

P O L I C Y S T U D I E S S E R I E S ▸ 2 0 0 4

M A R T I N T I S N É & D A N I E L S M I L O V

From the Ground Up

Assessing the Record of Anticorruption Assistance in Southeastern Europe

A Regional Initiative of the Soros Foundations Network
in Southeastern Europe

C E N T E R F O R P O L I C Y S T U D I E S
C E N T R A L E U R O P E A N U N I V E R S I T Y
T H E S O R O S F O U N D A T I O N S N E T W O R K

P O L I C Y S T U D I E S S E R I E S ▸ 2 0 0 4

M A R T I N T I S N É & D A N I E L S M I L O V

From the Ground Up

Assessing the Record of Anticorruption Assistance in Southeastern Europe

A Policy Paper Commissioned and Funded by
the Open Society Foundation for Albania,
the Open Society Fund—Bosnia and Herzegovina,
the Foundation Open Society Institute Macedonia and
the Open Society Foundation—Sofia

C E N T E R F O R P O L I C Y S T U D I E S
C E N T R A L E U R O P E A N U N I V E R S I T Y
T H E S O R O S F O U N D A T I O N S N E T W O R K

© Central European University

All rights reserved. No part of this paper may be reproduced
in any form without the permission of the Center for Policy Studies.

Copies of the Paper can be ordered by post or e-mail from

CENTER FOR POLICY STUDIES
CENTRAL EUROPEAN UNIVERSITY

Nádor utca 9
H-1051 Budapest, Hungary

cps@ceu.hu
<http://www.ceu.hu/cps>

ISBN 963 86569 1 3
ISSN: 1785-4377

Printed in Hungary in 2004
Central European University
Copyediting • Rachel Ambrose

Design and layout • Judit Kovács • Createch Ltd.
Printed by Createch Ltd.

The views expressed in this report represent the views of the author
and not the position of the Center for Policy Studies, CEU, Budapest
or any other institution.

ABSTRACT

In this policy paper, based on research findings from twenty case studies of donor-supported projects in Albania, Bosnia and Herzegovina, Bulgaria and Macedonia, we assess the effects of five years of anticorruption projects and high-profile public awareness campaigns in the Southeastern European region. As a starting point, the paper posits that while projects seem to have succeeded in raising demand for reform, solutions to match that demand have yet to be found. The authors question both what reforms or change in particular the projects raised demand for, and what success the solutions applied thus far may claim. The donor community's failure to meet the high public expectations that their projects fostered comes against a disturbing backdrop of falling trust in democratic institutions in the region. The paper underlines the urgency to respond to citizens' needs. The authors argue that the impact of reviewed projects was mostly of short duration, if at all. Projects generally failed to create a self-sustaining constituency to further their work, and when success was achieved it often depended heavily on contingent factors such as the presence of a "champion" or an exceptional level of donor resources targeted for a single, receptive client. The most successful projects provided direct benefits to a well-defined constituency. In all cases, the projects listed reducing corruption as one of their core objectives; yet based on interview material and project reports, none of the donors claimed that their projects had effectively reduced corruption. In conclusion, the paper argues that donors should seek to build sustained public demand for a realistic, long-term anticorruption reform agenda.

This can be achieved by moving away from the fight against corruption per se—characterized by large-scale awareness raising and broad NGO coalitions—and towards mobilizing well-defined constituencies behind focused governance reforms that have a clear impact and benefits for those involved; and by encouraging citizens to fight corruption through the democratic, political mechanisms of representation by supporting, among others, political party reform. If anticorruption reforms are layered within the political process and meet public needs, the long-awaited mobilizational potential of the anticorruption agenda might yet be realized.

ACKNOWLEDGMENTS

The authors would like to warmly thank all country researchers for their excellent and hard work in writing the case studies that form the primary material for this paper: Zef Preci from the Albanian Center for Economic Research, and Aldo Bumci from the Albanian Institute for International Studies for their work in writing the case studies for Albania; Boris Divjak from Transparency International–Bosnia and Herzegovina and Almir Maljevic from the Faculty of Criminal Justice Sciences, University of Sarajevo for their work in writing the case studies for Bosnia and Herzegovina; Rasko Dorosiev from the Center for Liberal Strategies and Vera Dakova for their work in writing the case studies for Bulgaria; and Islam Yusufi from the Cabinet of the President of the Republic of Macedonia and Trajko Slaveski from the Faculty of Economics, Skopje, for their work in writing the case studies for Macedonia.

The authors would like to thank Thomas Carothers from the Carnegie Endowment for International Peace, Ivan Krastev from the Center for Liberal Strategies, Sofia, and Andras Sajo at Central European University for their help and advice with the research methodology and valuable commentary on the paper, as well as inspiration for starting the project in the first place.

The authors would also like to thank the staff and officials working for the donor organizations, foundations, NGOs and research institutes whose projects were reviewed in this paper for their generous help in providing researchers with access to information and their time spent answering researchers' questions.

Finally, the authors would like to warmly thank Kinga Szanto, Sara Svensson, Zsuzsanna Gabor and Violetta Zentai at the Center for Policy Studies, as well as Jonas Rolett and Beka Vuco at the Open Society Institute for their precious help in overseeing the completion of the project.

**PUBLISHED PAPERS
IN THE CPS POLICY STUDIES SERIES**

*In Search for Responsive Government:
State Building and Economic Growth in the Balkans*
Blue Bird Agenda for Civil Society in Southeastern Europe • 2003

Social Capital in Central and Eastern Europe
Dimitrina Mihaylova • 2004

CONTENTS

I. Assessing Anticorruption Assistance in Southeastern Europe	17
A. Building Up the Demand for Reform:	
Civil Society Projects	17
1. Assumptions	17
2. Instruments	21
3. Objectives	24
4. Effects	27
5. Underlying Problems	34
B. Providing Solutions to Government:	
Government Omnibus Programs	39
1. Assumptions	39
2. Instruments	40
3. Effects	43
4. Assessment: A Mobilizing Force for Reform?	49
C. Providing Solutions to the Government:	
Institutional Reform Projects	54
1. Common Assumptions	54
2. Instruments	55
3. Effects	56
4. Underlying Problems	59
D. Cross-Cutting Observations	60
II. Conclusions	62
A. State of Strategic Thinking	62
B. Strategic Implications	64
1. Anticorruption at a Crossroads	64
2. The Road Ahead	67

From the Ground Up

Assessing the Record of Anticorruption Assistance in Southeastern Europe

By Martin Tisné and Daniel Smilov

Public perceptions of the importance of tackling corruption in Southeastern Europe have reached record highs. In the region that spearheaded the donor community's recent focus on anticorruption assistance, over five years of anticorruption projects and high-profile public awareness campaigns have led to the topic being firmly implanted within contemporary political discourse. Anticorruption assistance in Southeastern Europe has now reached a crossroads, where perceptions of corruption as a major policy issue are high, but results in the fight against corruption are generally perceived as unsatisfactory. Projects have succeeded in raising demand for reform, but solutions to respond to this demand have yet to be found.

The crisis of political representation—citizens lacking trust in their elected leaders—is the most serious problem facing the Southeastern European region. In a recent paper on the state of democracy across Southeastern Europe, Ivan Krastev writes that “the growing gap that divides publics from elites and the growing mistrust that publics feel towards democratic institutions are the most salient political facts in the Balkans today.”¹ Economic growth in the region as a whole is mostly fair

The crisis of political representation is the most serious problem facing the Southeastern European region

¹ Ivan Krastev, “The Balkans: Democracy without Choices,” *Journal of Democracy* 13:3 (July 2002).

to good (with the exception of Bosnia and Herzegovina); it is politically and socially that the region is in crisis. To local observers, most Southeastern European countries are formalistic, non-participatory democracies, coupled with corrupt, non-functioning institutions where the administration seems incapable of making a change in people’s daily lives. So far in the transition process, citizens have seen social equality go down and be replaced with the harsh inequality of the present system. It is against this backdrop that the effects of donor-supported anticorruption assistance should be assessed.

All over the region, citizens have become increasingly cynical of the effects of anticorruption campaigns and rhetoric.² Combined with falling trust in democratic institutions, this cynicism threatens to undermine public support for necessary political and economic reforms. The current situation is paradoxical. For several years, anticorruption rhetoric was successfully used to mobilize public support behind reform policies. Now that the public is becoming increasingly frustrated by the lack of visible results in the fight against corruption, the mobilizing potential of anticorruption activities and rhetoric is wearing thin. At worst in this situation, anticorruption rhetoric risks fuelling public distrust in government and the democratic political process, and creating a fertile ground for unconstructive, populist critics of reforms which occupy the place of a policy alternative.

Donors have tended to lay the blame with recipient governments for the situation, arguing that the governments’ lack of political will to fight corruption is responsible for the failure of larger reform packages. The question is whether lack of political will is a sufficient explanation for the current situation, and/or whether anticorruption assistance itself might not have partly contributed to this situation, and hence fuelled the crisis of political representation that besets the region. In this study,

² The authors define an “anticorruption campaign” as any reform effort that is specifically and explicitly geared towards fighting corruption. Thus a national anticorruption strategy, as well as a civil society-led anticorruption coalition would both qualify under the general heading of anticorruption campaigns.

the Soros Foundations Network and the Center for Policy Studies at Central European University set out to explore these questions by assessing the effects of the donor-supported anticorruption projects implemented in the region over the past five to seven years. Little is known about the effects of anticorruption assistance. There has as yet been no regional study of the broad effects of projects and the structures of power and interests that are affected by these. By assessing these effects, we hope to learn why “tangible” results in the fight against corruption have yet to be forthcoming, and whether this lack of results is problematic and possibly counter-productive, or simply indicative of the long-term nature of anticorruption reform.

Little is known about the effects of anticorruption assistance

For this study, the Soros Foundations Network and the Center for Policy Studies commissioned an overview of donor-supported anticorruption projects in four Southeastern European countries—namely Albania, Bosnia and Herzegovina, Bulgaria and Macedonia. The selection does not aim to provide a comprehensive analysis of all anticorruption projects in the countries observed. We chose to focus on projects implemented by different donors, with different mandates, but strove to concentrate on the similarities between the projects, rather than their differences. We sought not to evaluate donors or their projects, but rather to understand the paradigm that has developed in anticorruption assistance in Southeastern Europe. Donors largely developed their thinking on anticorruption assistance from examples drawn from the transition region, which was the first region where anticorruption projects were implemented in 1996/97. We believe our analysis in Southeastern Europe will further our understanding of anticorruption assistance in the transition region as a whole, and where relevant, will help shed light on donor-supported projects to fight corruption in other parts of the world as well.

In all countries, we started by making an inventory of significant (in terms of budget) donor supported anticorruption projects. From the pool of these projects, we selected five that included the larger civil society and institutional reform projects implemented, as well

as national anticorruption strategies and accompanying governmental structures and policies specifically geared to fighting corruption. Further, in all countries we selected one project sponsored by the Soros Foundations Network. This methodology was designed to choose a broadly representative selection, aiming to cover the diverse areas targeted by anticorruption. Research was mainly based on field interviews, conducted by local researchers responsible for writing up the five case studies pertaining to their respective countries. Researchers received training by the CEU Center for Policy Studies and a methodological questionnaire to fill out which served as the backbone for the case studies. The selection of the researchers was a determining factor in the project's success. In each country we sought to select researchers who had not necessarily been professionally immersed in formulating anticorruption policy or implementing anticorruption reform, with the aim of bringing a fresh outlook to the field.

I. ASSESSING ANTICORRUPTION ASSISTANCE IN SOUTHEASTERN EUROPE

A. Building Up the Demand for Reform: Civil Society Projects

1. Assumptions

We start our analysis by looking at the assumptions behind the projects, in order to reconstruct the rationale behind them and to see how their implementation and results live up to initial expectations. The paper does not seek to argue that the designers of anticorruption projects in Southeastern Europe had, at the very start, unrealistic expectations regarding the possible impact of civil society activity on corruption. Alone, civil society activities could not hope to affect corruption, but are one element of recipes for successful reform that include other factors such as the need to increase political accountability, create a competitive private sector, strengthen institutional restraints on power and improve public sector management.³

The assumptions listed below describe the mechanism through which donors and project designers believed civil society could have an impact on the phenomenon of corruption *at all*, provided that other factors were also in place. It was assumed that civil society activities were a powerful pressure mechanism, part of a process that could yield tangible results in the short, medium and long term. Before looking at the relation between civil society activities and broader reform processes, our initial focus is on the means through which donors sought to promote the involvement of local civil society groups in the fight against corruption.

³ See www1.worldbank.org/publicsector/anticorrupt/index.cfm.

The anticorruption initiatives involving civil society that we analyzed shared four common assumptions,⁴ namely that:

- civil society pressure can have some degree of influence on government decisions, even in the case of a corrupt or unwilling government;
- there is a common understanding between the donors and recipients of aid (government, civil society organizations, the public) on the nature of corruption; and that there is a common understanding between the donors and the aid recipients on the measures necessary to fight corruption;
- corruption is a nonpartisan issue, i.e. that all civil society groups, from NGOs to the private sector, and all citizens share an interest in a corruption-free environment; and
- knowledge of the levels and effects of corruption will motivate citizens to actively fight corruption.

The assumption implies that the government is representative enough of the public in order for the public to yield power over it

The first assumption posits that a government official, if confronted with enough public pressure, might overcome the benefits of corruption and choose to follow the public’s demands. The assumption implies that the government is representative enough of the public in order for the public to yield power over it, or that popular dissatisfaction with the government’s policies will trigger reactions by other players (donor community, international community, EC, NATO) who will yield power over the government. The underlying idea is that politicians are

⁴ This chapter is based on the analysis of the following projects: In Albania, Reducing Corruption in Albania (Albanian Coalition against Corruption), supported by USAID; in Bosnia and Herzegovina, the Anticorruption Campaign “Nadglasajte Korupciju,” supported by the OSCE in the run-up to the November 2000 general elections, Transparency International BiH’s Corruption Perceptions Index and the Open Society Fund—Bosnia and Herzegovina’s Social Effects of Investigative Journalism; in Bulgaria, Coalition 2000, supported by USAID, as well as “Monitoring the Privatization of the Bulgarian Telecom,” supported by USAID and implemented by Transparency International Bulgaria; and in Macedonia, the Culture of Law versus Corruption project, supported by the European Initiative for Democracy and Human Rights (EU), and the Macedonia Corruption Free Coalition, supported by the Foundation for an Open Society Macedonia.

rational actors interested in re-election, which makes them responsive to public demands and preferences.

On the civil society side, it is assumed that civil society groups are close enough to the public to have appeal and be broadly representative. Projects in the region also generally took for granted that the benefits of cooperating with the government would far outweigh the costs of directly confronting it. Most of the civil society projects that we analyzed adopted a non-confrontational and cooperative position towards the government. All coalitions of NGOs that we analyzed such as Coalition 2000 in Bulgaria or the Albanian Coalition against Corruption purported not to directly confront the government. Civil society groups were rarely openly confrontational towards the government.

It is assumed that civil society groups are close enough to the public to have appeal and be broadly representative

The second assumption posits that there is a common, uncontested understanding of the nature of corruption and of the measures that are necessary to fight it, which is shared by donors, civil society groups and the public at large. Corruption is seen as the single greatest obstacle to economic and social development. It undermines development by distorting the rule of law and weakening the institutional foundation on which economic growth depends. Corruption has the most deleterious effect on the poor, and sabotages policies that aim to reduce poverty. Corruption is also portrayed as a grave flaw of the political system that undermines the legitimacy of elected officials and the democratic process in general. The public is encouraged to view corruption as a cause for all major problems affecting transitional societies—from economic difficulties, to social injustice issues and dissatisfaction with the performance of the democratic institutions.

Further, the assumption posits that there exists a standardized list of measures to fight corruption (listed above), among which an active civil society able to put pressure on the government is a component part. Anticorruption experts advise government on anticorruption policies which are implemented thanks to political will and public support. Provided that both of these are in place, not only will corruption be

The assumption posits that all civil society groups and all citizens share an interest in a corruption-free environment

reduced, but also there will be visible improvements in the broader set of problems which corruption causes, including economic underachievement, social injustice, and the deficiencies of the democratic process.

The third assumption posits that all civil society groups—from NGOs to the private sector—and all citizens share an interest in a corruption-free environment. Since the costs of corruption fall upon everyone, fighting against it transcends political or ethnic divisions. Donors saw corruption as a cross-cutting issue that could mobilize broad coalitions of interests.

In our examples, coalitions of NGOs allied to fight corruption recruited participating organizations from a wide section of the civil society sector. The Albanian Coalition against Corruption, at its early peak in 2001 included a range of groups spanning think tanks, community service organizations, education and media groups, as well as private sector businesses. Coalition 2000 in Bulgaria included MPs, judges, NGOs and representatives from the business sector on its steering committee. The Macedonian Coalition drew together unemployment associations as well as youth groups.

The last assumption is that civil society actors and, more generally, the population at large are either unaware of corruption or aware of it but tolerate it because they do not have the necessary understanding of its true causes and consequences. Once they have been given this information they will be motivated to form a constituency that will challenge the government’s record on transparency, accountability and integrity.

Most civil society projects in the countries that we analyzed included a public education component, at least in their earlier stages where, as part of a broader public awareness campaign, citizens were informed about the causes and consequences of corruption.

In Bosnia in 2000, the OSCE promoted an anticorruption campaign in the run-up to the elections in order to shift the debate away from partisan rhetoric to the consequences of corruption (unemployment, privatization, nepotism, economic fraud, etc.).

The projects we analyzed sought to build public constituencies backing anticorruption reform. They did this through raising awareness of the ills of corruption by publishing information on its causes and consequences and thus going beyond the public's original toleration of the problem and skepticism as to whether it could be fought against. In so doing, civil society projects published regular surveys on the level and loci of corruption, usually based on public perceptions of corruption. The projects thus implied that corruption perceptions provide an adequate guide to the real level of corruption in a country.

2. Instruments

Anticorruption Coalitions

A template has emerged in the Southeastern European region, for large, donor-funded anticorruption coalitions. In addition to sharing and following the assumptions mentioned above, these coalitions share a set of common characteristics.

Coalitions usually include:

- A steering committee composed of a broad section of NGOs, deciding on the strategic direction of the coalition;
- Regular public meetings;
- An action plan or policy framework to deal with corruption, to provide recommendations to the government and to influence their own work;
- A “small grants” program for the coalition to implement part of the action plan, for the coalition to support its objectives, build its sustainability and develop local civil society capacity.

The coalitions we analyzed all sought to achieve as broad an appeal as possible by recruiting members from the NGO community, think tanks, research institutes, the media and business. The coalitions were both broad in scope and large in size. The Albanian Coalition against Corruption for example numbered up to 180 members, and the

A template has emerged in the Southeastern European region, for large, donor-funded anticorruption coalitions

Macedonian Corruption Free Coalition recruited up to 80 members. In Albania and in Bulgaria, these were the two largest civil society projects ever to be implemented in those countries, both with multi-million dollar budgets.

In all cases, the coalitions adopted a non-confrontational stance towards government.⁵ Their ultimate aims were both to raise awareness of the problem, and to put themselves in a situation where they could work together with government to overcome it. In order to succeed in this latter aim, the coalitions had to be sustainable in time, to both see the reforms through and apply constant pressure.

The size and breadth of coalition activities meant that the larger coalitions included most of the other instruments laid out in this section. Coalition 2000 had a heavier focus on research, ACAC on civil society capacity building, and the Macedonian coalition on awareness. In common, they shared a focus on getting government to enact and follow through on anticorruption reform, whether through pressure, expert help or by providing data on the nature of corruption.⁶ In this paper, we focus on their similarities.

Monitoring Groups / Watchdogs

Monitoring or watchdog groups seek inconsistencies in the government's application of the law, and expose them to the public with the aim of forcing the government to react. Like anticorruption coalitions, the monitoring groups aimed to be sustainable in order to provide a constant means of pressure on the government. For example, in Bulgaria in 2000, the local Transparency International chapter monitored the privatization of the Bulgarian Telecom Company.

⁵ The terms of reference of the USAID-funded Albanian Coalition against Corruption explicitly mentioned that the coalition should adopt a non-confrontational stance towards government.

⁶ The larger coalitions in Bulgaria and Albania were akin to lobbying groups.

The project's rationale was that the high public profile of the project (through a well-publicized campaign in the media) would cast sufficient light on the telecom's privatization for the government to be forced into conducting it transparently, rather than risk bearing the cost of public and international condemnation.

Anticorruption Awareness Campaigns

An anticorruption campaign uses a combination of media and advertising instruments to promote awareness of the fight against corruption at a particular, strategic point in time. They can also use street theater, public meetings, radio discussion programs, phone-ins, poster and essay competitions, or other similar methods.

The OSCE launched an anticorruption campaign in the run-up to the 2000 elections in Bosnia. The OSCE's aim was to increase the voters' knowledge about the causes and consequences of corruption in order for corruption to become an issue in the elections. The campaign thought to appeal to a broad cross-section of the population by publishing 200,000 educational brochures in Bosnian newspapers, posting television and radio spots in the run-up to the elections and large billboards at the entrances of major cities encouraging citizens to take a stand against corruption with the lettering: "Vote Corruption Away."

An anticorruption campaign uses a combination of media and advertising instruments to promote awareness of the fight against corruption at a particular, strategic point in time

Surveys of the Level or Loci of Corruption

In our case studies, civil society groups presented themselves as the main local purveyors of surveys detailing the extent or loci of corruption in their country. The surveys filled an informational purpose—better information for donors in formulating their anticorruption strategies—as well as a public awareness purpose; the launch of surveys coinciding with large-scale awareness campaigns being undertaken by those groups. In Bulgaria, Coalition 2000 published regular quarterly surveys on the extent and loci of corruption in the country via the implementing NGO, the Center for the Study of Democracy.

NGOs published surveys on the perceived levels of corruption across different state sectors or within a particular sector in order to encourage concerned institutions to respond to their findings. In Bosnia and Herzegovina, the local Transparency International chapter published a survey of corruption in Bosnia in 2002 presenting Bosnian citizens’ perceptions of corruption across different state sectors. The report created a strong reaction on the part of the media and forced concerned state agencies to react. The Center for the Study of Democracy utilized the same strategy by publishing annual corruption assessment reports listing the most corrupt institutions in the country. For example, in 2000, the judiciary was ranked “most corrupt institution.” At the time of study, in 2003, universities topped the list.

Technical Assistance Tools

In addition to widespread media campaigns and well-publicized survey work, groups relied on roundtables, conferences and workshops, both in the capital cities and local communities to sensitize the public and the NGO community to anticorruption work, and provided training to interested NGOs through workshops and training seminars.

3. Objectives

Regardless of size, country or donor, all civil society projects that we analyzed shared one or more of the following objectives:

- **To increase transparency and accountability in government through public pressure**
One of the primary objectives of civil society projects was to create counterparts to government that would lobby and apply pressure on government to increase measures of transparency and accountability.
- **To raise public awareness**
Raising public awareness of the effects and causes of corruption was a central element of civil society’s role in the fight against

corruption. The largest amounts of funds were channelled towards large-scale campaigns in the media, advertising and door to door canvassing, workshops and conferences in the capital cities as well as in the countryside. The campaigns aimed to build constituencies that would directly pressure the government to implement anticorruption reform, hold the government to account and give civil society the necessary credibility and legitimacy for the groups to be taken seriously. The awareness campaigns built those constituencies by providing information to the public on the nature and causes of corruption, in order to motivate the public to take action and support reform rather than tolerate corruption.

- **To develop the capacity of civil society**

- *By encouraging civil society groups to launch anticorruption projects*
In Macedonia in one of the very first projects specifically on corruption in the country, the Culture of Law versus Corruption project, teams were sent to local communities in Macedonia where local NGOs, as well as the public, learned about corruption and its effects. In order for the NGOs to be able to launch public awareness campaigns educating the public, the NGOs had to themselves be trained in the first place. The larger coalition projects in Albania and Bulgaria included small grants programs which were intended to reach local communities that could not be easily reached by working from the capital city, as well as providing training to those NGOs to perform their new tasks.
- *By encouraging dialogue between civil society and the government on anticorruption*
A more ambitious aim for these projects was to develop civil society's capacity to such a degree that it could engage the government on the topic, and provide the government with additional expert help and recommendations.
The Albanian Coalition's core objective was to raise civil society's standing to a degree where it could enter into dialogue

with the government and be taken seriously. In order to do this, civil society groups first had to have a much better knowledge and understanding of corruption and its different forms, before it could engage the government in a meaningful way. The entire first year of the Albanian coalition was devoted to civil society groups working out their priorities and goals, and the activities they would undertake to achieve them. The culmination of that effort was an action plan to fight corruption drafted by the Coalition members themselves. Thanks to the plan, ACAC members would then be in a position to provide policy advice to the government on the implementation of the Albanian National Strategy against Corruption.

- **To provide expert help to the government**

The projects aimed to set up the necessary structural relations for government to cooperate with civil society in drafting and implementing anticorruption legislation.

- *By the government participating in civil society activities*

In Bulgaria, members of parliament as well as representatives from state institutions sat on the Coalition 2000's steering committee. State officials from different ministries were invited to working groups to debate the relative advantages of a range of best practices in the fight against corruption.

- *By civil society influencing / participating in the government's decision-making process*

Coalition 2000, ACAC and the Macedonian Coalition against Corruption all issued action plans or guidelines to fight corruption with the aim to expand and influence the government's policy options. In the case of ACAC, the coalition successfully lobbied the government for one of their members to have a seat on the board monitoring the implementation of the national anticorruption strategy.

4. Effects

Donors found it difficult to qualify the impact of a project on a phenomenon like corruption, which is difficult to measure and where any attempt at measurement can be influenced by a number of extraneous factors. In response, donors developed indicators or proxies of success, to qualify and seek to quantify the effects of their projects. Projects considered as successes—which include the quasi-totality of projects that we analyzed—were found to have one or all of the following effects:

- an increase in the awareness of corruption;
- creation of new structures to fight corruption; and/or
- strengthening of the capacity of civil society.

These proxies can only be taken as true measures of the impact of given projects, if the assumptions listed above are verified. In no case was there a deep analysis of the impact of a project, based on an analysis of the assumptions behind it, or its broad effects, both intended and unintended. In our research, we sought to develop a deeper level of project analysis.

Before assessing the general effects of anticorruption assistance, we stop to consider the effects of anticorruption coalitions, the largest of all civil society projects implemented in Southeastern Europe.

Building the Demand for Reform: The Effects of Anticorruption Coalitions

Coalitions succeeded in raising public awareness of the importance of corruption as a political and policy issue, a significant obstacle to the economic and social development of a country and the legitimacy of its political process. For example, Coalition 2000 in Bulgaria to a large extent changed the political discourse of the country, forced political actors to respond to the issue of corruption, and managed to position

Coalitions succeeded in raising public awareness of the importance of corruption as a political and policy issue

itself as a repository of expert knowledge on anticorruption measures. Yet, Coalition 2000 and the other coalitions we analyzed failed to gain broad backing from either civil society or from the public at large. They failed to create a broad, nonpartisan anticorruption constituency or anticorruption movement. In their early stages, they succeeded in uniting a wide spectrum of nongovernmental organizations, but this initial success was not sustainable and failed to translate into more meaningful, long-term collective actions. In the case of Coalition 2000, the organization gradually evolved as a high-profile expertise-providing think tank or lobbying group for the adoption of legislative measures designed to curb corruption.

Neither Broad nor Sustainable

The coalitions failed to inspire the type of cross-cutting, universal appeal that they had intended to generate in the first place

The coalitions failed to inspire the type of cross-cutting, universal appeal that they had intended to generate in the first place. Most of the coalitions started strongly in their first months or year of existence. The Albanian Coalition against Corruption quickly enlisted 180 NGOs to its name, early meetings and working groups were well attended and media coverage was strong. However, one year after its creation, in March 2002, only 30% of the coalition members were present for the election of the coalition’s powerful steering committee. The first year of the coalition’s existence was meant to consolidate the base which would ensure its future and long lasting standing vis a vis government. In their early stages, the coalitions all attracted a fairly representative sample of their countries’ NGO sector. But once the initial bout of exposure and grant money was expended, NGO interest waned. The same broad pattern is true of Coalition 2000 as well as the Macedonian Corruption Free Coalition. In most cases, the coalition either regrouped around one central organizing NGO, as in Bulgaria and in Macedonia, or around its steering committee, as was the case in Albania.

The broad coalitions of interests that the coalitions purported to represent failed to materialize. Strikingly, attempts to attract business groups’ support for their project failed to succeed in all three cases. The

ACAC made special attempts to attract the private sector but failed to present convincing evidence of a common interest between them and the NGOs. Private sector delegates involved in the coalition were likely to benefit more from the exposure and contacts with government that the project afforded them rather than from the achievement of the coalition's mission. There was thus no real incentive for businesses to participate.

Coalitions Seen as Too Close to Government

The coalitions failed to be sufficiently close to and representative of the public to gain its trust. In Albania and Bulgaria, the coalitions were seen as being too close to distrusted governments for the public to trust them. In Albania in particular, the problem was compounded by the public's broadly negative perception of the country's weak, donor-dependent civil society actors. All the while, the coalitions did not succeed in exerting any meaningful influence over governmental policy.

The coalition's non-confrontational approach towards government sat uneasily with their mandate as a public pressure group. The public distrusted them, and challenged their claim to enjoy a broad and representational backing. The coalitions were left adrift resembling lobbying groups, albeit without a clear constituency as to what they were to be lobbying for.

Despite initial declarations of intentions, the coalitions were to a greater or lesser degree politicized, or at least perceived as such by the public. All coalitions were accused of being too close to government. The Macedonian Corruption Free Coalition stands out. The coalition's campaign succeeded in energizing the Macedonian political debate in the run-up to the elections. Voter turnout, at 74%, was a contemporary Balkan record. The project's clear, if implied, focus on the elections made it a success. However, the focus may have contributed to its early demise, as it became closely associated with the new party in power and its head went on to become the head of the newly created State

The coalition's non-confrontational approach towards government sat uneasily with their mandate as a public pressure group

Commission against Corruption. The coalition may well have been genuinely independent, but was not seen that way in the eyes of the public. Since the coalition was meant to garner widespread civil society and public support in the long term, this matters.

Awareness and Expectations Go Up

Civil society coalitions, public awareness campaigns and monitoring projects successfully contributed to increasing the visibility of corruption as a problem in the Balkans. Corruption went from being one of many problems to being the most serious problem facing the region. References to corruption increased in the media and political debates, and were used by donors to justify the success of their programs.⁷ Both coalitions and awareness campaigns were instrumental for the dissemination of a specific view of the nature and the negative effects of corruption on society, and its repercussions on economic and social development.

None of the projects that we analyzed sought to examine the impact of increased public awareness of corruption on governmental policies

None of the projects that we analyzed sought to examine the impact of increased public awareness of corruption on governmental policies, and eventually, on the reduction of corruption. Projects that intended not solely to raise awareness, but to pressure the government into accepting reforms or to issue recommendations to the government, might have failed in their core objectives, but were seen as successful in that they contributed to an increase in the public's awareness of corruption.

In the case of the aforementioned monitoring by the local TI chapter of the Bulgarian Telecom Company, the government accepted the monitoring offer, but subsequently refused to grant TI the necessary access to information or meetings. TI publicly withdrew from the deal claiming that transparency standards were not being met. The

⁷ The TI monitoring project in Bulgaria, the TI index in Bosnia and Herzegovina, and the Macedonian Corruption Free Coalition all refer to increased visibility of corruption in the media and references made to their respective projects in the media as a sign of success.

project did not contribute to any visible change in the government's privatization policy, yet the project was seen as greatly successful. Its main effect was increasing public awareness of the lack of transparency in state company privatizations.

For lack of evaluation, beyond the broad assertion that public awareness and related high-profile campaigns increased the visibility of corruption as a topic in day to day public and political discourse, little is known of their effects.

Creation of New Structures (NGO or Governmental) and Legislation to Fight Corruption

Donors referred to the creation of new structures as well as legislation to fight corruption, as a practical outcome, a positive “tangible” result of their civil society projects and as an indicator of success.

New Legislation

Civil society projects reported some of their greatest achievements in their successful lobbying for pieces of legislation. Most notably, the Albanian coalition successfully lobbied for a law on declaration of assets by politicians and state officials, which was branded as one of the coalitions' largest successes to date. The law was at first opposed by the government, but subsequently passed in part due to the coalition's pressure, as well as that of the board monitoring the country's national anticorruption strategy (on which the coalition has a seat). Yet it is monitoring the effective implementation of the law rather than resting content with its enactment by the council of ministers that matters, and governments in the region have a poor record of implementation.

Coalitions did succeed in lobbying for specific pieces of legislation. In Bulgaria, Coalition 2000 is credited for pushing for the implementation of the ombudsman law. Civil society projects were broadly successful in establishing “dialogue” between civil society and the governmental apparatus. Their impact on shaping public policy

cannot be denied. In all cases, however, the impact of civil society groups fell far below the expectations of the public concerning the necessity of dramatic changes in public governance—in terms of personnel and policies—necessary to address corruption meaningfully. Public awareness campaigns had strengthened the public’s perception that deep changes were needed to reform an essentially corrupt political system. In comparison, the “minor” victories scored by civil society organizations lost their significance, rapidly leading to disillusionment with anticorruption civil society work, and falling trust in coalitions and other civil society actors. Paradoxically, bodies created to mobilize and lead the public ended up marginalized and distrusted.

The legislation created by the civil society projects was seen as a success chiefly by the civil society groups that had pushed for it. Their achievement was to have successfully lobbied government to adopt the law, rather than the implementation of the law itself. Since it is mostly too early to judge whether the laws they pressed for will be implemented or not, their main effect so far has been to strengthen the capacity of civil society by engaging it in dialogue with the government.

New Structures: Citizens’ Advocacy Office

Structures facilitating citizens’ day to day contact with government were by far the most popular reforms pressed for by civil society groups. In Albania, the Citizen’s Advocacy Office (CAO) that was created at the behest of the Albanian coalition was extremely popular with its users. The office provided citizens who were victims of extortion with free legal advice and help in following up on their complaint with the general prosecutor if necessary. An arrangement between the office of the general prosecutor, the citizen’s advocacy office and the Minister of State (in charge of the Albanian National Strategy to Fight Corruption) facilitated that follow-up. The office was a popular success. Two thousand complaints were filed since its opening and it is universally seen by detractors and supporters alike as the coalition’s

greatest achievement. Its results were immediate, and could be felt and witnessed by all.

Strengthening the Capacity of Civil Society Groups

The clearest effect of the civil society projects analyzed was often precisely their benefit to strengthening civil society organizations. In particular, anticorruption coalitions strengthened the NGO community in their respective countries.

At a time when large donors are progressively withdrawing from the region, and thus depriving NGOs that developed by serving as providers of services (technical assistance, etc.) to the donor community from their means of employment, the new focus on anticorruption came as a welcome reprieve. The money spent and ideas promoted on anticorruption reform helped the Balkan NGO community to reinvent itself from service providers to advocacy and lobbying groups.

Macedonian NGOs benefited from education on the criminal code and different types of corruption during the run-up to the Macedonian elections; Albanian NGOs benefited from expert help on a range of different topics in the first year of the Albanian coalition; media groups were supported by all coalitions, and many more. Yet NGOs' move into the policy arena has so far failed to heighten public trust in them. A recent survey by the International IDEA in Bulgaria found that only 10% of the public had trust in NGOs.⁸

The relative lack of importance given to small grants to local NGOs by both the ACAC and the Coalition 2000 projects is surprising given the clear benefit incurred to local NGOs. Some 12.5% of ACAC's total budget and 15% of Coalition 2000's budget for 1999 and 2000 were spent on small grants. In both cases, the grants were many and small in size (in the low tens of thousands), giving vent to public criticism that the grant money would have been better spent had the

The clearest effect of the civil society projects analyzed was often precisely their benefit to strengthening civil society organizations

⁸ South East Europe (SEE) Public Agenda Survey. http://www.idea.int/balkans/survey_detailed.cfm.

grants been larger and more focused. The Citizen’s Advocacy Office was the ACAC’s largest success, and also its largest grant.

Throughout the civil society projects we analyzed, the high visibility of the topic together with astute advocacy strategies combined to increase the profile of the NGO sector and make it desirable for the government to be seen to cooperate. Whether the government was ready to give ground or not, the projects contributed to a strengthening of civil society’s standing vis a vis the government.

In Albania, the government’s anticorruption matrix included elements of the ACAC’s action plan to fight corruption. Civil society was seen to have scored a success by lobbying successfully for the law on the declaration of assets of politicians, by having one of the members of the coalition sit on the board monitoring the national anticorruption plan, and by engaging the general prosecutor and the Minister of State to cooperate with the Citizen’s Advocacy Office in following up on citizen reports of corruption. Regardless of the overall outcome of the project, these alone must be regarded as a successful achievement in a relatively weak Albanian civil society context.

High-profile projects enabled NGO actors to build a niche for themselves in a congested NGO market. In Bulgaria, the local TI chapter’s monitoring of the privatization of the Bulgarian telecom established the chapter as an influential voice in public policy. The same was true for high-profile NGO projects throughout the countries we surveyed.

5. Underlying Problems

Anticorruption Coalitions are Problematic

It was possible to create various discrete activities but no genuine coalitions

It was possible to create various discrete activities but no genuine coalitions. As an informal movement, to gather general backing behind the concepts of transparency and accountability, the coalitions’ awareness campaigns may have succeeded (see next section). As physical expressions of that movement directly campaigning on such a broad and political issue, they failed.

“Most of the Bulgarian NGOs are not ready for coalitions; real partnership,” affirmed an NGO member of Coalition 2000, reflecting on the many departures from the coalition. The real question is not whether Bulgarian NGOs were suited to coalitions, but whether corruption as a theme was.

The broad, all-purpose serving shape of coalitions suited the conceptualization of corruption as promoted by the donor community: a broad, overarching developmental problem with causes and consequences spanning a range of different reform areas, but was ill-suited to creating lasting public movements for change.

The coalitions’ influence was not great enough to pressure government into commitment to the type of large-scale anticorruption reform that they had envisaged. There was a discrepancy between the type of reforms that coalitions built up a demand for (large-scale, radical, immediate) and the type of long-term, institutional solutions that governments were prepared to offer, or prepared to pay lip service to.

The coalitions’ success in influencing the policy agenda was limited by external factors (weak institutional capacity to implement reforms, lack of political will), compounded by the fact that the coalitions failed to translate into the type of long-term societal movements that they were designed to be. Coalitions failed to build broad, sustainable, non-political anticorruption constituencies. The coalitions failed to build up the necessary public support behind a long-term anticorruption reform agenda, but rather contributed to whipping up the public’s desire to see the corrupt be punished.

Public Awareness Raising

Public awareness projects raised the profile of corruption as a public and political topic in the Balkans, however, strikingly little additional detail is available beyond that assertion. Donors accepted an increased public awareness of corruption as a positive good, without delving deeper to analyze whether their own objectives were met.

The broad, all-purpose serving shape of coalitions was ill-suited to creating lasting public movements for change

The original aim of public awareness campaigns was not simply to elevate corruption to the rank of public concern, but to ensure that a better understanding of corruption would encourage the public to no longer tolerate corruption, give less bribes and resist extortion. For lack of evaluation, it is impossible to know whether this objective was met. Neither is it possible to assess the extent to which the public adhered to the definition of corruption and its consequences that was publicized by the donors and projects.

The OSCE’s anticorruption campaign in Bosnia argued for an economic definition of the consequences of corruption. That definition might have succeeded in getting the public’s and the politicians’ attention in the run-up to the election, but there is no evidence that this was the definition of corruption that was used in the political debate that ensued.

If we do not know whether the awareness projects empowered the citizens by changing or refining their understanding of corruption, it is hard to evaluate their impact on the political debate.

We Do Not Know the Type of Constituency that Was Created

Public awareness campaigns created a general desire on the part of the public for the government to be seen to curb corruption. In Bulgaria, following the 2001 elections fought in part over the corruption issue, the government signalled to appease the newly created anticorruption constituency by implementing specifically anticorruption reforms. But this was an anticorruption policy package recommended by the donor community (institutional reform, transparency measures).

*Above all, the public
demanded results*

The question remains whether this was what the newly created constituency expected. In many ways, the public’s demands were more drastic and immediate. Above all, the public demanded results. By building up the public at large’s awareness of the importance of corruption as a policy issue, those campaigns built up public expectations that corruption could be decreased in the short term.

Donors accounted for heightened public awareness of the importance of curbing corruption as a positive result without taking into account that their projects had created high public expectations for actual, tangible results in fighting corruption. In the assessment of the effects of public awareness campaigns there was no built-in check for the realistic potential of anticorruption measures to meet these expectations.

Risk that Corruption Should Supersede Other Problems

Corruption has become one of the most popular (and populist) explanations for Balkan countries' economic and political problems. It is seen as "the disease" rather than a symptom that the nation's health is not what it should be. It might therefore be concluded that public awareness campaigns succeeded in dramatically influencing the region's policy discourse. Yet, shifting the discourse heavily in the direction of corruption bears its own costs. It shifts attention away from other problems which might be equally, if not more important than corruption per se, such as the stability and representativeness of the party systems, the cogency of party programs, etc., all of which can enhance standards of governance and ipso facto reduce levels of corruption. If public awareness raising is not followed by the government's full commitment to implementing anticorruption reform, public awareness campaigns run the risk of not only unduly heightening public expectations of change, but also of monopolizing and stalling the wider policy debate.

Conclusion: Did the Projects Strengthen Democracy in Southeastern Europe?

Returning to the original assumptions behind the projects, our analysis has shown three of the main assumptions to be problematic. Anticorruption did not prove to be such a broad, cross-cutting issue as donors had hoped, nor was the public so directly and constructively empowered by public awareness and information campaigns as was intended. Moreover, none of the projects that we analyzed demonstrated

the level of influence over government policy that was expected of them. Since governments ultimately hold the key to successful anticorruption reform, this is worrying.

The coalitions failed to be sustainable. The problem of sustainability affects all civil society projects on anticorruption. If the government is to be under constant pressure from the public, as intended by the donors, the civil society groups catalyzing that pressure must be sustainable, and must be representative of public interests. So far, the groups have little sustainability beyond the donor-funding machine. The interests that the NGOs are responding to seem to be chiefly those of the donor community. If they are to shift public attitudes, civil society groups must respond to the interests and concerns of citizens rather than to donor interests and agendas.

The non-political approach to corruption favored by donors failed to produce a strong, nonpartisan anticorruption constituency, capable of being mobilized outside of the party politics channel.

Mismatch Between the Donors' Message and Public Demands

There was a clear mismatch between the policy options that the donors intended the public to transmit to government, and the actual demands of the public. The donors intended the public to transmit a message of commitment to rooting out corruption to the government via in-depth institutional reforms, which are necessarily long-term. In contrast, the public's demands were for a much more immediate, politicized and short-term response.

The donors' message may have been the right solution for the country's economic development, but if there is a considerable lag between the public's demands and the government's response, there is a risk that public dissatisfaction should fast build up against the government, which in turn risks threatening democracy. There is a need to agree on the goal of anticorruption projects—strengthening democracy or economic development? So far, a mixed message on the part of the donors has produced mixed results.

There is a need to agree on the goal of anticorruption projects—strengthening democracy or economic development?

B. Providing Solutions to Government: Government Omnibus Programs

In this section we turn to the most prominent governmental response to the pressure by the donor community for the adoption of anticorruption measures in Southeastern Europe—comprehensive, omnibus programs to fight corruption. We refer to the European Bank for Reconstruction and Development’s (EBRD) recent definition of a governmental omnibus program as a coordinated assemblage of governmental structures and policies specifically geared towards fighting corruption.⁹ The donor community pressed for and supported the implementation of omnibus programs, while donor-supported civil society projects helped elaborate, implement and monitor their requirements. At the time of study, Albania and Bulgaria had well-established omnibus programs, Macedonia a burgeoning one, and Bosnia and Herzegovina had sought and failed to implement an omnibus program from 1999 to 2001. The region’s programs have yet to be completed, yet an analysis of their early effects is pressing as plans are currently being made to develop omnibus programs more broadly throughout the Southeastern European region.

1. Assumptions

The omnibus programs that we have analyzed share one basic assumption: that corruption needs to be tackled through a comprehensive set of institutional and legislative measures encompassing most of the jurisdictional areas of government. As indicated earlier, the assumption posits that there exists a standardized list of measures to fight corruption

⁹ Franklin Steves and Alan Rousso, *Anti-corruption programmes in post-communist transition countries and changes in the business environment, 1999–2002*, EBRD Working Paper No. 85.

The underlying premise is that omnibus programs present a win-win situation

and that there is a common understanding between the donors and the aid recipients on those measures.

The underlying premise is that omnibus programs present a win-win situation. If specific actors within the government are reluctant to engage in the issue of anticorruption, the program will force the government as a whole to adopt a comprehensive set of anticorruption measures. Alternatively, if a newly elected government is keen to work in anticorruption but lacks direction, a well-crafted national anticorruption strategy and accompanying structures can infuse a sense of direction, coordinate institutional efforts and thus press for the effective implementation of the laws. Omnibus programs are seen as universal tools in the fight against corruption. Provided the institutional structure used to implement the strategy is well-adapted to the country context, countries benefit from a well-coordinated approach to the multiple / heteroclite reforms that together make up anticorruption policy.

This chapter is chiefly based on observations gathered in three case studies: the Council of Europe’s PACO I project in Albania, strengthening the anticorruption monitoring group; the Macedonian State Commission against Corruption’s national program for the fight against corruption; and the Friedrich Naumann Stiftung’s national anticorruption strategy for Macedonia.

2. Instruments

Omnibus anticorruption programs generally contain all or a selection of the following attributes:

- an anticorruption law;
- a national anticorruption strategy or program;
- a ministerial commission, specialized unit or dedicated agency;
- an action plan to implement the program; and/or
- a monitoring mechanism.

The National Anticorruption Strategy and Action Plan

The guiding attribute within this broad set up is:

- The national anticorruption strategy, which sets priorities, coordinates between different ministries and ensures implementation. The strategy provides for a wide range of different reforms. Some of the measures in the strategy seek to reduce the incentives for corruption in the institutional structures of the countries directly. These include improved bribery laws, registers of the assets of politicians and the like. Other measures have a more indirect link with the issue of corruption: they try to improve the institutions of the countries in general, which presumably will help fight corruption as well. These measures include the setting up or the improvement of State Audit Offices, political party laws, customs reform laws and projects.
- The Action Plan which operationalizes the strategy by distributing responsibility for the implementation of the reforms included in the strategy, accompanied by a matrix clearly laying out the order of implementation of reforms, together with the indicators used to measure it.

In Albania, the national anticorruption strategy and action plan were the product of two years of dialogue between the donor community and the Albanian government, resulting in a strategic document spanning five reform areas, from public administration reform, improved legislation, improvement of public finances management, better transparency in business transactions, to public information and civil society participation.

In Macedonia, the national program to fight corruption was elaborated by the recently created State Commission for the Fight against Corruption, in cooperation with civil society. The plan is equally broad ranging, but at the time of study had yet to be turned into an action plan approved by government.

Ministerial Commission / Anticorruption Monitoring Group

The structure or agency overseeing the progress of the strategy is a determining factor in the strategy’s success. The onus is on the actual implementation of a clear and focused strategy by a strong institutional mechanism. The mechanism can either be an inter-ministerial commission followed by a permanent anticorruption monitoring group, or a specially dedicated agency. International regulations are open to interpretation in this domain. The Council of Europe’s twenty principles in the fight against corruption—the COE is a major source of expertise in anticorruption in the region—merely recommend “to promote the specialization of persons or bodies in charge of fighting corruption and to provide them with appropriate means and training to perform their tasks.”¹⁰

In Albania, the Council of Europe, with funding from the Swedish International Development Cooperation Agency (SIDA) set up a comprehensive institutional structure to monitor and support the implementation of the action plan. This structure includes:

- an anticorruption monitoring group (ACMG)—an expert group composed of the legal directors of relevant ministries as well as the Minister of State—to monitor the implementation of the plan, give advice and issue recommendations, and suggest improvement and prioritization of the plan,
- and a permanent secretarial unit to the ACMG which provides administrative support, is responsible for the day to day implementation of the action plan, and follow-up with the different contact points which have been selected at relevant ministries.

The Council of Europe’s approach is entirely focused on the implementation of the action plan. The institutional structures that have been created have no responsibility or powers beyond ensuring the implementation of the plan.

¹⁰ Council of Europe Resolution (97) 24, on the twenty guiding principles for the fight against corruption, <http://cm.coe.int/ta/res/1997/97x24.htm>.

Dedicated Anticorruption Commission or Agency

In contrast to the latter example, strategies or action plans may be overseen by specially created anticorruption agencies with broader powers than the sole implementation of the action plan.

The State Commission for the Fight against Corruption in Macedonia has responsibility for adopting and monitoring a national program for corruption prevention and repression (art 49, 1). However, it also has the power to summon—in secret if necessary—persons suspected of corruption before the state commission in view of clarifying their position before possibly starting an initiative before the relevant bodies to discharge, replace or criminally prosecute those elected officials or public servants suspected of corruption (52,1 and 49, 1).

3. Effects

Since the Macedonian national program to fight corruption is relatively recent, this chapter focuses on the activities of the Albanian omnibus program. The Albanian omnibus program is the most advanced model developed in the region, and might serve as the inspiration for future omnibus programs in Southeastern Europe. Its effects are relevant beyond Albania.

The Council of Europe's Programme against Corruption and organized crime in South Eastern Europe (PACO) project in Albania (PACO Albania) had a main objective and a long-term objective. Its long-term objective was to assist Albania in developing the rule of law, increase the possibility to attract foreign investment to the country and get closer to negotiations on the Stabilization and Association Agreements. Reducing corruption was not explicitly mentioned as an objective. Its main objective was to create a sustainable structure to monitor the implementation of the action plan and to strengthen the

cooperation of state institutions with the anticorruption monitoring group in order to implement the action plan. Research focused primarily on the first of these two main objectives. Since the research team was operating in Albania up until November 2003, comments will also tentatively broach the second objective.

To Create a Sustainable Structure

The structure governing the monitoring and reporting on the Albanian action plan is now in place. A new board for the anticorruption monitoring group was successfully appointed, along with a permanent administrative unit, and contact points within the relevant ministries in order to facilitate the unit’s work were located.

Capacity Building

The implementation of the action plan is now part of a well-oiled bureaucratic system

For each step, the Council of Europe (COE)—with the financial and expert assistance of the Swedish International Development Agency (SIDA)—provided technical assistance to all groups. In particular, the COE trained the permanent unit staff in monitoring, reporting and strategic planning in workshops also attended by the ministerial contact points and representatives of other independent state institutions (general prosecutor’s office, ombudsman, etc.). The anticorruption action plan has been improved, the permanent unit staff trained to update it and the anticorruption monitor group has been tasked and trained to improve it on a regular basis. The implementation of the action plan is now part of a well-oiled bureaucratic system issuing yearly achievements indicators, based on which the action plan is updated and modified.

There is no doubt that the Albanian administration benefited greatly from the training and is gaining valuable experience with strategic planning methods.

Local Ownership

The permanent unit staff are young and motivated and supported by the office of the Minister of State, which is equally dedicated to the task. The process is firmly in Albanian hands. It is worth noting that the Council of Europe hired an Albanian project manager—now based in Strasbourg—to oversee the project which contributed to facilitating the communication and cooperation between the permanent unit, anticorruption monitoring group and the COE experts.

The GRECO report on Albania in December 2002 highlighted this achievement, noting that “above all, the very creation of the anticorruption plan and the machinery for its implementation was highlighted as a great achievement in itself.”¹¹ According to the project’s evaluation report conducted in February 2002, the virtues of the project design are the technical and material support envisaged for the support of the ACMG.

To Implement the National Anticorruption Action Plan

Achievements

At the time of study, the national anticorruption action plan had registered minor successes in passing and implementing legislation, but that so far lacked the momentum that might have been expected of such a well-publicized and overarching program. The Council of Ministers passed a law on a code of ethics in public administration as well as a law on the declaration of assets of public and elected officials; amongst others, laws on “notary” and on “advocacy” were passed in the judicial sector and a law on the “internal audit in the public service” was passed under the public finance management heading.

The action plan lacked the momentum that might have been expected of such a well-publicized and overarching program

¹¹ GRECO First evaluation round, evaluation report on Albania, para. 20, p.5. www.greco.coe.int.

The EC has been openly critical of the implementation of legislation, citing the lack of precision of the indicators used by the ACMG, lack of firm deadlines and institutional cooperation, as well as poor quality of the requested measures in the draft action plan’s recommendations on legal consolidation.

Informed observers have also criticized the permanent unit for not having the necessary governmental backing to be able to act as an effective coordinating unit. Despite the selection of contact points at each of the relevant ministries, most of the institutions do not collaborate in gathering and exchanging information.

Political Backing is Crucial

These achievements pale in comparison with the task before them. The government has, for 2003–2004, given priority to civil service reform, public procurement reform, state police reform, and has pledged to eliminate corruption in the judiciary as well as to keep the public informed on these developments and cooperate with civil society.

The structures that have been created will only succeed in making a dent in the mammoth task before them if they have political backing at the highest possible level, and enjoy public support to ensure that that backing remains.

Political and Public Backing Behind the Program

Civil Society

Cooperation with civil society has been fair given the relatively weak state of Albanian civil society. The USAID-sponsored Albanian Coalition against Corruption was given a seat on the board of the anticorruption monitoring group, and civil society groups contributed as experts in a small number of projects and surveys run by the permanent unit, not least in pushing for the adoption of the declaration of assets law.

The triangle commission—whereby the ACAC sponsored Citizen’s Advocacy Office sends suspected corruption cases it has uncovered to the general prosecutor’s office for follow up, with the help of the office of the Minister of State—has been lauded in its early phases as a success. So far, the prosecutor has been willing to cooperate with the CAO—a hugely popular office—thereby demonstrating tangible and mutually beneficial cooperation between government and civil society.

Support from the business community has been poor to non-existent. Informed observers mention the lack of business associations or any adequate organizations that could bring like-minded businessmen together as the explanation for this lack of support. The ACAC’s model, based on NGO membership, failed to attract the business community.

Public Support

Public support behind the program appears to be weak. In terms of public support, little has been done beyond making information on the anticorruption monitoring group available to the public on the Internet.

Political Backing

The structures that have been put in place were supported by the then minister of state, Ndr Legisi, the senior country representative to the Stability Pact Anticorruption Initiative who was directly active in facilitating the implementation of the action plan.

However, going beyond the minister of state to the higher levels of government—which determine the success or failure of the action plan’s more ambitious goals—the picture is much less inspiring. International observers concur in their judgement of the poor level of political will behind the action plan, despite the creation of the structures to implement it.

International observers concur in their judgement of the poor level of political will behind the action plan

According to a recent U4 report by the Chr. Michelsen Institute¹²:

This framework [the anticorruption action plan] seems very sensible on paper, but if one accepts that the Prime Minister is unwilling or unable to instigate a real fight against corruption, the whole plan with its different levels of monitoring becomes very hollow.¹³

The U4 report is not alone in being critical of the government's will in the fight against corruption. The European Commission's Stabilisation and Association Report on Albania in 2003 notes that:

Although Albania has developed, in close cooperation with the international community, a number of mechanisms to fight strong systemic corruption, actual progress in this area remains insufficient. Albania has demonstrated its capacity to develop action plans, prepare matrixes, and to set up specific institutions with the objective of fighting corruption. However, declarations of intent and multilateral events are far from being sufficient. Fighting corruption requires full commitment and political will, and full and determined implementation of action plans.¹⁴

The structure now in place lacks the necessary political backing to do its work, regardless of the level of conviction and professionalism of its staff. The question is whether—if one accepts that the ACMG's work is sustainable—its existence alone and small victories gathered along the way are, despite their present apparent lack of success, laying the foundations for future reforms, and thus worth the cost. This is

¹² The Utstein Group Partnership: The ministers of international development from Germany, the Netherlands, Norway and the United Kingdom first got together as a "group" at Utstein Abbey in Norway in 1999. www.u4.no.

¹³ Harald W. Mathisen, Chr. Michelsen Institute, *Donor Roles in face of endemic corruption—Albania in the policy debate*, U4 Report August 2003, Utstein Anti-Corruption Resource Center, <http://www.u4.no/document/researchreports.cfm>.

¹⁴ unpan1.un.org/intradoc/groups/public/documents/untc/unpan009310.pdf.

a question that bedevils most attempts to assess the effectiveness of particular actions, as there are so many different externalities—and not always visible ones—that can affect outcomes.

4. Assessment: A Mobilizing Force for Reform?

Opportunities

Laying the Foundations for Future Reforms?

The structures in place may lay the foundations for future anticorruption reforms, in a more benevolent political environment. However, this is not the ambition of the action plan. Albania's legal framework is largely up to international standards, and the action plan reflects this. The country has entered the implementation stage. Its own agenda for 2003-2004 is strong on institutional reform and public support, and pays considerably less attention to legislative change.¹⁵

Could the Programs Act as a Mobilizing Force for Reform?

Our evidence suggests that the anticorruption action plan and its packaging of large-scale institutional as well as legislative reforms in one single, well-monitored matrix will only act as a mobilizing force if it is strongly supported by relevant civil society groups (including business), the international donor community and the highest levels of government. The structure is in place but will only be validated if there is the necessary political backing and public as well as international pressure for reform. In the absence of a belief in support from above, it is unrealistic to expect officials to take actions that they know can generate adverse political reactions.

As was demonstrated in the preceding chapter, there are as of yet no coherent public pressure groups that could successfully influence

The structure now in place will only be validated if there is the necessary political backing and public as well as international pressure for reform

¹⁵ Action plan for the prevention and fight against corruption 2003–2004, Council of Ministers, Albania, July 2003.

government in matters where the government officials’ own interests are at stake. It is true that the Albanian declaration of assets law was passed with the help of civil society, but the lack of a coherent movement to apply constant pressure and oversee its implementation means that the law runs a considerable risk of being ignored.¹⁶ In this it would share the fate of similar laws in other countries.

One of the initial rationales behind omnibus programs in general was to use the mobilizing force of corruption for the implementation of necessary far-reaching reforms. Some of the reforms could have been done under another “banner”—for instance, improvement of public governance, or improvement of democracy. Yet, by including them in the anticorruption package it was hoped that governments would be more interested in the realization of these reforms, that civil society would exercise greater pressure in the process of their implementation, and that donors would have more leverage on governmental policy in key areas of reform. Our general assessment is that, omnibus programs have largely failed to live up to these expectations. In themselves, these could hardly generate significant support behind reform packages, either among governmental officials or the public at large. Their success is dependent on the existence of political will and an active civil society.

Risks

A Prop for the Donor Community

Donors should beware equating commissions with commitment

Omnibus anticorruption programs run the risk of transforming a political issue into a technical one, which will then be flaunted to donors as proof of the government’s political backing behind anticorruption efforts. Donors should beware equating commissions with commitment.

¹⁶ It is also worth noting that the inadequacies of the Albanian banking system, as well as the sheer number of public officials’ accounts to be monitored by a relatively office staff, are likely to combine and render the law inapplicable as intended. There is also an existing risk in that the law might be manipulated for political reasons by politicians desirous of getting rid of cumbersome opponents.

The risk is that donors should continue to market a seemingly successful product, while its added value and tangible effects have yet to be determined. Omnibus anticorruption programs including a national anticorruption strategy and plans for its implementation are currently being prepared by donors as a reform to be implemented in all Southeastern European countries.

It is a disturbing trend that national anticorruption strategies should be applied from country to country with little regard as to whether the solution matches the problem. In Albania, close to six years after the World Bank's first attempt at a national anticorruption strategy for the country in July 1998, little has yet been achieved.

A Signal of Failure

The omnibus programs' original intent was:

- 1) to develop the rule of law
- 2) increase the possibility to attract foreign investment to the country
- 3) get closer to negotiations on the Stabilization and Association Agreements

1) *Develop the rule of law*

In Albania, the PACO program could plausibly maintain that the passing of the ethics code as well as the law on the declaration of assets by the Council of Ministers has contributed to developing the rule of law in the country. However, future developments will be judged on substance and not on form. The rule of law will only prosper in Albania if laws are actually implemented and monitored, and, second, if these laws are seen to address meaningful problems. As was suggested earlier, without public and political support behind them, many laws are unlikely to be successfully implemented in the near future. By continuing a pattern whereby laws are passed but not implemented, not respected and thus ignored; the program arguably contributed to decreasing respect for the rule of law in the country.

The rule of law will only prosper in Albania if laws are actually implemented and monitored

2) *Increase the possibility of attracting foreign investment*

Both in the Albanian and Macedonian cases, the implementation of a national anticorruption strategy was meant by the governments in question as a signal to the international community, as well as to its own public, that it acknowledged the problem of corruption, had taken the first steps to control it, and thus was to be considered as a trusted partner and efficient government.

The appearance of anticorruption strategies, accompanied by commissions or agencies to monitor them, signal a dramatic inability on the part of the existing government institutions to deal with corruption. If the government is to send that type of signal, it should be soon backed up with tangible proof of results, to avoid that the initial strong signal that it sent out should not be misread as a signal of powerlessness, increasing the public's feeling of frustration while buttressing foreign investors' reservations.

A recent EBRD study based on the BEEPS results from 1999 to 2002, found that omnibus anticorruption programs had not led to reductions in the levels of either administrative corruption or state capture, and that perceptions of corruption were positively correlated with the intensity of anticorruption programs. The EBRD report concluded that:

highlighting corruption in this fashion [through omnibus programs] may have made firms more aware of the problem of corruption, without necessarily convincing managers that the government's omnibus programs are producing any tangible reductions in the obstacles that corruption poses.¹⁷

It is also the case that there is little evidence to suggest that an appreciable increase of FDI will flow to a country simply on the basis of its anticorruption policies.

¹⁷ Franklin Steves and Alan Rousso, *Anti-corruption programmes in post-communist transition countries and changes in the business environment, 1999–2002*, EBRD Working Paper No. 85.

3) *Get closer to negotiations on the Stabilization and Association Agreements*

Albania is getting closer to negotiations on the Stabilization and Association Agreements, but despite rather than thanks to its anti-corruption programs. As quoted above, the EC remains skeptical that the structures in place bear any link or have any influence on the government's level of political will behind the measures included in the action plan.

A Political Tool

In the highly politicized transition context, there is a risk that the structures put up to fight corruption might be misused as weapons to attack political opponents. There is a particular risk that anticorruption commissions or specialized agencies might be manipulated to political ends, especially if these have prosecutorial powers.

To the Albanian program's credit, their strategy advocates a two-step approach whereby countries should first start with an Albania type monitoring group overseeing the implementation of a national strategy, before graduating to being an independent office established by law and with legal coercive powers.

It is worth reminding that any specialized anticorruption commission, agency or group has a tendency to either stall or grow in power. If it grows in power, as it has in Macedonia recently, it should be carefully monitored for any potential abuse.

There is a risk that the structures put up to fight corruption might be misused as weapons to attack political opponents

The Risks Outweigh the Opportunities

Our evidence has shown that government anticorruption programs cannot be seen as separate from their surrounding environment, and thus cannot be seen as a universally applicable tool. Further, since they themselves are crucially dependent on political and public support, they cannot be seen as capable of generating such support—their mobilization potential for reforms appears limited. Our evidence shows

that too often omnibus anticorruption programs provide seemingly tangible proof of action taken against corruption on the part of the government eager to follow donor recommendations.

Attempting to implement omnibus anticorruption programs in countries where the fight against corruption has neither high-level government backing nor focused public and civil support will always be problematic. This is not to say that such programs should never be implemented, but rather that their benefits should initially be questioned, and weighed in relation to the country context and opportunities.

C. Providing Solutions to the Government: Institutional Reform Projects

1. Common Assumptions¹⁸

The institutional reform projects that we analyzed aimed to reduce corruption as a by-product of the institutional changes that they would implement. The projects laid out a two-track objectives approach, whereby the first, immediate objective was the institutional change that they wish to implement, and the second, long-term objective was to reduce corruption.

The basic assumption behind these projects was that by changing the incentives provided by the institutional environment and the

¹⁸ This chapter is chiefly based on observations gathered on the following projects: In Albania, the World Bank's Tirana Transparency Project, European Commission's Customs Administration Project (CAM-Albania) and the Open Society Foundation for Albania's Modernization and Automatization of the Tirana Court; in Bosnia and Herzegovina, USAID and the World Bank's Setting Up the Supreme Audit Institution; in Bulgaria, the UNDP's Establishment of a model municipality in Razlog, the European Commission PHARE Program project Strengthening the Public Prosecutor's Office and the Open Society Foundation—Sofia /COLPI's project Strengthening Public Confidence in the Judiciary; and in Macedonia, the Council of Europe and European Commission's Octopus II program.

working ethos of public servants and employees, corruption would be reduced in the medium and the long run. By implication, the assumption was not that the sources of corruption lay in external political, socio-economic forces shaping their work environment. The assumption was that institutions could be fixed more or less separately from those underlying forces.

2. Instruments

We analyzed two types of projects: in-depth institutional reform projects, and projects that intended to change the interface between government and citizens, usually at the local municipal level. In-depth institutional reform projects largely used the established tools of technical assistance, from training seminars to study tours. Projects that intended to change the citizen/government interface tended to use a broader array of less well-tested approaches.

In-depth Institutional Reform Projects

These projects included, among others, the reform of the public prosecutorial office in Bulgaria, the setting up of State Audit Offices in Bosnia and Herzegovina and the reform of the customs administration in Albania. All of these reforms would have had to be effected anyhow, yet in the Southeastern European context, these were packaged or repackaged as part of anticorruption omnibus programs. In terms of their impact on corruption, most of these projects were necessarily long term. The officials involved in the projects that we spoke to generally did not consider them as being anticorruption projects. If corruption were reduced as a result, it would be tangentially in the long run.

Administrative Reform Projects That Intended to Change the Citizen/Government Interface

The projects' aim was to develop more transparent lines of communication between the citizens and government and make public service delivery more accountable, transparent and client responsive.

The Front Office

Donors created front offices for municipal services in different incarnations throughout the region. The offices collect information on municipal services in one single place, where citizens can access that information, receive advice by trained municipal staff on how to proceed with their demands, register complaints against the municipality and in some cases directly interact with the municipality by for example, paying their utility bills. The projects have the potential to take the approach further by adding a process whereby staff collect report cards where citizens register their satisfaction or complaints with the municipal services. Civil society organizations can then organize to lobby the government to respond to the citizens' demands.

3. Effects

Immediate Objectives Were Achieved

Most of the projects that we analyzed succeeded in achieving the immediate objectives that they had set out for themselves.

In the two cases in our study where institutions were either created from scratch—like the Supreme Audit Institutions in BiH—or were entirely redrawn after a system breakdown, in the case of the Albanian Customs Administration, the projects were successful in their initial goals. In BiH, three Supreme Audit Institutions (SAI) were created for each level of government in the country. Despite fears that the SAIs would offer convenient political tools in the partisan confrontations

customary in the country at the time, the SAIs largely managed to break away from partisan expectations and to present on the whole independent reports to parliament. In Albania, the reinvigoration of the customs administration by the EC customs assistance project was seen in its early phases as an overwhelming success. Since 1997, customs revenues have been continuously increasing despite a reduction in custom duties. This trend has been reversed only in the past two years, and revenues are once again decreasing.

By providing citizens with one convenient location to go to process documents or pay utility bills, the front offices or “one-stop-shops”—a tried and tested staple of anticorruption aid—proved successful in a Southeastern European setting. The offices were popular—in Razlog, out of a population of 12,000, the office was visited on average 10 to 50 times a day—and clearly responded to a need by the population. In local surveys in both Razlog and Tirana, citizens mentioned “impolite staff” and “mistakes made by the administration” as their main complaints towards the local administration. By training the staff to be more responsive to citizens’ demands, and by streamlining the administrative process, the offices contributed to creating a better environment for citizens and government to interact on a day to day basis.

Change in Working Culture

In the most successful cases we analyzed, the training that the state officials received contributed to a marked change in the institution concerned. In Albania, the Customs Assistance Mission sponsored by the European Commission focused on implementing an open and transparent personnel policy, coupled with built in incentives—seizure rewards and performance pay. The project successfully adapted Western best practices liberally to suit the Albanian context.¹⁹ This combination

¹⁹ For example by establishing a personnel policy within the custom code rather than in the civil service code, which risked not being implemented until a much later date; or by instituting seizure rewards, a practice no longer in use in the UK but was deemed useful in the Albanian context to bolster the custom officials’ incentives not to engage in corruption.

succeeded in reforming the Albanian Customs Service. The project succeeded in its immediate objective, in the words of a senior aid official involved in the project: “to make being a customs officer a career worth having,” and this no longer on the basis of the bribes that an officer could expect to receive.

Long Term Objectives

In all cases, external political developments and pressures had a negative impact on the projects, in some cases a determining one

Despite these early successes, most of the projects we surveyed aiming at in-depth institutional reform could not be qualified as overwhelming successes. In all cases, external political developments and pressures had a negative impact on the projects, in some cases a determining one.

For example, many of the early successes of the Customs Administration project in Albania were reversed after a number of personnel changes in key positions in the aftermath of the 2001 national elections. The heads of the custom houses were replaced, as well as the director general’s positions, which went on to change hands five times over the next 15 months.

Political impediments obstructed the implementation or mere debates of recommendations issued by the donor projects. In Bosnia, the creation of the Supreme Audit Institutions has been a success in institution building, but the SAIs have yet to demonstrate that the entities and state government take heed of their recommendations.

Front Offices Contributed to Reducing Administrative Corruption

In contrast to most of the projects surveyed, the front offices provided a tangible example of a project that certainly had the potential to directly reduce corruption. The one-stop-shop or front office projects succeeded both in undermining petty corruption by shedding light on citizen/government transactions, and in increasing trust between citizens and government. In the projects we surveyed there remained however, no guarantees for the citizens that the complaints they registered with the front offices would be followed up.

Creation of a Model Municipality in Razlog

The UNDP Model Municipality Razlog project was a demonstration project, implemented in the Razlog municipality, which aimed to convince the Bulgarian government to take over the project and apply the model nationwide. Yet a host of major international donor organizations (UNDP, USAID, DfID) have implemented projects in the small, provincial municipality of Razlog since 1995, which cannot be considered as an average local Bulgarian municipality. The Razlog project was over-resourced financially and in the level of energy and time devoted to it.

By deference to the need to convince the Bulgarian government to implement the project nationwide, negative effects and difficulties faced by the implementers were played down. It is unlikely that the donor could repeat that success elsewhere. The model was set in such conditions that it could not be replicable.

4. Underlying Problems

In every single successful project that we surveyed, the presence of a high-level political backer within the institution was a key, if not the determining factor in the project's success. In Albania, the fact that the incoming director general of customs, Petrit Ago, at the beginning of the EC's Custom Assistance Mission project was both fully supportive and the longest serving director general ever was crucial to its early success, according to officials involved in the project.

The presence of a high-level political backer within the institution was a key, if not the determining factor in the project's success

The Forest is Growing Back

In the cases we outlined, even projects that were well-conceived, well-run, and aided by good coordination between donors, could still be overwhelmed by the underlying political structures that shape the countries' administration. Returning to our original assumption, our

findings indicate that that institutional reform projects could hardly be seen as separate from the underlying political forces that shape a country’s political climate and a public administration’s working climate.

The most successful institutional projects we surveyed operated at the lower end of public administration, where citizens meet the government. A lot of learning has taken place in this field, with obvious results. Yet, donors appear to have underestimated the power of the underlying corrupt networks that can exist in deeply corrupt or captured societies, and to have been unprepared for it.

Successful Models Must be Replicable

Model projects should reflect the difficulties of project implementation, rather than avoid them

The Model Municipality Razlog project appeared to be a success from the outset, but benefited from such a favorable working environment that it is unlikely to be as successful elsewhere. Donors cannot sustain that level of funding, energy and favorable political context. It is by overcoming those day to day difficulties in project implementation that common projects become best practices.

Model projects should reflect the difficulties of project implementation, rather than avoid them.

D. Cross-Cutting Observations

The Projects All Reported to Have No Direct Impact on Corruption

In all cases, the projects listed reducing corruption as one of their core objectives; yet based on interview material and project reports, none of the donors claimed that their projects had effectively reduced corruption. Projects listed their immediate objectives as successes, stressing that these contributed to the fight against corruption, but could in no way be seen to have tangibly reduced corruption.

The Donor Community is Sending a Mixed Message on Corruption

In terms of public awareness raising and civil society mobilization, donor-sponsored projects portray corruption mainly as a political phenomenon. The message is that the political system of the country is dominated by corrupt actors, which leads to economic underperformance, poverty, etc. This is a strong, galvanizing message, which keeps corruption high on the public agenda in Southeastern Europe.

In terms of anticorruption measures, however, the answer is economic or administrative: changes in the incentive structure, institutional reform and improvements mainly in the bureaucracy and the judiciary, etc. Although a political problem in the mind of the public, corruption is being fought mainly by economic and administrative remedies. This is a confusing message, which donors have repeatedly sent. There was a mismatch between the public's understanding of the problem, and the solutions offered by the donors.

Lack of Evaluation

The overwhelming majority of the projects that we analyzed were not subjected to any type of external evaluation by their donors. Considering the number of unknowns in the fight against corruption, this is striking.

II. CONCLUSIONS

A. State of Strategic Thinking

In this chapter, we would like to place our findings in the framework of the current state of strategic thinking on anticorruption policy.

After a first phase running from the early to late 1990s centered largely on awareness raising, and a second phase starting in the mid-1990s centered on international conventions, anticorruption reform has entered its third and crucial phase: implementation. It is now that the necessary groundwork has been done that anticorruption assistance must show results in curbing corruption. If it does not, there is a pressing risk that the advances made over the past years might be jeopardized.

As we see it, there are three main directions in which thinking on anticorruption is developing:

- increased focus on politics;
- understanding corrupt networks and how to break them; and
- putting pressure on corrupt governments.

Increased Focus on Politics

The successes of anticorruption assistance so far have largely been in the domain of administrative corruption. In countries where the political leadership appeared willing and committed to implement anticorruption reform (e.g. Latvia in 1997), there has been demonstrable success in lowering levels of administrative corruption.²⁰ In countries where levels of administrative corruption are higher, results have been less forthcoming.

²⁰ A recent EBRD report based on analysis of the BEEPS surveys confirmed the earlier argument (Shah and Huther 2000) that countries with low levels of administrative corruption are more likely to adopt intensive anticorruption programs than countries with high levels of administrative corruption, regardless of the level of state capture.

Correspondingly, while there have been isolated cases of success in decreasing administrative corruption, donors have yet to find efficient ways of targeting state capture. There is a pervasive feeling within donor organizations supporting anticorruption assistance that traditional public sector management and conventional legal approaches to fighting corruption do not hold the key to breaking the bad governance equilibrium in which many of the transition countries are mired.

There is a need to directly confront states where governments have shown little political will to implement anticorruption reform and where anticorruption assistance has stalled due to a pervasively corrupt surrounding environment.

In response to this demand, two policy solutions have emerged thus far.

Understanding Networks of Influence

Donors have laid increasing focus on understanding the functioning of networks of influence both within and between government and society, and deconstructing the notion of governmental “political will” which stands as a barrier to reform. The assumption is that by reaching a more sophisticated understanding of how networks of influence function and to whom higher levels of government may be accountable, donors will be able to target their reforms with better precision towards those areas where they are likely to meet least resistance, and use those initial successes as building blocks towards future reform. In response, donors are developing stakeholder and network analysis methods that might enable them to locate entry points for reform.

The search for entry points in the fight against corruption has been present since its very inception, yet most donor successes, in taking advantage of political agency to suit their development goals, have relied on opportunistic judgements made at the country level. To maximize the chances of taking advantage of the windows of opportunity that may open countries to reform, donors have sought to develop flexibility, deconcentration of decision making to field offices and rapid reaction units within their programming.

Increase Pressure on Corrupt Governments

Faced with the deadlock in which many transition countries find themselves, donors recommend a heavier focus on external accountability mechanisms designed to put pressure on governments and break the bad governance equilibrium they find themselves in.

Solutions range from increasing civil society monitoring, parliamentary oversight, citizen oversight committees as well as international pressure thanks to incentive driven approaches—EU accession, NATO/WTO memberships, IFI conditionalities—buttressed with the threat of strong sanctions.

B. Strategic Implications

1. Anticorruption at a Crossroads

The challenge now is how to transform this perception into a lasting motivation by the public and the governments to pursue further meaningful reforms

Anticorruption in Southeastern Europe is at an important crossroads. The scope for public awareness raising has been exhausted: corruption is now perceived as a serious problem in the region. The challenge now is how to transform this perception into a lasting motivation by the public and the governments to pursue further meaningful reforms.

Need to Meet the Public's Expectations

Most anticorruption projects concentrated on institutional reforms. Public awareness campaigns intended to stress the economic consequences of corruption and thus imply an institutional solution. In a political climate where the benefits of transition have been unequally distributed, the public seized on the anticorruption debate to fuel its dissatisfaction with government and their own economic and social status. Thus, the anticorruption rhetoric promoted by the donors was politicized by the public. In the absence of tangible (in the eyes of the

public) results in the fight against corruption, corruption becomes more visible and has a higher profile, while public frustration risks growing, with nefarious political consequences.

Politicians and donors must respond to the high public expectations that their programs created. If they do not, there is a risk that the volatile political climate—created in part by those programs, where mutual accusations of corruption fly freely in the media—risk provoking a return to political instability as opportunist parties take advantage of the anticorruption rhetoric to suit their particular political agendas, or to the public’s frustration, increasing voter apathy and disillusionment with equally damaging results for democracy in the Balkans.

Politicians and donors must respond to the high public expectations that their programs created

Anticorruption Caught in the Cynicism Trap

Once the public has witnessed the consequences of failed anticorruption projects—once expectations have been thwarted—a considerable amount of energy must be spent on breaking the cynicism barrier that those failed projects created.

Anticorruption reform has had such a high public profile that future anticorruption projects in the region must take into account the fact that they are building on the consequences of past failed projects. Donors have been more successful in creating demand for reform than in providing solutions to match that demand. In order to maintain public support behind anticorruption projects, future projects—both on the demand and on the supply side—must take the public’s realistic expectations into account.²¹

²¹ The authors are grateful for comments made by participants during the OECD DAC GOVNET workshop on Lessons Learned in Anticorruption, February 18–19, 2004, Paris.

*Need to Create Safeguards
Against Accusations of Corruption*

In an environment where corruption has been hoisted as the major political topic of the country, allegations of corrupt misconduct abound. There has been little research as to whether allegations made or relayed by the media, picking up on public awareness campaigns, are indeed followed up upon.

One project that we analyzed, “Social effects of investigative in the field of corruption,”²² successfully sought to retrace whether allegations of corruption made in the mainstream media had been followed up upon by the judiciary. Politicians and businessmen accused of corruption must be given the opportunity to prove their innocence; if they have no means to defend themselves against allegations of corruption, they will have no incentives not to be corrupt.

The Current Conceptualization of Anticorruption Reform Fuels This Frustration

The broad and all encompassing nature of corruption as a problem encourages the development of broad and all encompassing solutions to fight it.

Our findings on the effects of civil society coalitions in Southeastern Europe buttress this argument. The coalitions failed to attract the broad backing they were designed to bring together, and tangible results of their actions were few and far between. The biggest successes claimed by the biggest coalition projects could have probably been reached cheaper, by other means.

²² Open Society Fund BiH, 2003

The same diagnostic may be reached with donor sponsored and encouraged governmental omnibus anticorruption programs, which have failed to conclusively reduce corruption or to reassure the public and foreign investors.

The conceptualization of corruption as one unifying problem to rebel against was instrumental to gather the necessary public backing behind the issue of anticorruption reform and government acceptance of the problem of corruption. Campaigners successfully argued that fighting corruption was in the public interest. In that first phase, anti-corruption rhetoric had the potential to act as a mobilizer for reform.

Today, broad public awareness campaigns have reached saturation point in the region, and Southeastern European countries have now all hit the stumbling block of implementation. The pressure that was created behind anticorruption did not succeed in making governments that benefited from corruption recognize their own incentive to act in a non-corrupt way.

The erstwhile conceptualization of anticorruption has become counter-productive when it comes to mustering civil society support to create a sustainable pressure group to influence governmental policy. There is a need to go beyond awareness to implementation.

Broad public awareness campaigns have reached saturation point in the region

The erstwhile conceptualization of anticorruption has become counter-productive

2. The Road Ahead

Anticorruption and Democratic Representation

If it is to be successful, and if it is to avoid disappointing the public and threatening rather than strengthening democratic institutions, anti-corruption reform must be re-politicized. The depoliticization of corruption was a useful tool in the early to mid-1990s to go beyond culturally relativistic definitions of the term. Now that corruption has effectively been accepted as a mainstream barrier to development, it is time to recognize the political nature of corruption and anticorruption reform.

In our case studies, donors sought to avoid appearing to play too great a role in anticorruption politics. Yet the most successful anti-corruption projects were confrontational and thus political.

Donors have an interest in not being seen to interfere in clients' domestic affairs, and go to great lengths to avoid the appearance of interference. Yet, in practice, supporting anticorruption reform in a country is an avowedly political undertaking. The public demand for anticorruption reform the donors created was of a political nature.

If donors are to be successful in implementing anticorruption reform, they will have to accept the political nature of their reforms

If donors are to be successful in implementing anticorruption reform, they will have to accept the political nature of their reforms. Anticorruption programming will have to reconcile itself with politics. This implies both doing more work with political parties, as well as a more acute understanding of the political context and repercussions of projects.

Political Party Reform

There is a striking lack of work done on political party reform in the Balkans, and this despite the central role played by parties both as producers of corruption, and potential planks for an exchange of constructive anticorruption reform ideas.

In order to address this problem, donors should go much beyond technical assistance for amendments to laws on political parties, which sum up the current forms of involvement (where existent). The main rationale of future activities should be on encouraging political parties to become active anticorruption players. Donors should put pressure on political parties to:

- Take a strong, public approach on to their position towards corruption: The donor community should take a stance on allegations of links between parties and corrupt actors, press for the investigation of these links, and the development of preventive measures and policies.
- Apply principles of transparency and accountability in their own internal affairs.

- Foster democratic practices within their own organizations.
- Demonstrate in their political manifestos that they have a coherent policy of tackling corruption and put these into effect forthwith upon being elected.

Rather than a single anticorruption program, the public should be presented with a selection of alternative anticorruption reform proposals. The public should be given the choice between multiple solutions to the corruption problem—and exercise that choice by voting—rather than having a single, central anticorruption reform agenda imposed upon them.

If bilateral and multilateral donors do not wish to be seen taking such a strong stance in a country's political agenda, political party reform could be subcontracted through specialized funds to western political foundations. European center-left, liberal, and center-right parties could be involved in the monitoring for transparency, internal democracy and accountability of Southeastern European members. Membership in these organizations should become contingent on the adoption of strict and far-reaching anticorruption party programs.

A Pluralistic Vision of Civil Society

The focus of the donor's nongovernmental support programs has so far been directed towards civil society groups, based on the bird watching model. In addition to the political party reform agenda mentioned above, major players in anticorruption reform have also gone unaided. For example, there has been little support to professional lawyer organizations. All complex schemes of corruption are done with the help of lawyers, and yet there are virtually no cases of disbarring lawyers (advocates), or applying anticorruption peer pressure. Equally, there has been little help to trade unions, or business associations. All civil society projects that we analyzed bemoaned the lack of private sector involvement in their activities.

Beyond the focus on government and civil society, anticorruption efforts should also focus on important semi-autonomous, semi-self-regulating organizations such as political parties and their foundations, professional organizations and trade unions. Internal accountability measures, transparency measures and internal democracy in some cases, should be encouraged.

Flexible Project Design

Adopting a flexible approach to project design has been at the forefront of the debate over democracy assistance for the past decade. Nowhere is this need more acute than in anticorruption assistance, where the political repercussions of failed projects are potentially so high, and opportunities to act so short-lived.

Donors should build public interest coalitions responding to the public’s needs in anticorruption reform, rather than the donor agenda. For this to be possible, project design must be timely and flexible enough to respond to public needs and opportunities as they present themselves, rather than responding to a much slower, less reactive donor agenda for change.

From Coalitions to Networks

If they are to succeed, anticorruption coalitions must represent the public’s interests and needs, rather than the donors

If they are to succeed, anticorruption coalitions must represent the public’s interests and needs, rather than the donors. They must be “homegrown” if they are to have any legitimacy. Despite the considerable efforts made by the donor to distance itself from the project and the considerable engagement of local actors in running the coalition, the ACAC in Albania still lacked legitimacy and was popularly seen as USAID’s coalition.

Large-scale coalitions failed to materialize into effective pressure groups. We need to learn the lessons of why anticorruption coalitions failed to attract business, trade unions or civil society organizations beyond a hard core of mostly aid-dependent NGO service providers.

These appear to be that:

- coalitions failed to attract businesses, because businesses could not see their direct interest in participating;
- coalitions failed to be sustainable with the civil society sector; because they failed to respond to the public's demands.

Coalitions come in different shapes and sizes, from informal networks where participants share information only, have no organized meetings, and do not take joint positions, to formal coalitions with a name, formal leadership, eligibility rules, and possibly a dues structure. Above all, coalitions need to offer someone a service.

We suggest breaking up anticorruption coalitions into public interest networks, by fostering networks around common public interests to fight the consequences of a particular type of corruption. The most successful networks, responding to a distinct need, might naturally gravitate towards a more formal structure, with the help of donor assistance. Those who rent public housing, those who do business with customs, those who drive on the roads—each group has a strong interest in combating a particular area of corruption which is lost when the objective is to fight corruption on all fronts.

If civil society groups ally around a particular, well-chosen reform area—now that corruption has been widely recognized as being detrimental to development—there is a strong likelihood that the groups—from the private and the public sector—that suffer from the consequences of corruption in that one area, might join civil society-led ad hoc networks.

Risk of Agenda-setting

The risk involved in this approach is that donors might further set the public and civil society agenda in the country, rather than empowering civil society and responding to public problems.

In response, we suggest not only that donors listen rather than dictate, and respond accordingly, but also that public interest networks

We suggest breaking up anticorruption coalitions into public interest networks

should respond to public problems as diagnosed in household surveys. If people want to see change in healthcare reform, donors should seek the relevant NGOs and interest groups, and encourage them to come together. This could be done via a central NGO, be it a Transparency International chapter or some other entry point.

If anticorruption reform is to strengthen democracy, it must respond to the public’s needs.

We conclude that public interest networks are the solution to the three main problems that beset donors’ coalitions’ efforts at present:

1. “*The coalitions were not sufficiently broad*”

Breadth in and of itself is not an indicator of success. Public Interest networks will gather broad backing when it is relevant and needed, but could also successfully bring together only one type of actors. The more networks are developed, the more groups will become involved.

2. “*The coalitions were not sustainable*”

Where successful, public interest networks will naturally gravitate towards more formal structures, thus strengthening the likelihood that they might be sustainable. If they are needs-based, coalitions should be sustainable.

3. “*The coalitions’ non-confrontational approach to government sat uneasily with their public mandate*”

Now that governments in the region have widely accepted the problem of corruption, the subject is no longer taboo and there is no need for civil society to fear alienating themselves by directly confronting government on the topic. Future coalitions can afford to be confrontational towards government, if that confrontation is focused on one reform area where the government is challenged to respond effectively.

This approach, if combined with pressure from relevant international organizations could succeed in influencing governmental policy on anticorruption in Southeastern Europe.

This implies increased flexibility on the part of the donors, as well as a recognition and reconciliation with the political nature of anticorruption reform.

Lessons Learned from Omnibus Programs and Institutional Projects

Omnibus Programs Are Not Universal Tools

Donors should be cautious when treating national anticorruption strategies as their main tool. Strategies risk being largely meaningless if a government is uncommitted to the fight against corruption and the associated risks are considerable. Donors should bear these risks in mind when recommending the development and implementation of wide-ranging national anticorruption strategies.

Our findings show that omnibus anticorruption programs are by no means a neutral first step in anticorruption assistance, even if the implementation mechanism of the anticorruption strategy is gradual and follows a well developed implementation mechanism (as was the case in Albania). Rather than first opting for omnibus programs, donors should focus on the key areas where corruption can and should urgently be fought, and who the actors are who might support them in achieving these goals.

In countries where donors feel that the incentives for the government—EU Accession, NATO membership—to comply with donor recommendations give them sufficient bargaining power, they might pursue the implementation of governmental omnibus anticorruption programs, but with strong monitoring mechanisms in place to ensure implementation and a willingness to apply direct sanctions if the governments fail to comply. So far, this has not been the case.

Donors should focus on the key areas where corruption can and should urgently be fought

Need To Show Results to the Public

Most government anticorruption programs lack a crucial component: how to maintain public support in and maintain support behind the reforms that the program seeks to implement.

The immediate effect of national anticorruption strategies is to raise public expectations of the reforms’ success, while signalling to foreign investors the inability of the government’s present institutions to deal with corruption. If these initial effects are not backed up with tangible, visible results in the short term, the national anticorruption strategies risk having a largely negative effect.

Institutional Projects Need a Supportive Environment to Succeed

Lessons have been learned throughout the world concerning institution building. Most recently, experts have stressed the importance of taking the surrounding environment into account in institutional reform and by locating adequate entry points, constituencies or individual “champions” of reform. The need to remain engaged for a longer-term period in a recipient country, as well as to seek to understand and adapt Western best practices to the local context have also been stressed. In our findings, this is fully confirmed and highlighted in the anticorruption context with our case studies.

The most successful case studies were those such as the Customs Assistance Mission in Albania which sought to adapt Western best practices to the Albanian context. Yet even those projects could still be overwhelmed by the underlying political structures that shape the countries’ administration.

Institutional changes must be followed with adequate monitoring and implementation if they are to be successful. Our findings would suggest the need for more intensive follow-up monitoring of the implementation of institutional reform projects, as well as a more acute understanding of the political forces at work behind the scenes in order to seek to forestall or anticipate any coming upset.

In practical terms, in Albania, the EC's Customs Assistance Mission had rightly set up a monitoring system for key administrative posts. Yet, when the new government proceeded to replace a high number of key posts in the customs administration, the project and its backer were powerless to defend the ground that had been won.

These warnings are amplified in contexts where donors believe that they hold sufficient sway over the country's government for it to heed their warning. For example, political conditionalities stipulating the number and reasons behind key position changes in the administration might be used to help guarantee stability.

The Road Ahead

There are still ample opportunities for reviving anticorruption as a mobilizational tool for democracy promotion and good governance reforms. This revival necessitates, in our opinion, certain deep strategic changes.

Firstly, anticorruption campaigns should not alienate citizens from the political processes of their countries, and should not further public cynicism and distrust vis-à-vis the political sphere. Citizens should be encouraged to fight corruption through the democratic, political mechanisms of representation, which are the most reliable channels of citizen impact on the policymaking process in a democracy.

Secondly, we suggest that donors should deepen their concepts of civil society and civil society mobilization. They should include as anticorruption partners representatives of civil society that have so far been neglected, such as trade unions, professional organizations, etc. Donors should adopt a more pluralistic understanding of civil society and abandon the idea of gathering all behind a common understanding of the character of corruption and its remedies. In a pluralistic society this is not a feasible project: different groups may have competing ideas of the common good and corruption. By trying to create all-embracing movements and coalitions, donors in fact forfeit the opportunity to

Citizens should be encouraged to fight corruption through the democratic, political mechanisms of representation

Donors should adopt a more pluralistic understanding of civil society

mobilize important sub-groups of civil society, which may be serious partners in anticorruption projects.

Finally, our study questions the added advantage of packaging reforms in a single, omnibus program. Rather than opting for an omnibus approach, donors, when starting work on anticorruption in a country, should first ask themselves which sectors are likely to be the most corrupt, what type of corruption should and can be tackled in the first instance and who are the actors most likely to support and work for the effective implementation of such changes.

If anticorruption reforms are layered within the political process and meet public needs, the long-awaited mobilizational potential of the anticorruption agenda might yet be realized.

The Center for Policy Studies is an academic unit within the Central European University, dedicated to identifying and analyzing policy issues. Our belief is that the experiences of post-socialist transition can be usefully shared with countries enduring great social transformation, but that the translation of these local experiences requires a sound appreciation of policy contexts. We are committed to strengthening local capacity for critical policy analysis and pursue research that is interdisciplinary and carried out with partners in the wider policy community. We work closely with institutes and researchers from the region, develop education programs in public policy, and, in conjunction with the Open Society Institute, provide an annual fellowship program.



C E N T E R F O R P O L I C Y S T U D I E S