



Fighting corruption in public procurement in post-communist states: Obstacles and solutions

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A B S T R A C T

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Anti-corruption efforts in Europe's post-communist states have been less successful than anticipated. Criticism has been raised against the role of the international community in promoting anti-corruption programmes. Besides, such programmes have been deemed vague and “all-inclusive”. They have largely failed to address local factors “informing” corrupt behaviour in post-communist states, such as (a) negative perceptions of law, and (b) informal practice.¹ I'd be grateful if you could retain the original sentence as it is more precise.

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Introduction

Communist society was characterised by relatively high levels of corruption (Holmes, 2006). While some analysts anticipated that corruption levels would drop following its collapse, the opposite turned out to be the case (Miller et al., 2001). Transparency International's Corruption Perception Indices (CPI) suggest that corruption levels have remained remarkably stable in most post-communist¹ states since the late 1990s (www.transparency.org) – despite the numerous efforts they have introduced to combat corruption. Such efforts have largely been imposed upon post-communist states from the outside and have met with considerable resistance by the local political establishment (OSI, 2002; Michael quoted in Rucinschi, 2007). Added to this, anti-corruption programmes have, as a rule, been fairly vague, “all-inclusive” and frequently not adequately funded (Michael, quoted in Rucinschi, 2007). More importantly, however, such programmes have largely failed to address the local conditions and the local mentality that facilitate corruption in the first place. Also they have been implemented by political authorities that seem to benefit from maintaining status quo rather than implementing effective anti-corruption reform (Grødeland, 2010a).

Public procurement is one of the areas worst hit by corruption not only in Eastern, but also in Western Europe (OECD, 2006; Grødeland, 2006). While quite a lot is known about the experiences of local and foreign business in this area (Grødeland, 2006), we know less about the experiences of the public procurement officials themselves. What is more, writings on public procurement – from the perspective of the procurement officials – tend to focus on their exposure to corruption rather than on corruption within their own ranks (Grødeland, 2005; OECD, 2006). This article provides an alternative approach to the study of corruption in public procurement. Drawing on qualitative and quantitative data collected in seven post-communist states, it addresses (i) attitudes towards law; (ii) perceptions of informal practice²; and (iii) personal use of informal practice, amongst procurement officials throughout post-communist Europe – with a view to estimating the potential for corruption in public procurement.

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¹ It could be argued that the successor states to former Yugoslavia are “post-socialist” rather than “post-communist” and that none of the countries referred to in this article were at any point communist. For practical purposes, however, we refer to them as “post-communist” in the below.

² We define informal practice as behaviour not in line with formal procedures stipulated for the solution of a given problem and/or behaviour aimed at solving problems for which there are no formal procedures.

Methodology

This article presents findings from two research projects, funded by the Research Council of Norway, that address the use of informal practice and corruption in post-communist Europe. The first project (2003–06) investigated informal practice and corruption in East Central and South East Europe. The second one (2006–10) extended this research into the West Balkans. Data were collected by means of structured, open-ended elite in-depth interviews (IDIs) and quantitative quota-based elite surveys.³ In 2003–04 we conducted 360 IDIs in East Central and South East Europe. Another 414 interviews were carried out in the West Balkans in 2007–08. The IDIs were followed by quota-based quantitative elite surveys ($N = 600 \times 7$) in 2005 and 2008–09, respectively.⁴

The two projects focused on elites working in three areas considered by the EU to be particularly vulnerable to corruption, namely politics (elected representatives; political party representatives), the judiciary (judges; prosecutors) and public procurement (public procurement officials, representatives of national business; representatives of foreign businesses). As post-conflict reconstruction is susceptible to corruption, we also conducted a limited number of IDIs amongst local elites employed by the international donor community in the West Balkans. Finally, given civil society's role as anti-corruption watchdog, we investigated the use of informal practice within civil society by interviewing media and NGO representatives.⁵

Below we will present partial findings from interviews conducted amongst one of the categories of elites surveyed, namely public procurement officials. The term public procurement officials in our case is defined as (i) government officials responsible for public procurement, and (ii) members of public procurement commissions. We conducted a total of 85 IDIs (10 interviews \times 4 countries and 15 interviews \times 3 countries) and 525 quantitative survey interviews (75 interviews \times 7 countries) with such officials.⁶ The questions asked during the survey interviews were formulated in the text headings, while the fixed answer categories respondents, given to choose between, are shown in the rows. Quantitative findings in some places are complemented, and in some places illustrated, by verbatim of the IDIs.⁷ For reasons of space, similarities and differences between public procurement officials and other elites are discussed in the concluding part of this article rather than throughout the text.

Sampling for the qualitative and quantitative surveys was conducted by local pollsters according to a detailed sampling scheme prepared at Norwegian Institute for Urban and Regional Research (NIBR). The IDIs were conducted face-to-face to a detailed list of structured, open-ended questions. Interviews for our quantitative surveys were also conducted face-to-face, to a structured and close-ended questionnaire. The average length of the IDIs was 45 minutes whereas the survey interviews lasted on the average one hour (Grødeland, 2005). In the Czech Republic, Slovenia, Bulgaria and Romania IDIs were conducted in the capitals, at both national and capital levels. In Serbia, Macedonia and Bosnia and Herzegovina (below referred to as BiH) a limited number of interviews were also carried out in areas particularly badly affected by the conflict – more specifically in Novi Pazar (Serbia), Tetovo (Macedonia) and Mostar (BiH). As for the quantitative surveys, one third of the interviews were carried out in the capital (two thirds at national, one third at capital levels). The remaining two thirds were conducted in large cities and towns at NUTS II level.⁸

Surveying elites is more complicated than surveying members of the general public, in that refusal rates tend to be higher and also as organising the interviews is more difficult from a logistical point of view, due to time constraints on the part of the respondents. On top of this, the topic of our qualitative and quantitative surveys – informal practice – was rather sensitive. In all countries except Bulgaria and Macedonia, refusal rates were therefore high.⁹ Still – given the relatively large number of respondents interviewed in each country as well as the geographical spread of the sample – we have reason to believe that our survey design is sufficiently robust and that the views expressed by the respondents are likely to be fairly representative of the types of elites they represent. However, we cannot rule out the possibility of systematic failure to answer questions honestly on the part of certain categories of respondents.

General attitudes towards the law: the public procurement officials' perspective

Public procurement officials administer a complex legal framework on procurement procedures (Grødeland, 2010b). As there was no public procurement during communism, legislation in this area has almost exclusively been borrowed from abroad. In recent years officials in charge of public procurement have also undergone extensive training. Legal sociologists

³ In East Central and South East Europe we also conducted one round-table in each country.

⁴ In the original version of the manuscript these two references appear in a footnote containing the following text: for an account of the methodology applied for the two projects see Grødeland (2005); Grødeland and Aasland (2007). Is it possible to retain the footnote and delete the literature references in the text?

⁵ Finally, we also interviewed government officials working in the area of anti-corruption, EU and Council of Europe staff (East Central and South East Europe only) and representatives of the foreign donor community (West Balkans only). For practical reasons, the latter four categories were not recruited to take part in the quantitative surveys.

⁶ IDIs were conducted at national and capital level (5 + 5 interviews) in the Czech Republic, Slovenia, Bulgaria and Romania. In BiH, Macedonia and Serbia we conducted 15 such interviews: 5 at national level, 5 at capital level and 5 in areas particularly badly hit by conflict/war. For the quantitative surveys we conducted 15 interviews at national level, 10 interviews at capital level and 50 interviews in the regions.

⁷ For a description of how the qualitative data was analysed, see Grødeland (2005). Could we replace the reference in the text with a footnote?

⁸ NUTS (nomenclature of territorial units) II is the main analytical level used in EU regional policy analysis.

⁹ The average refusal rate for the entire sample was: 71 per cent in Slovenia, 59 per cent in the Czech Republic and Serbia, 55 per cent in Romania, 23 per cent in BiH, 17 per cent in Bulgaria and 15 per cent in Macedonia.

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