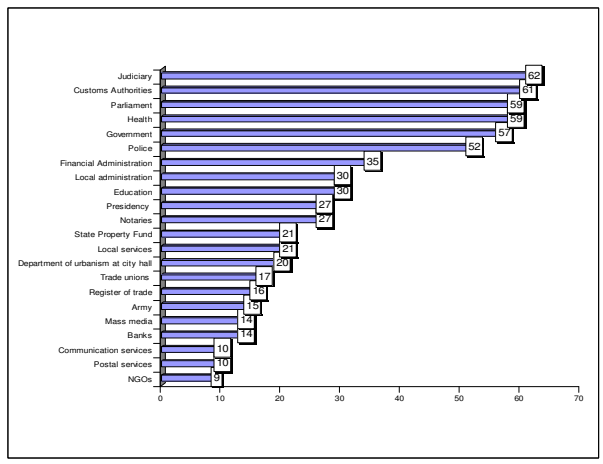
Source: ICCV database "Romania 2004: people's representations towards corruption"

A characteristic specific to Romania is that people do not like corruption – all population groups surveyed responded that they saw no justification for corrupt practices.

Slide 4:

The perceived level of corruption in various state institutions

(Percentage of people who believe that all or majority of officials in the respective institutions are corrupt)



Source: ICCV database "Romania 2004: people's representations towards corruption"

Slide 5:

Support for corruption

How justified is corruption in the following situations:	Never	Sometimes	Always	DK/NA
While performing your job?	81	12	1	6
In order to get benefits to which you are not entitled?	79	13	3	6
To solve a personal problem?	61	28	4	7
To avoid paying taxes?	79	12	2	8
Through using your position at work for personal benefits	74	17	2	6
to obtain benefits to which you are legally entitled	72	16	5	7

Source: ICCV database "Romania 2004: people's representations towards corruption"

The presentation emphasized another aspect specific to the Romanian case: the country's transition experience, which is marked by its "low starting point" as a result of the strict communist regime that ruled the country. This heritage has resulted in particular problems in bringing about a separation of state powers. Despite the efforts of non-indigenous groups, such as the EU, problems have arisen in this sphere. The complete set of anti-corruption laws proposed has yet to be passed and organizations often lack the capacity to coordinate their anti-corruption efforts. As a result, there are too many institutions responsible for monitoring the upholding of too much specific legislation intended to combat corruption. This problematic receives a great deal of attention in the Romanian public sphere, for example in the media and the judiciary. This interest is fuelled by the related context of upcoming EU monitoring report on corruption in Romania. There is great interest in demonstrating that the country has undertaken measures to combat corruption.

Slide 6:

Pattern of corruption

Double transition to market economy and democratic system meant building basic institutions of the state and creating foundations of market economy.

Romania has had a very low starting point in 1989 as it has been through one of the strictest communist regimes in Eastern and Central Europe, while other countries in the region enjoyed more 'opening authoritarian regimes' with reforms starting early on.

Challenges

- - legislative vacuum: writing an unprecedented volume of laws, regulations, and policies
- - transferring wealth from the state to private sector on a very large scale
- - building civil society from scratch
- - creating accountability mechanisms within and external to public sector in order to check the abuse of public office

Results

- very difficult and slow process of separation of state powers
- mix of political and economic interests, fusion of political and economic power: the fusion of the party and the command economy was replaced by the blend of transitional state and the preponderantly private economy
- non-transparent methods of privatization

⇨ high opportunities especially for state capture, but also for administrative corruption

Slide 7.

Anticorruption measures

International conventions and participation

- Council of Europe Civil Law Convention on Corruption (ratified April 2002)
- Council of Europe Criminal Law Convention on Corruption (ratified July 2002)
- UN Convention against Corruption (signed December 2003; not yet ratified)
- UN Convention against Transnational Organised Crime (ratified December 2002)
- Participant in the Group of States against Corruption (GRECO), Stability Pact Anticorruption Initiative (SPAI), Programme against Corruption and Organised Crime in South and Eastern Europe (PACO), participant in programmes of European Commission, OECD, UNDP etc

Slide 8:

Legal and institutional measures

- 2001: National Anticorruption Strategy (2001-2004) with the subsequent Plan for the Prevention of Corruption
- 2002: setting up the National Anticorruption Prosecution Office
- 2003: an anti-corruption package was passed that required the elected officials and high civil servants to declare their financial circumstances. Emergency ordinance 24, passed in April 2004, amended earlier provisions on asset disclosure for politicians and clarified the sanctions
- legislative measures pertaining to the financing practices of political parties and electoral campaigns
- the Romanian parliament passed a set of constitutional amendments designed to combat corruption in Romania through which the immunity of MPs was restricted to political opinions, and the power of the ministry of justice over administrative and disciplinary matters relating to magistrates was entrusted to the council of the magistracy, improving the political autonomy of magistrates
- the Government Control Office (CCG) was set up with the purpose to exert internal administrative control on central and local government, investigate complaints on conflict of interest legislation, coordinate anti-fraud activities and protects the financial interests of the EU in Romania
- 2004: the passage of the first code of conduct for civil servants, which set out the fundamental principles of modern administration: rule of law, priority of public interest, equality of treatment, professionalism, impartiality, independence, moral integrity, good faith and transparency
- the National Anticorruption Prosecution Office (PNA) was awarded a substantial increase in resources (23 per cent) and increased financial autonomy from the ministry of justice.
- 2005: a new National Anticorruption Strategy (2005-2007) which established as objectives in the field of combating corruption: increasing integrity and resistance to corruption of judiciary, reducing the number of institutions with responsibilities in the fight against corruption, increasing institutional capacity of PNA, combating corruption through administrative means

Slide 9:

Problems related to legal and institutional measures:

- incomplete implementing of legislation
- reduced use of administrative tools in combating corruption
- insufficient coordination between institutions with responsibilities in controlling corruption and those that are prosecuting corruption
- lack of independence of prosecutors
- too much legislation and too many institutions in the field of corruption

(Source Freedom House report, 2005)

Others

- Too much commotion about corruption and too much ado in the media might impede on the implementation of the anticorruption strategy
- Politicians can highjack anticorruption agenda and use it to attack their rivals

A question of interest to the Romanian project group is – what is really happening? One notes a great deal of interference in the measures, as well as a greatly non-holistic process of change. This represents a promising field for research. Specific questions of interest are institutions and how they respond to the challenges they are faced with respect to the need to curb corruption. This question is related to how the country is achieving "maturity" within its transition to democracy.

Perceptions of Corruption and the Relevance of Anti-Corruption Discourses in frame of Turkey's Bid for EU Accession: *"Is the donor content when the recipient is content?"*

Zeynep Şarlak (M.A.) and Esat Bozyiğit (M. A.,)University of Galatasaray.

Research Context:

In a nation-wide survey carried out in Turkey about two years ago, neatly in tune with the Turkish saying in this paper's title - "*when the recipient is content, the donor is content*" -, only 2 percent of respondents said "almost no one accepts bribes," while 83 percent were of the opinion that "almost everyone or most people" do[1]. Because a sizeable proportion of the Turkish economy is "unrecorded" or "black" (some estimates go as high as 50 percent of the GDP), anyway, combating corruption and improving the rule of law will figure prominently in the accession negotiations between Turkey and the EU. As Bryane Michael recently noted, Turkey certainly has less control over corruption than the "first wave" accession countries. However, Turkey is closer to the "second wave" countries of Bulgaria and Romania, being statistically indistinguishable from either of them.[2] Two major factors that contribute to corruption are ineffective enforcement and a favourable culture. A citizen who pays a small bribe to a civil servant may complain about it, but most regard it as the "normal state of affairs" and certainly do not have a guilty conscience as a result.

On paper, actually, Turkey looks well poised to meet the Criteria related to corruption as the country has adopted a number of conventions by organizations with largely European membership.[3] This has enabled Turkey to become a member in the Group of States against Corruption that monitors compliance with European anti-corruption standards. However, in the past decade, all anti-corruption efforts appear to have been used as political weapons to damage opposition parties, not to set principles and implement systemic improvements in a general movement towards a clean society. Political and government officials and the press calculate that corruption in Turkey has cost the country a minimum of $150 billion in recent years, particularly through siphoning off bank funds. Within the state-centred constraints of the "September 12th regime" the political parties, whose capacities for action in the political sphere had been restricted, had no choice but to shape their political activities according to the periodic fluctuations of economic activity and, thus, politics became subjected to the distribution of economic spoils. The rapid erosion of the public's confidence in the future further strengthened the instability of economic life. The crisis of February 2001, in fact not only an economic crisis but also a sign of the institutional collapse of this regime[4], paved the

[1] See: Global Integrity. An Investigative Report Tracking Corruption, Openness and Accountability in 25 Countries, *Turkey*. The Center for Public Integrity, p. 4, available at: http://www.publicintegrity.org/ga/country.aspx?cc=tr. Overall, Turkey ranks 21st out of 25 countries on this Public Integrity Index, scoring in the moderate tier for the category "Civil Society, Public Information and Media", in the weak tier for categories "Electoral and Political Processes", "Branches of Government" and "Oversight and Regulatory Mechanisms", and in the very weak tier for categories "Administration and Civil Service" and "Anti-Corruption Mechanisms and Rule of Law". The country's level of corruption remains still high: TI ranked it at 77th place in 2004 and in 65th place in 2005 (Transparency International: Corruption Perception Index 2004/2005).

[2] For a comparison, see Bryane Michael: Anti-Corruption in the Turkey's EU Accession. Winter 2004, available at: http://www.esiweb.org/pdf/esi_turkey_tpq_id_14.pdf. For articles, pronouncements, and summaries of Toplumsal Saydamlik Hareketi Dernegi (Civil Society Transparency Movement Association, TSHD, which is Transparency International –Turkey) see the TSHD web site: www.saydamlik.org.

[3] Turkey signed the Council of Europe Civil Law Convention on Corruption on 17 December 1997 and the Turkish parliament has ratified it on 1 January 2000. On 2 January 2002 Turkey enacted implementing legislation in the form of the *"Amendment to the Law regarding Prevention of Bribery of Foreign Public Officials in International business Transactions"* which entered into force on 11 January 2003, see: OECD: Turkey. Phase 1. Review of Implementation of the Convention and 1997 Recommendation. November 2004, available at: www.oecd.org/dataoecd/17/6/33967367.pdf

[4] For the February 2001 crisis, see: *Turkey's Crisis: Corruption at the Core*. The CSIS Turkey Update, March 2001, available at: www.csis.org/turkey/TU/TU010305.pdf

way for the election victory of the AKP (Justice and Development Party). As Insel has noted, the AKP was able to channel the reactions against the corruption affairs and the unjust distribution of wealth that had become even more severe in the wake of the November 2002 elections. It has undertaken the mission of ending the September 12th regime whether it likes it or not, however, its capacity to fulfil this undertaking should be assessed by considering the characteristics of the social groups it represents. [5]

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With different accentuation and jargon, the literature on the political economy of Turkey points to the fact that the paternalistic mode of governance, a legacy of the Ottoman Empire, turned itself into a web of patronage based networks with the introduction of multi-party democracy in the 1950s. Turkish political corruption also has its roots in the Cold War politics and financial flows which did not punish Turkish policymakers for self-serving behaviour. The sectors most susceptible to corruption are the media, the government, the construction business, and the health sector. (In addition, 80% of entrepreneurs are of the opinion that the prevalence of corruption has a negative impact on the willingness of foreign investors to bring their capital to Turkey.) The economic crisis of 2001 was partly blamed on a loss of market confidence in the Turkish economic reform which was stalled by corruption. The severity of the 1999 earthquake was more than likely exacerbated by corruption in the procurement and contracting of state construction services.

The related studies have asserted that both central and local governments in Turkey are infested with patron-client networks and bribery. People in Turkey on the one hand seem to perceive a high intensity of corrupt activities in both central and local government and on the other hand seem to have quite clearly internalised the corrupt nature of government in the country. The first finding is interpreted as the existence of a high demand for a reform programme, whereas the second finding seems to severely decrease this demand for a reform.[6] It is clear that when one starts to deal with a reform program, then comes the issue of how the costs of implementing such a move will be distributed among society's members. The first type of cost is expected to occur due to the fact that, although the system as a whole would benefit from efficiency increases, those who benefit under the existence of corruption networks will be ready to block this initiative as they expect to be worse off under the new regime. The second type of cost is associated with all transactional costs that are expected to occur due to modifying the system's organizational and legal features. Thus emerges a *prisoners' dilemma* type situation. But these issues clearly necessitate further research, through which one can better understand people's position towards a reform programme that will aim to cure the corruption problem in the country.

Administration and Civil Service

Patronage is a basic characteristic of Turkish politics, and finding civil service jobs for supporters is the major form of patronage. Every political party in power is bombarded with

[5] The AKP is a culturally conservative movement that harbours strong authoritarian tendencies and a vigorous nationalistic vein. The authoritarian patriarchal reflexes of the family tradition rooted in the Turkish soil are reflected in the values and the behaviour of the AKP cadres in the form of traditionalism. For a brief assessment of this problematic, see Ahmet Insel: "The AKP and Normalizing Democracy in Turkey", *The South Atlantic Quarterly*, 102.2/3 (2003), pp. 293-308.

[6] Fikret Adaman, A. Çarkoglu: *Engagement in Corruptive Activities at Local and Central Governments in Turkey: Perceptions of Urban Settlers*. March 2001, available at: http://www.femise.org/PDF/Carkoglu_A_0301.pdf; see also: Fikret Adaman, A. Çarkoglu and B. Senatalar: *Corruption in Turkey, Results of Diagnostic Household Survey.* TESEV (The Economic and Social Studies Foundation of Turkey), February 2001, available at: www.econ.boun.edu.tr/staff/adaman/research/Corruption.PDF;

requests for civil service jobs, and local party officers as well as deputies try their best to meet these demands. When national civil service recruitment rules appear to be an insurmountable barrier, mayors belonging to the party in power are called upon. Turkish bureaucratic culture favours stalling rather than meeting citizens' requests. Ordinary citizens dread going to a government office for any reason. "Public servant" mentality is nonexistent and officials have a condescending attitude toward citizens.

One can certainly speak of a culture of "endemic political corruption" in Turkey. Turkey has seen its share of high level politicians under the spotlight – including Cumhur Ersumer and Zeki Cakan, (energy ministry), Mesut Yilmaz (a former prime minister), Koray Aydin (housing and public works ministry) and Yasar Topcu (public works ministry), former deputy prime minister Husamettin Ozkan and former economics minister Recep Onal.[7] It is also difficult to argue that media groups give all political parties fair coverage roughly proportional to their electoral support. Rather, various groups each have a party or parties that they both favour and oppose. Thus, the coverage, reporting style and commentaries are greatly skewed.

Despite the fact that the application of parliamentary immunity has been identified as a significant problem in the context of corruption in Turkish public life, no development can be reported in this area. No progress has been made concerning the transparency of the financing of political parties. Although public officials are required to submit asset declarations, there is a need to extend the scope and frequency of declarations. As a rule, the executive can count on its majority in the legislature to pass any legislation it wants and to block any attempts of removing ministers from office, impeachment, and so on. Although a solid majority of citizens favours doing away with parliamentary immunity, and civil society organizations have organized a number of campaigns to that effect, legislators have so far remained blind to these demands and have been successful in keeping the immunity rule intact. One might call this a "full-coverage immunity" which protects legislators from prosecution not only for corruption charges but for all ordinary crimes, as well. Although this immunity can be lifted for an individual legislator by a vote of Parliament, this is extremely rare. All legislators and ministers are required to file asset-disclosure forms. However, these are kept under lock and key and usually do not have any function beyond fulfilling a legal requirement. Putting together a corruption case as a result of ad hoc examination of these forms is not a rule, but an exception. The system works—if at all—not as intended: When a person is faced with serious accusations of corruption, only then may his asset disclosures be examined. But again, legislators are immune from prosecution. To sum up, the legislature is not a check on the executive.

Another crucial issue is the inefficiency of the court system, which renders it ineffective in reaching swift and fair verdicts. A single judge has to deal with tens of cases each day, and litigation is a very lengthy process. As regards public administration**,** there has been some progress in terms of reforms at provincial and local level. However, there have been certain difficulties in pursuing a comprehensive process of reform, especially concerning the central administration, thus leading to a fragmented approach.[8] The question of

[7] See: V. Boland. "Former Turkish energy ministers head to court on corruption charges," *Financial Times* (24 November 2004).

[8] *The Framework Law on Public Administration adopted in 2004 was vetoed by the President in July 2004 on the grounds that it conflicted with constitutional provisions related to the unitary character of the State. This Law was intended to be the centrepiece of the reform process. In particular, it provided for a new distribution of duties and powers between local and central government, for rationalizing administrative bodies and for an increased responsiveness and transparency vis a vis the citizen. Currently the Parliament is still in the process of reviewing the legislation.

*A number of laws were nonetheless adopted as regards local government. The Law on Municipalities was first adopted in 2004 and then vetoed by the President. Subsequently it entered into force in July 2005 with minor amendments. The Law on Special Provincial Administrations was first adopted in 2004 and then vetoed by the

strengthening parliamentary oversight of defence expenditure has also become a subject of interest for the media and civil society. As regards parliamentary oversight of defence expenditures, the amendments to the Law on Public Financial Management and Control (PFMC), which was adopted in December 2003 and entered into force in January 2005, have the potential to improve budgetary transparency concerning military and defence expenditures. Extra-budgetary funds have been included in the general defence budget and will be dissolved by 31 December 2007. The adoption and implementation of appropriate secondary legislation should allow full ex-ante parliamentary oversight over military expenditures.[9]

Legal regulations adopted in May 2004, including a constitutional amendment, have enhanced the ex-post audit of defence expenditure. The Court of Auditors has been authorised to audit defence expenditures on behalf of Parliament. With the amendment to Article 160 of the Constitution the exemption of state property owned by the Turkish armed forces from auditing has been removed. However, since the appropriate enabling legislation has not yet been adopted, the Turkish Court of Auditors is not yet in a position to carry out this task as provided for by Article 160 of the Constitution.[10] In addition to the reforms to the legal and institutional framework, it is important that the civilian authorities fully exercise their supervisory functions in practice. Further efforts are needed to raise awareness among elected members of Parliament and to continue to build up the relevant expertise among civilians.

Anti-corruption policy

In the last year, some progress has been achieved in adopting anti-corruption measures. The new Penal Code contains provisions concerning bribery, trading in influence, abuse of power and embezzlement. The Code also introduces the concept of liability of legal persons in cases

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President. It subsequently entered into force in March 2005 with some minor amendments. However, the President applied to the Constitutional Court on the basis of possible conflicts with constitutional provisions related to the unitary character of the State. The Law on Association of Local Governments was adopted in June 2005. Thus, together with the Law on Metropolitan Municipalities which was adopted in 2004, four basic local government reform laws are now in force.

*The Law on Municipalities and the Law on Special Provincial Administrations aim at strengthening the capacity of local government to deal with the challenges of rapid urbanization and mass immigration from rural areas. To this end these laws introduce modern public management concepts in order to create efficient, result oriented and transparent local government.

[9] The General Staff Military Court has launched proceedings against former high-ranking generals in relation to allegations of corruption. After the General Staff Military Prosecutor's investigation the case was submitted to the High Military Court on 8 November 2004. There has been no further progress with regard to the provisions of the Military Criminal Code permitting the trial of civilians before military courts. However, a reduction in the number of civilians tried before military courts can be observed between 2004 and the first five months of 2005. On the other hand, the Gendarmerie is connected to the General Staff in terms of its military functions, but affiliated to the Ministry of Interior in terms of its law enforcement functions. The control of the Ministry of Interior, of governors and district governors over the Gendarmerie should be strengthened in order to allow full civilian oversight on internal security policy.

[10] There are three audit bodies in Turkey: Turkish Court of Accounts (TCA); High Audit Board under the Prime Minister's Department (YDK); and State Audit Board under the Presidency (DDK). The first two report to Parliament. TCA on the general and annexed budgets, revolving funds, special funds, municipalities and special provincial administrations and YDK on SEEs. However, there are many laws which exclude the general and annexed budget administrations and funds from the TCA audit. *The Turkish Court of Accounts is the Supreme Audit Institution of Turkey. It was established as a court in the last century and operates under the Constitution. The Constitution requires it to audit the government accounts relating to revenue, expenditure and property financed by the general and annexed budgets on behalf of the Turkish Grand National Assembly (TGNA). TCA has two main functions: judicial and auditing. The judicial work is carried out by specialized chambers in which court members try accounts and either acquit or hold liable those responsible for them. The audit work is carried out by auditors. TCA is independent of both the legislative and executive branches of the government.

of corruption. It contains detailed provisions concerning corruption in public procurement. The Code also introduces the concept of liability of legal persons in cases of corruption. It contains detailed provisions concerning corruption in public procurement. As offences of corruption are now dealt with by the Code, the proposed law on corruption has been withdrawn. However, surveys continue to indicate that corruption remains a serious problem in Turkey. Sceptics see the announcement of such anti-corruption efforts as a whitewash – non-credible commitments to avoid tackling corruption.[11] The Law on Access to Information which was adopted in 2003 was an important step in enhancing transparency. However, this law needs to be broadened in scope and classified and unclassified public records need to be clearly defined in order to ensure effective implementation.

The establishment of an independent and efficient judiciary is of paramount importance. Impartiality, integrity and high standards of adjudication by the courts are essential for safeguarding the rule of law. This requires a firm commitment to eliminating external influences over the judiciary and to devoting adequate financial resources and training. The Supreme Council of Judges and Public Prosecutors also deals with appointments, transfers, the delegation of temporary powers, promotion and the allocation of posts. It can debar people from the profession and impose disciplinary penalties and removal from office. However, the Supreme Council of Judges and Public Prosecutors is chaired by the Minister of Justice, who is an MP and a member of a political party. In addition, prosecutors can be taken off a case and moved to another.[12]

In relation to the quality and efficiency of the judiciary, The Ministry of Justice and the Judicial Academy, which was established in 2003, organised extensive *training* for judges and prosecutors on the Penal Code and the Code of Criminal Procedure, as well as in areas

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[11] In 2005 two corruption-related commissions were established in parliament to investigate the gasoline smuggling, and illegal public offering (money collection) and misuse of depositors. A parliamentary anti-corruption committee has issued a long report (1,200 pages!) and started investigations into a number of high level improprieties. In January 2004, a working group was brought together to assist the parliamentary committee in charge of the Action Plan on Enhancing Transparency and Good Governance in the Public Sector. The working group consists of employees from the Prime Ministry Inspection Board, the Ministry of Justice, Ministry of Interior, Finance, the Treasury and the State Planning Organization.

[12] *As regards independence and impartiality of the judiciary, various provisions of the Turkish Constitution guarantee judicial independence. Article 9 provides that judicial power is exercised by independent courts. Under Article 138 judges are protected from receiving instructions, recommendations or suggestions that may influence them in the exercise of their judicial power. Furthermore, no legislative debate may be held concerning the exercise of judicial power in a pending trial, and both the legislative and the executive are required to comply with court decisions without alteration or delay. Article 140 requires judges to discharge their duties in accordance with the principles of the independence of the courts and the security of tenure of judges. However, Article 40(6) provides that judges and public prosecutors are attached to the Ministry of Justice in so far as their administrative functions are concerned. These constitutional guarantees of an independent judiciary are reflected in various provisions of domestic law, including the Law on Judges and Public Prosecutors, the Criminal Procedure Law, the Civil Procedure Code and the Penal Code.

* The High Council of Judges and Prosecutors is the supreme governing body of the judiciary. The judicial members of the High Council are appointed by the President of the Republic. The High Council is composed of five judges, the Minister of Justice and the Undersecretary of the Ministry of Justice. The High Council does not have its own secretariat or budget and its premises are inside the Ministry of Justice building. The Undersecretary to the Minister of Justice, appointed by the Minister, is an ex-officio member of the Council.

*The High Council of Judges and Prosecutors and the Ministry of Justice are responsible for the *appointment* of graduates of the Judicial Academy as judges and prosecutors. Graduates seeking entry to the judicial profession, as either judges or prosecutors, first take a written examination administered by the School Selection and Placement Centre which administers all examinations for entry to higher education institutes in Turkey. Candidates who pass the written examination are then interviewed by a panel composed of representatives of the Ministry of Justice, and the successful candidates are admitted to the Judicial Academy for two years' training. The oral examination enables the Ministry of Justice to exercise considerable influence over the recruitment of candidate judges and prosecutors. Although *salaries for judges and prosecutors* have been increased significantly in recent years, they nevertheless remain modest.

such as human rights, asylum law, money laundering, trafficking in persons and intellectual property rights. The Judicial Academy has been responsible for training all candidate judges and prosecutors since 2004 and is gradually taking over in-service training of judges and prosecutors from the Ministry of Justice.[13]

In sum: Although the AKP passed several harmonisation laws in order to fulfil the political criteria, it has not kept, for example, its pre-election promise to abolish immunity and its Emergency Action Plan, including anti-corruption measures, appears to be taking the same dead-end road of the recent past political establishment. Enhanced transparency in political party finance, increased access to information, the lifting of parliamentary immunity, and enhanced dialogue between Government and civil society have met with some resistance. Even the Erdogan Administration's success in investigating corruption has been tainted by allegations that these investigations constitute a purge of past government officials and leave those close to the AKP untouched. The success of the government's anti-corruption programme will depend on the anti-corruption systems it can establish more than the political "big fish" the Erdoğan administration can fry. At the extreme, the very recent corruption affairs related with the Finance Minister *Unatikan* may even radicalize the Turkish electorate and endanger the political stability of Turkey that starts accession negotiations.

Research Objectives

The research aims primarily to develop an empirical framework for analysing the corruptive nature of policymaking in Turkey in order to be able to deliver some means to optimise corruption prevention. Quantitative investigation of the micro level, in the form of constructing the perceptional and attitudinal maps of individuals (via semi-structured interviews with politicians/public prosecutors/bureaucrats/police/lawyers/media members/ businessmen/labour-unions, etc.), is certainly a necessary component in the search of understanding the *social (de)construction and (il)legitimation* of corruptive activities since our main research concern is not corruption "as such" viewed just juristically. More importantly, individual level investigations are indispensable for designing policies to counter-act the corruptive nature of the ongoing relations in the public sphere. No doubt, both micro and macro level investigations should be seen as complementary to each other.

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[13] * The *budget* of the Ministry of Justice was increased by 16.5% in 2005 compared to 2004. Nevertheless, expenditure on the judicial system remains low compared to the average in the EU Member States. The *number of judges and prosecutors* has remained largely stable; there are currently 5 952 judges and 3 179 prosecutors in service and a further 1 053 judges and prosecutors in training.
* A law adopted in December 2004 provided for the recruitment of 4 000 additional judges and prosecutors, 100 judicial inspectors and 6 619 court administrative staff. This recruitment would represent an increase of almost 50% in the number of judges and prosecutors in Turkey and would contribute significantly to reducing delays in court proceedings. However, concern has been expressed by the senior judiciary in Turkey that the influence of the Ministry of Justice in the recruitment of such a substantial number of additional judges and prosecutors may gravely undermine the independence of the judiciary.
* The Ethical Board for Public Servants started to operate in September 2004. A circular was adopted in 2004 instructing public bodies to cooperate fully with the Board. A regulation on the code of ethics for public employees was adopted in April 2005. The regulation sets out a detailed code of behaviour for senior public officials and grants members of the public the right to petition the Ethical Board concerning contraventions of the code. It does not apply to other categories such as elected officials, academics, military personnel or the judiciary. One former Prime Minister and seven former ministers were tried before the High Tribunal on charges of corruption.

Data Sources and Methodology

Apart from the partially mentioned assessment (e.g., European Commission's Regular Reports) and comparative reports of international organisations such as the Transparency International or the OECD etc., the statements/surveys and strategy papers issued by national initiatives for the prevention of corruption (TSHD, TESEV, TUSEV, TEDMER, etc.), the related legislative framework at macro- and micro-level (laws, administrative directives, procedural guidelines, standardized procedures, protocols, reports, legal verdicts, etc.) and the secondary literature, the *primary research data* will be gathered mainly by decisions and statements of the oversight institutions (the Constitutional Court, the Supreme Court, the Court of Appeals, the Supreme Military Administrative Court, the Supreme Council of Judges and Public Prosecutors, the Supreme Board of Elections, the Supreme Board of Radio and Television, etc.), the minutes of the Turkish parliamentary debates and the representative positional statements of political parties, the news and background reporting, positional statements of business/commercial and professional associations (TUSIAD, Chamber of Commerce, Board of Attorneys, trade-unions, etc.).The findings resulting from this mainly documentary sort of data belonging to the different focus groups will be set by means of semi-structured interviews with the above mentioned socio-political actors in a comparative lively framework as the subject of a computer-aided (i.e., software *Atlas-ti*) qualitative content/discourse analysis based on the guidelines of the "grounded theory".

Expected Project Results and Deliverables

Thus, we expect --both at the macro/formal institutional *and* the micro/informal practical level-- to gain fundamental insights into the cultural context within which deviant and criminal behaviour occurs and into the respective preconditions under which criminality can be combated successfully. Research reports will be elaborated corresponding to each phase of the research plan: firstly, on perception patterns of corruption based on the documentary data of focus groups, followed by the analysis of the semi-structured interviews and, lastly, on the comparative analytical findings of the both. Based on the presentations to be made and the policy papers to be submitted in the conferences, some articles for the related scientific journals will also be delivered. Finally, an overall research report will hopefully follow.

Corruption in Croatia

Prof. Dr. Aleksandar Štulhofer, Prof. Dr. Ognjen Čaldarović and Prof. Dr. Krešimir Kufrin, Dept. of Sociology, Faculty of Humanities and Social Sciences, University of Zagreb

Summary

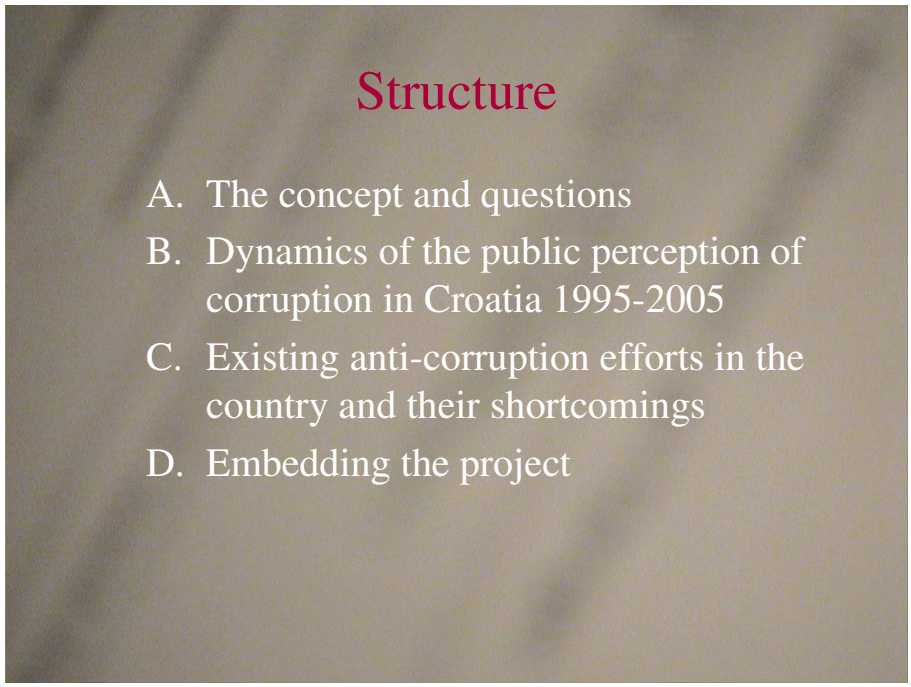
The presentation is divided into four parts. The first part deals with conceptualization of corruption as a socio-cultural phenomenon. It points to certain problems with this position, such as the frequent lack of distinction between high- and low-level of corruption, the tension between criminological and human rights approach to corruption, and the danger that linking corruption with everyday culture (both in terms of widespread perception of corruption and individual strategies of action) could be easily misperceived as unchangeable „culture of corruption".

In the second part the focus is on the dynamics of public perception of corruption in Croatia, 1995-2005. Data presented stem from the World Values Survey Croatia 1995, the European Values Survey Croatia 1999, the South-East European Social Survey Project 2003, the Transparency International Corruption Perception Index and the Global Corruption Barometer (Transparency International Croatia) 2004 and 2005. Descriptive analyses point to a rather stable and widespread perception of corruption among civil servants and a significant number of citizens (25-40%) who justify bribery. In regards to direct experience of corruption, 9% of households reported it in 2005 and 7% in 2005. Corruption was most frequently located in judiciary, health system and local government.

The third part focuses on the existing anti-corruption efforts in the country. Here it should be highlighted that Croatia has no bill on the financing of political parties and that the State attorney's office for combating corruption and organized crime, founded in 2001, has so far completely failed to deliver. In March of 2006 Croatian government publicly introduced a new National program for combating corruption.

In the final part of the presentation it is pointed out that periodical anti-corruption campaigns are serving only short-term political interests, most often in pre-election periods. A similar approach by mass media, characterized by treating alleged corruption cases as fleeting scandals, helps in producing periodical rise in expectations that something will be done about corruption, which are soon to be drowned in apathy and cynicism. The presentation ends with a brief outline of how the research project will be embedded in Croatia. This will accomplished primarily through developing partnerships within academia, civil sector and mass media.

Slide 1:



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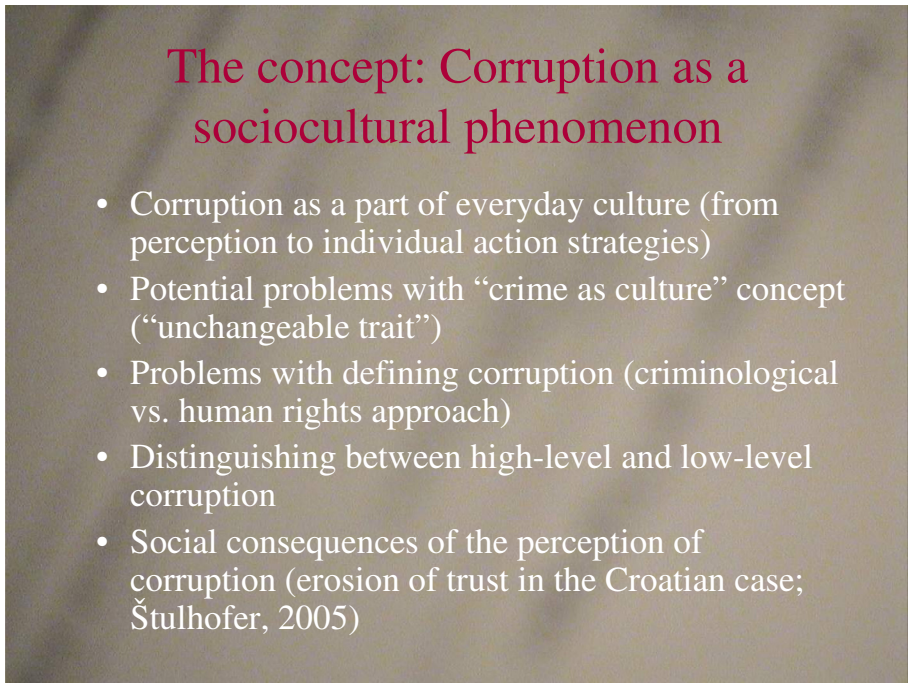
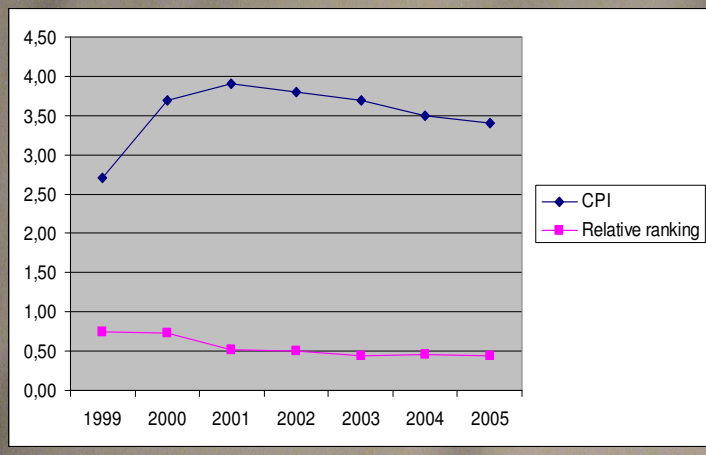


Croatia ranks close to Romania on Transparency International's scale. Relatedly, 66% of the population believe that Croatian civil servants are on the whole corrupt. A significant factor in combating corruption, social acceptance of the phenomenon, appears to be quite low.

Slide 3:

TI index of corruption (CPI)



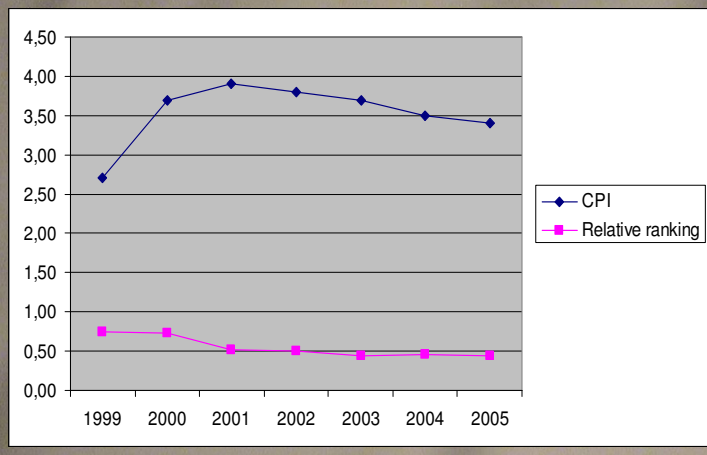
Slide 4:

Dynamics of the perception of corruption 1995.-2005.

- **World Values Survey – Croatia 1995**
  - 66% believe that most of civil servants are corrupt (14% can not say)
- **South-East European Social Survey Project, 2003**
  - 73% believe that most of civil servants are corrupt (6% can not say)

Slide 5:

TI index of corruption (CPI)



Silde 6:

Cont.

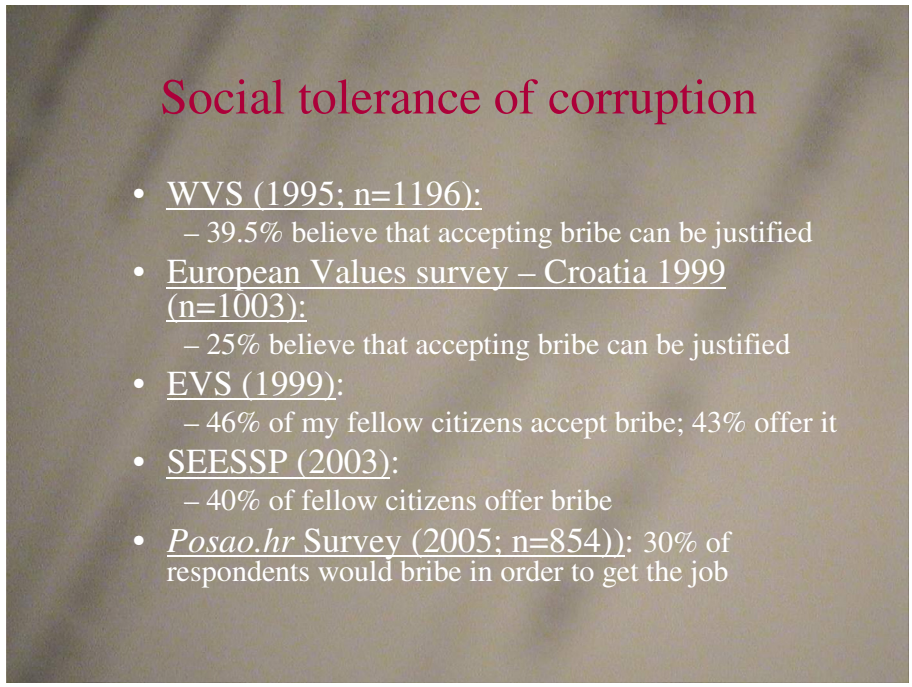
- **<u>Global Corruption Barometer (TI):</u>**

  "Will the level of corruption increase over the next 3 years?"

  – *2004*: 13% - a lot; 12% - a little; 34% will stay the same...

  – *2005*: 30% - a lot; 17% - a little; 36% will stay the same...

Slide 7:



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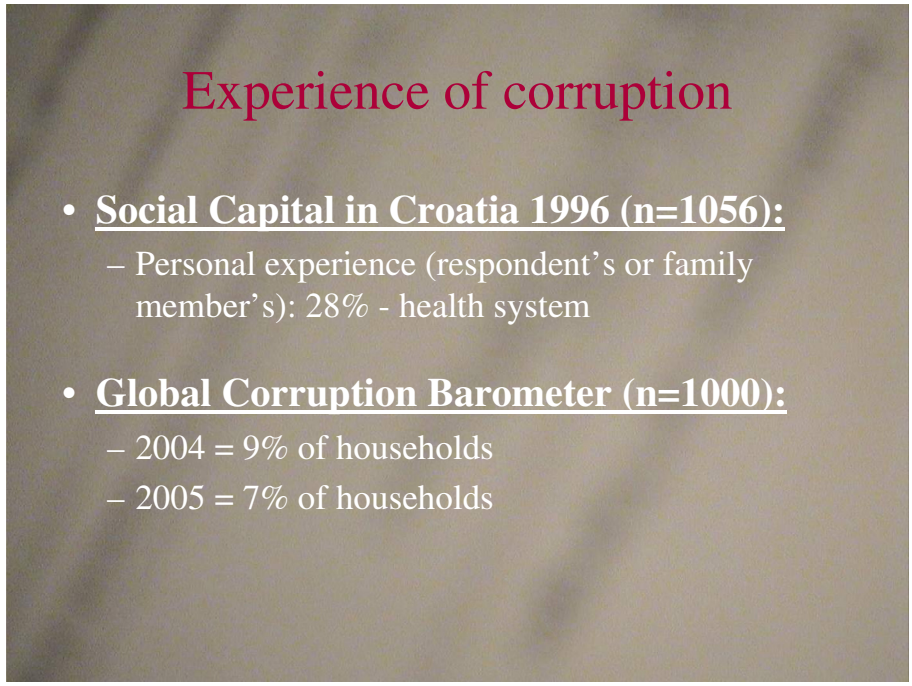


In Croatia, corrupt behaviour can above all be observed in the fields of local government, the judiciary, political parties and – to a certain extent – health care.

Slide 9:

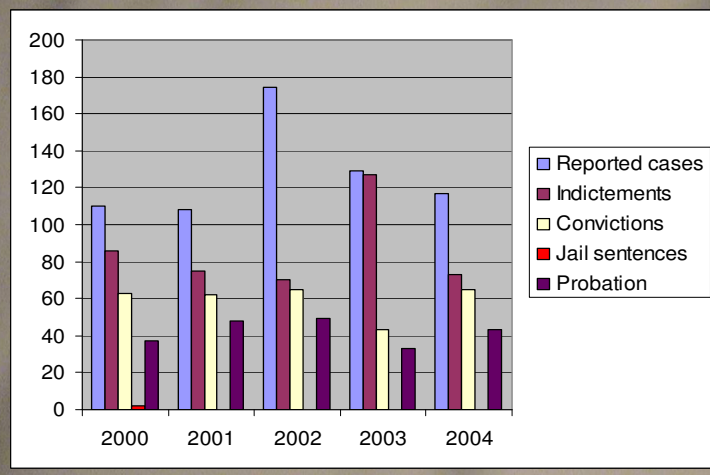
Locating corruption

- **Corruption in Croatia (TI – Croatia; n=1000):**
  - *2003*: (1) Local government, (2) judiciary, (3) health system
- **Global Corruption Barometer (2004):**
  - (1) Judiciary, (2) political parties, (2) parliament, (2) health system
- **National Program for Combating Corruption in Croatia (2005):**
  - *Four higly problematic areas*: judiciary, health system, local government and political parties

Sanctions that people who engage in corrupt practices (bribery) in Croatia are faced with are not particularly hash – very few of those indicted end up receiving a jail sentence, as most of them are released on probation.

Slide 10:

Sanctioning corruption (bribery)



As is the case in other countries, Croatia has instituted a range of counter-corruption measures, most of which, however, remain ineffective. Some of these programs have yet to be instituted in the form for which they were legislated.

Slide 11:

As the issue of a Croatian EU-accession raises itself, external pressure to curb corruption increases. Periodically, and in tune with media attention, people's expectations with respect to the struggle against corruption are heightened. When little in the way of true changes ensues, the result is popular apathy and resignation.

Slide 12:

In order to increase the effectiveness of the struggle against corruption, an overall strategy ia required that aims at communicating on the issue to a wider audience than has been the case to date, including increased public awareness.

Slide 12:


Embedding the project in Croatia:
Developing partnerships
• NGO (TI – Croatia; Partnership for Social Development & ACTA)
• Media
• Academia and expert community (Croatian Legal Center; Center for Human Rights; Croatian Academy of Sciences)

Corruption and Anti-Corruption in Germany: Progress and Deficits

Dr. Angelos Giannakopoulos, University of Konstanz

1. General remarks

Germany was selected to be studied within the research project because it is known for its long historical tradition of rational bureaucracy and legal structures, but has in recent years also been confronted with a number of corruption cases within different areas of society. To a certain extent, Germany represents an institutional contrast to post-socialist countries with authoritarian traditions and resultantly less rational administrative practices and legal traditions that continue to suffer from the cultural inheritance of their recent past. However, in Germany, too, cases of corruption continue to come to light, apparently with increasing frequency (Dolata/Schilling 2004, Leyendecker 2004). The German "corruption sector" continues to expand (Bannenberg/Schaupensteiner 2004). Consulting agreements, private expert reports, provisions, and exchanges of mutual "favours" are among the forms of corruption most often recorded in this country.

In summary, the predominant form of corruption in Germany is not so-called "situative corruption", but instead "structural corruption". The former term is used to describe corruption that arises in situative, unplanned relationships that are not intended to be long-term. An example of this form would be bribing a customs official or a traffic police officer. The latter form arises within relationships that have developed over a long period of time. It is limited to particular spatial and social contexts. In Germany, these contexts are above all the construction business and that section of the civil service responsible for distributing government funds. In addition, there are corrupt networks in German organized crime circles.

2. The annual reports of OECD and GRECO (2003-2004)

Although the German code of criminal law does not mention the term corruption, the pertinent bribery offences are defined in a "Law on the Fight against Corruption" (KorrbekG) that entered into effect in 1997 and is intended to ensure more effective prosecution of corruption as well as severer penalties for such offences in economy and government. This anti-corruption law expands the range of offences by public officials that can be taken to court covered in the code of criminal law (personal gain, venality, enabling personal gain, and bribery) to include submission fraud (i. e. agreements in relation to tender offers that disregard procedural guidelines or break the law). Further aspects of the anti-corruption legislation are (Schilling 2004; pp. 19-23):

a) The Federal Minister Law (BMinG), which stipulates that members and former members of the federal government are obliged to report any gifts they may have received as a function of their office. Disciplinary procedures are not taken up against member of the government;

b) The Law on the Fight against International Bribery (IntBestG), which defines what constitutes bribery of international representatives. Bribery and attempted bribery are punished with five years prison or a fine, thus putting the offence on an equal level with the bribery of elected officials;

c) The Law on Income Tax (EstG), which was revised on the basis of the legal framework set by the "Law on the Fight against Corruption" (KorrbekG), the The Law on the Fight against International Bribery (IntBestG) and the EU Bribery Law (of 10.9.1998), and which

constitutes a widening the offence's definition. Whereas until 1995 German tax law permitted the deduction of bribery costs from income taxes due, current legislation forbids this practise, i.e. bribes made within Germany as well as in other countries cannot be deducted under the category of business expenses; and

d) The OECD Convention and the respective legislation towards its implementation which became obligatory for German anti-corruption legislation in 2000.

Many procedures perceived by the general public as corrupt have not been codified under criminal law, for example bribes made to functionaries in political parties. Also as yet to a great extent intact remain the practices of public office patronage, clientelism and nepotism. Furthermore, the criminal code (as pertains to debt offences) is concerned with natural persons, whereas legal persons and associations cannot be charged with these offences – in such cases, only administrative sanctions or fees are foreseen (cf. OECD 2003). Under these conditions, charges cannot be pressed against offences committed from within commercial enterprises (Bannenberg/Schaupensteiner 2004, p. 29). Similarly lacking any binding status – i.e. as yet not absorbed into national legislation –, is the "Civil Law Convention on Corruption" passed by the European Council as a means of strengthening civil law in the struggle against corruption. These means were intended to provide a concrete co-ordination of legislation in the field of damage claims. They provide the victims with the right to compensation for losses incurred as a result of corrupt conduct. Although legal loopholes have been closed by striking of the tax deduction option for bribery costs, there are still areas in need of improvement. In particular, the index law, which would prevent unreliable firms from being granted public commissions, must be passed (GRECO 2004, p. 7). Furthermore the definition of the offence of bribery of officials must be extended to the consulting professions, the self-employed and free-lancers, as well as that of bribery of elected officials to all relevant fields of political activity including fractional voting and parliamentary committees (Schaupensteiner 2004, pp. 129-130). A further aspect of a co-ordinated anti-corruption policy is the optimisation of law enforcement agencies, i.e. the introduction of a framework permitting co-operation between courts of audit, anti-trust offices and auditing bureaux (Leyendecker 2004, p. 308; cf. on this OECD 2003, p. 44). In order to ensure optimal synergy effects through the co-ordination of available resources, central state bureaux could be established at the Office of the Public Prosecutor (Schaupensteiner 2004, p. 129).

3. Scoreboard of the "Initiative to Reduce Bureaucracy"

In March 2004, the Federal Cabinet adopted the first interim report of the *Initiative to Reduce Bureaucracy*. After the first year of cutting red tape, the overall balance is very good indeed. Out of 54 projects, nine have already been concluded successfully. Alongside the interim report, the Federal Cabinet has adopted 14 new projects which the Initiative will bring forward in addition to the 54 projects of the first year. By the end of the year 2005, some 40 percent of meanwhile 68 projects will have been implemented; the intention is to conclude all projects by 2006.

4. The Prevention of Corruption in the Federal Administration

The federal government directive concerning the Prevention of Corruption in the Federal Administration of 17 June 1998 is currently being further developed in the light of findings following its entry into force and against the backdrop of international developments.

The major intended amendments and additions can be found in:

- No. 4: Specification on the regulation governing the rotation of staff,
- No. 5: Defining the independence of contact partners from mandates and the direct
- right of advising and informing their office management,
- No. 8: Further specifications on the regulation on altering and informing staff,
- No. 9: Enhancing training measures by specific reference to the users including supervisors and managers.

Since 11 July 2003, the General administrative regulation to promote activities by the Federal Government through contributions from the private sector (sponsoring, donations and other gifts), adopted by the federal government, has provided for transparency in sponsoring services for the federal administration which are already solely admissible outside the administrative regulation of public freedoms ("*Eingriffsverwaltung*"). Sponsoring is admissible, for instance, to carry out representative events for presenting the Federal Republic of Germany to foreign countries, to support public relations, and to support campaigns for health education. As of 2005, the Federal Ministry of the Interior reports to the German Bundestag and the public in two-year intervals on sponsoring services to the benefit of the Federal Administration.

Source: Transparency International

5. Transparency International Analysis 2005

Corruption Perceptions Index 2004 score: 8.2 (15th out of 146 countries)

Conventions:

- Council of Europe Civil Law Convention on Corruption (signed November 1999; not yet ratified)
- Council of Europe Criminal Law Convention on Corruption (signed January 1999; not yet ratified)
- OECD Anti-Bribery Convention (ratified November 1998)
- UN Convention against Corruption (signed December 2003; not yet ratified)
- UN Convention against Transnational Organized Crime (signed December 2000; not yet ratified)

I. Legal and institutional changes

• In February 2004, Germany's largest association of pharmaceutical companies (*Verband der Forschenden Arzneimittelhersteller*) presented a code of conduct to its members that rules out offers of improper advantage and regulates corporate gifts and entertainment for doctors.

Although this was a long overdue development, the code has serious shortcomings in precision that may render it ineffective. Compliance will be monitored by a self-regulatory association that can apply sanctions in case of infringement.

• The states of Saxony and North Rhine-Westphalia and Saxony established special task forces to combat corruption in April and March 2004, respectively. In the task forces prosecutors, police officers and accountants cooperate to tackle the increasingly complex networks of corruption. Scandals in both states provided the impetus to strengthen efforts in this direction.

• In March 2004 Hamburg became the 1st German state to establish by way of law a blacklist for companies found guilty of corruption. Other states, including North Rhine-Westphalia, Hessen, Lower Saxony and Baden Württemberg, have introduced blacklists, but their legal foundation is not as strong as in Hamburg because they have been established by administrative order (*Verordnung*), rather than by law. In April, North Rhine-Westphalia announced it wanted to update its provisions in this regard. Its current blacklist is mandatory only for tenders at state level, not at the communal level.

• Germany finally ended its resistance to provisions in the UN Convention against Corruption concerning the bribery of members of parliament. The German stance delayed negotiations in 2003. Members of parliament argued that creating such an offence would carry no advantage since nobody would try to bribe them and that, in addition, the rules of appropriate conduct could not easily be specified. In December Germany signed the convention, though it still needed ratifying at the time of writing.

Source: Transparency International

II. NGOs and parliamentarians push for freedom of information

Though a powerful tool for combating corruption, transparency is not a word that springs to mind in connection with Germany's public services. Indeed, access to information is the exception: if there is no explicit provision saying a document is accessible, it is confidential. In this respect, Germany is increasingly isolated in the developed world and, together with Luxembourg, it is the only EU member that has not enacted freedom of information legislation. Though four states have made their administration's documents accessible – Brandenburg (1998), Berlin (1999), Schleswig-Holstein (2000) and North Rhine-Westphalia (2002) – action is needed at federal level, if only to send a strong signal.

Prospects looked promising after the change of government in 1998 when the ruling, two-party coalition documented its intent to introduce freedom of information legislation, but the project did not get off the ground. A working group of civil servants in the ministry of the interior began drafting a bill in 1999 but, after five years of resistance from the business sector and ministries – notably defense, economic affairs and foreign affairs, which all demanded far-reaching exceptions – it finally gave up the effort in March 2004.

At this crucial moment a coalition of five professional associations and NGOs –Deutscher Journalisten-Verband, Deutsche Journalistinnen- und Journalisten-Union in ver.di, Netzwerk Recherche, TI Germany and Humanistische Union – stepped in. Frustrated by inaction at the federal level and wishing to revive the public debate, the alliance began to draft a freedom of information bill in mid-2003. The finished document was handed to the President of the

Bundestag in April 2004. The draft gained widespread publicity and, more important, lent momentum to an initiative by several parliamentarians who in parallel were drafting a bill, intended to be introduced on behalf of the ruling coalition. The proposed legislation would only cover federal agencies, which could speed up the procedure since the upper house of parliament would not need to vote in favour. Its disadvantage is that it would not affect information at the communal level, since the states enact their own legislation in this area.

Source: Transparency International

Report on Greece

Prof. Effi Lambropoulou, Panteion University, Athens

Summary

The presentation gave an overview of anti-corruption programmes in Greece and the relevant legislation.

The first part referred to Greek scores at the Corruption Perceptions Index (CPI). It showed that the score of the country from 5.05-5.01 in 1988-1996 was decreased to 4.3 in 2003 and 2005. However, the report emphasized that the higher the score, the lower the place of Greece (28/54) among the countries during the two last decades, while the lower the score the higher the place (47/158), eventually because of the increase of countries included. The figures indicate that there has been a slight improvement from 2003 (50) to 2005 (47) concerning the rank of the country but not its score (4.3).

Afterwards, the paper presented briefly the anti-corruption legislation concerning the public (Articles 235 ff. Criminal Law), as well as the private sector (special regulations, i.e. concerning athletic associations, SA or Ltd companies, Unions etc.). It stressed on the disciplinary regulations being in force for Civil Servants (Law 2683/1999), in addition with the general articles of Criminal Law. It pertained especially to the obligation of civil servants, police officers and parliamentarians for an additional annual declaration of their assets, enforced since several years.

Moreover, it was analysed the dealing of Criminal Law and Special Criminal Laws with crimes attending crimes of corruption, such as embezzlement, drug trafficking and money-laundering. Special attention was given to

a) party financing (Law 3023/2002), in the context of regulations and special laws punishing behaviours producing risk of corruption,

b) institutional changes taken place to promote transparency, such as the General Inspector of Public Administration (November 2002), the extension of Ombudsman's responsibilities (January 2003), as well as the reform of legislation concerning the immunity for members of the Government, and

c) the ratification of EU and International Conventions.

Furthermore, the presentation concerned with the issue of "corruption" as a construction of mass media, some research and anti-corruption campaigns focusing on a moralistic viewpoint and not showing any special interest on cultural, socio-structural and democratic variables. In relation with that it referred also to the interesting results of World Value Surveys.

Finally, the report pinpointed that although Greece has a large stock on laws, its handicap is their implementation, mainly because several of them have been enacted without some previous social research.

The Greek presenters considered it important to outline the field of law which governs the control of corruption, as well as to specify the actors who by definition engage in this activity. It was emphasized that the term "corruption", as opposed to the more specific term "bribery" carries a moral tone . The term "corruption" carries a meaning constructed by media reporting. In addition, it is used predominately in research on Anglo-American contexts, thus bringing with it assumptions that may not hold for other regions. In contrast to the Anglo-American tradition, continental law was seen to be more positivist, i.e. the text of the law must describe an actor's personal responsibility for upholding a code of conduct, otherwise it cannot be maintained that an offence has taken place.

Slide 1:

"Sixth Framework programme. Priority 7- FP6-2004-Citizens-5.

The presenter sought to dispute that Greece as a country is the seat of widespread, everyday corrupt practices. Perceptions about the country are affected by media discussions and the public concern that arises from them. The field of politics, in turn, reacts to voters' perceptions. This process creates a "scandalisation" of corruption. This course of developments is further influenced by the presence of major international organisations. Especially in cases where political change is taking place, i.e. where political power is being redistributed do these mechanisms of public attention and definition come to bear. This "demand for catharsis" has played a role in the political process since the end of the 1980's.

In fact, Greece's CPI has decreased since the late 1980's, to a point in 2003 where the country held a middle rank on the total scale. Thus, Greece now scores a higher rating than the countries which have entered the raking since the end of the 1980's.

Some of the mechanisms introduced that have led to this improvement are described below:

Slide 2:

PRIVATE SECTOR

- "Less is better" because it brings money
  - Special regulations, i.e. concerning athletic associations, SA or Ltd companies, Unions etc to control and punish corruption

"Sixth Framework programme. Priority 7- FP6-2004-Citizens-5.

Slide 3:

CRIMES ATTENDING CRIMES OF CORRUPTION

- i.e. embezzlement
- In association with OC: *drug trafficking, money-laundering*

Criminal Law & Special Criminal Laws

"Sixth Framework programme. Priority 7- FP6-2004-Citizens-5.

Slide 4:

REGULATIONS AND SPECIAL LAWS PUNISHING BEHAVIORS PRODUCING RISK OF CORRUPTION

- i.e. financing political parties

Law 3023/2002
Who and How much money

Slide 5:

Conventions (EU/International)

- **COE**: *Civil Law Convention on Corruption*
- **COE**: *Criminal Law Convention on Corruption*
- **EU**: *Convention on the Fight against Corruption*
- **OECD**: *Anti-Bribery Convention*
- **UN**: *Convention against TOC*

Slide 6:

Institutional Changes

- General Inspector of Public Administration, *Nov. 2002*
- Extension of responsibilities of Ombudsman, *Jan. 2003*
- Reform of Law on immunity for members of Government

"Sixth Framework programme. Priority 7- FP6-2004-Citizens-5.

Slide 7:

Most critical: Financing political parties during elections, Law 3023/2002

- 2000 Elections: 31 violations registered
- 2004 Elections: no official number (?)

LOCAL CONTROL-COMMITTEES for elections' violations

No session – no quorum ➡

Parliamentary committee

"Sixth Framework programme. Priority 7- FP6-2004-Citizens-5.

In view of all the institutional changes noted by the Greek team, it is important to keep the issue of their effectiveness in mind.

A final point: in line with the cultural approach, it should be taken into consideration that, over the past 50 years, Greece has been engaged in a total of five wars, four of which were world-wars. In addition, the country was ruled by three different dictatorships. Democracy could be restored in 1974, and peace returned to the country.

This background contributes to the need of Greek society to seek ways to stabilize its social norms. The process of medial scandalisation of corrupt practices is a means of attaining this goal. The case of the corruption debate in Greece presents an example of how instances of widespread social insecurity and low control by social elites lead first to corrupt practices, which then in turn are stigmatised in reaction. The presentation was concluded with the provocative question of whether corruption can be seen as the object of a new moral crusade in the twenty-first century.

Corruption and Anti- Corruption Programmes in the UK

Dr. Sappho Xenakis (SEESOX)

1. Overview:
   - Corruption in the Legislature
   - Corruption in Law Enforcement: the case of the Police
2. Legal Framework
3. Conclusion
4. Annex: Corruption in Business (As Comparison)

1. Overview:

Polling public opinion on corruption is not very common in the UK

Some inference of public opinion on the issue may be taken from the results of the Eurobarometer survey of May 2003:

Inter-country comparison of perceptions of whether organised crime has infiltrated has infiltrated local government (% of respondants):[14]

Responses	UK	EU Average
Agree with statement	43	45
Disagree with statement	24	28
Don't know	34	27

Whether organised crime has infiltrated national government:

Responses	UK	EU Average
Agree with statement	42	47
Disagree with statement	25	27
Don't know	33	27

Responses to such statements tend to produce a surprisingly high percentage of respondents voicing agreement, but in relative terms, the UK responses are lower than the EU average.

Furthermore, in 2004 business people and experts placed the UK 11 (Corruptions Perception Index score 8.6) on Transparency International's Corruptions Perception Index; i.e. comparatively incorrupt.[15]

While such surveys suggest that the UK does not experience much corruption, particularly petty corruption (taxation illegitimately demanded of citizens by low-level officials), it is nevertheless worthwhile to consider the possibility that incidences of corruption in the UK – as a leading world financial centre and as the fourth largest arms exporting country

[14] Eurobarometer special survey on 'Public Safety, Exposure to Drug-Related Problems and Crime', May 2003 (Report prepared by the European Opinion Research Group for the European Commission based on a survey carried out between 1 September and 7 October 2002).

[15] <www.transparency.org/surveys/#cpi>

internationally between 1996-2000 – may involve higher sums of money and have greater international repercussions than those in less wealthy states.[16]

Cronyism/patronage nevertheless appears to be a common public concern, relating to all levels of public and private employment (even though job security is relatively low in comparison to European employment trends). The penalty for cronyism – the appointing of friends/those from an identity-based 'network' – appears to be very light.

Corruption in the Legislature

Two chief loci of concern appear to have emerged in the UK since the 1970s with regard to corruption in the Legislature:[17]

1. Individual level: The influence of business interests on parliament's policy-making: undue influence on individual MPs (bribes).[18]

2. Secret Policy (network level): The apparent acceptability of bribery and law-circumvention by the government and state officials in order to secure contracts (military and construction) for British industries abroad.[19]

Partly as a result of these concerns, in 1982 the British National Audit Office introduced checks to ensure that goods and services awarded by the state were 'value for money'.

In response to the 'cash for questions' scandal of 1994 that had been broken by *The Guardian* newspaper, the Prime Minister established a committee to examine the standards of conduct of public office holders. This committee became known as the 'Nolan' committee and it produced a report that outlined 7 principles that it claimed were expected by the public of behaviour by those holding public office. These were:

1. *Selflessness*
Decide in terms of public interest not of gain for self, family or friends

2. *Integrity*
Accept no obligation to others that might influence official duties

3. *Objectivity*
Appoint staff, and place contracts, on merit

4. *Accountability*
Be accountable to the public, submit to scrutiny

5. *Openness*

[16] Transparency International, 'Corruption in the Official Arms Trade', *Policy Research Paper* 001, April 2002; SIPRI, *Yearbook: Armaments, Disarmament and International Security* (Oxford: OUP, 2001), 326.
[17] Consultant, 'UNDP PARAGON Generic Training Module on Public Service Ethics and Accountability: Case Study UK-Britain (GO5E)' <unpan1.un.org/intradoc/groups/ public/documents/eropa/unpan002691.pdf>.
[18] The financing of political parties also received considerable attention during the early 1990s.
[19] See, for example, on the arms to Iraq affair: Richard Norton-Taylor, Mark Lloyd & Stephen Cook, *Knee Deep in Dishonour: The Scott Report and Its Aftermath* (London: Victor Gollancz, 1996). Also: Nicholas Gilby, 'The UK Government and Arms Trade Corruption: A Short History', *Goodwin Paper* 4 (Campaign Against the Arms Trade, June 2005).

Give reasons for decisions, restrict information only when in the wider public interest

6. *Honesty*
Declare private interests, resolve any conflicts so as to protect public interest

7. *Leadership*
promote principles by leadership and example.

The Nolan committee urged that MPs report their assets and interests to an independent monitor, but this recommendation has continued to be resisted by many MPs who value their prerogative to be self-regulatory. In 1997 the committee also proposed a new statutory offence of misuse of public office but this has yet to be acted upon.

After what had been a turbulent end to 18 years of Conservative government, a Labour government was elected in 1997. Perceptions of 'sleaze' by MPs and state officials had contributed to the demise of the Conservative government. However, the use of an 'inner circle' of friends to high official appointments by the subsequent administration led to public criticism of what was labelled 'cronyism'.

Corruption in Law-Enforcement

With regard to corruption amongst other branches of the state, during the 1990s there were a number of revelations about police misconduct.[20] The range of corrupt activities uncovered included the concealment of serious crimes, bribery, the fabrication and planting of evidence.

Based on the findings of international literature and official inquiries, the researcher Tim Newburn (1999) – whose research is posted on the Home Office's website - made a number of observations about the way corruption is patterned within police organisations.[21]

Concluded:

1. corruption was 'pervasive, continuing and not bounded by rank' and is not simply attributable to a few 'bad apples'.
2. certain policing environments invite corruption: including parts of the policing organisation that deal with prostitution, alcohol, gambling and drugs.

Cases investigated by the Metropolitan Police Service (MPS) and other forces, between 2000-2003, drew attention to officers, often in specialist squads, who profited from their position; through the theft of money, the resale of seized drugs and the protection of criminals.

Public confidence in the Police

[20] P. Quinton & J. Miller, *Promoting Ethical Policing: Summary of Research on New Misconduct Procedures and Police Corruption* (London: Home Office Report, 2003); J. Miller, *Police Corruption in England and Wales: An Assessment of Current Evidence* (London: Home Office Report, 2003).
[21] Tim Newburn, 'Understanding and Preventing Pollice Corruption: Lessons from the Literature', *Police Research Series*, 110 (1999).

According to the 2003-2004 British Crime Survey, underreporting of crime was not due to corruption but more due to perceptions that the incident was too trivial to bother reporting. [22] The 2003/04 BCS interviews estimate that less than half (40%) of all BCS crimes were reported to, or came to the attention of the police.[23]

The main concern about police accountability has been with regard to their prejudices about different sections of the community, rather than with regard to corruption.[24] The BCS has highlighted a fall in public confidence in the police over the last few years, although they still receive the highest ratings of all the criminal justice agencies.

A Eurobarometer survey 'Public Safety, exposure to drug-related problems and crime' of May 2003 showed that disagreement about whether the police were doing a good job was strongest amongst respondants from the UK. The EU average was 55% (positive, in support of police), UK response was 40%. Public trust in the accountability structures of public organisations is driven by various factors including useful and credible information, the existence of external watchdogs, personal contact, and whether they are seen to be honest and trustworthy.

Public awareness of regulators is low, but in 2003 a joint Home Office and Association of Chief Police Officers (ACPO) project was established to develop national standards for the quality of contact between the police and the public. The Home Office developed a new Police Performance Assessment Framework, which emphasises public satisfaction and confidence as a measurement of performance. In 2004 a reform programme to improve public confidence in the police complaints system was launched. The programme replaced the Police Complaints Authority (PCA) with an Independent Police Complaints Commission (IPCC), which could be involved in complaints relating to 'quality of service'.

2. Legal Framework

In December 1997 and 1998 respectively, the UK signed and ratified the OECD convention.[25] British law also contained various statutes relating to corruption and bribery that had developed over the past 100 years. The British Law Commission was therefore charged with the task of finding a way to simplify and codify the law on corruption. The Law Commission reported in 1997 and proposed new legislation. They eliminated (only partially successfully) the distinction between public and private sectors with regard to the problem of agency, but they failed to take sufficient account of foreign bribery. The Government decided in 2000 to come forward with a comprehensive new law based on the LC Report.[26] The UK's *Anti-Terrorism, Crime and Security Act of 2001* attempted to satisfy the OECD Convention by including an extension of the current offences of bribery and corruption outside the United Kingdom.

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[22] The British Crime Survey (BSC) is a nationally representative, household victimisation survey that has been conducted since 1982.The 2003-4 BSC conducted 37,931 interviews between April 2003-March 2004 and refers to incidents experienced by respondents in the 12 months preceding the interview. The response rate was 74%.

[23] *Policing and the Criminal Justice System. Public Confidence and Perceptions: Findings from the 2003-2004 British Crime Survey* (London: Home Office Report, 2005).

[24] Maria Docking, *Public Perceptions of Police Accountability and Decision-Making* (London: Home Office Report, 2003). The following information in this section is based on the sources listed on this page.

[25] Ruth Winstone (of the Parliament and Constitution Centre), 'Standard Note on Corruption Draft Legislation' (House of Commons, UK Parliament, 3 September 2003), (SN/PC/2059) <www.parliament.uk/commons/lib/research/notes/snpc-02059.pdf>.

[26] Dominic Scott, Transparency International (UK), correspondence with the author, January 2006.

The OECD Convention requires member states to establish as a criminal offence intentionally offering, promising or giving an undue advantage to a foreign public official in return for that official acting or refraining from acting in the exercise of his or her functions, in order to obtain or retain business or other improper advantage in the conduct of international business.

In 2002, the Queen's Speech (laying out the legislative agenda of the government) announced that a Draft Bill to reform the laws on corruption would be published. "The focus of the Bill", the Home Office press notice said, "is on raising standards in both public and private life and sending out a clear message across all sections of society that corrupt practices will not be tolerated."

No Bill emerged until 2003, however. The Draft Bill received scrutiny by a Joint Parliamentary Committee (all-party and both houses of parliament) (JPC). The Committee's report was critical of the complex language of the Bill and of the failure to define corrupt conduct sufficiently clearly. The Draft Bill did not contain any provision for an offence of trading in influence, although there had been some prior indications that it would. Nor did it include a new offence of misuse of public office which had been recommended by the Nolan Committee. The draft bill was also criticized by the OECD for failing to capture *active bribery of a foreign public officials*. Furthermore, the bill's exemption of the Intelligence Services from being charged with committing a corruption offence provided that they are operating under the authority given by the Secretary of State at the time of the apparent offence, also caused some controversy.

Transparency International also criticised the UK in 2003 for failing to update its regulations in line with Financial Action Task Force FATF recommendations to protect against money laundering with regard to company and trust service providers. Whilst many offshore financial centres have introduced legislation to regulate those that form and administer companies, and often trusts as well, the UK and other onshore centres had not followed suit. The UK had extended its implementation of the Second Money Laundering Directive to cover all providers of such services by bringing them within the scope of the revised Money Laundering Regulations 2003, but left them unsupervised by the Financial Services Authority (FSA) or any other public body.[27]

While UK Crown Dependencies and Overseas Territories had been pushed to introduce legislation, the UK itself had shown little interest in doing so. AML obligations on providers have existed in Gibraltar since 1996, but only came into place in the UK in 2004. Such a dichotomy was not acceptable as the risks of abuse did not appear to be less onshore than offshore.

Given these criticisms, the Government was pressured into the launch of a new consultation for a reframing of anti-corruption law. The Home Office launched a consultation paper in December 2005, on 'Reform of the Prevention of Corruption Acts and SFO Powers in Cases of Bribery of Foreign Officials'. The Paper invited a response, by 1 March 2006, to a set of specific questions on different aspects of the 2003 draft bill on corruption. The paper makes a proposal that would extend the powers of the Serious Fraud Office in cases of foreign bribery in a way that is intended to enhance the chances of prosecutions.

[27] Transparency International (UK), 'Corruption and Money Laundering in the UK: One Problem, Two Standards', October 2004.

3. Conclusion

Considerable attention has been exerted in establishing codes of conduct for public office holders with regard to corrupt behaviour from the 1990s. Addressing public concern has been an important motivator of such efforts, but experts have noted a lack of rigour in the legislative remedies that have been suggested by government. The public has remained under-informed about oversight bodies for those in public office. The public nevertheless appears to be more sensitive and aware about corruption in the public sphere than in the private sphere (see Annex, below).[28]

Annex: Corruption in Business

Despite the high ranking of the UK in Transparency International's corruption perceptions index, according to the consultancy firm KPMG, which produces an annual 'Fraud Barometer', reported that fraud in the UK has reached a 10- year high.[29] 222 cases involving a total of £942 million reached court in 2005. The government was the biggest victim, but financial firms also lost a great deal – the cost of one attack was £250m. Perpetrators are company employees of all levels, although management are increasingly found to have been involved. The police do not believe organised crime groups try to infliltrate companies or financial institutions, but that fraud typically occurs when outsiders subvert insiders (via threats/bribery) or when insiders act opportunistically for their own benefit.[30]

Unlike other forms of crime, which are typically exaggerated in the minds of the general public, industry analysts believe that the public underestimates the commonness of fraud. Since 2000, the Home Office has assessed the cost of fraud in the UK to stand at about 2% of the overall UK economy, i.e. around £20 billion.

While it is difficult to assess the actual level or trend of fraud in the UK, there certainly has been an increasing tendency to report business crime in the UK and an increased interest in prosecuting such crime by the Financial Services Authority.[31] The government is six months into a project designed to map more accurately the damage done by fraud in the UK, and a legislative response is likely at its conclusion.

[28] See: Jeremy Scott-Joynt, 'The Enemy Within', *BBC News*, 17 May 2005.
[29] 'Reported Fraud 'At 10-Year High', *BBC News*, 30 January 2006.
[30] Jeremy Scott-Joynt, 'The Enemy Within', *BBC News*, 17 May 2005.
[31] 'Soaring Fraud', *BBC News*, 30 January 2006.

FRIDAY, 3 February

SESSION 3: PANEL AND OPEN DISCUSSION
(open to further senior and junior researchers)

Theory of Culture and Qualitative Research

Chair: Rashko Dorosiev (M. A.) (Centre for Liberal Studies)

Hans-Georg Soeffner (Person in Charge, University of Konstanz) provided firstly a summary sketch of the grounded theory approach in sociological research:

The theoretical framework of the project is grounded theory. This approach is the product of interaction theory and phenomenology. It inquires into the manner in which individuals produce society through interaction. In doing so, it takes into consideration which structures, ideologies, and other forms pre-exist and have been handed down. It explores how people cope with these inescapable constraints, and how they change them to best meet their present needs.

The two most important theorists for the grounded theory approach are Anselm Strauss and Max Weber. Strauss' concept of the "social world" comes to bear in grounded theory analysis. People participate in and belong to multiple social worlds and therefore live within different social constructions depending upon which social world they are presently in. Sociologists shoulder the task of reconstructing these social worlds. In doing so, they must take into consideration that social worlds interact. The places, situations, and times in which social worlds interact Strauss termed "arenas".

The sociologist can compare the semantics stemming from the different social worlds which compete within these arenas - for example, one can imagine a televised or printed debate in which journalists, politicians, and economists enter into an exchange and compete with one another. Although the product arising from this encounter is structured by all the involved existing systems, it is neither contingent, not is it predictable. However, one can make out a "trajectory" (Strauss) of patterns of opinion and selection in the developing communication. On the basis of this "trajectory", social scientists can reconstruct the process of typification that occurred. In this way, the researcher can uncover the internal code of social construction. This primary code contains a system of meaning specific to the context in which it was produced. The researcher must then transfer the code he or she has disclosed to a higher, "sociological" level of coding.

This second level of coding must remain close to the first level in terms of content, but can present itself in more abstract terms. This is what Clifford Geertz means with his "thick description". The goal of this analytic procedure is to arrive at what Weber termed the "cultural meaning" that actors attribute to their actions. For example, in the project at hand, the project partners all aim to determine the cultural meaning of "corruption".

This will entail exploring the levels of loyalty that social actors hold to be relevant for their actions. These levels may exist at different levels of abstraction. It remains to be determined how deep patterns of corrupt practice are embedded in patterns of everyday life interaction. This begs the question of stratification - organized corruption appears to be practiced primarily by elites, whereas ordinary people are concerned with other, more everyday matters.

Thus, one must consider the question of at which levels of society people have which options. This is above all a matter of access to financial resources.

Max Weber emphasized the embeddedness of culture and cultural practices within a social system as a whole. In the case of the present project, it must be considered, for example, what kinds of goods are being transferred in the corrupt practices at hand - are they private or common good? Who is conducting the transactions - which "pressure groups" appear on the scene? It is the object of the project to defend the common interest against such pressure groups.

Our findings may differ widely from case to case. The result will be an array of option the EU must take into consideration within the international framework for co-operation that it creates. We already know that the EU approaches the problem of corruption - as we saw in the transcript of the Parliamentary debate analysed in the morning session - at an abstract level that does not incorporate people's everyday experiences. Our aim is not to determine the real level of corruption in any one country, but rather the way corruption functions as an instrument holding that society together. In fact, we might even find that corrupt practices are the very system that hold our societies together. The team that has been assembled within the overall project is in its international character and its willingness to engage in a cultural approach a novum in the field of corruption studies.

The group took then a first joint look at the Atlas-ti software. The project participants were asked to consider a transcription of a European Parliament debate which centred on crime prevention policy.

SESSION 4: MEETING OF THE NETWORK CO-ORDINATION BOARD

(project consortium members only)

Technical and Administrative Aspects of the Research Process

Chair: Professor Hans-Georg Soeffner (University of Konstanz)

The session directed the attention of the participants to the detailed workplan contained in Annex I, pp. 30-32.

1) First research phase: Generation of documents through establishing contacts to key persons in each target group. These persons will also be interviewed in the second phase. This could potentially be the group from which the national anti-corruption experts who attend the final symposium are drawn.

2) Contact to national organisations involved in anti-corruption policies. Contact persons at these organisations will receive regular reports upon completion of each of the project's research phases. These contact persons will participate in the final conference.

3) The project management will be responsible for contacting representatives of international organisations.

4) Administrative aspects such as reporting, audit certificates etc. have also been detailed discussed.

5) Presentation of the reporting template.