

**NATIONAL
ANTI-CORRUPTION
PROGRAMME**

ANTI-CORRUPTION ACTION PLAN

Prepared by a group of independent experts for Ministry of Justice, Administration and Local Self-government of Republic of Croatia, supported by the Government of Republic of Croatia – currently in Parliamentary procedure

Zagreb, January/February 2001

INTRODUCTION

1. The harmful consequences of corruption

Corruption is any form of abuse of public authority with the purpose of achieving personal benefit. Such a definition is broad and covers a wide range of activities. Public opinion and the political jargon consider very different activities conducted within society as corruption: organised and economic crime, poor governance and its consequences, human arbitrariness and the arrogance of authorities. There is no legal definition of corruption, but conventionally it is regarded as offering and accepting bribes (Art. 347, 348 KZ¹), illegal intercession (Art. 343 KZ), abuse in performing governmental duties (Art. 338 KZ), abuse of office and official authority (Art. 337 KZ), concluding a prejudicial contract (Art. 294 KZ), the disclosure of an official secret (Art. 351 KZ), and the disclosure and unauthorised procurement of a business secret (Art. 295 KZ). Each of the above specifications reveals an individual element of the phenomenon of corruption, and although disputes can occur over its definition, what is indisputable is that corruption causes social and political damage and that it exists in the Republic of Croatia.

Corruption is harmful. Even though it has always existed, it presents a particular threat for a modern state, because it impairs the performance of social affairs, it lowers the necessary level of morals in political decision-making, it blocks public administration, and makes the judiciary inefficient. There are different ways of assessing the damage caused by corruption. However, the greatest harm lies in the fact that it distorts priorities in political and economic decision-making, and that it is deleterious to public responsibility and social morality.

Estimates about the extent of corruption reveal that corruption presents a real problem in Croatia. The first, but unfortunately unreliable, data are the statistics of criminal offences. These statistics suggest that there are very few persons who have been reported, accused

and convicted of the criminal offence of corruption. In the period from 1992 to 1997, a total of 3,316 criminal offences were reported. In the same period, 1,408 indictments were issued, and 570 persons were convicted on the basis of a final judgement. Therefore, a kind of filtering of the affairs of corruption seems to occur during the criminal procedure, so that 17.2% of reported offences result in a conviction, and only 13, or 0.0392%, end with a non-suspended prison sentence which is envisaged for such an offence. Besides the fact that these figures should be treated with caution – because false reports are possible – they primarily represent a warning that there is a conflict between the public perception of the extent of this phenomenon and public opinion about it. Public opinion surveys in the Republic of Croatia show, without exception, that the respondents perceive and consider that corruption is widespread (extensively widespread 65.8%, widespread 32.9%, while 55% to 82% condemn it).

International surveys point in the same direction. According to the CPI index of Transparency International, the Republic of Croatia is in 51st place in a list of 90 countries. In comparison with the previous 1999 report, the Republic of Croatia has shown a significant advance, since it used to be in 74th place on this scale. This advance of the Republic of Croatia owes much to the general improvement of the political situation in the country and the improvement of its reputation in the world, but first of all, to a range of measures and practical procedures that the new Croatian authorities are carrying out in prosecuting economic and organised crime. Compared with neighbouring and other countries in transition, the Republic of Croatia has been, in spite of its positive development, assessed relatively low. The assessment of the position of the Republic of Croatia is based on four individual studies by renowned world institutions which are considered to be a relevant evaluation of the level of corruption in each individual country. A somewhat more favourable assessment is that made by EBRD which observes in its report that corruption in the Republic of Croatia represents a serious problem, but evaluates it as lower in relation to other transitional countries. The studies carried out by the World Bank show that the Republic of Croatia, according to surveys conducted at the end of 1999, can be categorised in the intermediate group of transitional countries. The

¹ Criminal Code of Republic of Croatia

data indicate a relatively low total index, particularly in Administrative Corruption (low), but a high level of corruption at the level of political decision making (State Capture Index), and the judiciary (Judiciary Capture Index). The study reveals weak social and political responsibility – which in itself is both a sign of and a condition for corruption – and also shows the existence of strong social groups that are ready to impede social reforms. Granted all the limitations of the methods of research, this is undoubtedly a sign of the poor reputation of the Republic of Croatia, and of an image which must be categorically changed.

The fact that we cannot measure exactly how widespread corruption is in the Republic of Croatia does not mean that we do not know for sure that it obstructs business and that the impression of its extensiveness wards off foreign investors and Croatian entrepreneurs. Moreover, every relativisation is extremely damaging because it creates a potential excuse for the lack of political decisiveness in implementing measures: questions about whether corruption is inherited or created, whether it is an erosion of morals and who is most to blame are not the issue, but the important thing is what is being done to eliminate corruption. We are aware of the burden of traditions – traces left by previous political regimes, particularly their dark sides: the privileges given to those who are obedient, the possibility to steal in the name of high ideals, the fact that everything can be done through connections and influence, that for those in power loyalty and obedience mean more than work and innovations. We know that other countries have similar problems, we know that corruption can never be completely eradicated, but we are sure that we cannot just passively sit and wait.

2. The Political Duty to Act

Success in fighting corruption depends on a large number of factors, the most significant being political will and decisiveness. In the Republic of Croatia, this is not only the opinion of citizens, but also the expressed pre-election promise and an assumed general duty of the main political parties, movements and associations. This is therefore the basis of a general consensus on the need to fight corruption. Preconditions exist to form a

coalition of political subjects to fight against corruption. Therefore, political duty involves not just a declaration of intentions, but a clear political obligation and responsibility towards the electorate and citizens.

The engagement of the professional and political public in debates about the problem of corruption has had great success. The public, strongly supported by the media, see the fight against corruption as a priority issue. Previous, basically demoralising comments about corruption being an inherited, endemic phenomenon supported by the attitudes and customs of the people has now been supplanted by an awareness that corruption is the consequence of a system and that we should fight against it in order to reduce it to the minimum.

Consequently, political and economic reforms can be a real stimulus for taking action in the combat against corruption. Changes in the political system, a highly legitimate government, openness to reforms, and changes in the economic system - the elimination of the statist logic of redistribution, the stimulation of the market, foreign investment, and finally, a strategic orientation towards European integration - all act as an impetus against corruption. Likewise, success in fighting corruption is a precondition for achieving these goals.

3. International Obligations

The political obligation to combat corruption is based on international obligations concerning anti-corruption and organised crime. At a global level, in compliance with the Resolution of the UN General Assembly 3514 (1975) and the Convention on Organised International Crime adopted in Palermo in December 2000, the Republic of Croatia assumed responsibility to introduce effective anti-corruption measures. The Republic of Croatia acts in accordance with the UN Global Anti-Corruption Programme. The Republic of Croatia also applies 40 recommendations of the FATF (Financial Action Task Force).

Within the framework of European initiatives, the basic point is that fighting corruption is one of the priority goals of the activities of the Council of Europe. The Republic of Croatia has adopted and ratified the CE Criminal Law Convention on Corruption. The stated Convention defines the notions of active and passive corruption, regards the bribery of foreign officials as a crime, as well as corruption in employment and corruption in international organisations, and imposes the obligation of forming particular bodies, and insists on international cooperation, etc. According to the assumed obligations, changes have been made in the Criminal Code and the Criminal Procedure Act (Art. 180), a proposal has been made to establish a special anti-corruption body, while changes have been made in the Ministry of the Interior of the Republic of Croatia (Department for combating Corruption). The Republic of Croatia has signed, ratified, and is actively implementing the Convention on Money Laundering and the Search, Seizure and Confiscation of the Proceeds of Crime, and in accordance with this, a Law on the Prevention of Money Laundering has been passed and an Office for the Prevention of Money Laundering has been established within the Ministry of Finance. A preparatory procedure has started to join the Civil Law Convention on Corruption. Modelled on the International Code of Conduct of Public Officials, there is an obligation to pass an ethical code regarding ethical conduct in administrative departments. The Council of Europe has carried out extensive monitoring programmes and stimulated the fight against corruption in member countries (Octopus I and II). A programme of activities has been formulated against corruption (GRECO) which the Republic of Croatia may adopt even before being obliged to by the mechanisms of the Criminal Convention on Corruption. The fight against corruption is also one of the priorities of the Stability Pact. The Republic of Croatia has accepted the Pact which, even though it does not have the force of a treaty, imposes a political obligation. “The Anti-Corruption Initiative for Southeast Europe” and the “Ancona Declaration” (1999) encourage the cooperation of police and judiciary bodies in fighting corruption and organised crime.

The OECD Convention on Fighting Bribery of Foreign Public Officials has special significance. The convention envisages a range of obligations towards candidate countries: the obligation to criminalise the bribing of foreign officials, the obligation to

provide legal assistance, etc. The Convention came into force on February 15th, 1999. The Convention envisages the possibility for the accession of countries that are not OECD members, so the Republic of Croatia has announced its intention to join the Convention.

Practically all significant international forums – ranging from interparliamentary associations, employers' associations and trade unions, to banking institutions (the World Bank, the IMF), and even bishops' synods – have emphasised the need to fight corruption.

The mentioned norms of international law show that the fight against corruption and the undertaking of effective legal and other measures has become a component of the international obligations of sovereign and officially recognised countries.

The fight against corruption is a component part of the process of democratisation, of the modernisation of the state and of public administration, of the existence of fair market competition in the economy, of the activities of the judiciary and the protection of the rights and freedoms of citizens. Corruption is a social evil which demands systematic effort and a high degree of engagement of all the forces within society to fight against it. The main stimulating factors are civil society institutions which should recognise the needs, government and administration institutions to formulate measures, and different levels of state institutions to carry the responsibility. The precondition of these measures is a clear political will to support anti-corruption activities, not only through legal changes and transformations in the system and by offering support to institutions, but also in concrete cases.

Corruption is the result of a system and is at the same time the main obstacle to changing the system. Therefore, the strategy for fighting corruption should include both systematic and strategic measures of removing the conditions which allow corruption to grow, such as economic stagnation and social poverty, low standards of living and high expectations of material gain, cultural and traditional factors, mass social insecurity, unemployment,

governmental inefficiency, etc. Legal solutions include the systematic introduction of measures to prevent corruption. In each future change in the law, particularly in laws that are passed in areas where there is a high risk of corruption, proposals should also be considered from this aspect. Changes in the economic system should promote the privatisation of state property, since centralised administration and an unclear ownership structure stimulate the abuse of power. The system of obtaining public works, and the supply of goods and services must be adapted according to the experiences we have recently gained. Procedures and the conditions for competition must be regulated more carefully, particularly when large business and international entities are involved. The prevention of corruption aims at the simplification and deregulation of interventions in economic life, at the demystification of the authorities and at building an awareness that an official position is primarily a public responsibility.

In filling an office and in carrying out the duties of this office, it is necessary to avoid conflicts of interests. Changes in the political system must reduce areas where private or group interests threaten common interest. Besides, the personal incomes and expenses of the holders of public political office must be made transparent, and all forms of financing and lobbying on behalf of financing political parties must be regulated and legalised. Corruption is a phenomenon that is caused by the system, or at least strengthened by an inefficient democratic political system. The fight against it demands a large number of measures that can improve the efficiency and reform the systems of penalising corruption. All the components of state authority, the legislative, executive and judicial branches, carry responsibility. The changes in the system of administration, particularly regarding local self-government, must take into account anti-corruption measures. In the activities of the authorities, this primarily means imposing more efficient sanctions against corruption, but also assuming a higher level of general political responsibility. The rule of law is a precondition to ensure that the fight against corruption does not turn into a prosecution of people for their political mistakes. Respect for human rights, particularly of the right to information, privacy and freedom of expression is significant in preventing corruption. An increase in the efficiency of the judiciary is a requisite for the protection of human and other rights and also a condition for fighting corruption.

The activities of political subjects should not be restricted to political institutions and parties, but a network of associations of civil society should also be formed, accompanied by the free and active influence of the media. Several associations and movements have already emerged which support the fight against corruption. We can mention the employers' association, trade unions, TI, Republic of Croatia, and many other institutions for the protection of human rights. The effect of the connection between these associations and their partnership with government bodies is an engagement in the synergetic use of ideas and resources. Investigative journalism and the full freedom of the media and of journalists, understood as the freedom of expression, is the precondition for the efficient fight against corruption.

It is often mentioned that the main obstacle in fighting corruption in the Republic of Croatia is the fact that corruption is rooted in a bad tradition, or that it is due to the defects of the socialist system. Although there are some arguments to support this thesis – people are accustomed to connecting public positions with privileges, the state is seen as a source of fear and uncertainty, solidarity is confused with obligations, “clientilism” exists in work, the feeling that rights are more important than obligations, etc. – this argument should not be considered according to its formal accuracy, but in terms of a mobilisation in the fight against corruption. The interpretation that corruption is an inherited phenomenon must not lead to the conclusion that we should not fight it, or suggest that by removing the remnants of the past, we are uprooting corruption. The relativisation of corruption, and justifying it so as to avoid bureaucratic red tape, or explaining that it is simply a permanent aspect of human nature, also has an inhibiting effect, and is not only incorrect, but also harmful. The main victims of corruption are the poor strata of the population, and both the relativisation of corruption and the explanation that it is unavoidable damages these sections of the population.

The strategy of the fight against corruption involves recognition of the evil of corruption, the formulation of plans and activities for this fight, changes in the laws, and the engagement of all social and political factors. The role of the main factors of political

power is vital in this fight. All the components of state authority, the legislative, executive and judicial branches, carry their responsibility to an equal degree.

Political and criminal prosecution is not effective if it is not followed by the social action of education, and by changes in political and organisational culture. Appeals to conscience and ethics have no effect if they are not followed by serious and thorough reorganisation and by legislative changes. Police and judicial action is ineffective without public support. On the other hand, there is no public support without a free and active press. Therefore, this strategy seeks the simultaneous use of different measures and activities, an equally intensive use of appeals to conscience, awareness of consequences, legal and organisational measures and more severe and more efficient sanctions. Public approval is expressed, not only in opinion polls, but by giving clear support to these measures. The counter side of such support is the still existent need to receive meagre social resources and services through corruption. The demand for corrupt actions can be decreased through systematic measures, and public support should be carefully aimed at refusing to engage in corruption, at reporting cases of corruption, and at personal efforts to prevent it. A decisive measure for engaging and encouraging the public is the freedom of expression, which should not be subject to limitations and threats.

Finally, the fact that this is a sensitive public issue makes us believe that corruption can be reduced through a political campaign. Since it is the phenomenon of a system, and not a specific feature of a political party or option, this kind of campaign leads only to the elimination of individual oppositional corrupters, but not of the evil of corruption itself. Legal measures for fighting corruption are long-term and systematic. Since there is no time to wait, or reason to hesitate, it is necessary to act with concrete measures according to established priorities.

ACTION PLAN FOR FIGHTING CORRUPTION

Complex measures of fighting corruption must be undertaken, and among these, we can identify eight priorities. They are not listed in order of importance since each of them is equally significant. However, what is crucial is that they should be carried out simultaneously and in a balanced way. Each of the stated measures should be elaborated in more detail, while legal, organisational and other activities need to be proposed for them to succeed. The general understanding that the institutions for preventing and fighting corruption are not effective, that the economic situation creates a proclivity to corruption and offers strong personal temptations, that tradition and morality are not sufficient, although they constitute a necessary condition for fighting corruption, that civil society (regardless of the number of NGOs) and the free media are not strong enough to carry the burden of responsibly fighting against corruption actually means that the best medicine against corruption is economic development, political democratisation, and the building of institutions and a modern society. The fight against corruption implies that knowledge of the threats and dangers of corruption should always be included in any reform programme. However, such an attitude, although correct, is not in itself sufficient to implement the measures for fighting corruption.

1. The Rule of Law and the Effectiveness of the Rule of Law

Although the fight against corruption cannot be conducted through measures of prosecution and punishment alone, it has been assessed that the system of disclosure, evaluation and punishment is one of the key elements, not only for the prosecution of corruption, but also for stabilising the legal system in general. Although reform measures are carried out in parallel with this plan, we should emphasise here some of the more specific objectives and tasks.

1.1. The general task of improving the conditions of the judiciary entails the stabilisation of the judicial system. The legitimisation of judiciary activities, the confidence of citizens in the fairness and efficiency of the judiciary, is the condition

for an orderly legal system and, consequently, also for fighting corruption. Since there are also incidents of corruption in the judiciary itself – the judiciary being no different from the society in which it acts – and although it can reasonably be established that the moral qualities of judges as a profession are exceptional and high, not even very feeble results in this direction can be noted.

1.2. The problem cannot be explained and justified by operational conditions alone, although the equipment and computerisation of the judiciary represents one of the potential issues for which, due to its material nature, provisions should immediately be made. However, the key elements leading to improvement are non-material.

1.2.1. Permanent education, particularly that which deals with the understanding and possibilities of the criminal prosecution of corruption, should be linked to activities to influence the professional self-awareness and ethics of judges. An emphasis on education is not accidental, because, although a lack of knowledge is no excuse for corruption, a higher level of awareness concerning its danger and harmfulness, is a necessary precondition for more efficient work.

1.3. The adopted ethical codexes are a sound basis for the development of professional criteria, but work should also be undertaken to monitor the application of such regulations. Primarily, this is an internal and independent requirement of the profession, and of judges' associations, but also a demand from the public for responsible social behaviour. Changes in the organisation of the judicial authorities have also been motivated by the perceived need to complement the element of independence with an understanding that responsibility for the results exists.

By abiding by the principle that it is the profession itself that provides an answer to the question why criminal provisions do not generate results, and by avoiding any pressure being put on the court, an assessment must be made on whether the objectives set by the legislator for fighting corruption are being met.

Task carrier: The Ministry of Justice, Administration and Local Self-Government

Deadlines: periodical reports to the Government – at least twice a year; an evaluation of the results achieved in implementing changes – after one year; permanent attention given to the operational conditions of the judiciary

- 1.4. The level of legal knowledge and trust is generally low, and, with full respect for the role of the legal practice, some forms of legal assistance to citizens should be further elaborated. Institutions such as the ombudsman or a specialised institution (judicial ombudsman) should not necessarily be focused just on individual concrete cases, but could also provide potential assistance in identifying the problems in implementing the law and in informing the public about these problems.

2. The establishment of a specific body specialising in the prosecution of cases of corruption is a measure which has been taken by a number of countries. General experience and recommendations are not the only factors which speak in support of the formation of such a body. There is also a perceived need for selective and expert guidance in the prosecution of corruption at higher levels, particularly in areas where key economic decisions or the legislature can be affected, and where there is an abuse of high position and influence. Broad public support for the formation of this body carries the obligation to develop a balanced criminal prosecution policy, while at the same time there is a need for such a body to possess expertise and a scope which is clearly delineated, in order to avoid parallel activities, etc.
 - 2.1. The public demands the establishment of special telephone lines for the reporting of cases of corruption, which can also be introduced in other bodies of central and local government.

Task carrier: The Ministry of Justice, Administration and Local Self-Government
Deadline: immediately

3. Raising the Efficiency of the Criminal Prosecution of Corruption

In the previous items we intentionally highlighted the need for fairness, since false and wrongful accusations are also possible. This principle runs parallel to the training of various bodies in disclosing cases of corruption, but primarily the police. A different treatment of cases, for example a more serious and responsible reception of information and grounds of suspicion, can be achieved through a number of measures, of which we would like to point to the following:

- 3.1. The specialisation of the police, including the important task of establishing a Special Department for the Fight against Corruption. Such specialisation is also necessary to implement the specific measures of fighting organised crime (which is, almost without exception, connected with corruption, in particular with political corruption).
- 3.2. The training of key fighting groups in all the sections of police structures, which is a preventive measure against the emergence of internal “police corruption”, but also a significant measure towards harmonising procedures in all services.
- 3.3. The important task of education and training should be included in the regular measures of professional training, but also in teaching programmes.
- 3.4. The opportunities offered by the new legislation concerning the protection of persons reporting criminal activities, including cases of corruption, should be fully exploited. The case practice of such special measures must be critically analysed, and legal and other measures proposed.

Task carrier: The Ministry of the Interior

Deadlines: periodical reports to the Government – at least once a year;
evaluation of the achieved results of the implemented changes – after
one year

4. Organisational Measures in the Administrative System

Systematic reforms of the state and public administration are also included as one of the government's priorities. The success in institution building is one of the factors of economic growth and social stability, of European integration, foreign investment and domestic entrepreneurship. Many people have the impression that state expenditure far exceeds the efficiency of state activities, and consequently, administration seems expensive and bureaucratized, burdened with routine and inertia, insufficiently adaptable, obstructive towards new political guidelines, expensive and closed to citizens and their interests.

4.1. The indication that we need a smaller, but professional and motivated, administration is not sufficient if we also take into account the need to fight corruption as one of the main threats to the administration of transitional countries. The impression that corruption is widespread – expressed in public opinion polls - should be taken extremely seriously.

4.2. Modern administration is based on a merit system of advancement, therefore, on objective selection criteria according to capacities, education, examinations passed and experience. Public employees selected through these criteria are more inclined to consider their position as a vocation and a career, which also includes a higher level of professional ethics. In contrast, politicised selection criteria applied in work and career advancement, the experiencing of power as a well-deserved gift distributed to those who think in the same way, lowers the level of professional responsibility, teaches people to take advantage of their position, at the same time

lessening internal supervision and responsibility. Therefore, work and results become much less important than loyalty.

- 4.3. Apart from structural changes which should lessen the significance of the earlier remark, it is considered necessary for individuals to prepare themselves for potential promotion, primarily by means of permanent education. The emphasis on citizens' responsibility, an openness to the interests of free media, and the general transparency of work, regulations and results necessitate additional guidance. New technologies and new circumstances (globalisation, new political and social rights and freedoms) make knowledge quickly obsolete, while technical skills must be complemented with knowledge about social responsibility.
- 4.4. It is usually said, fully justifiably, that the wages of a smaller and more professional administration must be sufficient not only to ensure the dignity of the professional vocation, but must also be the reflection of better work and motivation. A poorly paid position increases the risk of corruption.

Task carrier: The Ministry of Justice, Administration and Local Self-Government
Deadlines: programmes and the organisation of permanent education – May 1st, 2001; analysis of the wage system – immediately; evaluation of the achieved results of the implemented changes – after one year

5. Decentralisation

Although there are different opinions about what level and form of decentralisation the Republic of Croatia needs today, there are views that the risk of centralisation means not only a concentration of power, but also insufficient responsibility, distance from citizens and voters, and a political and real monopoly of power without accountability. Moreover, one of the usual measures for stimulating responsibility is a horizontal and vertical distribution of power. The negative balance of centralisation, restrictions and the ebbing away of local self-government

give priority to decentralisation and a reform of public administration. Although the pace of reform is determined by financial and real capacities, the direction to be taken is certainly to stimulate decentralisation and to bring administration closer to citizens. Such a process is twofold in terms of the threat of corruption. The strengthening of political responsibility and the transparency of acting and decision-making are undoubtedly the potential positive results of decentralisation. However, the lack of central supervision regarding the protection of legality, financial operations, and the protection of citizens' rights carries a potential threat. The strengthening of the rule of law provides an opportunity to achieve a balance between these demands.

- 5.1. Political affiliation and the decision to increase the jurisdiction of local self-government also mean that there is a growing need to introduce measures against abuse and corruption. Therefore,
- 5.2. Local control and responsibility should be strengthened by opening them up to the public, by making the local political scene more dynamic through new electoral regulations, through a clearer organisation of local authority, followed by
- 5.3. The strengthening of the political and disciplinary accountability of local officials
- 5.4. And by starting programmes for fighting corruption adapted to local conditions.

Task carrier: The Ministry of Justice, Administration and Local Self-Government

Deadlines: reform proposal – immediately; new electoral regulations for local self-government – by April 1st, 2001; periodical reports to the Government – at least once a year; evaluation of the results of the implemented changes – after one year; permanent attention to the operating conditions of local self-government; strengthening of administrative supervision – permanently; expert assistance to the local self-government – a need to develop institutions

6. Financial Responsibility Measures and Other Economic Measures

An important component of the economic reforms aimed at stimulating economic growth is to suppress the threat of corruption. Many such measures have an indirect impact on the threat of corruption, but some are wholly decisive in achieving permanent effects in fighting corruption.

- 6.1. Exaggerated measures of economic administration: permit systems, costs and taxes, licences and concessions, and all situations where the administration has discretionary rights towards the economy increase the risk of autocracy and abuse. We mention exaggerated measures, since in many cases these respond to the unwarranted inertia of former political systems. Deregulation and an understanding that whatever is not prohibited in undertakings may be permitted in undertakings is not a requirement of political philosophy or a legal principle, but a practical measure. In the past, state control and prohibitions were applied in too many cases, even where the risk of failure was eventually borne by the entrepreneur or individual. Although this is a measure whose principal objective cannot be to suppress corruption, the reviewing of such situations is usually considered to be a stimulus to honest, uncorrupted business undertakings.
- 6.2. Without boosting privatisation and reducing the sphere of state ownership, and thereby introducing a situation where the owner is responsible for and takes care of his/her property (property rights), we cannot imagine an orderly society without corruption. Actually, the reverse of this attitude is that state property is often considered to be under no one's ownership, where responsibility and care are anonymous, so there are more chances for abuse. The experience that through privatisation valuables are voluntarily and literally transferred and privatised is an indication that such processes should at the same time be speeded up and submitted to strict public supervision.

- 6.3. Practice in many transitional countries has shown that public tenders for goods and services represent a significant temptation for corruption. The state, nevertheless, is one of the largest buyers, and the rules of public tenders, although in principle well established, are easily thwarted in practice. This is also the experience in the Republic of Croatia. The current rules must be changed and improved.
- 6.4. Public control of funds – in spite of different supervisory institutions (auditors, financial police) – is not satisfactory. The view that citizens are more than mere passive taxpayers, and that, as such, they have an active right to know where their money goes, has not yet become ingrained in people's consciousness.
- 6.5. An excessive portion of funds is still recorded and entered as non-budgetary items that are submitted to superficial parliamentary and public control.

Task carrier: The Ministry of Finance

Deadlines: periodical reports to the Government – at least once a year with the budget; measures for better tender bidding for goods and services – by June 1st, 2001; evaluation of the results achieved in implementing changes – after one year; permanent attention given to making economies and to financial responsibility

In many state departments, particularly in public services, there are acute risks of corruption. Public opinion is exceptionally sensitive to these phenomena, so within each individual service the problem of corruption should be considered as a serious one and minimised in order to maintain the respectability and dignity of the professions or services. If measures are to be undertaken, the assumption that corruption is a threat and not an accusation should be taken as a starting point, and measures should be taken according to the circumstances of each particular case.

Task carriers: All ministries

Deadlines: report to the Government on proposed and implemented measures – April 1st, 2001; an evaluation of the results achieved in implementing changes – after one year; permanent attention given to the operational conditions of the judiciary

A specific threat, in principle and according to the experiences in other countries, exists in:

- 6.6. the customs administration – because it deals with extremely sensitive tasks. International associations propose various measures in this area, including increased supervision, training, structural measures and techniques.
- 6.7. Health care represents another extremely sensitive and important public service. The poor material conditions, a lack of resources and its function to take significant decisions about health and life issues make corruption in this area a dangerous problem and an important moral question. The public image of health care will be restored through the proposed measures to fight corruption.

Task carrier: The Ministry of Health

Deadlines: proposal of measures – May 1st, 2001; periodical reports to the Government – at least twice a year; an evaluation of the results achieved in implementing changes – after one year; permanent attention given to the operational conditions of the judiciary

- 6.8. The same is true for education and higher education since public accusations of corruption are multiplying. Regardless of whether these are just accusations or proven offences, in order to increase public trust in these institutions the same action should be undertaken through measures which will make better public control possible. The form that these measures might take should also be left

primarily to the autonomous decisions of the profession, but it is important that such measures be proposed and implemented.

Task carriers: Competent ministries

Deadlines: proposal of measures – May 1st, 2001; periodical reports to the Government – at least twice a year; an evaluation of the results achieved in implementing changes – after one year; permanent attention given to the operational conditions of the judiciary

7. International Activity

A high level of mobilisation of all institutions and the expression of political and economic interest in fighting corruption are characteristic of the actions of important international elements. Although the interest in fighting corruption lies primarily here in Croatia, the activities undertaken in fighting corruption are of a global nature. The Croatian interest lies in preventing the “import” of corruption because this is often connected with the threat of poor economic investments, danger for the environment from polluting industries, and from old technologies and unnecessary public investments.

7.1. The ratification of international instruments, particularly of the Conventions of the Council of Europe, and the ratification of the OECD Convention, increases the credibility of the Republic of Croatia as a country and facilitates foreign investments and international trade. Such an orientation is a precondition for European integration.

7.2. The operative exchange of experiences, particularly through multilateral programmes (Stability Pact, PACO, Interpol, etc.), is a condition for efficient police action and the sanctioning of corruption, organised crime, money laundering, and illegal trafficking in drugs and people.

- 7.3. Joining monitoring systems leads to objectivisation and provides a means of comparing facts concerning the dangers of corruption

Task carriers: The Ministry of Foreign Affairs

The Ministry of the Interior

Deadlines: joining the OECD Convention – within a year; joining PACO – immediately; an evaluation of the results achieved in implementing changes – after one year; permanent co-operation within the framework of the Stability Pact

8. Stimulating Political and Civil Responsibility

In fighting corruption each element has a certain task, each carries its part of responsibility. The greatest responsibility is held by those who have power and political authority. Fighting corruption is the task of the state and the competent government. Therefore, the main threat of corruption – since we define it as the abuse of public power – can be found within the political system itself. The obligation of officials, and of everyone who carries public authority, is to bear this authority in the interest of the community. This includes the obligation not to receive special payment or any benefit for their family or friends for carrying out a certain function. Independence and integrity imply an obligation to avoid any kind of dependence on anyone except the public and the citizens to whom they are responsible. In all service activities, and in particular those concerning public work, orders should be given, individuals should be selected and appointed to certain positions, and decisions should be taken according to capabilities and expertise, and not connections, external influence, or some other form of privilege resulting from loyalty to a certain party. Holders of office are objectively and politically, and therefore without blame as an individual, responsible for the tasks they carry out or for the institution they lead and the results it achieves. Every public activity implies openness and transparency of work. Public officials must be honest and set a clear example. These general principles should be complemented by concrete measures:

- 8.1. The avoidance of conflicts of interest, even as provided for in recent provisions, has been expressed as a nonessential duty in carrying out an office. Many countries give this obligation substantial and individual significance by setting up principles, institutions and sanctions if violations against it occur. It is necessary, for the democratisation of political life, to propose such rules in the form of a legal obligation.
- 8.2. In many countries the funding of political parties must follow the principle of transparency in the use of budgetary funds and in the case of donations by individuals who might in exchange ask for privileges and special status, which is contrary to the principles of equality and justice.
- 8.3. Since officials carry out functions for the general good and receive a salary for this, it is natural to forbid the receiving of gifts, services and benefits. In order to maintain the dignity of the office, these situations should be regulated.

Task carrier: The Ministry of Justice, Administration and Local Self-Government
Deadlines: avoidance of conflicts of interest – immediately; electoral regulations and funding of parties – with the proposal of suitable electoral laws

Regarding certain measures it is not possible to determine the direct carriers, but it is possible to state the content and encourage autonomous action.

- 8.4. The stimulation on one hand of civil society, which reflects the interests of specific groups (users, injured parties) or of groups that promote the public good, to develop partner relations with institutions which prevent corruption, and the promotion of democratic or economic reforms on the other hand, are significant steps towards the mass mobilisation of citizens against corruption. Even though corruption is caused

by the system, a mass movement against the violation of moral standards in carrying out duties is essential. This is significant for:

- 8.5. the raising of public awareness about the causes and harmful effects of corruption, but also to create a precondition for responsible
- 8.6. civil education in schools and other educational institutions, and in fact, for anyone who is interested in the public matter of the fight against corruption. The government, of course, cannot demand anyone to take on such responsibility, but the autonomous sphere of civil society relies precisely on the principle of freedom of action. All the institutions of moral education – from the school to the church, from interest groups to associations that fight for human rights – have support in this.
- 8.7. One of the most important items is the stimulation of investigative journalism and the freedom of the press. The press must be liberated, free of censorship, developed into independent public media, free from any form of state supervision. All journalists, without discrimination, should be allowed access to relevant information and facts, and state officials must be obliged to provide this information. The existing legal regulations mostly take into consideration these interventions, but this is not true in practice. The rules of the openness and accessibility of information which is of public interest should be further elaborated. Legal changes in public communication should be prepared, privacy protected, and improvements made in the practice of making transparent all information which is significant to the public.

Task carriers: Competent ministries

Deadlines: proposal of measures - May 1st, 2001; proposal of the law on privacy protection – April 1st, 2001; proposal of the law on public communication – after the analysis; permanent attention given to the conditions of media activity

- 8.8. Independence of the media should be promoted through economic measures, but also through the prevention of monopolistic control. Journalists and the media should not be threatened with punishment, and the protection of privacy should be extended to the carriers of public office. For slander, the penalty must primarily be restitutionary, for example, the obligation to publish corrections, but should not be punitive.
- 8.9. Public awareness must be developed through systematic campaigns, carried out in a manner similar to those which warn about the protection of the environment, or behaviour in traffic. The harm that corruption can cause to all should be clearly indicated, and a strong ethical condemnation of such practice should be made. Each, even verbal, relativisation of corruption must be prevented (it is what everybody else does, it is sometimes necessary, it does not harm anyone, etc.).
- 8.10. Finally, research on how widespread corruption is through public opinion polls and other methods should be stimulated.

Task carriers: The Ministry of Science and Technology

The Ministry of Justice, Administration and Local Self-Government

Deadlines: depending on the dynamics of reports

FINAL REMARK

The success of such an action plan depends on many circumstances. Some are objective, some unpredictable, but it is clear that the credibility and decisiveness of political entities play a key role. Through this plan, the Government expresses a decisive obligation to undertake measures against corruption, measures that are not only expressed in programmes but also through tangible results. Not only is it necessary to take the threats and dangers of corruption seriously, but the main thrust of these measures should be directed against corruption in the highest positions of authority and against the most responsible persons. Punitive measures should be carefully balanced with awareness-raising activities, promotional and educational measures to achieve the mobilisation of citizens, associations, political entities and all those who, each in itself, can contribute to the suppression of corruption. Only in this way can permanent achievements and change be ensured.