A DIAGNOSIS OF CORRUPTION IN LITHUANIA

Dainius Velykis

Hertie School of Governance

September 2010

Although Lithuania has done ostensibly much to fight corruption in the last 20 years and especially since the start of the accession talks with the EU, the actual impact of these anti-corruption measures has been questionable. This is due to the fact that even though a strong and comprehensive anti-corruption law base was established, the country’s law enforcement is very weak. Civil society in Lithuania is also weak and has little influence in policy making, especially when it comes to the field of anti-corruption. Here, Transparency International Lithuanian Chapter is an exceptional case, being the only NGO in Lithuania working exclusively in this field.
Executive summary

Corruption is a serious and important matter in Lithuania, spread in various sectors and levels. Evaluations of corruption done by various international organizations put Lithuania among the most corrupt countries in the European Union. An average level of both political corruption and administrative corruption is encountered in this country. The Parliament, the Government and the political parties are perceived by the society as the most corrupt public institutions and the most to be blamed for such a high level of corruption. This does not seem surprising when looking at the historical overview of illicit activities at the highest political level. However, surveys show that corruption is also widespread among the general public – based on the bribery levels, Lithuania is among the outsiders of the EU.

Although Lithuania has done ostensibly much to fight corruption in the last 20 years and especially since the start of the accession talks with the EU, the actual impact of these anti-corruption measures has been questionable. This is due to the fact that even though a strong and comprehensive anti-corruption law base was established, the country’s law enforcement is very weak. Civil society in Lithuania is also weak and has little influence in policy making, especially when it comes to the field of anti-corruption. Here, Transparency International Lithuanian Chapter is an exceptional case, being the only NGO in Lithuania working exclusively in this field.
Corruption in Lithuania today

It can be seen from both local surveys and evaluations done by international organizations that corruption today is a widely spread phenomenon in Lithuania and the society quite willingly participates in corrupt activities. According to Transparency International Lithuanian Chapter research, 24% of Lithuanian residents acknowledged having given a bribe at least once during the year 2008.\(^1\) Transparency International Global Corruption Barometers provide a similar view, revealing that Lithuanian residents’ participation in corrupt activities is pretty high and remains stable for the several last years. In 2009, 30% of respondents admitted that they or anyone living in their household had given a bribe in the last 12 months.\(^2\) This number has barely changed since 2004 (in 2004 it was 32%\(^3\), in 2005 – 28%\(^4\), in 2007 – 29%\(^5\)) and is the highest among the researched European Union (EU) countries. Also in 2008, a survey was conducted asking whether over the last 12 months anyone in the country had asked, or expected, the recipient to pay a bribe for his or her services. Only 68% of residents of Lithuania provided a negative answer.\(^6\)

However, the society understands the general threats and negative implications of corruption. In 2008, the general public of Lithuania rated corruption the third largest problem in the country; it was rated the single most important problem by the public servants and the fourth largest problem by the company managers.\(^7\) Also, the part of the society that is dissatisfied with widespread corruption in the country is growing. In 2008, 22% of Lithuanian general public and 35% of company managers said they would like to participate in anti-corruption activities. In 2005 and 2007, these numbers were 17% and

\(^2\) TI, Global Corruption Barometer 2009. P.32.
\(^7\) Lithuanian Map of Corruption, 2008. P.4
15%, respectively, for the general public and 17% and 21%, respectively, for the company managers.\(^8\) The public perception of an active citizen has also changed to more positive.

Among the five most corrupt institutions, the most frequently mentioned were the Parliament, the Government and political parties. In 2008, Parliament took the first place among the most corrupt institutions according to the general public (49% of all the residents saw the Parliament as “very corrupt”) and public servants (32%), while company managers perceived municipalities as the most corrupt institution (60%) and rated Parliament the third (55%). The court system received the second most negative evaluation from the general public (49%) and was in third place according to the public servants (25%).\(^9\)

It is quite surprising that such institutions as the Parliament, the Government or the courts are perceived as the most corrupt by the general public, as usually a pretty low number of general public comes into direct contact with these institutions. It should be noted here that when studying the public attitude towards corruption, the Lithuanian sociologists have long noticed a large inadequacy between the public opinion and personal experience of the respondents – the respondents tend to approach the level of corruption in a much more pessimistic way than evidenced by their particular personal experience. In 2001, the then chairman of the Lithuanian Chapter of TI Aleksandras Dobryninas called such a situation “the image catastrophe” caused by the inability of the public servants to work in an open manner and their failure to communicate with the general public.\(^10\)

Lithuania suffers from an average level of both political corruption and administrative corruption. Even though the Parliament and the Government are perceived as the most corrupt institutions by both the general public and the civil servants, none of the legislation-related activities make it into the 5 top procedures perceived by these groups to be the most corrupt. 37% of the company managers, however, perceived “Pass and amendment of laws” as “very corrupt”, rating it the fifth most corrupt procedure. The majority of all respondents indicated as “very corrupt” such administrative procedures as “Issuing and agreeing on construction/reconstruction permits” (residents – 43%, civil servants – 23%,

\(^8\) Lithuanian Map of Corruption, 2008. P.24
\(^9\) Lithuanian Map of Corruption, 2008. P.8
company managers – 48%), “Changing the purpose of land use” (36%, 23% and 48%, respectively), “Employment in the public sector” (residents – 32%, company managers – 40%), and “Public procurement” (residents – 20%, company managers – 44%).

International organizations in charge of prevention of corruption assign Lithuania to the group of countries with an average level of corruption. In the 2009 classification of TI Corruption Perception Index (CPI), Lithuania received a score of 4.9, which was 0.3 points more than in 2008. Lithuania’s CPI score essentially has not changed over the past nine years (4.8 in 2001). In CPI ratings in 2009, Lithuania shares the same place as the Czech Republic and ranks 52nd among 180 countries in the world. Lithuania is one of the European Union outsiders – 20-21st out of the 27 member states. The country has not managed to reach a score of 5.0, which is considered as a threshold for countries that are capable of effectively fighting corruption.

According to the World Bank “Good governance” evaluation, in 2008 Lithuania received 63.3 points for the indicator “Control of Corruption”, which measures the extent to which public power is exercised for private gain and covers petty and grand forms of corruption, as well as “state capture”. Based on this indicator, the level of corruption in Lithuania was considerably lower than in many other post-communist countries, but, again, it was one of the highest in the EU (it was pretty close to Latvia (64.7) and the Czech Republic (66.7)).

**Anti-corruption measures**

Lithuania has done much to fight corruption in the last 20 years. It adopted various legal acts regarding corruption, made changes to its public administration and public procurement organizations, implemented several national anti-corruption programmes, established an independent anti-corruption agency, became a member of several international organizations and acceded to their legal instruments to fight corruption. The country joined the Council of Europe in 1993 and benefited early on from the organization’s technical assistance. It ratified the Council’s Criminal and Civil Law Conventions against Corruption in 2002 and 2003, respectively. Since 1999, Lithuania has been a member of the

---

11 Lithuanian Map of Corruption, 2008. P.9
Council’s Group of States against Corruption (GRECO), which monitors, through a process of peer review, the conformance of member countries’ anti-corruption frameworks with the Conventions. Lithuania signed the United Nations Convention against Corruption in December 2003 and ratified in 2006.

The actions fighting corruption have been especially noticeable since 1997-1998, mostly because of the creation of the independent anti-corruption agency (1997) and the adoption of the first long-lasting national anti-corruption programme in 2002. During this period of time stricter laws on corruption were adopted.

In 1997, Lithuania created an anti-corruption agency – Special Investigation Service (SIS), which was then subordinate to the Ministry of Interior. It became fully independent in 2000. SIS in an agency, responsible for the coordination of Lithuania’s national anti-corruption strategy, for solving and prevention of corruption-related crimes, for encouraging the public to show intolerance towards and engage in an active fight against corruption, and for coordination of anti-corruption measures between governmental institutions and between these institutions and the society. SIS is accountable to the President and the Parliament and is open to the society – anyone can inform SIS about corruption-related crimes.

SIS has been quite successful in fighting corruption since its establishment. It can be seen in the number of corruption-related crimes, solved by SIS. An important indicator of SIS’ success is the constantly increasing number of corruption-related reports from the society, which shows that SIS is more trusted by the society and that the society is more willing to participate in fighting corruption. In 2008, SIS was perceived to be the second most-effective institution in Lithuania in fighting corruption – after the media.\(^\text{12}\) SIS is widely recognized as one of the anti-corruption agency success stories.

\(^\text{12}\) Lithuanian Map of Corruption, 2008. P.22
During Lithuania’s accession process to the European Union, the European Commission was involved in creating the Lithuanian anti-corruption policy. Corruption in prospective EU member states was one of the Commission’s primary worries; the Commission repeatedly expressed its concern regarding corruption in Lithuania and pushed for visible progress in combating corruption. In 1997, the Commission called the fight against corruption in Lithuania an urgent matter. In a Regular Report of 1999, the Commission mentioned again the fight against corruption as one of the only two caveats to Lithuania’s fulfillment of the Copenhagen criteria. The Regular Report of 2000 described corruption as a continuing “source of concern”.

During this period, Lithuania successfully created an effective anti-corruption legal framework. The Commission incited and directly influenced Lithuania’s first national anti-corruption programme. The 2002 national anti-corruption programme consisted of three components: corruption prevention, investigation, and education. This program laid out a course of action for the next five years with the purpose of assuring a long-term, effective, and focused corruption control and prevention system in Lithuania. The programme initially received positive recognition as being very comprehensive. The critique was targeting the strategy’s possible implementation, but not the strategy itself. At the same time, in 2002, the Lithuanian Parliament adopted the Law on Prevention of Corruption, which mandated state and municipal institutions to implement internal anti-corruption programmes.

---

13 Data taken from SIS’ annual reports, found at SIS’ website: http://www.stt.lt/lt/menu/stt-veikla/veiklos-rezultatai/

By adopting national laws, signing international anti-corruption conventions and creating a strong and independent anti-corruption agency, Lithuania appeared as a country willing to fight corruption – both in the eyes of the international community and its own people. It can be noticed in the international rankings and survey results – World Bank has increased Lithuania’s Control of Corruption rank from 64.6 (1998) to 67.0 (2000), and Transparency International CPI showed an increase of 1 point (from 3.8 in 1999 to 4.8 in 2001) in only two years.

However, the future has shown that the 2002 national anti-corruption programme was largely ineffective. In July 2008, the Parliament approved a new national anti-corruption strategy for 2008-2013, which is currently being implemented. In 2008, the National Audit Office revealed that Lithuania’s largely stagnant anticorruption programme, launched in 2002, had failed, with corruption prevention efforts limited to fragmentary policies. The Transparency International Lithuanian Chapter said it was impossible not to notice the “patchwork” approach to corruption used by state authorities, instead of applying holistic complex anti-corruption measures.\(^\text{15}\) Lithuania’s implementation of anti-corruption reforms became a failure. In 2008, a vast majority of Lithuanian residents (84%) believed that the government’s efforts to curb corruption were ineffective, while the media did the best job at fighting corruption (media (49%) and the SIS (28%) were among institutions considered to be most successful in fighting corruption in Lithuania)\(^\text{16}\). Lithuanians were extremely critical about their government’s anti-corruption efforts – a survey of 2009 showed that 84% of the respondents perceived them as ineffective. Out of all the 69 countries surveyed, only residents of Israel had a lower opinion about their government’s anticorruption efforts (86%).\(^\text{17}\) The Parliament and the Government received the lowest scores, with only 3% and 5%, respectively).\(^\text{18}\) This number even increased since 2007, when 77% of Lithuanian residents believed that the government’s actions in the fight against corruption were ineffective.\(^\text{19}\)


\(^{16}\) Lithuanian Map of Corruption, 2008. P.22

\(^{17}\) TI, Global Corruption Barometer 2009. P.32.

\(^{18}\) Lithuanian Map of Corruption, 2008. P.22

In 2008, the World Bank gave Lithuania almost the same score for the indicator “Control of Corruption”, as it did in 2002 (63.3 in 2008; 63.6 in 2002), and Transparency International CPI score in 2009 was only 0.1 point higher than in 2001 (4.9 in 2009; 4.8 in 2001). This can be explained by the fact that even though Lithuania has come a long way in creating and improving a comprehensive anti-corruption law base, the country’s law enforcement is very weak, thus making the fight against corruption less effective. In the 2008 Global Integrity Report, Lithuania’s anti-corruption law received the maximum score (100), the SIS received 83 points, but Lithuania’s law enforcement received only 65 points and was recognized as “weak”.\(^{20}\) Lithuania essentially faces a gap in the implementation of already existing laws. With this weak link in Lithuania’s anti-corruption efforts, the country’s level of corruption has barely changed since 2001. The latest international research portrays Lithuania as a country with poor or only mediocre results in curbing and controlling corruption that has changed little over the past eight years.

**Civil society**

Civil society in Lithuania is weak and has very little influence in policy making. Collective action through formal organizations or informal networks in Lithuania is still extremely scarce; so is citizen political involvement. Lithuanians are among the last in the EU when it comes to the level of trust in other people and public institutions. A survey conducted in 2009 indicated that only 19% of Lithuanian residents trust the Government, 10% trust the Parliament, and 8% trust the political parties.\(^{21}\) There has been a dramatic decline in citizen electoral participation (79% of voters participated in the 1993 presidential elections, 71% in 1997, 54% in 2002, 52% in 2009\(^{22}\)) while protest campaigns have been conceived only as the last resort. People have been dissatisfied with the government, but are not prepared to take any political action to change the situation. Although, even though this is the case, the trends seem to be showing little, but positive change.

---


\(^{22}\) Data taken from the website of the Central Electoral Commission of the Republic of Lithuania: http://www.vrk.lt/en/
In 2009, the Civic Empowerment Index (CEI) in Lithuania was 35 out of 100 points. CEI is an indicator, consisting of the following four dimensions: civic activeness, potential civic activeness, conception of civil society’s influence, and civic activity risk assessment. The CEI in Lithuania has increased, compared to the previous years – it was 32.7 in 2007 and 33.2 in 2008. In 2009, more people participated in various civic activities and the public perception of an active citizen changed to more positive. In 2009, 8% of Lithuanians said they participated in protest actions, compared to only 3% in 2008. However, the number of people informing the government about noticed rule breaking has decreased from 16% in 2008 to 10% in 2009\(^{23}\) – this is most likely a result of the increasing general political disappointment and the impact of the economic crisis and the Government’s severe saving policies, which forced a big part of the society turn to shadow economy.

In 2009, the citizens of Lithuania evaluated their own personal potential influence towards the decision-making in the scale 0 (no influence) to 10 (very big influence) as 2.5. The influence of other people was evaluated at the score of 2.8, while the influence of NGOs and communities – 4.9.\(^{24}\) Lithuanian NGOs have a reputation of being trusted, transparent and representing the interests of the society. According to the Department of Statistics, in the beginning of 2010 there were almost 11,000 active NGOs in Lithuania – a constantly increasing number. For comparison, in 2005 there were almost 7,000 active NGOs in the country.\(^{25}\)

The influence of NGOs in Lithuania has increased and they started becoming a powerful force, willing to take on both government and big business. In 2003, an increased number of experienced NGOs, trusted by the public, became increasingly influential in advocacy and providing quality services and products. Citizens increasingly turned to NGOs to defend their interests. In such cases, whether in the areas of environment, human rights or social protection, NGOs often worked in alliance with the media. NGO communication with the politicians also improved, as the latter realized the growing expertise of NGOs in legislation. In 2004, there were several highly visible scandals involving development projects when


NGOs successfully defended the interests of local communities against business interests and the media came to recognize the key role NGOs play in public life. Since then, discussion of issues in the national media rarely occurred without the participation of the representatives of NGOs. 

During 2005, the government recognition of NGOs had grown. Officials realized that NGOs had access to their constituencies, and invited NGO representatives to join working groups and commissions. In 2006, several highly visible human rights and transparency initiatives carried out by NGOs exposed corruption within the Lithuanian media. NGOs have been progressively more involved in public hearings and various government-sponsored activities and have been more trusted by the society. In 2007, 36% of Lithuanian businesspeople viewed NGOs as completely non-corrupt as opposed to 30% in 2005. In 2007, 35% of businesspeople believed NGOs could be partially corrupt, and 6% thought they were completely corrupt, as opposed to 49% and 4% respectively in 2005.

When it comes specifically to anti-corruption, there is only one main actor in this field in the non-governmental sector – Transparency International Lithuanian Chapter. Founded by the Open Society Fund Lithuania in June 2002, TI Lithuanian Chapter is the single distinctive NGO in the anti-corruption field, with the goal of analyzing the phenomenon of corruption, promoting civic anti-corruption initiatives, and informing the public of the anti-corruption activities in Lithuania. The organization has been constantly working in this field and its experience and reputation does not raise any doubts, therefore it is often included in various anti-corruption projects to play an advisory role. However, employed with only several people, the scope of TI Lithuanian Chapter’s activities is very limited. Some very successful projects done by this organization include creation of anti-corruption program “Open doors” for the Ministry of Environment’s Environmental Projects Management Agency (2008), carrying out a periodic study “Lithuanian Map of Corruption” (2002, 2007, 2008), which identifies and monitors corrupt practices and trends in Lithuania, and implementing

---

26 Information prepared based on USAID NGO Sustainability index reports: http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/

27 Information prepared based on USAID NGO Sustainability index reports: http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/

the project “Enhancing Whistleblowers Protection in Lithuania” (2010), which aimed at development of legal instruments protecting whistleblowers in the country.

Several other NGOs – Human Rights Monitoring Institute, Free Market Institute, Civil Society Institute – were also involved in anti-corruption initiatives, but very rarely, and mostly specific sector-oriented. In 2005, these four NGOs formed a Civil Alliance against Corruption. This Alliance, however, was only involved in organizing corruption-related discussions and publishing papers. Other specific area-oriented NGOs implemented their projects and directly contributed to the implementation of Lithuania’s national anti-corruption programmes. For example, the Modern Didactics Center – an NGO providing non-formal adult education and in-service training – played an important role creating a basis for anti-corruption education in the general school system – a goal laid out in the National Anti-corruption Programme of 2002, thus receiving support from the Special Investigation Service.

Since there is a very limited number of NGOs dealing directly with corruption, there are very few civil society activists who could be called notable anti-corruption “heroes”. These would include the current and former heads of TI Lithuanian Chapter – Sergejus Muravjovas and Rytis Juozapavičius. However, there are quite a few influential civil society activists who are commonly associated with broader values of transparency and morality – values that, in the eyes of the public, put them in the opposition to the politicians, civil servants and influential businessmen. These include Kęstutis Čilinskas (chairman of the United Democratic Movement), Darius Kuolys (head of the Civil Society Institute), Indrė Makaraitytė (journalist), Artūras Račas (head of the Baltic News Service Lithuania), Dainius Radzevičius (chairman of the Lithuanian Journalists’ Union), Romas Sakadolskis (journalist), Liutauras Ulevičius (public relations consultant), among others. However, these names are mostly associated with their general seek for transparency and justice, rather than with implemented projects.

Finally, it should be said that an important role in fighting corruption in Lithuania is played by the media, as investigative journalists very often reveal corrupt and illegal activities of public officials and politicians.
Corruption in politics

In 2008, when asked, which Lithuanian institutions are very corrupt, 49% of the surveyed residents mentioned the Parliament, 43% mentioned the government and 40% mentioned the political parties. At the same time, 88% of residents of Lithuania said that politicians (83% that public servants) should be held responsible for the high level of corruption in the country, whereas only 18% blamed themselves. Though this is exaggerated, it is not surprising, since during the last 20 years almost all political parties and their leaders were involved in major corruption scandals.

In 1995, the Prime Minister Adolfs Šleževičius and several other ministers, all from LDLP, the transformed ex-communist party, were found to have had preferential interest rates at the Joint-Stock Innovation Bank and, acting on inside information, withdrawn their deposits just before the banking collapses of late 1995. More than the collapse of the banks themselves, it was the behavior of many Government members and the party itself, which had given the widespread impression of corruption. A. Šleževičius was forced to resign by the president. LDLP was also accused of corruption in large-scale privatization projects.

During the 2003 presidential campaign, one of the candidates, Rolandas Paksas, made much of his commitment to change, emphasizing his intention, if elected, to focus on corruption, law and order. R.Paksas won the elections and during his time in office, a series of corruption scandals in the judiciary, the Ministry of Foreign Affairs and the agency in charge of administering EU funds were uncovered. However, R.Paksas was himself accused of corruption, among other accusations, and impeached.

Lithuania joined the EU and NATO in 2004. However, since 2004, Lithuania has again been shaken by high-profile political corruption scandals. In June 2004, anticorruption authorities from SIS raided the office of four main political parties a few days before the presidential runoff election. The raids aroused the suspicion of political motivation, as all four parties supported R.Paksas' impeachment and three of the four were supporting R.Paksas' opponent, the former president Valdas Adamkus in the presidential election. Also, in July 2004, three members of the Parliament were accused of taking bribes from the “Rubicon”

29 Lithuanian Map of Corruption, 2008. P.8
30 Lithuanian Map of Corruption, 2008. P.7
energy company, forcing all three to resign and cooperate with investigators. In October, another MP resigned amidst allegations of corruption. In 2005, the economy minister, Viktor Uspaskich, was accused of misuse of office.

Several corruption scandals involving senior government officials made headlines at the end of 2005 and in 2006. In late 2005, a parliamentary commission concluded that the mayor of Vilnius – the capital city of Lithuania – had received bribes in exchange for ensuring that city government decisions favored particular business interests. Two advisers to the President V.Adamkus resigned in March 2006 amid allegations that they had engaged in suspicious real estate deals. In September, the prosecutor-general’s office issued an international arrest warrant for former Labor Party leader and economy minister V.Uspaskich on charges of tax fraud. Also in 2006, a new prime minister of the ex-communist SDP (former LDLP) Gediminas Kirkilas had taken a high-profile anti-corruption and pro-transparency stance, pledging to resign in one year if TI’s next corruption perceptions index (CPI) would not show an improvement for Lithuania. However, after no improvement was made, G.Kirkilas refused to resign. G.Kirkilas’ government was later widely accused of being influenced by major businessmen.

In 2007 and 2008, corruption scandals involving senior government officials have made the headlines. There have been reports of police abuse of suspects and corruption within the law enforcement system. In March 2008, Vilnius city council member and former mayor Artūras Zuokas was convicted of a 2003 bribery attempt, forcing him to resign his council seat. SIS has successfully fought high-profile corruption in 2009 and 2010, with the most noticeable cases of corruption in the top-level administration of Lithuania’s fifth-largest city Panevėžys, and in the Ministry of Health, convicting the Deputy Minister on taking a bribe.

Almost all the major Lithuanian political parties have been associated with corruption, since almost all of them and/or their leaders have been accused of corrupt activities. This plays a big role explaining the extremely low public trust and high dissatisfaction with the political parties. Some major parties, however, have managed to be associated with less corruption than the others (i.e. Homeland Union, Liberals’ Movement of the Republic of Lithuania). In 1996, the Homeland Union (HU), the then leading opposition party, was leading a campaign, which focused on widespread corruption in the LDLP government (the “Clean Hands” campaign). The HU won the parliamentary elections in 1996 and started its anti-
corruption measures. Since 2002, the HU based its strategy on maintaining a strong anti-corruption and morality stance – a strategy that continues until today.

In 2009 presidential elections, a candidate Dalia Grybauskaitė was taking a strong anti-corruption and anti-oligarchy stance, which helped her win a landslide victory. Lithuania is perceived as very corrupt and people blame the politicians and civil servants, who have been holding their positions for 20 years or more, for this situation. Therefore political candidates who are running on anticorruption tickets, are often elected. The three most noticable examples of this are the successes of the abovementioned Rolandas Paksas (2003 presidential elections) and Dalia Grybauskaitė (2009 presidential elections), as well as the National Resurrection Party (2008 parliamentary elections).