
KEY POINTS

In 2014, the Corruption Monitoring System has recorded the **highest levels of involvement** of the Bulgarian population in corruption transactions **in the last 15 years**. In the past year Bulgarians have conceded to being involved on average in roughly 158 thousand corruption transactions monthly.

- **Most corruption transactions have been initiated by the administration** through exerting corruption pressure on those seeking public services. The public's susceptibility to corruption in 2014 is similar to 1999 despite the increase of intolerance to corrupt behaviour. The fact that most Bulgarian citizens reject corruption but are inclined to participate in it shows that the Bulgarian society has a structural governance problem: **corruption has become an additional price for access to administrative services**. In the business sector corruption's effectiveness for solving problems has grown in 2014. Most companies do not trust public organisations and do not consider they are treated equally in courts. This seems warranted, as fiscal prudence in all levels of government and in key state-owned sectors as energy has continued to deteriorate, pushing public debt by estimated further 10pp up, while public procurement waste has continued to surface.
- The very high levels of corruption involvement of the Bulgarian population make **criminal law enforcement initiatives ineffective and inadequate**. First, because the scale of the problem is much larger than the capacity of criminal law enforcement. Second, because law enforcement is often captured by private business and political interests, thus incapacitating and delegitimising its actions.
- In 2014, the Bulgarian public saw the **formidable scale of political corruption**, too. The rise and fall of the Corporate Commercial Bank has demonstrated indisputably that **state capture** has firmly gripped even the most powerful law enforcement public institutions such as the public prosecution, the financial intelligence, as well as the central bank. The South Stream saga at the same time has revealed the depth of corruption corrosion of public institutions, as third country interests have been able to dictate terms on the Bulgarian parliament and the Bulgarian government at the expense of Bulgaria's financial and European interests.
- The **twin peaks of administrative and political corruption** in 2014 have risen at the backdrop of the continuing failure of the Supreme Judicial Council to rise to the challenge and ensure that public prosecution and courts adequately tackle corruption and state capture. The structure of the judiciary still does not provide guarantees for fast, just, and transparent enforcement of the law. The adequate distribution of workload in courts and the prosecution has not been achieved yet; this creates possibilities for delays and increases corruption risks. Still unresolved is the issue of neutralizing political and other influence in the work, recruitment, and appointment of judiciary officials.

