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**RESEARCH REPORT CROATIA:**

**Perceptions of Corruption in Croatia  
A Content Analysis of Interviews from Politics, Judiciary, Police, Media,  
Civil Society and Economy**

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## Introduction

In June 2007, corruption has once more become the top issue in Croatian political life. The operation "Maestro", carried out by the State Attorney's Office for Combating Corruption and Organized Crime and state intelligence services, has exposed the biggest corruption affair ever reported in Croatia. Although the Privatisation Fund, the target of "Maestro", was commonly perceived to be one of the main loci of the high-level corruption in the country, no action has previously been taken to investigate the rumours. The operation "Maestro", however, resulted in a number of arrests. Among the men taken into custody were three vice-presidents of the Fund. The investigation is ongoing and the results of the whole operation are unknown at the moment.

Different political parties have readily exploited the operation for the purpose of forthcoming parliamentary elections. The ruling party attempted to take all credits for the operation, linking it to their national anti-corruption program introduced in the early 2006. In addition, the Prime Minister stated that the previous government lacked the will to tackle corruption at high-levels. The majority of opposition parties reacted by calling for the PM's resignation, arguing that such a scandal should be a sufficient reason for the whole government to step down. Indeed, four ministers were the members of the Privatisation Fund's Supervisory Board.

Although the PM promptly promised to close down the Privatisation Fund, it is still in operation. Moreover, despite the operation "Maestro" and the fact that the State Attorney announced an expansion of the investigation<sup>1</sup>, the irregularities in the Fund seem to continue. For example, in September 2007 another suspicious case of privatisation emerged, involving a large dairy processing factory. The Fund's decision was immediately annulled and the process of privatisation stopped.

As a result of political struggles ignited by the operation "Maestro", the messages sent to the public were ambivalent. Although it is possible that the operation marked the beginning of a tougher stance toward corruption in Croatia, political quarrels and accusations raised suspicions that the operation was merely a part of pre-election campaign or yet another "show" for the EU. The political discourse related to the operation "Maestro" was not based on the evidence, which is still scarce, but on a wide range of metaphorical expressions ("the three tenors", "the key players", "software and hardware of corruption in the Fund", "breaking corruption's backbone", "the small-time players and the Maestro" etc.). Public confusion regarding corruption and anti-corruption efforts was further increased during September 2007. Although Croatia has somewhat improved its ranking on the Transparency International "Corruption Perception Index"<sup>2</sup>, the European Commission expressed its dissatisfaction with the situation. Instead of analysing existing anti-corruption measures and the political efforts

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<sup>1</sup> To include several suspicious privatisation cases that took place in the past. Among them is the privatisation of the shipyard "Brodosplit", dating from February 2004, in which two ministers from the present government were involved.

<sup>2</sup> The present index value (4.1) positions Croatia close to the bottom of the European states.



to combat corruption, the media focused on speculations over additional conditions that the EU may impose and postpone Croatian membership in the EU.<sup>3</sup>

The next few months may prove important for re-shaping the public perception of corruption and anti-corruption activities in the country. If the outcomes of the operation "Maestro" meet public expectations, trust in the state institutions could be replenished. Positive results would also send an important message that it is not only the low-level or ordinary corruption that gets prosecuted. However, the outcomes may have already been shaped by the dominant understanding of corruption. In this report we re-constructed *languages of corruption* using data collected in interviews with high-positioned representatives of the six target groups (the media, legal system, police, politics, economy, and civil sector). Our aim was to improve the understanding of institutionally embedded perceptions of corruption and shed some light on the question regarding the future of anti-corruption efforts in Croatia.

## 1. Methodology

In this chapter we describe data generating procedures and the analytical logic employed in the study.

### 1.1. General Outline

The general methodological outline of the project is based upon the main canons of Grounded Theory Methodology (Strauss & Corbin, 1990):

- Theoretical sampling;
- Interrelatedness of data collection and analysis;
- Development of concepts that become basic units of analysis;
- Development of categories through the comparison that establishes similarities and differences among concepts;
- Development and verification of the hypotheses about the relationship among categories;
- Consideration of the broader structural conditions relevant to the analysed phenomenon;
- Development of the theory through the procedures mentioned above.

Grounded Theory Methodology (GTM) is highly developed and satisfactorily verified qualitative methodology approach suitable for the analysis of "cultural artifacts". It was expected that GTM could fulfill the aim of the project: the discovery and description of various patterns of conceiving corruption that can be attributed to the most influential social actors, and understanding of the consequences of existing conceptions of corruption on measures for combating corruption.

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<sup>3</sup> On September 21, 2007 the European Commission mailed an official proposal to the member states, which warned Croatia that it needs to implement tougher anti-corruption measures, carry out a thorough reform of the legal system (judiciary), and improve its record on the rights of national minorities and refugees.



The authors are not aware of any previous research on corruption conducted in Croatia based on qualitative methodology, so the project would hopefully contribute both to the understanding of corruption in Croatian social setting, and to the methodological advancement of Croatian sociology.

## 1.2. Data Generation

### 1.2.1. Interviewees

Data have been acquired through semi-structured interviews with the representatives of the following target groups:

- Police
- Economy
- Legal system
- Politics
- Media
- Civic sector.

Selection of the persons to be interviewed was based on two main criteria: (1) high position within institutional hierarchy, and (2) professional experience with combating corruption. Additional criterion for the selection of interviewees within a target group was expected variability of their conceptions of corruption, based on the knowledge of their professional histories and/or previous public appearances on the issue of corruption.

Sixteen individuals have been selected and interviewed (*Table 1*). Prior to interviews, all the interviewees have been personally contacted by the national project coordinator and were given the necessary information about the project and the forthcoming interview (aim, expected duration and general notion regarding the topics to be discussed). All the interviewed persons have agreed to the electronic recording of the interview.

*Table 1: Interviewees*

Target group	Interviewed person is a representative of:
Police	Ministry of Interior (anti-corruption department)
	City of Zagreb police (anti-corruption department)
Economy	The largest Croatian union
	Business (a manager of the medium-size company)
	Croatian Chamber of Commerce
Judiciary	Ministry of Justice (economic crime department)
	State Attorney's Office for Combating Corruption
	Ombudsman
Politics	The ruling party (high-positioned member, MP)



	The strongest opposition party (high-positioned member, MP and city mayor)
	Local government (City of Zagreb, high-positioned official)
Media	The largest state radio (editor/host)
	National weekly with the highest circulation in the country (journalist specialized in covering corruption cases)
	Journalist Union
Civil Society	Transparency International
	The Partnership for Social Development

### 1.2.2. Interviews

Due to the full agendas of the interviewees, the interviews were conducted between the end of December 2006 and mid-April 2007; most were performed during January 2007. Although such an extended time-span of the interviewing process was not favorable, it did not seem to be problematic, since no major events regarding corruption took place in Croatia during that period.

The interviews have been performed by all the team members - three senior researchers and four research assistants. Since the majority of the team members had little experience in interviewing, three training sessions were organized. On the two sessions organized prior to the first interview, the preferable strategy and procedures to be applied in the interviews were practiced through role-playing. The last training session, the one that took place after the first interview, was devoted to a detailed analysis of the initial interview and has pointed to some additional "dos" and "don'ts" that interviewers should bear in mind.

The interviews were semi-structured, meaning that most topics to be discussed in an interview have been pre-determined. Some of the pre-set themes were connected to the main axes of the ideal-type models of corruption that have emerged in the first phase of the project (Štulhofer et al., 2007). Some of the themes were introduced with an idea of extending the models with new elements that were not present in the data analyzed earlier. Finally, some topics had no clear and immediate relevance to the models, but were judged important regarding the project aim and possible implementation issues. The preset topics were the following:

- Interviewee's personal definition of corruption
- Assessment of corruption in Croatia (significance, extent, types, changes)
- Assessment of new national anti-corruption strategy
- The role of the EU in combating corruption in Croatia
- Portrayal of corruption in the media
- Assessment of general public perception of corruption
- The role of cultural/political inheritance in shaping the corruption in Croatia
- Description of the dominant understanding of corruption in the interviewee's profession/institution/professional environment.



Although the interviews were aided by the interview protocol (see *Appendix A*) in which the topics mentioned above were further elaborated, the protocol was intended mainly as a memo, a checklist that served as an insurance that no relevant theme was left out. Interviewers were instructed to follow the interviewee's line of argumentation, to adjust the formulations to the situation and/or the interviewed person, as well as to be responsive to any relevant topics that may emerge in the interview. Besides being a memo for the interview and a checklist of the topics to be discussed, the interview protocol could also be used to note relevant observations regarding the interview and/or the reactions of the interviewed person.

Before the interview, the interviewees were given two-page description of the project, as well as the written statement of anonymity and confidentiality, an assurance that the gathered information will not be made publicly available in such a way that name or exact function/position of the interviewed person could be determined.

The interviewed person was reminded that (s)he should express her/his personal impressions, assessments and opinions, and not those of the their institution. It was explicitly stressed out that an interviewee is not considered to be a representative of his/her institution, and that his/her words would not be taken as the institutional stance on corruption. However, the interviewers have noted that not all of the persons interviewed have been fully able to discard their "institutional role". Some of them remained very conscious of the interests and general position of the institution they belong to.

The duration of the interviews was between 22 and 84 minutes, 40 minutes on average. All the interviews were conducted in interviewee's office, except the two that were carried out in a cafeteria and interviewee's home, respectively. In only one interview a third person was present during a part of the interview (the respondent's wife joined her husband at the closing stage of the interview).

### *1.2.3. Transcription*

All the interviews were transcribed as soon as possible, preferably by the interviewer. Full transcript of every interview has been made to ensure that no relevant information is left out in the forthcoming analysis.

## **1.3. Data Analysis**

Transcribed interviews were the input data for the analysis that was performed with the ATLAS.ti software package. For the initial coding of the documents every interview was treated as a separate hermeneutic unit. First-level analysis of the documents was performed using open coding, and carried out by the interviewer together with another team member. Such a coding procedure was set to improve the validity of the applied codes, since all the codes attached to the documents had to be jointly agreed upon. In the case that agreement was not reached, the difference between team members was recorded in a memo and discussed later on team meetings or resolved during final coding of the document.



Since the same methodology and software were used in the first project phase, no initial training in the coding procedure was necessary. However, since the possibility of comparison of the documents was crucial for the higher-level analysis and theory building, the assurance was needed that all the documents were coded following the same general ideas regarding the level and extensiveness of the codes. For that sake, the first three coded documents were extensively discussed, code-by-code, on several meetings of the whole research team. As a result, the codes were revised, and the agreed general coding rules were applied in the analysis of subsequent documents.

When all the documents of the same target group have been coded, they were joined in a single hermeneutical unit, and codes were revised if necessary to avoid purely linguistic differences between the codes that were essentially the same. Although it was possible to join all the documents in a single hermeneutical unit, this was not done because the data would become less transparent and the analysis more difficult. So, the comparison between the target groups was done using six hermeneutical units.

After the complete hermeneutical unit was available, the analysis proceeded to the axial coding and the formulation of categories and subcategories. Following categories were applied at the final step:

- Definition of corruption
- Seriousness of corruption in Croatia
- Main loci (areas) of corruption
- Changes in corruption dynamics/types
- Roots/causes of corruption
- Consequences of corruption
- Public perception of corruption
- Trust in institutions
- The role of the media
- The role of NGOs
- Measures for combating the corruption
- The Role of EU.

Some of those categories were directly connected to the models of corruption (definition of corruption, consequences of corruption; measures for combating the corruption; seriousness of corruption in Croatia) as they were outlined in the first phase of the research. However, it should be noted that in full GTM tradition "(...) *merely grouping concepts under a more abstract heading does not constitute a category. To achieve that status (...) a more abstract concept must be developed in terms of its properties and dimensions of the phenomenon it represents, conditions which give rise to it, (...) and the consequences it produces*" (Strauss & Corbin, 1990:7-8). Strictly speaking, not all of the categories mentioned could be considered to be fully developed categories, since the data were sometimes unclear, ambivalent or simply insufficient.



## 2. Results

The following chapter is based on the structured interviews with informants from six target groups.<sup>4</sup> The presentation of the results follows major topics and thematic areas that were part of the semi-structured interview. A summarized account of perceptions of corruption by target groups is provided in the *Appendix B*.

### 2.1. Defining Corruption

Definitions of corruption by the members of different target groups varied, but in most cases not profoundly. For example, corruption was defined as “*the state of non-transparent business which does not proceed according to legal procedures*”, but also as something that “*rewards someone for the work (s)he did not do*” (EC1: 005)<sup>5</sup>. In most cases, corruption was defined as the abuse of power that allows individuals and groups to accomplish their goals by avoiding or breaking the law, regular procedures, and, finally, the social order: “[...] *corruption is any misuse of power and authority of a public function to ensure private benefits*” (LS2: 006). “[Corruption] *is every activity...which includes a misuse of power and of public goods, or disturbs the equality of citizens and in that sense represents disturbance of the rule of law in general*” (NGO2: 5); “[corruption is] *any abuse of power in order to gain personal or collective benefit, in public or private sector*” (P2: 005).

Sometimes, corruption was defined overly widely (as “*anything that does not follow the regular rules and procedures*”; EC3: 151) or encompassing all forms of criminal activity: “[Corruption is] *any illegal and illegitimate accumulation of wealth by breaking the rules*” (MED2: 005).

Although most interviewees referred to personal gains obtained by avoiding or breaking the law, misuse of power, and sidestepping legal procedures, it seemed that some of them distinguished between the “more allowed” (petty) and the “less (or not at all) allowed” types of corruption. For example, not all respondents perceived gifts and/or small favours for medical doctors as corruption. But “*when someone arranges a job for somebody without open competition*” (MED1: 077), was clearly perceived as corruption. Several participants suggested the distinction between “bribing”, or a traditional system of illegal exchange of small favours, and “corruption”, which was perceived as more important and grave: “*where the system is corrupt, politics are corrupt, the legal system is corrupt, and everybody else*” (EC2: 010). For others, the distinction was misleading and potentially dangerous: “*all forms of corruption are, to my mind, fatal - there is no difference*” (EC3: 021); [...] *this petty, small-scale corruption is just as dangerous...*” (LS3: 021).

On the societal level, corruption was sometimes conceptualized as “a kind of evil”, a systematic misuse of power that has anthropological foundations: “[It] *is a certain kind of evil that men possess, to misuse their rights and authority in a certain way, or exercise them in exchange for certain satisfaction...a fee for something that they will do for someone, no matter whether that person is entitled to it or not*” (LS1: 010). Systemic corruption is

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<sup>4</sup> The respective groups are Economy (EC), Legal system (LS), Media (MED), Non-governmental organisations (NGO), Police (P), Politics (POL). In the text we refer to the groups using acronyms.

<sup>5</sup> References to the quotes contain the title of hermeneutical unit (economy; EC), the number of primary document (interview 1) and paragraph number (005).



represented by a society, “*in which things are settled by favours and counter favours*” (MED3: 021).

Corruption as an abuse of power was often directly associated with state officials and politicians (NGO): “[Corruption is] *a criminal activity of obtaining a certain favour, merchandise, or anything else, by bribing the exponents of social power*” (POL3: 005). In this context, a politician noted that offering and taking bribes remains the central corrupt activity (POL3). An interviewee suggested that many in the economy believe that corruption is “normalized” in high politics through a system of donations which are later to be exchanged for favours (POL1). But then, switching his focus to state officials in general, the respondent was quick to note that the acceptance of certain “gifts of appreciation” (expressing gratitude for high-quality of the delivered service) does not constitute corruption - as opposed to accepting money beforehand.

## 2.2. How Serious is Corruption?

Another important dimension was how serious the problem of corruption is in Croatian society, which areas are particularly affected by corrupt activities, and what is the typical public perception of the level of seriousness of corruption.

### 2.2.1. The level of Seriousness

Most respondents claimed that corruption constitutes a grave problem. Corruption was viewed as “*a very serious problem because it destroys the value system*” (EC1: 013) and “*because it affects how citizens feel about their country*” (POL2: 013). Overall, there was a consensus that corruption remains one of the biggest social problems: “*On the scale of 1 to 10, where ten represents the most serious social problem, corruption gets 7*” (EC3: 013); “[...] *it's at the very top, corruption is a huge problem*” (LS2: 015); “[it is] *extremely dangerous even at the lowest levels*” (MED2: 025). In the words of one NGO official: “*I live in this country, pay the taxes, and for me it is an enormous [problem] ...I am aware that there are countries where corruption is much more developed, but I don't see it as any excuse for what we have*” (NGO1: 013). Interestingly, a participant from the media target group, who viewed corruption as one of the most serious problems, judged it a lesser problem in comparison to organized crime, which “*has the access to social spheres, the media, politics, the public, the legal system, the police, and public administration. It works throughout social spheres and therefore it is a hundred times more dangerous than these corruptive phenomena that are not harmless themselves... although large sums of money can be involved, they are not that dangerous for the society and the system*” (MED3: 050).

Only a few interviewees did not regard corruption a serious problem, mostly pointing out the unrealistic public perception: “*The perception of corruption is exaggerated... political parties have inflated it in order to get some political points on the issue*” (MED1: 013). This discrepancy between the prevalence of corruption and the perception of its prevalence was sometimes also mentioned by the respondents who had no intention of downplaying the importance of the problem (POL1). However, for the most of interviewees the perception of corruption remained an important social fact that should be taken seriously.



Predictably, in several interviews it was emphasized that corruption is not a country-specific problem: *“it is anywhere in the world – from America, England, Italy, France, Germany, wherever you turn around if somebody gives his money for political campaign, or has personal ambitions, or expects benefit he will gain in the end because of political lobbying for certain activities”* (POL1: 035).

### 2.2.2. Main Areas Affected by Corruption

Most participants, though not all, agreed that *“we are a highly corrupt society”* (POL3: 013). Typically, the expressed opinions suggested that corruption is “everywhere”, that it has “infected” all social spheres, and that it exists in many areas where the citizens cannot see it – on local, national and international levels (NGO). Also, it was emphasized that corruption exists *“[...] everywhere where the state does not provide the service it should, the way it should”* (POL3: 021). In another words, corruption is ubiquitous, which prevents the people to legally achieve their goals. *“I think ... it happens in economy, it happens in politics - I think that it has entered all pores of society”* (EC1: 021). In the words of a journalist: *“Corruption covers all spheres. Corruption covers also the media”* (MED3: 040).

The omnipresence of corruption was occasionally linked to state ownership: *“Corruption is very present anywhere where the state is still the owner”* (EC1: 029) and the inability of the system to efficiently fight corrupt state officials. For another participant: *“Corruption is mostly spread ...there where intense interaction between the citizens and the state exists... The results show that the judiciary, police, health system are more corrupt because those are the main citizen services, where they spent a lot time”* (NGO2: 023). In the cases when some areas were identified as more corrupt than others, low-level public administration was mentioned (*“[public servants] are often these who generate corruption, and not their supervisors”*; MED2: 101), as well as health services, construction industry, politics (*“a lot of money goes away there”*; MED1: 077), judiciary (*“legal system is absolutely intangible”*; MED1: 021), the system of public procurement, and local government. Overall, politics and the legal system were considered to be the areas where corruption was most dangerous for the society. The politics are closely linked to the state apparatus, which makes corruption especially hard to root out: *“...where big businesses is decided, and that is where the state is involved - that is, usually the most powerful party through the state, there is the biggest corruption”* (MED2: 021). Similarly, the existence of corruption within the legal system automatically rules out the efficient fight against corruption in other areas. This, according to one interviewee, constitutes a violation of human rights on a grand scale (LS2).

Low-level corruption seemed to be mostly associated with the health care system (*“we all need health services”*; MED1: 021), but some warned against taking the most “visible” areas as the most corrupt ones (LS2).

### 2.2.3. Public Perception of Corruption

How does the general public perceive and evaluate the prevalence and characteristics of corruption in Croatia? Several respondents voiced their doubts regarding the validity of public perception of corruption in Croatia: *“... it is not as ubiquitous as the public thinks”* (EC1:



116);”... *it is really difficult to say how much that perception corresponds to reality*” (MED2: 093); “...*to what extent is that [public perception of corruption] the true picture, it is difficult to say*” (P2: 081). Actually, the majority of interviewees claimed that public perception of corruption is somewhat inflated. One of the possible reasons for the phenomenon is that it stems from the widely shared feelings of discontent and injustice. This was pointed out by one of our participants who commented on the perception of corruption in the legal system: “[...] *jurisdiction is, in the minds of people, a place where even the slightest form of corruption is considered terrible*” (LS3: 105).

Although it was suggested that the public is not sufficiently educated and informed to be able to identify corruption in certain sectors (EC3), the prevailing notion was that citizens are most sensitive to corruption which concerns them the most: when they themselves have to pay (bribe) for the service they are entitled to, mostly in the health care or educational system. The public is more perceptive of the types of corruption which are “closer” to them, which take place “*in their surroundings*”, to corrupt activities reported by the media, and “*corruption at the highest levels*” (P2: 089). The public is highly sensitive about corruption in public services “*which they need the most, as is the case with health care services*” (EC3: 101) and “*the legal system*” (MED1: 093). However, this sensitivity may reflect, partially at least, a double standard. According to one respondent, there is something like a ‘*corruption reflex*’ in the collective consciousness, which makes people use their ‘contacts’ in order to obtain some service avoiding the regulations, even when the same service could be easily obtained in a regular way. According to this participant, corrupt behaviour is deeply embedded into the structure of social relations: “[T]*here is this idea that nothing can be done without bribe, without giving something to someone*” (P1: 021); [T]*here is a high tolerance to those ‘blue envelopes’ that are often given to medical doctors*” (POL3: 069). Sometimes, it was suggested, bribery can be interpreted in the public discourse as a part of the culture of gift giving.

An important question was raised by an interviewee about whether the public could be treated as a homogenous entity and characterized by a single perception of corruption. In his opinion, tolerance toward low-level corruption could be quite high among some segments of the population (POL1).

Who creates the public opinion about corruption? The media were singled out as the main factor: “[The public is] *influenced by media presentations... [this is] a propaganda machinery*” (NGO2: 023). In general, the media were judged as having a positive role – primarily in raising awareness about corruption - but due to an increasing number of publicized affairs and scandals, citizens are getting the impression that there is more and more corruption around (NGO1 & 2). At the same time, the media depictions of corruption are often problematic and may be confusing, so that “*ordinary citizens are not sure any more about what corruption really is*” (P1: 013). Some participants claimed that the public mistrust towards institutions is amplified by the media approach to corruption. People started to believe that Croatia is Europe's most corrupt country, and there is a tendency to perceive corruption as the most serious social problem (POL2).

To summarise, the public perception of corruption was depicted as influenced mostly by two sources: (1) negative personal experiences, and (2) the media discourse which focuses on



corruption in certain areas. The danger of “minimising” or “exaggerating” the extent of corruption in the society seems to be present in both.

## 2. 3. The Most Important Sources of Corruption

### 2.3.1. Causes of Corruption

Major causes of corruption mentioned in the interviews were cultural insensitivity to unfairness, lack of professionalism, insufficient professional competencies, uninformed and inadequately educated public opinion, immorality of individuals, but also the recent history. The 1991-1995 war, for example, was stated as one of the central generators of corruption, as it has reportedly changed people’s way of thinking and their value system. The war affected the “transition period” and “globalisation” in several ways: “...*the globalisation process, which is very strong, came suddenly and the people and the state were not ready*” (EC1: 148); “*The war is a condition in which of course war profiteer structures are made that are later very hard to dismantle*” (MED2: 121). Also, the war provided a strong “support” for corrupt activities because everything was allowed during that period: “*People lived in a belief that they can do anything and get away with it, because the state had more important things than to deal with them*” (MED3: 025). In addition, the state itself was heavily involved in breaking the rules: “[...] *the state was opening itself to organized crime in order to acquire weapons for the defence of the country. In the process, the organized criminal took over the state - ... and later, after it grabbed control, it captured everything else*” (NGO2: 083). In a broader and more historical sense, there is a perception and belief that corruption in Croatia is associated to a certain culture of (amoral) reciprocation that is characteristic to South-Eastern Europe and the Balkans: “*cultural and political legacy is here partially... or in all respects negative*” (EC3: 109). This tradition of tolerating corruption was described by a participant in the following manner: “*Society as a whole has a habit of solving many things either with bribe or corruption and that is deeply embedded into the system*” (EC2: 019); “[...] *the problem is in the very informal culture, that is, the customs of this land*” (LS2: 083); “[...] *we are still governed by that mentality... ‘Don't worry, I know him, we'll work it out’*” (LS1: 218). “*‘A culture of corruption’ has always existed, as well as the tradition of corruption in this region, the brigand legacy, rooted resistance to any state and any government*” (MED3: 081).

Some participants explicitly mentioned the socialist heritage: “[...] *back then (in socialism) corruption was even legalized. There were categories within the population that had a certain advantage. I'm not even sure if it can be called 'corruption' if it was legal*” (LS3: 117). But, in socialism corruption was something normal because “*everybody had low wages and then they all gave something to somebody in exchange*” (MED1: 110). Increased social insecurity that has replaced the egalitarian socialist security was also pointed out as a cause of corruption today. Although corruption in Croatia has its roots in the socialist legacy, the transition process has added new dimensions and dynamics: “... *one of the causes of the destruction of trust is precisely that enormous injustice which has happened during the transition... especially now when we talk about privatisation - the whole process of privatisation was not transparent enough*” (NGO1: 101). It should be noted that opinions about the socialist legacy and its role in contemporary corruption differed significantly. For example, one participant stated that: “[...] *in the socialist regime, there was a minimal amount of corruption,*



*incomparably less*” (POL1: 091). Yet, for another, “[...] *the period of socialism was a period of corruption, but people were not allowed to write about it*” (POL2: 103).

The majority of respondents saw structural and institutional characteristics as even more important factors for the current extent of corruption. Among the mentioned causes of corruption were inadequate selection of employees and low salaries (especially in state companies), which highlights the importance of ownership structure: “[Corruption today] *is de facto generated by financial and political structures... the state controls almost two thirds of the capital*” (MED2: 013). So, it is the state bureaucracy that is the “*source of political and economic corruption*” (MED2: 013).

Corruption is a well-structured process: if low-level corruption is a matter of habits, customs and local practices, “big” corruption easily adds to it due to structural factors: “*The greater the position, the greater the possibility of corrupt activities*” (EC2: 175). Cultural and structural factors seem enmeshed in a “corruptive mind”, which governs bribing. It is stimulated by the lack of awareness that an action does not have to be criminal in order to be corrupt, as in the case of conflict of interest (MED3). Also, inefficiency and incompetence of the system “creates” corruption by obstructing regular procedures (MED3; EC3). Structurally speaking, an “*unordered and non-transparent state*”, in which *ad hoc* rules regularly weaken standard regulations, breeds corruption (EC2).

To summarise, the causes and sources of corruption in the Croatian society seem to lay primarily in structural inadequacies of the system (related to painful post-socialist transformation and the 1991-1995 war), but also, partially, in the historical legacy (“the usual ways of doing things”). While the former provide the opportunities for corrupt behaviour, the latter provides behavioural scripts and justification.

### 2.3.2. *The Dynamics of Corruption*

Is it possible to establish the changes in the dynamics of corrupt behaviour? Is corruption a constant “quantity” or is it developing, changing its features and severity? In the words of an interviewee: “*Definitely there are changes... - it [corruption] is a process.*” (EC1: 029). One of the most important changes mentioned during the interviews was that recently several important corruption cases have been processed and that the media started paying more attention to corruption. However, a lack of relevant data was also pointed out: “[...] *until recently we did not have systematic research on prevalence and dynamics or general patterns of change and quality of the corruption in our society*” (LS1: 098).

For some interviewees, corruption was more widespread before, “*...at a time when transition begun in this country*” (EC1: 029). One reason was that people who did not have much (property, money) wanted to gain overnight what some others already had. For other interviewees, the dynamics of corruption did not change. What did change was the treatment of corruption in the society (MED1). Another view shared by some interviewees was that the real change was marginal and that the handling of corruption changed only superficially (MED2): “*Interventions in the system are not the same as the change of the system. The system stayed the same (after the last change of government). No fight against high-level corruption was attempted*” (MED3: 027).



Those who suggested that corruption increased offered the following explanations: (a) rising popularity of party politics (people become members of political parties “*to become rich; through politics they use their positions of power to give somebody the benefits for something that is later returned*”; EC2: 035); and (b) greater gains enabled by market economy (corruption is escalating because of greater opportunities for big earnings; LS1). During the socialism corruption was realized mostly through “blue envelopes” and favour-for-favour system of exchange. The Socialist party privileges were (hierarchically) institutionalised: “*...party privileges extended social privileges also to companies, because these people could then run the companies, they had the positions and that had given to them certain power in society*” (EC2: 085). Privatization and market economy provided a radically new framework: “*the ways how corruption was practised was different due to a different model of ownership*”<sup>6</sup> (P1: 017). With the collapse of socialist system the number of pretenders for power positions increased, but the people who were already in power wanted to keep their positions. All this, according to one participant, served as a powerful generator of corruption. These days corruption is more complex and harder to control because it is not centralized anymore.

However, several interviewees suggested that the increasing media coverage of corruption affects corrupt activities by increasing their stigmatization: “[...] *I see that there is much more talk on corruption as a problem today there before. In some ways the public is becoming more sensitive to corruption*” (LS2: 048). There seems to be a better understanding of corruption today. One interviewee expressed the view that the public perception of corruption will continue to change making unacceptable the practices tolerated before (NGO1).

Generally, we found all three perceptions (that corruption is increasing, decreasing, and remaining stable) present among our participants. The increase was associated with structural changes related mainly to the transition processes. The decrease was linked to more extensive media coverage and, sometimes, a more active role of the USKOK (State Attorney’s Office for combating corruption and organized crime). The stagnation was blamed on inefficient measures undertaken so far to combat corruption. Interviewees often expressed difficulties in assessing the dynamics of corruption. However, there seemed to be a consensus that corruption changed over time and that its forms and mechanisms are different from what they used to be. But “*although some types of corruption are disappearing*” (LS3: 101), the pressure for corrupt activities is still great. Cultural legacy is not responsible for this, but it may have facilitated the individual willingness to adapt to these new forms of corruption.

## 2.4. Major Consequences of Corruption

### 2.4.1. Effects of Corruption

Corruption affects societies and individuals on various levels (Shore & Haller, 2005). One of the major effects of corruption communicated in our interviews was a disturbed system of values, permeated with self-centred ruthlessness and opportunism. Another effect of corruption mentioned was the suboptimal performance of the whole system, especially its economic and social efficiency. Also, increasing mistrust in institutions was pointed out, as

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<sup>6</sup> Social ownership in contrast to the state or private ownership that exists today.



well as increasing poverty, distorted social priorities, inefficient investments, and wasted resources (NGO). Corruption clearly impedes development (“*only knowledge, education and work can bring results*”; EC1: 013) and creates widespread discontent, insecurity and mistrust in the state institutions. The bond between economic and political corruption is dangerous because it promotes the belief that everything is available to those who are politically connected. Finally, corruption in all its forms (LS1) “*decreases the availability of certain services*” (EC3: 009). All this leads to “*social insecurity that creates a negative socio-cultural climate*” (MED1: 009).

In other words, the effects of corruption include generalized inequality, legal insecurity and a wide-spread sense of helplessness (the belief that one’s rights and needs cannot be achieved or met through regular procedures): “[A] *person feels that (s)he in some way abused, [...] pushed in some way to a “backstage”... if (s)he is not able to corrupt somebody the way others are doing*”(LS1: 034). “[C]itizens are feeling a great amount of insecurity... all of them who can not afford corruption.” (NGO2: 009). There is a “*deeply rooted awareness that nothing can be done without bribe*” (P1: 021). Finally, a “*loss of trust in government or the state*”, was mentioned, which creates “*general pessimism*” (POL2: 009).

Furthermore, corruption can also affect the society so that “*it obstructs any real market competition*” (MED2: 017). At the same time, corruption affects those who are “*the poorest and the weakest*”, but can be convenient “*for the strongest*” (LS3: 009). Some important economic consequences of corruption that were also mentioned were the reluctance of foreign investors to invest in Croatia, the slowing down of economic development, and, paradoxically, a growing sense that everything is, and should be, for sale (LS2: 023).

In 10-15 years, corruption may become an alternative governing system (NGO2). One of the central reasons for such a gloomy prediction found in the interviews is the devastation of the legal system that widespread corruption is responsible for. “[T]hat means, there are alternative ways to get something, a favour, a good, a service, even a certain level of social recognition. This way corruption destroys the legal system and its norms which should be respected by all citizens” (POL3: 009). Lack of trust would continue to stimulate feelings of helplessness and anomie. In such a situation, corruption becomes a rational strategy for staying afloat.

#### 2.4.2. Citizen’s Trust

As research convincingly shows, trust is inextricably linked to corruption (Uslaner, 2004). Most of our interviewees seemed to have assumed that regaining citizens' trust in institutions will be a long and painful process that can only happen “*with change, replacement, of generations, and a lot of time*” (EC3: 105). A similar opinion was expressed by an interviewee who noted that recreating trust would require high integrity of the representatives of the institutions in questions: “*In the political and state structures people must have, no matter what their political believes are, personal and public integrity*” (MED2: 113). Citizen’s trust can be restored only with the establishment of the system with known rules and regulations, and with more transparent public authority (NGO). Also, it can be restored only through efficient and systematic sanctioning of corruption at all levels: “[...] *if we could efficiently and severely punish all those who are corrupt, not only at low and middle level, but*



*also those at the top level... there should be no "untouchables" (LS2: 137). "The more we strengthen the bodies responsible for prosecution ... the bigger the capacities for fighting corruption and the people who directly contact us would be assured that cases are prosecuted... all this would have an impact on the public opinion" (P2: 093). Citizens will only trust a government that is prepared to penalize corruption, not the one that declares the readiness to do so and not much more: "[W]e should start from the foundations and slowly rebuild the system anew, not just change something that's only the tip of an iceberg [...]" (POL1: 079). Too many cases of corruption reported in media, as one participant pointed out, never get prosecuted (MED1).*

For the most respondents, corruption has serious and negative effects on the functioning of Croatian society. If not prosecuted, it destroys the very fabric of society. To start restoring currently deficient levels of trust in institutions, efficient measures against corruption and professional integrity at all levels of the state are urgently needed.

## **2. 5. Combating Corruption**

### *2.5.1. The Fight Against Corruption*

How can a society organize itself against corruption? What is the best course for combating corruption? Almost all interviewees recognized that combating corruption is a long and costly process. Some respondents emphasised that people do not have the courage to report corruption, and those who report it do not receive appropriate support. Both representatives of the target group police emphasized the importance of citizens' cooperation. Citizen's reports were considered crucial for effective police work: *"It is criminal activity which (s)he (the citizen) should recognize and with absolute confidence report it to the authorized police department, because without it we definitely can not work" (P1: 053).* Major problems in reporting corruption, according to the two participants, were personal risks of disclosing corrupt activities and the fact that they are often hard to prove.

One of the major forces mentioned in the context of combating corruption was civic pressure and the citizens' awareness on which it is based: *"[...] I believe that because of the increasing awareness of citizens ... thanks to that, the existing general readiness to fight corruption will transform itself into a true readiness" (NGO1: 021).* Thus, more efforts need to be invested in educating people about corruption and its consequences (NGO1). Not only *"because they need to know what are their rights and which norms of behaviour are acceptable" (NGO1: 045),* but also because it sends a clear message that unacceptable behaviours are to be punished.

The central problem in the current combat against corruption is that corrupt activities are only partially processed: *"It should not happen that one case gets processed and the other one does not – they should all be treated equally" (EC1: 174).* This partiality was often associated with insufficient political will for solving the problem of corruption: *"There is no political will for solving this problem in general; there is a political will for saying: 'we are working on it'... That's the general story" (EC3: 141).* *"The bad thing is that no political authority, not a single political structure has the strength or willingness to end corruption" (MED1: 037).* *"[M]ore should be done on proactive disclosure of criminal activities" (LS2: 075); "[I]t is truly necessary that the state institutions start functioning properly" (LS3: 053).* Efficient



fight against corruption requires better regulation and control of the activities in the areas where corruption seems to be especially prevalent. Here, the obstacles seem to be insufficient legislation and inefficient courts.

Another important precondition for fighting corruption mentioned by our participants was the independence of relevant state institutions from political pressures and party control. Political and financial control were stressed in the case of the media and its role in fighting corruption. Some respondents claimed that these pressures cripple the media by preventing them to objectively investigate corruption cases. Thus, instead of educating the public and exerting pressure on state institutions, the media often cover corruption cases unprofessionally and in a non-systematic, sensationalist manner (LS1). Occasionally, we encountered deep pessimism regarding the current situation: *“The problem in fighting corruption is inexistence of the system, any system...capable of investigating corruption and prosecuting it”* (MED3: 040). Consequently, some claimed that there are only a few individuals who are truly fighting corruption: *“Those who investigate corruption and organized crime, criminal activities in the system, have no partners in the institutions of the system, in the civil society, in the public, or in the media”* (MED3: 030).

### 2.5.2. Attitudes Towards the National Program for Combating Corruption 2006-2008

A new national plan for fighting corruption was announced by the government in early 2006. The following chapter is based on our interviewees' evaluations of The National Program for Combating Corruption.

For many participants, the strategy appeared nice on paper, but was insufficient in reality: *“[...] I think that the measures are good, but the measures exist only on paper; I'm not as satisfied with the performance”* (NGO1: 037). However, it did represent a step forward and, as recognized by a number of interviewees, created positive pressure on relevant state institutions. Its potential was described in as: *“...the Program could be successful if it manages to incite a unified action carried out by the judiciary, the police, and the politics”* (EC1: 053). This coordination, though, was described as difficult to achieve: *“[...] what may turn out to be the problem is the fact that there are many institutions designated (to fight corruption) and great efforts will have to be invested to coordinate all these institutions and their activities”* (LS2: 056). Apart from claims that the Program contains a number of potentially efficient instruments and that it already initiated better coordination between relevant institutions, there was also a hope that the Program would help in educating wider segments of the society and serve as a strong motivating force (MED1).

Full-blown optimism (*“Anticorruption strategy is adequate and it is something that has not existed before”*; P1: 041) was, however, rare. More frequently we encountered scepticism as expressed by one interviewee: *“It is a basic document, and much more is needed, especially in terms of its implementation”* (LS3: 041). A respondent from the media group stated that the National Program will have no effects at all. Other respondents called it “a political pamphlet” (NGO1) or something that was created primarily to give the impression that the fight against corruption has finally begun (NGO2). There seems to be no political will, as explained by one respondent, for solving real problems when it comes to corruption: *“The Program...those are just nice words, a list of nice wishes and nice words for the European Union”* (MED1: 029).



Or, in the word of another: “[...] *In Croatia, in general, we have no problems with non-existing legislation or lack of institutions, the problem is always implementation. The real question is whether there is a political (...) will and whether there is a cultural background for efficient dealing with corruption*” (POL3: 029). “[The Program] *is only a matter of presentation, intended for making an impression, motivated by the obligations towards the European Union*” (MED3: 039).

There was a consensus that the Program will not result in “a sudden change”: “*It is unlikely that it can clean up the corruption... probably it will not be able to deal with the main forms and sources of corruption*” (EC3: 038). One respondent suggested that the Program, as well as any strategic document, might be of secondary importance: “*Obviously no strategy could solve it [corruption], but only the system of repression... corruption should be combated with penalties, the laws should be changed*” (EC2: 071).

Although, critically evaluated, the new strategy was rated more favourably than the previous National program (“[...] *the advantage of this Program, in comparison to the 2003 program, is that it has come to life. The first one remained a ‘dead letter’ - nothing happened*”; LS1: 130), primarily because of the operative changes it initiated, among which the increased capabilities of the USKOK were probably the central.

### 2.5.3. The Media and Corruption

Generally, the respondents considered the role of the media in combating corruption of great importance. There were some preconditions mentioned as currently lacking, such as high professionalism and expertise. Also, it was mentioned that positive, as well as negative, reporting is important in creating a strong anti-corruption sentiment among citizens. Some pointed out that the media approach to corruption is not sufficiently independent and that reporting is sometimes heavily biased or influenced by specific interests: “...*they (the media people) are also corrupt and so they are not what they should be*” (EC1: 082). It is also important to note that “*considering that the media are private, their utmost interest is to make money*” (EC2: 134), often at the expense of thorough investigation.

In a few interviews, the media were criticized for exaggerating the problem of corruption (“*sometimes we overdo it*”; MED1: 065), but were also credited for exposing many corruption scandals: “*The media made a certain move forward in comparison to some past times when nobody had a courage to blow the whistle, because of the political pressure on editorial offices coming from the highest authorities. Today, these pressures are in some way removed, but not entirely*” (MED2: 073). The obstacles to professional reporting have changed rather than disappeared. The owners and their powerful political allies represent the new pressures, so journalists sometimes turn into “*the pawns of those who generate corruption*” (MED3: 030). Some journalists choose to inform the public about a corrupt deal only if and when it is in the interest of somebody powerful: “*When ‘the big ones’ fight among themselves there is an interest to discredit the other one*” (MED3: 031).

None of the interviewees denied a positive role of the media in educating the public and raising overall awareness about the costs of corruption: “[...] *sensitivity is changing in a direction which is, in any case, positive [...] ... if nothing else, at least the problem is*

*recognized*” (NGO1: 073). In addition, reporting about corruption often forces social actors to behave, because the “*work badly done may return in the press like a boomerang*” (P2: 077). However, “*superficial journalism*”, which creates “*misunderstandings, puzzlement and discontent*” (NGO2: 059), was also mentioned. Criticism was directed toward the reporters who avoid serious research and rely uncritically on statements from press conferences. In part, this problem is due to inadequate professional education and training: “*...we have a lack of research journalism, which would dig deeper and would be ready to react even before something becomes news or a sensation*” (EC2: 136). This view was shared by a number of interviewees, who emphasized that journalists often fail to send the right message to the public (LS1). Weak argumentation and sensationalist overtones, it was argued, result in confusion and frustration among citizens, which encourages mistrust in journalists and the media in general: “*The media deal with scandals and often separate affairs from their context. They present only what is interesting to them...and as long it is interesting*” (P1: 073). “*The writing and general approach of the media towards corruption is sensationalist and not serious, and it lasts one or two days at the most. If the interest behind is a better sale of the newspapers, then it could last for up to 20 days. There is no systematic approach to this problem*” (POL1: 067). Therefore, citizens are often “*confused about what corruption really is*” (P1: 013). “*Disclosure of unimportant cases of corruption just to please the public creates the feeling that something has moved from the dead point. But all those cases in fact cover up the more important ones - that serious corruption which takes place somewhere at the highest political or business levels*” (POL3: 049). Non-systematic approach is also responsible for creating an impression that corruption is more prevalent than it really is: “*They (the media) make the impression among citizens that corruption is everywhere*” (P1: 085). “[I] think that the media present an enormously exaggerated image of corruption (...). The media contribute to the overblown impression of corruption in Croatia. If you ask an average citizen [about the extent of corruption], we would surely be on the top of the list considering corruption in Europe, but I don't think that we above the European average” (POL2: 079).

Another important limitation mentioned was the lack of positive reporting. An appeal was voiced that the media should also report about the success stories - the corruption cases that were efficiently prosecuted and sanctioned. Such an approach could motivate citizens to take more active part in combating corruption (P2).

#### 2.5.4. Non-governmental Organisations and the Fight Against Corruption

The role of NGOs in the fight against corruption received meagre interest and produced less elaboration than any other aspect discussed in the interview. For example, the respondents from the economy and police target groups failed to mention it. Others named the two well-known organizations, *Transparency International* and *The Partnership for Social Development*, confirmed their significance and proceeded with criticism: “[...] *it is important that they (NGOs) are educated as well about the things which are important to us, about what they need to provide us with. In some cases we cannot do anything with their material. If they would be better trained, they would be able to do better work*” (LS2: 183). One respondent from the media target group was openly sceptical about the role of NGOs in fighting corruption: “*They are behaving as the media does, they are blackmailing the authorities through leaking information, public campaigns, public scandals, to get nicer offices and bigger funds*” (MED3: 066). Similarly, another interviewee emphasized NGOs’ financial



dependency as the major source of biases and political manipulation: “[...] *but when you depend on someone, you cannot bite the hand that feeds you*” (POL1: 161).

Although critical toward some issues regarding the financing of the civil sector in general, the respondents from the NGO target group judged their role in combating corruption as extremely important. They did note, however, the existence of a number of NGOs that deal with corruption whose work is questionable. These were termed “opportunistic” organizations which are always after the topics that are currently high on the list of the international funding agencies’ priorities: “[...] *lately more and more non-governmental organizations switch to corruption because it's a hip subject. [...] So, I'm afraid that... there is a real risk that the whole sector could become a bit... well, 'corrupt' - too focused on corruption just to secure it's existence, to get funding, and not because it's truly into it... truly focused on combating corruption*“ (NGO1: 109).

#### 2.5.5. The Role of the European Union

The respondents from the target group economy had mostly positive opinions of the role of the European Union in combating corruption. They emphasized the effect of the measures that the European Union insists upon, as well as the EU role in educating people about the costs of corruption. There was an expectation that when Croatia becomes the member of the EU, the level of corruption will decrease: „*The European Union will definitely, through the rules of behaviour which exist there, will do that (reduce corruption) in Croatia*“ (EC3: 060). Still, one interviewee warned: „*There are mechanisms provided (by the EU), but ... in the end, the decision is on you. Nobody can help you if you do not decide to accept that help*“ (EC1: 070).

The third respondent from the same target group had a dissenting, critical opinion of the role of the European Union: „*In the end it is much easier for them to lecture us at the moment when we are preparing to become a member, and they do not see what they have [corruption], but at the same time they observe us with a magnifying glass*“ (EC2: 108). Also, he argued that the costly European experts who come to Croatia are less knowledgeable and professional than the Croatian experts. The only positive thing this interviewee assigned to the EU is its assistance in regulating our laws and making rules simpler, because „*the more complicated the system is, the easier it is to corrupt it*“ (EC2: 126).

All other respondents but one (“*I can not see the role of European Union, except in fact that, as a consumer of the media, I can see the problem of corruption as constantly present in the countries which, like Croatia, aspire to be future members of the EU. The problem (corruption) is constantly being emphasized, but nothing has been done to explain it to the citizens*”; P1: 057), evaluated the role of the EU as positive: “[...] *...it is absolutely positive in several ways. The EU can only help us, and it does it in several ways [...]*” (LS2: 087). Also, “[...] *well I really don't know what negative aspects could be. From my experience so far, I can't see any*” (LS3: 061). According to the representatives of the media, the EU could help “*with its examples and experience*” (MED1: 057). Also, it was suggested that the EU exerts a positive pressure on authorities about combating corruption and that its “external” position serves an advantage: “*I think that this neutrality that somebody who stands aside has could be helpful... In some way they can be more objective in judging our situation and they can offer better solutions*” (MED2: 065).

The respondents from the NGO and police target group promptly agreed that the EU plays a significant role in fighting corruption. The EU was again viewed as an important source of pressure that can result in the activities that otherwise would not be undertaken: “[...] *well the EU is really good... a good source of pressure. You see, with its legislation, the EU simply forces us to do things we otherwise wouldn't*“ (NGO1: 049), as well as the initiator of institutional development and anti-corruption monitoring: “*I would like to go back to the year 2001...and say that at that time, following the GRECO instructions and the instructions of other bodies for monitoring corruption within the European Council, we formed this Department... the Ministry of Police at that time introduced hotlines, anonymous lines for reporting corrupt activities*” (P2: 053). Under the influence of the EU the fight against corruption in Croatia was expected to become increasingly more dynamic, not the least because the EU insistence on curbing corruption is strongly linked to global competitiveness: “[...] *the economic giants like China and India are emerging on the market and in their shadow it will be difficult for anyone else to sell anything. Europe is trying to analyse where its problems are. And so, it is determined that curbing corruption is one of the key issues, that corruption should be actively combated, because it affects the final product price*“ (NGO2: 047).

Although positive about the role of the EU in general, the two respondents from the target group politics were also somewhat concerned. The first reason given was that the EU is facing some internal problems that might limit its positive influence: “[T]he EU has its problems ... but it keeps them in the background very well” (POL1: 127). The second reason was that, once in the EU, Croatia could be “sucked into” corruption scandals on a much larger scale: “[T]he EU hasn't solved large scale corruption any better than we did” (POL2: 071).

The role of the EU, when perceived as positive (which was the case in the majority of interviews), was most often associated with the positive pressure on the local institutions and decision makers, education about the costs of corruption, and transfer of the know-how. The reservations expressed were associated primarily with the EU internal problems and the notion that corruption can be efficiently combated only within: “[F]irst of all, we have to take the fight against corruption more seriously here, at home, if we strive towards the EU, not only politically, but also as a model of social change” (POL3: 041). It should be mentioned here that in several interviews the interviewees were under impression that the interviewees were expressing the attitudes and opinions of their institutions rather than voicing their own views.

#### 2.5.6. Combating Corruption “Internally”

Corruption sometimes exists within institutions and organizations as a way of “doing business”, which enables some individuals to reap personal benefits. To prevent this, internal anti-corruption mechanisms are developed and incorporated in daily activities. In the final part of the interview, we asked the representatives of the six target groups to identify and describe the mechanism(s) established in their organizations/institutions.

According to the findings, the situation varied substantially. Anti-corruption measures were present in some organizations, but not in the other. In the economy target group, for example,



all participants reported the absence of internal mechanisms, sometimes offering a justification: *“I have to admit that I do not see the possibility for corrupt activities because we are... a non-profit organization, that is the first thing, so we have nothing of interest here”* (EC1: 182). Another respondent stated that although corruption is definitely present in his organization: *“There is space [for corruption] unfortunately, and some of it can be proven - some of them are caught. The fact is that in the trade unions a lot of money flows around”* (EC2: 148), nobody seemed to be pressing for the introduction of anti-corruption measures. One of the possible reasons may be a deeply ingrained mistrust in the power of rules and regulations, inspired by the collective memory of inadequate implementation, monitoring and sanctioning: *“The problem is sometimes the law, but the biggest problem is the practice and the monitoring of this practice”* (EC3: 129). Thus the mechanisms of internal control tend to be complicated, expensive and inefficient (EC3).

The internal fight against corruption in the legal system, according to the representatives of this target group, is mostly non-existing. The most important improvement, it was suggested, would be to strictly monitor adherence to deadlines and procedures: *“[T]he thing we want to influence the most is the presence and respect of the procedures and of legal deadlines, which would mean that everybody is equal”* (LS3: 125). The legal system as a whole should be much better monitored. Among the measures that would increase institutional integrity, the interviewees listed vertical supervision and control, as well as security checks, institution of property cards, and transparent proceedings. Obligatory supervision, it was suggested, should be extended to all state lawyers (LS1). In addition, a greater attention should be paid to the professional code of conduct (LS2).

All respondents from the target group media agreed that corruption in the media is a problem and that no efficient control mechanisms exist. One respondent suggested that some journalists are highly corrupt, but are able to get away with it: *“Absolutely nothing happened to them. There are audits, some ethical committees, but that’s all... they will analyse the work those journalists did, but not the possibility that some were corrupt”* (MED1: 182). Another respondent argued that nobody follows the existing rules of the profession: *“In our agencies the new rules should be established. (...) There are some rules prescribed by law but nobody respects them, and the law was passed three years ago”* (MED2: 125).

The respondents from the target group NGO focused on the general situation in the civil sector. In their opinion, there are no control mechanisms in the NGO sector. Moreover, they claimed, the *modus operandi* of most NGOs is insufficiently transparent: *“[T]he level of transparency in the civil sector must be increased. Civil society, which sounds all too good and opened to the public, isn’t like that at all - it is a secret society instead. No work reports from the civil society are available. I can find reports for every state institution. These reports can be incomplete or badly written, but if I need them for an analysis, I can get them. If I need reports from NGOs, I’ll never find them or only for a small number of organizations”* (NGO2: 091).

Both respondents from the target group police agreed that the mechanisms of internal control are quite efficient in monitoring police officers (*“We are all under their [officers of the Department of Internal Control] control”*; P2: 109). Policemen are well informed about their rights and duties, and informed that their work is systematically monitored. This has increased awareness and, in some cases, created intolerance toward corrupt colleagues: *“Simply, there is*



*certain awareness present among officers - we had some cases when an officer would blow a whistle on another colleague, who would be later discharged” (P1: 113).* The respondents stated that during the last year (2006) the system proved efficient enough: a number of officers were reported for criminal activities and subjected to disciplinary proceedings.

In the target group politics, the interviewees expressed different notions about the internal control mechanisms. One respondent stated that there were no serious talks about the internal control in his institution, but that everything is kept in order by speeding up the procedures and decision making (POL1). Although the position of internal control officer was recently instituted, the respondent mentioned it only in passing. In comparison to professional efficiency and good intentions of the administrators employed, the new post was granted with marginal importance (POL1: 111). Another respondent stated that standard measures usually suffice: *“Everything must be transparently registered in the books, expenses must be clearly reported, and reports must be regularly sent to the relevant party office... I believe that 90% [of the political party officials] are very, very correct” (POL2: 119).* The third interviewee expressed a similar opinion and pointed out that the “control mechanism” he relies upon is choosing assistants carefully. He added that he has never encountered corruption at his work place (POL3).

### 3. Discussion

In the previous report (deliverable 1) (Štulhofer et al., 2007), we suggested the existence of the six ideal-type models of understanding corruption. We found that none of the six target groups included in the research study neatly fitted a single model, but instead contained elements of two or more models. In brief, the ideal-type models were described as:

- (1) The Public Relations model (**PR**) - simplified, often populist and one-dimensional definitions of corruption; corruption is perceived primarily as damaging for public image of the institution/actors in question; measures for fighting corruption are evaluated according to the PR efficiency criteria; the focus is primarily on low-level corruption;
- (2) The Expert model (**E**) - complex and comprehensive definitions of corruption; corruption is viewed as damaging to the social fabric of society and is economically wasteful; measures for fighting corruption are based on best international practice(s); the focus is on high-level corruption that inevitably involves politics;
- (3) The Nuisance model (**N**) – lack of clear definition; corruption is a minor and omnipresent issue that has been exaggerated; measures for fighting corruption are short-term and mostly inadequate; no clear focus;
- (4) The Human Rights model (**HR**) - comprehensive defining of corruption that emphasize human rights abuse; corruption is perceived as a moral, socio-cultural and economic evil; proposed measures for fighting corruption are systematic, rigorous, and transparent; the focus is on both low and high-level corruption, and on the role of civil society in combating corruption;



(5) The Pragmatic model (**P**) – comprehensive legal definitions; corruption is viewed as a major social problem; proposed measures for fighting corruption are systematic and well coordinated; the focus is primarily on low-level corruption;

(6) The Ignoring model (**I**) - *ad hoc* definitions, often too narrow or confused; corruption is perceived problematic only when it severely impedes governance and everyday business; measures for fighting corruption are usually not discussed.

To some extent, the six models and their characteristics were determined by the choice of two case studies that were analyzed in the first phase of the research study (Štulhofer et al., 2007). The same applied to the fit between the models and the data (documents from the six target groups) that was previously reported. Specific phenomenology of the chosen case studies inevitably limited the scope of the analysis into perceptions of corruption, resulting in somewhat loose and provisional correspondence between the models and the target group perceptions. The second phase of the research study, based on interview data, was promising more detailed insights.

The logic of model fitting in this second research phase was the following. Firstly, we decided upon the crucial aspects of perceiving and understanding corruption. We needed to focus on the issues (*categories*) that could serve as relevant indicators of the main structural dimensions (definition, assessment of the problem, anti-corruption measures suggested) of the models. After several discussions among the senior team members, the decision was made that the following four categories should be analyzed in detail to enable fitting the collected data to the models: (a) definition of corruption; (b) assessment of the dynamics of corruption and general evaluation of the problem; (c) suggestions for combating corruption; and (c) discussion about internal anti-corruption mechanisms. The last category, concerned with whether the interviewee's institution has introduced any internal anti-corruption mechanism and what are the interviewee's views about it, was chosen for its directness and precision. The rationale was that asking about general (society-level) anti-corruption measures may have resulted in the responses biased by social desirability and presumed expectations. In contrast, discussing the internal measures (or, for that matter, their absence) seemed less prone to the same biases and therefore more revealing and valid (the information gathered was also easier to verify). This was at least partially confirmed by the fact that the answers regarding internal mechanism were substantially more varied than those about general anti-corruption measures.

One noteworthy problem for the model fitting was dissonant “voices” within each target group. With the exception of the target group police, where a high degree of similarity between opinions of the two interviewees was found, the other groups were characterized by different degrees of heterogeneity. This difficulty could not always be resolved by searching for the dominant or representing “voice” per category and target group. This is certainly a limitation of our model fitting analysis, which needs to be taken into consideration.

As encountered in the first phase of the research study (Štulhofer et al, 2007), the perfect model fitting proved impossible. The discourses about corruption that surfaced in the interviews were too complex, multifaceted, occasionally incongruent or simply too fragmented to be closely associated to any single model. Rather, we found different categories in one target group fitting different models, which resulted in target group perceptions being described as multi-model composites. Keeping in mind that the models were originally



introduced as ideal-types - informed by empirical insights, but not intended to fully describe them - this should not be surprising.

### 3.1. Target Groups and the Models of Understanding Corruption

*Target group police* was characterized by the pragmatic (P) and expert model (E) approach to defining corruption (cf. *Appendix B – Table 1*). The E approach was reflected in the statement that relevant state institutions use different definitions of corruption, which has negative consequences for combating corruption. Suggestions regarding the fight against corruption were systematic, comprehensive and informed by the international practice (the E model), but focused primarily on low-level corruption (the P model). Well-established internal control mechanisms were discussed along the lines of the P model, emphasizing the measures taken against corruption in everyday situations.

The definition of corruption given by the representatives of the *target group politics* generally followed the E model (*Appendix B – Table 2*). However, their views on combating corruption mostly followed the P model, stressing the need for more efficient repression. In addition, some elements of the N model were found, primarily in the insistence on the universality of corruption, which was used as the justification for low personal expectations regarding the outcomes of anti-corruption campaigns. The lack of dedicated internal control and specific anti-corruption measures, taken together with the prevailing opinion among the representative from this target group that the half-measures that exist are sufficient (it should be noted here that the interviewees agreed that political corruption is a significant problem in Croatia), suggested the predominance of the I model in understanding internal corruption.

The definition from the *target group non-governmental organizations* (*Appendix B – Table 3*) followed the E and HR model, with the latter being expressed through suggestions that corruption constitutes a discriminatory (or even exclusionary) system. As expected, when discussing efficient anti-corruption measures the representatives of NGOs closely followed the E model and emphasised the best international practices and the importance of citizens' mobilization through education and awareness-rising. However, the lack of internal control was not critically assessed, in spite of the fact that both interviewees acknowledged the lack of transparency in the civil sector. Again, the I model was found the closest to the expressed views.

Definition of corruption associated with the *target group legal system* fitted the E and PR model (*Appendix B – Table 4*). This range corresponds to the fact that this group was one of the more disparate ones, with often contrasting “voices”. Thus, the definitions offered ranged from a comprehensive and legally well-founded one to the one that stressed “*a certain kind of evil that men possess*”. In contrast, in discussing the steps needed for efficient fight against corruption a relatively high level of homogeneity was achieved. However, the suggestions provided by the interviewees, which closely followed the E and P model, seemed to echo the role and the official line of the institutions they represented. As in the two previous cases, the discussion about internal anti-corruption mechanisms proved limited (the I model). Only the representative of USKOK (the State Attorney's Office for Combating Crime Corruption and Organized Crime) provided a critical and systematic account of the need for internal control in the legal system (the E model).



In another heterogeneous group, the *target group economy* (Appendix B – Table 5), corruption was defined in line with two models, the E model (the distinction between corruption that involves money and the one that does not) and the PR model. The elements of the latter were found in equating corruption with the mainstream notion of the system of favour exchange (involving political decision-makers and business people), as well as in an overly general description (“[corruption] *is anything that does not follow the regular rules and procedures*”). The PR model also fitted the suggestions regarding anti-corruption activities, which were mostly vague (“[all cases] *have to be treated equally*”), unspecific (appointing well-educated experts to important position) or ideological (the political will is crucial). No internal control or corruption prevention mechanisms were reported in this target group. This lack of internal attention to the problem of corruption was justified by (a) denying the possibility that corrupt activities could take place in interviewee’s institution/organization, (b) lack of in-house support, and (c) scepticism expressed through the assertion that all anti-corruption measures are costly and inefficient. All the three arguments pointed to the N model.

Finally, *the media target group* was characterized by a set of definitions (Appendix B – Table 6), which were associated with the E and HR model. As in the case of the NGO target group, the latter model was represented by claims that corruption constitutes a discriminatory system in which those who are connected exchange favours and prosper at the expense of (the unconnected) others. The P model dominated the discussion on combating corruption, which focused on what is feasible (educating citizens and increasing public pressure) in the situation characterized by the lack of genuine political motivation to tackle corruption (“...*no political authority, not a single political structure has the strength or willingness to end corruption*”). Although the representatives of this target group agreed that corruption is a significant problem in their working environment, they seemed highly distrustful of the existing internal safeguards. The mechanisms that have been introduced were judged insufficient and inefficient, at best. Overall, a sense of pessimism permeated the discussion of internal control. No model seemed to fit the discussion on the internal control in the media.

#### 4. Conclusions

A longitudinal cross-cultural analysis based on the World Values Survey dataset demonstrated that the level of tolerance toward corruption varies substantially, both between and within the countries (Moreno, 2002). Interestingly, the reported data pointed to an increase in the permissiveness toward corruption in the post-socialist European countries in the period 1990-1995 (Moreno, 2002: 504), suggesting the importance of transition costs and related socio-cultural and psychosocial adaptations. If perception(s) of corruption are conceptualized not only as moral statements but also as adaptations (in terms of operative self-positioning)<sup>7</sup>, understanding the “language of corruption” becomes crucial for identifying cultural obstacles to corruption prevention (Shore & Haller, 2005). As Uslaner’s research suggests, perception of corruption might be more affected by cultural than institutional factors, primarily through low or eroding trust (Uslaner, 2004). Clearly, mistrust in institutions is problematic not only in terms of individual action, which is guided by the

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<sup>7</sup> By *operative self-positioning* we refer to actor’s behavioural strategies that were intentionally “optimized” for operating in an environment characterized by X level of corruption.



imperative of dealing with heightened uncertainty and insecurity (due to the untrustworthy, dysfunctional state), but also as a long-term socio-cultural obstacle to any centralized anti-corruption campaign.

In this report we analyzed institutionally embedded scripts of corruption or, more precisely, the perceptions of what is corruption, how it is changing, what are its consequences, and how it should be combated. Individual opinions and statements that were collected ought to be “read” as highly personalized and, at the same time, institutionally embedded accounts of corruption. These accounts were treated in this study as systems of meanings, not necessarily fully coherent, that were assembled through personal experiences, institutional rules, dominant public discourse(s), professional identity, and sense of morality. Using the Grounded Theory approach (Corbin & Strauss, 1990) and the ideal-typical models of understanding corruption that were introduced in our previous paper (Štulhofer et al., 2007), we attempted to reconstruct these systems of meanings and document their multiple and often dissonant, but also overlapping “voices”.

The four main findings should be briefly mentioned. The expert (E) and pragmatic (P) model were found predominant in defining corruption and discussions regarding efficient society-level anti-corruption activity. This encouraging result suggested a rather high level of understanding and awareness of corruption among the interviewees, which was further confirmed in the analysis of the consequences of corruption, as outlined in the interviews. Less encouraging was the finding that the ignoring (I) model dominated the understanding of the importance of internal mechanisms of control and prevention of corruption in most target groups. The interviewees were highly critical of the lack of proper anti-corruption measures in the society and were sometimes even extending this criticism to institutions/organizations similar to their own, but tended either to dismiss the need for such mechanisms “at home” or consider good intentions and informal checks a perfectly good substitute.

The fact that the role of NGOs was marginalized or ignored for reasons that are not quite clear is also noteworthy. In a few cases where the topic (the role of NGOs in combating corruption in Croatia) was not raised by the interviewer, interviewees failed to mention it altogether. In contrast, we found an explicit consensus regarding the role of the EU. Although not without some critical observations, the majority of participants emphasized the importance of the EU for efficient anti-corruption activities in Croatia. The positive role of the EU was primarily associated with institutional reforms, legislative initiatives, and political pressure on local decision makers.

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## Appendix A: Interview Protocol

### INTERVIEW PROTOCOL (December 2006)

DATE	
INTERVIEW STARTED AT	
INTERVIEW FINISHED AT	

#### What is corruption for you?

- Definition
- Thinking about Croatia, what would be the most negative consequence of corruption?

#### How do you see the problem (of corruption) in Croatia?

- Significance?
- Which type/form is most problematic? Why?
- Recent changes regarding corruption (forms, dynamics etc.)?
- In which sectors/groups is corruption most prevalent?

#### What is your assessment of the new national anti-corruption strategy?

- Strengths/weaknesses?
- Expected effect(s)?
- Which types/forms of corruption will the strategy fight more successfully/less successfully?
- In general, what needs to be done to efficiently combat corruption?

#### What is your opinion on the role of the EU in combating corruption in Croatia?

- Positive/negative impact/effects?
- How can the EU help most in combating corruption in Croatia?

#### How do local media present corruption in Croatia?

- Do they pay sufficient/insufficient attention?
- Are there types/forms of corruption that receive too much/too little of media attention?
- What are the effects of media presentations?

#### What is public opinion's perception of corruption?

- Is corruption more/less prevalent than publicly perceived?
- Are there types/forms of corruption that public opinion is ignorant about or is not perceived as such?
- Which types/forms of corruption is public opinion most sensitive to?
- Perception of widespread corruption undermines trust in institutions; how can this trust be replenished?

#### Is there a role of cultural/political inheritance in corruption in Croatia?

- Has post-communist transition caused any changes (in perception, types/forms, dynamics)?

#### In your profession/institution/professional circle or environment, what is the dominant understanding of corruption?



- Are there any internal mechanisms for fighting corruption in place? Are they working?
- What is perceived as the best way to fight corruption in your profession/institution/professional circle?

## Appendix B: Tabular Overview of Perceptions of Corruption by Target Groups

The following tables provide a systematic overview of the interview data. The lower half of each table lists causes and consequences of corruption - according to the interviewees from a particular target group - as well as their definition(s) of corruption and how serious a problem they find it.

The upper half of tables contains data on (1) the areas particularly affected by corruption (*main loci*), (2) perceived dynamics of corruption (interviewees were asked about changes in type/mode of corruption (a), as well as in its volume/prevalence (b)), (3) suggestions for efficient reduction of corruption, and (4) opinions regarding the current roles of the media, NGOs, the public, and the EU in combating corruption.

Legend:

+	= the role (in combating corruption) is positive
-	= the role is negative
+/-	= the role is both positive and negative



Table 1 - TARGET GROUP POLICE

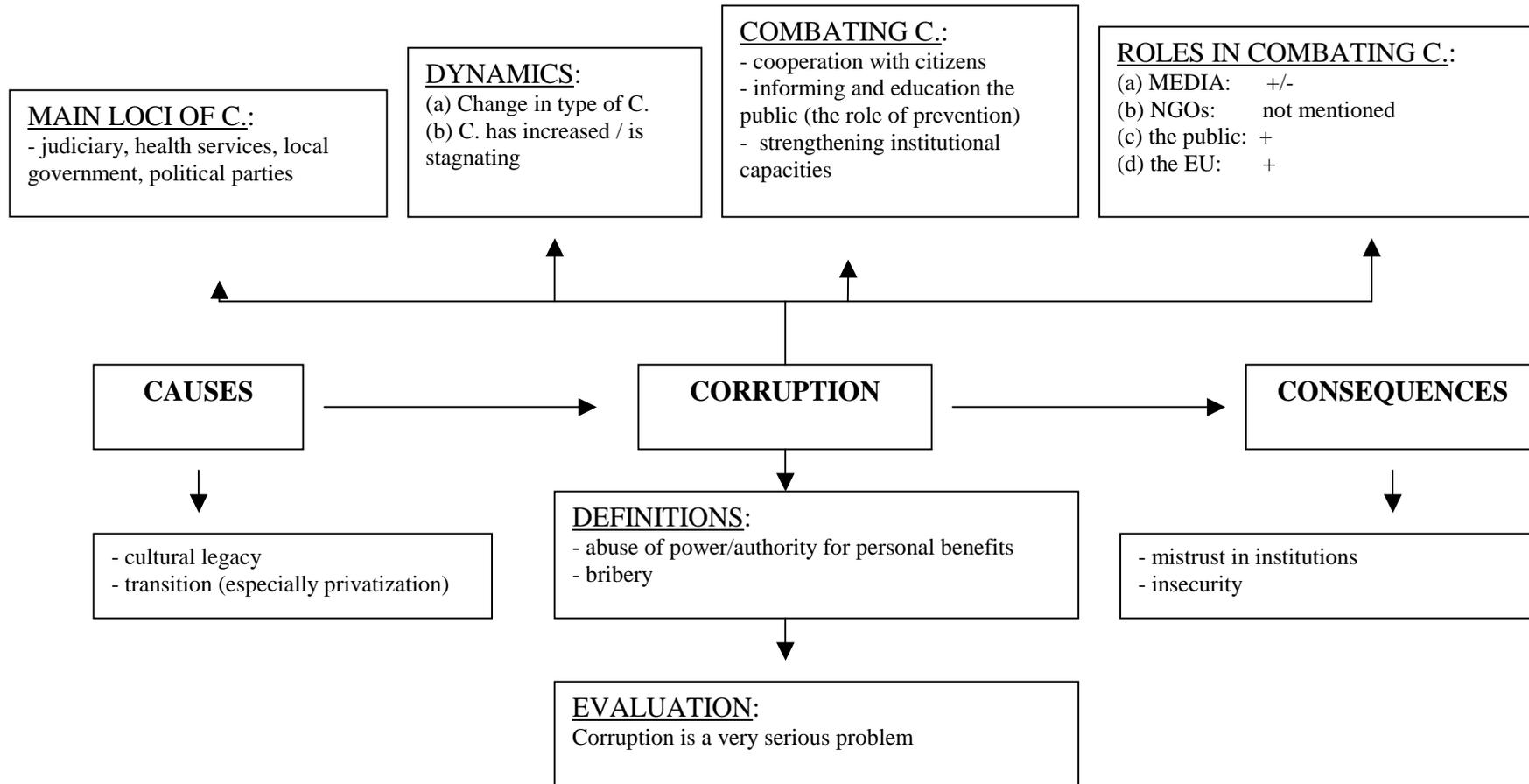




Table 2 - TARGET GROUP POLITICS

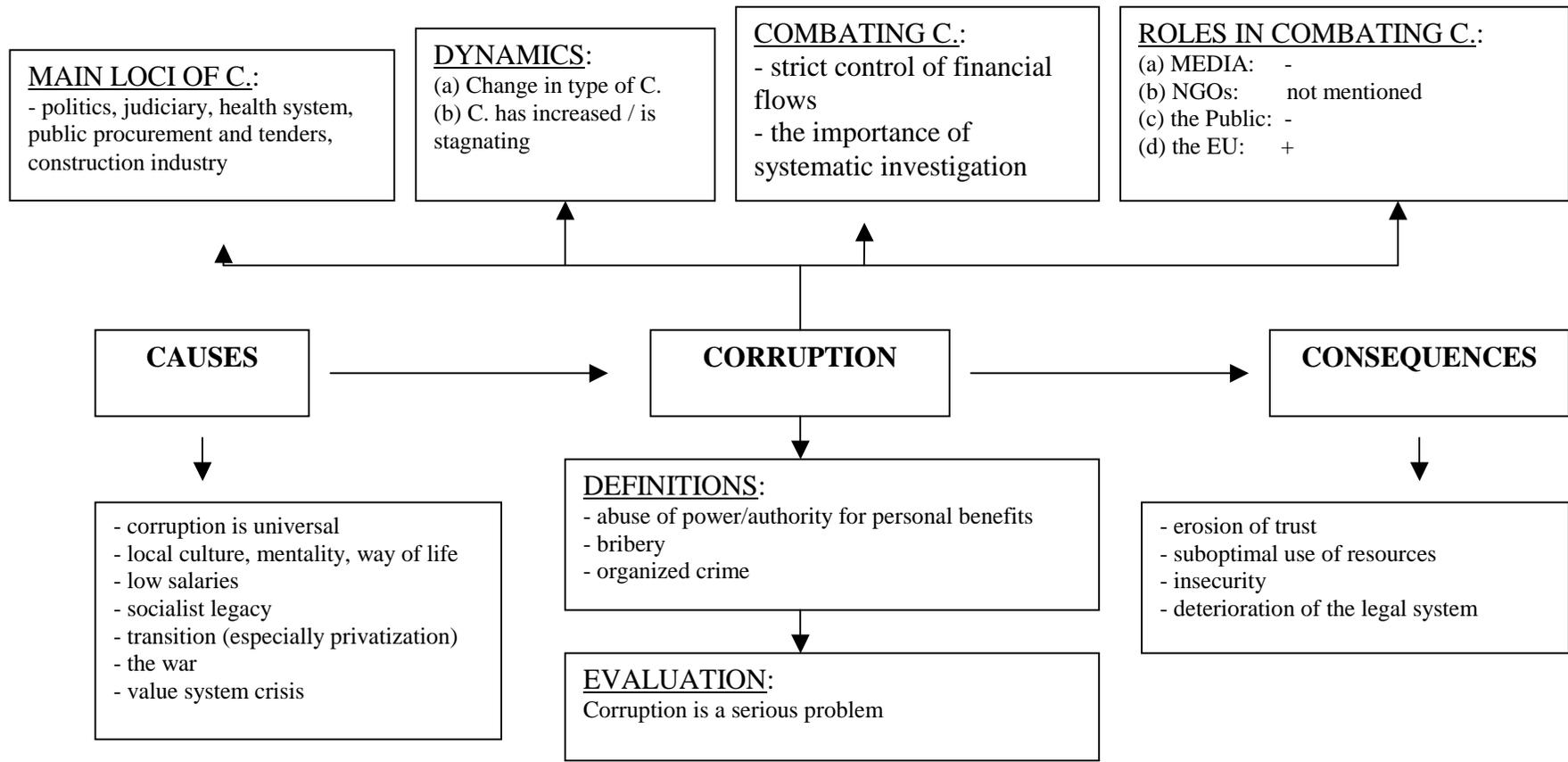




Table 3 - TARGET GROUP NGO

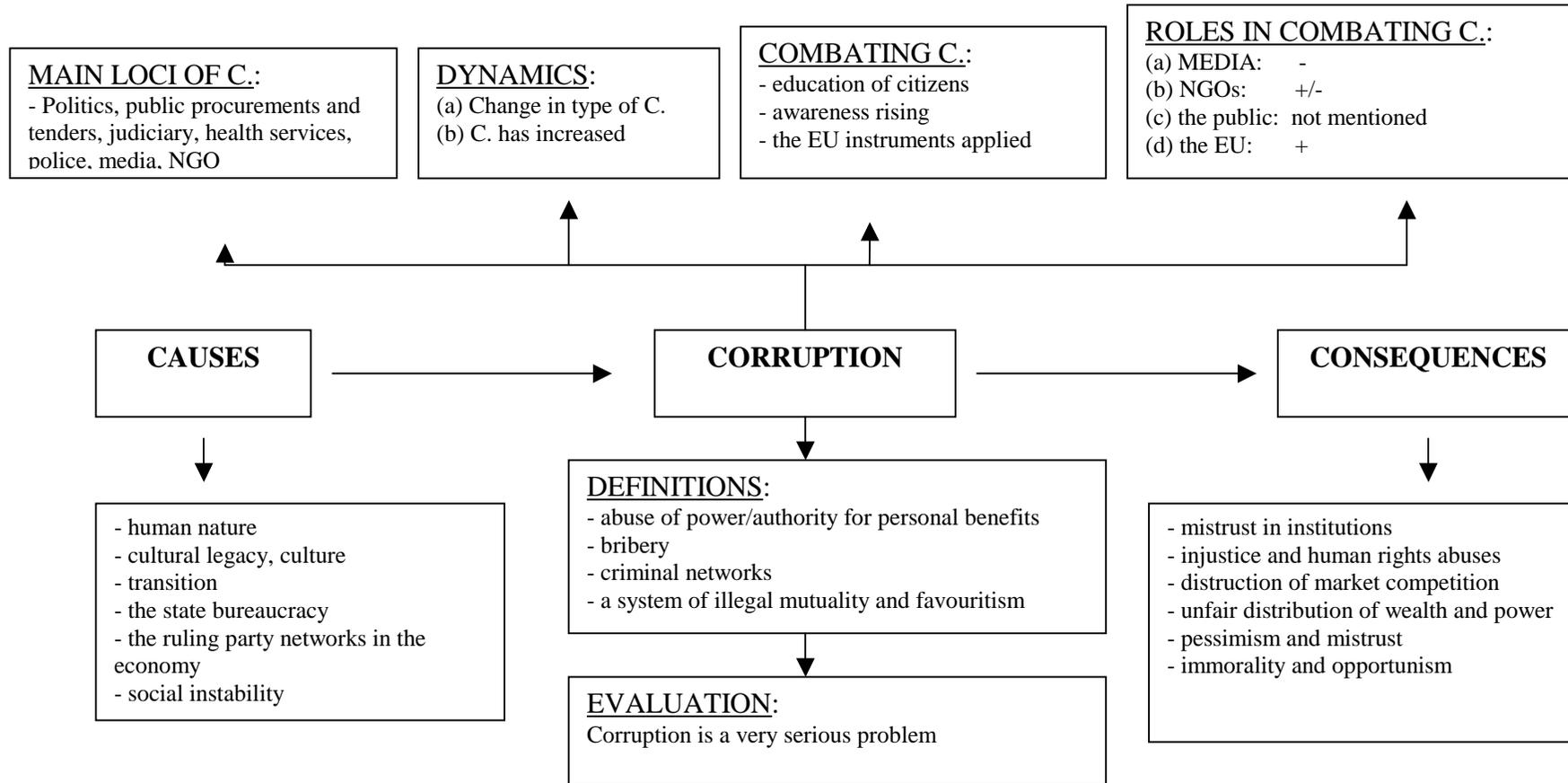




Table 4 - TARGET GROUP JUDICIARY

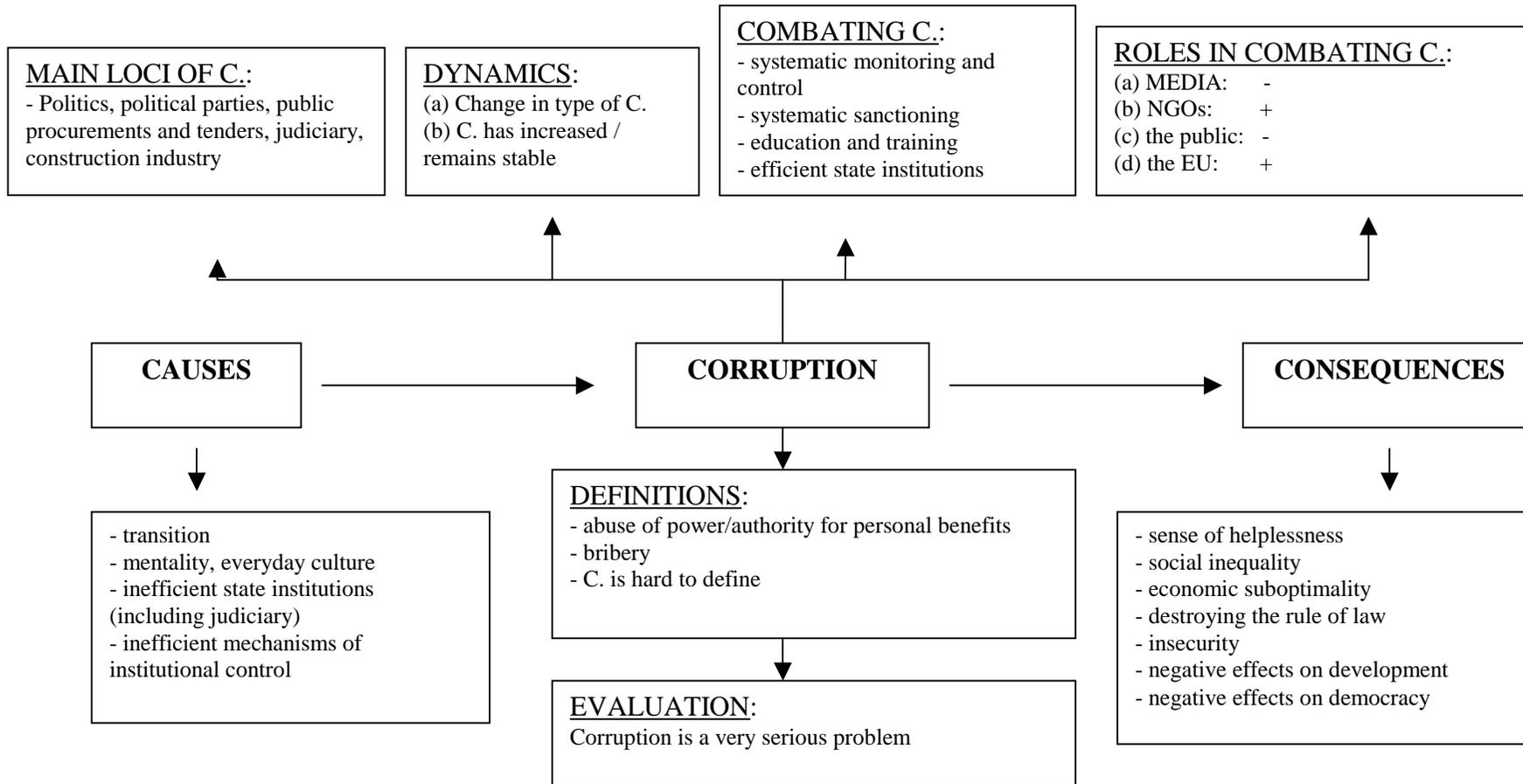




Table 5 - TARGET GROUP ECONOMY

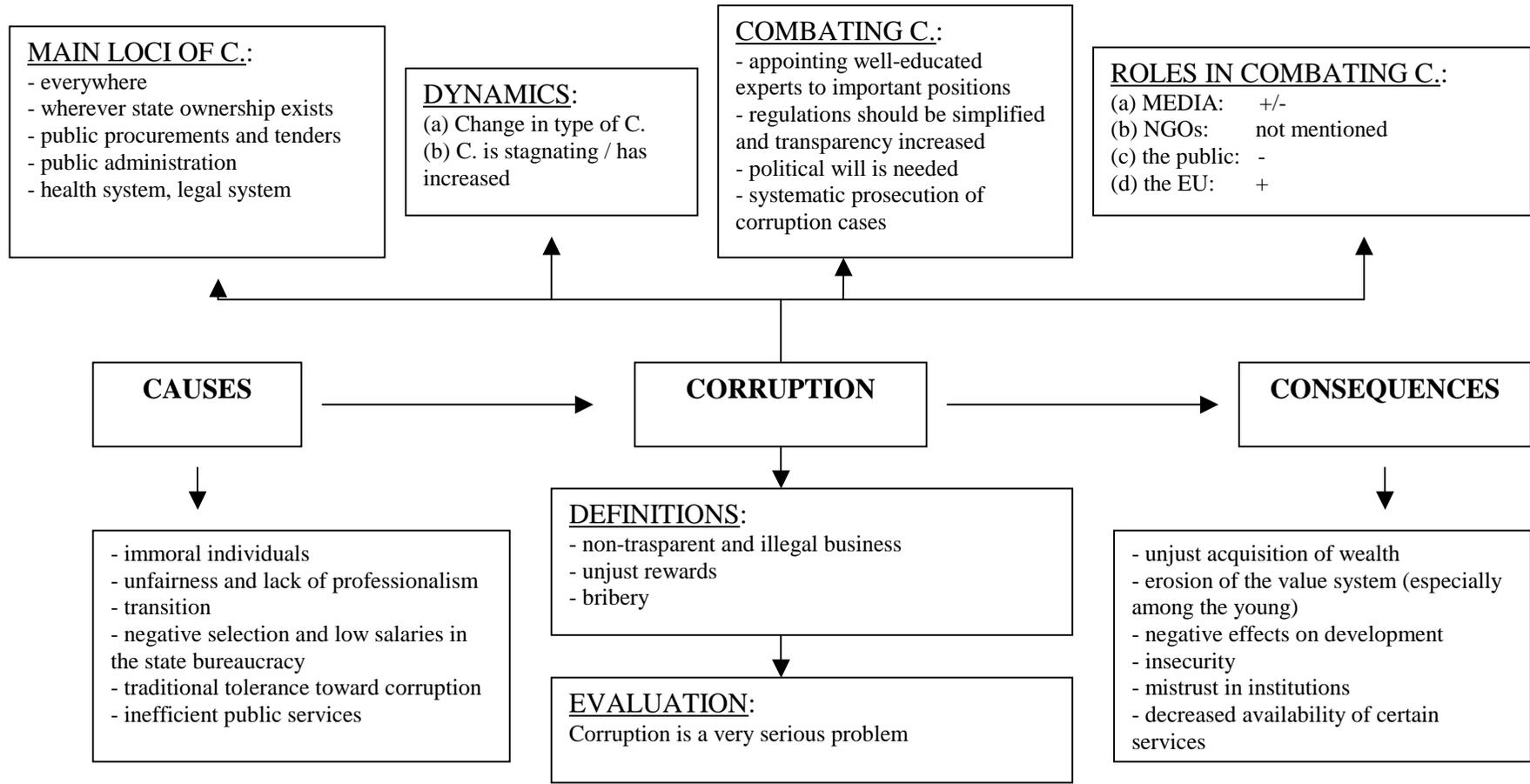




Table 6 - TARGET GROUP MEDIA

