

Centre for the Study of Corruption  
School of Law, Politics and Sociology  
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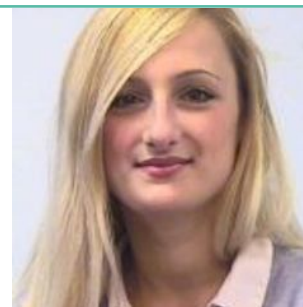


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## Message from the editor

Liljana Cvetanoska



Things have changed since the issue of corruption rose high on the agenda in the mid-nineties. International organisations, such as the Council of Europe, the Organisation for Economic Cooperation and Development, the United Nations and the World Bank, have made attempts to incorporate anti-corruption reforms in their programmes. Scholars made efforts to contribute to the solution of the problem by investigating causes of corruption, anti-corruption reforms, the impact that corruption has on the economy, social policies, gender etc. Nevertheless, corruption remains a concern and many countries are struggling to effectively implement anti-corruption reforms. The University of Sussex, through its Centre for the Study of Corruption and its MA, LLM and PhD degrees focused on corruption analysis makes substantive efforts to contribute to the current corruption debates.

The aim of this bulletin is to draw attention to some of the problems that national jurisdictions and international organisations are facing when trying to control corruption. Moreover, this bulletin seeks to emphasise successes and failures in anti-corruption efforts from around the world. We welcome contributions from MA, LLM and PhD students, as well as academics and practitioners, so as to raise awareness about the most pressing issues and debates in regards to analysing and tackling corruption in today's world.

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**Director Liz David-Barrett reports on recent events and ongoing research activities from the Centre for the Study of Corruption.**



It is a sign of our times that books about corruption regularly hit the bestseller lists right now, but one of the biggest hits in 2018 was investigative journalist Oliver Bullough's *Moneyland*. We were therefore delighted when Oliver agreed to give a talk at Sussex - and, judging by the packed room, so were our faculty and students! Oliver talked about his research for the book and shared fascinating details about how corrupt elites use and abuse the global financial system to launder the proceeds of their crimes.

Researching those illicit flows is difficult, given the efforts that corrupt elites make to hide their money. However, Dr Dan Haberly has just been awarded a grant from the prestigious Global Integrity-Department for International Development Anti-Corruption Evidence (GI-DFID ACE) programme for a project that uses the Panama Papers as a data source to study how illicit financial flows vary over time and in response to policy changes.

I am also part of a new GI-DFID ACE project that uses experiments to understand whether the assumptions behind anti-bribery laws are realistic, with colleagues at Nottingham and London. My other GI-ACE [project](#) on corruption risks in public procurement - with Dr Mihaly Fazekas from CEU - is entering year two. We are building datasets on national procurement in Chile, Paraguay, India, Indonesia, Uganda and South Africa. The project also took me to Uganda in October to run a workshop showcasing to Maths students and civil society activists how our software tool can be used to analyse corruption risks in public contracting.

Other research at the Centre includes Dr Shahrzad Fouladvand's work on exploring how the demands of large corporations, the operation of illegal networks and the involvement of corrupt officials can affect criminal justice policy, particularly responses to the victims of human trafficking. She is also analysing the new turn towards Deferred Prosecution Agreements in enforcement of the UK Bribery Act 2010. One of our PhD students, Tena Prelec has published a [paper](#) on the fragile rule of law in the Balkans, while another recent paper finds that corruption is a significant driver of emigration from Serbia.

Meanwhile, Prof Dan Hough has published a series of media articles on the anti-corruption drive in China: with PhD student Yang Wu, discusses the [narratives](#) used to justify and frame the campaign, while in another he suggests [four things](#) that China - and other countries in the region - can do to combat corruption. With another former PhD student, Dr Moletsane Monyake, a further piece seeks to explain how frustrations with corruption have fuelled recent [protests](#) in Africa.

# PhD and Masters' Study in Corruption Analysis at Sussex

Professor Dan Hough



- [MA Corruption and Governance](#) (full/part-time, 12/24 months duration)
- MA Corruption and Governance (online, to be launched in September 2019)
- [LLM Corruption, Law and Governance](#) (part-time, 24 months duration, taught out of the [Rule of Law and Anti-Corruption Centre](#) in Doha, Qatar).

The [Centre for the Study of Corruption](#) (CSC) is proud to host three Masters' programmes on various parts of the corruption and anti-corruption mosaic. All three have been developed to suit the teaching, learning and indeed professional needs of particular sets of students.

The MA Corruption and Governance is a 12 month (24 if completed part-time) programme taught out of our leafy Sussex campus. It has been running since 2012 and has already developed a reputation as a stepping-stone in to academia, public sector life or indeed private sector jobs. We are really proud of where our graduates have ended up – see [here](#) for more on some of them. The programme is expressly interdisciplinary and welcomes applicants with backgrounds in political science and development studies, economics and law, sociology and business studies.

The LLM in Corruption, Law and Governance is a 24 month course taught out of ROLACC, a Doha-based NGO. The course is taught over four teaching blocks a year. They last one week each and are generally in October, November, February and March. There's also an introductory teaching week in September as well as regular electronic contact between students and Sussex faculty members. The programme has recently celebrated its first set of graduates and continues to offer an excellent opportunity for those working in the Middle-East to develop their analytical and theoretical skills.



The third and final programme will be launched in September 2019. The MA Corruption and Governance (online) will welcome students from all round the world and will help them critically assess three questions. What is corruption? What causes corruption? What can we do to tackle corruption? These deceptively simple questions come through in all of the corruption teaching that we do at Sussex, but they are very much at the core of the new and exciting online programme that we are currently developing.

Should you require any more information about any of these programmes please don't hesitate to get in touch either with Dan Hough ([d.t.hough@sussex.ac.uk](mailto:d.t.hough@sussex.ac.uk)) or Liz David-Barrett ([e.david-barrett@sussex.ac.uk](mailto:e.david-barrett@sussex.ac.uk)).

## PhDs in Corruption Analysis

Over the last decade the University of Sussex has attempted to put corruption analysis firmly on the academic map. It's done this by introducing modules on corruption and anti-corruption in to its undergraduate and postgraduate programmes, as well as welcoming students to Brighton to conduct doctoral research.

The range and scope of research that has been undertaken by PhD students in this area has been mightily impressive; whether it be analysis of how types of political funding interact and indeed foster specific types of corruption, the relationship between corruption and political protest in Africa or the impact of the EU on anti-corruption practice in prospective member states.

The CSC welcomes PhD applications from across the disciplines of law, political science and sociology. Students need to have a MA/LLM in a relevant subject and, crucially, to subject a well-developed research proposal. That proposal needs to include a clear research question, an explanation of how the PhD will fit in to current (academic) literature on the topic and an explanation of the methodology that's likely to be adopted.

Students are welcome to talk to about their ideas before they apply. Indeed, this is positively encouraged. A full list of potential PhD supervisors and their research interests is available [here](#).

# Why informality matters

Riccardo D'Emidio

Doctoral Researcher, University of Sussex

For the past fifteen years I have been lucky enough to live and work in seven different countries in both the North and the South of the world. With all this moving around, I was exposed to very different cultures, languages and ways of working. Something that does not stop surprising me as I continue travelling, is how a behaviour can be common practice and acceptable in one country and a taboo in others. One striking example of this is how people and citizens discuss and make sense of corruption in their own lives and personal experiences. Bribery, kickbacks, favour exchange, influence peddling, nepotism and so on are practices that exist in different shapes and forms everywhere in the world. One big difference though, is that in some places these are visible to the naked eye, and if questioned, they get brushed off with a simple “this is how things work over here”. In other countries instead, acts of corruption are covered up with shame and concern, making them essentially secretive and undetectable practices.

Nonetheless, whether corruption is in your face or is taking place behind the scenes, the overall trend to counter and control corruption has followed some fairly standard measures across very different countries and contexts. In fact, much of the current anti-corruption sector in the past twenty-five years has focused on strengthening national legislation and institutional reform, closing legal loopholes and ensuring there is more control, while reducing opportunities and incentives to engage in corruption. These measures include the establishment of anticorruption agencies, freedom of information laws, immunity protection limitations, conflict of interest legislation, financial disclosures, audit infrastructure improvements, and whistle-blower protections among others. Interestingly though, a [recent article](#) flagged how countries that have deployed good governance policies and tools, such as the ones mentioned above, have made no more progress on curbing corruption than countries that have much leaner regulatory frameworks.

Does this mean that formal rules and regulations don't matter? That would not only be a challenging argument, but also not a very useful one. What can be said for sure is that legal norms and regulatory frameworks alone are not enough. This is something that anticorruption [practitioners](#) and [academics](#) alike have recently started coming to grips with. As a result of this, there is increasing attention to better understand and unpack that very common statement “this is how things get done round here” which often accompanies a bribe or a kickback. One way of analysing these dynamics is through the lens of social norms.

[Cristina Bicchieri](#) defines social norms as the grammar of social interactions, which are often unwritten and taken for granted. Social norms determine what behaviour is common and acceptable within a group or a society. One way of looking at social norms is to differentiate between descriptive norms (what people think others do, i.e. what is common) and injunctive norms (what people think others approve or disapprove of, i.e. what is acceptable or not). One of the most powerful way social norms can influence behaviour is through what social psychologists call sanctions. Let me give you an example: by living in the UK I know by now that over here it is common to queue pretty much anywhere (descriptive norm). Moreover, it is not only common, but queuing is something that most British citizens approve of (injunctive norm). The time I (inadvertently) jumped a queue I felt the glares of disapproval on me and was confronted by several people in the queue. That negative sanction taught me the importance of complying to the social norm of queuing (at least in the UK).

The point is that informality and unwritten shared social practices and norms not only matter but are actually critical to create social and behavioural change. Understanding and unpacking the informal dimension of shared social practices such as corruption is a critical endeavour for at least two reasons. Firstly, it can help scholars and practitioners to gain a more nuanced appreciation of what corruption is, how it manifests and what are its drivers in specific contexts and settings. Secondly, by taking into account social and cultural dimensions of corruption, social norms can actually inform policy and institutional reform relieving some of the social pressures created by existing social norms. In this regard, understanding the dynamics of social norms and corruption, how they interact and feed into each other, is a decisive stepping stone to make policies and regulations effective and making sure they respond to citizens' needs and realities.

# Thesis summary: Autocracy, Democracy and Corruption: The case of Singapore

Phoebe Ofori-Atta

Graduate from the LLM in Corruption Law and Governance (Delivered in  
Qatar)

Received an award for best LLM dissertation from the University of Sussex

Corruption, generally viewed as one of the banes of [development](#) has attracted much scholarly attention. Empirical evidence shows that among many factors, democracy is a major factor that is associated with lower levels of corruption and higher economic [development](#). Conversely, autocracy is linked to high levels of corruption and little economic [development](#). Yet, there are countries like Singapore which are both autocratic and economically developed, but have little corruption as presented by the Corruption Perception Index (CPI) of [Transparency International](#) (TI). This raises the question of whether the type of government regime matters for controlling corruption.

Namely, my thesis examined (i) what is the relationship between the type of governance and corruption control; and (ii) in addition to the type of governance regime, are other factors influencing corruption control?

Treisman uses data from the Transparency International's Corruption Perception Index to test 14 hypotheses on the causes of corruption. Treisman was able to prove 6 of his 14 hypotheses. He found support that a country's democratic regime only negatively impacts how it is perceived to be corrupt if it has been democratic for decades. He also found that openness to foreign trade, long-lived aspects of a country's cultural or institutional traditions, British colonial heritage with its common law or specific legal culture, and process of economic development were associated with less corruption while higher corruption was linked to federal states. These have been examined for the case of Singapore.

## **Economic Development**

According to Treisman, the richer the country, the lower the perceived corruption. Though Singapore has had its share of economic challenges, it is ranked among the world's most competitive economies with a gross national income of [U.S. \\$52,600 per capita](#), providing "one of the world's most business-friendly regulatory environment for local entrepreneurs. So, the expectation that the richer the country, the lower the perceived corruption is reflected in Singapore's case.



## **Openness to Trade, Higher Salaries, Political Instability, State Intervention in Economy**

Though Treisman found openness to trade and higher government salaries to be endogenous and the effect small, they may help to explain Singapore's low corruption level. State interferences in the economy of Singapore are limited unlike that of many [autocracies](#). Additionally, political stability was not significantly found to correlate with less corruption in a democracy; however, Singapore's stability may contribute to the ease other nations find in doing business with this [country](#). Also, though Treisman found little significance in the correlation of a higher public salary on corruption levels, Singapore increased salary of its ministers by 60% to prevent corrupt practices even though the average Singaporean earned [\\$2000 monthly](#). This may have positively impacted on corruption control.

## **Cultural or Institutional Traditions**

Singapore has had its shares of protests against some government decisions but generally, Singaporeans seem to have a common value of a Singaporean [identity](#), which is in line with Treisman's findings. This protestant nature - reflected in the very diverse nature of Singaporeans, both in ethnicity and languages - may only work in fusion with the state when there is a common identity. It may be concluded then that cultural or institutional traditions may be very influential in combatting corruption in an autocracy so far as they are shared by authoritarian leaders; a view that aligns with the theory of Kelman and Hamilton about values. [Kelman and Hamilton](#) assert that "individuals perceive the State as legitimate because they share many of the cultural values around which it is defined". This framework is used in relation to Singapore, to explain citizens' motivation to accept an autocratic regime that shows effective corruption control and economic success based on the research questions. In fact, it is suggested in my thesis that this may be the main factor that makes Singapore an anomaly when it comes to autocratic governance.

## **Natural Resources**

Another of Treisman's proven factors is that countries with large endowments of valuable raw materials may experience more corrupt acts. The logical conclusion is that where there are limited natural resources corruption is limited. This holds true in Singapore's case which has no reports of corruption in its limited natural [resources](#).

## Colonial Heritage with its Legal System and Federalism

Despite British heritage and use of common law, a state could be corrupt if it was federal; a feature missing from Singapore. This further supports the argument that unitary states are correlated to lower levels of corruption.

## Democracy

Singapore is ranked 151st with a score of 50.95 by [Reporters Without Borders](#) in terms of democracy. According to Treisman's theory, lack of democracy and weak civic engagement should have resulted in increased corruption, but this is not the case with Singapore. So here, the theory fails. However, though some protests have been noted in the country, which are [uncommon](#), it is possible that the factors that inhibit press freedom may also repress reports of corruption. But then, democratic U.K. and U.S. with media freedom and less corruption have scores of 23.25 and 23.73 respectively on the 2018 [World Press Freedom Index](#); not so far from autocratic Rwanda and Ghana.

The people of Singapore have freedom of speech through their constitution-it is those that are in criticism of the government or are seen to disrupt social harmony that are [restricted](#). In any case, the high education and literacy levels of the Singaporeans should increase abuses being noticed and challenged. Measures of the regime seen as autocratic by the world were needed at the time of independence, which lead to economic success and a sense of entitlement by the leadership. As [Lepoer](#) described, the leadership adopted the "paternalistic viewpoint that only those who had brought the nation through the perilous years could be trusted to make the decisions that would keep Singapore on the narrow path of stability and prosperity". Thus, my thesis suggests that the *raison d'être* for low corruption levels cannot be explained by the system of governance.

## Main conclusions

In my thesis, the following Singapore characteristics emerged: former colony of Britain which became a republic after its independence; seen as one of the least corrupt countries in the world; economically vibrant, has a very open trade market, and has a highly educated and literate population; well developed or highly industrialised; has an effective legal system by virtue of its corruption control; has a diverse population and religion but united by a Singaporean identity and culture; multi-party state but ruled by a one-party autocratic leadership; well-paying public office to inhibit corruption; scarce natural resources; the autocratic leadership does not facilitate corruption because it is not self-serving but rather bound to the Singaporeans by a common identity, cultural values, and a paternal approach to seeking and providing what its people needs.

These then answer the research questions that indeed other factors influence the relationship between governance and corruption control, and these form the relationship between government regime and level of corruption.

This research hypothesised that rather, corruption is facilitated when the values of a society are forced on another where values differ. It may take time for equilibrium to be reached where corruption may be controlled through the interaction among the competing values, players, and other foreseen and unforeseen factors. It may be concluded, therefore, that the regime type such as democracy or autocracy may not matter per se; but a combination of individual factors as presented by Treisman may do.

These have been successfully tested by this research, including Kelman and Hamilton's framework, and found to be more important. It is also theorised in this thesis that these shared cultural values when subverted by others create chaos that facilitate corruption but will need time to acclimatise to local traditions to eventually bring about an equilibrium and corruption control. For this reason, it may be restrictive to want all nations to be democratic.

## **Practitioner's corner**

Tetiana Kheruvimova

Investigator at the Business Ombudsman Council, Ukraine

Tetiana Kheruvimova is an investigator at Business Ombudsman Council since July 2016. Tetiana contributed to set up and development of Ukrainian Network of Integrity and Compliance - a platform of trustworthy business initiated under support of the European Bank for Reconstruction and Development, the Organisation for Economic Co-operation and Development and Business Ombudsman Council.

## **Ukrainian Businesses Choose Better Business Behaviour**

During the recent years, Ukraine has implemented numerous reforms to fight against corruption. To name just a few, designing the anti-corruption courts, creation of [the Business Ombudsman Council](#) (BOC), etc. The neutrality of the institutions, which are meant to stem corruption, is essential. For instance, the independent nature of the BOC shields it from interference by the government and has allowed it to be regarded as trustworthy among businesses and individuals, best exemplified by the increasing number of cases submitted to it, mostly by SMEs. I encourage the readers to check the BOC website to find out more about its activity.

Acknowledging the need for substantial efforts to address corruption and the unfair treatment to business to advance economic growth and expressing their support to anti-corruption efforts, the BOC initiated launching of the [Ukrainian Network of Integrity and Compliance](#) (UNIC), the brand-new anti-corruption collective action in Ukraine.

The notion of the collective action denies the old famous saying, which is “divide and conquer”. Today an ethical business, especially in Eastern Europe, cannot allow themselves to be divided. To this end, at the beginning of 2017, the project proposal was developed from the very scratch (e.g., preparing and submitting a project proposal to the EBRD and the OECD, conducting negotiations with embassies, associations, companies, preparing internal documents). As a result of this work, in May 2017, the Business Integrity Declaration was signed by more than 50 entities.

This shows that business leaders in Ukraine support developing processes that weave integrity into the fabric of business organizations. An additional example of positive transformations is that the number of corporate integrity (ethics) and compliance workshops, seminars, forums and conferences is running higher each year in Ukraine. I call these business transformations “from cleaning up to keeping clean”.

UNIC serves as a platform for promoting responsible business approaches and zero-tolerance to corruption. It is also a source of expertise and dialogue on implementing integrity and compliance standards at as many Ukrainian companies as possible. At the end of the day, compliance is about culture and leadership, and what, in my view, UNIC is trying to do in Ukraine is to create leaders who are well versed in how to deal with compliance and ethics issues. Knowledge does not create culture, but lack of knowledge can diminish and destroy it.

UNIC members pledge to maintain their good reputation, to improve their integrity and adherence to transparency practices, and to assess their corruption risks by implementing an internal compliance program. In my opinion, both the private and public sectors finally tend to apply name and praise instead of the name and shame approach in Ukraine. It means that instead of saying that business has done something wrong it is better to promote what business has done right. Displaying success stories should introduce positive benchmarking. Such interpretation gives a message that the society must change the top down to the bottom-up approach.

UNIC tries to implement such approach in Ukraine through the introduction of compliance certification – a tool designed to distinguish compliance champions in Ukraine. Without getting into specifics of the procedure, the certification should attest that the company has designed and implemented a risk-based policy and procedure to prevent corruption and other related risks with consideration of such factors industry, structure, business model, size, countries of operation, etc.

Apparently, the certification should confirm that the UNIC member has done all that can reasonably be expected to prevent bribery. Less than a year since the initiative was first unveiled, some members are already preparing for certification in accordance with UNIC standards. Investment, commercial financing, tenders, and new orders – all this should be easier to realize for a company certified as adhering to a compliance standard.

All above-mentioned efforts have resulted in stable initial growth in interest towards the UNIC. Currently, UNIC unites 59 companies representing more than 70,000 employees from 46 cities and towns of Ukraine from the pharmaceutical, agricultural, banking, construction, finance, trade, food, manufacturing, legal services, and other industries. In other words, they convert the old saying “divide and conquer” into “unite and win”.

## **Whistleblowing, UNCAC and the Danske Bank Scandal**

Diana Ali Ayyad

Corruption, Law and Governance LLM student

Whistleblowing is one of the most effective ways to report a corrupt behavior undertaken by public officers or by individuals who work in private companies. Whistleblowers jeopardize their personal and professional life to report corrupt transactions; they are harassed, fired, arrested, sued and even killed for revealing misconduct. Legal protection will allow whistleblowers to report offences safely and freely. Therefore, there are many international legal instruments that provide specific provisions on the protection of whistleblowers, for example, the United Nations Convention on Transnational Organized Crimes, the United Nations Convention against Corruption (UNCAC) and the Council of Europe’s Civil Law Convention on Corruption.

Despite such provisions, protection in practice is still relative. A good example of this is the whistleblowing case of Mr. Howard Wilkinson, an employee of Danske bank. He uncovered a massive money-laundering scandal involving billions of dollars flowing out of Russia and other former Soviet states through the Danske Bank branch located in Estonia. In 2014, Mr. Wilkinson, who was a former British Executive in the Bank, contacted the senior management in Copenhagen and addressed his concerns about the use of the Danske Bank in Estionia by a UK limited liability partnership with alleged connections to the family of Russian president Vladimir Putin and Russia’s intelligence services. In responses to these increasing allegations of wrongdoing, Danske’s internal auditors produced a critical report and conducted internal [investigations](#).



[Media records](#) suggested the Bank had thousands of suspicious customers, responsible for €200 billion of transactions from 2007 to 2015. In addition, a money-laundering scheme went through the Bank allegedly involving members of Azerbaijan's ruling elite, and a \$2.9 billion fund used to pay European politicians and [lobbyists](#).

He uncovered "indications of corruption" and he might be subject to "unjustified treatment" especially due to the severity of the scandal. Mr. Wilkinson had "reasonable grounds" to reveal in "good faith" that the Bank had breached regulatory requirements and behaved unethically and corruptly. He has revealed during his testimony before the Danish authorities that other lenders were involved in processing billions of dollars of suspicious payments through the Danske's Estonian [branch](#). In this regard he stated in his testimony that "no one really knows where this money went. All we know is that the last people to see it were three large banks in the U.S. They were the last check, and when that failed, the money was into the global financial [system](#)". The Interim CEO Mr. Jesper Nielsen responded to Mr. Wilkinson's statement by saying that, "We have breached the expectations society had of us. The case and the course of events around it does not reflect the bank we want to [be](#)".

Since Mr. Wilkinson's initial disclosures in 2013, he remained anonymous, but, in 2018, the Estonian newspaper "Eesti Ekspress" published that "*the secret whistleblower in the Danske Bank scandal is Howard Wilkinson.*" In response, Mr. Wilkinson's attorney sent a legal notice to the relevant Estonian authorities claiming that Mr. Wilkinson's human rights have been violated. The attorney also demanded for appropriate actions to be taken to protect Mr. Wilkinson's human rights and to ensure that he will not be under [retaliation](#).

Both Denmark and Estonia are signatories of the UNCAC, which includes whistleblower protection provisions. According to [Article 32](#) of the Convention "*Each State Party shall take appropriate measures in accordance with its domestic legal system and within its means to provide effective protection from potential retaliation or intimidation for witnesses and experts who give testimony concerning offences established in accordance with this Convention.*" Thus, Mr. Wilkinson should enjoy adequate protection, especially as he has testified before the Danish and European Parliaments in November 19th, 2018 and November 21st, 2018. During the testimonies, he provided sensitive details of the scandal, which include tremendous amount of laundered money. However, his testimony before both Parliaments was limited because of the Danish Banking Secrecy laws, and therefore, Mr. Wilkinson's attorney has asked from Danske Bank to allow him to fully testify by abolishing such [restrictions](#).

[Article 33](#) stipulates that "Each State Party shall consider incorporating into its domestic legal system appropriate measures to provide protection against any unjustified treatment for any person who reports in good faith and on reasonable grounds to the competent authorities any facts concerning offences established in accordance with this Convention." This Article provides certain requirements to be applicable.

Firstly, it covers “indications of corruption” that lack from evidence and covers the early stages of discovering the corrupt transaction, when there are no proceedings undertaken. Definitely, the best scenario is where a whistleblower communicated his or her concerns when that action can be taken to prevent any [offence](#). Secondly, the Article provides protection against “any unjustified treatment”, and therefore, such protection is not limited to physical threats or dismissal from the workplace only. Thirdly, it applies to “any person” who reports corrupt actions and the term whistleblower is commonly used for the members within an organization who disclose wrongful behavior and who are under the control of that organization. Fourthly, the Article requires the whistleblower to have “reasonable grounds” to report in “good faith” the corrupt behavior to the officials in order to be protected even if they falsely reported such behavior. Last but not least, the report of corrupt practices should be addressed to “competent authorities” that have the power to take the proper actions against the wrongdoing, for example, an anti-corruption commission, audit body or the police.

UNCAC has established an obligation on its signatories to provide proper protection to whistleblowers under Article 32 and 33. However as evidenced from the case of Mr. Wilkinson, protection in practice is not always the case.

## **The Western Balkans’ Corruption Plague**

Blerim Vela

Doctoral Researcher, University of Sussex

The 2018 European Commission’s annual country reports on the Western Balkans countries identified corruption and state capture as the key threats to democratic governance in the region. The ruling parties in these countries succeeded in capturing the states, and established control of all branches of power, through various forms of endemic corruption. However, the corruption phenomenon in the Western Balkans countries represents two sides of the same coin: the encroaching behaviour of ruling parties and the enabling environment in the society.

The first side of the coin has to do with the institutionalization of corruption as a way of functioning of the public and private institutions. This is attested by the way in which appointments are made in institutions – primarily through political party meritocracy. Such actions have resulted in extensive mismanagement of state resources in order to maintain the clientelist support [network](#).

The growing influence of the ruling parties in public institutions spilled over to other public sector areas, as well. The parties now actively seek to submit the non-governmental institutions such as Universities, [the media, civil society](#) and the opposition. The ruling parties often sought to cement their power through kickbacks to local oligarchs who enjoyed monopolistic positions in local markets. All these developments resulted in mutation of the concept of separation of power and the ruling party from the state, while the business replicated the behaviour of the ruling elite.

Ironically, the ruling parties tend to implement most of these actions within legal procedures and seek to use institutions to legitimize corruption. The aim of these actions is to create a significant group of followers inside institutions that execute ruling parties order without any contestation. These loyal 'party soldiers' installed in institutions and the political parties' elites are united by their joint 'struggle for survival/power' and the preservation of the benefits gained from this corrupt clientelist system. [From their point of view](#), this is a 'zero-sum game'. As part of this mind-set, they are willing to violate rule of law and democratic principles to seize any institution outside of their influence and use any means available to eliminate critical thinking coming from academia, opposition parties, media or civil society organizations. This marks the reduction of the liberal democracy in the Western Balkans countries to merely a formal and electoral democracy.

The other side of the coin is the system of values on which the Western Balkans societies are founded. Although the transition years have enabled the free confrontation of ideas, the sedimentation of values in society was more based on binomial relation domination-submission. Some of these values represent the legacy of the socialist system that was based on the political monopoly of the communist party. It seems that significant parts of this logic of behaviour of political actors survived during the democratic transition period. Today, party leaders consider the formal pluralist political system as a facade for their political and party dominance. The parable of such action can be seen when observing the way in which public administration operates in these countries. In most cases, the administration's actions depend on the clientelist will of the politically appointed officials rather than the real needs of the society that those institutions have been established to address. In such context, there are few reactions or objections against corruptive action. This behaviour often stems from fear of punishment and in some cases even from opportunism that is rooted as the overwhelming value of such institutional culture.

Another side effect of the early transition period of the Western Balkans countries is the imprint in the genetic code of society that stability supersedes all other needs. This has caused society to be 'tolerant' of corruptive phenomena until individuals become a victim of it. Of course, the ruling parties have understood this well and have incorporated it into their logic of action. The ruling parties have benefited from the inability of individuals opposing corruption to get organized into pressure groups, civil society organizations and political parties.

Lack of meaningful opposition meant that the ruling parties simply ramped up the level of corruption. While arbitrary actions of ruling parties against individuals may not be widespread, it is individuals' fears about overall stability, the economic depression and poverty that has enabled them to succeed in abusing each lever of power and thus undermine the collective rights of individuals in the society. This form of social discipline combined with the lack of professional and independent media that would reveal the scope and depth of corruption had become the curse of the transition period. These developments question the idea of 'stability at any cost' as a legitimate aim of both domestic and international actors, at the back of meaningful democratization of the Western Balkans countries.

The most striking example of this logic of behaviour in the Western Balkans is the treatment of the education system and the Universities by the ruling parties. These parties have recognised the societal demand to have access to education as a way for achieving personal academic and professional potential. While the ruling parties have offered youth easy access to education, this was done at the cost of the quality of education. In fact, schools and universities from centres of knowledge have become the centres of spreading ignorance. Many governments in the Western Balkans have implemented policies that resulted in opening of public universities in every corner of the country. Often these Universities failed to meet basic academic criteria for operation and infrastructure. This created the illusion of 'education for everyone' with the hope that students would later improve their employment chances. However, the ruling parties were aware that the best way to remain in power was if voters and youth were not able to critically assess their actions and engage in protecting their rights. However, it is difficult to demand accountability from the ruling parties, as many citizens are part of the pyramid system of unqualified graduates. In this way, the ruling parties have externalised the costs of low quality education to society at large, while internalising the benefits of remaining in power for themselves.

Corruption in institutions would not have survived in the healthy body of the society. In fact, in the Western Balkans countries viruses promoted by low quality education plague the immune system of the society. Such education system does not intend to support the model of the engaged and demanding citizen; rather it considers citizens an inexhaustible source for the maintenance of the corruptive [system](#). Unfortunately, for many people in the Western Balkans, corruption is no longer seen as a negative phenomenon or something to be ashamed of, but rather it is seen as an opportunity to survive in the swamp of negative values in society. The equation seems simple, the more you are in the service of corruption, the more benefits you gain. For some true meritocracy, civic activism and being honest are already archaic notions. Nonetheless, tackling corruption in society depends more on each individual, and on the choices and actions they make every day. From individual and communal actions to demand transparency and accountability about municipality, government and parliament actions to the decision on whom to vote for in elections.

If treated as a disease, corruption can be fought at individual level by active citizens in communities as injections of good governance, or at societal level through surgeries and amputations dealing with its aftermath. Therefore, the duration of the recovery from corruption depends on the therapy applied by citizens on the society and institutions. In societies that have underwent corruption treatment and have acquired an immune system to tackle the corruption, institutions will not be the same - they can only be in the service of the citizens.

### **Call for contributions**

For the next Sussex Corruption Bulletin, we welcome contributions on topics related to corruption and governance from MA, LLM and PhD students and members of staff. Please limit contributions to 800 words and should you wish to discuss your topic further, please email [l.cvetanoska@sussex.ac.uk](mailto:l.cvetanoska@sussex.ac.uk).

All suggestions for contribution should be sent by 31 July, 2019.

## **CORRUPTION BULLETIN**

Issue 1

Centre for the Study of Corruption

University of Sussex