

COPING WITH CORRUPTION IN ALBANIAN PUBLIC ADMINISTRATION AND BUSINESS

Denita Cepiku

ABSTRACT

This article provides an overview of corruption and state capture in Albanian public administration and describes the solutions adopted to fight corruption by the government since 1998. Conflict of interest is a new aspect of concern in the policy agendas. OECD countries have recently adopted guidelines for managing the phenomenon, which will be then transferred to eastern European countries. Corruption is rarely treated as a management problem, in part because for obvious reasons as data are scarce and in part because the literature is thin and tentative, with few theoretical frameworks. Also rare is analysis of how corruption has been or might be reduced. The state of research on corruption is such that there is little inductive theory or statistical evidence about the kinds of policies that work under particular conditions.

INTRODUCTION

The primary aim of this article is to offer an overview of corruption and state capture in Albanian public administration and to describe the solutions adopted to fight corruption by the government since 1998. Conflict of interest is a new aspect of concern in the policy agendas. OECD countries have recently adopted some guidelines for managing the phenomenon, which will be then transferred to eastern European countries. Given this novelty the article does not deal directly with conflict of interest situations. Corruption is rarely treated as a management problem, in part because for obvious reasons as data are scarce and in part because the literature is thin and tentative, with few theoretical frameworks. Also rare is analysis of how corruption has been or might be reduced. The state of research on corruption is such that there is little inductive theory or statistical evidence about the kinds of policies that work under particular conditions.

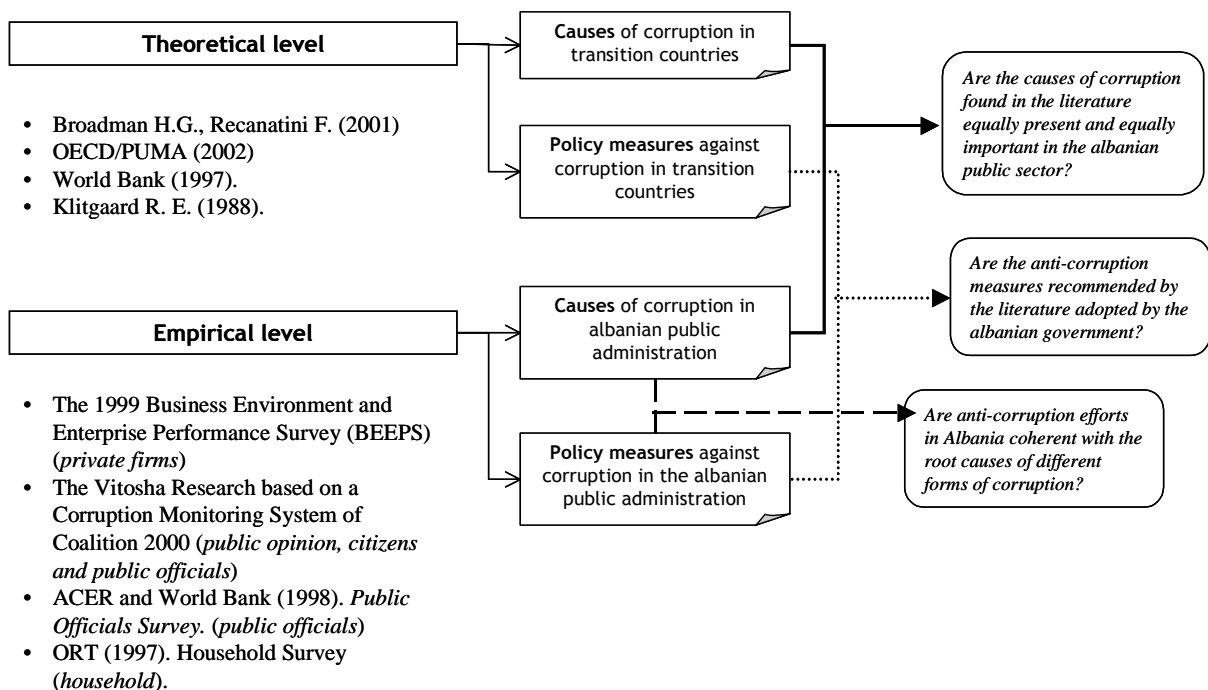
This research proceeds on two fronts, theoretical and empirical. At the theoretical level, we extend and adapt to the transition context the model from the literature in the area to study corruption in developing and developed countries. In particular, from review of theoretical contributions we have originated some assumptions, in part confirmed by empirical data. With reference to theory, we reviewed the principal theoretical contributions concerning: (i) causes of corruption in general and with particular reference to public administration in transition economies; (ii) policy measures implemented by government and public administrations to fight corruption. With reference to empirics, we analyzed surveys at the firm, citizen and public official level that investigate: (i) the causes of corruption in Albanian public administration; (ii) the anti-corruption plan of the Albanian government. A comparison between theory and empirical evidence produced answers to the following questions posed in our research:

1. Are the causes of corruption found in the literature equally present and equally important in the Albanian public sector? Does empirical evidence provide further causes not taken into account in the literature?
2. Have anti-corruption measures recommended in the literature been adopted by the Albanian government?
3. The theoretical models claim that an effective strategy for anti-corruption must address the root causes of different forms of corruption to reduce the risk of treating symptoms instead causes. Are anti-corruption efforts in Albania coherent with this position?

Finally, the analysis of the anti-corruption strategy in Albania produced additional questions to which we have tried to provide some early answers in but for which more evidence and further research is needed.

4. Have strategies used to fight corruption and state capture in Albania been effective?
5. What strategies might in principle prove to be effective in the short and in the longer term?

Figure 1: The Methodological Approach



Source: Author, 2003.

The article proceeds as follows. The next section highlights the principal differences in corruption patterns between transition and developed/developing countries and reviews the literature in search of definitions, causes and effects of corruption as well as policy measures to fight them. Section three focuses on data concerning corruption and state capture in Albania, and its causes and effects. A country and sector background also is provided. Then, we proceed in section four with an analysis of the first Albanian anti-

corruption plan (revised in 2000), as well as the second (and current) one. We also try to evaluate the principal results achieved. The last section offers some concluding remarks and seeks answers to the above questions.

THEORETICAL FRAMEWORK

In the countries of Central and Eastern Europe the concurrent processes for developing a market economy, designing new political and social institutions and redistributing social assets have created fertile ground for corruption. The fusion of the state and the economy that characterized the communist system has been replaced in most of the countries by a new order, but one in which the separation of private and public interests has not been adequately defined. The boundaries between state and economy remain murky. For many governments throughout the region combating corruption ranks high on the political agenda. “State capture has become not merely a symptom but also a fundamental cause of poor governance” (Hellman and Kaufmann, 2001). The captured economy is trapped in a vicious circle in which the policy and institutional reforms necessary to improve governance are undermined by collusion between powerful firms and state officials who reap substantial private gains from the continuation of weak governance.

It will be useful to provide first some essential definitions of corruption, state capture and conflict of interest used in this article. Then we proceed to highlight some of the causes of and the consequences that corruption and state capture provoke.

Table 1 Definitions

Definitions
<p><u>Corruption</u></p> <p>Corruption is commonly defined as <i>the abuse of public office for private gain</i> (World Bank, OECD/PUMA, etc.). Another definition of corruption, found in the Webster’s Third New International Dictionary, is <i>inducement (as of a political official) by means of improper considerations (as bribery) to commit a violation of duty</i>. Klitgaard (1988) gives the following definition: [Corruption = Monopoly + Discretion – Accountability] and draws a distinction between <i>external corruption, which includes the payment for licit or illicit services and extortion of bribes for refraining from doing harm to the client, and internal corruption, which refers to embezzlement, delays, etc.</i></p> <p><u>State capture</u></p> <p><i>The tendency by some elite firms and conglomerates to shape illicitly the formation of the state laws, policies and regulations.</i> (World Bank (2000).</p> <p>Kaufmann defines state capture as <i>the efforts of firms to shape the laws, policies, and regulations of the state to their own advantage by providing illicit private gains to public officials.</i></p> <p>Broadman and Recanatini (2001) identify state capture with <i>a particularly harmful form of corruption consisting in the ability of firms to subvert the entire political process to ensure that</i></p>

policies and regulations favorable to their business interests are implemented.

These definitions underline the basic distinction between corrupt activity, which subverts the implementation of rules, procedures and practices, and state capture which subverts the basic rules of the political system. The World Bank (2000) goes on to suggest distinctions between the types of institutions which are captured (the executive, legislature, judiciary, or independent regulatory agencies), who is doing the capturing (private firms, interest groups, political leaders), and the type of benefits provided to public officials (bribes, equity stakes, informal control rights).

Conflict of interest

A conflict of interest involves a conflict between the public duty and the private interest of a public official, in which the public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities (OECD/PUMA (2003) forthcoming publication).

Where the private interest has *in fact* compromised the proper performance of public official duties, that specific situation is better regarded as an instance of misconduct or “abuse of office” or even an instance of corruption, rather than as a conflict of interest.

Source: Author, 2003.

As emphasized by an increasing literature, corruption affects growth and investment, making its eradication a fundamental challenge for the long-term development of many countries, both developed and developing (Mauro, 1995; Kaufmann, 1999). Given the high costs of corruption, research and policy advice have increasingly focused on identifying the root causes of corruption.

The existing literature on the sources of corruption in developed and developing countries explains corruption by the quality of the government of a country – as reflected by the country’s level of economic development - and the quality of the country’s political institutions (Ades and Di Tella, 1999; Treisman, 1999; Broadman and Recanatini, 2001). In particular, it is typically hypothesized that incentives for corruption are likely to be lower in countries more economically developed – measured by GDP per capita- and where there are greater democratic political processes and a strong independent press –measured by an index of democracy. In addition, it is usually hypothesized that openness to foreign trade reduces the potential rents of government officials, and, in turn, decreases incentives for corruption. The literature on the determinants of corruption in developed and developing economies generally follows this type of model:

Table 2: The Corruption Formula I

$$\begin{aligned} \text{Corruption} &= f(\text{quality of government, quality of political institutions, openness to trade}) \\ &= b_1 + b_2 (\text{GDP}) + b_3 (\text{Index of democracy}) + b_4 (\text{Imports/GDP}). \end{aligned}$$

Source: Broadman and Recanatini, 2001.

However, in the case of transition economies undergoing fundamental changes in basic institutional regimes, this model is likely to be inadequate. In particular, the quality of government in transition economies is likely not to be fully captured by a measure of GDP. Arguably, more than other types of countries, the quality of government in transition economies would seem to be a direct function of the types of basic market institutions. Accordingly, this argues for substituting the various institutional variables described above for GDP per capita. By the same token, the use of a measure of imports as a proxy for openness to foreign trade is also unlikely to be adequate. The linkages between trade and corruption are likely to be affected by activities related to a country's exports as well as to its imports. A better measure of these linkages is an indicator capturing the development and the degree of openness of the overall trade system.

Based on these considerations, Broadman and Recanatini (2001) employ a model different from that specified in the first equation. In particular, as summarized in the next equation, their model employs the following variables: (i) a vector of institutional indicators measuring infrastructure development, entry barriers, soft budgets, legal effectiveness, and the bankruptcy regime; (ii) an index of democratic development; and (iii) a trade system index:

Table 3: Corruption Formula II

$\text{Corruption} = f(\text{quality of government, quality of political institutions, openness to trade})$ $= b1 + b2 (\text{Institutional indicators}) + b3 (\text{Index of democracy}) + b4 (\text{Trade system index})$

Source: Broadman and Recanatini, 2001.

This is a difficult task because most of the institutional indicators available are correlated with each other. Moreover, some of the institutional indices are likely to be endogenous to corruption: if it is true, for example, that a poorly functioning legal system or an inefficient public administration causes corruption, it may also be the case that widespread corruption prevents the improvement of the legal system and public administration reform. Indeed, this vicious circle reflects accurately the dialectic posed by the problem of state capture that makes implementation of corruption-curbing reforms so challenging. Corruption is most prevalent where there are other forms of institutional inefficiency, such as political instability, bureaucratic red tape, and weak legislative and judicial systems. The truth is that probably all of these weaknesses are intrinsically linked, in the sense that they feed upon each other (for example, red tape makes corruption possible, and corrupt bureaucrats may increase the extent of red tape so they can extract additional bribes) and that getting rid of corruption helps a country overcome other institutional weaknesses, just as reducing other institutional weaknesses helps it curb corruption.

While agreeing with the Broadman and Recanatini model, a second model that highlights the sources of corruption is that of the Public Management Committee of the OECD (OECD/PUMA, 2002). While it is a model reflecting factors contributing to corruption in developed (OECD) countries, in our view it describes better the context of transition economies. The model distinguishes between contributory factors, systemic characteristics and contextual variables. The first include:

- Inadequate compliance with accounting and reporting rules

- Patronage in appointments
- Undue influence by major vested interest groups
- Weak oversight of arm's length public bodies
- Secretive and unaccountable officials
- Weak internal and external controls
- Weak safeguards for awarding government contracts
- Systemic characteristics concern:
- Lobbying and party funding system
- Incentives & accountability of officials
- Accounting and reporting standards & compliance
- Ethical and professional standards amongst officials
- Senior civil servant system (elite/non elite, permanent or politically appointed)
- Official information disclosure regime
- Effectiveness of external invigilators

Finally, contextual variables relate to the:

- Power of organized labor to resist change
- Capacity of the legislature to constrain Executive action
- Balance of power between head of government & ministers
- Constitutional autonomy of lower levels of government
- Citizens' interest in and expectations of official behavior
- Independence / assertiveness of judiciary
- Political capacity of Executive for hard decisions

In conclusion, other sources of corruption can be found that are prevalent in transition countries as compared with developed or developing countries (World Bank, 1997b). Indeed, corruption in transition countries has been facilitated by other factors including:

- The rewriting of an unprecedented volume of laws, regulations, and policies;
- The extraordinary redistribution of wealth from the state to the private sector;
- The virtual absence of institutions either within or external to the public sector that could effectively check the abuse of public office during the transition in many countries;
- A distorted policy environment, which creates greater opportunities for public officials to manipulate rules for their own benefit;
- A weak judiciary that is unable to provide a credible threat of punishment when official misconduct is discovered;
- And poor civil service management and low public sector pay.

Corruption has serious effects on public administrations, on firms and on citizens. Klitgaard considers the effects of corruption in four categories: efficiency costs in terms of waste and misallocation, equitable distribution, incentives for rent-seeking and political instability. (Klitgaard, 1988). It weakens public service delivery, misdirects public resources, and holds back the growth that is necessary to pull people out of poverty. In countries where the problem is deep-rooted, corruption undermines the driving forces behind reform. New firms are driven into the underground economy. Vital resources are transferred off shore. Foreign investors turn away in frustration. As a result, some countries risk becoming trapped in a vicious circle in which pervasive corruption reduces public revenues, undermines public trust, and weakens the credibility of the state, unless decisive leadership can push through the necessary reforms.

One specific channel through which corruption may harm economic performance is by distorting the composition of government expenditure. Corrupt politicians may be expected to spend more public resources on those items on which it is easier to extract large bribes and keep them secret –for example, items produced in markets where the degree of competition is low and items whose value is difficult to monitor. Corrupt politicians might therefore be more inclined to spend on fighter aircraft and large-scale investment projects than on textbooks and teachers' salaries, even though the latter may promote economic growth to a greater extent than the former. Corruption is thus associated with lower public spending on health and education, which in turn limits opportunities for poor people to invest in their human capital and to participate in markets. At a deeper level, corruption undermines the legitimacy of the state itself and weakens the capacity of the state to provide institutions that support markets (Mauro, 1998).

The costs of state capture and administrative corruption are mutually reinforcing and are themselves influenced by a range of other factors. While increasing private revenues to public officials, corruption tends to have a negative impact on public revenues. A substantial share of administrative corruption is directed towards tax and customs officials, presumably resulting in lower tax and customs payments by firms. Moreover, corruption is closely associated with the unofficial economy, the size of which can have profound fiscal implications in many transition countries. When firms produce for the unofficial economy, they underreport economic activity or avoid the state entirely. This creates competitive advantages that can drive honest competitors out of the market, thereby generating further corruption and fiscal decrease. The reduction of tax revenues reduces the funds available for public services, providing firms with fewer incentives to operate officially. Corruption in procurement, assignment of subsidies, and outright theft leads to an exaggerated flow of funds out of the public coffers. While there is some difference in relation to the causes of corruption, its effects are similar across countries. However, an effective strategy for anti-corruption must be based on an understanding of the root causes of different forms of corruption and their variation. Without it, policymakers run the risk of treating the symptoms without remedying the underlying conditions. In fact, empirical investigation points to the importance of both the design and effective implementation of anti-corruption measures; in other words, it is not enough, for example, to simply enact first class laws if they are not enforced (Broadman and Recanatini, 2001).

Although still in the early stages of development, the experience of anti-corruption programs to date has produced mixed results. Ambitious anti-corruption campaigns in several countries have floundered at the implementation stage. Key structural reforms have been blocked by powerful vested interests. In some cases, politicians have hijacked the anti-corruption agenda and used it to attack their rivals. Governments in the region have tended to prefer strengthening enforcement mechanisms to addressing the structural roots of the problem. One reason for the difficulties has been an overemphasis on technocratic measures in a uniform approach that does not take into account important differences among countries in the power and concentration of vested interests, the capacity of the state, and the channels of accountability between the state and civil society.

The standard advice for combating corruption has traditionally focused on measures to address administrative corruption by reforming public administration and public finance management. But with the increasing recognition that the roots of corruption extend far beyond weaknesses in the capacity of government, the repertoire has been gradually expanding to target broader structural relationships, including the internal organization of the political system, relationships among core state institutions, the interactions between the state and firms, and the relationship between the state and civil society. The fight against corruption in the transition countries has been incorporated into a wider reform agenda combining liberalization and privatization to roll back the state and governance reforms to promote greater transparency and accountability in the state's legal and regulatory framework. PUMA/OECD has defined the concept of an "ethics infrastructure" including eight key elements (OECD/PUMA, 1997): political commitment (politicians should say ethics are important, set an example, and support good conduct with adequate resources); an effective legal framework (laws and regulations which set standards of behavior and enforce them); efficient accountability mechanisms (administrative procedures, audits, agency performance evaluations, consultation and oversight mechanisms); workable codes of conduct (statement of values, roles, responsibilities, obligations, restrictions); professional socialization mechanisms (education and training); supportive public service conditions (fair and equitable treatment, appropriate pay and security); an ethics coordinating body; An active civic society (including a probing media) to act as watchdog over government activities.

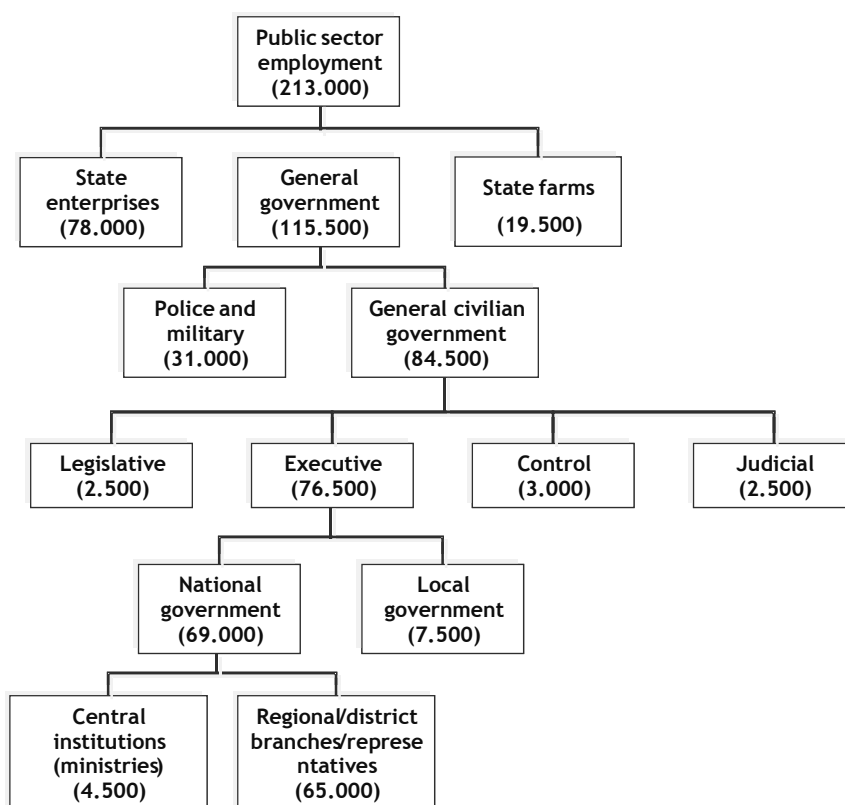
As with any set of management tools, the effectiveness of the ethics infrastructure depends on whether it is implemented, understood and applied consistently. Ethics should be linked to public management. If there is too much control, nothing will get done; but if there is too little control the wrong things will get done. A country's ethics management regime should be consistent with its approach to public management in general. It would be inconsistent to marry a strict centralized compliance-based ethics infrastructure with devolved results-based management systems. The following sections provide an overview of corruption and state capture in Albanian public sector and describe the anti-corruption plan.

QUANTIFYING CORRUPTION AND STATE CAPTURE IN ALBANIA

The Republic of Albania is a country of approximately 3 million people situated on the Balkan Peninsula. There are three levels of government in Albania: the central, the

regional and the local level. Central government comprises the Council of Ministers, the Ministries and other central government bodies. The Albanian public administration has a modest size. In 1998, total employment in Albania's public sector (comprising general government, state enterprises and state farms) was 213,000. Public sector employment, both as a percentage of total population and as percentage of total labor force, has registered a decline since 1993. This reduction has been achieved largely through pro-rata cuts undertaken in the context of government efforts to achieve fiscal stabilization.

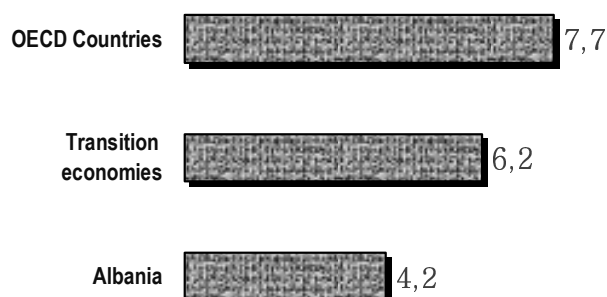
Figure 2: Public administrations in Albania (1998)



Source: OECD/SIGMA, 1999.

Public service employees represent 4,2 percent of the total population (2001 data). This may be compared with an average of 6,2 percent for a group of 12 transition economies, and 7.7 percent for a group of 20 OECD countries. While such comparisons should be approached with caution, they suggest that public service employment in Albania is no longer excessive and that the scope for further reductions is limited. Instead, two other elements should be taken into account: the dominant role of education and health services within the overall public services payroll and the increasing shortages of skilled and professional staff in a number of areas. Staff resources are not distributed appropriately.

Figure 3: Public service employment (% of total population)



Source: OECD/SIGMA, 1999

Weaknesses in public administrations and management continue to have an adverse impact on the morale, motivation and performance of public servants. Addressing these weaknesses should be part of any anti-corruption strategy. The Department of Public Administration has initiated a program aimed at improving the structure and management of the public service. Local governments were created at the beginning of the process of decentralization in the early 1990s and a number of laws were approved which govern their competencies and authorities. Much of that legal framework has yet to be implemented and the reality is that local governments in Albania have very limited administrative and fiscal autonomy.

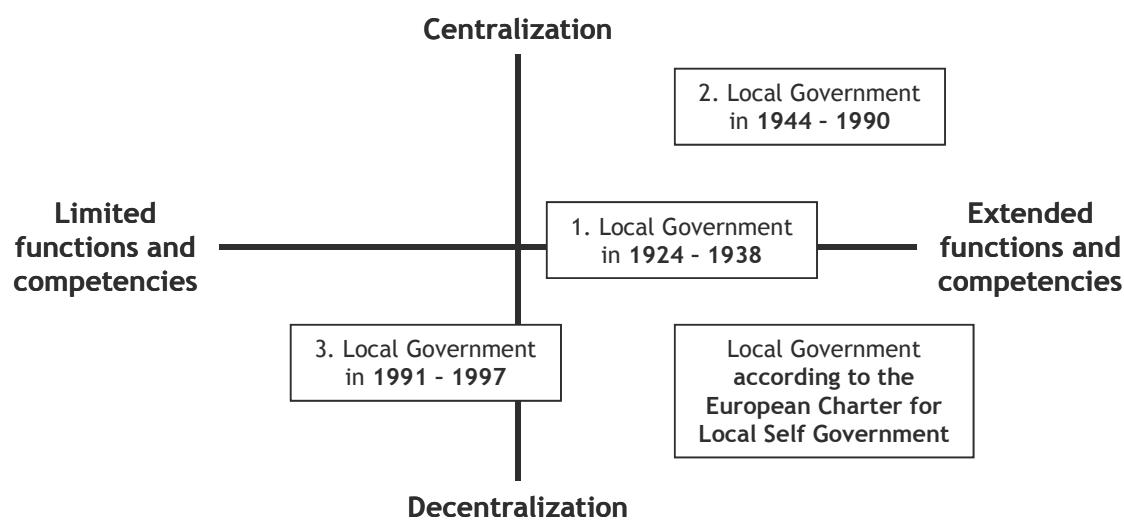
In the first years of transition, the focus was mainly on central reforms to build the key institutions based on democratic models as well as on basic economic reforms. As a result there was less attention to local government reforms. The current status of local governments is characterized by general definitions of responsibilities and functions and by a mismatching between responsibilities and the authority to act. Communes and municipalities constitute the basic level of local government. While a commune is usually located in a rural area, the municipality is located in an urban area. Regions are the upper level of local self-government and include several communes and municipalities. Subdivisions of the regions are the districts. At present, there are 309 communes, 65 municipalities and 36 districts in Albania. Each level performs “exclusive functions”, “shared functions” and “delegated functions”. The communes and the municipalities have full powers for their exclusive functions, which concern infrastructure and public services, social and cultural functions, local economic development. Communes and municipalities may undertake shared functions, separately or jointly with the central government. Such functions comprise health and education, social assistance, public order, environmental protection, etc. Finally, delegated functions are mandatory (determined by law) and non mandatory (determined by an agreement between the central and the local government).

Legislation governing local finance in Albania defines two elements of the local government budget: the “conditional” and the “independent” budgets (Law No. 7616 of 30/9/1992). The conditional budget is funded by transfers from the central government

and the funds are used for very specific purposes, as determined and allocated by the relevant line Ministries and the Ministry of Finance. Since the conditional budget accounts for ninety-five percent (95%) of local expenditures in the aggregate, local governments have little financial autonomy and lack the authority to manage their funds in accordance with the best interests of the local community. The legal framework in Albania provides that surplus budget funds derived from locally generated revenues may be carried over to the next budget year. In practice, local governments have never been able to carry over their excess funds to the next budget year. Each year, the Council of Ministers has passed a decision or decree which requires all or some part of local budget surpluses (i.e. those funds not expended by the end of the budget year), sometimes even before the end of the budget year, to be transferred to the state treasury account, regardless of whether they derive from local revenues or from transfers.

The decentralization strategy has included a first phase (2000) with high visible impact on local government, concerning changing in local financing, a package of laws on public property and on local public enterprises. The second stage (2001) addressed some crucial issues linked with the institutional status of local government and local financing. Subsequent phases (2002 and beyond) will address other important issues, which require a longer time frame to be formulated and implemented. The elements of this phase need to complete the legal framework initially developed in previous phases. Some major issues will be the law on urban planning and additional local government functions (education, health, police and civil defense). The current status of local government is a product of the dynamics of the political, economic and social factors of transition, as well as historical, traditional, cultural and social psychology.

Figure 4: Scale of autonomy in local government



Source: UNDP, 1998.

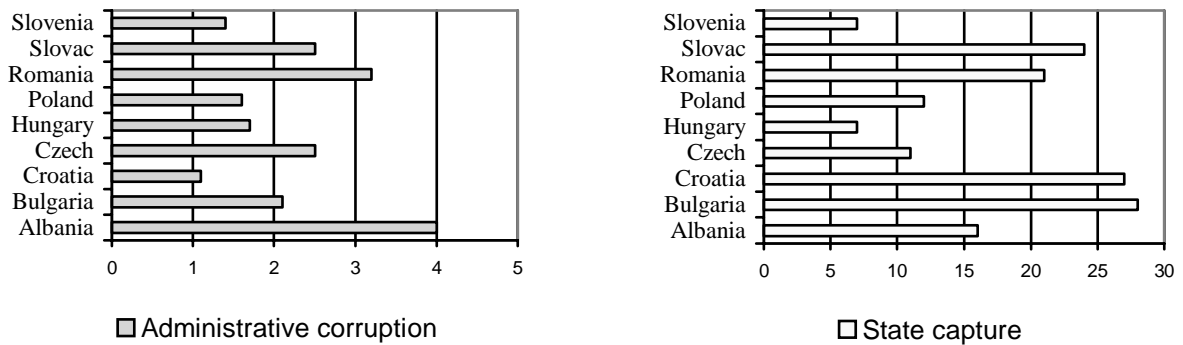
Notwithstanding the two-sided impact of these factors, they have played more of a restraining than a promoting role in the decentralization of power and strengthening of local self-government.

MEASURING CORRUPTION IN ALBANIA

To follow-up the background provided above on the Albanian public administration we examine the presence of corruption and the efforts made to combat it. The following Figure 5 presents an aggregate index of the impact of state capture and administrative corruption across the transition countries. Both administrative corruption and state capture continue to be serious problems in every country of the region.

Albania provides an example of country with medium state capture and high administrative corruption featured by a weak capacity of existing state institutions, both in terms of the provision of basic public goods and regulatory functions and the existing mechanisms of accountability and control within the state apparatus. State capture by firms is lower than in other transition countries. However, this does not appear to be due to any greater degree of political constraints on state actors, but rather to a less concentrated and less developed economic structure or to the overall lack of state capacity to intervene in the economy.

Figure 5: Administrative corruption and state capture in some transitional countries.



Source: World Bank, 2000b

* Note: Administrative corruption is measured by bribes as a share of annual revenues, while state capture reflects the share of firms affected by state capture.

The instrument used here is the 1999 Business Environment and Enterprise Performance Survey (BEEPS) commissioned jointly by the World Bank and the European Bank for Reconstruction and Development. It is a firm-level survey that interviews more than 3,000 enterprise owners and senior managers in 22 transition countries. It provides new and more robust measures of different forms of corruption across transition countries from the point of view of firms (EBRD/World Bank, 1999). It identified a number of specific activities that fall within the definition of state capture, including: the “sale” of Parliamentary votes and presidential decrees to private interests; the sale of civil and criminal court decisions to private interests; corrupt mishandling of central bank funds; and illegal contributions by private actors to political parties. Firms were asked to assess the direct impact on their business of each of these activities, regardless of whether they engaged in such activities themselves. Thus, capture is

measured not by how many firms engage in it, but by the share of firms whose business is directly affected by it.

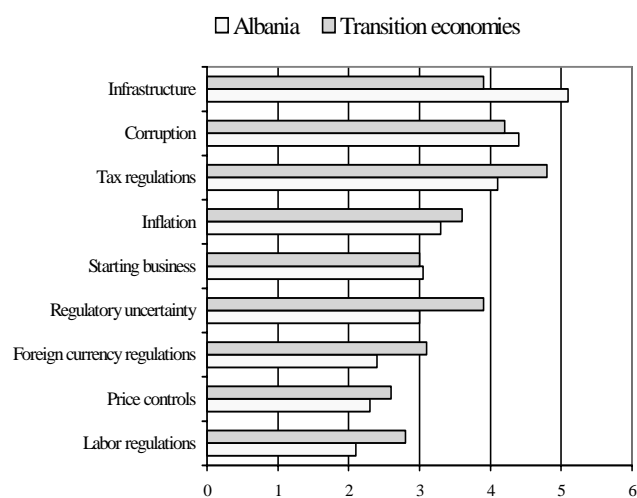
By investigating the channels through which firms seek to influence the state, the BEEPS survey represents the first attempt to measure some aspects of the incidence of capture across the transition countries, although representing only the problem of capture by firms (as opposed to other individuals or groups).

While the BEEPS survey provided data concerning capture by firms, another survey conducted with the cooperation between Vitosha Research with Center for the Study of Democracy, Albanian Center for Economic Research, Albania, and Forum–Center for Strategic Research and Documentation, Macedonia, explored corruption and state capture as perceived by the public opinion, citizens and public officials. The survey was based on a Corruption Monitoring System of Coalition 2000, which was created by Vitosha Research and is an initial step towards the implementation of a Regional Corruption Monitoring System. Fieldwork was conducted between January 15 - January 25, 2000, and the sample size was 1002 for Albania, 1144 for Bulgaria and 1007 for Macedonia. According to the public opinion in Albania corruption is one of the most important public problems at present (Brunetti, Kisunko and Weder, 1997).

Figure 6: Main problems faced by country.

Figure 7: Obstacles to doing business in Transition economies, (1996).

	Albania	Bulgaria	Macedonia
	Rank	Rank	Rank
Political instability	4	8	4
Ethnic problems	9	11	6
Corruption	1	4	7
Low incomes	5	2	2
Crime	2	5	5
Unemployment	3	1	1
Environment	8	9	11
Health Care	6	6	8
High prices	10	10	10
Education	11	7	9
Poverty	7	3	3



Source: Vitosha Research, 2000 and Author, 2003.

The survey identified attitudes towards corruption of these three countries, measured through different indexes:

Acceptability in Principle

This index reflects the level of tolerance towards the various corrupt practices. The values reflect the fact that corruption is generally perceived as a morally inadmissible phenomenon. Focusing on Albania, compare to the survey of May 1999 (ACER), according to citizens, now this phenomena is increasingly considered as unacceptable. Anyway looking in detail corruption is mostly perceived as only bribes (cash) while the tolerance for gifts and favours is much bigger (ACER, 2000). This means that the level of understanding of the corruption phenomenon needs still to be improved in the Albanian society.

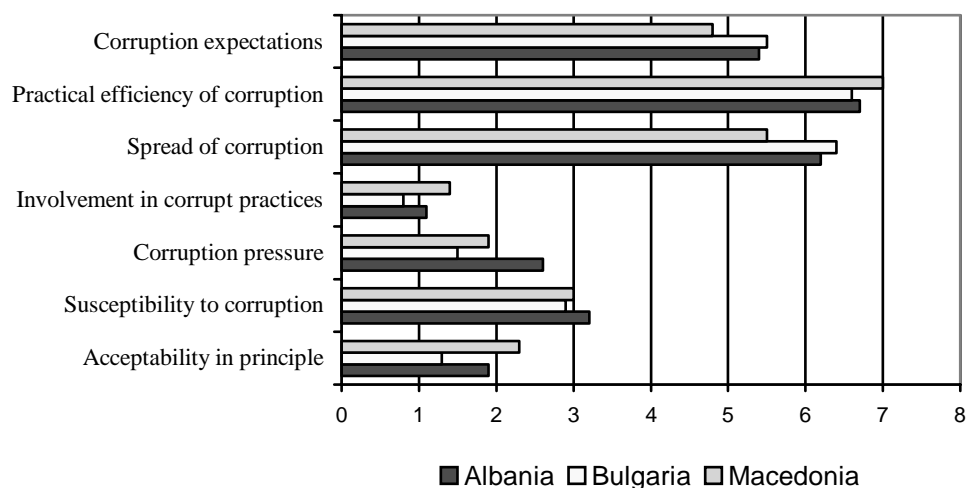
Susceptibility to corruption

The index, which measures the inclination of the citizens to compromise with their principles and values under the pressure of circumstances, has similar values in all of the countries, showing that public opinion in Albania, Bulgaria, and Macedonia demonstrates intolerance towards corrupt practices, and citizens declare their willingness for personal non-involvement in them, despite the pressure of the circumstances.

Corruption pressure

This index reflects the spread of the attempts of public officials to exert direct or indirect pressure on the citizens of the three countries in order to obtain money, gifts, or services.

Figure 8: Attitudes towards corruption.



Source: Corruption Indexes, 2000

Involvement in corrupt practices

This index reflects respondent self-admission of personal involvement in corrupt practices. Obviously, this is a highly sensitive and data are reported anonymously.

Personal involvement in corrupt practices

With reference to Albania, 10% of the respondents declare they have had to pay officials in almost all or most of the cases they have contacted them. Taking into account the fact that not all the respondents have had problems to resolve with public officials (or have not resolved them themselves) this figure is high.

Spread of corruption

This index registers Albanian, Bulgarian, and Macedonian citizens' estimates of the spread of corrupt practices among public officials. The spread of corruption in the public sector assessed by Albanian citizens is very high. Actually this index is a perception of the public and as such may be affected in time by different events that have to do with corruption in the public sector. Two much commented events in the press lastly are scandals that imply high positions in public administration (Rice Affair and Petrol Affair). Even the fact that corruption is being mentioned in every formal meeting of the government with the representative of foreign governments and organizations as a serious problem for Albania affects this index.

Practical effectiveness of corruption

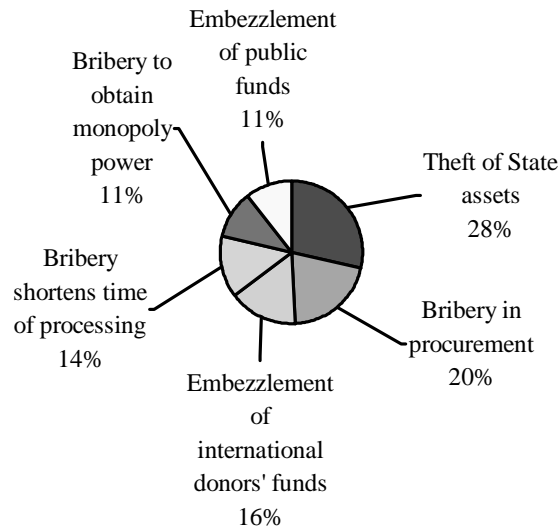
This index shows the likelihood of using corruption to resolve problems. It shows how far the corruption has become a manner of everyday life in the society.

Corruption expectations

Albanian citizen seems to be very passive in their stand against corruption and have little confidence in their ability to fight it. This is also an expression of their lack of confidence toward success in the fight against corruption. More than half of the respondents (56%) are not optimistic that corruption can be substantially reduced. This lack of confidence is another reason why the success in this field will be difficult to achieve.

Various international comparison survey data sources, as well as each of the Albania-specific in-depth surveys recently carried out, citizen survey (ORT), enterprise and public officials surveys (ACER-World Bank), depict a very consistent and grim picture about the prevalence and costs of corruption in Albania. Related to it, they also suggest that serious institutional weaknesses in the public sector are associated with the high prevalence of corruption, which in turn is having a detrimental impact on socio-economic development in Albania.

Figure 9: Common forms of corruption in Albania (% of public officials).



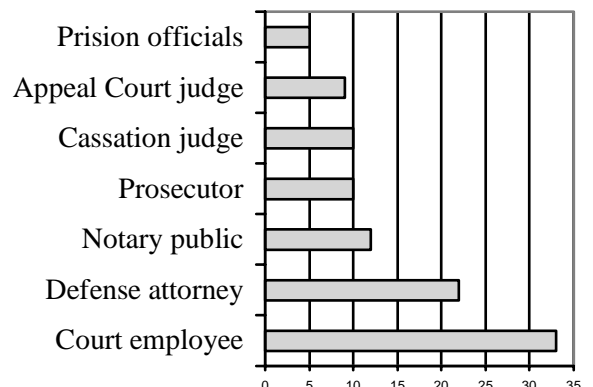
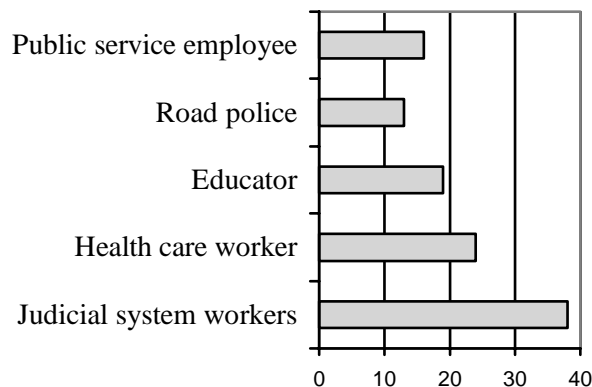
Source: ACER, 1998b

All levels of the state administration and justice system have been subject to corruption in the past 10 years. Bribery is most common in customs, taxation, telecommunications, the justice system, police and attorneys' offices, construction permits, and health care service. Another major manifestation of corruption is the payoff needed to secure a post as customs inspector, tax inspector, judge, natural resource administrator, attorney, policeman, or local government official. This is explained, even by government officials, by the very low wages of state administration and justice system employees.

Figure 10: Bribing Incidence and Location

Albania: Common bribes paid by citizens (% of citizens who admit paying bribes)

Albania: Bribing in Court (for the 18% of the population who went to Court*).

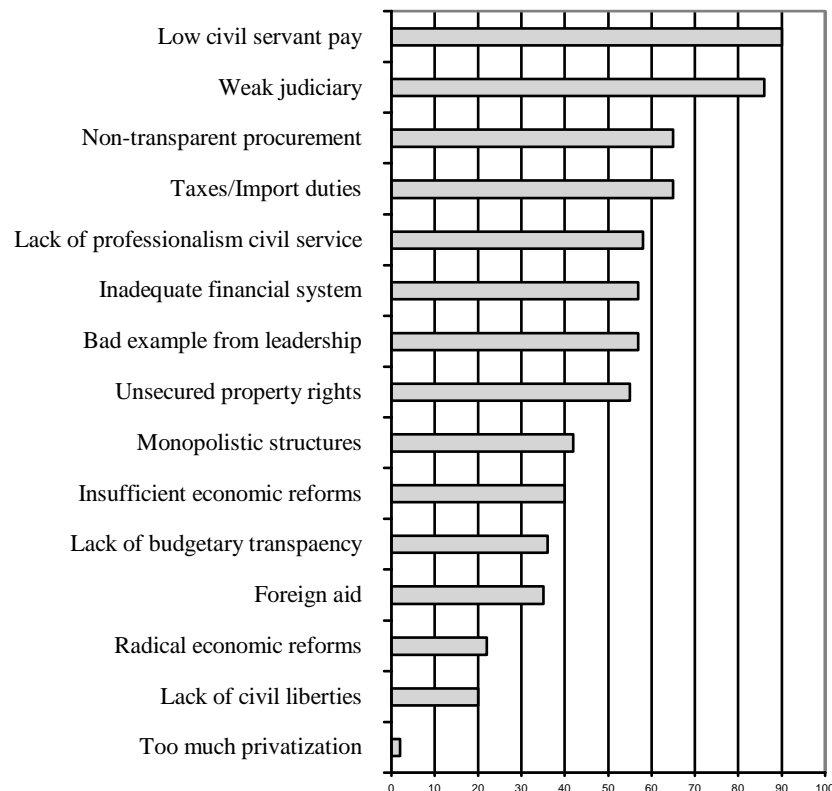


Source: ORT, 1997

* Percentage of individuals who paid the bribes

Albanian corruption is widespread and is generally accepted as an efficient way to solve problems in people's daily activity. 67% of the interviewees who have had problems with various state institutions have solved them through corrupt practices such as soliciting the favour of friends, payments at their initiative, and/or payments required or imposed by officials whose job is to administer these services. More than 50 percent of the firms that use the following government services admit that bribes are a part of the delivery of the service: Customs and related activities, Telecommunications, Tax and Financial Police, Traffic Police, Judiciary. Corruption in Government procurement remains a key problem. The following figure shows the sources of corruption as recognized by Albanian public officials.

Figure 11: Public officials view on causes of corruption in Albania.



Source: ACER, 1998b

The quality of public services is considered by households as “very weak”. Among lower quality services are included: (in descending order): custom’s services; local courts; local attorney’s offices; health services; road police; tax offices; local authority for problems of lodging; electrical or water services; telephone services; local police. A strong correlation exists between the quality of services and the “integrity” of institutions. Institutions, which have the weakest quality of services, are the most corrupt and, conversely, institutions that are "less honest" have a strong correlation with those offering lower quality services. This implies that the growth of professionalism in service delivery would bring about directly a reduction in corruption. The institution of complaint is almost non-existent in Albania.

The impact of corruption on private firms in Albania

Figure 12: Albania: Public finance cost of corruption and regulations

(% of firms that would pay additional taxes to eliminate corruption and excessive regulation)*

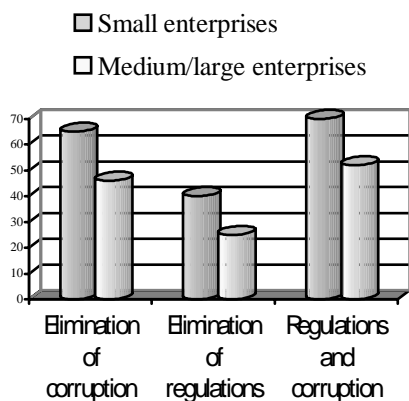
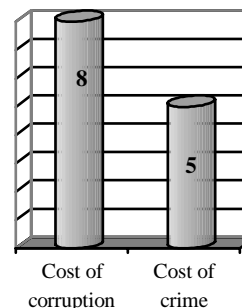


Figure 13: Albania: Cost of corruption and crime



Enterprises are prepared to be taxed for better government.

* Frequency of firms facing corruption: 79 %; and crime: 91%.

Source: ACER, 1998b

Higher corruption translates into lower tax collections, yet at the same time is a very significant private tax on enterprises. Almost two-thirds of public elected officials state that a serious anti-corruption program is politically and administratively feasible at present in Albania. But, by contrast, administrative personnel and career public officials are less optimistic. While the incidence of corruption in Albania is still very high at present, its increase appears to be held in check, and the conditions may be ripe for a significant reversal if a decisive action program is to be implemented in the near future. The next section illustrates the policy measures adopted in the framework of the first Albanian anti-corruption programme (1998-2002) and the results achieved.

ANTI-CORRUPTION STRATEGY IN ALBANIA

The First Anti-Corruption Action Plan (1998 – 2002)

Through the decision 515, year 1998, the Albanian government was officially committed to fight corruption. An Anti-Corruption Commission was created by the Government Decree no. 72 of January 30, 1998 with the formal objectives:

- to establish a strategy for the organization and direction of the fight against corruption;
- to realize an effective co-ordination of the anti-corruption activities of the state institutions and private sector; and

- to ensure the necessary cooperation with the International Financial Institutions supporting the Government's anti-corruption initiatives.

The review of the anti-corruption plan matrix was instituted in 1999 by the Anti-Corruption Commission and its constituent sector groups. The interagency anti-corruption committee, in its meeting of April 7, 2000 examined the work done by the technical commission, analysed the progress in the fight against corruption and scrutinized the reviewed anti-corruption plan. The conclusion of the review of the anti-corruption plan coincided with the start of the Stability Pact Anti-Corruption Initiative (SPAI) and the presentation by the Albanian government of the status report for the Stabilization and Association Agreement with the European Union. The revised anti-corruption plan takes into account the commitments included in both these documents, serving to reinforcement of the state of law and the institutional fight against corruption. The approval of the Strategy of Institutional Reform of 1999 has defined the main directions of the development of the institutions, which in turn need to have concrete tasks, defined deadlines and suitable methods for measuring results. The main areas of concern of the anti-corruption program were as follows:

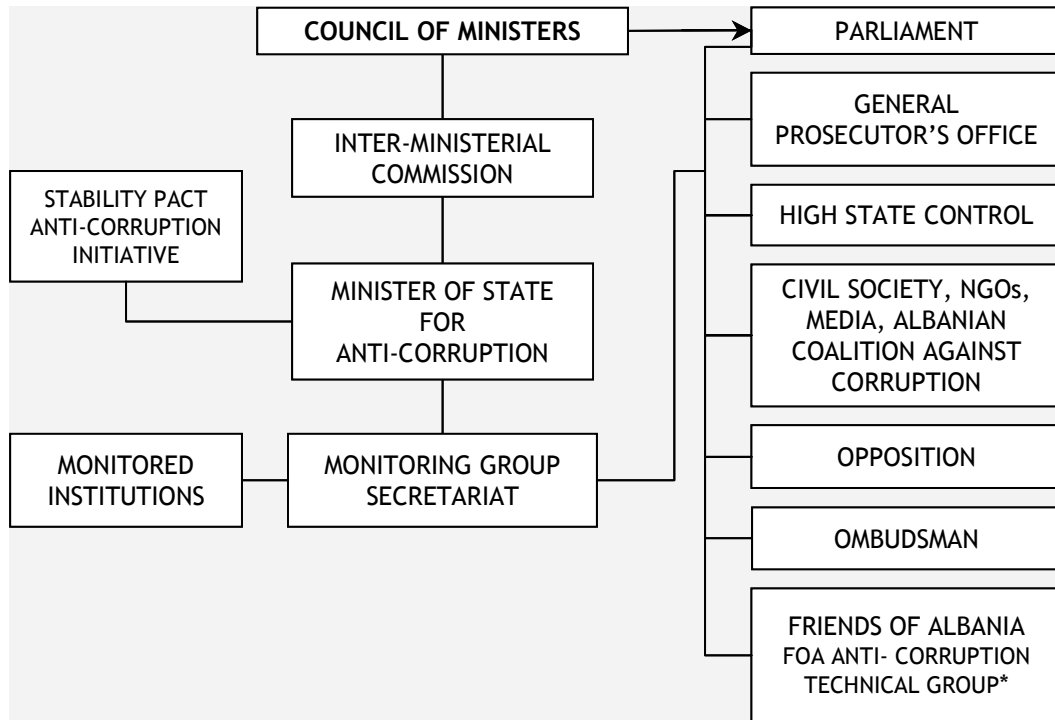
The establishment of a *professional civil service* through the implementation of the Law "On the Status of the Civil Servant" and the creation of the Civil Service Commission to ensure objectivity in hiring etc. The management of *Public Finances*, development of supervising functions of auditing (external and internal), and transparent procurement procedures, which was meant to involve computerization and changes in procedures and appeals in the General Directorate of Customs and the General Directorate of Taxes. The strengthening of the *Rule of Law* by means of a) professional standards and asset declaration in the judicial system, b) the adoption of anti-corruption measures in the Sarajevo Compact, 1988 Vienna Convention, Comprehensive money laundering law, Octopus recommendation, Greco mechanism, Criminal Convention on Corruption, Civilian Convention on Corruption, c) the involvement of state, judicial and customs police, d) legal framework and professionalism of the High State Control and relations with the General Prosecutor's Office, and d) ensuring the proper functioning of the new People's Advocate institution. The management of the privatization process and promotion of a *market friendly environment* and integrity in business operations. *Public awareness* through openness to the media and better coordination by designating lead agencies.

Coordination problems were addressed identifying leading bodies (ministries, agencies and others) in each of the areas of concern which are responsible for coordinating activities and initiatives for resolving the identified problem and responsible to the inter-ministerial commission for timely implementation. To this end, objectives were made more concrete and every effort was made to ensure that deadlines were realistic. Other measures not officially included in the anti-corruption which could potentially reduce opportunities for corruption were adopted. Some of important changes in economic policies included:

- Reduction of tariffs and other barriers for international trade
- Unification of exchange norms and interests defined by market
- Eliminating enterprises subventions
- Minimizing state interventions

- Minimizing the requirements for licenses and other barriers for the new enterprises and investor to enter in the market.
- Demonopolizing and the continuation of the state property privatization
- Designing and implementation of new proper banking regulations in a transparent process as well as establishing high standards of financial control

Figure 14: Structure for the implementation and monitoring of the anti-corruption plan.



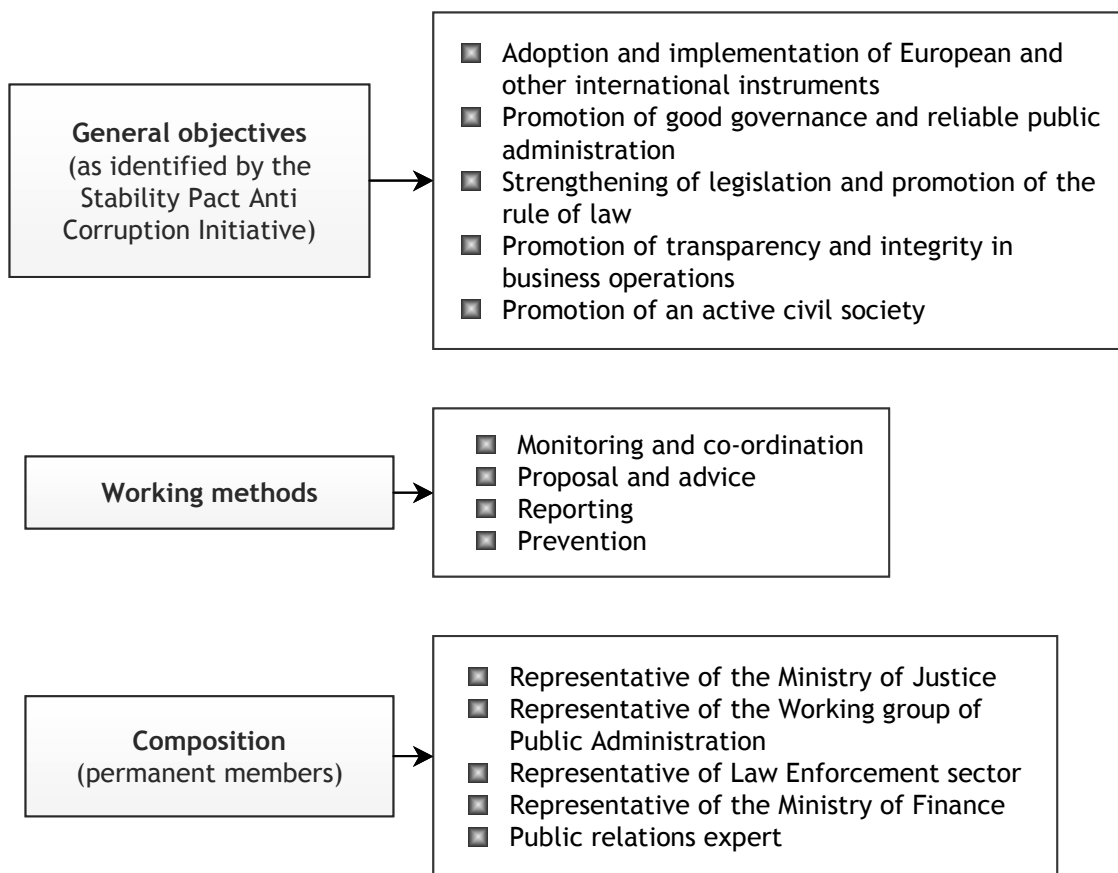
Source: <http://www.keshilliministrave.al/shqip/antikorrupsioni/struktura.asp>

Note: The FOA Anti-Corruption Technical Group is composed of EC DEL, WB, COE, OSCE

The Minister of State has proposed the establishment of a Triangle-Commission with representatives from the government, General Prosecutor's Office, Civil Society and Media to enhance the transparency and inform the public on the number complaint/denouncements regarding corruptive issues received and forwarded to the prosecution office, in order to protect that any complain or denouncement related to corruption (from different sources) is not being used for political purposes but serves in prosecution from justice bodies. This Commission will also exchange information through confrontation and systematically follow up the number of complaints, criminal allegations of corruption cases and above all inform the public on the outcome results from these discussions through the press or TV (Government of Albania, Council of Ministers, 2003). As a result of the pressure from lending agencies and donor countries, in 2000 the Albanian government established an Anti-Corruption Monitoring Group (ACMG) to ensure the implementation of the Anti-Corruption Plan. The ACMG consists of the Anti-Corruption Monitoring Board and the Anti-Corruption Unit.

The Anti-Corruption Monitoring Group is a monitoring body designed to support and coordinates the Albanian policy of fighting against corruption. Its existence and action are guided among others by the objectives identified by the Stability Pact Anti-Corruption Initiative (see Figure 15). The objectives of the ACMG Board are to monitor the implementation of the anti-corruption strategy, to promote and support the inter-institutional collaboration and coordination, to counsel and support the institutions included in the Plan as well as to propose preventive activities, to advise the institutions and to report progress to the Government (the Commission and the Council of Ministers), via the Minister of State, who participates in the work of the ACMG Board. The Board examines the implementation of the Action Plan every two months.

Figure 15: The Anti-Corruption Monitoring Group



Source: FOA Anti-Corruption Technical Group, 2002.

The Group is placed under the responsibility of the Minister of State. To ensure work efficiency, the Group is composed of a limited number of permanent members, detached from their ministers and who are specialists in the disciplines covering the fight against corruption and the five pillars of the SPAI Compact. Adequate measures should be adopted in order to insure the independence of the members of the Group and to insure their return after the end of the detachment period. The secretariat of the ACMG is provided by the Anti-Corruption Unit (ACU), comprising six civil servants attached to the Office of the Minister of State. The Unit is composed of a Director and five inspectors (covering areas of public order, public administration,

economy/finances, legal affairs/justice, media/civil society and translations). Presently, according to the Law on the Status of Civil Servants, four inspectors have been hired. The Anti-Corruption Unit supports the Board in the monitoring of the situation in Albania and with regard to the implementation of the Action Plan and is also involved in the co-ordination of various bodies concerned as well as in the preparation of measures to increase the impact of the Action Plan. The Anti-Corruption Unit prepares and proposes strategies, methodologies and operational changes of the Plan to the Monitoring Board for approval. Moreover, the Anti-Corruption Unit has an important role with regard to the transparency and public awareness of the anti-corruption strategy and the cooperation with the civil society.

To support the Anti-Corruption Monitoring Group, the Anti-Corruption Unit gathers, processes, and classifies data concerning the corruption situation and the progress of the Action Plan. It prepares regular and ad hoc reports to be presented at Anti-Corruption Monitoring Group meetings. In the framework of continuous reforms, the legal basis for the functioning of the Anti Corruption Monitoring Group has continuously been changed. After the approval of the Council of Ministers Decision nr 339, dated 11/07/2002, "On the Action Plan on the Prevention and Fight against Corruption 2002-2003," it became necessary to improve this legal basis and strengthen the Anti Corruption Monitoring Group. The new Order of the Prime Minister nr 252, dated 23/09/2002 reorganized this structure including full membership of the civil society and the business community in the Board of Anti Corruption Monitoring Group.

ACHIEVEMENTS OF THE ACTION PLAN 1998–2002 AND FUTURE DEVELOPMENTS FOR ACTION-PLAN 2002–2003

In August 1998 the World Bank ranked Albania as the most corrupt state in Europe. Almost half of Albanian citizens admitted to pay bribes, while two-thirds of public officials admitted that bribery was a common phenomenon in the country. However, even at this time, corruption did not present a dire issue for Albania in the eyes of the international community. The country had just recovered from the turmoil following the collapse of the pyramids (financial investment schemes in 1997 in which thousands of Albanians lost their savings).

Corruption indices were going down as the state was consolidating and the economy was recovering. In 2000, the World Bank ranked Albania as Europe's seventh-most corrupt country. On June 2001, the European Commission recommended to the European Council the beginning of negotiations for an Agreement of Stabilization and Association with Albania. According to the recommendation, considerable progress had to be made, because although good results have been achieved in the past two years, problems persist, especially in the functioning of the judicial system, all related to widespread corruption. The 1998-1999 Albania's anti-corruption measures brought some good news and a few lessons.

The complete program of reforms, proposed by the first anti-corruption plan, was given in details a series of actions the majority of which were expected to achieve obvious results within the first four months. It didn't happen though. Reasons were different. Firstly there was in September 1998 a government fall (one of the reasons that it fell was corruption as well). The Kosovo war and the refugee waves to Albania followed.

So, the focus was shifted from the targeted actions. Nevertheless, some changes have already started: society is free to speak about the corruption, its knowledge is wider and there are some responses in community bases. Media is being more targeted, more professional and influential to the corruption scandals.

Business is being recovered after the recent economic and political crises (From 46% not renewed licenses after 1997, in 1998 there were only 29% not renewed). The role of some newly established business associations is getting bigger together with the role of the older association (Chamber of Commences, etc). Business community representatives are now taking part actively in the policy debate about different issues concerning the business environment (privatization of strategic sectors, capital market development, etc). Taking into consideration the fact that the business community is feeder and bearer of corruption, it has to be well positioned in the fight against corruption. It should be one of the main actors that should impose this. Another way is the institutionalization of the relations between business organizations and governmental institutions, in order to better attract their opinions and suggestions in the decision making process. They would feel more responsible in preventing the corruptive actions, and more active in the anti – corruption initiative. Some types of corruption are becoming less severe. For instance, firms claim that corruption has fallen slightly during the past couple of years in: enterprise registration, registration of ownership of physical or real property, state banking services and fire and sanitary inspection.

A special point in the budget administration is the administration of judiciary budget. The justice system is identified by several structures in Albania as one of the most corrupted stratum. For this reason it was created even a special department for judiciary budget administration, which is in charge to guarantee a fair and transparency use of expenditures in justice system. It is gradually increasing the independence of the Justice system in Albania. In strengthening tax administration, some good results have been identified. However, because of the high level of corruption in the tax administration, there have been undertaken some further measures such as the: implementation of a strong reform of penalties for non-accomplishing tax dues; establishment of the Administrative Court, which was considered as of great importance because of many concerns in judging the conflicts between tax administration and the taxpayers; strengthening the control on tax officials on how are they implementing the law, as well as undertaking special measures on the people involved in corruptive actions; improving the database and monitoring process of business activities, dealing with import/export as well as sharing the information between tax and custom administrate.

In attempt to increase the professionalism and image of fiscal inspector, several training courses for tax officials have been developed. The long-term objective is to establish a taxation school, in order to train civil servants in tax administration as well as to change totally the rules for tax inspectors' recruitment. This would have positive effects in tax and custom officials. The government has been active in pursuing a radical judiciary reform, through the execution of law on judiciary administration, the establishment of the structures or the appointment of officers within the courts, responsible for supplying information to the public, the approval of the law on the office for the execution of the court commercial decisions, the review of legislation on advocacy, the improvement of the law on public notary, the law on the attorneys office and the law on judiciary police.

Pursuant to Prime Minister Order No. 252, dated 23/09/2002 item 10, the Anti-Corruption Unit has compiled the achievement records on main areas of public administration reforms; legislation upgrading; managing public finances and controlling devices; urging transparency and integrity on business actions and increasing public awareness; and encouraging an active civil society. In January 2003, the Anti-Corruption Unit has prepared “*The annual analysis of 2002 achievements and setbacks in the fight against corruption*”. This analysis reflects the observations and analytic assessment of the action plan for the prevention and fight against corruption. Moreover, this analysis includes all activities carried out by the Anti-Corruption Unit for 2002 and describes the main results in terms of: legal framework, specialized structures in the fight against corruption and concrete actions in the fight against corruption (Government of Albania, Council of Ministers, 2003).

Indeed, the first area is prevalent and much remains to be done in the other two areas, especially the third. It is clear that the legislation approximation to international standards has been a priority of the Albanian government. The legal reforms against corruption have had a preventive approach, notably in the public administration area. Nevertheless, the reform is focused on the criminalization of corruptive offences. The Albanian legislation for the general prevention of corruption within public administration (accompanied by numerous bi-laws and codes of conduct or ethics) is considered by many international institutions to be comprehensive and adequate. Moreover, the criminal legislation concerning corruption seems to be satisfactory. It must be noted, however, that the criminalization of corruption is limited to the public sector and that no corporate criminal liability exists.

Regarding the completion of the legislation and the strengthening of the state of law compliant with the European and international legal instruments, special attention has been paid to the ratification of several international conventions. An important work objective will be the adaptation of the domestic legislation in compliance with these conventions. The Decision of the Council of Ministers “For the Admission in the Civil Service” has already been approved. Several decisions have been drafted, such as: Decision draft “for the Establishment and the Functioning of the Public Administration Training Institute and the Training of the Civil Servant”; Decision draft “For the Discipline in the Civil Service”; Guide draft “For the Structure of Job Classification in the Civil Service, the Relevant Methodology and a General Description of the Role of the General Secretariat for this Service”; Other decisions are being drafted for implementing the Law On Civil Service.

The second area of results concerns the establishment of specialized structures in the fight against corruption. Two specific high-level bodies with the overall objective of directing the Albanian National Anti-Corruption Plan have been established, i.e. the Governmental Commission of the Fight against Corruption at Governmental level and the Anti-Corruption Monitoring Group (ACMG) at the highest civil servant level. The work of the latter body particularly aims at coordinating the implementation of the National Anti-Corruption Plan, and thus depends on co-operation from other state bodies. In order to ensure a more efficient cooperation between the different bodies and the multidisciplinary structure (ACMG) and to ensure the continuous report in the ACMG, a network of contact points has been established, i.e., two-three civil servants have been identified in each institution/ministry as interlocutors between their respective institutions and the ACMG.

The last area, the most important to be addressed in order to achieve the desired outcome, refers to concrete actions in the fight against corruption. While the anti-corruption strategy has focused on improving the legal structures and defining functions and responsibilities, the future perspective should be more focused on the implementation of structures and principles and, in particular, on the involvement of civil society. For accurate results in monitoring the Action Plan, the Anti-corruption Unit has drafted and prepared respective Task Charts for all institutions involved in this Action Plan. The task charts contain the present status, progress, obstacles, and success indicators on measures against corruption (including monitoring, prevention, and training), approved in the meeting of the Governmental Commission against Corruption held on November 11, 2002.

In early October, each institution (involved in the Action Plan), has been asked to present to the office of the Minister of State specific reports on the progress by using the Task Charts. The members of the ACMG Board reported by using Task Charts in a meeting of the ACMG Board held in December 2002, which served as a pre-diagnosis of the present status, and presented the problems faced during the implementation of the Action Plan for the Prevention and the Fight Against Corruption. At the end of December 2002, the Anti-Corruption Unit prepared a 6 Month Macro Report-Inventory of Achievements, which included the main areas of public administration reform, legislation improvement, management of public finances and business operations and enhancing public awareness and encouraging an active civil society. *“The annual analysis of 2002 achievements and setbacks in the fight against corruption”* reports the following achievements in the areas of:

- Public Administration Reform
- Improvement of Public Finances Management and Audit Mechanisms
- Increase of Transparency and Integrity in Business Transactions
- Increase of Public Information and Encouragement of an Active Civil Society

Public Administration Reform

In 2002, approximately 600 Public Administration civil servants have been trained by the Institute of Public Administration Training. The reform for the system of wages of civil servants in the central administration, of customs employees, INSTAT, Directory of Patents and Trademarks, health care employees holding a university degree and those with secondary education has been completed. The study for the remaining part of the budgetary employees is in process. Among the problems encountered the delay of the draft-law “Rules of Ethics in the Public Administration” deposited for endorsement to the Council of Ministers and the Assembly. In addition, the Draft-Law “On Declaration of the Property, financial obligations, conflict of interest of the public officials and elected officials” is being discussed in the respective Parliamentary commissions.

Some elements of the institutional reform that aim at the legal reinforcement of the institutions and the enlargement of their scope of actions include: the new law on the organization and functioning of Council of Ministers, the law on internal control, the creation of the public administration data registry, the review of the law on the declaration and verification of the wealth of the public officers, the improvement of the law on the High State Control.

Improvement of public financial management and audit mechanisms

Increasing the transparency in budget design and execution was an important objective of the first anti-corruption plan. The government has put emphasis on the improvement of the budget planning aiming at a more efficient management of the public finances (Ministry of Economic Cooperation and Trade, 2000). For the first 3 months of year 2000, the realization of the budget revenue has been successful, to the degree of 100%. The income from taxes has increased 105%, which is 7 billion leks (the Albanian currency) more than the same period last year. During this period, the tax administration has collected 11.6 billion leks, or 15% more than projected. This is 50% more than last year's tax collection. The budget design and implementation process has been more transparent to Parliament and media, reporting for some fundamental changes in the budget of 1999, especially in the relations between local and central government. These changes are made in the frame of fiscal decentralization process, which is very important in local government.

Auditing structures in all the ministries and central institutions have been established, and auditing bulletins are published every three months. The disciplinary committee in customs, which is involved in the fight against corruption through implementing duties and delivering disciplinary measures for custom employees, has been established. The Decision of Council of Ministers No. 675, dated 20.12.2002," For the use of the planned budgetary funds for goods, services and constructions" should minimize the possibility to abuse funds. Implementation of the scheme for bonuses for accomplishments on duty to customs' personnel has served to motivate the staff. The new "Guide for internal audits", regarding the review of methodology, has been published. Among the problems encountered the draft-law "For the internal auditing in the public sector" is still deposited for enactment in the Parliament. The draft law "On the accounting and financial sheets" is being prepared. There are delays in the drafting and approval of standard modules of the Public Procurement.

Increase of transparency and integrity in business transactions

Transparency in the process of privatization of strategic sectors is accomplished through the publication of all procedures in a web page of the ministry and its continuous updating. Among the included information are: information regarding the history of privatization, further steps; legal and sub-legal acts; matrix of privatization of sectors of special importance. Among the problems encountered the draft-law "For the foreign financing" from the Ministry of Economy has been opposed by the Ministry of Finances with the arguments that the issues treated in the draft-law are part of the Organic Law of Budget.

To ensure the transparency and the integrity of the business operations, the Agency of the Public Procurement has undertaken measures to enforce the monitoring responsibilities from the appropriate institutions all over the territory. The drafted amendment to the Law 7971 dated 26.07.1995 "On the Public Procurement" will increase the degree of control over the public procurement and will establish structures to carry out the monitoring of the procurement procedures in a case-by-case fashion. The Agency of Public Procurement will be provided additional competencies to impose sanctions against those who fail to apply and respect the rules of the public procurement. There has also been drafted a decision on some changes to the Decision

12, dated 01.01.96 “On the rules of public procurement” and the package of the standard set of bidding document has been developed. The government of Albania was committed to extend full transparency regarding its initiatives within the anti-corruption plan that provides the participation of the public and media in the anti-corruption process, the establishment of specific structures and phone lines within the institutions to provide information to the public, the organization of round tables with the NGO-s, the development of public surveys to check the process of transparency within the public services.

Increases in public information and encouragement of an active civil society

To increase the transparency in public services, different institutions publish brochures and bulletins as well as maintain an internet site for information on their activities. By the order of the Prime Minister No. 252 dated 23/09/2002 a member of the Albanian Coalition Against Corruption and one from the Business Community are appointed as permanent members in the Board of Anti-Corruption Monitoring.

In June 2002, the Anti-Corruption Unit has prepared an *ad hoc* study, “On the criminal allegations on corruption activities sent to the Prosecution Office by the Ministries and Central Institutions for 2001 to the first six months of 2002”. From this study it resulted that the number of allegations made by different institutions is 241, out of which the ACU has made 9 criminal allegations (based on the practices received), the General Directorate of Financial Control in the Ministry of Finance has made 5 criminal allegations, the General Directorate of Customs has made 29 criminal allegations, the General Directorate of Taxation has made 56 criminal allegations, Ministry of Public Order has made 71 criminal allegations, the Ministry of Local Government and Decentralization has made 22 criminal allegations, etc.

According to the analysis of the statistical data, for a nine months period 2002 (the bulletin on the fourth quarter had not yet been issued at the time of this writing) the number of the subjects recommended to receive disciplinary and administrative measures is 49 and the overall recommended measures are 230. The number of the criminal allegations is 8. In the framework of obligations resulting from the Albanian membership in GRECO, and according to the predetermined calendar, GRECO – Group of States Against Corruption, Council of Europe, evaluated Albania based on a draft-report.

In the final report, Albania was evaluated as follows (Government of Albania, Council of Ministers, 2003): During the last years Albania has taken extensive action against corruption with impressive results. The development of the National Anti-Corruption Plan (the Matrix) and the establishment of the multidisciplinary Anti-Corruption Monitoring Group (ACMG) clearly indicate the strong commitment - at the highest political level - to fight the problem of corruption. There is, in addition, a strong support and assistance provided by the international community.

A reasonably good legal framework (in comparison to the region) is in place and several key institutions for the fight against corruption have been transformed with regard to anti-corruption measures. In brief, Albania has in a first phase developed legislation and a structure with a potential to deal seriously with the problems of corruption. The implementation of the Anti-Corruption Strategy is constantly monitored and progress in

almost all areas of interest has been noticed. In particular, the changes of the national legislation, accession to international treaties and instruments was highlighted, as well as the reforming of existing institutions (judiciary, police, public procurement, etc) and the creation of new bodies, such as the judicial inspectorate at the High Council of Justice. Above all, the very establishment of the anti corruption plan and the machinery for its implementation was highlighted as a great achievement in itself. Virtually all structural and legislative objectives of the initial Anti-Corruption Matrix have been achieved, and Albania is now poised to undertake the difficult task of effectively implementing reform measures.

The report has not been published yet and probably these are only partial recommendations. A simple exercise would be to compare the objectives of the Anti-Corruption Plan 1998-2002 with the results reported by the Anti-Corruption Unit in January 2003; implementation of the civil service law is progressing. However, it is too early to evaluate improvements in terms of more professional civil servants and no attempt to evaluate the impact of training has been made.

Albanian customs has brought in 100 percent of expected revenue (2000-2001), improving the image of Albania in the eyes of the international financial institutions that were critical of repeated occurrences of fiscal evasion in these offices. Since May 2000, 39 customs employees, including station managers, have been fired. The approval from the Parliament of the Law 8449 dated 27.01.99 "On the Customs Code of the Republic of Albania" and the sub legal acts for its implementation have ensured a satisfactory revenue collection level from the customs administration. They have exceeded the last year's level of collections by 26%. CAM-ALBANIA mission is working closely with the Customs General Directorate to develop a strategy for the customs modernization and the establishment of a general information management system. The Law "On tax procedures in the Republic of Albania" approved and entered force on March 13, 2000, has produced good results in the realization of the tax revenue, through the improvement of procedures related to the tax registration, collection and payment. It would be interesting to monitor the sustainability of the improvements achieved. The third objective, which relates to the adoption of international standards, is placed better than others and ranks high on the government's agenda. The privatization process has become more transparent through the publication of all information online. Finally, public awareness has surely improved. Surprisingly, corruption has been overlooked as a policy question in Albania.

In summary, in a short period of time Albania has developed a reasonably good legislative framework to support an efficient anti-corruption policy. However, there is much to be done at the implementation level. Continuation of anti-corruption measures is critical to achieve any small victory in combating it. It is true that the institutional schemes designed during 1998 should be reviewed, but on the other side they were never implemented fully as they were designed. Indeed with the exception of some measures the schemes remained in the level of just schemes. It did not penetrate deeper in the structures, which were supposed to implement them. Future developments are planned in the area of anti-corruption. During June 10 – 11, 2002, the Second National Anti Corruption Conference was organized. The "Revised Anti Corruption Plan 2001-2002" was discussed in the conference and report for the first six months of 2002 was approved. This analysis identified that the major part of the foreseen measures were accomplished, which resulted in the new project for the Action Plan 2002-2003, taking

into consideration suggestions from all public institutions. All changes and suggestions were reflected in the *Second Action-Plan on the prevention and fight against corruption, 2002 – 2003*, which was adopted by the Conference.

The Government has given particular priority *inter alia* to the following areas in the future implementation (Government of Albania, Council of Ministers, 2003):

- Reform of the civil service, including training
- Transparency of the privatization process
- Reform of the public procurement system
- Reform of the State Police (legal status, etc.)
- Elimination of corruption within the judiciary
- Information to the public and co-operation with civil society.

CONCLUSIONS

In conclusion, I shall attempt to answer to the questions posed at the beginning of the article by comparing the criteria developed from the literature surveyed herein with the Albanian case.

1. Are the causes of corruption found in the literature equally present and equally important in the Albanian public sector? Do empirics provide further causes not taken into account by the literature?

Some of the causes of corruption provided by the literature seem to be present and relevant in Albanian public administrations. This is true for:

- Poor human resources management and low public sector pay
- The absence of basic market institutions
- Insufficient transparency in the budget and procurement process
- A weak judiciary unable to provide punishment to corrupt cases
- The radical distribution of wealth from the state to the private sector
- A distorted policy environment (bad example from leadership)

While low civil service pay is recognized as the most concerning source of corruption in the Albanian public administrations, other causes equally important in the literature, are not recognized as relevant in the country such as:

- The multiplication in the number of laws and regulation
- Accounting and reporting standards
- Power of trade unions to resist change

On the other hand, at least two causes seem to be important in Albania although being inconsiderate in the literature. They refer to foreign aid and to the high tax levels in the country.

2. Are anti-corruption measures as recommended by the literature adopted by the Albanian government?

Anti-corruption measures adopted by the Albanian government concern:

- Changes in the legal framework
- The creation of specialized structures
- Civil service reform
- Management of public finances and audit mechanisms
- Public awareness
- Changes in economic policies

While these tools are all considered by the literature as important components of any anti-corruption strategy, it also states that their effectiveness depends on whether it is linked to public management. This is not the case of Albania where anti-corruption actions have been both formulated and implemented in a top down approach originating from international institutions or central government.

3. The theoretical models reviewed claim that an effective strategy for anti-corruption must address the root causes of different forms of corruption avoiding the risk of treating instead the symptoms. Are anti-corruption efforts in Albania coherent with this position?

The most concerning cause of corruption in Albania refers to low civil servant salaries and a weak judiciary. Both are addressed by the first and by the second plan, though insufficiently. Regarding the first one, the reform for the system of wages of civil servants in the central administration, of customs employees, INSTAT, Directory of Patents and Trademarks, health care employees holding a university degree and those with secondary education has been completed. The study for the remaining part of the budgetary employees is in process. It is too early however to draw significant conclusions in relation to this aspect.

Much of economic development, social inclusion and regional stability in the South East Europe region will depend on strengthening of institutions, governance and in consequence lowering the level of corruption. Gradual integration with the European Union will require significantly more mature institutional structures, which are able to satisfy the economic, politic framework conditions of the EU and to implement the *acquis communautaire*.

An anti-corruption strategy in Albania must focus on enhancing state capacity to improve the provision of basic public goods. Priorities should be building the capacity of public administration, developing instruments for financial management, encouraging civil society development. The strategy must be tailored to the particular contours of the country.

Political will to combat corruption is most likely to be driven by external pressures, especially international donors, which can play a decisive role in undertaking the right anti-corruption measures and in building a coalition within a country. The role of donors in the fight against corruption is important in other three areas (Mason, 2001):

- The quality of donor programs in terms of governance;
- The question whether conditionality helps or hinders;
- The extent to which donor assistance undermines institutional capacity and thereby contributes to reducing in the long term the quality of governance in developing countries.

Denita Cepiku is a Ph.D Candidate in Public Management, University of Rome, Tor Vergata: d.cepiku@funzionepubblica.it

ACKNOWLEDGEMENTS

This article was prepared for the International Public Management Network Conference, Siena, Italy on 26-28 June 2002. I have incurred a number of intellectual debts in moving from draft to final versions of this work. Marco Meneguzzo, Riccardo Mussari and Michael Barzelay read an earlier draft and provided helpful suggestions for revision. The case of Albania draws in part on a number of sources that cannot be cited. The views expressed herein are solely those of the author.

REFERENCES

ACER (Albanian Centre for Economic Research), The World Bank, 1998a. Enterprise Survey. Albania anti-corruption workshop. Tirana, June 30th.

ACER, The World Bank, 1998b. Public Officials Survey. Albania anti-corruption workshop. Tirana, Albania, June 30th.

ACER, 2000. Albanian Empirical Report. February 2000. Tirana, Albania, <http://www1.oecd.org/daf/SPAIcom/pdf/AlbEmp.pdf>

ACER, World Bank, Kaufmann D, Pasha A, Preci Z, Ryterman R, Zoido-Lobaton P., 1998. Governance and corruption in Albania: The imperative of institutional reforms, a preliminary empirical inquiry and implications. Albania anti-corruption workshop. Tirana, Albania, June 30th.

Ades A., Di Tella R. 1999. "Rents, Competition and Corruption" in American Economic Review, 89/4.

Allen R. 1999 "New Public Management: Pitfalls for Central and Eastern Europe". SIGMA Public Management Forum, V/1.

Bale M., Dale T. 1998. "Public sector reform in New Zealand and its relevance to developing countries." in The World Bank Research Observer. 13/1. February.

Barzelay M. 2001. The New Public Management. Improving research and policy dialogue. Berkeley: University of California.

Broadman, H. G. and Recanatini F. 2001. Seeds of Corruption: Do Market Institutions Matter? World Bank: Policy Research Working Paper 2368.

Brunetti A., Kisunko G., Weder B. 1997. Institutional Obstacles for Doing Business Data Description and Methodology of a Worldwide Private Sector Survey. Survey conducted for the WDR.

Camdessus M. 1994. Supporting Transition in Central and Eastern Europe: An Assessment and Lessons from the IMF's Five Years' Experience. International Monetary Fund.

Cepiku D. 2002. "La riforma della pubblica amministrazione in Albania" in Azienda Pubblica: Teoria e problemi di management, 1-2/2002. Maggioli Editore.

Commission of The European Communities. The EU/Albania High Level Steering Group, in preparation for the negotiation of a Stabilisation and Association Agreement with Albania. Report from the Commission to the Council.

Confindustria. 2000. Albania, Analisi del Quadro Generale. Dicembre.

Corruption Indexes 2000. Results from the Comparative Survey in Albania, Bulgaria, and Macedonia. February.

<http://www1.oecd.org/daf/nocorruptionweb/pdf/SEEindexe.pdf>

Council of Europe 2000. "Albania", in Judicial Organisation in Europe, Council of Europe publishing, May.

de Melo M., Cevdet D., Gelb A. 1996. "From Plan to Market: Patterns of Transition." in World Bank Economic Review 10/3: 397-424.

Dillinger W., Fay M. 1999. "From centralized to decentralized governance" in Finance & Development, 36/4. International Monetary Fund.

EBRD 1998. Transition Report, 1998. European Bank for Reconstruction and Development, London.

EBRD 2001. Country Investment Profiles - 2001: Albania. European Bank for Reconstruction and Development, London, April,

<http://www1.oecd.org/daf/SPAIcom/pdf/EBRD-InvestProfile-Alb-2001.pdf>

EBRD/World Bank 1999. The Business Environment and Enterprise Performance Survey (BEEPS) Interactive Database. <http://www.worldbank.org/wbi/governance/beepsinteractive.htm>

European Commission 1997. Phare Programme in Albania, Orientations of Phare Assistance Support to State and Economy Recovery. Concept Paper, Tirana, October.

European Commission 1998. Phare Country Operational Programme in Albania, Tirana, 28 October.

European Community 2001. CARDS Programme. Guidelines 2002-2006.

Exter J., Fries S. 1998. "The post-communist transition: pattern and prospects," in Finance and Development, IMF. September, 35.

- Feldman R.A., Watson C.M. 2000. "Central Europe: from transition to EU membership." in Finance and development, IMF, 37/3, September.
- Fischer S., Gelb A. 1991. "The Process of Socialist Economic Transformation." in the Journal of Economic Perspectives, 5/4.
- Fischer S., Sahay R. 2000. "Taking Stock." in Finance and Development, September, 37/3. IMF.
- Friends of Albania 1998. An Updated Newsletter on Donor Activities in Albania. 3, December 1998. Sectoral Meeting on Governance and Institutional Reform. EC.
- Gelb, A. 1993. "Socialist Transformations: Some Lessons and Implications for Assistance." In Redefining the Role of the State and the Market in the Development Process. Stockholm, SIDA.
- Government of Albania 1998. On the road to Stabilisation and Development, Tirana, October.
- Government of Albania 2000. Albania: Interim Poverty Reduction Strategy Paper (IPRSP). May.
- Government Of Albania 2000, Revised Anti-Corruption Plan, The New Planned Measures and Reforms in the Main Areas of Priority, July. <http://www1.oecd.org/daf/SPAIcom/pdf/ACMeasures.pdf>
- Government Of Albania 2000. Revised Anti-Corruption Plan Matrix, July 27, <http://www1.oecd.org/daf/SPAIcom/pdf/Alb-ACP-Matrix.pdf>
- Government of Albania 2000. Anti Corruption Monitoring Group, Monitoring Mechanism. July 2000. <http://www1.oecd.org/daf/SPAIcom/pdf/ACGroup.pdf>
- Government of Albania 2000. Monitoring Organigram, Proposed Structure of the Implementation and Monitoring of the New Anti-Corruption Plan. July <http://www1.oecd.org/daf/SPAIcom/pdf/ACPStructure.pdf>
- Government of Albania 2000. The Ministry of Economic Cooperation and Trade in collaboration with other ministries. Business in Albania. Country fact sheets. May.
- Government of Albania 2001. Albania. Public expenditure and institutional review.
- Government of Albania 2001. Summary of the Public Investment Program. February.
- Government of Albania, The World Bank, 2001. Albania: Growth and Poverty Reduction Strategy (GPRS), Progress Report. February.
- Government of Albania. 2001. MTEF. Technical note on Albanian Public Administration. Payroll and Wagebill Reform.

Government of Albania, Council of Ministers 2003. The annual analysis of 2002 achievements and setbacks in the fight against corruption. March, Official unpublished document.

Havrylyshyn O., Odling Smee J. 2000. "Political Economy of Stalled Reforms." in Finance and Development, September, 37/3. IMF.

Havrylyshyn O., Wolf T. 1999. "Determinants of Growth in Transition Countries." in Finance and Development, June, 36/2. IMF.

Hellman J., Jones G., and Kaufmann D. 2000a. Seize the State, Seize the Day: State Capture, Corruption, and Influence in Transition. World Bank Policy Research Working Paper 2444. World Bank Institute and EBRD, September.

Hellman J., Jones G., Kaufmann D. 2000b. Are Foreign Investors and Multinationals Engaging in Corrupt Practices in Transition Economies? The World Bank.

Hellman J., Jones G., Kaufmann D., Schankerman M. 2000c. Measuring Governance, Corruption, and State Capture. How Firms and Bureaucrats Shape the Business Environment in Transition Economies. Policy Research Working Paper 2312. The World Bank Institute.

Hellman J., Kaufmann D. 2001. "Confronting the challenge of state capture in transition economies." in Finance & Development IMF. September, 38/3.

Hood C. 2000. Paradoxes of public sector managerialism, old public management and public service bargains. International Public Management Journal, 4/1: 1-24.

Jarvis C., 1999. The Rise and Fall of the Pyramid Schemes in Albania, IMF Working Paper 99/98.

Johnson S., Kaufmann D., and Shleifer A. 1997. "The Unofficial Economy in Transition", in The Brookings Review, February.

Karatnycky, A., Motyl, A., Piano, A. 2000. Nations in Transit 1999-2000: Albania. Washington D.C., Freedom House: <http://www1.oecd.org/daf/SPAIcom/pdf/Nations-in-Transit-Alb.pdf>

Kaufmann D. 1994. "Diminishing returns to administrative controls and the emergence of the unofficial economy." in Economic Policy, December, Supplement 19.

Kaufmann D., Kaliberda A. 1996. Integrating the unofficial economy into the dynamics of post-socialist economies: A framework of analysis and evidence. The World Bank.

Kaufmann D., Kraay A., Zoido-Lobaton P. 2000. "Governance Matters: From Measurement to Action." in Finance & Development, IMF, June, 37/2.

Kaufmann, D., Kraay A. and Zoido-Lobaton P. 1999, Governance Matters, World Bank Working Paper 2196

Kaufmann D., Seigelbaum P. 1996. "Privatization and Corruption in Transition Economies." *Journal of International Affairs*, 50/2.

Kaufmann, D. et al 1998. *Governance and Corruption in Albania: The Imperative of Institutional Reforms*. ACER/World Bank draft.

Kaufmann, D., Pradhan S. Ryterman R.S. 1998. "New Frontiers in Diagnosing and Combating Corruption", World Bank: Prem Notes Public Sector, 7 October.

Klitgaard R. E. 1997. "Cleaning up and invigorating the civil service." in *Public Administration and Development*, 17.

Klitgaard R. E. 2000. "Subverting Corruption". in *Finance and Development*, June, 37/2. IMF.

Klitgaard, R. E. 1988. *Controlling Corruption*. Berkeley, University of California Press.

Knack S. 2001 . *Aid Dependence and the Quality of Governance: A Cross-Country Empirical Analysis*. The World Bank, Washington D.C.

Lenain P. 1998. "Ten years of transition: a progress report." in *Finance and development*, IMF, 35/3, September.

Litwack, L. 1998. "Economic Legality and Transition in Eastern Europe", in AA.VV. ed., *The New Palgrave Economic Dictionary*, MacMillan, London.

Loiodice A., Shehu N., (a cura di). 1999. *La Costituzione Albanese*, Cacucci Editore, Bari.

Manning N. 2000. *The New Public Management and its legacy*. The World Bank Group.

Mark P. 2001. *Corruption and state capture: An analytical framework*. Department of Politics and International Relations. University of Oxford.

Mason P. 2001. *The Role of Donors and IFIs in Curbing Corruption*. Workshop Report to Global Forum II, The Hague, 30 May.

Mauro, P. 1995. "Corruption and Growth", in *Quarterly Journal of Economics*, August.

Mauro P. 1998. "Corruption and the Composition of Government Expenditure". *Journal of Public Economics*: 69.

Minogue M. 2000. *Should Flawed Models of Public Management be Exported? Issues and Practices*. Public Policy and Management Working Article Series, Working Article 15. Institute for Development Policy and Management. University of Manchester, February.

Murphy, K., Shleifer A., Vishny R. 1992. "The Transition to a Market Economy: Pitfalls of Partial Reform." *Quarterly Journal of Economics*, 107/3, 889–906.

Mussari R., Di Torro P. 1993. "Etica ed efficienza del management pubblico: un approccio economico aziendale." in Azienda Pubblica: Teoria e problemi di management.

Mussari R., 1999. La valutazione dei programmi nelle aziende pubbliche. Giappichelli, Torino.

Nocka I. 2001. "Probleme te trasprences ne periudhen e tranzicionit." in Ekonomia dhe Tranzicioni. VIII, 2/28, prill-qershor, Tirana.

Nsouli S. M. 1999. "A decade of transition. An overview of the achievements and challenges." in Finance and development, IMF, 36/2, June.

OECD. 2002. Anti-corruption measures in South Eastern Europe. Civil society's involvement. OECD, Paris.

OECD. 1996. "On the frontlines of reform. The recent changes in Central and Eastern European Administrations." in SIGMA Public Management Forum II/1, 1996.

OECD/CCNM, ACER. 1999. Albanian Experience In Anti-Corruption Process. Second Annual Meeting of the Anti-Corruption Network for Transition Economies. Istanbul, Turkey, 2-3 November. (Non English edition).

OECD/PUMA. 1997. Managing government ethics. Puma Policy Brief. Public Management Service, February, OECD, Paris.

OECD/PUMA. 2002. Public sector modernisation: a new agenda. Article presented at the 26th Session of PUMA Committee. OECD, Paris.

OECD/PUMA. 2003. Managing conflicts of interest in Transition: the Polish experience. Expert Group on Managing Conflicts of Interest Meeting, OECD, Paris.

OECD/SIGMA. 1998. Albania. Centre of Government Profile. OECD, Paris.

OECD/SIGMA. 1999. Public Management Profiles Of Central And Eastern European Countries: Albania. OECD, Paris.

OECD/SIGMA. 2000. Evaluation Reports of the Albanian politico-administrative system. September, OECD, Paris.

Open Society Foundation for Albania. 2001. Public Administration Program. OSFA.

Polidano C. 1999. The new public management in developing countries. Public Policy and Management Working Article 13. Institute for Development Policy and Management, University of Manchester.

Polidano C. 2001. Why civil service reforms fail. Public Policy and Management Working Article no. 16 March. Institute for Development Policy and Management. University of Manchester.

Prato G. 2000. "I paradossi latenti della corruzione. Italia e Albania: due realtà a confronto." Sviluppo Economico. Gennaio - Marzo, 4/1: 115-120.

Republic of Albania, The People's Assembly 1996. Law No. 8095 of 21/03/1996 on the Civil Service in the Republic of Albania, Tirana. <http://www1.oecd.org/daf/nocorruptionweb/pdf/alb-law-cs.pdf>

Republic Of Albania, The People's Assembly 1999. Law No 8549 on the Status of the Civil Servant, Tirana, 11 November. <http://www.oecd.org/puma/sigmaweb/acts/civilservice/laws/albaniacivilservicedec1999.pdf>

Rodrik D. 1992. "Making Sense of the Soviet Trade Shock in Eastern Europe: A Framework and Some Estimates." in Blejer et. al., 1992. Eastern Europe in Transition: From Recession to Growth? World Bank Discussion Article 196, World Bank, Washington, D.C.

Rose-Ackerman, S. 1997. Corruption and Development, Annual World Bank Conference on Development Economics, World Bank, Washington D.C.

Sachs, J. 1999. "Povertà e Corruzione, l'Eredità dei Soviet", Il Sole 24 Ore, 2 settembre.

Schiavo-Campo S. 1994. Institutional Change and the Public Sector in Transitional Economies. World Bank Discussion Article NQ 241, Washington.

Schick A. 1998. Why most developing countries should not try New Zealand reforms. The World Bank.

SELDI. 2001. Corruption Indexes-Regional Corruption Monitoring in Albania, BiH, Bulgaria, Croatia, Macedonia, Romania and Yugoslavia. South East Legal Development Initiative, March. http://www.seldi.net/seldi_e.htm

SPAI 2000. Report of the Monitoring Group. July, <http://www1.oecd.org/daf/SPAIcom/pdf/Alb-ReportMonitGroup.pdf>

Stefani A. 2001. "Shqiperia perballe sfides se korrupsionit." in Ekonomia dhe Tranzicioni. VIII, 3/29, korrik-shtator, Tirana.

Tanzi V. 1999. "Transition and the changing role of Government." in Finance and Development, IMF, 36/2, June.

Tanzi V., Davoodi H. 1997. Corruption, Public Investment and Growth. IMF Working Article 97/139.

The Urban Institute. 1998. Assistance in municipal finance reform for Albania. Summary of proceedings and conclusions on workshop 1: Local government responsibilities and expenditures.

Treichel V. 2001. Stabilization Policies and Structural Reforms in Albania Since 1997- Achievements and Remaining Challenges. IMF Policy Discussion Article. December.

Treisman D. 1999. "The Causes of Corruption: A Cross-National Study", *Journal of Public Economics* 76/3

UNDP 1998. Albanian Human Development Report. Tirana, May.

World Bank 1996. World Development Report 1996: From Plan to Market. Washington, D.C.

World Bank 1997a. Helping countries combat corruption: the role of the World Bank. The World Bank, Washington, D.C.

World Bank 1997b. World Development Report 1997: The State in a changing world. The World Bank, Washington, D.C.

World Bank 2000a. "The need for strong institutions and good governance." in the road to stability and prosperity in South Eastern Europe, A World Bank Regional Strategy Article. The World Bank, Washington, D.C.

World Bank 2000b. Anticorruption in Transition. A Contribution to the Policy Debate. The World Bank Washington, D.C.

World Bank 2000c. Helping countries combat corruption: Progress at the World Bank since 1997. The World Bank, Washington, D.C.

World Bank 2000d. Reforming public institutions and strengthening governance. A World Bank Strategy. Public Sector Group. Washington, D.C.

World Bank 2002. Transition The First Ten Years. Analysis and Lessons for Eastern Europe and the Former Soviet Union. Washington, D.C.

Zecchini S. ed., 1997. Lessons from the economic transition. Central and Eastern Europe in the 1990s. OECD, Kluwer Academic Publishers and OECD.

ABOUT IPMR

IPMR	<p>The International Public Management Review (IPMR) is the electronic journal of the International Public Management Network (IPMN). All work published in IPMR is double blind reviewed according to standard academic journal procedures.</p> <p>The purpose of the International Public Management Review is to publish manuscripts reporting original, creative research in the field of public management. Theoretical, empirical and applied work including case studies of individual nations and governments, and comparative studies are given equal weight for publication consideration.</p>
IPMN	<p>The mission of the International Public Management Network is to provide a forum for sharing ideas, concepts and results of research and practice in the field of public management, and to stimulate critical thinking about alternative approaches to problem solving and decision making in the public sector.</p> <p>IPMN includes over 600 members representing sixty different countries and has a goal of expanding membership to include representatives from as many nations as possible. IPMN is a voluntary non-profit network and membership is free.</p>
Websites	<p>IPMR: http://www.ipmr.net/ (download of articles is free of charge)</p> <p>IPMN: http://www.inpuma.net/</p>