

# Corruption and Democracy

## Measures, Trends , Perspectives

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# This was a period of relativism

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The following statements were often made:

- ❑ *corruption is not a domestic problem;*
  - ❑ *corruption is the consequence of war;*
  - ❑ *corruption must be tolerated and understood and the important thing is not to exaggerate;*
  - ❑ *corruption is a matter of political culture.*
  - ❑ *vocabulary prevailed: expressions like fight, elimination of corruption, zero tolerance and the evil of corruption were used*
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# Questions

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- Does corruption exist and if so how is it perceived?***
  - How extensive is corruption?***
  - What should be done?***
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# Moral Panic

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“It seems that periodically societies undergo phases characterised by moral panic. An individual or a group would raise their voices as the result of some event but they would soon be described as a danger to society’s interests and values and qualified in the media in a typical and stereotyped way. Quite often, the state of moral panic was provoked by a completely new phenomenon but sometimes it was caused by a long-existing problem which quite suddenly came to everybody’s attention. Very often, the events causing a state of panic tend to disappear and fall into oblivion but they nevertheless remain as some kind of oral tradition and a part of collective memory. There have been cases where moral panic has brought about serious and long-lasting consequences and led to amendments to laws, policies and society’s identity”

K. Thompson, *Moral Panic*, Routledge & Kegan Paul, London, 1998, 13.

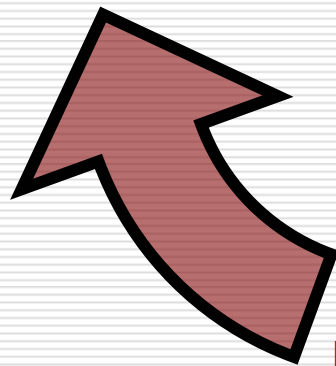
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# Moral paaaaanic

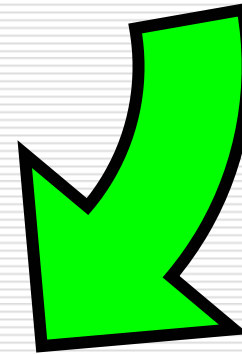
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**Confusion**

**Definition**



**Mobilization**



# Corruption: The six phases

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- 1990–1995 War and Corruption
- 1995-1999 Cohabitation with Corruption
- 2000–2003 The Time of Compromise
- 2003-2006 The return to issue
- 2006-- War against corruption → **2008...**



# Sleeping with the Enemy

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The third phase started in 2000 and has lasted until today. It has been a phase of open recognition of the existence of the problem, however with only very **weak and inappropriate attempts** at prosecution and/or the imposition of preventative measures. It has been a phase of **legislative optimism** and institutional engineering. A number of programmes have been published, many appropriate laws adopted and quite a few international obligations signed. However, what still prevails is a climate of mere **words rather than actions**.

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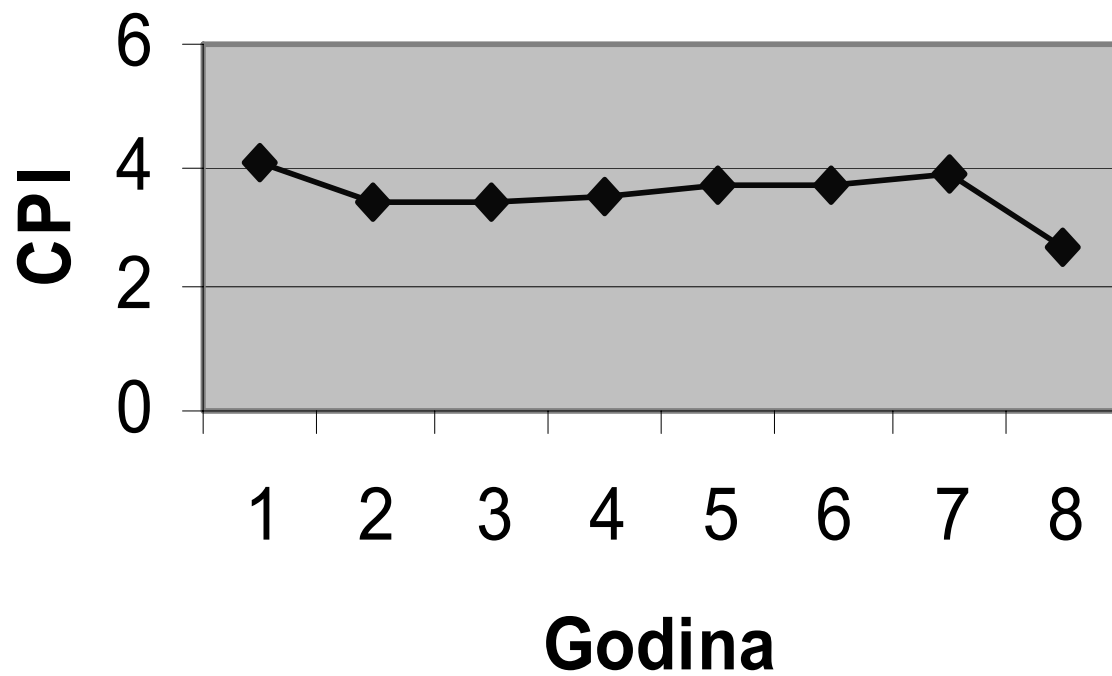
# Croatia CPI

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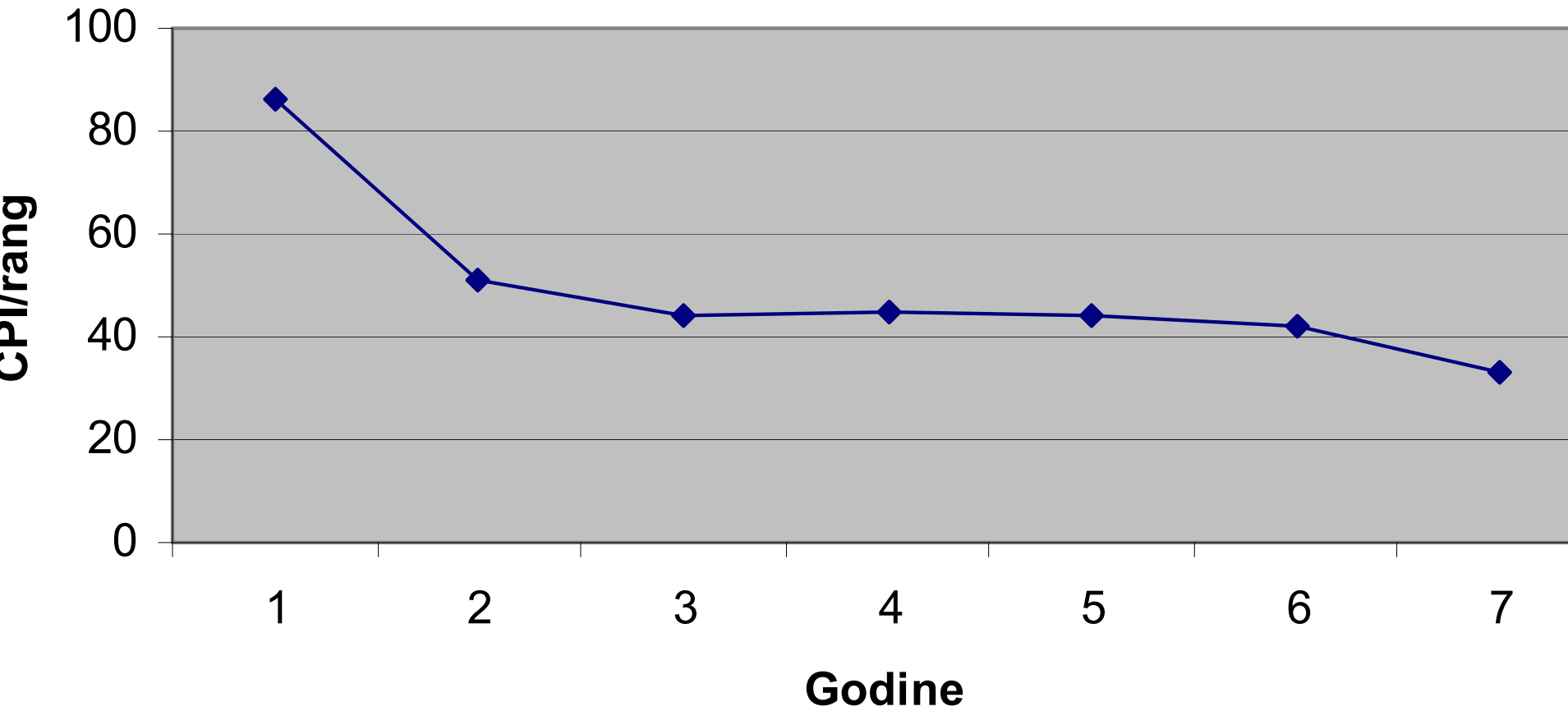
	2007	2006	2005	2004	2003	2002	2001	2000
<b>CPI</b>	<b>41</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>37</b>	<b>37</b>	<b>39</b>	<b>27</b>
Rank	64	70	69	67	59	52	47	77
Rank/No	0.33	0.42	0.44	0.45	0.44	0.51	0.51	0.86

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# CPI - Hrvatska



## CPI- Rang/ukupno zemalja



# Comparison – countries in region

Hung	4,12	4,86	5,18	5	5,2	5,2	5,3	4,9	4,8	4,8	5	5,2	<b>5,3</b>
poland		5,57	5,08	4,6	4,2	4,1	4,1	4	0,6	3,5	3,4	3,7	<b>4,2</b>
ceska		5,37	5,2	4,8	4,6	4,3	3,9	3,7	3,9	4,2	4,3	4,8	<b>5,2</b>
roman m			3,44	3	3,3	2,9	2,8	2,6	2,8	2,9	3	3,1	<b>3,7</b>
est				5,7	6	5,7	5,6	5,6	5,5	6	6,4	6,7	<b>6,5</b>
slov				3,9	3,7	3,5	3,7	3,7	3,7	4	4,3	4,7	<b>4,9</b>
bul				2,9	3,3	3,5	3,9	4	3,9	4,1	4	4	<b>4,1</b>
slove					6	5,5	5,2	6	5,9	6	6,1	6,4	<b>6,6</b>
mac					3,3				2,3	2,7	2,7	2,7	<b>3,3</b>
ceroat					2,7	3,7	3,9	3,8	3,7	3,5	3,4	3,4	<b>4,1</b>
albani					2,3			2,5	2,5	2,5	2,4	2,6	<b>2,9</b>
yug					2	1,3			2,3	2,7	2,8	3	<b>3,4</b>
BIH									3,3	3,1	2,9	2,9	<b>3,3</b>

# BEEPS 2005

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	Freque rang	State capt. rang	
Croatia	18	8	
B&H	21	24	
Hung	9	15	
Slov	1	7	
Bulg	5	1	
Rum	4	11	
Serbia	27	18	

# State capture

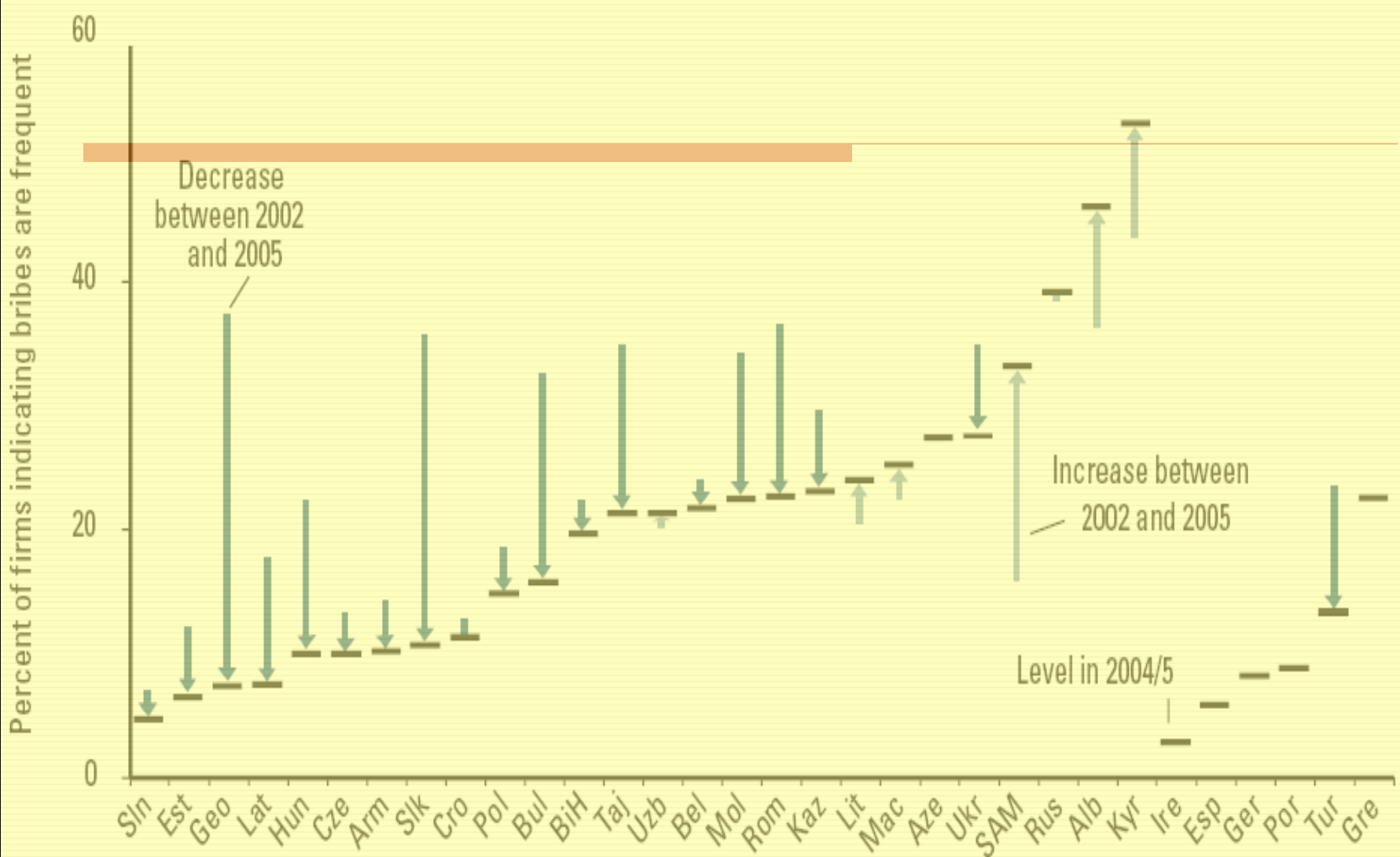
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## State capture

The fourth summary measure of corruption tracked by BEEPS is the impact of state capture on individual firms. As noted earlier, state capture refers to corruption in the law-making process. State capture can be extremely pernicious to an economy and society, because it can fundamentally and permanently distort the “rules of the game” in favor of a few privileged insiders. Although the concept is easy to grasp, it is very difficult to measure. BEEPS makes an attempt by asking respondents to what extent the provision of unofficial payments, gifts, or other benefits to parliamentarians to affect their votes or to government officials to affect the content of government decrees had a *direct* impact on the respondent’s business.<sup>8</sup> Note that the question does not ask whether the firm *made* such payments, but whether such payments by others affected the firm directly.

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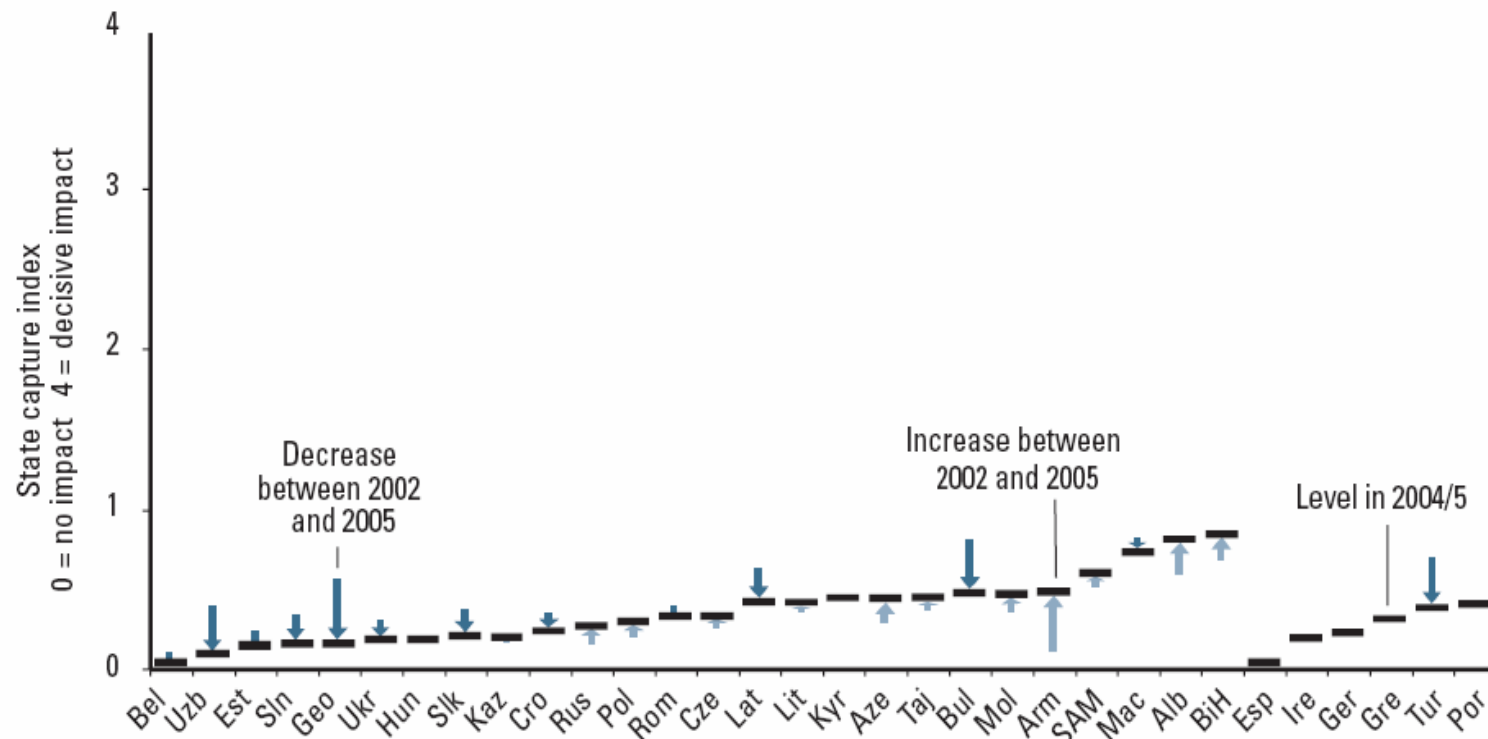
Figure 2.3 Bribe frequency, by country, 2002 and 2005



Source: BEEPS 2002, BEEPS 2005.

## ANTICORRUPTION IN TRANSITION 3: WHO IS SUCCEEDING... AND WHY?

**Figure 2.10 Changes in the impact of state capture, 2002–2005**



Source: BEEPS 2002, BEEPS 2005.

Note: Changes in the following countries are significant: Alb, Arm, Aze, Bel, Bul, Geo, Lat, Pol, Rus, Slk, Sln, Tur, Ukr, Uzb. See Annex for details.

# GfK September 2006

1.) Bribes are an absolutely natural part of life, who wants to live his life, must give them.

year 2001

year 2003/2004



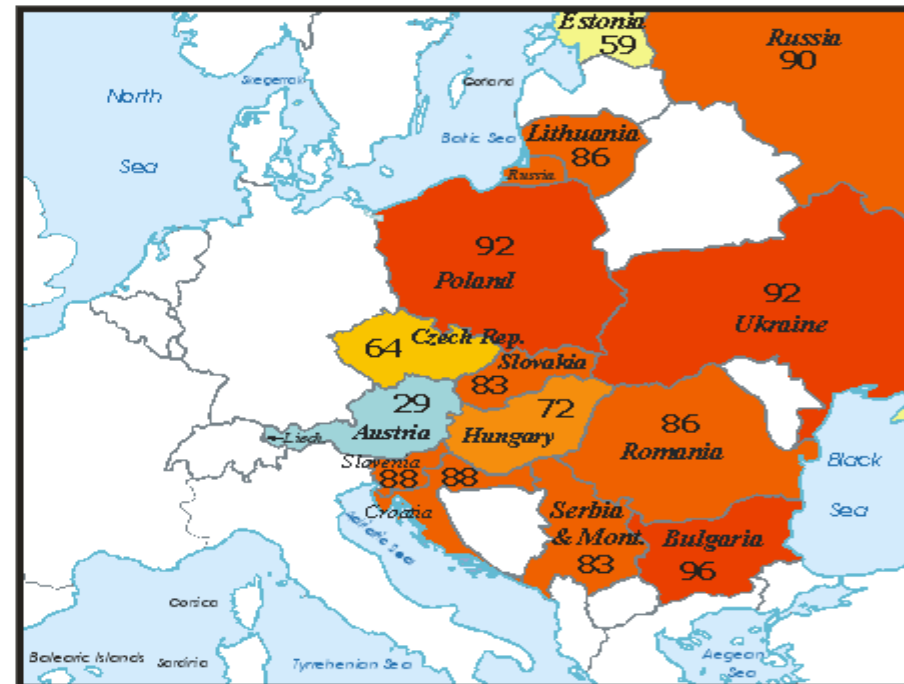
# Corrupt State

4.) This is a corrupt state.

year 2001

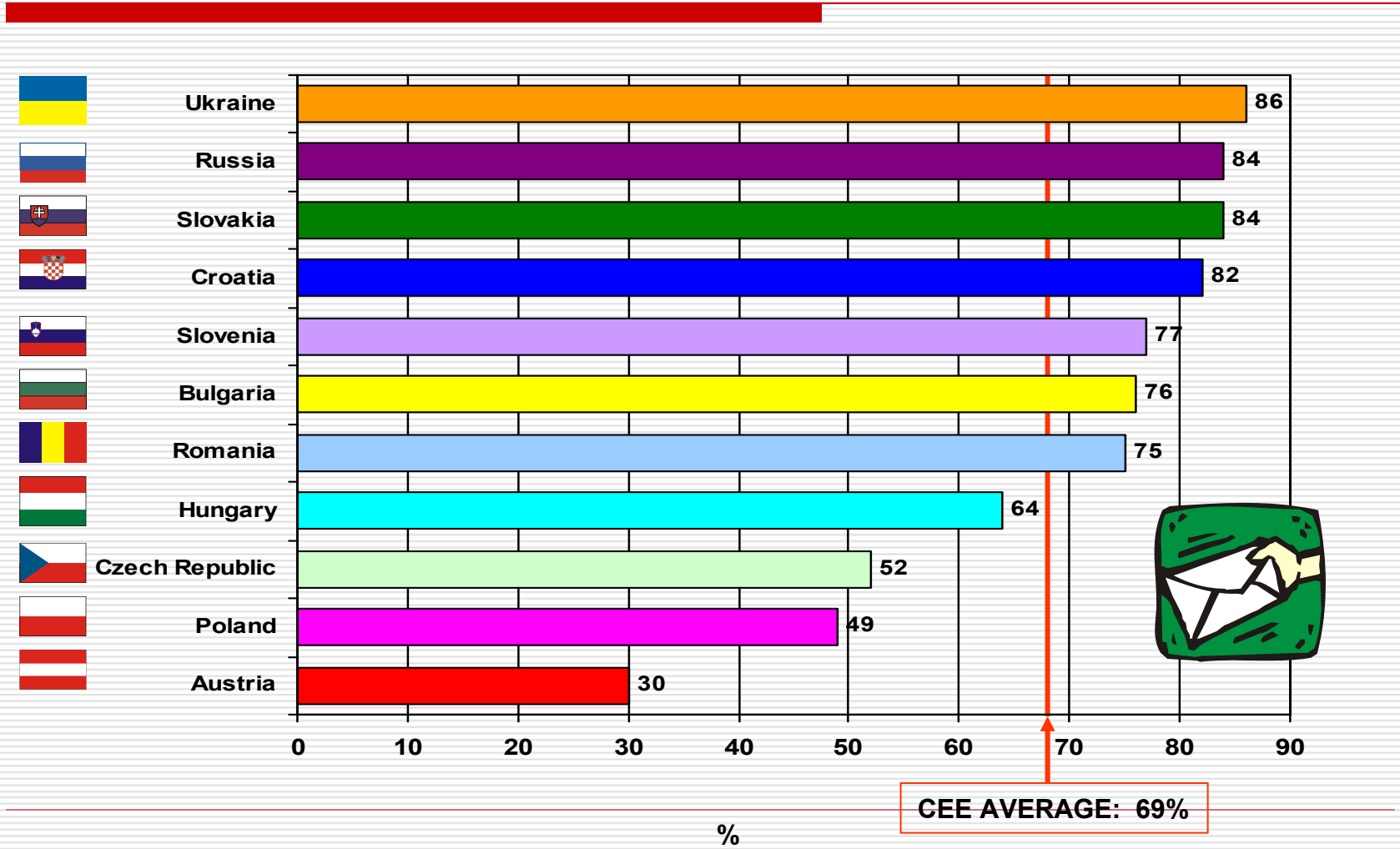


year 2003/2004



# We live in a corrupt state.

„positive answers“



# Against Corruption

6.) The present government has no real interest to fight corruption.

year 2001



year 2003/2004



0 - 10% 11 - 20% 21 - 30% 31 - 40% 41 - 50% 51 - 60% 61 - 70% 71 - 80% 81 - 90% 91 - 100%

# Governance Matters 2007<sup>[1]</sup>

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	2006	2005	2004	2002	2000	1996
Responsibility	61.1	61.4	60.4	62.8	55.1	31.3
Stability	62.0	58.0	60.4	55.2	51.4	44.8
Effectiveness of the authorities	69.7	67.5	65.6	63.6	62.7	48.1
Rule of law	52.9	53.6	55.8	55.3	55.8	32.1
<b>Supervision of corruption</b>	<b>58.3</b>	<b>59.1</b>	<b>58.3</b>	<b>62.3</b>	<b>56.4</b>	<b>33.7</b>

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[1] [http://info.worldbank.org/governance/wgi2007/sc\\_chart.asp](http://info.worldbank.org/governance/wgi2007/sc_chart.asp)

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# Worldwide Governance Indicators Country Snapshot: Croatia

[http://info.worldbank.org/governance/kkz2005/country\\_report.asp?countryid=99](http://info.worldbank.org/governance/kkz2005/country_report.asp?countryid=99)

	2005	2004	2003	2002	2000	1998	1996	
Voice and Accountability	61.4	60.4	59.9	62.8	55.1	37.7	31.3	↑ ▲
Political Stability/ No Violence	58.0	60.4	55.7	55.2	51.4	52.4	44.8	▲
Government Effectiveness	67.5	65.6	62.7	63.6	62.7	66.5	48.1	▲
Regulatory Quality	65.3	65.0	63.1	60.1	55.2	55.7	43.6	▲
Rule of Law	53.6	55.8	55.3	55.3	55.8	51.9	32.1	▲
Control of Corruption	59.1	58.3	56.9	62.3	56.4	42.6	33,7	▲

# NATIONS IN TRANSIT 2006

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	2006	2005	2004	2003	2002	2001	1999	1998	1997
elections	3,25	3,00	3,25	3,25	3,25	3,25	4,25	4,25	4,00
Central gov	3,50	3,50	3,75	3,75	3,50	3,50	4,00	4,00	4,00
local	3,75	3,75							
judiciary	4,25	4,50	4,50	4,25	3,75	3,75	4,75	4,75	4,75
corruption	4,75	4,75	4,75	4,75	4,50	4,50	5,25		
$\Sigma$	3,64	3,75	3,83	3,79	3,54	3,54	4,46	4,25	4,20

Nations in Transit: 2007<sup>[1]</sup>

	1999	2001	2002	2003	2004	2005	2006	2007
<b>Croatia</b>	<b>5.25</b>	<b>4.50</b>	<b>4.50</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>	<b>4.75</b>
B&H	6.00	5.75	5.50	5.00	4.75	4.50	4.25	4.25
Hungary	2.50	3.00	3.00	2.75	2.75	2.75	3.00	3.00
Slovenia			2.00	2.00	2.00	2.00	2.00	2.00
	2.25	2.25						
Bulgaria	4.75	4.75	4.50	4.25	4.25	4.00	3.75	3.75
Romania	4.25	4.50	4.75	4.50	4.50	4.25	4.25	4.00
Serbia	6.25	6.25	5.25	5.00	5.00	5.00	4.75	4.50

<sup>[1]</sup> The ranking is made on a scale from 1 to 7, where 1 is the best and 7 the worst rank. A democratic score is an average of all evaluations made in a year. [www.freedomhouse.hu/nation-in-transit/2007](http://www.freedomhouse.hu/nation-in-transit/2007)

# Now

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Words are no longer sufficient, what is expected are concrete actions. The country is faced with a new reality whereby it is not enough to merely pass laws, they must also be enforced; it is not enough to merely speculate, results must be measured and priorities established. There was a change in attitudes, and then a stage during which the existence of corruption was first denied and then acknowledged only in individual cases or scandals.

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# Learning by doing

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The phase began when awareness increased of the dangers and **systematic character of corruption**, and when its structural causes and its systemic links to structural models of organisation typical of the State became obvious, together with the findings and reception of methodical research.. Corruption was no longer a local and/or isolated problem but a regional one and global efforts were aimed at its prevention and abolishment. With a delay of two or three years, Croatia followed global trends in adopting anti-corruption strategies and occasionally it served as an example for the region (e.g. Bosnia and Herzegovina, Macedonia, Montenegro), as well as an impetus for other transitional countries (e.g. the regulation of conflict of interest, the financing of political parties).

# We have entered a new phase of dealing with corruption

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It is not enough to have ideas about how to solve the problem of corruption but to manifest a strong will for its implementation. What we need is a clear political message that the government is determined to combat corruption. If we want to solve this problem, we must first admit that it exists rather than twist and turn, search for big words, blame the circumstances, history and other people. Corruption not exist because of methodical errors in its measuring, or because of the malevolence of researchers.

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