

Anticorruption Mechanisms in Serbian Local Government: Institutions Which Both Oppose and are Resistant to Corruption

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Abstract

Adoption of ethical standards via implementing legislation, ethics laws and codes has been vigorously promoted in Serbia. Public officials and institutions generally receive ethics training and attention - educational programs are the primary means of informing society about the existence of and need for such principles and codes. However, the ethics aspects of anticorruption programs are intended to appeal only to the conscience of individuals, whereas the legal aspects of anticorruption programs set up the environment which is intended to suppress or eliminate corrupt practices. Too often, anticorruption programs overlook the fact that ethics and legal systems alone are not sufficient to effectively address corruption. Rather, it is properly established institutions that prove to be powerful anticorruption mechanisms. Such a systemic approach provides a framework for identifying both the sources of corruption and organizational behavior patterns which involve the political economic and social aspects to be addressed. A combination of ethical and legal anticorruption measures and an introduction of functional mechanisms that both suppress and protect against corruption makes the ethical and legal procedures effective. Moreover, the existence of established anticorruption institutions provides a metric of both positive and negative incentives (rewards and sanctions) towards corruption and allows a more reliable measurement of anticorruption indicators – rather than indicators based solely on the perception of the public. The authors' experiences in Serbia reinforce this approach. The ethical aspect of anticorruption efforts centers around statements of principle, such as the principles encased within the Public Procurement Law. Ethics regulation and codes regarding conflicts of interest have also been introduced or discussed. The legal aspect of Serbia's anticorruption initiative looks impressive on paper. The legislation which, directly or indirectly, prescribes anticorruption measures includes a long list of laws. The institutional aspect is reflected through a number of procedural changes, aimed at reducing the environment for corruption, such as the elected mayor, ensuring greater political competition and increased accountability but - with limited authority. Furthermore, independent offices, such as the procurement office, CitiStat system, citizen-assistance-centers, one-stop permitting centers, local ombudsman or local economic development office are proving to be effective, but their further institution building and organizational 'health' restoration is needed. In this paper, the authors will focus on proposing an exemplary system of tracking anticorruption mechanisms, as introduced by the concept of municipal public procurement offices, such as changed incentives (both positive and negative ones), unambiguously defined responsibilities, more transparent procedures and public procurement documents, clear rules about bid handling, centralized procurements (which are still questionable, with a number of pros and cons), measurable budget savings, defined procedures of communication between the finance and procurement departments, rigorous procedures for the protection of bidder's rights and public interest, allowing for the submission of a request for protection in any stage of the public procurement procedure, clear distinction between the permanent professional procurement staff and ad hoc appointed staff (independent public procurement commissions), etc. Finally, a number of measurable, non-perception based anticorruption indicators will be proposed and discussed.

Keyword: Anticorruption Mechanisms, Serbian Local Government, Corruption

1.0 INTRODUCTION

Anticorruption efforts in Serbia typically concentrate on certain strategies which are rooted in traditional ethical/legal approach. These include promotion/establishment of ethics codes of conduct for public officials³, legal

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³ In 2004-2005, an EU-funded Serbia-wide, campaign for an adoption of Ethical Code of Conduct for Local Government Officials was conducted by the Standing Conference of Towns and Municipalities, which led to a formal adoption of the Code by the majority of Serbian municipalities.

reforms/anticorruption laws⁴, public anticorruption awareness campaigns, training aimed at anticorruption capacity building of civil society institutions and building the awareness/capacity of the business community to resist corruption. A set of “mechanical solutions is also being introduced,” such as e-government systems or one-stop permitting operations. Although aimed at isolating potential corruption perpetrators from their potential victims through reducing personal contact during the local governing processes, these are not explicitly referred to as systemic anticorruption operations. Properly established, organized and trained governmental institutions existing at known “corruption focal points” can function as powerful anticorruption mechanisms, of addressed through a structured intervention. The existence (or non-existence) of such institutions also offers concrete evidence of the degree of a local government’s weakness or susceptibility to corruption, in contrast to some indicators based solely on anecdotal evidence or public perception. If such institutions have ethical and legal bases in authority they may be better able to resist outside pressures to conduct irregular practices and they may offer public officials legal and administrative authority to resist corrupt influences from other, higher officials. But, as much as they are necessary and supportive, adoption of anticorruption-related legislation and ethics-promotional activities are not sufficiently powerful tools for addressing corruption.

Additionally, anticorruption has mainly been addressed top-down, in a vague and general manner, with very little evidence of effective bottom-up interventions. This paper first surveys commonly-employed/currently-favored anticorruption intervention strategies; and concludes that building corruption-resistant governmental institutions apparently enjoys less vogue than other anti-corruption strategies. It then reviews the scope and results of a public procurement training conducted in 83 Serbian local self-government institutions during the period 2003-2005. While admittedly a single intervention in one setting, the Serbian public procurement training experience offers interesting evidence that — if lower and mid-level public officials are given adequate training, placed in secure positions of well-defined authority within institutions and provided legal/regulatory bases for their activities — they can resist pressure from higher authorities to conduct/support irregular or corrupt practices; and higher officials are, in fact, discouraged from attempting such pressure.

2.0 LITERATURE REVIEW

2.10 Current Anticorruption Strategies

Numerous strategies have been put forward and many authorities have discussed common activities. Robert Klitgaard has identified four — punishing some major, high visibility offenders; involving the public in diagnosing corrupt systems; repairing corrupt systems; and reforming incentives (i.e., public sector wages).⁵

2.1.1 World Bank Examples

The World Bank’s anticorruption monograph⁶ discusses five “key building blocks of an anticorruption strategy:”

Increasing the accountability of political leaders through increased transparency via public scrutiny, adoption of ethics codes for public officials, and legal and other mechanisms that promote/guarantee free access by the public to official information. Politicians should be subject to “effective sanctions,” including free political competition.

Strengthening institutional restraints by creating some degree of separation of powers of government branches and establishing “crosscutting oversight responsibilities among state institutions.” An independent judiciary should be adequately funded and organized. “Devolution of powers” from the central to sub-national levels of the state, when accompanied by effective local capacity and accountability should be considered.⁷ Independent audit organizations should be established. Transparency in administrative decision making should be created or increased. Government decisions should be made predictable. Independent prosecution institutions should be established, along with creation of various legal frameworks for all government institutions.

⁴ For example, recently adopted Laws on the Conflict of Interest (RS Official Gazzete 43/04) and on Free Access to Information of Public Interest (RS Official Gazzete 120/06)

⁵ Klitgaard, Robert. 1998. International Cooperation Against Corruption. *Finance & Development*, Vol. 35, No. 1 (March), <http://www.worldbank.org/fandd/english/0398/cover.htm> (accessed April 7, 2007).

⁶ World Bank, 2000. *Anticorruption in Transition - A Contribution to the Policy Debate*. Washington, D.C.

⁷ A good introduction to the potential benefits and pitfalls of government decentralization is discussed in Ivar Kolstad, Odd-Helge Fjeldstad. 2006. *Fiscal decentralisation and corruption - A brief overview of the issues*. U4 *Anticorruption Resource Centre*, U4 Issue 3:2006, http://www.u4.no/document/u4-issue/u4_issue3_2006_fiscal_decentralisation.pdf (accessed April 8, 2007).

Strengthening civil society participation by creating public awareness about corruption, formulating and promoting action plans to fight corruption, and monitoring governments' actions and decisions in an effort to reduce corruption.⁸ Emphasis on the "role of the media" and creating/protecting a free press.

Creating a competitive private sector through "economic policy liberalization and introducing greater competition – especially in concentrated sectors – by lowering barriers to entry, requiring competitive restructuring, and clarifying ownership structures." Promoting "regulatory reform at all levels." Establishing "a stronger and more transparent framework for corporate governance." Crafting voice "instruments" for business associations, trade unions, and concerned parties. Instituting "transnational cooperation."

Reforming public sector management by "instilling meritocracy and adequate pay in public administration, clarifying governance structures, enhancing transparency and accountability in fiscal management, and producing policy reforms in sectoral service delivery" which target and replace the existing, widespread "practice of political patronage."

2.1.2 USAID Examples

USAID categorizes its most commonly used anticorruption strategies under two types of projects:⁹

Explicitly anticorruption programs including creation of "anticorruption commissions," promotion of "legislative initiatives to promote transparency and accountability," "freedom of information initiatives, procurement reform, accounting and budget reform, certain rule of law programs, and audit and oversight initiatives, including supreme audit institutions (SAIs)." Also civil society/citizen advocacy programs to "promote participation and oversight on corruption-related issues,"¹⁰ and media and private sector association strengthening programs;

Corruption environment programs involving "election programs; financial sector, fiscal, and tax reform programs; privatization initiatives; and other rule of law programs (notably commercial law reform)," and "programs focused on creating an enabling environment for private sector development."

2.1.3 Stability Pact Examples

The ten anticorruption measures adopted by the Stability Pact for South Eastern Europe,¹¹ include many of the same anticorruption strategies:

- Establishing "integrity standards and control mechanisms" within member states' public administrations, justice systems and political parties;
- "Combating private-to-private corruption," bringing corporate liability in line with "international standards," introducing "whistle blowing" rules, etc.;
- Enhancing "free access to public information" and increasing transparency "among public authorities, the business community and the civil society";
- Providing adequate "financial and human resources, as well as improved investigative tools," to anticorruption public sector institutions, "including governmental, justice sector and independent audit and other oversight institutions";
- Promoting and supporting research and analysis of corruption phenomena and corrupt practices in numerous public sectors and institutions;
- Stimulating public awareness designed to "prevent and control corruption in specific sectors and institutions," and create demand for reforms.

⁸ This is sometimes referred to as giving the people "voice." A detailed discussion of the efficacy of such intervention strategies may be found in Matthew Andrews. 2003. Voice Mechanisms and Local Government Fiscal Outcomes: How Does Civic Pressure and Participation Influence Public Accountability? In *Bringing Civility in Governance, Vol. 3 of Handbook on Public Sector Performance Reviews*, edited by Anwar Shah. Washington D.C.: The World Bank.

⁹ USAID. 2005. USAID Anticorruption Strategy. Washington, D.C.

¹⁰ The role and potential contribution of the civil society to anticorruption actions was described by: Eigen, Dr. Peter. 1997. Speech and paper presented at the 8th Annual International Anticorruption Conference, September 7-11, in Lima, Peru.

¹¹ Stability Pact for South Eastern Europe. 2005. Declaration on 10 Joint Measures to Curb Corruption in South Eastern Europe. Brussels. Serbia is a Stability Pact member.

2.1.4 United Nations Examples

One of the Stability Pact's ten anticorruption measures mandates that each Pact member state "Sign, ratify and start implementing the UN Convention against Corruption." Under the Convention,¹² signatory states must:

- Create/maintain corruption prevention organizations (Article 6);
- Hire and manage public employees based on merit; provide appropriate education, training and salaries; and within systems that promote transparency and prevent conflicts of interest (Article 7);
- Institute codes or standards of conduct governing performance of public functions (Article 8);
- Adopt minimum standards for public procurement processes (Article 9);
- Take measures to enhance transparency in public administration, including giving the public access to government information and simplifying administrative procedures (Article 10);
- Strengthen judicial and prosecutorial integrity (Article 11);
- Prevent or discourage corruption in the private sector using various methods (Article 12);
- Promote civil society/public awareness as to the existence, causes and gravity of and the threat posed by corruption and measures needed to prevent and fight it (Article 13);
- Create anti-money laundering legislation and mechanisms (Article 14);
- Adopt criminal sanctions against numerous, corruption-related offenses (Articles 15 - 31), and legislation to regulate the detection, prosecution and remedy of corrupt practices (Articles 32 – 42).

The United Nations has also published a "toolkit"¹³ of suggested anticorruption measures (termed "tools") which governments may take. Under their broader headings, these "tools" include:

- **Assessment of the nature and extent of corruption:** Assessing the nature and extent of institutional capabilities and responses to corruption;
- **Institution building:** Covering specialized anticorruption agencies, creating/function of ombudsmen, auditors and audit institutions, strengthening judicial institutions, civil service reform, drafting and use of codes and standards of conduct, creating/function of national anticorruption commissions and similar bodies, conducting national integrity and action-planning meetings, creating anticorruption action plans, strengthening local governments, and the role of legislatures and their efforts against corruption;
- **Situational prevention:** Techniques to prevent corruption in the public sector, disclosure of assets and liabilities by public officials, authority to monitor public sector contracts, curbing corruption in the procurement process, creating integrity pacts, practicing result-oriented management, and using positive incentives to improve employee culture and motivation;
- **Social prevention:** Creating social prevention and public empowerment, promoting access to information, raising public awareness and empowerment, training the media and developing investigative journalism, creation of joint government and civil society bodies, establishing public complaint mechanisms, and creating citizens' charters;
- **Enforcement:** Techniques for bringing corruption to light, guidelines for successful corruption investigations, financial investigations and asset monitoring, integrity testing, electronic surveillance operations, national, international and regional legal instruments, use of amnesty, immunity and mitigation of punishment, standards to prevent and control money laundering, techniques to protect whistleblowers who report corruption, and how to meet burdens of proof in corruption-related legal proceedings;
- **Monitoring and evaluation:** Use of Service Delivery Surveys (SDS), United Nations country assessments, using mirror statistics as an investigative and preventive tool, and measurable performance indicators for the judiciary;
- **International legal cooperation:** Extradition and mutual legal assistance;
- **Recovery and return of proceeds of corruption:** Recovery of illegal funds.

¹² UN Convention Against Corruption. Adopted by Resolution 58/4 of 31 October 2003.

¹³ United Nations *Office On Drugs And Crime*. 2004. The Global Programme Against Corruption - UN Anticorruption Toolkit, 3d Edition. Vienna.

2.1.5 Mechanical Strategies

A number of anticorruption strategies may be classified as “mechanical” techniques, relying on the advantages of modern electronic governance (“e-government”), electronic surveillance and detection measures,¹⁴ creation of “e-procurement” systems and provision of citizen services by government based partly or mainly on electronic/Internet transactions. Many of these strategies are intended to separate parties who are traditionally involved in corrupt practices at “corruption focal points” to the extent it is more difficult for transactions to be corrupted.¹⁵

3.0 DISCUSSION

Anticorruption intervention strategies should not overlook the fact that properly established, organized and trained governmental institutions existing at known “corruption focal points”¹⁶ can function as powerful anticorruption mechanisms. This statement appears to find at least partial support in the U.S. Millennium Challenge Corporation’s (MCC’s), policy document which sets out its anticorruption goals and methods. The most effective way to fight corruption is to address its sources, rather than its symptoms. Corruption prevention encompasses a wide range of activities: ... [including], professionalizing the civil service.... For many countries, civil service reform is a particularly high priority. ...¹⁷ Properly established, organized and trained governmental institutions with adequately paid and trained civil servants or employees whose scopes of authority have been well-defined and supported by law or implementing regulations can be said to:

- Provide a secure foundation for ethical and legal processes. An institution with a clear legal mandate and terms of reference is logically better equipped to resist pressure to subvert normal processes;
- Support functioning mechanisms that both suppress corrupt tendencies and protect against external corruption pressure. Institutions secure in their mandates and given adequate resources may be said to be more interested in applying the laws and regulations which they are charged with implementing than subverting their own processes. Codes of ethical conduct may have greater weight in such institutions;
- Incentivize individuals to act ethically and legally within their scopes of professional activity. Public employees who have clear scopes of work and defined authority/responsibility should have greater confidence to resist corrupt pressures;
- Provide a more reliable measurement of anticorruption indicators than indicators based solely on anecdotal evidence or public perception. The existence of functioning, effective institutions which directly or indirectly support non-corrupt government or other practices is a hallmark of certain corruption indicator indices.¹⁸

3.1 Serbian Experience

The author’s experience in Serbia reinforces this perception. Serbia adopted a new public procurement law in 2002, which became effective at the beginning of 2003. It quickly became apparent to numerous observers that very little prior experience or training concerning how to implement the law existed among Serbia’s public officials/workers charged with undertaking public procurements.¹⁹ Consequently, the Serbia Local Government Reform Program (SLGRP) organized a Public Procurement Training team in March 2003. Between that month and August 2005, the SLGRP Public Procurement team provided training and technical assistance to 83 Program municipalities and 35 communal enterprises. The team delivered a total of 125, multi-day training events to 3134 participants. It published 11 training manuals for municipal participants, distributed a CD containing good tender

¹⁴ A local example might be recent and ongoing USAID and EU funding for increasing the technical capacity of the Serbian Financial Intelligence Unit (FIU), which monitors and attempts to detect financial-related criminal activity in the national banking system.

¹⁵ USAID lists among strategies that can reduce corruption, e-procurement, tax and fee payments online, increased use of the Internet, and computerization of land records, legal case files and integrated financial management systems. USAID. 2005. USAID Anticorruption Strategy. Washington, D.C.

¹⁶ “Corruption focal points” should be thought of as places within governmental or business processes where opportunities for corrupt practices are especially likely, given either the corruption environment or institutional weaknesses against corrupt practices – or both. An example might be a municipal building permit office, where, in many settings bribes are routinely demanded in exchange for expedited service or getting a permit at all.

¹⁷ Millennium Challenge Corporation. Building Public Integrity through Positive Incentives: MCC’s Role in the Fight against Corruption. Washington, D.C.

¹⁸ An example of such an index may be seen in the Global Integrity series of Country Reports. www.globalintegrity.org.

¹⁹ The law was patterned after EU procurement processes and standards.

document examples, as well as numerous other publications containing public procurement information and strategies for practitioners.

The public procurement training was primarily designed for professional municipal staff, directly or indirectly engaged in the public procurement process, but some training topics were also seen as highly relevant for the municipal leadership. Thus, mayors, heads of departments and other elected, appointed or nominated municipal leaders had an opportunity to get acquainted with the technical and ethical aspects of the public procurement process. Of particular importance to the training program, the Public Procurement Training team advised and advocated training participants, who included key municipal leaders and non-political employees, to establish full or part-time Public Procurement Offices or an official responsible for all public procurements within each municipality. Additionally the team assisted Program municipalities in setting up regulations governing small purchase procedures – a requirement under the new law which many municipalities had failed to implement even though small purchases made up the bulk of their procurement activities. Participants were shown how to standardize and professionalize their public procurement activities, unambiguously define responsibilities, introduce more transparent procedures and public procurement documents, clear rules about bid handling, centralized procurements, how to measure and track budget savings, define procedures of communication between the finance and procurement departments, and apply the procedures for the protection of bidder's rights and public interest, which have now become more rigorous, allowing for the submission of a request for protection in any stage of the public procurement procedure. Most importantly, the institutionalization of public procurement offices makes a clear distinction between the permanent professional procurement staff and *ad hoc* appointed staff (independent public procurement commissions).

The Public Procurement Law does not explicitly require the establishment of public procurement offices within Serbian local self-governments. At the beginning of the SLGRP intervention, ad-hoc public procurement commissions were routinely appointed to take charge of all parts of the public procurement process within municipal governments and associated communal enterprises. Not only were procurement commission members generally not adequately acquainted with legal and procedural procurement requirements, they had no clear authority or regulatory basis for conducting the actions required of them under the public procurement law. Consequently, the public procurement commissions were highly susceptible to manipulation by numerous municipality officials, local political leaders and others. They were also reluctant to take decisions – particularly decisions of a controversial nature which might contradict the wishes of higher authorities – but in any event, most decisions at all. This was partly due to commission members not understanding the procurement system and partly to the fact they didn't feel they had authority to make decisions. Consequently, important procurements were routinely completed late and commission decisions were being made by more senior municipal officials – an open invitation to corruption.

The Public Procurement Team advocated during training events for establishment of professional public procurement offices. In addition to promoting the idea of creating the offices, the Team actively provided technical assistance during municipal visits. The team assisted municipalities and communal enterprises in drafting scopes of work for professional positions in these offices, taking into account specific municipal needs, municipal size, budget and procurement capacity, and helped create organizational charts for their procurement offices. Finally, the team drafted a standard operating procedures manual for public procurement offices.

3.2 Intervention Results

As a result of these efforts, by August 2005:

- Sixty-seven Serbian municipalities had been persuaded to establish Public Procurement Offices.
- All Program municipalities had adopted small purchase regulations.
- All Program municipalities had created electronic databases of tender document models and specifications.
- A “Mentor Network” of exceptionally bright, gifted municipal public procurement officials/workers had been organized and was supplying technical and best practices assistance to Program municipalities.
- Serbia's first Public Procurement Best Practices Seminar was conducted in 2005 — and the observations from that event published and distributed to all Program municipalities and to the Serbian Standing Conference of Towns and Municipalities.

SLGRP applied a rigorous monitoring and evaluation (M&E) regime to all of its activities to measure the qualitative impact of its interventions. M&E qualitative evaluations of the Program municipalities indicated that, by August 2005, Program municipalities demonstrated:

- Better awareness of public procurement principles as the basis for ethical and non-corrupt local governance.
- Increased transparency of public procurement procedures.
- Fewer failures to complete initiated public procurements.
- General standardization and use of model tender documentation.

- General creation and use of specifications databases.
- Much greater compliance with the Public Procurement Law's technical requirements.
- More sophisticated understanding of the nature and use of tender evaluation criteria.
- Better understanding of the concept of best value for money and how to control quality of goods/services/works received through tender practices and procedures.
- Development of more clearly defined chains of responsibility and transparent process in tender handling practices.
- Improvements in financial management and payment procedures for public procurement contracts.
- Full comprehension of the procedures for protection of tenderers' rights and correct application of that procedure at the municipality level.

3.3 Post-intervention Survey

In 2006, as SLGRP program activities were winding down to conclusion, program officials commissioned a survey of 15 SLGRP municipalities to assess the lasting impact — if any — of the public procurement training intervention. During that survey, a questionnaire was created to look at all the relevant public procurement process and institutionalization parameters. A total of 17 municipalities, 15 of which were randomly selected SLGRP municipalities, while 2 were non-SLGRP municipalities, were chosen to provide representation of all regions of Serbia. Municipality selection achieved parity of distribution between large, medium and small population centers while a rough parity of distribution between large, medium and small municipal budget size was obtained. Fifteen of the municipalities were found to have full time public procurement offices, or at least a public procurement official to coordinate the work of ad hoc appointed tender commissions. These institutions were a direct result of the work of the SLGRP Public Procurement team during 2003-2005; and interestingly, one public procurement office had been established in a non-SLGRP municipality through “word-of-mouth” exposure to the public procurement office concept from SLGRP municipal officials.

The questionnaire was administered to the selected municipalities by a telephone interview. The gathered data were summarized and a quantitative and qualitative data analysis was performed. The survey looked at three indicators of status of public procurement reform, each defined by a set of concrete moments or forms, so as to allow the status of public procurement reforms in a surveyed municipality to be analyzed against each indicator's quantity and quality incidence:

- **Knowledge of the legal requirements of the Serbia Public Procurement Law** was measured by the accuracy of survey responses to a set of basic and advanced questions referring to the Public Procurement law, implementing and other relevant regulations. Basic questions tested knowledge and understanding of the broad principles contained within the Public Procurement law. Advanced questions tested knowledge of details of the law and supplementary regulations, as well as the true significance and meaning behind key legal/regulatory provisions;
- **Compliance with legal requirements of performance of fundamental/mandatory public procurement actions** was measured through responses to questions indicating whether public procurement practitioners were actually fulfilling legal/regulatory requirements such as utilization of the law's mandatory and recommended procedures, reporting/information disclosure requirements, adherence to implementing regulations, use of model provisions and forms, extent of standardization of the surveyed correspondents' working routines, accuracy of public procurement actions undertaken measured against legal/regulatory requirements, adherence to legal/regulatory deadlines, compliance with data archiving requirements, etc.;
- **Personal attitudes of public procurement officials towards basic principles of the Public Procurement Law and ethical conduct during performance of their duties** was evaluated through answers to questions aimed at determining each surveyed correspondent's personal concept or sense of ethics (measured against an objective standard of internationally-known/required ethical actions/standards) and the meaning of the principles restated in the Serbian Public Procurement law. Additional questions sought information about public procurement awareness of local government leaders, as perceived by the public procurement officials who were interviewed.

At the macro level, the survey revealed that the level of public procurement professionalism had deteriorated in 4 out of 17 surveyed municipalities. Eight of the surveyed municipalities (including one control municipality) were found to have maintained the same degree of adherence to the requirements of the Public Procurement law since the

closure of SLGRP activities in 2005, while 5 municipalities could be said to have experienced increased levels of professionalism and development.

The survey concluded that the main cause for deterioration in professionalism and adherence to the Public Procurement law in the 4 municipalities was due to these municipalities' previously-trained and experienced public procurement officials being replaced by persons with little or no public procurement knowledge during political administration regime changes. This result highlights a fundamental weakness inherent in the Serbian municipal employment system most municipal workers down to the mid-level management category owe their positions to political patronage, not merit-based permanent employment. There is no municipal civil service in Serbia, nor no career track for public procurement.

Those municipalities in which it could be stated that professionalism had increased could point to adoption of additional local regulations, standard operating procedures and even codes of conduct for their public procurement officials. In some of the "advancing" municipalities, all municipal budget beneficiaries had been included under the public procurement process. Not surprisingly, in all advancing municipalities, the public procurement work force which was trained under the SLGRP continues in office.

At a more detailed level, the survey revealed that public procurement officials and offices were finding it difficult to coordinate procurement planning with municipal budget formulation. The reasons for this apparently had as much to do with lack of planning training on the part of other municipal organs as did lack of adherence to their own planning training by the public procurement offices/officials. One result of this weakness manifested itself in periodic, unplanned procurement actions which were not adequately documented in municipal budgets. This phenomenon constitutes a typical "corruption point" within many Serbian municipalities, as it permits uncontrolled expenditures of public funds by certain public officials.

Additionally, the survey revealed that mayors or heads of municipal administration continued to be directly involved in review and approval of major procurement decisions. This constitutes another "corruption focal point" in the public procurement process in Serbia as it permits the highest levels of municipal authority to participate in (and potentially interfere with) public procurement procedures. On the other hand, Serbian municipal officials would likely argue that their oversight of/participation in the public procurement process is necessary due to the generally poorly trained, casually organized, character of the municipal workforce. This phenomenon was not tackled under the SLGRP public procurement intervention because it constituted a reorganization of municipal business practices which lay beyond the scope of that program. The best that the SLGRP intervention could hope to achieve was that established public procurement offices would act as a check on unfettered executive discretion within municipal government with respect to conduct of public procurement activities.

To an extent, it appears that the SLGRP intervention has accomplished this. All save one survey participants, reported to being subjected to various types of pressure²⁰ by the political leadership of their municipal governments: Municipal leaders are prone to neglecting mandatory deadlines imposed by the Public Procurement Law; One survey participant reported a case of a member of the Municipal Council putting pressure on the procurement commission to award a contract to a favored bidder.

In the face of these pressures, surveyed public procurement office officials/workers generally reported they were able to resist irregularities by pointing out to political leaders that their requests were not in accordance with the Public Procurement Law, principles and procedures. In most cases, the survey indicated that public procurement officials felt more comfortable in taking their positions as they were regular members of the duly constituted municipal procurement office body. Additionally, their public procurement training gave them greater confidence to deal with higher officials from a position of knowledge and authority. These anecdotal revelations must necessarily be taken with a grain of salt, as few people would normally admit that they have allowed themselves to be persuaded to circumvent the legal/regulatory requirements of their duties. However, the comments are remarkable in that they pointed to their training and status within the organization — instead of their character or force of will — as reasons why they were able to withstand irregular pressures.

²⁰ And in this respect, Serbian public procurement officials/workers are not alone in the region in feeling pressured by politicians. See, Grødeland, Åse. 2005. Informality, Corruption and Public Procurement in the Czech Republic, Slovenia, Bulgaria and Romania. *U4 Anticorruption Resource Centre*, <http://www.u4.no/document/literature/grodeland-informality-corruptio-public-procurement.pdf> (accessed April 8, 2007).

4.0 CONCLUSION

As has been stated, dealing with the problem of corruption “will require a multi-pronged strategy tailored to the specific pattern of corruption” encountered in the specific setting towards which an intervention is targeting.²¹ Compared with anticorruption strategies currently in vogue, increasing the capacity, stature and professionalism of government institutions which coexist or contain “corruption focal points” may not seem to be a dynamic or attractive course of action. However, when institutions are built up in terms of training, normalized staff positions with adequate compensation, formal legal standing vis-à-vis other institutions and political leadership, and are given the legal and regulatory tools with which to effectively carry out their clearly defined responsibilities, such institutions may become effective mechanisms upon which other reform strategies may be based and which effectively tie together the entire, multi-pronged strategy.

Though not intended as a specific test bed for this thesis, the public procurement training initiative in Serbia in 2003-2005, in which the author participated, certainly produced results which may be interpreted in support of it. Training about the subject matter of their professional activities and placing them in a setting which more clearly defined their responsibilities and authority appears to have given municipal procurement officials/workers greater ability to resist outside pressure to circumvent or ignore their national procurement law.

Future anticorruption interventions should therefore consider those government institutions, if any, which will be most affected by the intervention strategy employed, or which may have the most effect on the success or failure of the chosen intervention strategy, and determine whether parallel training/development/capacity building of those institutions and their employees would enhance the intervention’s results.

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