

Central Europe, Southeast Europe and the Baltic states

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Poland, Romania, Slovakia, Slovenia, Yugoslavia

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Introduction

Enormous changes have taken place in Central Europe, Southeast Europe and the Baltic states since the collapse of state socialism, but widespread corruption – both petty and grand – lives on. The last decade of post-communist transition to democracy clearly had mixed results. Good intentions to get rid of graft have sometimes fallen foul of obfuscating former communists, inept former dissidents, uninformed foreign advisors or simply corrosion in the system.

Despite a shared legacy, the region is diverse, ranging from war-torn Bosnia, with its dysfunctional economy, to more peaceful and prosperous states, like the technology-savvy Baltic countries who look toward Scandinavia and enjoy a standard of living approaching that of poorer EU members.

The region's relative success stories in terms of prosperity and openness – the Czech Republic, Estonia, Hungary, Poland and Slovenia – have come far in the transition process, witnessing considerable corruption along the way. These countries have learned from experiences in the early 1990s when businessmen and officials took advantage of the collapse of the legal system to siphon money from state companies. Corruption charges make front-page news, and many anti-corruption institutions are now in place. The challenge is to make them work.

In the war-torn parts of the Balkans, corruption charges have more often than not been dwarfed by accusations of war crimes and genocide. In Yugoslavia and Croatia, with former leaders Milosevic and Tudjman gone, the challenge of building the foundations of transparent democracy has only just begun. Even in areas that escaped bloodshed, corruption remains rampant and an integral part of doing business. Countries in Southeast Europe have the opportunity to learn from the mistakes made by their neighbours.

Transition has turned out to be more difficult than expected for many of the countries in the region, but, at the same time, it has speeded up the prospects for

some states of joining the EU. In this setting, with mixed results from transition and mixed messages about the future, corruption has become a popular explanation for all that ails societies.

News review

Nothing served as a better indicator of Yugoslavia's desire to end the corruption of President Slobodan Milosevic's regime than his March 2001 arrest on corruption charges, which signalled, in the words of new Yugoslav president Vojislav Kostunica, that no one is above the law.¹ But even with the subsequent deportation of Milosevic to the UN International Criminal Tribunal for the former Yugoslavia in The Hague in June 2001, the hard task of dismantling Milosevic's kleptocracy has just begun. Mafia-state security gangs are still active, and the new President faces the daunting challenge of rooting them out at the risk of his own administration. Kostunica, a constitutional lawyer, repeatedly said that he wants to do things by the book and steer clear of 'revolutionary justice'. But others, both domestically and internationally, accused him of foot dragging and said that, as a nationalist, he lacks the political will to effect real change.²

In Bulgaria, despite relative political and economic stability, cleaning up corruption repeatedly rocked the boat of Prime Minister Ivan Kostov's government in its fourth term. Kostov's cabinet narrowly escaped collapse, due to a couple of well-timed foreign policy coups that overshadowed allegations of bribery and nepotism. In April 2000, former interior minister Bogomil Bonev publicly alleged high-level corruption among top officials in the Prime Minister's cabinet, threatening to disclose evidence of misappropriations if Kostov did not step down.³ In an effort to appease his critics, the premier sacked several high-ranking officials. Several days later, the World Bank disbursed a US \$7.5 million loan to Bulgaria to fight corruption.

In June 2000, Bulgaria's chief EU negotiator and former industry minister Alexander Bozhkov was forced to resign after the Prosecutor General's office accused him of corruption. Local media had dubbed Bozhkov 'Mr Ten Per Cent', in reference to his alleged habit of taking a cut of every deal approved. In late August, Prime Minister Kostov's image was soiled again when he admitted that he had taken a US \$80,000 'donation' from alleged mafia boss Grigory Luchansky.⁴ In June 2001, Bulgarians went to the polls and gave the party of ex-King Simeon 40 per cent of the popular vote. His election manifesto focused on attracting foreign investment, cutting taxes and reducing corruption.⁵

The failure of former Romanian president Emil Constantinescu to achieve success in rooting out corruption was a key factor contributing to his defeat in

the November 2000 presidential elections. Discontented with Constantinescu's dawdling on reform, the public elected former communist Ion Iliescu as President for the third time. Iliescu has yet to demonstrate any anti-corruption resolve. Analysts worry that the former president's failure to reform, and the return to power of an ex-communist leader under whom corruption had earlier flourished, may prevent Romania from pulling itself out of poverty and into the EU.⁶

In Poland, an investigation was launched in November 2000 into the tender for consulting services for the privatisation of Telekomunikacja Polska. The Polish Supreme Chamber of Control alleged that the Treasury Minister had violated the Public Procurement Act. And in March 2001, the Treasury Minister annulled a tender that the state gaming enterprise Totalizator Sportowy had closed with the American company G-Tech, on grounds of alleged corruption.⁷ On a more positive note, officials and businessmen in Poland recently launched a series of anti-corruption actions, including hard-hitting television and billboard public service announcements against the dangers of corruption.⁸

In the Czech Republic during 2000–01, long-awaited charges were brought against officials and businessmen for corrupt actions in the 1990s. In February 2001, the authorities arrested Frantisek Chvalovsky, the country's top soccer boss and head of the Czech-Moravian Football Association, on charges of credit fraud totalling US \$17 million.⁹ In December 2000 and early 2001, over a dozen prominent Czech bankers and businessmen were either charged or convicted of bank fraud, insider trading and other corruption-related crimes. Several had close political ties, including contributing funds to some of the country's largest parties.¹⁰ Such connections may have shielded them in the past, but no more.

In Lithuania, nine political parties signed a Pact on Political Honesty and Ethics in August 2000. Signatories committed themselves to ensuring fair elections. An anti-corruption unit exclusively geared to monitoring the public service was also set up. In June 2001, the Financial Action Task Force amended its 'black-list' of 'non-cooperative' countries in the fight against money laundering to include Hungary.¹¹

Reforming public procurement

In the 1990s, corruption scandals in the region tended to focus on privatisation, with politically connected businesses colluding with public officials to purchase state firms at a fraction of their real value. Today, privatisation is mostly complete in the 'success story' countries of Central Europe. Because of past scandals, the sale of remaining assets generally receives enormous media attention, greatly reducing the scope for corruption. In comparison, less attention is paid to



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The National Anti-Corruption Programme
Anna Cechová, Slovakia

corruption in public procurement. This remains a major obstacle on the road toward a transparent and competitive business environment.

Some reformist governments now publish a large quantity of information about tenders, including on the internet. A few Balkan countries have set up central government institutions to monitor procurement. However, such efforts are hindered by an overall lack of resources and qualified personnel. Piotr-Nils Gorecki, an OECD specialist in public procurement, said: 'Most countries have come quite far in setting up institutional and legal frameworks, and have amended, redrafted or introduced laws that have gone quite far toward EU law.'¹² But laws on procurement are still not adequate to prevent corrupt practices.

In the frontrunners for EU membership, the situation is not exactly driving away investors, but continued corruption holds back the economy, provokes public criticism and tarnishes the images of countries trying to impress Brussels.

In Poland, the state Public Procurement Office admits that procurement is one of the areas most susceptible to corruption, a conclusion echoed in recent reports by the World Bank and the Polish Supreme Chamber of Control. Official malpractice includes allowing companies to look into procurement conditions beforehand and to negotiate the prices of contracts after tenders are won. At the local level, where control mechanisms are far more lax, officials have awarded procurement contracts because of family connections, and colluded in the creation of fictitious companies to suit the needs of particular tenders.¹³

Tomasz Chlebowski, deputy head of the Polish Chamber of Information and Telecommunications, commented on IT procurement in a recent article: 'Observing tenders for computer systems, announced by the state administration, leads one to an unnerving conclusion: bidders who do not have "insiders" in tender commissions have absolutely no chance. What's worse, the law itself contributes to such a situation.' He faulted legislation for its failure to address the possibility of some forms of corruption.¹⁴

The situation in Hungary is equally troubling. After surveying 560 member companies who have invested in Hungary since 1989, the American Chamber of Commerce recently condemned the country's public procurement law for its 'subjectivity'; excessive secrecy, which makes it impossible for losing bidders to review the winner's estimate and for the public to monitor the implementation of the contract; and its low fines for improprieties. André Mecs of the Chamber's legislative and political affairs committee said of the law: 'It serves the interests of the one who is issuing the tender ... and of those people who don't want the process to be transparent.'¹⁵ In November 2000, authorities caught the then chairman of the parliamentary procurement committee red-handed while taking bribes.¹⁶

The Hungarian government, while paying lip service to public procurement

reform, has actually been one of the worst offenders, regularly avoiding competitive tenders. Failure to tender the construction of new motorways was severely criticised by the European Commission, the Hungarian Competition Office and many others. Instead of opening up the estimated US \$2 billion project to public bidding, the cabinet allowed the state-owned Hungarian Development Bank (MFB) to choose construction companies and finance the work. Critics charge that firms ‘friendly’ to the ruling Fidesz-Hungarian Civic Party were chosen by MFB, though Prime Minister Viktor Orban defended the selection process as a way of ensuring that uncorrupt, Hungarian companies came out on top.¹⁷

With mismanaged privatisation of state utilities and enterprises still commanding media attention in Latvia, corruption in public procurement has not taken centre stage, though procedures are far from transparent. Despite the public’s perception that corruption in procurement is high,¹⁸ not a single case of public procurement abuse has come to court since the country regained independence in 1991. In spring 2000 a procurement official at the Defence Ministry was dismissed after ordering uniforms from a company owned by another company of which he was the state trustee – but he was reinstated a few months later.¹⁹

Under the present public procurement law in Latvia the names of the winning and losing bidders are available to the public, but not the sum paid, said Finance Ministry official Edvins Parups.²⁰ Information about the decision-making process and those responsible for it is restricted to the state auditor. However, a draft law on public procurement aimed at aligning Latvia with EU norms is currently going through parliament. Members of public procurement commissions may in future be obliged to make a statement of their assets to the State Revenue Service, which already publishes information about the assets of other officials. The final form of the new law remains unclear.

While central governments acknowledge the need to make public procurement more transparent, there is much more work to do at the local level. ‘The main mass of corruption in Estonia – like elsewhere, probably – remains hidden within local level municipalities,’ said Lauri Vahtre, a member of the Estonian parliament.²¹ Piotr-Nils Gorecki at the OECD pointed out that flaws in procurement practice cannot always be tied to corruption. ‘It’s also a question of competence,’ he said. ‘For many [involved in local government procurement] this is a sideline, since there may be only a few tenders a year. They receive little or no training, and the laws change often.’²²

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Government anti-corruption efforts: fear of stalling

Efforts at fighting corruption by national governments – in part pressured by international agencies – are still adversely affected by widespread political complicity in shady dealings. And the public in many countries, weary of failed reform, continues to associate high-ranking politicians with corruption.

In Hungary, an ongoing oil scam to avoid higher taxes and customs duties has revealed the huge difficulties faced by national institutions investigating and fighting corruption, even in the region's leading countries. A parliamentary ad hoc committee set up to look at oil deals has good intentions but, analysts say, is underfunded and understaffed. More importantly, its role is limited because the case potentially implicates political parties across the board. 'There are people in all parties who are interrelated and their interests are against such a committee,' said Tibor Szanyi, a socialist parliamentary deputy and Vice-Chair of Hungary's Parliamentary Committee on European Integration.²³ 'The impact of such committees is quite limited,' said Janos Bertok at the OECD. 'Of course, they raise the profile of certain valuable sectors and give them publicity. But the real problem is very limited follow-up.'²⁴

In the Czech Republic, another of the region's leading countries, a 'Clean Hands' campaign sponsored by the Social Democrat government produced some results. Brady Clough, Vice-Chairman of TI-Czech Republic, said that 'less than two or three cases have been prosecuted. This is alarming when contrasted with the 1,000 or more criminal complaints issued by the government's anti-corruption investigative offices.' But he added that 'the first real victory for the Clean Hands campaign was high-level and bittersweet for the Social Democrats: their Finance Minister, Ivo Svoboda, had to resign along with a colleague on charges of investment and shareholder fraud'.²⁵

The Baltic states have perhaps been most creative in their anti-corruption drives. Latvia and Estonia, with well-deserved reputations for embracing information technology and the internet, used this openness to innovation as a way of increasing government transparency. Latvian Finance Minister Gundars Berzins installed a 24-hour web camera in his office to broadcast his every move via the internet.²⁶ Although gimmicky, the well-publicised venture raised the profile of anti-corruption initiatives.

There have also been more sustainable efforts. At the end of November 2000, Latvian Prime Minister Andris Berzins announced a new campaign designed to inform the public about the problems of corruption and the means to combat it.²⁷ Estonia, the region's technology leader, last year put government records online. By April 2001, every public official's salary was also published on the internet. 'To most people,' said Daniel Vaarik from the Finance Ministry, 'it is uncomfortable

that such data can be read by anyone, but our idea is that the whole financial environment must be transparent. The new system is definitely useful for the state, but perhaps not so comfortable for individuals.’²⁸ Now the government is looking into online voting for elections.

NGOs get involved

Where governments have faltered, the increasingly influential NGO sector has done much to carry on the fight against corruption. As a recent World Bank report noted, NGOs have demonstrated that civic activists can play a major role in raising public awareness of corruption, devising policies for reducing graft and monitoring governmental anti-corruption initiatives.²⁹ Promising examples of this trend include the tracking of public auctions by TI-Bulgaria and others; the key role played by Slovak NGOs in lobbying for a new freedom of information law that took effect at the beginning of 2000; and the Polish ‘Against Corruption’ programme that generated substantial coverage in the press and broadcast media. Several groups have started to spread their net wider, helping to train colleagues in other countries in the region. Coalition 2000, a Bulgarian organisation, is a group that promotes its aims in neighbouring Balkan countries.

Such grassroots initiatives are vital. And organisations such as the Open Society Institute (OSI), with local offices in many countries in the region, have also put the fight against corruption on their agenda. But, across the region, public confidence in bringing the perpetrators of corruption to justice is still low. In Hungary, a survey carried out by Szonda Phone Telemarketing Company revealed that 72 per cent agreed with the statement: ‘A few scapegoats will be identified but the real oil mafia will not be revealed.’ Seventy-seven per cent said that they believed that politicians were involved in illegal oil deals.³⁰

Whirlwind international involvement in fighting corruption

Events of the past year underlined that the international fight against corruption has become much more prominent. Nearly every major international player in the region issued a report on corruption, sponsored a conference or initiated a new programme.³¹ Real action seems to have finally caught up with the change in thinking that spread after the collapse of communism. Members of the donor and development community can no longer rationalise their support for ‘friendly’ but corrupt regimes – an approach that unfortunately carried over into the post-communist era. The race to join the EU is a constant theme, reflecting how deeply the organisation has influenced regional anti-corruption efforts. With

Fighting corruption in Slovakia

The current government – elected in 1998 – recently approved a national programme to fight corruption, based on a proposal developed by TI-Slovakia. Prime Minister Mikuláš Dzurinda held public consultations with all major stakeholders, and the programme was approved in June 2000. Ministers were then asked to draw up their own action plans.

Implementation of the programme effectively began before cabinet approved it, since a new Freedom of Information Act was passed in May 2000. A 120-strong NGO umbrella group that united behind the cry 'Everything that is not secret is public!' stimulated public pressure for the Act.

After it came into force, a comprehensive audit was conducted of the public administration. A final report made recommendations to rectify the deficiencies considered most conducive to corruption. The government pledged to implement them: the audit's value ultimately depends on its will to do so.

Corruption is still far too evident in public life in Slovakia, with four members of Prime Minister Dzurinda's cabinet having lost their jobs following corruption-related scandals. Most recently, Deputy Prime Minister for European Integration Pavol Hamžík was forced to resign after failing to disclose the alleged embezzlement of EU funds. Dzurinda sacked Hamžík after he first attempted to cover up the problem and then refused to leave office. Earlier this year, Defence Minister Pavol Kanis also stepped down after failing to explain where he found the funds to purchase a luxury villa. Dzurinda has shown that he means business where corruption in public office is concerned.

A series of new initiatives aims at tackling the many barriers to the transparent conduct of business. The government recently began a

review of all licences, concessions, permissions, contributions and grants; and the companies' register was made available to the public by internet. Parliament also adopted an Anti-Money Laundering Act, and began debating transparency in political life. Laws relating to party financing were amended in April 2001.

To give more legal force to the fight against corruption, the institution of *agent provocateur* – a specialised agent to fight corruption – was established. A new judicial code has been adopted, and the creation of an ombudsman is under discussion. The Slovak constitution was amended in February 2001 in order to accommodate these innovations.

Such developments were the subject of wide public debate, which in turn has been informed by the work of NGOs such as TI-Slovakia, currently running a television advertising campaign, as well as a range of educational programmes. Recent polls showed that Slovaks perceived corruption as the third biggest problem in their country.

While gains have been made, some observers were frustrated by the length of time it took to win approval and implementation of the national programme. There are also qualitative shortcomings in the ministry action plans. Other problems remain, such as unskilled officers, a possible lack of commitment to reform in some quarters, non-transparent financing of election campaigns, and continuing links between leaders and various interest groups.

But the commitment of NGOs to fighting corruption is a powerful counterweight to these difficulties. NGO activism in Slovakia played a crucial role over the past months in monitoring and influencing the government's efforts to combat corruption and in raising public awareness of the issue. These efforts show no sign of flagging.

TI-Slovakia

EU accession just around the corner for some, governments desperately want to be seen to achieve 'European' norms as soon as possible. Generally, this has had a positive effect, and the EU has pushed standards higher. But there are concerns that prospective member states are doing no more than ticking off the boxes on the *acquis communautaire* – the body of laws that accession countries must adopt to qualify for admission.

Apart from EU influence, the sea change in international thinking on corruption has snowballed into a series of anti-corruption initiatives by the donor community, often supported by NGOs and other civil society actors. But this flurry of international activity had a downside in some cases. Renewed institutional interest can bring overlapping jurisdictions, a lack of strategy and coordination, and scanty monitoring. Nowhere is this phenomenon better seen than in post-war Bosnia and Herzegovina. Bosnia, of course, is a special case, a country crippled by war that has been a virtual protectorate of the international community since the signature of the 1995 Dayton Peace Accord. Nonetheless, it serves as a useful example of international institutional disorder.

The key anti-corruption agency in Bosnia is the Anti-Fraud Department of the Office of the High Representative (OHR), the West's main oversight body. It has its own budget, investigative powers and a mission to act as a link between local institutions and the international community. In theory, it coordinates the anti-corruption activities and efforts of other international agencies, such as the World Bank, the IMF, the OSCE and the UN International Police Task Force (IPTF). The Anti-Fraud Department has mainly focused on reform of the financial police, together with the European Commission's Customs and Fiscal Assistance Office to Bosnia and Herzegovina, but it has also pushed for and monitored the implementation of customs and tax administration reforms.

Critics charge that the department has largely failed in its coordination role and is far too under-resourced to fulfil its mission. 'They do not have enough staff to make a significant dent in massive and pervasive corruption,' said Tanya Domi, a Balkan specialist who served as former OSCE spokesperson in Bosnia and Herzegovina.³² The US General Accounting Office concluded that the OHR's coordination strategy had been 'essentially a recitation of existing international efforts and, although the work of the international community is collegial, it is not truly coordinated'.³³

That view was seconded by a local official working for an international organisation, who blamed lack of coordination more than lack of staff. 'It became obvious a long time ago that OHR's abilities to act and react have been limited by the level of support and coordination among OHR and the rest of Western organisations and countries,' he said. 'The lack of cooperation and different political

International pressure sees results in Slovenia

After a lengthy period in which the government denied the existence of serious corruption in Slovenia, the State Prosecutor and police force finally swung into action this year. Unfortunately, their activities did not result from any systematic anti-corruption programme, or even pressure for change from ordinary Slovenians. Instead, they are the result of international pressure on the government to start fighting corruption.

Like all transition countries in the region, Slovenia is constantly monitored as part of the process of attaining full membership of international organisations such as the EU, NATO and the OECD. In 2000, the states that comprise the Council of Europe's anti-corruption group, GRECO, evaluated Slovenia's legal anti-corruption provisions and the performance of government institutions, agencies, the judiciary, parliament and the Chamber of Commerce.

Inquiries by GRECO revealed corruption by public officials on a grand scale. There is also evidence of corruption inside Slovenia's system of state subsidies to the private sector. Police investigations exposed the bribery of state prosecutors by international criminal organisations, as well as misuse of a political party official's influence to gain advantage in municipal administrative procedures. Legal cases are still pending.

Government perception of the importance of fighting corruption has increased dramatically since GRECO's evaluation report, which was made public in March 2001. This repre-

sents the most significant boost to efforts to tackle the problem in Slovenia.

The report recommended that Slovenia create a mechanism to coordinate departments involved in corruption prevention, in order to set up an integrated anti-corruption strategy. A major priority was the creation of a body to collect data and information on the frequency and types of corruption in the country.

Other recommendations included increasing the number of police officers in the anti-corruption division; strengthening the role of the public prosecutor in pre-trial proceedings; the recruitment and promotion of public prosecutors on the basis of objective criteria alone; and the provision of training on corruption and its detection for officials involved in public tenders and revenue collection.

By the end of March 2001, the government had taken preliminary steps towards establishing a governmental anti-corruption office and an inter-governmental anti-corruption coordination body.

The authorities have also expressed interest in acceding to the OECD Anti-Bribery Convention, and made a formal application to participate in the OECD Working Group on Bribery in International Business Transactions. A decision regarding Slovenian participation is awaited.

The Slovenian parliament adopted a law based on the OECD Anti-Bribery Convention in 1999. Inclusion in the Working Group would mean further international monitoring of Slovenia. This would result in more positive steps towards reducing corruption.

TI-Slovenia

and economic agendas of Western agencies and embassies prevent the creation of any serious long-term, or at least medium-term, anti-corruption strategy.³⁴

In Albania, the relative stability that has prevailed since the widespread anarchy that followed the collapse of pyramid investment schemes in 1997 has allowed international organisations and the government an opportunity to create a new framework – albeit, perhaps, a superficial one – against widespread cor-

ruption. On the advice of the World Bank, Albania formed a commission on corruption in January 1998 that focused chiefly on legal reform. In October 2000, a three-year anti-corruption project was launched, sponsored by USAID, implemented by Management Systems International and supported by Albanian NGOs.³⁵ The project will help in the formation of civil society organisations and the promotion of public-private partnerships.

One problem that inhibits the fight against corruption is the lack of continuous monitoring.

‘There is no periodical check on the situation, while the methodology used in various surveys is also different,’ said Auron Pasha, Executive Director of the Tirana think-tank Institute for Research and Development Alternatives. He added that discussion on corruption had missed its target, since it focused on big scandals, and not on curbing insidious petty corruption.³⁶ According to figures from the Albanian courts, there were only three investigations of ‘abuse of duty’ in the first half of 2000. One highly publicised case involved Idajet Beqiri, leader of the small left-wing National Unity Party, who was caught taking a bribe to bring about the release of an arrested official. Beqiri’s was the first case in Albania’s recent history of a politician being prosecuted for corruption.³⁷

Bosnia ... serves as a useful example of international institutional disorder.

Critics of the international community say that limited resources, as well as support for non-nationalist politicians no matter how dirty, prevent headway being made. A local official in Bosnia cited the example of a leading Bosnian Serb politician, widely thought to be engaged in corrupt activities, who managed to avoid investigation because he was a Western ally in the battle against Bosnian Serb hardliners. ‘These double standards, which are quite obvious and visible to the local community, harm Western anti-corruption efforts,’ he said.³⁸

But international agency involvement in the region has also had positive results. In Bosnia, a new electoral rule introduced by the OSCE in February 2000 bans elected officials from joining privatisation agencies and the boards of public enterprises. It has had a major impact. ‘These rules reduced the level of corruption in Bosnia by clearly defining the rules of behaviour of a public official,’ said Kristina Hemon, analyst in the Sarajevo office of International Crisis Group.³⁹ The OSCE rule led to investigations and audits of public enterprises, whose funds were believed to have been used to finance political parties, such as the state-owned power company Elektroprivreda BiH and the Mostar-based Hercegovacka Banka. In the latter case, the UN High Representative introduced provisional administration in April 2000 because of alleged misuse by the Croatian Democratic Union party.

‘All of this has created a momentum that is still underway,’ said Hemon. ‘It indicates that changes introduced to fight corruption have been effective. Their full implementation depends on the political will of the governments.’⁴⁰ As a positive sign, Hemon cited the importance of a July 2000 political party financing law passed by the Federation parliament. Long-term capacity and willingness to fight corruption at the national level must accompany international efforts for meaningful change to occur.

Conclusion

In the countries of Central Europe, Southeast Europe and the Baltic states, there are both striking similarities and wide discrepancies in the fortunes of the anti-corruption movement. Cleaning up public procurement in the Baltic states contrasts sharply with rooting out kleptocracy in former Yugoslavia. While increased international involvement in the area has had a positive impact on standards, it runs the risk of faltering due to overlapping jurisdictions and lack of coordination. And across the region, to varying degrees, governments’ will to fight corruption, and their publics’ confidence in their ability to do so, is low.

Countries on the verge of accession to the EU have more incentive to combat corruption, yet even they face enormous challenges. There is concern that the momentum to eradicate graft will falter in the region’s laggard countries, notably Romania, which has only an embryonic anti-corruption strategy. Or, even when the incentive is there, that frequent changes of government will fragment anti-corruption efforts. This could happen in Slovakia, which has made considerable progress after the crony capitalism of the Meciar era. A political switch away from reform, as publics tire of slow progress, would be a major obstacle for the region’s anti-corruption effort.

International organisations and foundations have actively recruited and funded civil society groups, but many initiatives originate with local NGOs. Government officials realise that they must show positive gains from the battle against corruption not just to the international community, but also to the wider society at home. They have begun to engage with civil society organisations to this end. There is a long way to go, but this sense of the growing accountability of politicians to their citizens was unthinkable only a few years ago and represents real progress.

Another worry is that with new NGOs popping up all over the region, particularly in Southeast Europe, the benefits of diversity and pluralism could be overtaken by the flaws of poor coordination, overlapping mandates and, ultimately, the very lack of accountability and transparency that NGOs seek to

address. A self-serving NGO sector, with inconsistent standards but a dedication to promoting transparency, would be one of the region's more troubling ironies.

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