



Center for Liberal-Democratic Studies

CLDS Experience in Corruption Monitoring

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Introduction

- CLDS is mostly research organization, not a watchdog, nor an activist organization. That means that:
 - We have not focused to individual corruption cases
 - We have taken cold, analytical view
- CLDS „corruption projects“:
 - Corruption in Serbia (2001)
 - Corruption in the Customs Administration (2002)
 - Corruption in Judiciary (2004)
 - Corruption in Serbia: Five Years Later (2007)
 - Economic Analysis of Corruption (2007)
- All these are available in Serbian and English on our web site (other than the last one) www.clds.rs
- Project teams included economists, lawyers and sociologists/social psychologists

Corruption in Serbia (2001)

- As far as I know, this was the first systematic analysis of corruption in Serbia
- It included both survey on public PERCEPTION of corruption and entrepreneur's EXPERIENCE with corruption (very important)
- Also, it provided the main elements for the anticorruption strategy: Deregulation of economic life, Reform of the judiciary system, Reform of the fiscal system, Public administration reform, and establishment of independent anti-corruption institutions

Some survey findings – impressions and opinions

Table 3.3.
General widespread of corruption (in %)

Period	very low	low	moderate	high	very high	don't know	average
Five years ago	2	2	15	37	40	4	4.16
Today	1	3	15	40	36	5	4.14
In five years	6	15	24	10	6	39	2.93

Table 3.4.
Fields of society in which corruption is widespread the most (in %)

Field	Average	Very little	Little	Medium	Much	Very much	Don't know
Health care	3,96	2	4	18	43	30	2
Education	3,20	15	17	35	26	10	6
Municipal administration	3,78	1	5	28	36	22	6
Customs	4,47	1	1	7	29	55	7
Courts	4,18	1	4	13	35	40	7
Police	4,16	2	4	13	34	42	5
Social (state) companies	3,96	1	4	21	35	30	8
Private companies	3,69	4	10	23	28	25	11
Public companies	3,77	2	7	25	27	25	13
Republican (Serbian) administration	3,84	1	5	23	32	24	14
Local administration	3,83	1	6	24	32	25	11
Political parties	3,78	2	7	24	28	24	16
State leadership	3,79	5	11	14	21	33	16

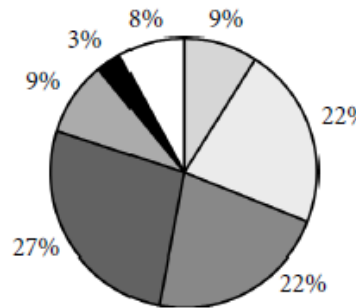
Table 3.9.
In which situations would you pay a bribe? (in %)

Service	Yes	No	Don't know
Not to pay customs duty on the border	35	48	17
To get a full-time job (or for someone else)	41	42	17
To pay less taxes	18	71	10
So your child would get a better grade in school (pass an annual exam)	9	83	7
To receive an building permit for a house	27	58	15
To win a certain case before a court	21	63	16
To receive better medical treatment	51	34	15
Not to pay a misdemeanor fine	16	68	16
To acquire a certain public utility service (telephone, power, water)	29	54	16
Other	2	10	88

Some survey findings - experiences

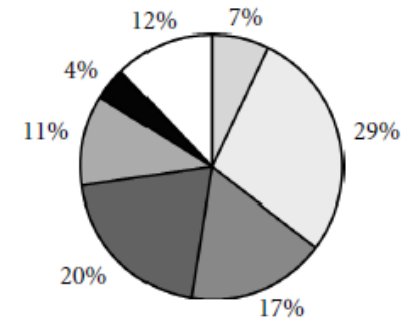
Picture 3.12.
Frequency of corruption in cases of private entrepreneurs

- Always 9%
- In most cases 22%
- Often 22%
- Sometimes 27%
- Rarely 9%
- Never 3%
- Don't know 8%



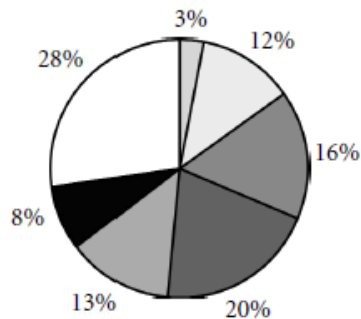
Picture 3.13.
Do you know in advance the amount of a bribe to be paid?

- Always 7%
- Usually 29%
- Often 17%
- Sometimes 20%
- Rarely 11%
- Never 4%
- Don't know 12%



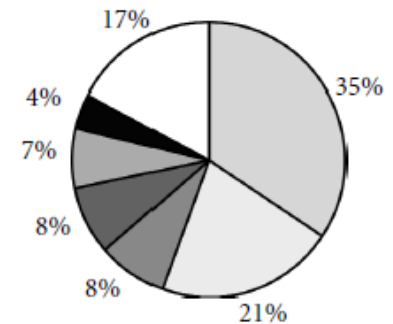
Picture 3.14
Frequency of multiple payments for service

- Always 3%
- Usually 12%
- Often 16%
- Sometimes 20%
- Rarely 13%
- Never 8%
- Don't know 28%



Picture 3.17.
Percentage of work time of private entrepreneurs lost on corruption

- 0% – 35% 17%
- Less than 1% – 21%
- 1-2% – 8%
- 2-10% – 8%
- 10-25% – 7%
- Over 25% – 4%
- Don't know – 17%



Corruption in the Customs Administration

- Survey of both Customs officials and entrepreneurs who regularly deal with the CA
- Trying to identify exact causes and mechanisms for corruption
- Good cooperation with the Customs Administration

Survey of Customs officials, some findings

Table 1
How much far are You personally familiar with valid customs regulations? (in %)

With all	20
With majority	40
With some of them	35
Don't know	5
Total	100

Table 14
Which are the three most efficient measures against corruption
(cumulative percentages of answers)

Measures	% of given answers
Better legislation	14
More frequent rotation of employees	11
Better control and supervision	17
More confidence in judiciary	3
Better cooperation with the police	3
Bigger salaries for customs officials	34
Better organisation of customs procedure	3
Fewer discretionary rights for customs officials	3
Educational measures	7

Table 3
Which is the best way to motivate customs officials to work better?

	I class	II class	The total number of answers ⁵
Competition in getting employment	4.1	1.7	5.8
Good salaries	79.2	8.5	87.7
Bonuses and premiums	5.4	17.1	20.5
Other kinds of benefits	8.2	6.8	15
Work evaluation and promotion	0.7	44.0	44.7
Training opportunities	0.3	7.8	8.1
Disciplinary measures	2.4	7.8	10.2
Professional ethics	0	4.1	4.1
Doesn't know. doesn't want to answer	1.7	2.0	3.7

Table 10
How serious a problem is corruption (in %)

	Does not exist	Small	Medium	Serious	Does not know
In society as a whole	3	3	21	72	1
In the Customs in general	8	16	39	36	1
In your customs control point/work unit	51	23	16	10	1

Survey of Businessmen

Table 7.
The predictability of the behaviour of the customs officials (%)

	Now	Three years ago
Completely predictable	16.2	13.4
Rather predictable	47.2	32.1
Rather unpredictable	20.7	31.0
Completely unpredictable	6.6	12.1
I do not know	9.3	10.3

Table 9
Is it usual that businesses dealing in this kind of trade make “additional payments” to customs officials (%)?

Absolutely	3.1
Most often	8.6
Occasionally	24.5
Seldom	13.4
Never	36.2
I do not know	14.1

Table 15
Customs officials demand and expect bribes (%)

	They demand money, a gift, or favour explicitly	They do not demand, but make it clear they expect money, a gift or favour
Always	1.7	5.9
Most of times	6.6	12.8
In individual cases	25.2	35.5
Never	48.3	30.0
I do not know or no answer	17.9	15.9

Table 21
Additional payments for following services (in %):

	Always	Mostly	Often	Sometimes	Seldom	Never	Don't know
Regular customs procedure	0.7	1.0	3.4	12.8	12.1	45.2	24.8
Speeding up customs procedure	4.5	5.5	9.3	13.4	6.9	33.1	27.2
Illegal exemption from duty	4.5	2.8	4.1	5.2	5.9	38.3	39.3

Table 11
What percentage of the worth of a concluded deal do you give as bribes (%)?

We do not give bribes	52.1
Small	3.4
Up to 0.5	12.1
From 0.5 to 1	6.2
From 1.1 to 5	5.9
From 5.1 to 10	3.8
From 10.1 to 20	1.0
We give it in goods	2.8
There is no rule	4.4
I do not know and no answer	8.3

Corruption in Judiciary (2004)

- Survey of both judiciary officials (lawyers, judges and prosecutors) and entrepreneurs
- The survey included about 200 officials, including 15 court presidents, about 60 judges, 30 prosecutors, 50 private lawyers and about 50 court administrators

Entrepreneurs

Table 3
Perception of the judiciary in 2004; judiciary is:

	Always	Mostly	Only exceptionally	Never	Doesn't know	Indices (1-4) ⁵	Rank
Expedient and efficient ⁺⁺	1.7	17.4	46.8	32.3	1.7	3.12**	1
Reliable ⁺	4.3	40.9	39.1	12.3	3.4	2.62	2-5
Fair (not corrupted)	4.7	41.7	38.3	9.8	5.5	2.56	2-5
Capable of enforcement	8.1	38.7	36.2	11.1	6.0	2.54	2-5
Just	3.8	47.7	37.4	7.7	3.4	2.50**	2-5
Accessible ⁺⁺	14.9	45.1	26.0	8.1	6.0	2.29	6

Table 18
What is the most frequent channel of corruption (multiple answers, in %)

Personal contacts	26.8
Judge's friends and acquaintances	35.7
Other judges	6.8
Attorneys	40.9
Through higher judicial instances	6.8
Through people employed at other state authorities	23.0
Does not know, does not want to answer	31.1

Table 8
Percentage of litigation in which you have participated where one of the following took place:

	Not a single case	In less than 10% of the cases	Up to 30%	Up to 50%	Up to 75%	In almost all cases	Does not know
Judge appointed court expert (witness) without the request of one of the parties	55.7	21.3	5.5	6.8	0.9	6.4	3.4
You have requested appointment of a court expert (witness)	47.2	22.1	8.1	11.5	1.3	6.0	3.8
Opposite side has requested appointment of a court expert witness	42.1	20.9	9.8	11.9	1.7	8.9	4.7

Table 11
How often you encounter one of the following: (%)

	Very often	Often	Seldom	Almost never	Does not know	Index ⁶	Rank
Acceleration or slowing down of service of process and other court documents	10.2	30.2	33.2	21.7	4.7	2.70**	1
Postponement of coercive enforcement	8.1	24.3	26.8	30.2	10.6	2.89**	2
Deliberate violation of rules on service of process and other court documents (lack of return receipt)	6.4	16.6	32.3	36.6	8.1	3.08**	3
Manipulation in delivering court documents to the parties	3.8	13.2	28.1	47.2	7.7	3.29*	4
Preventing the parties insight into court documents (record)	5.1	6.4	26.8	56.6	5.1	3.42	5-6
'Loss' or 'losing track of' documents	2.6	11.9	24.3	53.6	7.7	3.40	5-6
Permitting the parties only partial (selective) insight to the court documents	2.6	7.7	29.4	54.0	6.4	3.44**	7
Back-dating of submissions	2.1	5.1	15.7	64.7	12.3	3.63	8

Officials

Table 2
Types and frequency of manipulation of court documentation

Type of procedure	Average	% answers "very frequent" or "frequent"	% answers "rarely or never"	Rank of frequency
Delay of coercive enforcement	2.71	25	39	1-2
Slowing down or speeding up of court document submissions	2.70	25	41	1-2
Intentional disregard of rules when handing over court summons or other court submissions	2.50**	20	46	3
"Loss" or "incorrect" filing of documents	1.83**	7	71	4
Manipulation of document or case content (removing or introducing certain documents)	1.67	5	78	5-8
Backdating of submissions	1.66	4	75	5-8
Giving parties only partial (selective) insight into documentation	1.59	3	79	5-8
Giving parties insight into unauthorized documentation and court records	1.58	2	79	5-8

Table 5
Most common errors in formulating the minutes – answers by attorneys (in %)

Irregularities	Average	Often	Sometimes	Rarely
Not understanding what was said	3.00	26	42	26
Unclear or not understandable sentences in the minutes	2.84	25	36	26
Purposefully arbitrary interpretation of what was said at court	2.61	21	32	46
Purposeful omission of something that was said or insertion of something that was not	2.57**	18	33	49
The judge was biased in formulating the minutes	2.35	11	31	57

Picture 13

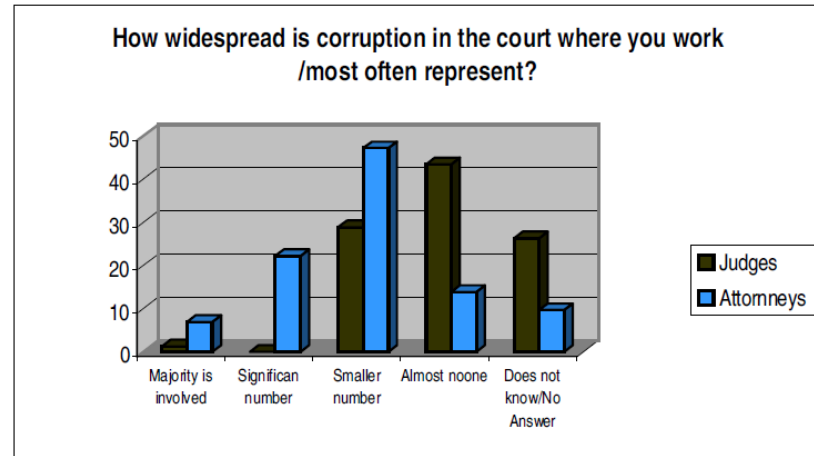


Table 6
How often do judges, according to attorneys ... (in %)

Actions	Average grade ¹¹	Regularly	Sometimes	Never
Prolong the process unnecessarily	1.83**	29	58	12
Unintentionally make mistakes in procedure	1.96	11	76	7
Manage the process unprofessionally (testimony, minutes)	2.03	11	72	14
Propose expert testimony even when not necessary	2.09	15	57	24
Pass partial (biased) sentences	2.10**	-	87	10
Make intentional procedural mistakes	2.33**	1	57	31
Prevent parties from having insight into court documents	2.66	3	26	65

Corruption in Serbia: Five years later

- Basically, we have repeated all the questions from the first study.
- Generally, experience has improved MUCH more than impressions.

Some findings - public

Figure 8 Percentage of citizens who believe that corruption is present in the given areas (affirmative answer) in the two periods

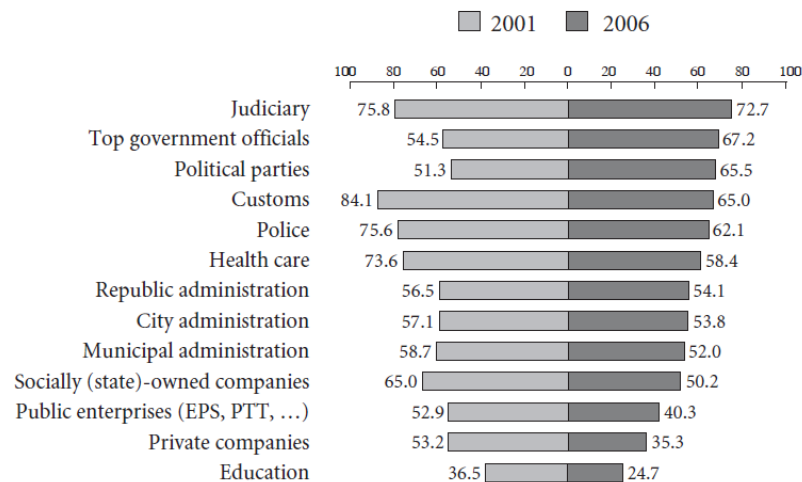


Figure 18 What is your assessment of corruption prevalence based on?

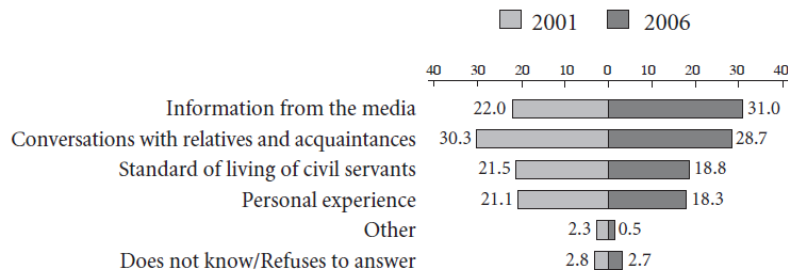


Figure 25 How frequently has the following happened to you in the contact with public officers in the past twelve months? – percentage of affirmative answers 2001-2006

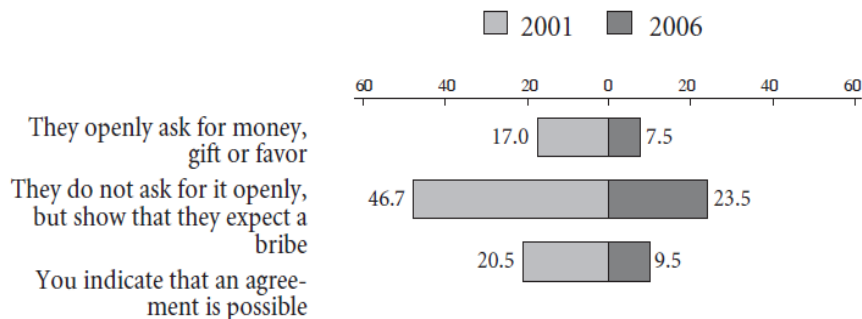
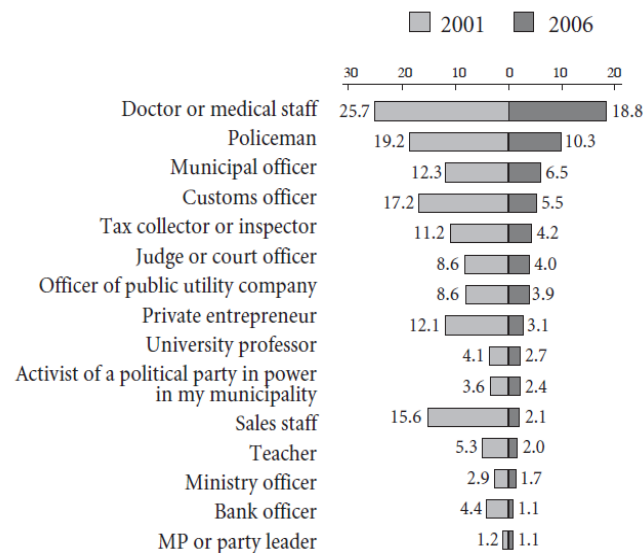


Figure 26 Have you been asked for a bribe (money, gift, favor) in the last twelve months by...? – percentage of "Yes" answers



Entrepreneurs

Table 6 How common is it for a company to give some irregular payments in order to “get things done”?

	Year	
	2001	2006
N	327	301
sig	0.00	
Never	9	22
Seldom	22	17
Sometimes	22	32
Sum -	53	70
Sum +	39	24
Frequently	27	14
In most cases	9	7
Always	3	4
No answer / Don't know	8	5
Total	100%	
Average	3.2	2.8

Table 8 How often did the public servants show that they expect to receive money, a gift, or a favour?

	Year	
	2001	2006
N	327	301
sig	0.00	
Never	12	35
In individual cases	31	39
Sum -	43	74
Sum +	49	23
Mostly	38	20
Always	11	3
No answer / Don't know	8	3
Total	100%	
Average	2.5	1.9

Table 7 How often did the public servants directly solicit money, a gift, or a favour?

	Year	
	2001	2006
N	327	301
Sig	0.00	
Never	1	66
In individual cases	7	27
Sum -	8	93
Sum +	83	2
Mostly	45	2
Always	38	
No Answer / Don't know	9	5
Total	100%	
Average	3.3	1.3

Table 12 Corruptibility of public sector employees (Index 1 – 5)⁵

	Year	
	2001	2006
Customs clearance	3.0	2.3
Foreign exchange operations and inspections	2.7	2.0
Tax administration	2.1	2.1
Financial police	2.7	2.2
Registration of companies	2.3	1.8
Sanitary inspection	2.5	2.0
Planning inspection	2.6	2.2
Getting a building site (land)	3.1	2.5
Operating license	2.7	2.2
Connection to the telephone or electricity network	3.0	2.2
Gaining contracts with the Government	3.0	2.3
Gaining contracts with local authorities	2.8	2.4
Gaining contracts with a state company	2.8	2.4

Concluding remarks

- CLDS did research on corruption in Serbia before it was a hot political topic
- We had support from the government officials as at the time they could reflect all the problems on the legacy of Milosevic regime
- It would probably be more difficult today
- It was actually difficult to „sell“ good news – everybody „knows“ that the situation is worse than it was.
- We mostly did not see corruption as a problem per se, but as an indicator of real problems (discretionary decision making, large influence of the state on the economy, bad laws and other regulations) so our proposals were more directed toward preemting room for corruption. Politicians took those advices very selectively.