

The Experience of Civil Society as an Anti-Corruption Actor in East Central Europe

Alina Mungiu-Pippidi

September 2010
www.againstcorruption.eu

*This report draws on the database assembled by the Romanian Academic Society in 2009-2010 and the country reports authored by Lejla Saduku, Andreas Pawelke, Grzegorz Wolszczak, Dainius Velykis, Vera Rihackova, Mihaly Fazekas, Aare Kasemets, Alexandru Rusu, Lyubomir Todorakov, Munir Podumljak, David Tsitsishvili, Anna Yemelianova.

1. The double paradox

The celebration of the twentieth anniversary of the fall of the Berlin wall in East Central Europe was accompanied by the usual soul-searching customary at such moments. After successfully completing their EU accession, most countries in the region experienced the full brunt of an economic crisis and their politics after EU accession reflected some disappointment. While their overall democratization seems incontestable, particularly in comparison with the less successful eastern half of post-communist Europe, many of the expectations of 1989 were not fulfilled. Among the disappointments, the persistence of corruption and the underdevelopment of civil society are perhaps the most surprising, seeing that the great popular movement of Solidarnosc started in Gdansk as a protest against local corruption and in due course reached such proportions as to undermine the whole Polish regime. This paper addresses precisely those two interconnected issues. Why, despite their most remarkable progress on democracy, have most East Central European states retained modest levels of governance? Is civil society still able to play any significant role in improving governance, even after its institutionalization at low levels of participation, after its initial high mobilization in the early years of democratization? Does the impact, or lack of impact, of civil society do anything to explain the quality of governance? To answer those questions, this paper will analyze the association between civil society and good governance (section 1), put it to the test (section 2); and propose a model to explain the difficulty of establishing ethical universalism as the normative basis of governance in democratic post-communist countries (section 3). Finally this paper will draw on a database of 'good governance' projects in civil society to understand under what circumstances the impact of civil society materializes (section 4). The database used for the project was constructed during 2009-2010 by the Romanian Academic Society for the Open Society Institute and includes 471 projects from sixteen countries. The period examined runs from 1998, the first year of assessment of the whole post-communist region of by Freedom House Nations in Transit which examined both governance and civil society in depth.

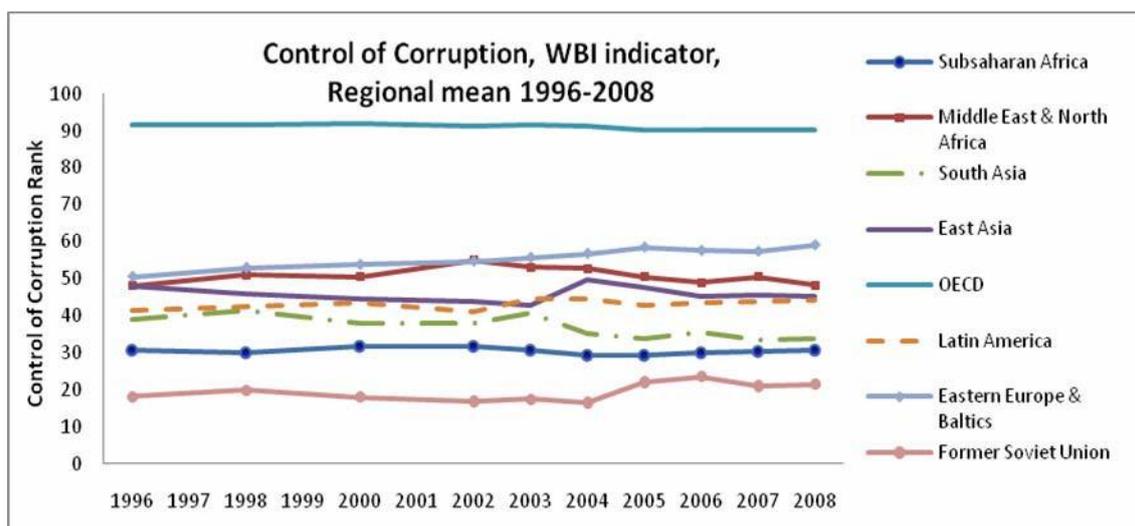
Since the World Bank began monitoring the world governance indicators¹, very little significant progress has been registered globally, despite an unprecedented investment in good governance policies and the raising of awareness encouraged by NGOs like Transparency International (Kaufmann, 2005). One set of explanations refers to the quality of our indicators, time-lagging and statistical aggregates not being sensitive enough to capture incremental evolution. According to that argument, progress does exist but we fail to notice it. The second type of explanation seems more substantial: both qualitative and quantitative measurements capture little evolution

¹ World Bank Governance Indicators, <http://info.worldbank.org/governance/wgi/index.asp>, Last accessed 7 October 2009.

because, despite the unprecedented attempt to create a legal global anticorruption framework as well as national efforts to show goodwill and endorse international standards, there is little to show. Good governance is the outcome of a very long historical process, and quantitative models of good governance invariably attach a considerable proportion of the explanation to historical factors (La Porta et al, 1999; Treisman, 2000). Perhaps the evolution towards good governance is such a lengthy incremental historical process that it is simply not apparent if studied with reference to such a short period of time as fifteen years.

Eastern Europe is the ideal test case for such questions. The paradox of good governance in East Central Europe is that the region registered the largest initial progress in its first years of transition – indeed positioning it on average as showing the most successful transition among all the regions of the world– only to stagnate afterwards at a level well below the average governance scores of the OECD, despite international assistance, EU conditionality and finally successful EU accession (see figure 1). In other words, Eastern Europe’s positive evolution towards consolidating democracy, spectacular when compared to Communist times, was not matched by an equally dramatic improvement in the rule of law and the curbing of corruption. Even the most advanced post-communist countries embarked upon their EU accession with a Corruption Perception Index (an aggregated score by Transparency International) below the lowest level in Western Europe, and their culture was frequently described as being wholly corrupt (Miller and all, 2001; Treisman, 2003; Rose-Ackerman and Kornai, 2004).

Figure 1: Control of Corruption, WBI



The definition of corruption is arguable and varies according to the norms of a given society. Good governance is a normative concept and an ideal type and perfect governance does not exist

anywhere. Some of the current definitions refer to its outcome, others describe the mechanisms of it, and still others the process itself. Drawing on classic work by Weber and Talcott Parsons (Parsons 1997: 80-82) I define it here as *the governance mode under which public goods are distributed on the basis of ethical universalism*. The opposites of such a governance mode based on rational-legal authority are classic patrimonialism, as defined by Max Weber, or post-modern particularism, such as defined by Guillermo O'Donnell as an extreme form of client relationship, including "various sorts of non-universalistic relationships, ranging from hierarchical particularistic exchanges, patronage, nepotism, and favours to actions that, under the formal rules of the institutional package of polyarchy, would be considered corrupt" (O'Donnell 1996, p. 40). We know that in societies undergoing transition there are competing normative regimes which strive to become dominant. Democratic transition can therefore be described also as an effort to reach a governance mode based on ethical universalism. *The battle that post-communist countries wage is not the legal one against individual corruption from developed Europe, where the norm of government impartiality and integrity is already set, but a struggle to enshrine such norms and unseat the norm of particularism.*

The paradox of civil society is no less challenging. Despite both the repression and coerced mobilization of Communist times, most countries of the region had a spectacular input from civil society during their early democratization years. Not only was the Berlin Wall brought down by the millions in the streets of central Europe, but further to the South and East impressive numbers mobilized against Soviet Union or national communism, even in places so underdeveloped as Albania and Moldova, Europe's poorest (Arato 1990; Ekiert and Kubik 2001; Beissinger 2002). There was sufficient civil societal mobilization over more than twenty years to create new national states in the Balkans and former Soviet Union and to bring down Balkan nationalist leaders and post-Soviet apparatchiks in Ukraine, Georgia and Kyrgyzstan. It is then paradoxical to read the feeble figures for civic association membership in surveys (World Values Survey 2000; 2008; Mungiu-Pippidi 2006) or to see the civil society of the region portrayed as extremely weak (Howard 2003). Indeed, in numerous post transition settings many of the resistance groups, social movements, and civic organizations which made democracy possible did not manage to consolidate themselves after its arrival. The third sector which resulted has weak connections with the original revolutionary civil society, and the participation of citizens in joining or supporting voluntary associations is low. There are two major factors explaining that decline: one is the achievement of the overall goal of early civic movements, political freedom, which channeled energies into politics, party and state building. The other is the advent of capitalism at a low level of wealth in those societies, and the development of a consequent materialistic culture across the whole post-communist region (Inglehart 1997). With the main goal of freedom fulfilled, civil society fell back onto being a multitude of individuals concerned with personal survival amidst difficult

economic transitions. As Kopecki suggested (2003, p 7), the capacity for mobilization has not been altogether lost; but the level of permanent civic activity was institutionalized at a level inferior to that in Western Europe (Howard 2003).

2. Civil society and control of corruption

After 1989 a strong civil society was presented in the literature as the ideal vehicle to dislodge corrupt and incompetent governments (Ash 1990), to fortify civil liberties and human rights (Keck and Sikkink 1998) to promote good governance and economic prosperity, and to ensure stability of democracy (Esman and Uphoff 1984; Clark 1990; Riddell and Robinson 1996; Michael 2004).

How is civil society supposed to bring about improvement of governance? Answers at that question vary considerably. Two theoretical traditions picture civil society as a counter-weight to government. John Locke in his treaties on government delineated a model for the state that rests on a “compact” or on “trust” – the consent of civil society – and insisted on a right of resistance to unjust authority. Alexis de Tocqueville attributed the robustness of the American democracy to the density of voluntary associations. In the steps of such classic literature, we find at least two distinct approaches discussed in relation to governance and civil society: a neo-tocquevillian *social capital* idea, which presumes civil society works indirectly by creating an associative texture of society, so fostering collective action based on horizontal ties and social trust (Putnam 1994); and a *social accountability* idea which stresses civil society’s direct role in citizen empowerment, and the oversight component of government accountability in the context of growing disillusionment among citizens with governments perceived as unresponsive, abusive, and corrupt (World Bank, 2004). A third and less developed approach is grounded in new public management (Osborne and Gaebler 1992) and is based on the premise that governments would be more effective if they acted as steersmen rather than as oarsmen, conceiving the non-profit sector as a complement or even an alternative to public welfare services, adding to the quality of governance by their superior responsiveness (Anheier 2009).

Social accountability is defined by the World Bank as an approach that relies on civic engagement, meaning a broad range of actions and mechanisms which can be used by citizens, communities, independent media and civil society organizations to hold public officials and public servants accountable (Malena and all 2004)². Social capital has various, sometimes confusing definitions, interpreted by some authors to be the social texture of trust, the associations and networks that

² World Bank Governance Indicators, <http://info.worldbank.org/governance/wgi/index.asp>. Last accessed 7 October 2009.

engage in collective action in a situation when 'a community shares a set of moral values in such a way as to create regular expectations of regular and honest behaviour' (Fukuyama 1995: 153).

If civil society is seen as a value free term, as Carothers (1999) suggested, it is conceivable that rich civil society can coexist with low social trust, as not all human collective action is based on values such as honesty or altruism: rather the opposite. In the social accountability perspective the term of civil society is clearly normative and the underlying presumption exists that any challenge to the government by civil society will be made only for the best of reasons.

Social capital and social accountability mechanisms can be seen as intertwined and complementary rather than competitive approaches, as accountability building needs both the general capacity for autonomous collective action by members of a society (therefore sustained through non-political associations) and political engagement. The latter is barely sustainable in democratic societies without the former. Isolated groups demanding government accountability in an otherwise submissive, indifferent or fragmented society cannot be effective. On the other hand, firm associations and a capacity for collective action which does not translate into demands for good governance are also difficult to imagine: we find no example in World Values Survey of a country where voluntary civic participation is high and governance is poor.

What is less clear in the literature is the precise mechanism by which civil society fosters accountability and discourages corruption. Klitgaard (2000) offered this synthetic formula:

$$\text{Corruption} = m (\text{monopoly power}) + d (\text{discretion by officials}) - a (\text{accountability})$$

As the three concepts offered here are so interrelated, this formula describes a state of equilibrium rather than a causal model: corruption is high when discretion is high and accountability is low. We presume that the contribution of civil society is in the domain of increasing accountability. But as we also know that corruption results from the equilibrium between two general categories, resources and constraints (Nye 1967; Rose Ackerman 1999; Lambsdorff 2007) we can try enriching this formula.

Under resources we should consider the following categories documented in literature:

- Power discretion (due not only to monopoly, but also privileged access under power arrangements other than monopoly)
- Material resources (public budget, foreign aid, natural resources, state assets, public sector employment)

Under constraints we should consider the following:

- Legal – This supposes an autonomous and effective judiciary able to enforce legislation.
- Normative – This implies that existing societal norms endorse ethical universalism and sanction deviation from this norm (through public opinion, media, civil society, voters)

Societal corruption is then the sum of the interaction which can be summarized in the formula below:

$$\text{Corruption} = R (Pd+ Mr) - C (L+Ce)$$

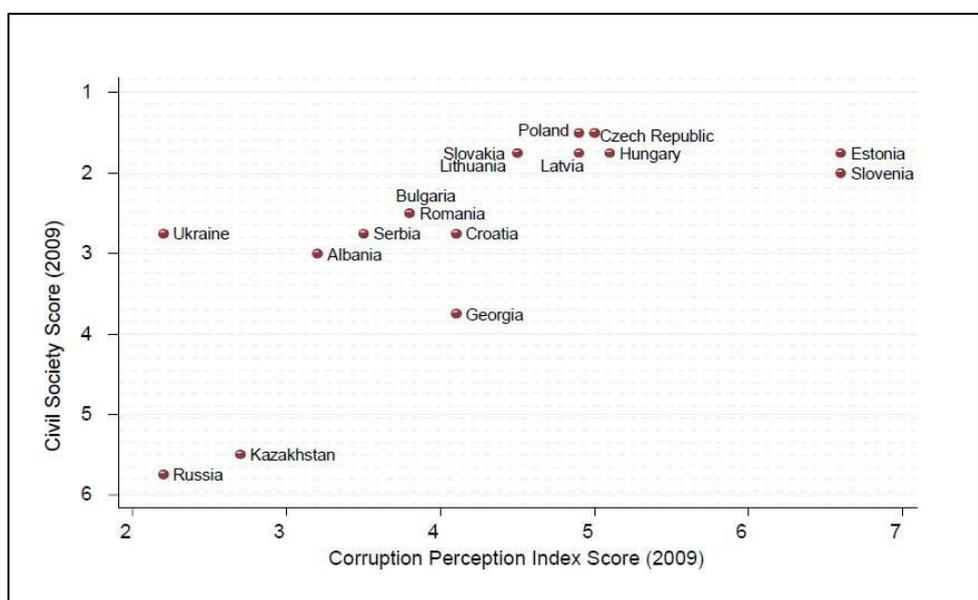
Civil society then contributes directly to control of corruption by its capacity – or lack of it – to inflict normative costs. For social accountability to work and civil society to be an effective actor, four elements need to coincide in a given society;

- A prevailing *norm* of honesty and integrity in a given society, *civic capital* (Rose Ackerman and Kornai 2004);
- A *customary practice* of engaging in formal or informal collective action around shared interests, purposes and values, *social capital*;
- A *network of voluntary associations* (among which NGOs in the Western understanding of the term), *civil society*.
- A sustained participation *and political engagement* on behalf of civil society, *civic culture* (Almond and Verba 1963).

Do we have reliable measurements for a civil society so defined? Freedom House Nations in Transit, USAID (NGO Sustainability Index) and more recently CIVICUS assess the state of civil society in developing and democratizing societies. Formal participation in organizations also is measured in many surveys, notably in the World Values Survey on the global scale. However, that does not tell us much because societies in which social capital is a source of concern are generally quite informal and permanent membership in a NGO may matter less for social accountability than mobilization. USAID and CIVICUS have close approaches, measuring the status of NGOs, while Freedom House Nations in Transit, the oldest score produced in the post-communist region (since 1998) assesses a concept closer to the broad idea of civil society, including associations other than NGOs and civic capital.

The discussion is quite similar in regard to corruption measurements, criticisms varying from the poor definition of concepts to the statistics used. However, the region enjoys the best coverage in the world when corruption measurements are concerned (Knack 2006). The figures include scores aggregated from secondary sources such as Corruption Perception Index by Transparency International and Control of Corruption by the World Bank, alongside 'subjective' scores for corruption, some more transparent, such as FH Nations in Transit, others less so, like the Economist Intelligence Unit. There are two more surveys of businesses and business analysts (BEEPS, sponsored by the European Bank for Reconstruction and Development and the World Economic Forum -WEF) and various general public opinion surveys.

Figure 2: The correspondence between civil society and corruption



Legend: Nations in Transit score recoded (stronger civil society has higher scores; CPI from Transparency International; the lower the score, the greater the corruption).

Despite discussions on its limitations for time series use, the data on civil society and corruption is now sufficient to test the basic relationship between good governance and strength of civil society for the post-communist region (including all 28 countries). Measured by either NIT or USAID, civil society is closely associated with good governance at the level of the 28 post-communist countries (see figure 2 for selected countries). To test the association we built a linear regression model with CPI as the dependent variable and NIT Civil society (NIT-CS) score as an independent one. We find a strong association; NIT-CS is significantly associated Index, and the competition EBRD index which evaluates the extent to which the national regulatory and policy framework enables unhindered competition, which therefore together measure the extent to which government action

promotes a level playing field for business. *Civil society by itself explains 70% of the variation in corruption across the region and is a robust predictor, retaining its significance with controls for development and government policy.* Civil society is a stronger predictor of governance quality than both the EBRD competition index (a proxy for institutionalization of market institutions) and the Polity IV political competition indicator (a proxy for political pluralism), which lose their significance when tested together with NIT-CS. It is less powerful than *Freedom of the Press* measured by Freedom House: when the latter is introduced into the equation, the former loses significance. But one can argue that the press is in fact itself part of civil society so that the two are in any case highly correlated. For the same reason, we preferred to use the Polity political pluralism indicator than either the Freedom House NIT democracy score, which includes civil society and media, or the Freedom House civil and political liberties score, which are, again, too closely associated with media and civil society NIT scores. As democracy is so comprehensive a concept, using as determinant the number of years since rated free by Freedom House, although that is indeed a powerful indicator, similarly could not be used at the same time for civil society, so my model differs from Treisman's in that respect (2004). What I have applied instead are the components of democracy separately tested: civil society or media and political pluralism.

A parsimonious econometric model to test civil society's influence on good governance with controls for development, pluralism and market institutionalization would then look as follows:

$$\text{Corruption [CPI-TI]} = \alpha + \beta_1 \text{ development [HDI]} + \beta_2 \text{ political competition [Polity IV score]} + \beta_3 \text{ market institutionalization [EBRD competitiveness score]} + \beta_4 \text{ civil society [NIT-CS]}$$

Equation 1		Equation 2
Dependents: TI CPI		WBI Control of Corruption
Constant	-0.263(29.580)	-0.322 (35.628)
Civil Society	-0.052(1.532)***	-0.000(1.845) ***
Competition Policy	0.345 (3.630)	0.624(4.373)
Development (HDI)	0.018 (34.167)***	0.006(41.153) ***
Political Competition	0.785 (0.675)	0.832 (0.813)
Adj R-squared = 0.77; N:28		Adj R-squared = 0.87; N:28

Non-standardized regression coefficients with standard errors in parentheses. All variables significant with development control only. Civil society significant in these variants.

Dependent variables: CPI (Corruption Perception Index by TI, 2009 - scale of 1 to 10, with 1 representing the highest level of corruption); Control of corruption by World Bank Institute, 2009 (scale of 1 to 100, with 100 representing the highest level of control). Independents: Civil Society by NIT, Freedom House, 2009 (scale of 1 to 7,

with 1 representing more corruption); Competition policy- score by EBRD, 2009 (scale of 1 to 4+ with 4+ standards and performance typical of advanced industrial economies); HDI (Human Development Index Score), UNDP, 2008; Political Competition, Polity IV score, 2008 (scale of 1 to 10, with 10 representing the highest level of competition).

The test of civil society's impact on governance in former Communist Europe thus returns an unequivocal result, confirming previous reports of a positive association (Grimes 2008). The less substantial civil society is, then the poorer the governance will be, but does that imply that external donors, wherever civil society is not sufficiently powerful, can help develop it and turn it into an effective anticorruption tool? Finkel et al (2007) found evidence that USAID democracy and good governance conditionality produces effects over a long time span, and that support for civil society has good returns. European conditionality for accession countries should be at least as strong as that for USAID, for besides assistance, the EU can deny entry to the club to aspiring countries which do not meet governance conditions. *Civil society should then be able to play a role, and particularly in countries with strong EU conditionality.* That theoretical expectation will now be checked against the evidence in the next section.

3. End of Transition, End of Corruption?

The persistence of corruption in post-communist Europe after 1989 is attributed by some authors to the survival of the Communist time organization and culture of administration (Miller and all 2001; Treisman 2003). Communism is to blame due to its non-modern nature; as other resources and forms of social main provider of social hierarchy, which generated particularism as the main operating mode of the state, and that survived into transition times (Jowitt 1992; Janos 2000; Mungiu-Pippidi 2006). Other authors attribute post-communist corruption not to Communism itself, but to the transition, either to the opportunities offered by changing from a planned to a market economy, especially with regard to privatization (Holmes 2006; Stark and Bruzst 1998); or to the inherent institutional overhaul required by the transition, corruption being only 'an indication of the lack of institutionalization of capitalism and democracy in transition societies (Haerpfer and Wallace 2000).

That approach implies that the more economic reforms progress and a market economy is built, the more corruption should decrease. End of transition should then see an end of corruption, at least in the systematic forms encountered in the early nineties. A survey by New Democracies Barometer in 2000 found instead widespread perceptions of an increase in corruption in comparison with Communist times, although many ECE countries had by then concluded the essentials of their

transition and were rated as functional market economies by the European Commission's Agenda 2000 (Haerpfer and Wallace 2000).

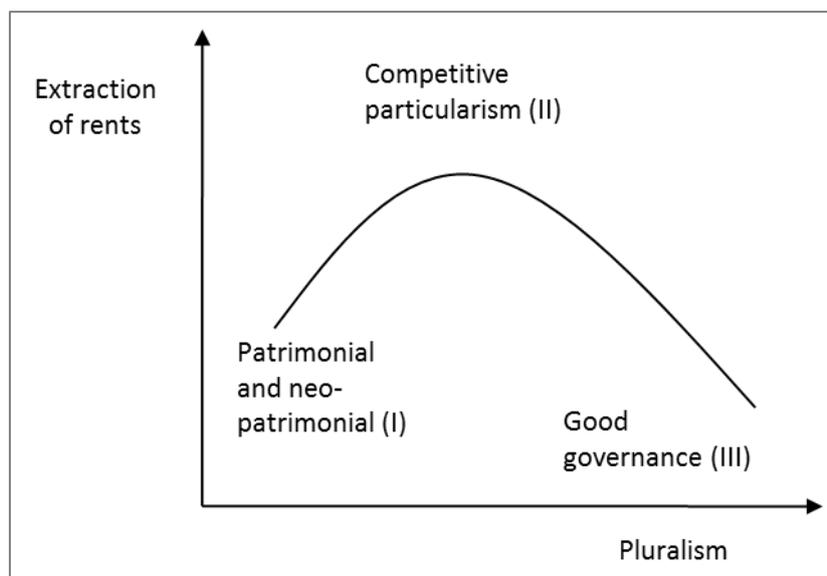
Alongside those views, there exists a functionalist approach to post-communist corruption, which tends to see corruption as an adaptive strategy to the poor capacity of the post-communist state to deliver basic services (Kornai 2004) and anticorruption as a populist tool (Krastev 2004). From that perspective, which follows the classic political development thinking of authors such as Nye (1967), and so considers corruption the indispensable companion to development, it is not possible to eradicate corruption while there is underdevelopment, so the use of good governance strategies as development tools is fundamentally flawed.

Disappointment with the quality of governance even in the most successful East Central European countries, particularly after EU accession in 2004 led to the accumulation of new evidence in favour of Huntington's classic view of corruption as an intrinsic part of democratization (1968). New political parties, even in the most advanced countries in the region, seem to engage in 'runaway state-building', achieving party capacity and mobilization primarily through clientism and state exploitation (O'Dwyer 2004; Busse 2007). Systematic corruption seems inherently political, and evidence from the third and fourth wave of democratization shows that patrimonial regimes based on power monopolies are frequently succeeded by pluralistic ones defined by competition for state capture, with the state conceived and used as a major source of spoils by all political contenders. Such regimes of systemic particularism where elections are basically competitions among groups for state capture tend to reach an equilibrium which is difficult to upset: we have only a few historical examples of evolution from that condition (Mungiu-Pippidi 2006; Rothstein 2009).

Presuming, in line with classic Weberian theory, that patrimonialism is the universal departure point, political transition seems to involve three distinct paths of evolution (see Figure 2). First, after a transitional experience with pluralism, if social control is again monopolized by one power centre, a country can return to a patrimonial regime ('neo'-patrimonial, group 1). Second, and most frequently nowadays, the traditional monopoly of power gives way but the ensuing competition for power and spoils is not restricted by either formal or informal constraints (rule of law). Despite the existence of regular elections, the formula is unbalanced with low costs and huge opportunities, so in their turn competitors for power spoil the state. The main prize in the political competition is the state and all its resources: whoever seizes the state, seizes the day (Hellman and Kaufman 2000). Most new democracies fall into that category, as the introduction of elections in societies which lack essential social prerequisites of government accountability (such as, for instance, a body of citizens enjoying some economic autonomy) seems to produce a regime of 'competitive particularism' rather than a polyarchy (group 2). The public perceives an increase in corruption, as competitors increase the spoils (for instance the number of public jobs) in order to generate sufficient rents.

A minority of cases evolve further to achieve good governance and impartial government based on ethical universalism (group 3): but most cases lag behind. The recent history of Eastern Europe is of general interest because it is the region on the globe which seemed the most able to pass this virtual threshold from particularism to universalism due to its successful economic and political transitions. But one of the essentials of such a developmental model of corruption is that political entrepreneurs are seen as the main drivers of the process. Being in politics and governing means managing a network of patronage and trading influence as main activities (Scott 1972; Piattoni 2001). If political parties create a sort of cartel agreeing on two main rules of the game, namely that the results of elections will be observed (democracy), and that winners are allowed to use their turn in government to extract rents (particularism), an equilibrium is reached which further elections might not disrupt.

Figure 3: Rent-seeking by power distribution



Former Eastern Europe illustrates those three patterns of development. The region departed from patrimonial Communism where most property was state-owned, which meant de facto party-controlled, and then proceeded to evolve. Twelve countries (former Soviet Union) did not manage to democratize and became neo-patrimonial (group I), with WGI Control of Corruption³ below the level of sub-Saharan Africa (see Figure 1). Fourteen countries evolved to competitive particularism (group II), of which seven are 'Central European' ones (score higher than 0) and seven transitioning 'Balkans' ones (scores under 0, but on the mend), with only two countries, Slovenia and Estonia,

³ Control of Corruption is a world governance indicator aggregated by World Bank Institute.

reaching the best governed 'green' zone, so Group III. The geographical denominations are in brackets because those 'regions' do not have fixed limits and countries which progress can move from one group to another. Thus, the 'Central European' group includes Baltic States and one Balkan state, Croatia, while the 'Balkan' group includes Romania and Bulgaria, two new EU members, they having joined in 2007. The former Soviet Union group has all states other than the three on the Baltic, and Georgia.

The three different governance outcomes in the post-communist world can be explained using the formula developed in the previous chapter (see Table 2). Where constraints and resources were both weak, full state capture resulted after 1989, usually in some neo-patrimonial form (what Gryzmala Busse calls 'fusion'). The state became practically 'owned' by a particular person or group without any pretence of autonomy nor universal distribution. Turkmenistan has for many years been the classic example for the category. If resources are superior, but constraints are insufficient, systematic predation occurs, but the state has some limited autonomy towards the leaders – that is the situation in other Central Asian and Caucasian former Soviet Republics, which preserve some bureaucracy from Soviet times.

Poor resources combined with strong constraints lead to more moderate exploitation (Busse 2007), where political actors can only politicize state jobs and distribute some government contracts preferentially, but ethical universalism coexists as a parallel norm in the administration, sometimes confrontationally, as in Central Europe and the Baltic states. An intermediate situation, with moderate constraints and reasonable resources feeds patronage, a particularly insidious and persistent form of particularism which seems to accommodate very well in democratic settings, as party politics is inherently particularistic (Piattoni 2001:3). Patronage refers to a pattern of social organization in which access to social resources is controlled by patrons and delivered to clients in exchange for loyalty and support. (Eisenstadt and Lemarchand, 1980; Mouzelis, 1980; Eisenstadt and Roniger, 1984). Patronage is a form of social organization in its own right, pervasive and resilient, which hinders the development of social capital and civil society in a Western sense (ties of patronage preventing the formation of horizontal ties), and encounters less opposition than plain corruption, being frequently seen as part of local culture. It also hinders political development, as it prompts associations based exclusively on loyalty and interest, as opposed to common values and ideology. Since it is seldom considered either illegal (some exceptions apply) or immoral, the costs for patronage are low. Examples range from Bosnia, where a particular state design aligned on ethnic lines has led to the creation of veritable ethnocracies, to the typical *partitocrazia* of the Balkans and some Central European cases, where for practical purposes parties divide the public sector among themselves, with public spending (including EU funds) and employment organized along party lines (Gryzmala Busse 2008; Smilov and Toplak 2007). Finally, in developed settings, where constraints are high and resources low, we encounter corruption merely

as infringements of an otherwise established norm of integrity and universalism. The frequently mentioned bribery and extortion coexist therefore with other more systematic types of state capture described above. In fact, bribery in patronizing societies is frequently a correction, providing access for people who do not belong to client networks. As most anticorruption strategies are forged in developed countries, they focus mostly on bribery, ignoring more systematic forms of particularism.

Figure 4: Types of corruption by resources and constraints

	CONSTRAINTS	
RESOURCES	Weak	Strong
Poor	Fusion/full capture	Exploitation
Good	Predation	Clientelism

Resources for corruption should have decreased after the fall of Communism, as one of the chief reform goals of the Washington consensus was to reduce the scope of the state. However, that eventually happened only in a handful of countries, where reformers allowed it. In many of the other 27 countries, communist elites themselves initiated and managed the transformation for their own benefit, retaining their hold on the state as chief resource. In such cases the government acted more as a ‘grabbing hand’ than as an ‘invisible hand’ and deliberately promoted ‘partial reforms’ in order not to lose control of the transition (Frye and Schleifer 1997; Hellman 1998). The overall goal of ‘partial reforms’ in many countries was state capture by the post-communist political establishment. That strategy was so successful in some countries in the former Soviet Union and the Balkans that the original model of state capture as proposed by Hellman and Kaufman (2001), in which business, government and the judiciary are inter-connected through a linkage in the traffic in influence to form networks, came rather to resemble the model of della Porta and Vanucci (1999), in which politicians, businessmen and magistrates become virtually

undistinguishable, as the same individuals migrate from boards of newly privatized enterprises into political positions or control agencies: businessmen, politicians and regulators are the same people.

Resources are therefore not an absolute given; they can be manipulated by policy. Power resources can be increased by discretionary regulation and red tape, and decreased by transparency: many anticorruption policies focus on that area. Material resources include four basic categories:

- a. public jobs, as the public sector is extremely politicized and each winning party fills not only political offices but many civil service positions with its own people;
- b. public spending, for instance the commissioning of public works, but also preferential bailouts, subsidies, loans from state banks;
- c. preferential concessions and privatizations from former state property; and
- d. market advantages in the form of preferential regulation.

After 2000, privatization resources had nearly dried up, as the process ceased in many countries: but European funds in EU accession countries gradually replaced them.

The evolution of corruption 'costs' too both during and after transition varied greatly and was even more specific to particular countries. As the region had seen different types of communism, the force of challengers to the regime was very different across cases. The high state capture of the former Soviet Union is explained by the low costs in terms of political and civil society opposition. Public opinion has difficulties in adopting meaningful forms of collective action in post-totalitarian settings (unlike in authoritarian regimes where society had more autonomy towards the state), even when it disapproves of a corrupt leader or government. EU accession, through its tough conditionality, was supposed to provide the needed 'cost', but pre and post EU accession years show only how resilient particularism is: nearly every single positive evolution of an EU accession country before accession was followed by a step back after it (see Table III).

Figure 5 : Classification of countries by control of corruption and integrity legislation

	Very good	Good to fair	Fair	Poor
Control of Corruption aggregate (World Bank, 2008)	Slovenia ->Estonia	Poland Lithuania Hungary <- Czech Republic <- -> Croatia ->Romania ->Bulgaria -->Serbia -->Latvia --->Georgia	->Macedonia ->Bosnia- Herzegovina Albania <- Moldova <- Armenia Ukraine	Kazakhstan Kyrgyzstan Azerbaijan Belarus Russia Uzbekistan Tajikistan
Global Integrity Index (2008)	Romania Bulgaria Poland	Lithuania Kazakhstan Macedonia Hungary	Azerbaijan Serbia Bosnia and Herzegovina Kyrgyz Republic Belarus Moldova Russia	Montenegro Georgia

Source: World Governance Indicators – Control of Corruption, 2009. Global Integrity 2009

Legend: Trends (arrows) shown in parenthesis reflect evolution of the score, positive to the right, the longer the arrow the bigger the evolution.

A survey of governance by the World Economic Forum in 2009 found only Estonia and Georgia on the border between the fifty most advanced countries and the rest of the 138 countries surveyed. For headings such as government favouritism and diversion of public funds due to corruption, response to this survey by business experts did not reveal great differences across the post-communist region, suggesting that differences are in size rather than in kind (see Appendix 1, Table I). Distribution of public resources seems to operate nearly everywhere on the basis of particularism. The Czech Republic is in position 110 for government favouritism, Hungary 112 and Romania 113, all worse than the Kyrgyz Republic or Kazakhstan. In other words, neither the transition, nor the EU accession has managed to remove the fundamental incentive of political corruption, *which is the unconstrained ability of the government to distribute in a particularistic manner*. General surveys of public opinion provide additional evidence of competitive particularism in post-communist societies. For instance, surveys such as Gallup ‘Voice of the People’ 2006, the ISSP 2008 (‘Attitudes towards the Role of Government’) and Eurobarometer 325/2009 show that the public in new democracies of Eastern Europe, and indeed in other recent democracies around the world, perceive politicians and democratic institutions such as legislatures, political parties and Courts as more corrupt than bureaucracies and the administration, which enjoy more trust, exactly

the opposite of the pattern in advanced democracies (Bechert and Quandt 2009). Political parties are perceived as medieval armies which 'raise their pay from plunder', and not as ideologically driven modern parties⁴. Such phenomena occur at different levels across ECE countries, as development, for instance opportunities for promising careers outside politics, and therefore corruption costs vary.

Despite great variety across Eastern Europe, resilient particularism seems to be engrained even in the most advanced countries and is not shaken off by EU accession. Hungary, for instance, used to be perceived as one of the cleanest countries in the region, according to Transparency International and GRECO (2003: 3). The participation of civil society is institutionalized, for instance in the Anti-Corruption Coordination Committee. However, particularism seems to be equally institutionalized. Political parties are perceived as the most corrupted sector in the country (TI GCB 2009: 28-31). Interviews with businessmen indicate that corrupt practices span across political boundaries both at the local and national levels, increasingly leading to institutionalized forms of corruption (Pálinkó et al 2008). The Centre for the Study of Democracy in Bulgaria, which has been organizing regular surveys, shows that the number of self-reported cases of involvement in corruption transactions by adult Bulgarian citizens decreased from 2002 up to the mid-2000s, only to return in 2008 to values nearly similar to the previous ones⁵. Bulgaria was sanctioned by the European Commission after its accession in 2007 by a cut of most of its EU funds, as evidence of massive fraud was uncovered despite governance indicators showing some progress. In Lithuania, the 2009 Global Corruption Survey showed that 30% of households admitted paying a bribe in the last 12 months, compared to 32% in 2004. The figure is the highest in Europe. Poland, the closest to the 'green' zone, acceded to EU membership in 2004; in a TI survey in 2005, 62% of Poles perceived that corruption has increased versus 3% who believed it has decreased (TI 2005: 21). A majority of respondents remain skeptical about the effectiveness of official anticorruption (TI 2008: 19; TI 2009a: 33).

During pre-accession years, an unprecedented institutional transfer occurred towards the EU accession countries. Table III shows the poor association between the amount of institutional equipment and the effective control of corruption. Georgia, which is in the green area, has adopted very few of the typical anticorruption instruments. Romania and Bulgaria turned during their accession into world leaders of anticorruption preparedness according to Global Integrity Index, but their systematic particularism was barely touched; and ECE as a whole now enjoys the best legal equipment in the world. A compiled index of anticorruption laws and regulations (Dorhoi 2004) shows that dozens of laws have been adopted since 1998, not only by candidate countries,

⁴ Regional experts focus group quotation, November 18, 2009, Berlin, Hertie School of Governance.

⁵ Regional experts focus group quotation, November 18, 2009, Berlin, Hertie School of Governance.

but also by countries like Moldova or Albania, who surpassed some of the new EU member countries. The anticorruption strategies of those countries consisted in fact of huge collections of new laws and the creation of various anticorruption bodies.

Civil society was influential during the EU accession years, particularly in some countries where the need was the greatest (more state capture). In Bulgaria, Slovakia, Serbia and Romania civil society compensated for the lack of government enthusiasm for administrative reform, pushing for Freedom of Information acts through great coalitions and monitoring them. Freedom of Information legislation, which scarcely exists in Western Europe, was part of NATO accession conditionality, later adopted by the EU as a recommendation: together with Estonia's e-government they proved the most effective good governance tools. Civil society in Poland, Estonia, Latvia, Slovakia and Romania was also actively engaged in forefront anticorruption activities, contributing to the downfall of allegedly corrupt governments or ministers. In non-accession countries we do not find such an effect of civil society, but then that is mostly because those countries still struggle with more basic governance and democracy problems, such as access to media or to fair elections. Grassroots pressure combined with EU conditionality seemed to work fairly well in accession countries, until accession was eventually completed.

The anticorruption institutional framework built during EU accession years was not properly implemented before it began to be dismantled the day after EU accession. Many anticorruption agencies saw their budgets cut and their leaders under threat of removal, when their whole existence was not altogether put into question⁶. In Romania and Latvia anticorruption 'heroes' were fired after accession, just when their anticorruption agencies had started to work, beginning to make significant arrests. In Slovenia the anticorruption prevention agency, which was monitoring the assets of politicians, was saved *in extremis* by the Constitutional Court, while in Poland and Romania the same courts there dealt serious blows declaring anticorruption legislation unconstitutional years after it had been enacted. Even so, in the Slovak Republic the anticorruption Court was significantly weakened and in the Czech Republic the anticorruption unit was closed down.

In the same interval, while political elites were thus retaliating for nearly a decade of anticorruption imposed on them by EU accession, civil society was confronted by serious survival problems. The main sponsors of anticorruption programmes had been American foundations and USAID, which had withdrawn to a great extent after countries became EU members. As the new EU funds do not cover good governance programmes, EU leverage and civil society scrutiny dwindled practically at the same time.

⁶ Focus group with regional experts from GRECO, USAID, OECD, Freedom House and civil society at the Hertie School of Governance in Berlin, November 18, 2009.

Popular mobilization was insufficient: a rally organized in Latvia to save the anticorruption head of the national agency KNAB from dismissal attracted 10 000 people, but managed only to postpone the inevitable by a few months; in Romania, only 3000 people mobilized to defend justice minister Monica Macovei, the victim of political enmity due to her relentless promotion of EU inspired legislation, and she was eventually replaced. In the other countries there were no such attempts to involve the citizens, nor was there any spontaneous mobilization about questions of governance.

Romania and Bulgaria's evolutions were the most closely correlated to their performance on EU accession, since the EU's stress on anticorruption had been the greatest for those two countries. From 2000 to 2004, Bulgaria was perceived as doing better on EU accession, but in Romania corruption featured prominently on the electoral agenda due to public discontent, leading to the opposition coming to power at the end of 2004; in Bulgaria a grand coalition was formed. After the signing of the EU accession treaty in 2005, the paths of the two countries still discretely diverged: under the grand coalition in Bulgaria political parties stopped censoring each other's behaviour and civil society continued complacently, while in Romania civil society succeeded in appointing its own people to key anticorruption positions in the new government and a factitious coalition continued to fight, exposing corruption in the process. After the 2007 EU accession, the trajectories of the two countries again began to converge: top Romanian reformers were sacked and its civil society lost steam: still, Romania managed to avoid the penalties inflicted on Bulgaria by the European Commission.

At the opposite extreme among new member countries, Estonia is the only uncontroversial good governance case, but most observers agree that Estonia's governance mode is different. Explaining Estonia as an outlier is not so difficult since it was the most advanced of the three Baltic States at the fall of Communism and progressed further and faster. It was the only ECE country with over 90% literacy by 1990 (followed at quite a distance by Latvia); small, with fewer than a million and a half population, homogenous, highly urbanized, excluding the more politically conservative Russian minority from the political process after independence from the Soviet Union and drawing heavily on the Finnish model of e-government, Estonia is a best practice example which cannot be easily transferred to other cases. A highly educated population of 'critical citizens', a free-market minded political elite which promoted very liberal reforms and an active civil society, socialized by its Finnish neighbours (the languages of the two countries are related) were definitely positive assets. Slovenia is the other EU accession country which has always enjoyed a good reputation: but despite its high level of development the *modus operandi* of the government is reportedly not so radically different from that of its post-communist neighbours⁷.

⁷ Expert focus group, November 18, 2009.

Lying outside the EU's borders, Georgia is the more disputed 'green' case (see Figure 2). Georgia's progress was the most spectacular, being dependent on its market reforms (a feature it shares with Estonia), which went deep, cutting resources for corruption and deliberately introducing costs. However, while the size of the state was dramatically reduced under President Saakashvili with a positive effect on governance, a very restricted group seems to have a stronger grip over this reduced state. That seems then to be the downside of top down reform in the absence of grassroots anticorruption.

4. When, and how, does civil society matter?

Measuring anticorruption is even more difficult than measuring corruption. The latter tries to measure the divergence from an official norm (ethical universalism) itself reflecting a ratio between opportunities and costs in a given society; the former measures the impact of a policy willfully seeking to reduce resources and increase costs, but it remains a ratio between the magnitude of the problem and the effectiveness of the effort. In the context of an evolution which is either modest or, due to deficient indicators, hard to document, explaining the role of civil society presents us with further difficulties. For instance, if there was no general evolution in a particular country is it then normal to presume that civil society could not have had an impact? That is by no means clear cut: because involution can also take place where costs of corruption go down. Where evolution occurs, we find that civil society's effect is frequently blended with that of reformist governments or external actors who fund good governance programmes. We therefore first have to identify the trend, then we need to distinguish one factor among others which brought it about. Process-tracking of each country's trajectory remains the only valid way of understanding each factor's impact on governance.

This section therefore combines national and grassroots project process-tracking. The anticorruption projects we have studied (471, in 16 countries, see Appendix 2) have all taken place in the last decade, and we have tried to collect *all* significant anticorruption projects listed by the main NGOs or donors on which information could be gathered from 2000 onwards. From our database, the majority of projects (70%) lasted one year or less. 58% were general projects at the national level as against 42% sector or locally focused projects. From the latter, 21% (the largest proportion) dealt with local administration, 19% with judiciary reform, 10% with education, 8% with other public sectors and 6% with elections. A handful (2.5%) had a volunteer or community contribution. USAID and other American foundations using American public funds sponsored the largest number of them (23%), followed by the European Union (19%) and the Soros Foundation (18%). Other donors, including the UN (less than 3%), and EU member countries through bilateral

projects made up the rest. About half the projects were run in direct cooperation with governments at various levels, though civil society was managing them directly in over 90% of cases. However, the other half was not made up of projects exposing corrupt activities or practices: fewer than 10% of projects were of that kind, and in some countries were completely absent. Nearly 60% of the projects involved some form of media participation, and 40% involved coalitions, of which 37% included groups other than NGOs. About half the projects were locally designed while the others were imports or adaptations from other countries. 30% had leaders clearly identified by the public, and 19% were proposing some form of incentive to motivate a change in behaviour. The least transparent of the projects belonged to USAID in the Western Balkans, where even basic project data was considered confidential information.

Over 80% of the projects in the database assembled had no impact indicators foreseen nor any clear statement on what would make the project a success or a failure. They were all reported as successful. Most projects were on research, information, training, consultancy and advocacy, and their outcomes adoption of legislation, writing of a report or organization of meetings or training. Such projects can only be judged by output indicators (number of investigative journalists trained), as impact was not sought from the design stage such as, for instance, the number of resignations of corrupt officials due to reports by investigative journalists. To counterbalance those disadvantages, independent country experts were instructed to rate the projects according to the following criteria:

- concreteness of objectives (were they achievable in a measurable way?);
- adequacy of activities to objectives (can such activities help reach objectives?);
- existence of traceable impact indicators (qualitative or quantitative) in the project document and/or evaluation (other than outputs);
- existence of impact proof at the level of independent observers (media, corruption experts, stakeholders).

Each project in the database had therefore a description of impact and how potential impact could be assessed, even if an impact score was not produced. We found about a third of projects to have exercised some impact. The projects which seem to produce traceable impact and particularly those with the highest number of quotations in local media display a number of similar characteristics. First, they target corruption directly and concretely and propose a change of norms or attitudes in a limited organization in a limited interval of time. Second, they are based on cohesive (so not all-inclusive) coalitions including journalists and the media as active participants (not involved simply in dissemination), and broader in general than just NGOs. Involving media in NGO

projects, not just as a dissemination agent but as a fully-fledged participant increases exponentially the effectiveness of such projects.

The more diverse coalitions are, including NGOs which each have a specific task (so not just formal, nominal coalitions), but also unions and other civil society actors, the more effective the projects become. In the Romanian coalition for a Clean Parliament the administrative reform NGOs did the organization, the journalists did the documentation of black-listed politicians, the electoral reform NGOs engaged the political parties for negotiations on the candidates and the legal NGOs defended the leaders when legal actions for libel followed. Their efficiency was insured by voluntary participation too: bulletins revealing names of black-listed political candidates were freely printed by many print press owners and local media outlets and thousands of volunteers spread them in various voting constituencies. Third, the most successful coalitions were not set up by donors themselves, but are grassroots endeavours ultimately sponsored by donors, and include voluntary work. Fourth, projects which managed to unearth incentives for groups and involved individuals work best, particularly when linked with natural competitions of any kind.

What project designers should strive for is to create an integrity market, where actors need to compete to brand themselves as non-corrupt. There are a number of successful projects of the kind, which contain a strong dissemination component too: compiling hierarchies of municipal services integrity, or tops of administrative transparency and responsiveness, or ranking universities for corruption in order to help students choose one with transparent costs - any form of oversight which includes public rankings seem to work fairly well. Timing matters: in Estonia, Romania, Croatia, Albania, the Czech Republic and Kosovo civil society anticorruption campaigns were timed during and in relation to electoral campaigns in order to maximize impact. Their success was due to their taking advantage of the natural integrity and good reputation 'market' that elections were bound to create, when parties needed to prove themselves and were therefore forced into effective cooperation, for example by eliminating corrupt candidates from party lists.

Finally, projects which consider impact at all times are more effective than projects which don't or which rely on input and output indicators alone. But conceptualization of impact must at the same time be substantial and realistic, and must avoid the 'planning' fallacy. A report by an NGO, for instance, declares that one of their good governance projects achieved '10 articles, 3 legislative proposals, 300 policy papers, 500 individual users of the project website within the website and a 10% decrease in numbers of public contracts impeached by the Office for ...etc'. Not only are such outputs disproportionately high – and implausible – compared to the impact indicators (300 writers and 500 readers?), but as usual when the project is centered on assisting the government there is no way of telling if the 10% was due to civil society or to anything else. In the end, the best impact indicators are the resignations of corrupt officials, as Fairplay Slovakia reports, or that corrupt

politicians lose elections, as the Coalitions for Clean Parliament report, or government agencies giving up a certain practice and allowing external oversight, and so on.

Considering the projects with less impact or whose impact cannot be evaluated, five problems emerge which seem to hinder the effectiveness of civil society. Problem number one can be phrased as *insufficient concreteness of anticorruption projects*. Far too many projects deal with corruption in general, with the 'notion' of corruption, for instance, and only a handful directly attack corruption in a specific institution: as to those who take the issue to the corrupted, those are a handful (see also Spector 2004; Tisne and Smilov 2005).. The general impression is that corruption is a natural calamity, like a volcanic eruption, and not a vicious distribution perpetuated by individuals in their own, -or their group's- best interest. It is then deemed sufficient to inform people – for instance, the civil servants who profit by it – by means of a booklet, and the risk would somehow decrease thereby. A project which does not clearly cut resources (for instance by pressing for transparency) or increase costs (for instance by monitoring), or which does not focus on any individual or group is very likely a waste of time.

What donors attempt to reproduce by funding anticorruption projects is the monitoring of corrupt behaviour exercised in societies which have historically managed to clean themselves. That requires concrete projects addressed to the changing of behaviour, not the widespread "win-win" approach, as if anticorruption activists were some sort of missionaries spreading the word of good governance to pagans who have not yet had the good luck to stumble upon it by themselves. Some people are bound to lose out from anticorruption: exposing and targeting them is essential for success.

Many of the most heavily funded awareness raising projects are subject to this problem of lack of concreteness. For instance, survey results have been indicating since the late nineties that respondents are highly aware of particularism and even overestimate it when comparing it to corruption in Communist times (Haerpfer and Wallace 2000). Despite that fact, donors, particularly the EU, have spent considerable funds on raising awareness. Awareness could not be higher or we should not see in the surveys the anger directed against political parties and politicians. The understanding of mechanisms is also high: anyone who has ever needed a building permit could themselves train the many trainers paid, from donor money, in how the system works. Legislation has been adopted everywhere and no civil servant can believe that taking bribes is ethical: investing in seminars to popularize unenforceable ethical codes is therefore pure waste of resources. The only communication campaigns worth funding are those informing people of new mechanisms they can use to complain, or which popularize concrete cases which sanctioned corruption: but those are in the minority.

The second frequent source of inefficiency is getting the objectives wrong. To challenge corruption you have to understand how it works in its specific environment. A frequent error is that funding objectives are imported which are adapted from ideas about anticorruption in developed countries whose fit with post-communist ones is poor. Many political corruption projects fall short in that area. In former Soviet Union countries, where the state is captive, the biggest thing distorting political competition is the use of administrative resources by incumbents: donors invest in the financing of political parties, and particularly in legislation, although in many such places transfers do not by any means go through legal party coffers, as people and businesses are rewarded directly with chunks of the former state economy. In nearly all the countries, we found projects inspired by the debate on US party finance which addresses only a marginal problem in post-communist countries, completely missing the real ones, such as politicization or state capture.

Good domestically designed programmes, such as the one for administrative resources by Providus in Latvia are insufficiently popularized. Other projects rely heavily on untested assumptions which are in fact often wrong, for instance that certain electoral systems breed less corruption than others. The objective of the anticorruption project then becomes a change in the electoral legislation and relevance to the problem is lost. The system is changed, but corruption remains. What is the point of transferring American designs of responsiveness towards voters to countries ruled by Patronage, including at the constituency level, or monitoring populist politicians for not keeping their irresponsible electoral promises? Such designs amount to wrong-headed blunders in post-communist societies.

The third problem with many anticorruption organizations stems from the confusion between the two roles of civil society. That is indeed a universal problem. Global civil society operations like Transparency International engage in large scale consultancy for governments and companies, teaching them how to comply with the increasing number of laws and regulations, as often as not adopted after lobbying by the same civil society. While on a global scale (lobbying the UN and being financed by the UN) that might not pose a problem, at national and sub-national levels, having the same organization working as a watchdog of government and as a deliverer of services for the same government raises serious questions of conflict of interest. As we know at least from the Enron scandal, professional auditors tend not to be critical of their clients. If civil society acts as auditor of the funds of the government organizations it is supposed to monitor, the danger is that its critical censorship role is jeopardized and a client-patron relationship emerges instead. Furthermore, there is no reason to presume that civil society in a very corrupt environment would not become corrupt in its turn and blackmail the government in order to generate rents for itself. In some Balkan and Caucasus countries it is quite concerning to find very corrupt governments as main sponsors of chief anticorruption organizations. Even when such major problems do not develop, NGOs which

act as service providers to the administration tend to become 'expert' NGOs and fail to achieve the grassroots mobilization needed in anticorruption work.

The fourth category of problems lies with the choice of instruments, even if objectives are justified. NGOs are right to research corruption. Far too many research projects rely on surveys of a general population with stereotypical questions leading to survey error. Groups with relevant experience and administrative practices are seldom targeted, although more refined methodologies do exist.⁸ NGOs are also right to lobby for changes of legislation or monitor the adoption of laws. However, judging by their list of projects many NGOs become lost in this legal assistance business and end up as legal consultancies of a sort. Being small organizations, they invest so much time in acting as experts in the legislative process that they miss investing in other indispensable roles of civil society, such as promoting the implementation of the laws they lobby for or denouncing the adoption of bills stripped of essential clauses (such as in Moldova or Albania). Freedom of Information Acts worked well in the late nineties and early 2000s, because many NGOs engaged in strategic litigation and monitoring of implementation. In the field of anticorruption we find today far more 'strategic partnerships' with government organizations than strategic litigations, although both are needed. A lot of projects were invested in where NGOs were consulted in the drawing up of national anticorruption plans (for instance in Bulgaria, Ukraine) and far less in developing a specific role of their own to supplant the society component of such plans, which if it is missing renders them obsolete. Most countries in the database have no real single watchdog for the whole country, which would in any case be highly insufficient.

Funding should not be a problem, seeing that good governance has always been a priority for all the donors – but it is. Such programmes need a longer lifespan, as few activists would take risks if they knew they could fund their anticorruption efforts for only a few years. Some tools work only if renewed yearly. A few organizations across the region managed to secure funding over the years to promote transparency laws and monitor them – those remain the best investments that donors have made to date. Every time the objective was right and a full cycle was funded: advocacy, coalition building and then monitoring of implementation once legislation was adopted, we have seen positive developments. Effectiveness of grand programmes is the lowest, while many small grants have managed to help initiate efficient projects: networks of investigative journalists or watchdog websites.

New member countries which have to rely on EU funding have practically no resource left to fund real anticorruption work. In Bulgaria in 2009 millions of euros of structural funds were spent on partnerships between local governments and NGOs promoting 'best practices', while on the other

⁸ The classic book by Robert Putnam and all on Italian regional administrative performance, *How Democracy Works (1993)* has a number of successful instruments for testing responsiveness of the administration.

hand the EC was cutting Bulgaria's funds for fraud. Simply put, there was no other way for NGOs to gain access to structural funds than by forming partnerships with local governments.

Who would then monitor those same local governments for just distribution of EU funds? That is the vicious circle that EU funding has to break. If funding is distributed only through governments, the EU deliberately gives up any expectation that civil society can act as a permanent monitor and auditor of public spending: civil society will just become a part of government, hence the loud protests in Bulgaria when EU funds were cut. Even when funding is sufficient, it goes into training, ethical codes, and other forms of abstract 'integrity-building' in cooperation or in parallel with the government, which also invests in projects of that type which, because they pose no real threat to corruption, are very popular.

If NGOs are frequently under-funded, it is also due to low participation from their own societies. People complain loudly in surveys: but in practice businesses do not engage in any good governance promotion activity, although they are the main ones who would profit. That is an indication that government favouritism matters to them, and anticorruption activities are still too costly: it is a other vicious circle, because if the main profiteers do not fund such activity it is unclear where the money should come from. USAID made systematic efforts to mobilize business, but still in none of the countries surveyed did business play a significant role in any anticorruption programme. Volunteer work too is scarce, and not even really needed since so many projects concentrate on expertise rather than participation. Designing projects which rely on public participation after an initial funded pilot scheme remains very risky, as organizers of the Fair Play database in the Czech Republic discovered. Coalitions such as the USAID sponsored Albanian one can show hundreds of NGOs, but few volunteers and no whistleblowers. When more than nominal anticorruption is attempted, as in the more recent Albanian Coalition for a Clean Parliament, partners tend to start retiring as soon as threats are issued by the politicians monitored.

Finally, there is a general fallacy of the anticorruption policy which does not spare civil society, although it is not of its own making. The overall message of the present anticorruption industry is that particularistic countries (group II of Figure 3) or neo-patrimonial ones (group I) should replicate the institutions of clean countries (group III). In other words, they should transfer the formal institutions underpinning the universalistic approach, raise some awareness, adopt some ethical codes of behaviour (in a package labelled 'omnibus' approach by Tisne and Smilov 2004), and the result will be that particularism will be finished. Many countries, however, have already adopted various Western formal institutions without letting that affect the core elements of particularism. Because of that, many international anticorruption strategies produce clear examples of tautologies (Andrews 2008). In states that suffer from systematically corrupt structures (where particularism is the norm), is it not more likely that the elements enjoying the power which could be used to solve the problem are in fact themselves part of the problem and hold back development towards

democratic governance (Warren 2004)? As a result of the fallacy mentioned above, realization of each and every project might be impeccable – and frequently is- but impact does not materialize.

5. Some recommendations for curbing corruption in EU contexts

When and how can the equilibrium reached by particularistic societies be shaken? In Italy, only when the judicial campaign against corruption combined with a deep financial crisis which dried up the spoils the equilibrium changed and the whole cartel of old parties collapsed (Guzzini 1995). In the other famous EU example, Greece, the state went bankrupt before the political system did. Membership of the European Union and therefore being subject to the conditions of the monetary stability pact did not succeed in curing Greece's particularism, although the EU remains the most powerful foreign actor in the region able to enforce some good governance standards. The sixteen countries monitored in this report are either current or would-be EU members, or targets of the European policy neighbourhood (EPN). Any lessons learned from the last ten years have to be learnt simultaneously by the EU as a donor as well as by domestic civil societies.

5.1. For new members and EU accession countries

While EU conditionality is undoubtedly a strong instrument to foster radical changes in candidate countries, we see in the Bulgarian, Romanian, Latvian, Slovakian and Slovene post-accession experiences that sustainability of the reforms induced is questionable (Hardy 2010). To uproot particularism, domestic factors remain crucial: grassroots public pressure and at least a few uncorrupted politicians able to present an alternative. The EU needs to adjust its funding procedures to ensure that it funds anticorruption in civil society other than through domestic governments. A possible model is Estonia. The amounts needed are very small, enough to replace American foundation money, and can be reallocated from assistance funds. Some of the smaller donors, including some donor agencies in EU member countries (the Netherlands, Scandinavia) have a good track record in anticorruption programmes and could be entrusted with the management of such funds. The essential point is to remove funds from the grip of domestic governments, which do not want anticorruption funded at all and would systematically remove it from among the priorities of such types of funding. It is in EU's best interest to act quickly, as in the Baltic States and Eastern Balkans, where structural funds have in fact prompted the setting up of new organizations, with no track record whatsoever, which partner governments in spending the millions available for 'good governance' programmes.

5.2. For European Neighbourhood Partnership countries

The ENP has a governance component which makes it a superior instrument to classic assistance policies. The introduction of the Governance Facility instrument follows the logic that in order to increase aid effectiveness, funds should be concentrated in those countries that show genuine commitment to improving governance. In practice, however, we find that the amount of funding allocated through that mechanism constitutes a minimal fraction of total funding, which can hardly serve as an incentive for a country to implement political reform (Kleeman 2010). Also, in contrast to the Millennium Challenge Account of the U.S., the criteria for the allocation of funds are far from transparent. And finally, civil society is not directly targeted. If the EU wants to improve its performance in promoting good governance in its neighbourhood, then the involvement of civil society and the reform of its funding instruments for grassroots governance programmes are the most pressing matters that need readjustment (Kleeman 2010).

6. References

- Alegre, S., Ivanova, I., Denis-Smith, D. (2009), *Safeguarding the Rule of Law in an Enlarged EU, the Cases of Bulgaria and Romania*, CEPS Special Report
- Almond, G., Verba, S. (1963), *The Civic Culture*, Boston, Little, Brown and Company.
- Andrews, M. (2008), 'The Good Governance Agenda: Beyond Indicators without Theory', In *Oxford Development Studies*, vol. 36, no. 4, pp. 379-407
- Anheier, H. K. (2009), 'What Kind of Nonprofit Sector, What Kind of Society? Comparative Policy Reflections', In *American Behavioral Scientist*, vol. 52, no. 7, pp. 1082-1094
- Arato, A. (1990), 'Thinking the Present: Revolution in Eastern Europe. Revolution, Civil Society and Democracy', In *PRAXIS International*, no.1+2
- Ash, T. G. (1990), *The Magic Lantern: The Revolution of '89 Witnessed in Warsaw, Budapest, Berlin and Prague*, New York, Vintage Press
- Becher, I., Quandt, M. (2009). *Attitudes towards the Role of Government*, Gesis, Arbeitsberichte nr. 7
- Beissinger, M. R. (2002), *Nationalist Mobilization and the Collapse of the Soviet State*, Cambridge, Cambridge University Press
- Grzymała-Busse, AM (2007) *Rebuilding Leviathan: party competition and state exploitation in post-communist*, Cambridge ; New York, Cambridge University Press.
- Carothers, T. (2004), *Critical Mission: Essays on Democracy Promotion*, Washington D.C., Carnegie Endowment for International Peace
- Carothers, T. (1999) 'Think Again: Civil Society', *Foreign Policy*, Winter 1999/2000
- Center for the Study of Democracy (2008), *Crime without Punishment: Countering Corruption and Organised Crime in Bulgaria*, <http://www.csd.bg/fileSrc.php?id=2650>
- Center for the Study of Democracy (2006), *On the Eve of EU Accession: Anti- Corruption Reforms in Bulgaria*, http://www.csd.bg/files/CAR-III_Eng.pdf
- Center for the Study of Democracy (2004), *Anti-Corruption Reforms in Bulgaria*, http://www.csd.bg/files/en_FULLL.pdf
- CIVICUS, 2010, *Civil Society Index (CSI)*, Retrived from the World Wide Web May 2010, <http://www.civicus.org/>

- Clark, J. (1990), *Democratizing Development: The Role of Voluntary Organizations*, West Hartford, Kumarian Press
- della Porta, D., Vannucci, A. (2002), 'Corrupt Exchanges and the Implosion of the Italian Party System,' In A.J. Heidenheimer, M. Johnston (Eds.), *Political Corruption: Concepts and Contexts*, New Jersey, Transaction Publishers, pp. 717- 738
- Diamond, L. (1999), *Developing Democracy towards consolidation*, Johns Hopkins University Press
- Dorhoi, M. (2004), 'Anticorruption Assessment Index. A Comparative Review of Anticorruption Strategies', *Paper presented at Midwest Political Science Association, Palmer House Hilton, Chicago, Illinois, April 15*
- Eisenstadt, S.N., Roniger, L. (1984), *Patrons, Clients and Friends: Interpersonal Relations and the Structure of Trust in Society*, Cambridge, Cambridge University Press
- Eisenstadt, S. N., Lemarchand, R. (Eds.) (1981), *Political Clientelism, Patronage and Development*, Beverly Hills, Sage
- Ekiert, G., Kubik, J. (1999), *Rebellious civil society: popular protest and democratic consolidation in Poland, 1989-1993*, University of Michigan Press
- Epstein, R. A., Sedelmeier, U. (2008), 'Beyond conditionality: international institutions in post-communist Europe after enlargement', In *Journal of European Public Policy*, vol. 15, no. 6, pp. 795-805
- Esman, M. J., Uphoff, N. T. (1984), *Local Organizations: Intermediaries in Rural Development*, Ithaca, Cornell University Press
- European Bank for Reconstruction and Development (EBRD), 2010, *The Business Environment and Enterprise Performance Survey (BEEPS)*, Retrieved from the World Wide Web May 2010, <http://www.ebrd.com>
- Fernandez S., Rainey H.G. (2006), 'Managing Successful Organizational Change in the Public Sector', In *Public Administration Review*, vol. 66, no. 2, pp.168-176
- Finkel, S., Pérez-Liñán, A., Seligson, M. A. (2007), 'The Effects of U.S. Foreign Assistance on Democracy Building, 1990-2003', In *World Politics*, vol. 59, no. 3, pp. 404- 39
- Focus group with regional experts from GRECO, USAID, OECD, Freedom House and civil society experts at the Hertie School of Governance in Berlin, November 18, 2009, original transcript.
- Freedom House (2010), *Nations in Transit Report on Moldova*, Retrieved from the World Wide Web <http://www.freedomhouse.org/uploads/nit/2009/NIT-Moldova-final.pdf>

Freedom House (2008), *Nation in Transit Report on Georgia*, Retrieved from the World Wide Web <http://www.freedomhouse.org/template.cfm?page=47&nit=452&year=2008>

Freedom House (2003-2009), *Nations in Transit, Bulgaria*, Retrieved from the World Wide Web <http://www.freedomhouse.org/template.cfm?page=17>

Freedom House (2003-2009), *Nations in Transit, Croatia*, Retrieved from the World Wide Web <http://www.freedomhouse.org/template.cfm?page=17>

Freedom House (2003-2009), *Nations in Transit, Romania*, Retrieved from the World Wide Web <http://www.freedomhouse.org/template.cfm?page=17>

Freedom House (2003-2009), *Nations in Transit, Slovenia*, Retrieved from the World Wide Web <http://www.freedomhouse.org/template.cfm?page=17>

Frye, T. and A. Schleifer (1996) *The Invisible Hand and the Grabbing Hand*, National Bureau of Economic Research (NBER). *NBER Working Paper No. W5856*, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=225641

Fukuyama, F. (1995), *Trust: Social Virtues and the Creation of Prosperity*, NY, Free Press

Girod, D.M., Krasner, S.D., Stoner Weiss, K. (2009), 'Governance and Foreign Assistance: the Imperfect Translation of Ideas into Outcomes', In A. Magen, T. Risse, M. McFaul (Eds.), *Promoting Democracy and the Rule of Law, American and European Strategies*, Hampshire, Palgrave

GALLUP International (2006), *Voice of the People*, Retrieved from the World Wide Web April 2010, <http://www.gallup-international.com/>

Global Integrity Report (2010), *Global Integrity Index 2009*, Retrieved from the World Wide Web <http://report.globalintegrity.org/globalIndex.cfm>

GRECO (2003), *Evaluation Report on Hungary: First Evaluation Round*, [http://www.coe.int/t/dghl/monitoring/greco/evaluations/round1/GrecoEval1\(2002\)5_Hungary_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round1/GrecoEval1(2002)5_Hungary_EN.pdf)

Grimes, M. (2008), 'The Role of Civil Society Organizations in Combating Corruption' *Paper presented at the annual meeting of the MPSA Annual National Conference*, Chicago, IL, Retrieved from the World Wide Web http://www.allacademic.com/meta/p266844_index.html

Guzinni, S. (1995), 'The "Long Night of the First Republic": years of clientelistic implosion in Italy', In *Review of International Political Economy*, vol. 2, no. 1, pp. 27- 61

Haerpfer, W, Wallace, C. (2000), *Democratization, Economic Development and corruption in East-Central Europe: A 11-Nation-Study*, HIS, Vienna, Sociological Series 44, <http://www.ihs.ac.at/publications/soc/rs44.pdf>

Hardy, A. (2010), *Fighting corruption in Croatia with the prospect of European Union memberships. Conditionality and soft acquis communautaire: lessons learned from the previous enlargements to Slovenia, Bulgaria and Romania*, Berlin, Hertie School of Governance Working Papers

Hellman, J., Jones, G., Kaufmann, D. (2000), *Seize the State, Seize the Day: State Capture, Corruption, and Influence in Transition*, World Bank Policy Research Working Paper 2444, World Bank Institute and EBRD

Howard, MM (2003) *The weakness of civil society in post-communist Europe*, Cambridge, Cambridge University Press

Huntington, S. (1968), *Political Order in Changing Societies*, New Haven, Yale University Press

Inglehart, R. (1997), *Modernization and Postmodernization. Cultural, Economic and Political Change in 43 societies*, Princeton, Princeton University Press

Ivanova, I. (2009), 'The Case of Bulgaria', In S., Ivanova I. and Denis-Smith D. *Safeguarding the Rule of Law in an Enlarged EU, the Cases of Bulgaria and Romania*, CEPS Special Report

Janos, A. (2000), *East Central Europe in the Modern World*, Palo Alto, Stanford University Press

Jowitt, K. (1992), *New World Disorder or the Leninist Extinction*, Berkeley, CA, University of California Press

Kaufmann D., Kraay A., Mastruzzi M. (2009), *Governance Matters VIII: Governance Indicators for 1996-2008*, Policy Research Working Paper No. 4978, World Bank

Kaufmann, D., Kraay, A., Mastruzzi, M., (2005), *Governance matters IV: governance indicators for 1996-2004*, Policy Research Working Paper Series 3630, The World Bank

Keck, M. E., Sikkink, K., (1998), *Activists beyond Borders: Advocacy Networks in International Politics*, Ithaca, Cornell University Press

Kleeman, K. (2010), *European Neighbourhood Policy- A Reality Check. How effective is the European Neighbourhood Policy in promoting good governance?*, Berlin, Hertie School of Governance Working Paper

Klitgaard, R. (1991), *Controlling Corruption*, Berkeley, University of California Press

Knack, S. (2006), *Measuring Corruption in Eastern Europe and Central Asia: A Critique of the Cross-Country Indicators*, Policy Research Working Paper No. 3968, World Bank

Kornai, J. (2004) Honesty And Trust In The Light Of The Post-Socialist Transition: Some Ideas Arising From The "Honesty And Trust" Research At Collegium Budapest, http://www.economics.harvard.edu/faculty/kornai/files/Beszelo_English.pdf, last accessed June 26, 2010

- Kotkin, S., Sajo, A.(Eds.) (2002), *Political Corruption in Transition: A Sceptic's Handbook*, Budapest and N. Y., Central European University Press
- Krastev, I. (2004), *Shifting Obsessions: Three Essays on Politics of Anti-Corruption*, CEU Press
- Kukhianidze, A. (2009), 'Corruption and Organized Crime in Georgia before and after the Rose Revolution', In *Central Asian Survey*, vol. 28, no. 2, pp. 215-234
- Lambsdorff, Johann Graf 2007: *The Institutional Economics Of Corruption and Reform: Theory, Evidence, and Policy*. Cambridge: Cambridge University Press
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A. (2008), 'The Economic Consequences of Legal Origins', In *Journal of Economic Literature*, vol. 46, no. 2, pp. 285-33
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., Vishny, R. W. (1999), 'The Quality of Government', In *Journal of Law, Economics, and Organization*, vol.15, no.1, pp. 222–79
- C Malena, R Forster, J Singh (2004) Social accountability: An introduction to the concept and emerging practice, World Bank, Social Development Paper, no. 76.
- Marshall, M. G., Jagers, K. (2008), Polity IV Country Reports, Retrieved from the World Wide Web May 2010, <http://www.systemicpeace.org/polity/polity06.htm>
- Michael, B. (2004), *The Rise and Fall of the Anti-Corruption Industry: Toward Second Generation Anti-Corruption Reforms in Central and Eastern Europe?* Budapest, Local Government and Public Service Reform Initiative, <http://lqi.osi.hu>
- Miller, W.L., Grødeland, A., Koshechkina, T. Y. (2001), *A Culture of Corruption? Coping with Government in Post-communist Europe*, Budapest, Central European University Press
- Mouzelis, Nicos (1980), 'Capitalism and the Development of the Greek State.' In R. Scase (Ed.), *The State in Western Europe*, London, Croom Helm
- Mungiu-Pippidi, A. (2006), 'Corruption: Diagnosis and Treatment', In *Journal of Democracy*, vol. 17, no. 3, pp. 86-99
- Mungiu-Pippidi, A. (2005a), 'Deconstructing Balkan Particularism: The Ambiguous Social Capital of Southeastern Europe,' In *Southeast European and Black Sea Studies*, vol. 5, no. 1, pp. 49-68
- Mungiu-Pippidi, A. (2005b), 'EU Enlargement and Democracy Progress', In M Emerson (Ed.) *Democratisation in the European Neighbourhood*, Brussels, Centre for European Policy Studies
- Mungiu-Pippidi, A. (2005c), 'The story of the Romanian Coalition for a Clean Parliament' In *Journal of Democracy*, vol. 16, no 2, pp. 154-155
- North, D. C., Wallis, J. J., Weingast, B. R. (2009), *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*, New York, Cambridge University Press

- Nye, J. S. (1967), 'Corruption and Political Development: A Cost-Benefit Analysis', In *American Political Science Review*, vol. 61, no.2, pp. 417– 427
- O'Donnell, G., (1997), 'Illusions about Consolidation', In L. Diamond, M. F. Palltner, Y. Chu, H. Tien (Eds.), *Consolidating the Third Wave Democracies*, Baltimore, Johns Hopkins University Press, pp. 40-57
- O'Donnell, G., (1997), 'Illusions about Consolidation"', In *Journal of Democracy*, vol. 7, no.2, pp. 34-51
- O'Dwyer, Conor (2006) *Runaway State- Building: Patronage Politics and Democratic Development*, Baltimore, Johns Hopkins University Press.
- OLAF (2008), *Report on Bulgaria*, Retrieved from the World Wide Web http://www.mediapool.bg/site/images/doklad_OLAF_en.pdf
- Open Society Institute (2002a), 'Corruption and Anti-corruption Policy in Bulgaria', In *Monitoring the EU Accession Process: Corruption and Anti- corruption Policy*, pp. 79- 131
- Open Society Institute (2002b), 'Corruption and Anti-corruption Policy in Romania', In *Monitoring the EU Accession Process: Corruption and Anti-corruption Policy*, pp. 451-515
- Osborne, D., Gaebler, T. (1992), *Reinventing government: how the entrepreneurial spirit is transforming the public sector*, Reading, MA, Addison Wesley
- Pálinkó É., Szántó Z., Tóth I. J. (2008), *Üzleti korrupció Magyarországon – vállalatvezetők szemszögéből. Interjúelemzés*, In Z. Szántó, I. J. Tóth (Eds.), *Korrupciós Kockázatok az Üzleti Szektorban. Kutatási Háttér tanulmányok*, BCE Szociológia és Társadalompolitika Intézet. Korrupciókutató-központ, Budapest. pp. 35-54.
- Parsons, T. (1997), *Introduction to Max Weber. The Theory of Social and Economic Organization*, New York, The Free Press
- Piattoni, S. (2001), *Clientelism, Interests, and Democratic Representation: the European experience in historical and comparative perspective*, Cambridge, Cambridge University Press
- Pope, J., (2000), *TI Source Book: Confronting Corruption: the Elements of a National Integrity System*, Retrieved from the World Wide Web <http://ww1.transparency.org/sourcebook/index.html>
- Putnam, R. D. (1993), *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton, Princeton University Press
- Romanian Coalition for a Clean Parliament (2005), *A Quest for Political Integrity*, Iasi, Polirom
- Roniger, L., Günes-Ayata, A. (Eds.) (1994), *Democracy, Clientelism and Civil Society*, Boulder, CO, Lynne Rienner

- Rose-Ackerman, S, Kornai, J. (Eds.) (2004) *Building a Trustworthy State in Post Socialist Transition*, New York, Palgrave/Macmillan
- Rose-Ackerman, S. (1999), *Corruption and Government, Causes, Consequences and Reform*, Cambridge, Cambridge University Press
- Rothstein, B. (2009), *Anti-Corruption – A Big Bang Theory*, QoG Working Paper No. 2007:3, Retrieved from the World Wide Web <http://ssrn.com/abstract=1338614>
- Rothstein, B. (2005), *Social Traps and the Problem of Trust*, Cambridge, Cambridge University Press
- Scott, J. C. (1972), *Political Corruption*, Englewood Cliffs, N.J., Prentice-Hall
- Smilov, D., Toplak J. (Eds.) (2007), *Political finance and corruption in Eastern Europe, The Transition Period*, London, Ashgate
- Spector, B. I. (Ed.) (2005), *Fighting Corruption in Developing Countries: Strategies and Analysis*, Bloomfield, CT, Kumarian Press
- Stark, D., Bruszt, L. (1998), *Postsocialist pathways : transforming politics and property in East Central Europe*, Cambridge, Cambridge University Press
- Tiihonen, S. (2003), 'Central Government Corruption in Historical Perspective', In Tiihonen, S. (Ed.), *The History of Corruption in Central Government*, Amsterdam, IOS Press, pp. 5- 42
- Tisne, M., Smilov, D. (2004), *From the Ground Up: Assessing the Record of Anticorruption Assistance in Southeast Europe*, Budapest, Central European University Press
- Transparency International (2010). *Corruption Perception Index 2009*, Retrieved from the World Wide Web http://www.transparency.org/policy_research/surveys_indices/cpi/2009
- Transparency International (2009a). *Global Corruption Barometer 2009: Corruption and the Private Sector*, Retrieved from the World Wide Web http://www.transparency.org/policy_research/surveys_indices/cpi/2009
- Transparency International (2009b), *Global Corruption Barometer 2009*, Retrieved from the World Wide Web, http://www.transparency.org/policy_research/surveys_indices/gcb/2009
- Transparency International (2008). *Bribe Payers Index 2008*, Retrieved from the World Wide Web http://www.transparency.org/policy_research/surveys_indices/bpi
- Transparency International (2005), *Global Corruption Barometer 2005*, Retrived from the World Wide Web http://www.transparency.org/policy_research/surveys_indices/gcb/2005
- Treisman, D. (2000), 'The causes of corruption: a cross-national study', In *Journal of Public Economics*, vol. 76, no. 3, pp.399-457

UNDP (2008), *Human Development Report*, Retrieved from the World Wide Web, <http://hdr.undp.org/>

USAID, 2010, *The NGO Sustainability Index*, viewed May 2010, http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/

Uslaner, E. M. (2002), *The Moral Foundations of Trust*, Cambridge, Cambridge University Press

Warren, M. E. (2004), 'What Does Corruption Mean in a Democracy?', In *American Journal of Political Science*, no. 48, pp. 328- 343

Weber, M. (1969), *Economy and Society III*, New York, Bedminster Press

Weber, M. (1968), *On Charisma and Institution Building*, Chicago, University of Chicago Press

World Bank (2010). *World Bank Governance Indicators*, Retrieved from the World Wide Web <http://info.worldbank.org/governance/wgi/index.aspx>

World Bank (2000a). *Anticorruption in Transition: A Contribution to the Policy Debate*, Washington DC, World Bank

World Bank (2000b), *Helping Countries Combat Corruption*, Washington, DC, World Bank

World Economic Forum (2010), *The Global Competitiveness Report 2009- 2010*, Retrieved from the World Wide Web <http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm>

World Value Survey (2000), Retrieved from the World Wide Web http://www.worldvaluessurvey.org/wvs/articles/folder_published/survey_2000

7. Appendix

7.1. Major corruption indicators

Countries	Rule of law (World Bank, 1-100)	Diversion of public funds due to corruption (WEF) (rank 1 to 134)	Corruption Perception Index 2009 (TI) (rank 1 to 180)	Government favouritism (WEF) (rank 1 to 134)
Albania	-0.45	90	95	108
Bosnia & H	-0.32	75	99	124
Bulgaria	-0.17	116	71	111
Croatia	0.12	59	66	86
Czech Rep	0.37	98	52	110
Estonia	0.94	43	27	44
Georgia	-0.23	45	66	51
Hungary	0.55	79	46	112
Kazakhstan	-0.95	60	120	65
Kyrgyz Republic	-1.06	109	162	102
Latvia	0.29	65		83
Lithuania	0.18	67	52	81
Poland	0.38	72	49	105
Romania	-0.06	80	71	113
Russia	-0.98	102	146	88
Serbia	-0.16	81	83	109
Slovak Republic	0.43	76	56	116
Slovenia	0.95	44	27	62
Ukraine	-0.72	97	146	96

7.2. Projects in the database

Database composition	No projects	Percent
Albania	18	3.8
Bosnia & Herzegovina	29	6.2
Bulgaria	89	18.9
Croatia	17	3.6
Czech Republic	41	8.7
Estonia	26	5.5
Georgia	43	9.1
Hungary	9	1.9
Kosovo	20	4.2
Latvia	18	3.8
Lithuania	18	3.8
Poland	38	8.1
Romania	37	7.9
Serbia	12	2.5
Slovakia	22	4.7
Ukraine	34	7.2
Total	471	100.0