

INTRODUCTION

This report is the third consecutive annual publication summarizing the findings of corruption monitoring in Bulgaria and assessing the anti-corruption efforts of the government and the civil society. On the one hand, the unique characteristics of the socio-economic environment in year 2001 poses special challenges to the assessment of corruption (the unprecedented election of a former king as a Prime-Minister is an eloquent example of this uniqueness). On the other hand, the general pattern of genesis of corrupt practices and the efforts to counteract them comes clear at the background of the existing various political platforms, alternating leaders and ruling elites.

The events which took place in 2001 show that ignoring the challenges of corruption or not adopting radical measures for overcoming it inevitably backfires against the incumbents in the government. This is due to the increased public intolerance to corruption, as demonstrated by the *Coalition 2000 Corruption Indexes*. Public opinion and behavior on this subject is characteristic for its rejection of the phenomenon of corruption at the value level as well as an obvious deepening of public sensitivity to its manifestations. It is becoming increasingly evident that **the positioning of the major actors in politics toward corruption-related issues has become crucial for the success or failure of their political agenda.**

IMPORTANCE OF CORRUPTION IN THE CONTEXT OF THE PROBLEMS BULGARIANS FACE TODAY* (GENERAL PUBLIC; %)

	February 1999	April 1999	Sept. 1999	January 2000	April 2000	Sept. 2000	January 2001	October 2001
1. Unemployment	58,4	64,1	64,6	65,3	71,3	67,8	67,5	64,0
2. Poverty	31,6	32,9	37,1	41,2	41,9	41,5	39,4	46,9
3. Corruption	38,5	34,2	38,5	37,5	40,1	37,5	36,5	45,6
4. Low incomes	51,3	49,1	50,2	50,6	48,9	49,0	46,0	45,4
5. Crime	45,4	39,1	32,4	27,9	28,9	25,7	51,7	36,3

Source: Corruption Monitoring System (CMS) of *Coalition 2000*
 Details on the methodology of the surveys included in CMS can be found in www.online.bg/coalition2000

*Note: Respondents marked up to three answers, which is why the sum total of percentages exceed 100.

The analysis of the anti-corruption efforts in the past year leads to **the following conclusions:**

- In the context of the political upheavals the **reform of public administration** has had contradictory effects. A positive development in this context has been the completion of the process of transformation of the central, district, and municipal administrations.
- **Coalition 2000** took part in the formulation of the *National Anti-Corruption Strategy* adopted by the Council of Ministers in the fall of 2001, a strategy, which in conjunction with the Implementation Program of the government can facilitate comprehensive measures aiming at greater transparency and accountability of the functioning of the state.
- Contrary to expectations, the **launch of the institution of the ombudsman (civic mediator/observer)**, having controlling and monitoring functions over the administration, did not happen during the year under review. Nevertheless, as a result of the efforts of various non-governmental organizations, the necessary public and political awareness and readiness for the introduction of such an institution are now in place.
- The final outcome of any anti-corruption efforts largely depends on **the judicial reform**. The freedom of the Judiciary from political dependence is an essential prerequisite for its objectivity and effectiveness. The *Strategy for Judicial Reform in Bulgaria* adopted on October 1, 2001 provides the basic framework for the necessary actions.
- Political parties form the link between the elected government and the public; overcoming the existing for a long time symbiosis between the state and the ruling party depends on a **reform in the party system**. It is worth noting in this respect the progress in the legal regulation of party activities marked by the *Law on Political Parties* adopted at the beginning of 2001.
- Corrupt practices typically flourish in **the sphere of the economy**. An important step made by the new government is the adoption of more transparent procedures of divestiture, for instance, public tenders rather than the employee/management buyouts, negotiations with prospective buyers or privatization through indemnifying promissory notes, which had been the major methods of privatization before.
- **Public procurement** is not yet transparent enough and does not guarantee protection of public interest against various existing corruption schemes.
- The **reform of the customs administration** should play the role of a litmus test for the success of the new government because illegal trafficking is impossible without elaborate channels of bribe giving and taking. The independent monitoring of illegal trafficking as well as other forms of cooperation between the customs administration and experts from different sectors, proposed by *Coalition 2000*, still needs to be implemented.
- The mission of **civil society** in fighting corruption can be accomplished primarily through a **public-private partnership** between

representatives of non-governmental organizations, state institutions and the media. *Coalition 2000* initiatives in this respect include both the use of permanent mechanisms of consultation and the introduction of mediating bodies such as local ombudsman (civic observer, public mediator, etc.). The success of these anti-corruption strategies depends to a great extent on the existence of political will for transparency and the accountability of the authorities.

- The success of the anti-corruption efforts is a function of the effectiveness of **independent media**. As a result of the changes, which took place in politics in the second half of year, 2001 there emerged a new government/media balance of power. There is a growing tendency towards intensifying media pressure on the government for a more adequate information policy, which guarantees the transparency of the activities of those in power.
- The key words in the sphere of **international anti-corruption cooperation** have been consistency and change. The incorporation of modern anti-corruption standards in the international legal instruments is proceeding further. In addition, a change in the assessment of the role of active anti-corruption programs for the integration of the country in the international community took place after the elections. More specifically, the tendency toward self-isolation from international anti-corruption forums and programs, and in particular, from the anti-corruption mechanism of the Stability Pact, has been overcome.
- The role of **regional anti-corruption cooperation** is gaining greater recognition, both for mutual assistance in the implementation of national transparency strategies and for creating effective barriers to cross-border crime and corruption. In this respect it is worth noting the progress of the **Southeast European Legal Development Initiative (SELDI)** as a forum of cooperation between the government and non-government organizations. By introducing a Regional Corruption Monitoring System Bulgaria has contributed to the elaboration of a mechanism for comparison of the national efforts to promote transparency in the countries of Southeast Europe.

At the end of 2001 the general political environment for fighting corruption can be assessed as promising: obviously, each change at the pinnacle of power creates opportunities for public-private partnership in this respect, especially at the initial stage of consolidation of public support for the new incumbents in office.