

*International Conference:
Transparency and Open Governance*

–

*a Recipe for Successful
Anti-Corruption Policy*

Conference

Zagreb, Croatia

February 18, 2011

Excerpts of the opening remarks by

Thorsten Geissler

Director, Rule of Law Program South East Europe,
Konrad-Adenauer-Stiftung

It is a great pleasure for me to welcome you to today's conference on behalf of the Konrad Adenauer Foundation.

When the Government of the Republic of Croatia suggested to us to organize a conference on Transparency and Open Governance we immediately agreed. The Rule of Law Programme South East Europe wholeheartedly supports anti-corruption strategies and related action

Konrad-Adenauer-Stiftung e. V.

**RECHTSSTAATSPROGRAMM
SÜDOSTEUROPA**

THORSTEN GEISSLER

Februar 2011

www.kas.de/rspsoe

www.kas.de

plans and therefore welcomes the initiative taken by the Croatian Government.

We are very happy and proud that the Minister of Justice of the Republic of Croatia, Mr Dražan Bosnjaković, is with us today. The fact that you attend and address this conference Minister, underlines the importance that your Government attaches to the problems we are discussing today.

Corruption is not a fact of life that we must learn to live with. And we should not limit ourselves to containing, limiting or working around this problem but should aggressively confront it.

Corruption –the abuse of entrusted authority for private gain – is a tremendous obstacle to political, social, and economic development, in fact development cannot thrive in a corrupt environment.

Corruption undermines social cohesion and broad participation in economic and political life by distorting the allocation of resources and the delivery of public services, it damages prospects for economic growth by reducing foreign direct investment, it skews public investment, it encourages firms to operate in the informal sector, thus distorting the terms of trade, it weakens the rule of law and protection of property rights. Corruption alienates citizens from their political leaders and institutions, it weakens the legitimacy and effectiveness especially of new democracies and undermines political stability.

We must fight corruption in all sectors and at all levels of society. There is a dual challenge. We distinguish between Grand or elite corruption, which usually involves exchanges of resources, access to rents or other advantages for high-level officials, privileged firms, and their networks of elite operatives and supporters. The size of transactions is usually significant. Grand corruption can involve the distortion and manipulation of entire systems to serve private interest.

But we must also target administrative or low-level corruption which usually refers to smaller transactions and mid- and low-level officials which is often facilitated by and linked to grand corruption.

For the parties directly involved in corruption it is usually a win-win situation. Not only the official who accepts money or another privilege for

Konrad-Adenauer-Stiftung e. V.

RECHTSSTAATSPROGRAMM
SÜDOSTEUROPA

THORSTEN GEISSLER

Februar 2011

www.kas.de/rspsoe

www.kas.de

his service benefits from the transaction. Also the one who has to pay has an advantage because he receives something that he does not deserve legally or gets it quicker than he would usually get it. So this "extra money" can be profitable.

But it is always at the expense of society or of third person who does not have the sufficient means to pay this "extra money". Corruption particularly damages the poor.

Anti-corruption strategies must be shaped by strong diagnostics, particularly in relation to a country's history, traditions and politics. One size does not fit all. So a careful analysis of the overall governance environment and the factors that drive corruption is of the utmost importance.

However, a good anti-corruption strategy will always be based both on "prevention" and "enforcement".

To focus on punitive measures is often not sufficient. If the chances of getting caught are low and the potential reward is high, punishment on its own is unlikely to provide a real disincentive to corrupt behaviour. The real pay-off is in reducing the likely benefits from corruption.

The motto of our conference is "Transparency and Open Governance – a Recipe for Successful Anti-Corruption Policy". I think, indeed, it is a good recipe.

Let me make a few points for programmatic response to corruption:

- Build on existing efforts to promote open political competition
- Improve procurement transparency by promoting e-procurement or by independent monitoring of procurements or concession awards
- Address state capture by promoting economic diversification
- Safeguard natural resources
- Shed light on the abuse of parliamentary impunity
- Support budget transparency at all levels of government
- Support merit-based transparent public sector employment practices
- Expand community oversight of public investment and service delivery

Konrad-Adenauer-Stiftung e. V.

**RECHTSSTAATSPROGRAMM
SÜDOSTEUROPA**

THORSTEN GEISSLER

Februar 2011

www.kas.de/rspsoe

www.kas.de

- Reduce opportunities for public sector corruption for example by reducing bureaucratic obstacles

The European Commission has only last year acknowledged that there has been good progress in the fight against corruption in Croatia. Implementation and overall coordination of anti-corruption efforts has according to the European Commission's Progress Report improved. The office for the fight against corruption and organized crime continued to be active and issued indictments in some important cases. The number of court verdicts has increased. A right of access to information from public bodies has been included in the constitution.

But this Conference would never have been organized if the Government of Croatia was not aware of the fact that some problems still need to be solved. And indeed the European Commission also points out that corruption remains prevalent in many areas in this country. The recently upgraded legal and administrative structures have yet to be fully tested in practice, particularly the courts' ability to handle the increasing number and complexity of cases. The European Commission suggests the establishment of a track record of effective investigation, prosecution and court rulings, especially for high level corruption. Progress in preventing conflicts of interest is not satisfactory. And shortcomings remain with regard to the application of access to information and the financing of political parties and electoral campaigns. So there is room for improvement.

The Konrad Adenauer Foundation is proud of its good cooperation with the Government of the Republic of Croatia and many institutions in this country. We want Croatia to meet all the criteria that are a condition for full membership of the European Union and we will give you our full support.

I hope that this conference will provide a strong impetus for the timely and thoroughly implementation of Croatia's National Anti-Corruption Strategy and the related Action Plan and will promote the development of a structured dialogue with citizens, civil society organisations and the interested public in general.

I wish to express my profound thanks to the Croatian Government for Cooperation with NGOs for the excellent cooperation during the

Konrad-Adenauer-Stiftung e. V.

**RECHTSSTAATSPROGRAMM
SÜDOSTEUROPA**

THORSTEN GEISSLER

Februar 2011

www.kas.de/rspsoe

www.kas.de

preparation of this conference and I look forward to our cooperation in the future.

I wish this conference every possible success – in the best interest of Croatia and the European Union.