

SELDI Anti-Corruption Monitoring Instruments: Sustainable Policy Impact through State-of the-Art-Research and Advocacy

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Roundtable Discussion: The New Enlargement Strategy for the Western Balkans: How to Enhance Civil Society Role in Anti-Corruption and Good Governance

28 November 2017 Podgorica





This event has been co-funded by the Regional Cooperation Council (RCC) under implementation of RCC's South East Europe 2020 Strategy, and the current presentation reflects only the views of the author(s). The RCC cannot be held responsible for any use which may be made of the information contained therein.

The SELDI Initiative

- The Southeast Europe Leadership for Development and Integrity (SELDI)
 network advocates knowledge-based anticorruption policies in SEE.
- It created civil society driven public-private cooperation model for the assessment of both corruption and anticorruption, tailored to the region.
- SELDI currently includes 36 CSO members (incl. CDT, IA, MANS) and 5 anticorruption agencies (incl. the Agency for Prevention of Corruption in Montenegro).
- SELDI's key findings can be found in the Regional AC reports:
 - Anti-Corruption Reloaded: Assessment of Southeast Europe (2014)
 - Shadow Power: Assessment of Corruption and Hidden Economy in Southeast Europe (2016)





Assessing anticorruption at all levels

AC Policies Corruption

Macro level policies

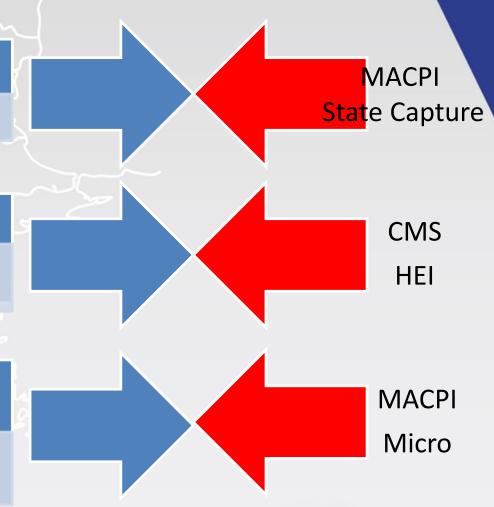
Principles of governance

National policies

Standards (protocols) for the operation of the administration

Policies/measures at public organization level

General and specific rules for operation in concrete situations



Measuring involvement in administrative corruption SELDI/CSD Corruption Monitoring System

Experience based corruption indexes

Attitude based corruption indexes

Assessments of the corruption environment indexes

Corruption pressure

Awareness (identification of corruption)

Likelihood of corruption pressure

Involvement in corruption

Acceptance (tolerance) of corruption)

Corruptness of officials

Susceptibility to corruption

Feasibility of policy responses to corruption

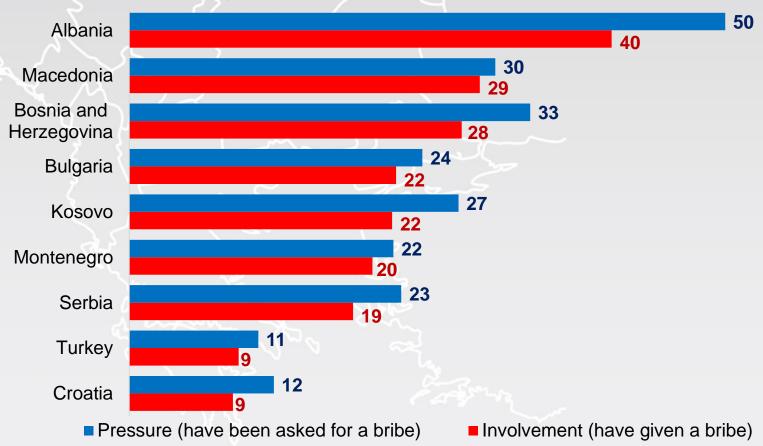






Corruption pressure and involvement in corruption (2016)

% of the population 18+ who have been asked to give and have given a bribe (money favour, gift) in the last year



Source: SELDI/CSD Corruption Monitoring System, 2016





What is hidden economy and why measure it?

- Corruption appears at the juncture where the formal and informal economies meet.
- The vicious circle between corruption and hidden economy harms economic growth
- It is fuelling unfair competition
- And is providing a pool of cheap talent for black and grey businesses

Hidden economy: informal, black and undeclared

> **Informal** economy

legal, yet unreported

home-made produce, domestic labour, unpaid voluntary work. some of self-employed activities

Undeclared (gray) economy

legal, yet unreported

income

evasion

not registering Official the entire staff, underreporting economy (legal and tax / social reported) securities

Illegal (black) economy

illegal and unreported







Hidden Economy Indexes (HEI)

Business Hidden Economy Index

Size of the hidden economy (in the country and by sector)

Hidden labour relations

Hidden turnover

Index of the Hidden Economic Activity of the Population

Share of workers without a registered labor contract Share of workers under a contract with "hidden clauses"

Share of workers with no social security Share of workers with no healthcare security

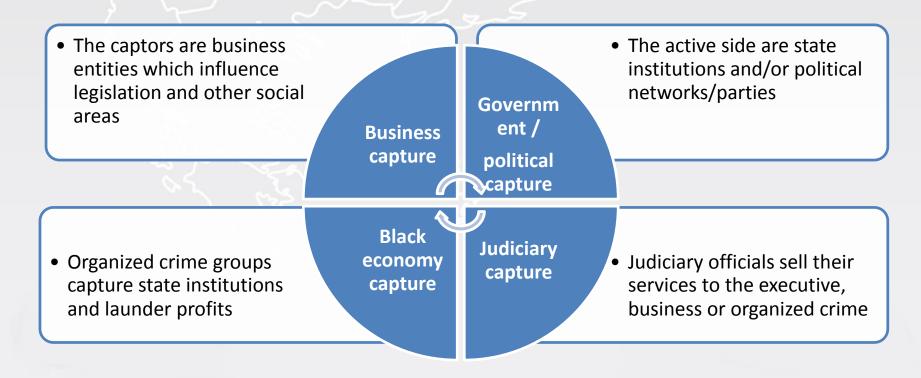
Size of remuneration, on which social and healthcare contributions are paid.





What is State Capture and Why Measure It?

A combination of different forms of corruption which have a single objective: to **secure wholesale** and **long term privileges** by exploiting the power of government for private benefit. The forms and type of state capture are determined by those captors and their relative power.



MACPI State Capture

- Survey of 50 public officials and 100 experts
- Econometric analysis of (problematic) NACE sectors
- Case studies for public organizations and economic sectors
- Currently applied in Bulgaria, Italy,
 Spain, Romania and the Czech
 Republic

Results can show

Ineffectiveness of the anti-corruption policies

Ineffectiveness of regulatory public organizations

Estimated sector monopolization

Other policy gaps

MACPI at institutional level

MACPI Micro informs policy makers of:

- 1. **An implementation gap** there is only formal compliance with anticorruption policies
- 2. A policy design gap corruption vulnerabilities are not addressed by any policy.

Stages

- Interviews with experts from the assessed public organization; compilation of a list of the activities of and a list of the anticorruption policies of the organization
- Anonymous online survey among employees of the organization (MACPI); random sample;
- An anonymous survey among clients of the organization.





Questions for Discussion

- What are the needs of the public policy institutions, and how can the CSOs contribute – with measuring and monitoring methodologies, impact analyses, legal advice?
- Which instruments for measuring corruption, state capture and good governance are still lacking is SEE/Montenegro?
- Can you share a good practice of similar corruption monitoring tool?
- In which key corruption risk area should SELDI and similar CSO initiatives focus (e.g. EU funds, public procurements, conflict of interest, sectors with high market concentration)?
- Which public institutions should be approached?
- Any other suggestions for public-private collaboration?





Thank you!

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