

Reliability of public institutions in the transition of Eastern Europe

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Abstract

The problem of dishonesty and distrust is often unclear phenomena in Eastern Europe. These are common issues discussed not only in print media and television, but also social environments as well. Corruption, so unfair advantage, lies, deceit and abuse of trust are mentioned frequently during the last decades after the change of system in the region, especially in Balkan Peninsula. Although dishonesty and distrust (+ corruption) have existed in the previous system, however, they have been hidden phenomena or issues for which there is talk in this system.

Research in terms of honesty and trust include a more areas in different sectors. International literature on the subject focuses on two fundamental topics. One of which is his faith and relationship with social capital. What do some of these concepts mean in our perception?

What are the benefits and harmful effects of faith and are those connected with social equity and democratic consolidation?

The search for this topic is interdisciplinary because it includes political sciences, social sciences, political, legal or sociologic-and those of anthropology.

As a result this thesis will provide comparative scale impasse that creates two realities of different social complexity, from the countries that have experienced the post-socialist transition, belief in family and society that retains a holding in the operations of public institutions and may create difficulties to succeed the efforts to implement the law impartially.

In conclusion: Corruption is an unreliable source, which comprises behavior and violates the trust placed on official- and public officials. It includes the use of public positions for personal benefit and it creates an ill infrastructure for fragile democracies.

Keywords: public institutions, transition, Eastern Europe.

Introduction

Among the numerous contributions, this paper helps us to create analytical clarity on the definition of corruption. For those who believe that there is reason to worry about corruption in transition economies, this paper addresses the issue from a number of viewpoints, offers rich theoretical perspectives and empirical as well as some solid work on the topic, and discuss "important issues of moral and governance (Orenstein, 34).

What is honesty? Can we define it as an important substantive value with a very strong connection with trust and truth telling as well as the responsible behaviour that seeks to abide by the moral and legal rules of the society? There can be an interpretation out of that because one can or may trust the other person to behave with honesty but honesty is not the same with trustworthiness. This idea can be complicated with the argument that one may be honest but that is not enough to give him competences to be worthy to trust (that means he can be honest but incapable or incompetent). Corruption is a dishonest behavior that violates the trust placed in public official. It

involves the use of a public position for private gain (Rose-Ackerman 1999). Transition conditions vary or are often different in different places, but in some countries that have experienced similar situations a few features can be common with the transitions they have experienced, sad that that is a distinct comparison with many other countries. Eg. Some of the features of Southeast Europe's transition are similar among them but they have no extensive similarities with that in the central and Western Europe. So political corruption is a manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth. These features can be separated starting from: socialist states were considered as dishonest, with little faith; and due to this, the distrust has continued in these states further and we can say that even today this makes a very difficult approach for trustful legal or constitutional reforms. The second argument is that makes a reason out of it is that, the communist or socialist ideology has created the continued idea that even other ideologies that came later to be seen as incredible and no trustful even though they were the opponents of the socialist ideology (Hesse, Venna, Verheijen, 1998); third argument lies in the fact that in the former communist countries or socialist societies, the population was generally educated, which led to the equal distribution of income at the beginning of the transition (or transition from one system to another). This behavior was very good premise to create a modern state and a functioning economy. Initially the states that emerged from these regimes had a consolidation of new features which brought a rapid development across the national economies. Problems began sustainability of mixed complexity that accompanied the transition. So, on one hand the continuity of some institutions and the official made the transition easier but on the other hand the new regime dissent created a doubt for the composition of new regime with of the previous official – that meant for some eminent scholars as well that the apparatus of the state changed but the material of the state holder positions were again governed by the same people of the authoritarian regimes. However the relative newness of their new institutions in these countries have had their own difficulties because of the lack of experiences and their low contact with the western European countries to get the main indications for creating the established market democracies and constructive political activities. One of the main deficiencies and absences in eastern European countries with similar political and market democracies trajectory is the lack of public involvement in political attitude or activities. Albania and Kosovo as well face even deeper problems because of the collaboration of business and the head of institutions creating dysfunctional state and this creates the risk of weak democracy and inefficient state. The transition remains fragile and as we can observe is not a turning point as the semantic definition of this term" by English dictionary reference "transition means the process or a period of changing from one state or condition to another, for example: "students in transition from one programme to another" (synonym of change, move, passage, transformation, conversation, adaptation, adjustment, alteration, changeover and metamorphosis). It's certain that without a deep national commitment to democracy of all the interest groups and regulatory agencies in its most basic sense the eastern European countries will continue to have contested election and no legitimacy for electoral process.

Reliability of public institutions in the transition of Central and Eastern Europe

By bringing together a group of participants with clear vision, this paper examines the problems and prospects for the creation of reliable public institutions of for states with ex socialism regimes and the long transition that are experiencing the South Eastern Europe.

The main focus is on the "second generation" in terms of the fundamental issues of democratic consolidation in countries where are based the structures of market and the state. The contributors raise important issues, such as corruption and neglect participation- that remain largely during the first phase of transition, and that are issues of growing importance as in some countries of the region that are already working for the European Union membership.

Highlighting the problems and prospects of democratization with import comparative approaches to other areas of the new democratic systems, this paper draws on the experience of those who lived and studied the process of transition and the contradict of their knowledge with those scholars generalized studying government accountability and the concept of democracy.

The focus on building a reliable post-socialist transition has created an approach that can bring to the light a special contribution to the study of problems of democratic consolidation in the former communist-socialist world. Based on above mentioned, according to the two distinguished scholars of economic transition Professors Susan Rose-Ackerman and János Kornai, I have gathered an excellent case of those international authors to examine the problems of the moral, legal and political construction of 'trust' or 'social capital' without which in their view, formally democratic institutions lack credibility and accountability, and then legitimacy in the deepest sense of the word.

Comparative perspective presents a double approach that is particularly useful for students because these cases present 'the most prevalent way of South East Europe "that are instances in contrast with the models of the established democracies in Western Europe -. Andrew Arato, the author of Civil Society, Constitution and legitimacy, has put together a strong focus, theoretically ambitious set empirically grounded essays on the problem of faith in post-socialist societies, and the central issue is the so-called second phase of transition.

This outstanding team of scholars ponders the problem of development of the institutions that must be transparent, able to respond to democratic pressures, and not be held as hostage by those who managed to take and bring an extraordinarily rich diversity of theories and methods in the table, full of nuance and detail. This is a major contribution bring to our understanding the sense of the importance of the reforms in societies.

State Capture and its effect to business- government relations

Balkan region is one of the most corrupted regions in Europe. This may seem as a genuine question but pointing out the robust difficulties that are facing the mechanism of the reforms in this area we would agree that this topic would open

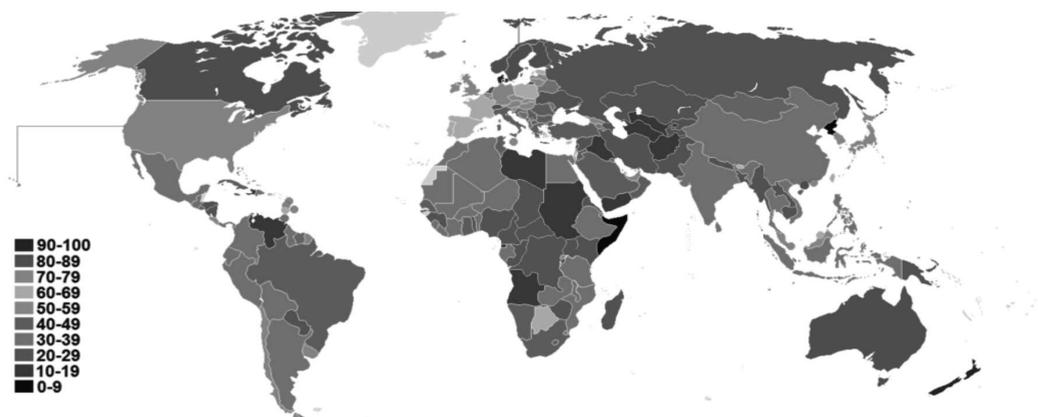
unending debate.

As Susan Rose Ackerman considered, the role of public participation and neutral institutions are requirement for legitimate democracy. Are those countries in higher waives to pretend being closer with their reforms to EU? State capture and corruption are not only serious problems but they stem from a system of power with impunity, where political leaders or others with significant power can make rules or laws that they themselves do not have to follow.

In order to hold these individuals accountable for their illegal activities, we need to bring the crime of grand corruption of region into the international political stage. Political corruption is a persistent phenomenon in Albania and Balkans. Is corruption defined as the greatest form of human right violation?

Since the change of system and the creation of modern public administration in the countries of the region, there have been cases of official abuse of funds and recourses. The rise of public administration and the discovery of many national resources are two major events seen to have led to the increase in corrupt practices in the country. However, some analysts have also blamed formal socialism system for the amount corruption created in the new system in the country.

Based in Transparency International here is the map of the most corrupted countries, A world map of the 2014¹ Corruption Perceptions Index by Transparency International which measures "the degree to which corruption is perceived to exist among public officials and politicians". High numbers (blue) indicate less perception of corruption, whereas lower numbers (red) indicate higher perception of corruption.



Source: "Transparency international 2014"

¹ Transparency International's 2014 Index of Transparency International (TI) is a non-governmental organization that monitors and publishes corporate and political corruption in international development. Originally founded in Germany in May 1993 as a non-profit organization, Transparency International is now an international non-governmental organization. It publishes an annual Global Corruption Barometer and Corruption Perceptions Index, a comparative listing of corruption worldwide. The headquarters are located in Berlin, Germany. According to the 2014 Global Go to Think Tank Index report (think tanks and civil societies Program, University of Pennsylvania).

Corruption Perception Index means or called as CPI, currently ranks 177 countries "on a scale from 100 (very clean) to 0 (highly corrupt)

Corruption based by country ¹
Europe region
Albani, Armenia, Bosnia and Hercegovina
Croatia
Czech Republic, Greece, Kosovo
Macedonia, Montenegro
Poland, Romania and Serbia

Corruption in Albania like the other countries in the region and as a global phenomena is a very serious problem. Albania ranked 113th of 176 countries in the 2012 index of corruption *(based in from Transparency International) tied with Ethiopia, Niger and Guatemala.

From Transparency International, Corruption is still considered as one of the most problematic factors for establishing business and not creating interesting attraction for foreign investors. Generally speaking the state capture is also considered as "the abuse of entrusted power for private gain". Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.

Grand corruption consists of acts committed at a high level of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of the public good. Petty corruption refers to everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies and public goods.

Civil Society

What is civil society and how participatory mechanisms can function better if the press is independent and public embraces to influence in government decision? And not associated with political parties. Civil society is very important because all the legislatures of CEE countries have pass the laws and they have been described as "law Factories" producing so many laws in areas where the members of parliament are not informed for technical details.

This part has to do with institutional roots of the dishonest behavior such as corruption, conflict of interest, business fraud for private or state partner, whether or theft of another's property. The main aim of this subject is to understand the lesson

to be taken-drawn for the post-socialist region from theoretical but also empirical research. Faith has two different meanings for the state and society; first, one could believe that he or she will be favored in relation to other members that have to do with a formal relationship. This may come as a result of a family relationship, friendly or a tip or contribution to an electoral campaign. The political corruption is a manipulation of policies, institutions and rules of procedure in the allocation of resources. That by financing by political decision makers, who abuse their position to sustain their power, status and wealth

Corruption impacts societies in a multitude of ways. In the worst cases, it costs lives. Short of this, it costs people their freedom, health or money. The cost of corruption can be divided into four main categories: political, economic, social and environmental. On the political front, corruption is a major obstacle to democracy and the rule of law. In a democratic system, offices and institutions lose their legitimacy when they're misused for private advantage (Kornai, 1972). This is harmful in established consolidated democracies, but even more so in newly emerging ones like East European states. It is extremely challenging to develop accountable political leadership in a corrupt climate like the one we are facing.

Economical implications

Economical corruption depletes national wealth and creates a lower income for economic and public investments. Corrupt politicians invest scarce public resources in projects that will line their pockets rather than benefit communities, and prioritize high-profile projects such as dams, power plants, pipelines and refineries over less spectacular but more urgent infrastructure projects such as schools, hospitals and roads. Corruption also hinders the development of fair market structures and distorts competition, which in turn deters investment.

International treaties should impose constraints on nation states and public influence on national government decision. So, public participation is not institutionalized in Albania. The country recognized the need for reasoned decision making within the government they don't in fact require the public acknowledgment of draft rules outside to the Civil society's or NGO to produce or reflect their opinions in the so called decision taking matter. This will need technical bureaucratic improvements.

Conclusions

As a result this thesis presented a comparative scale of two different realities of social complexity, countries that have experienced the post-socialist transition, where the belief in family and society maintains a constraint on the operation of public institutions and can create difficulties to succeed in efforts to implement the law impartially.

Corruption is an unfair behavior, which comprises and violates the trust placed on public officials. It includes the use of public positions for personal benefit. According to the study sites in Western Balkan have common characteristics regarding dishonesty and lack of confidence by the highest percentage of society for public institutions,

and consequently this mentality created an obstacle to reforms sympathetic recommendations from EU. Often it seems as if the only motivation that compels Eastern European countries to reform institutional trust model is the EU membership and the duties required by the European Union, but they are not sufficiently strong enough result to change this reality.

This work has been done in order to bring some main guidelines for fighting corruption and based as well at the World Bank and TI, there are three guiding principles are: build partnerships, proceed step-by-step and stay non-confrontational. We have learned from experience that corruption can only be kept in check if representatives from government, business and civil society work together to develop standards and procedures they all support. We also know that corruption can't be rooted out in one big sweep. Rather, fighting it is a step-by-step, project-by-project process. Our non-confrontational version is to create a round table with all the necessary relevant parties to negotiate and to create a political willing strategy to fight this phenomena in order to progress otherwise we will still be ranked as one of the most corrupted country's in the world and that will be a limiting indicator for our European membership.

Recommendations

Rose –Ackerman² recommends a two-pronged strategy aimed at increasing the benefits of being honest and the costs of being corrupt, a sensible combination of reward and punishment as the driving force of reforms. This is a vast subject. We discuss below many complementary approaches but my focus was on three main keys to fight corruption.

Creating transparency and openness in government spending

Subsidies, tax exemptions, public procurement of goods and services, soft credits, extra-budgetary funds under the control of politicians — all are elements of the various ways in which governments manage public resources. Governments collect taxes, tap the capital markets to raise money, receive foreign aid and develop mechanisms to allocate these resources to satisfy a multiplicity of needs. Some countries do this in ways that are relatively transparent and make efforts to ensure that resources will be used in the public interest. The more open and transparent the process, the less opportunity it will provide for malfeasance and abuse. Collier (2007) provides persuasive evidence on the negative impact of ineffective systems of budget control. Countries where citizens are able to scrutinize government activities and debate the merits of various public policies also makes a difference. In this respect, press freedom and levels of literacy will, likewise, shape in important ways the context for reforms. Whether the country has an active civil society, with a culture of participation could be an important ingredient supporting various strategies aimed at reducing corruption.

² Albania - Water Resources and Irrigation Project : P121186 - Implementation Status Results Report : Sequence 05. Washington, D.C. : World Bank Group.

Implementing smart technology

E Government is called the so recently use of readily available technologies to encourage more of an arms-length relationship between officials and civil society. Just as government-induced distortions provide many opportunities for corruption, it is also the case that frequent, direct contact between government officials and citizens that can open the way for illicit transactions.

In this respect the Internet as well has been proved to be an effective tool to reduce corruption. In some countries the use of online platforms to facilitate the government's interactions with civil society and the business community has been particularly successful in the areas of tax collection, public procurement, and red tape. Perhaps one of the most fertile sources of corruption in the world is associated with the purchasing activities of the state. Purchases of goods and services by the state can be sizable, in most countries somewhere between 5-10 percent of GDP. Because the awarding of contracts can involve a measure of bureaucratic discretion, and because most countries have long histories of graft, kickbacks, and collusion in public procurement, more and more countries have opted for procedures that guarantee adequate levels of openness, competition, a level playing field for suppliers, fairly clear bidding procedures, and so on.

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