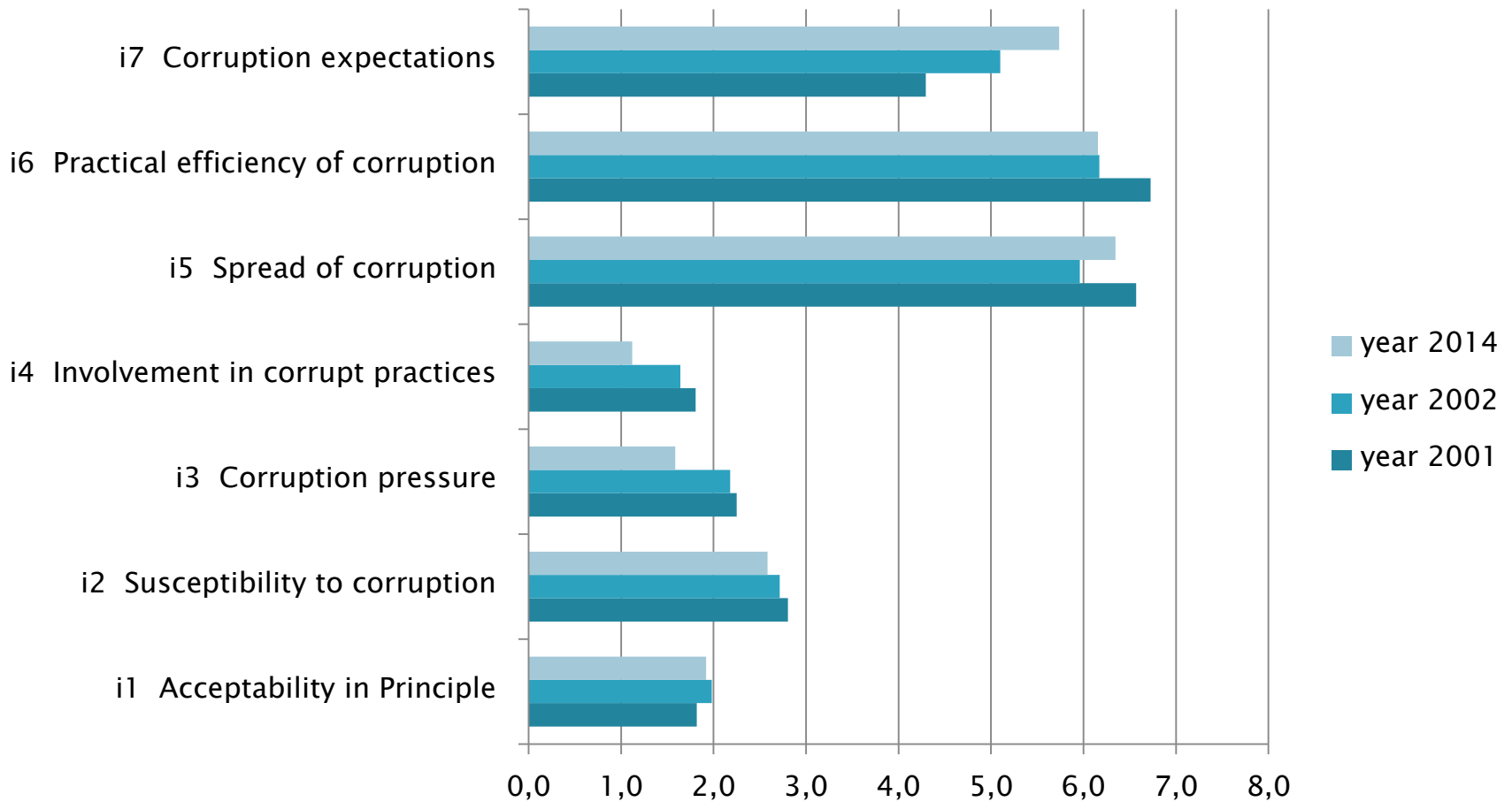


Corruption issues in Serbia

Boris Begovic, CLDS

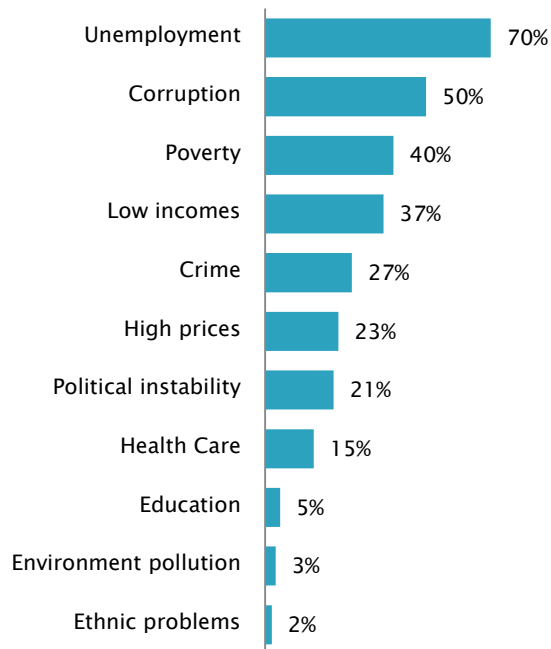


Survey results

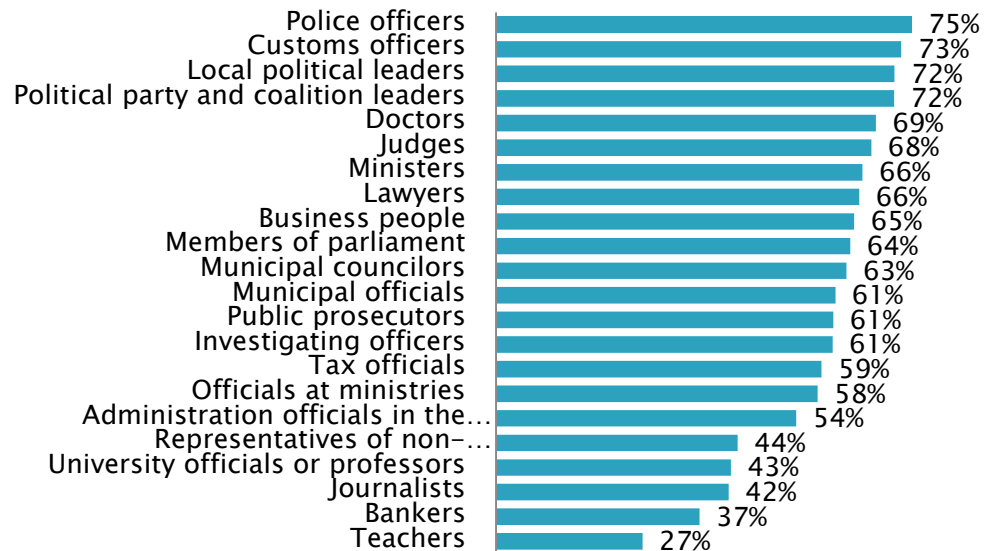


Some findings – biggest problems and

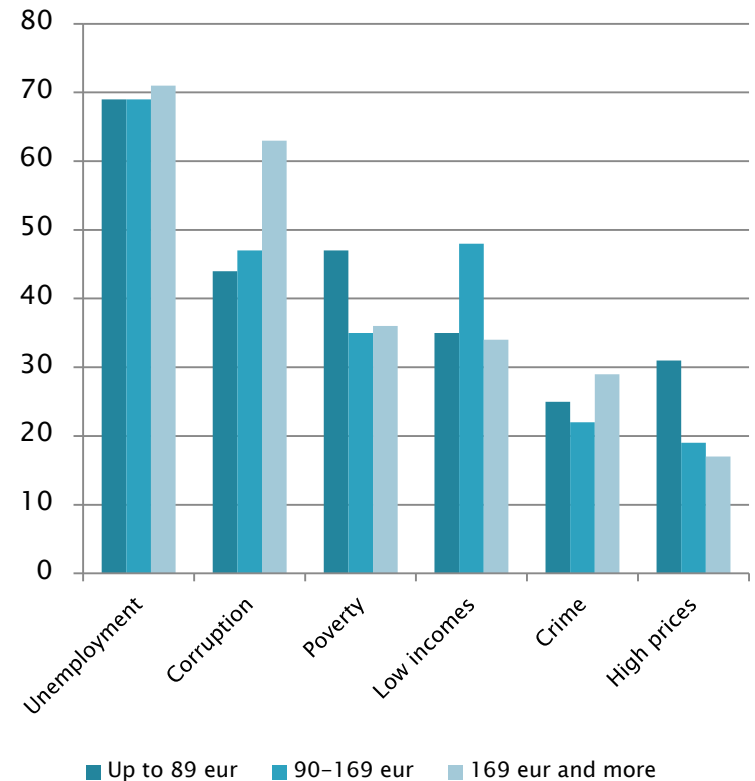
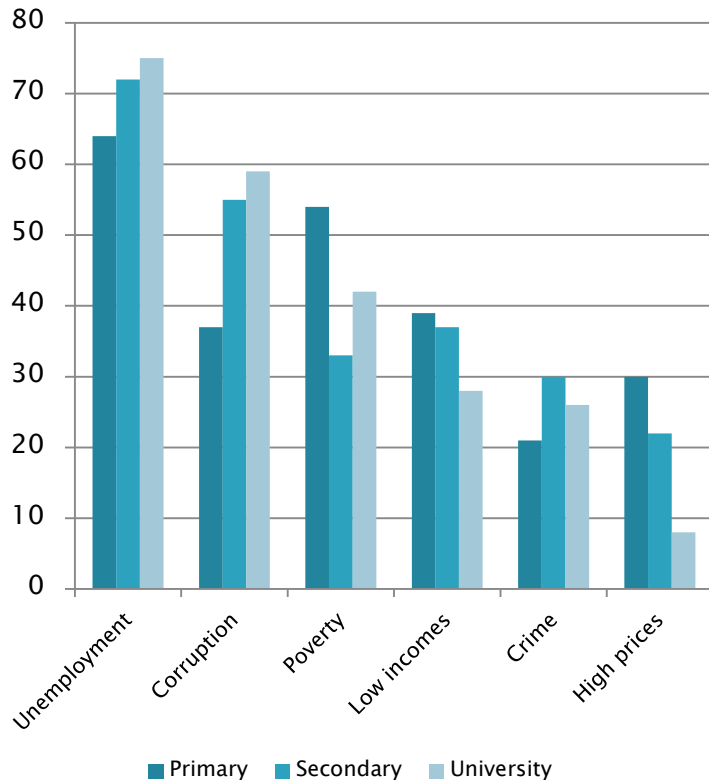
The biggest problems in the country



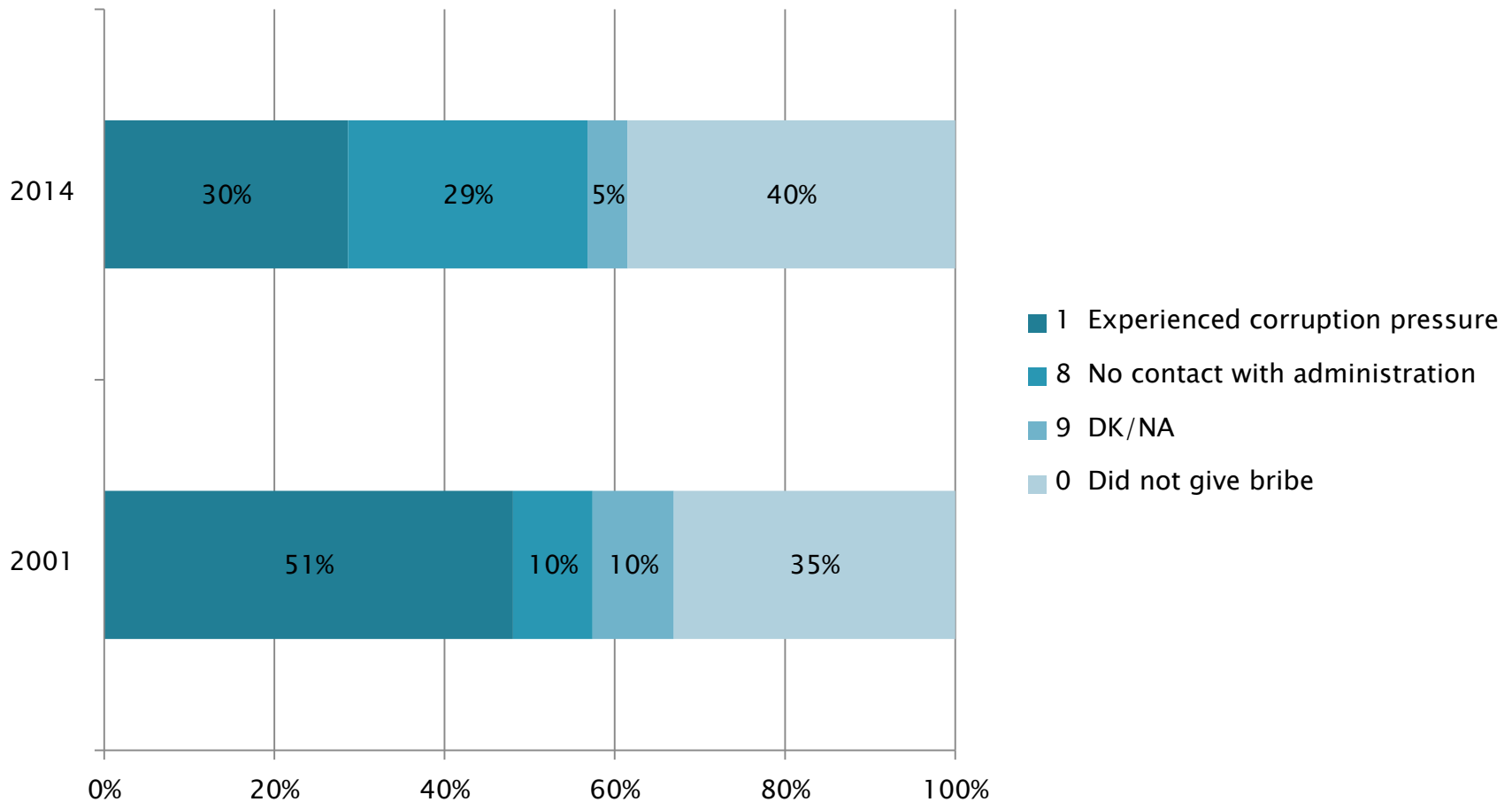
The most corrupt professions



Corruption is seen as a more significant problem for the more educated and wealthier citizens



Have we witnessed a reduction in corruption since 2000?



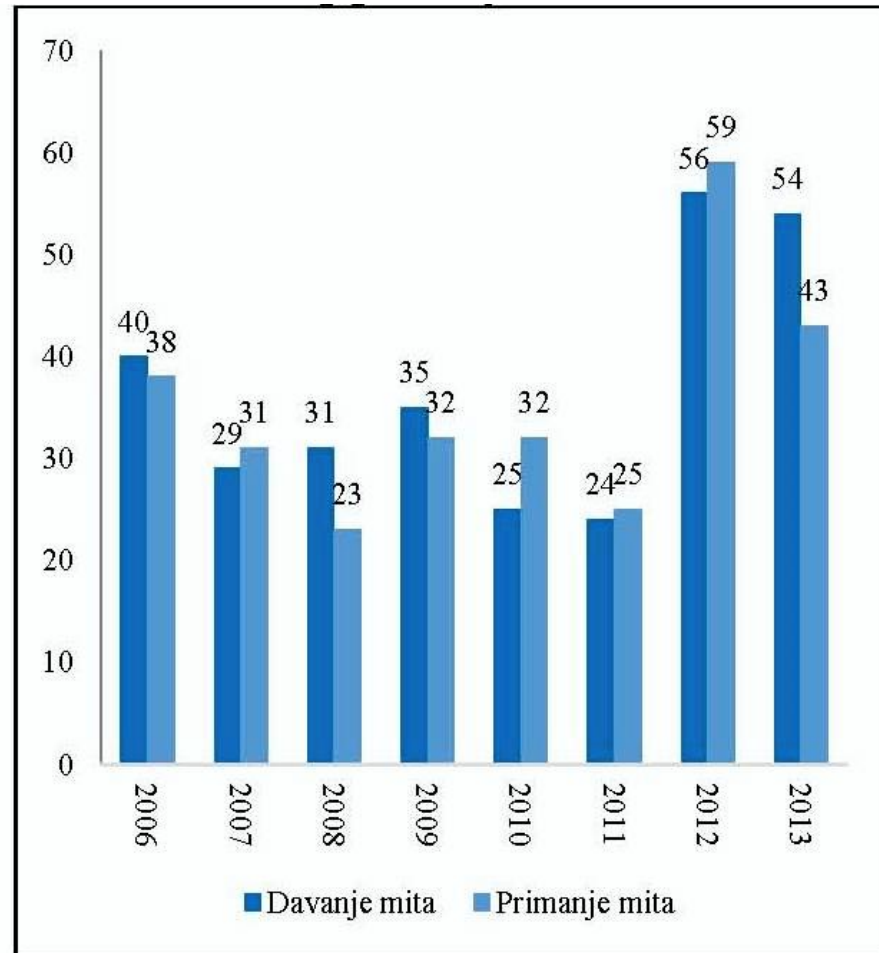
Public policies

- ▶ Strategy and Action Plan adopted, but very limited implementation
- ▶ Legal framework and main institutions are mostly established
 - Anticorruption Agency monitors
 - Party financing (obvious problems, no penalties)
 - Control of the conflict of interest
 - Property register for the public officials
 - Access to public information
 - State Audit Institution
- ▶ Criminal acts are defined in the Penal Code, but are still probably too broadly defined and allow a lot of discretion to the Prosecutors Office

Law implementation

- ▶ Fight against corruption is proclaimed as one of the most important goals of the government
 - Four former ministers, a number of public officials, several leading journalists were arrested, still no convictions.
 - Example: Kragujevac Faculty of Law
- ▶ It still seems ad hoc a politically motivated
 - ▶ Dragic, Davinic...
 - ▶ Prime Minister announces arrests (less than it was few years ago)
 - ▶ Strange role of “government” tabloids who mostly cover affairs related to the previous government
 - ▶ There were some arrests of the politicians related to the ruling coalition.
- ▶ Law on Organization and Mandates of the state bodies in fighting organized crime
 - There are special units, prosecutor and courts
 - The question of interpreting the term “organized criminal”
 - The question of civil asset forfeiture (taking the assets without conviction)

Bribery convictions



Judiciary

- ▶ Definitely one of the most important problems in Serbia
 - Corrupt itself to a significant extent (sometimes money, sometimes promotion, used to be apartments)
 - Should be the main obstacle for corruption
- ▶ Very slow process, frequently hits statute of limitations
- ▶ Weak rule of law
- ▶ Series of failed reforms and permanent need to reform it again, attorney strike
- ▶ Whistleblower protection, 2014
- ▶ Independence of judiciary
- ▶ Specialization?
- ▶ Necessary education in subject areas (such as economics)
- ▶ Better statistics

Corruption and economics

- ▶ Low level of economic freedom and poor business environment
- ▶ Role of privatization
- ▶ State companies and state banks as one of the leading mechanisms of corruption
- ▶ Cost of failures of state banks almost 1 billion EUR
- ▶ Budgetary process removed from the public and very intransparent
- ▶ Public procurement as a mechanism of corruption, mostly in public enterprises (value of procurement by part of government in the table)

Year	Administration %	Public enterprises%	Public institutions %	Municipi%
2012	13	69	13	5

Worrying: open and restrictive procedure 66%, direct negotiations 34%

Corruption and economy

- ▶ Public procurement well regulated on the paper, but:
 - There was a special Law for supporting the construction industry in times of crisis which was adopted with the sole purpose to avoid the Public Procurement Law
 - Setting tender documentation according to the favorite company
 - Bilateral international agreement are used for the same purposes (China, Russia, UAE, Azerbaijan)
- ▶ Construction permits (Doing Business, 182)
- ▶ Corruption for achieving right

Pressure from international environment

- ▶ EU requests on implementing all international standards
- ▶ Practically all international conventions are ratified
- ▶ Not ratified the OECD Convention on bribing the foreign officials
- ▶ Serbia is active in Greco, Octopus, Moneival...
- ▶ 2014 EC Report: “Implementation of the Strategy and the Action Plan for the period 2013 – 2018 is only to show the strong political willingness for fighting corruption and implementation of several actions has been delayed”
- ▶ Transparency: 78th out of 174 countries

Some open issues

- ▶ Difference between laws and implementation
 - ▶ Investigative journalism?
 - ▶ Fight against corruption as a political tool
 - ▶ Corruption is just an indicator of deeper problems
 - ▶ Pressure of the EU
- 