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The Corruption Eruption in East-Central Europe: The Increased Salience of Corruption and the Role of Intergovernmental Organizations

Alexandru Grigorescu*

This article focuses on the increased salience of corruption in East-Central Europe. It shows that press coverage of the issue is much greater than in the past and also greater than in other regions with comparable or higher levels of corruption. This finding is relevant because anticorruption rhetoric can have an important impact on political and economic developments, one that is partially independent of the actual levels of corruption. The study investigates several domestic and international factors that may have led to this development and finds that the role of intergovernmental organizations has been essential in bringing the issue to the forefront of public debates. Moreover, it shows that the European Union has recently been more effective in raising the salience of corruption in the region than other organizations. The article concludes with a discussion of the effect that EU membership may have on future anticorruption rhetoric and policies.

Keywords: corruption; international organizations; East-Central Europe; European Union; press

Over the past decade, corruption has become an issue dominating political discourse in East-Central Europe (ECE). Politicians as well as representatives of intergovernmental and nongovernmental organizations are increasingly blaming corruption for many of the economic and social problems faced by ECE countries. While in the early 1990s the press hardly ever mentioned this issue, today all of the major newspapers from the area run, on a regular basis, multiple stories about everyday corrupt practices, high-level corruption scandals, or governmental and non-

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governmental declarations regarding the fight against corruption. The increased anticorruption rhetoric has led some observers to argue that the region has become “obsessed with corruption.”

Is this true? Has the anticorruption rhetoric indeed intensified in ECE? If so, does it simply reflect the spread of corruption as a result of domestic factors that are specific to the post-communist transformations or is it also the result of international factors? More important, should we care about the anticorruption rhetoric, as opposed to the issue itself? For example, does the increased news coverage of the issue have an impact on actual developments in the political and economic realms?

This study will address these questions. It will argue that we should indeed expect an increase in the salience of the issue, as existing gauges of corruption indicate that in most of the ECE countries, the problem has worsened. It is also to be expected as part of the growing global awareness of the problems posed by corruption. Yet, as will be shown, the frequency with which corruption is discussed in the ECE press is significantly higher than in other regions with similar levels of corruption. While corruption in ECE has indeed spread over the past decade, the press coverage it receives has intensified at an ever faster rate.

Such increased coverage is relevant for future developments in ECE as it affects perceptions of corruption and, implicitly, the likelihood that domestic and international actors will continue to press for changes in the realm. Unlike the vast majority of problems confronting ECE countries, where actions are virtually always more important than words, in the corruption realm, merely talking about the issue can sometimes have as great an impact on political developments as the issue itself. This is, in part, because of the imprecise measures of corruption and the

reliance on perceptions of corruption as gauges of actual developments in this realm. Governmental and nongovernmental actors are aware of the power of words in the corruption realm and try to influence the nature and frequency of the discussions of this issue in the press.

After establishing the relevance of the anticorruption rhetoric, the study offers several reasons why the issue of corruption is discussed with much more intensity now in ECE than in the past and than in any other region. It focuses on six countries of ECE (Bulgaria, Czech Republic, Hungary, Poland, Romania, and Slovakia) and complements existing explanations at the domestic level with a discussion of the role of the unusually large number of intergovernmental organizations (IOs) involved in this realm. It also explains the varied impact that such IOs have had on anticorruption debates in ECE and the especially important role of the European Union. Finally, it discusses the possible effect that recent or future EU membership may have on the anticorruption rhetoric in ECE and, implicitly, on corruption itself.

The relevance of corruption and anticorruption rhetoric for ECE

Corruption has long been considered a cause of poor economic performance. As measures of corruption have emerged, statistical findings have also linked corruption to lack of growth and development, inequality and poverty, low investment lev-

3. The countries were chosen because their intense interaction with a large number of intergovernmental organizations (IOs) allows us to compare the varied success that IOs have had in raising awareness of the corruption issue. Moreover, as former states (or successors) of the Soviet Union’s satellite countries, the six had relatively similar experiences both before and after their 1989 revolutions. Their similarity has been often cited as a useful tool for comparison with each other—as a “most similar systems” research design.


els, and other economic, social, and even environmental problems. Recently, the literature on corruption has also emphasized the negative impact that corruption can have in the political sphere. It is now seen as one of the greatest threats to the survival of new democracies around the world. In some countries, such as Brazil or the Philippines, democratically elected leaders have lost power after corruption scandals. In other countries (e.g., Pakistan), such events have actually led to returns to authoritarianism. While in ECE, the increased corruption has not yet led to heads of state stepping down or to returns to authoritarianism, in some countries such as Bulgaria and Slovakia, other high-ranking officials have been replaced for such practices.

But the more dangerous effect of corruption is not the change of individual politicians. It is rather the growing popular distrust of the democratic changes induced by such high-level scandals. In new democracies with high levels of corruption, there is an increasing popular distrust of public institutions and, ultimately, of the democratic system.

Just as in other areas around the world, in ECE, political groupings, nostalgic for authoritarian times, often point to corruption when criticizing the democratic governments and when advocating a greater policing role for the state. They associate corruption with a “weakness” of the democratic system. In some countries, their rhetoric has induced alarmingly large parts of the population to support parties that want a return to more authoritarian

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10. See, for example, Doig and Theobald, Corruption; also William Mishler and Richard Rose, “Trust in Unworthy Institutions: Culture and Institutional Performance,” in Post-communist Societies, Studies in Public Policy no. 310 (Centre for the Study of Public Policy, University of Strathclyde, Glasgow, Scotland, 1998).
practices. In Romania, the ultranationalist leader of the Greater Romania Party, Corneliu Vadim Tudor, came in second in the presidential elections of 2000, on a platform emphasizing such democratic reversals in order to fight corruption.

It is important to point out that the above argument, regarding the impact corruption may have on political developments, is in fact one of the role of *perceptions* of corruption, rather than the actual level of corruption. Public trust in a particular politician or government, or, more broadly, in the political system itself, is the result of the perceived degree of corruption. In Pakistan, for example, the 1996 demonstrations that led to the toppling of Benazir Bhutto’s government took place after the nongovernmental organization Transparency International ranked Pakistan as the world’s second worst country in terms of corruption. Thus, it wasn’t as much the everyday experience of corruption that triggered the demonstrations. It was rather the knowledge that corruption in Pakistan was much worse than elsewhere in the world.11

Perceptions of corruption are not only responsible for political outcomes. In the economic realm, for example, foreign businesses may decide not to invest in a country because they perceive that there is a high level of corruption in that country and, therefore, there is a greater risk to do business. Overall, there is a general agreement in the recent literature focusing on corruption that “it is the corruption we know about, and not the actual level of corruption that governs public sentiments.”12 Such sentiments are in turn responsible for the actions (or lack of action) of domestic and international actors involved in this realm.

The distinction between corruption and perception of corruption would not be a relevant one if the two were strongly related. But recent research has shown that, in fact, they may not be. In a study of Latin America, Seligson finds that even though 60 percent to 70 percent of individuals surveyed had not been person-


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ally affected by corruption over the past twelve months, virtually all individuals polled viewed corruption as being extensive in their countries. Similarly, a study of street-level corruption in four East European countries found that individuals have far fewer actual experiences with corruption than they believe others do.

Both of these studies reflect that corruption is perceived as being higher than it actually is. But one can also envisage cases when the reverse is true. For example, the general belief in ECE that corruption was not as high before 1989 as it is now may be, in part, the result of a lack of public knowledge of the actual corrupt practices during the secretive communist period.

The imperfect correlation between levels of corruption and perceptions of corruption is the result of the unusually secretive character of this issue-area. In many cases, both parties involved in a corrupt act (those who offer bribes and those who receive them) may perceive the “exchange” as beneficial to them—at least in the short run. They are therefore unlikely to reveal the exchange to others. This differs from other realms, such as human rights, where one party (the victim or victims) is much more likely to report an abuse, if given the opportunity.

Because of the secret nature of corruption, it is much more difficult to assess the intensity and spread of the problem and the success of anticorruption policies. In the economic realm, a government’s policies can be measured by objective criteria such as

16. To assess the correlation, the author ran a test of the relationship between the level of corruption (as reflected in the Transparency International Corruption Perception Index [CPI]) and the level of press coverage of corruption. The test included forty new democracies from all areas of the world, for the years 2002 to 2003. It indeed found a statistically significant correlation between the two variables. But the level of correlation was relatively low (28.7 percent), which implies that it is likely that there are many other factors that can explain the degree of press coverage of corruption.

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the increase in GDP. Success in privatization can be assessed by the number of companies that have been privatized and by the size of such companies. Even in the human rights realm, nongovernmental organizations have been able to gauge problems by identifying the number and seriousness of cases of human rights abuses. But there are currently no similar objective gauges of corruption. Because of that, the most commonly used measures of corruption (such as those offered by Transparency International or the World Bank) are, in fact, nothing more than complex combinations of various gauges of elite and public perceptions. Such measures have been used by governmental and intergovernmental agencies when making decisions about which countries should receive assistance.

This reliance on perceptions of corruption as surrogate measures of levels of corruption offers further support to the argument that such perceptions play an unusually important role in this realm.

What are such perceptions based on? Individuals will indeed form their opinions of corruption based in part on their direct experience or on that of their acquaintances (arrow 1 in Figure 1). But, just as important, they will gauge the overall spread and seriousness of corruption based on information they receive from the mass media, especially if they consider the media to be relatively independent (arrow 3 in Figure 1).

In part, the press coverage of corruption reflects the actual frequency of high-level scandals as well as smaller “street-level” instances of corruption that the press encounters (arrow 2 in Figure 1). But it is also based on the perceived economic (arrow 4) and political (arrow 5) effects of corruption such as a corruption scandal involving a politician or a foreign company deciding not

20. The measures have been used by the World Bank when allocating resources from the International Development Association (IDA). U.S. agencies are also considering their use. See Daniel Kaufmann and A. Kraay, “Governance Indicators, Aid Allocation and the Millennium Challenge Account,” World Bank Working Papers, 2002.

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to invest in the country because of the corrupt climate. These effects are, in turn, the result of the levels (arrow 6) and perceptions (arrows 7 and 8) of corruption. Overall, the press coverage of corruption and the public perceptions it affects occupy a central place in Figure 1 and in actual developments in the anticorruption realm.

If the system as described in Figure 1 would be completely isolated from outside influences, then we should expect the correlation between levels and perceptions of corruption to be near perfect. But there are exogenous influences (arrow 9). Governmental and nongovernmental actors have become aware of the role the media has in shaping perceptions of corruption and in the influences such perceptions have on political and economic developments. They know that the more the press discusses the issue, the more the public will tend to perceive that corruption is spreading. This will happen even if, in fact, there may be fewer instances of corruption than in the past. Conversely, if the press talks less about the issue, public perceptions of corruption may decline even if the number of actual instances of corruption is on the rise.
The understanding of the above mechanism has led some government officials to pressure the media to ease their coverage of the topic. For example, after several critical evaluations of the level of corruption in Romania (primarily from external sources), Prime Minister Adrian Nastase argued that corruption should “not be a topic artificially kept in the forefront, while there were many other social and economic priorities.” On the other hand, governmental and nongovernmental international organizations such as the European Union or Transparency International have made “awareness raising” a key component of their fight against corruption and are pushing to maintain the issue in the forefront of public debates. Due to such external efforts, government officials are more likely to adopt and implement anticorruption policies.

Thus, within the broader struggle against corruption in ECE there is a smaller “battle” to maintain the issue in the press and on the political agenda. The scope of anticorruption policies, and the speed with which they are implemented, depends on who “wins” the public debate battle.

The increased salience of corruption

Having established the relevance of public debates surrounding corruption, we need to ask if there has indeed been an intensification of such debates. Are government officials, nongovernmental organizations, and IOs talking more about corruption? Is the press indeed covering this issue more than before?

Several studies have used measures of press coverage of the corruption issue by major news sources such as the New York Times, Financial Times, and The Economist to illustrate the growth in the global salience of the issue. They have found that


the number of articles that mentioned corruption in these publications approximately doubled from 1980 to 1996. The increased global salience of the corruption issue has been linked to post–cold war processes of democratization, a worldwide intensification of privatization, or the greater role played by IOs and nongovernmental organizations.

Yet the same studies also indicate that after the coverage reached a peak around 1996, the increase has since tapered off. Based on such statistics and on the theories pertaining to the emergence of international norms, some concluded that some time around 1994 to 1996, we reached a “tipping point” of the anticorruption norm. Figure 2 offers an illustration of the global press coverage over the past eight years in the line representing the number of New York Times articles that mention corruption (relative to the level of 1996). It suggests that such coverage has indeed been relatively constant since 1996, the year when the anticorruption norm is considered to have reached its peak worldwide.

To determine if a similar pattern is present in ECE, I performed an analogous test using articles from the World News Connection (WNC). The WNC offers translations into English from the major newspapers, newswire reports, transcripts from radio, and television programs from more than one hundred countries around the world. I used this resource to develop a measure of

25. See, for example, McCoy and Heckel, “Emergence.”
27. McCoy and Heckel (“Emergence.” 79) argue that, at that point, the increased salience of corruption led to a global institutionalization of the norm through policy and law.
29. For information on the sources used by the World News Connection (WNC), see http://wnc.fed.world.gov/home.html. For the selected countries, the number of articles reaches levels of statistical significance beginning in 1996. There are obvious differences in the number of articles reported by the WNC for the different years and countries. Hungary has approximately four hundred articles translated for 1996 while for Poland in 2002, there are

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the salience of corruption that is similar to the one used in previous studies of this topic. I first calculated the proportion of articles that mentioned the word *corruption* over a period of nine years (1996-2004\(^3\)) from the total number of articles available in

\(^3\) Note: Only for 1 May to 31 October 2004: the first six months after the Czech Republic, Hungary, Poland, and Slovakia joined the European Union.

...more than three thousand articles. Overall though, for any country, throughout an entire year, the proportion of articles that include the word *corruption* should not be affected by cross-country collection biases and should reflect the salience of the issue in domestic debates.

30. As this study was completed in October 2004, the data for the last year of the study covered only the period May through October 2004, the half-year that followed the expansion of the European Union to four of the countries discussed here.

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the WNC for the six ECE countries in that period. I divided these numbers by the level for 1996—the year considered in the literature to have been the peak of corruption salience in the world.

There are several other ways one can assess the salience of corruption in the press. One can, for example, gauge the number of articles with the word *corruption* in their title or the total number of times the word *corruption* appears in all articles. The measure that was chosen was preferred because it allowed for a large enough sample of articles to render significant results. Also, as this measure was used by other researchers in the past, it offered a greater degree of comparability to previous work.31

To gain greater confidence in the findings and to assess their robustness, I performed several additional tests. In one set of tests, I performed searches for similar words (*corrupt*, *bribery*, and *bribe*). Also, acknowledging that the number of articles mentioning corruption in this news source may also reflect a bias in the selection of articles for translation by WNC editors, I conducted separate tests of a major Romanian daily (*Romania Libera*) and for a Czech newspaper (the *Prague Post*), for three individual random months in 1997, 2000, and 2003. These additional tests all indicated a similar trend as the ones reflected in Figure 2.

The results revealed a substantial increase (approximately seven times the level of 1996) in the press coverage of corruption in the six ECE countries over the past nine years. The trend is not just the result of developments in one or two countries. Even though there are cases such as Romania where the coverage of the issue increased “only” approximately four times and others such as the Czech Republic where the topic is approximately ten times more present in the news, in all six countries, the corruption issue has become more salient over the past nine years.

To put this finding in perspective, I ran similar tests for four other regions of the world (as defined in the classification of “regions” by the WNC) that have been considered by most sources to also have high levels of corruption: sub-Saharan

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31. When comparing the results of the study with those based on other possible measurements of corruption salience, I found very similar patterns, regardless of the measure used. For full results, please contact the author.
Africa, South Asia and the Near East, East Asia, and Latin America. In all these areas, press coverage of corruption has ceased to grow after 1997, a finding that is consistent with the results of the aforementioned studies at the global level (see Figure 2).  

Overall, the salience of corruption appears to have increased much more in ECE over the past decade than in the rest of the world. One cannot interpret therefore the spectacular increase in this region as a result of global developments alone. While the increased interest in corruption in ECE may have been caused initially by some global factors, there appear to be certain additional characteristics, specific to this region, that have spurred the press coverage of the issue even after the “fad” had tapered off elsewhere. What are the factors that may explain this unique increase in the salience of corruption in ECE?  

One possible explanation for the increased relevance of corruption in ECE in the 1996 to 2004 period is that the same factors that led to such increases worldwide in the mid-1980s were late to emerge in this region and affected it only in the late 1990s. Perhaps several factors, or a combination of them, have simply delayed the “corruption eruption” in ECE. One could argue, for example, that these countries had a relatively late start in terms of their process of democratization or privatization (e.g., compared to Latin American countries). In other words, the increase in the salience of corruption in this area could simply be the same effect that we saw worldwide in the late 1980s and early 1990s in other countries, but only delayed.  

What is intriguing though, and cannot be explained by this hypothesis, is that the recent growth in salience of corruption has taken place even after the press was already allotting a large portion of its coverage to this issue. Thus, although somewhere between 1 percent and 2 percent of the articles from ECE mention corruption in the period between 1996 and 1998—about the same proportion as in the press in the other regions—this level grows to more than 7 percent by 2004. This is, by far, the highest proportion of corruption articles in the press of all five regions in

32. McCoy and Heckel, “Emergence.”
33. Only sub-Saharan Africa, with approximately 4 percent of its news discussing corruption (and with higher levels of corruption) even comes close to the figures for ECE.
Figure 2. The interest in corruption was therefore not simply delayed in ECE. It has been more intense than in other regions and appears to continue to increase.

Another possible explanation for these trends in ECE is that the increased coverage of corruption is a reflection of the increased press freedom in ECE. Indeed, a commonly used measure of press freedom developed by the nongovernmental organization Freedom House shows that, over the past nine years, the ECE press has become more independent. Yet as Figure 3 suggests, these changes have been relatively minor ones.

A third and more obvious explanation for the increased salience of the corruption issue in ECE is the level of corruption itself. Thus, the press may simply be discussing corruption more because there is more to talk about. Indeed, ECE countries have been identified as very corrupt by many different sources. Based on the complex Corruption Perceptions Index of Transparency International, the ECE countries are more corrupt (with an average score of 3.8, where 0 is most corrupt and 10 is least corrupt) than the other more than one hundred countries in the survey (averaging 4.8).

Even though corruption in the six ECE countries is high, it is still not as high as in the other four regions that were compared to ECE in Figure 2. One would therefore expect the press in other parts of the world to discuss corruption just as much and perhaps even more than the ECE press does. Moreover, one would expect the increase in the press coverage of corruption to mirror the

34. See the annual press freedom reports of Freedom House at www.freedomhouse.org (accessed 15 October 2004). Countries are rated for press freedom from most free (0) to least free (100).
35. The figure includes data only up to 2003. That is because the data on corruption and press freedom published in 2004 actually refer to levels of 2003. Also, it includes only data beginning with 1998 because Transparency International did not offer data on corruption for all six countries before that year.
36. From the 1998 survey to the 2004 one, only Slovakia has transitioned from one Freedom House category of press freedom to another (from a “partially free press” to a “free press”). Overall, as Figure 3 suggests, the measure of press freedom in ECE has only increased slightly (by about 14 percent) over the past years.
increase in the level of corruption. Yet, as Figure 3 illustrates, this is not the case.

To gain greater confidence that the increase in the salience of corruption in ECE is indeed unique, I performed similar tests on three non-ECE countries with very similar levels of press freedom and corruption: Brazil, South Africa, and South Korea. The three countries were chosen from the three other regions of the world that experienced profound processes of democratization. They were chosen because over the past years, their average press freedom scores in Freedom House rankings and corruption...
scores in the Transparency International rankings were the closest in their region to the average of the six ECE countries discussed here. By comparing the six ECE countries to three countries that have experienced similar changes over the past few years, we can control for the level of democracy, press freedom, and corruption. Yet, as can be seen in Figure 3, the salience of corruption in the three non-ECE countries has not increased at the same rate as in ECE and, moreover, has declined over the past several years.

The above findings suggest that there are some additional factors that are present in ECE (and not in other parts of the world) that may be contributing to the high salience of corruption. For example, the literature has emphasized the unique speed and scale of the privatization processes taking place in post-communist countries. This is relevant because privatization is generally considered to add to already existing opportunities for corrupt practices. We should expect, therefore, that in ECE, the enormous volume of former state properties being transferred to the private sector will contribute significantly to the likelihood of having visible corruption scandals and, more broadly, to the rhetoric surrounding corruption.

Moreover, several authors mention that in post-communist countries, privatization was met with particularly strong public sentiments of unfairness. This is to be expected in societies where, not long ago, individuals were being socialized within strong egalitarian norms. The perception that the new-found wealth of the post-communist elites was the result of unfair implementation of the privatization process may also have contributed to the salience of the corruption issue in ECE.

If we consider that the extent of privatization and the public interest in its fairness have contributed significantly to the visibility of the corruption issue in ECE, we should expect the salience of corruption to be high when the intensity of the privatization

39. Miller et al., Culture of Corruption, especially 42-58.
40. See, for example, Krastev, “Moral Economy,” especially 101 and 115.
process is also high. But this does not appear to be the case. Between 1989 and 1996, the processes of privatization in the six ECE countries indeed led to a tremendous growth of the private sector share of GDP, from approximately 10 percent to about 65 percent. Over the past nine years, this proportion has grown only by an additional 7 percent (to approximately 72 percent). Yet even as the rate of privatization has tapered off over the past years, the anticorruption rhetoric has continued to intensify. The unusually rapid increase in the salience of the corruption issue in ECE does not therefore appear to be solely the result of the unique characteristics of privatization in this region.

Overall, while several domestic developments appear to have contributed to the increased press coverage of corruption, such domestic explanations do not seem to be sufficient in accounting for the highly unusual trends over the past decade in ECE. This study will therefore complement domestic explanations of the increased salience of corruption with one emphasizing the role of an important set of external actors: IOs.

**IOs involved in anticorruption efforts in ECE**

ECE is considered the area of the world where IOs have had the greatest impact on domestic developments. This region is under the scrutiny of the greatest number and the most complex IOs. It is relevant, therefore, to note that there are several IOs that are simultaneously involved in anticorruption campaigns in ECE. It may in fact be due to such organizations that the press and the public in ECE have become so interested in corruption.

This is relevant because IOs have been the principal actors involved in the process of promoting global anticorruption norms and policies. While a little more than a decade ago offic-

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42. For a comprehensive collection of discussions on the role of international institutions on developments in ECE, see Ronald Linden, ed., *Norms and Nannies: The Impact of International Organizations on the Central and East European States* (Boulder, CO: Rowman & Littlefield, 2002).
cials from IOs avoided even using the “C word” in any of their official documents, now there are a dozen such organizations that have made the fight against corruption one of their major tasks. In this section, I will discuss the anticorruption efforts of five IOs: the Organization for Economic Cooperation and Development (OECD), the World Bank, the International Monetary Fund (IMF), the Council of Europe, and the European Union.

OECD

The OECD was among the first IOs to put corruption on the agenda. It began discussing this problem as early as 1989 and soon created an “anticorruption division.” It has implemented several mechanisms that are relevant to the fight against corruption in ECE. First, it drafted the Convention on Combating Bribery of Foreign Public Officials in International Business, which makes it a crime to offer, promise, or give a bribe to a foreign public official to obtain or retain international business deals. The Convention was opened for signature in 1997 and entered into force in February 1999. Of the six ECE countries, only Romania has not yet signed and ratified the convention. The ECE governments’ interest in being part of the elite OECD “club” (in the case of Czech Republic, Hungary, Poland, and Slovakia) or of eventually becoming members (in the case of Bulgaria) has led them to accept the conditions set down by this IO and to formally adopt legislation that is required by the convention.

Through its “outreach programs,” the anticorruption division has been given the task to help promote and/or implement the convention in OECD member states and nonmember states alike. The most extensive program of this kind is the Anti-corruption

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44. Two representatives of the World Bank (one in the Washington headquarters and another in an ECE capital) mentioned this fact during personal interviews in May and June 2003. To discuss freely the policies of their institutions, many IOs and government officials I interviewed preferred that their names not be made public.

45. There are several other IOs that have become involved in anticorruption in ECE, such as the United Nations Development Programme and the European Bank for Reconstruction and Development. Yet several tests indicated that these IOs were hardly ever mentioned by the press in the context of corruption efforts. Thus, even though other IOs may have an important anticorruption role in ECE, the press (and implicitly the public) is not aware of, or does not emphasize, their role.
Network for Transition Economies focusing on states from ECE and the former Soviet Union. Bulgaria and Romania, the two ECE countries discussed here that are not OECD members, became involved in the network as soon as it was launched in 1998. Its activities include exchanges among states and the identification of “best practices” and “lessons learned.” The main topics emphasized by the network have been creating governmental ethics infrastructures, public procurement reform, building government–civil society coalitions, and strengthening the rule of law.

The World Bank

World Bank employees point out that although the organization did not explicitly address corruption in its development strategies in the first four decades of its existence, it did raise the issue numerous times in discreet ways with individual governments. Yet most observers consider that the Bank’s major emphasis on anticorruption measures started only in 1995, when Bank president James Wolfensohn made the first reference to corruption in a presidential address. In 1996, he took the issue further by committing the organization to fighting the “cancer of corruption” at the World Bank–IMF annual meetings. By 1997, a clear anticorruption strategy was adopted by the organization. It discussed four main directions: preventing fraud and corruption in Bank-financed projects and programs, helping countries that request assistance in combating corruption, mainstreaming a concern for corruption directly into country analysis and lending decisions, and contributing to international efforts to fight corruption.

The most effective tool of promoting anticorruption policies in member countries that the Bank has is related to its ability to

deny loans when governments are seen to be neglecting the issue. Thus, in 1997, the World Bank, together with the IMF, made an example of Kenya by cutting off loans after the government failed to successfully address corruption.\textsuperscript{49}

The Bank’s efforts to help countries combat corruption also include less drastic measures. It has implemented a series of “learning programs” (i.e., workshops, training courses, and other activities conducted by the World Bank Institute). It has also become involved in “diagnostic work” based on surveys of the level and effects of corruption in client countries.

Four of the six countries discussed here (Bulgaria, Poland, Romania, and Slovakia) have benefited directly from the corruption diagnostic work conducted by the World Bank. At the request of these governments, Bank officials conducted in-depth analyses of the causes and effects of corruption in their countries. Approximately twenty such studies have been conducted by the Bank worldwide up to date. Moreover, the Bank has also elaborated several broad studies on “transition countries,” which include comparative analyses of the six ECE countries.\textsuperscript{50}

\textbf{IMF}

The IMF’s interest in the issue of corruption was stimulated in large part by the desire to prevent the occurrence of financial crises, such as those of Mexico, East Asia, and Russia in the mid 1990s.\textsuperscript{51} Its anticorruption program is not as clearly laid out as the Bank’s. But, more than the World Bank, the IMF has made use of its loans by linking them to anticorruption measures. The IMF has cut off loans not only to Kenya but also to Cambodia and has suspended operations in Nigeria, Sudan, and Afghanistan because of corruption-related issues.\textsuperscript{52}

\begin{thebibliography}{9}
\bibitem{49} McCoy and Heckel, “Emergence,” 83.
\bibitem{52} McCoy and Heckel, “Emergence,” 83.
\end{thebibliography}
The IMF’s anticorruption strategy, similar to the Bank’s, has been framed as part of its broader efforts to promote “good governance.” Starting in 1996, the IMF has made “transparency” an important tool for promoting good governance and reducing corruption. It has supported the promulgation of codes and standards and has encouraged countries to widely disseminate statistical information on fiscal, monetary, and financial developments in a timely manner. It argues that “timely dissemination of statistics on the execution of budgetary expenditure increases the likelihood of exposing instances of wrongdoing.”

To achieve greater transparency, the IMF created in 1996 the Special Data Dissemination Standard (SDDS) “to guide countries that have, or that might seek, access to international capital markets in the dissemination of economic and financial data to the public.” Bulgaria, the Czech Republic, Hungary, Poland, and Slovakia were among the first countries that volunteered to offer data on the SDDS and, more important, were considered by the IMF as meeting the specifications for quality, coverage, periodicity, and timeliness of information.

The Council of Europe

The Council of Europe is the only organization of the five discussed here that has set down as its main mission the creation and endurance of democracy. It is not surprising, therefore, that when it turned its attention to the issue of corruption, it emphasized the political consequences of the phenomenon, rather than the economic ones. Thus, the final declaration of the 1994 Valletta Conference of the European Ministers of Justice included the argument that “corruption is a serious threat to democracy, to the rule of law and to human rights.”


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At the same 1994 meeting, the Ministers of Justice recommended to the Committee of Ministers the setting up of a Multidisciplinary Group on Corruption. The group started its work in March 1995 and soon submitted a draft Program of Action against Corruption. In November 1997, the Committee of Ministers of the Council of Europe adopted Resolution (97) 24 on twenty guiding principles for the fight against corruption. These initial actions were little more than broad declarations recognizing the existence of corruption in European states and the need for the organization to take steps to deal with it. Its first concrete steps toward an actual anticorruption policy came in May 1998, when it established the Group of States against Corruption (GRECO). This is a mechanism through which member states monitor each other’s observance of the Council of Europe’s “guiding principles in the fight against corruption.”

Currently, all six ECE countries discussed here take part in GRECO activities. They are among the thirty-four that have allowed GRECO evaluation missions and have accepted the public dissemination of the findings. This is significant considering that several other Council of Europe members—including some of the “established” democracies such as Italy and Austria—do not participate in GRECO activities.

Starting in 1999, the Council of Europe also drafted two treaties: the Criminal Law Convention on Corruption and the Civil Law Convention on Corruption. All six ECE countries have signed and ratified the two conventions. By doing so, they have taken on the obligation to introduce or alter legislation that makes corrupt practices punishable by criminal and civil law.

The European Union

The European Union appears to be the last of the five IOs mentioned here to tackle corruption in member or candidate countries. In 1991, it adopted a directive to member states that focused only on the narrow issue of preventing money laundering. In 1995, the European Union also adopted an antifraud con-

57. Ibid.
vention. Only half of the members have ratified it. In 1997, it adopted the Convention on the Fight against Corruption that addresses the bribery of EU officials, as well as a convention criminalizing cross-border corruption within EU territory.

It was only in May 1997 that the Council proposed a broader EU policy on corruption that was outlined in the policy paper “A Union Policy against Corruption.” While the new policy emphasized issues related to bribery, public procurement, accounting, and auditing within the member states, it also referred to anticorruption programs for candidate countries.

With regard to ECE, one can argue that of the five international institutions discussed here, the European Union has the most at stake in the issue of corruption. EU members perceived that corruption could “spread” and have a direct effect on them when ECE countries joined the Union. For example, they saw a real threat in having the European Union’s future eastern borders being controlled by corrupt ECE law enforcement bodies.

This interest in corruption in ECE appears to have led the European Union’s anticorruption policies to be directed more toward candidate countries than toward member states. This has been primarily achieved by adding (or linking) corruption issues to the existing EU accession criteria that had been set down for ECE and other aspiring members in 1993 (i.e., the Copenhagen criteria). Even though the European Union does not have a clear “anticorruption mandate” to apply to ECE countries, the desire to please the European Union in their bid to join the organization has led ECE leaders to at least appear to take EU anticorruption recommendations seriously. It is through this indirect use of the Copenhagen mandate that EU officials have been, for example, able to induce all six ECE countries to adopt and ratify the Council for Europe’s Criminal Law Convention while not even half of the EU member states have ratified it.

60. I would like to thank an anonymous reviewer for bringing this argument to my attention.

Corruption Eruption in East-Central Europe
Raising awareness of corruption as a goal for IOs

One of the principal ways in which all of these IOs have become engaged in the fight against corruption has been to bring (and maintain) the issue on the national political agendas. They view this as a necessary step in the process but also one of the most difficult tasks in this realm.62

All of the IOs discussed here have included in their anticorruption programs some plans to raise awareness of the problems that are associated with corrupt practices. The OECD promotes “public awareness activities for the purpose of educating and advising the public and private sectors about the Convention [on Combating Bribery of Foreign Public Officials in International Business Transactions].”63 It argues that raising awareness will generate “active public involvement in reform, through public discussion and participation and access to information,”64 which, in turn, will contribute to the implementation of anticorruption measures promoted through the OECD convention.

The World Bank considers that one of the five principal ways to support international efforts to combat corruption is to “gain and disseminate knowledge about corruption internationally.”65

As mentioned earlier, at the request of some ECE governments, the Bank has conducted several in-depth surveys with regard to the level of corrupt practices in these countries. In Poland and Romania, the findings of these studies have led to full-blown political scandals and have increased pressure on governments.66

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62. One European Union official compared awareness raising in the corruption realm to the first step an alcoholic needs to take. He argued that in both cases, “acknowledging the problem is a necessary condition for dealing with it.” Personal interview, Bucharest, June 2003.


66. See, for example, Delia Meth-Cohn, “Corruption in Poland Is Growing,” Business Central Europe (May 2000): 44; also, interview with Adrian Baboi, executive director of Transparency International Romania, 22 December 2000.
Together with the IMF, the World Bank is also responsible for the most complex and in-depth cross-country studies of the effects of corruption. Over the past decade, World Bank experts (primarily from the World Bank Institute) published more than fifty articles, working papers, and books. The IMF staff has added approximately thirty more works emphasizing the negative impact of corruption on the economic performance. In a recent book, bringing together many of the IMF studies, the editors (themselves IMF experts) noted that a principal way through which the IMF contributes to the fight against corruption is, in fact, policy research and the dissemination of such research.

The Council of Europe’s Program of Action against Corruption discussed the need to “sharpen public awareness” of the dangers faced by everyone as a result of corruption. Moreover, in 1997, the Council of Europe’s Parliamentary Assembly supported a resolution recognizing that “raising public awareness and promoting ethical values, in particular through education, are effective means of preventing corruption and organized crime.”

Starting in 1997, the European Union made “awareness raising” an important priority in its fight against corruption in ECE. In fact, the Commission mentioned “awareness raising campaigns in the media” among its “Ten Principles for Improving the Fight against Corruption in Acceding, Candidate and Other Third Countries.”

The main way through which the European Union has been publicizing the problems related to corruption in ECE has been through its annual progress reports. Interestingly, the progress reports have included the discussion of anticorruption measures as part of their political criteria under the subchapter “Democracy

67. Abed and Gupta, “Economics of Corruption.”
71. Ibid., 26.

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and the Rule of Law,” thus emphasizing the political impact of
corruption on the new democracies rather than the economic
one (as in the case of the OECD and IMF). The references to the
issue have increased over the past years.\(^72\) By the 2001 and 2002
annual reports, the European Union had identified corruption as
the most salient issue in all of the post-communist candidate
countries.

These reports have been more than just a form of commu-
nication between the European Union and the governments of pro-
spective members. If this would be their only role, they could
very well have remained confidential. By making the reports
public, the European Union has allowed domestic actors to iden-
tify the problems that their governments have in meeting the
criteria set down by the organization and “empower” ECE reformist
domestic groups in their struggles with the government. The
reports have been awaited eagerly by the press and by domestic
nongovernmental actors and have been perceived as a form of
“report card” of ECE governments for the previous year. There-
fore, as soon as they were made available, they made headlines
in the ECE press. Moreover, they have continued to be cited and
interpreted for weeks or even months after their official release.
In the Czech Republic, for example, after a relatively critical EU
report in October 1999\(^73\) that included many references to prob-
lems of corruption, the press continued making references to the
report for an entire year.

If all of the five aforementioned IOs are indeed interested in
awareness raising as a way to fight corruption and believe it is an
effective way to bring about changes, how much have they actu-
ally managed to alter the visibility of the issue? To answer this
question, I used, once more, the press sources available through
the WNC and identified the news items that made reference

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72. For example in the first (1998) progress report on Bulgaria—of the six countries discussed
here, the one with the highest level of corruption at the time—the topic of corruption was
confined to less than half a page (fifteen lines). By 2002, the report for Bulgaria included
more than two pages (eighty-eight lines) on the issue of corruption. The progress reports of
the other ECE countries reflect similar increased emphasis of the issue.
1 November 2004).
simultaneously to corruption and to the five aforementioned IOs. These tests were intended to determine the absolute and relative impact that IOs have had in increasing public awareness of the issue. 

74. The simple appearance of the word *corruption* and of the name of an IO does not imply that the organization has contributed to raising awareness of corruption. One hundred random article samples were extracted from the ones that were counted. Of these, eighty-nine were articles mentioning an IO as either criticizing the level of corruption in a country, praising the efforts of some actors in the fight against corruption, mentioning the negative effects of corruption, or discussing a specific case of corrupt practices in a country. Two more articles included the word *corruption* to describe the role of IOs in states outside of

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**Figure 4:** International organizations discussed in the context of anticorruption policies

Note: Only for 1 May to 31 October 2004: the first six months after the Czech Republic, Hungary, Poland, and Slovakia joined the European Union.
Overall, the number of articles discussing corruption in the context of IOs has increased over the past eight years (see Figure 4). Presently, more than half of all articles that discuss corruption make some reference to at least one of these IOs. The results also show that the European Union is the international institution that is most often discussed in this context.

While in 1996 the relevance of the World Bank, OECD, IMF, and Council of Europe (together) was greater in discussions of corruption than the EU’s, articles mentioning corruption now appear to discuss the European Union much more often than the other IOs. By 2003, the articles mentioning the issue of corruption and the European Union outnumbered by about nine to one the articles mentioning corruption and any of the other four IOs discussed here. In fact, Transparency International, the best known nongovernmental organization involved in the anticorruption realm worldwide, currently appears to be more present in the “corruption news” than the four IOs. Over the past nine years, more than 80 percent of all articles in the WNC discussing IOs in the context of the corruption mentioned the European Union. Only 9 percent mentioned the World Bank, 5.5 percent the IMF, 4 percent the OECD, and 1 percent the Council of Europe.

Based on these findings, the increase in salience of corruption appears to be due almost solely to the discussions involving the European Union. This is somewhat surprising considering that the other organizations have been involved for a longer time and have been more active in this realm. This is especially the case for the Council of Europe and OECD, two organizations that have helped adopt international treaties on corruption and are now pressing for their implementation. Yet such organizations are rarely discussed in the context of corruption in the ECE press.

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75. A similar test was run for Transparency International. While it is true that the nongovernmental organization has been increasingly present in discussions dealing with corruption in the ECE press, overall, the frequency with which it is mentioned (~5 percent of all articles mentioning corruption) is far surpassed by the European Union.
When the ECE press now discusses corruption, more than half the time it mentions the European Union “in the same breath.” According to Figure 4, the European Union is now five times more likely to be discussed in the context of corruption than it was in 1996. This change is significant enough to account, almost alone, for the increase in the ECE press’s coverage of corruption since 1996 (see Figures 2 and 3). The tests suggest that this international institution may be the single most important actor responsible for the increased salience of corruption in ECE.

**Interpretation of the results**

The increasing impact of the European Union on domestic debates in ECE is not that surprising. In the 1990s, ECE governments set down EU accession as one of their top priorities. By now, four of the six countries discussed here have joined the organization, and the other two are hoping to join soon. The European Union has promoted its own policies in ECE by setting down clear accession criteria for the candidate countries. The relevance of the European Union to ECE countries has been much greater than that of the other four IOs involved in the anticorruption realm. Because of that, its recommendations and conditions have been taken much more seriously. Moreover, as the ECE countries neared accession, the European Union has carried even greater clout. The press coverage of the EU anticorruption stance is therefore, expectedly, much wider than that of the other IOs.

IOs can set down conditions to *existing* members. Such forms of conditionality are, for example, common for loans and aid programs from the IMF and World Bank. Yet conditionality is likely to work better before countries join IOs, especially successful ones such as the European Union. Therefore, countries are more likely to be affected by IOs that they have not yet joined, such as the European Union, than by those they have already joined. This argument is further supported by the data referring to the OECD. Although the organization is not mentioned very often with regard to the corruption issue, it is relevant that it appears in the press around the time when countries are set to join it. For exam-
ple, in 2000, as Slovakia was set to become a member of the OECD, the WNC search uncovered eighteen articles that discussed corruption in the context of this IO in the Slovak press. In contrast, only six articles were found mentioning the IO in this context in 2001 and 2002, after Slovakia had become a member.

The frequency with which the European Union is mentioned in the press is not only the result of the material benefits that it can bring to future members. It is also due to the relevance of the institution in the consciousness of the ECE public. Perhaps more than any other IO, the European Union is seen as embodying the Western values (including ones related to the fight against corruption) that East and Central Europeans are now embracing. The ECE public has had a very high level of trust in EU institutions—especially compared to the trust (or lack thereof) it has in domestic institutions. For example, in 2001, only 36 percent of the public in the six ECE countries discussed here tended to trust their national government, 31 percent trusted the civil service, and only 12 percent trusted political parties. Yet a clear majority (66 percent) trusted the European Union. It is to be expected, therefore, that when the European Union mentions corruption as a key problem in ECE, the press will offer ample coverage of the international institution’s opinion on this issue.

Considering the powerful impact the European Union has had on ECE countries and the trust it inspires, one can indeed wonder why it was the last organization of the five mentioned here to take on the issue of corruption. Several EU officials explain this in private by emphasizing the problems that the European Union has had with its own corruption scandal in 1999. Because of these, it was initially difficult for the organization to promote anticorruption to candidate countries. It was only after the organiza-

78. EU official at the Enlargement DG, interview by author, Brussels, May 2001. The official offered an example of a meeting she had with a top ECE governmental representative. When she brought up the issue of corruption in the ECE country, the government represen-
tion acknowledged its problems and developed internal anticorruption mechanisms that it could truly develop around the year 2000 a set of anticorruption policies for ECE.79

Because of the European Union’s late start in the anticorruption realm, some officials from other IOs consider that it lacks experience and therefore does not have the same “comparative advantage” as they do.80 Yet even though the European Union has had less experience than other IOs in promoting anticorruption, it still appears to be the one organization whose efforts in this realm are most visible in ECE.

Other IOs are aware of the increased relevance of the European Union for ECE countries. Many of them therefore decide to collaborate and make use of the European Union’s leverage to promote their own goals. For example, the European Union has encouraged some of its prospective members to sign and ratify the OECD and Council of Europe conventions on corruption.81 The apparently increased role of the European Union and the declining role of other IOs in raising awareness of corruption in ECE may thus not necessarily be a result of the press’s selective attention to the message put forth by the more “relevant” IOs for their countries. Also, the lack of publicity around the anticorruption efforts of organizations such as the Council of Europe does not necessarily imply a lack of activity on their part. These may rather be results of the strategic cooperation among the organizations. The World Bank, IMF, OECD, and Council of Europe may acknowledge that the European Union’s requests and recommendations are more likely to be heeded by ECE governments, and they may sometimes prefer to make use of this organization rather than to always act on their own. Such cooperative behavior may imply that an IO will sometimes take the difficult measure of forgoing what it perceives to be its own dominant role in a specific issue area and allow the European Union to...

79. For an official recognition of this fact see, for example, Commission, “Communication.”
become the dominant player. For example, in a 1998 speech discussing the World Bank’s role in ECE, Caio K. Koch-Weser, then managing director, mentioned that the Bank needed to deal with the fact that it is the “junior partner” in ECE. He then continued by saying, “This is a new role for us; and it took some learning on our side of how to handle it.”

The increased anticorruption rhetoric in ECE can thus be interpreted as being, to a great degree, the result of a deliberate and concerted effort on the part of an unusually large number of powerful IOs that have become involved in this realm. The ECE press indeed appears to reflect IO interests in corruption and has kept the issue in the forefront of public debates, even as some government officials preferred that the topic would go away. By maintaining the issue on the agenda, there has been great pressure on officials to design and implement anticorruption policies. Such pressures appear to have translated in the creation of institutions and the adoption of laws dealing with corruption. Anticorruption directorates, offices, councils, or committees are currently in place in these countries as part of their presidential institutions, parliaments, and the constitutional courts, as well as within various ministries such as Justice, Finances, Foreign Affairs, or Public Administration. These countries have also adopted or amended laws for fighting corruption. In Bulgaria, recent laws such as the Law for Administration (1998), the Civil Service Act (1999), the Public Procurement Law (2000), and the Law on Protection of Competition (1998, amended in 1999) all include provisions intended to curb corrupt practices. The Czech Republic amended in 1999 the Civil Code and toughened prison sentences for bribery. In Hungary, a law on the Legal Status of Public Officials was passed in 1992, and a Code of Ethics for Public Officials was adopted soon afterward. Poland also passed the Law on Civil Service in 1998 and the Code of Ethics of the Civil Service in 2001. In Romania, the Law on the Prevention, Detection and Sanction of Corruption Deeds was adopted in 2000. In

Slovakia, the issue has been dealt with in Act No. 183 of 1999 that amended and supplemented the 1961 penal code.

Most of these countries have also adopted comprehensive anticorruption programs that set down additional policies and means of coordination among institutions. In 1999, the Czech government adopted the Program for Combating Corruption in the Czech Republic. Slovakia adopted the National Program of Fight against Corruption in 2000. In 2001, Bulgaria introduced the National Anti-corruption Strategy, Romania the National Program for Prevention of Corruption, and Hungary an “anticorruption strategy.”

But the IO pressures and the adoption of anticorruption institutions now appear to have reached a crucial moment. In May 2004, four of the countries discussed here (the Czech Republic, Hungary, Poland, and Slovakia) joined, together with six other countries, the European Union. Bulgaria and Romania seem to be on the verge of joining in 2007. If most of the pressure to bring about change in the corruption realm has come from the European Union, what will happen when all ECE countries become members? Conditionality mechanisms will not function as before.\(^{83}\) They will be replaced by weaker mechanisms of peer pressure from other members.

At first glance, the salience of corruption does not appear to have declined yet. Figures 3 and 4 indicate that in the first six months after the 2004 EU enlargement, the press coverage of corruption (including the articles that also refer to the European Union) continued to increase. This has been true both for the four recent EU members in this study and for the two nonmembers. Yet this may simply be the result of inertia. It is likely that over the next few years, the European Union’s interest in corruption in those countries will decline and become just as low as in the older member-states.

There is a second reason why the following years can be considered crucial for developments in the corruption realm in ECE. Now that virtually all ECE countries have adopted laws and institutions to fight corruption, they have to prove that such mecha-

\(^{83}\) See Reed, “On the Fiddle.”
nisms actually work. One argument for the continued increase (or at least maintenance) of corruption level in ECE has been that it takes time for laws and institutions to actually function and have an impact. This can indeed explain the high level of corruption in these countries several years after anticorruption measures were put in place. But if such measures will continue to be viewed as ineffective, the anticorruption movement in ECE may be threatened. In many countries in the region, large segments of the public already believe that there is little that can be done about corruption and that governments or other actors are powerless in this realm. If the newly created anticorruption mechanisms are perceived to be ineffective, the feeling of helplessness will sink in. Even if the region may not experience reversals of democracy, such apathy may nevertheless lead to a continuous erosion of democratic norms by corruption.

As this study has suggested, there is really no substitute for the European Union in terms of projecting an issue on the national agenda. None of the international intergovernmental and nongovernmental organizations or any of the domestic actors in ECE can, for now, maintain the corruption issue in public view the way the European Union has. The European Union therefore needs to find ways to maintain the issue in the spotlight and to develop mechanisms for monitoring developments in this realm even after ECE countries become members. If not, the move from an “obsession with corruption” to apathy toward corruption may be just a step away.

84. For an emphasis on the lag between the creation of institutions and the emergence of practices supporting such institutions in ECE, see, for example, Mary Kaldor and Ivan Vejvoda, “Democratization in Central and East European Countries,” International Affairs 73:1(1997): 59-82.
85. See, for example, “Poles Doubt in Corruption-Fighting Efficiency of State, Opinion Survey Shows,” Warsaw PAP, 28 March 2003, translated in the WNC.