

**Document Title:** Corruption Networks

**Author(s):** Bojan Dobovsek

**Document No.:** 208023

**Date Received:** December 2004

**This paper appears in *Policing in Central and Eastern Europe: Dilemmas of Contemporary Criminal Justice*, edited by Gorazd Mesko, Milan Pagon, and Bojan Dobovsek, and published by the Faculty of Criminal Justice, University of Maribor, Slovenia.**

**This report has not been published by the U.S. Department of Justice. To provide better customer service, NCJRS has made this final report available electronically in addition to NCJRS Library hard-copy format.**

**Opinions and/or reference to any specific commercial products, processes, or services by trade name, trademark, manufacturer, or otherwise do not constitute or imply endorsement, recommendation, or favoring by the U.S. Government. Translation and editing were the responsibility of the source of the reports, and not of the U.S. Department of Justice, NCJRS, or any other affiliated bodies.**

BOJAN DOBOVŠEK

## CORRUPTION AND NETWORKS IN SLOVENIA

*The aim of this paper is to highlight the corruption and networks activities in Slovenia. Contacts, corruption and networks are major problems in most countries in Eastern Europe, specially on the Balkans. Networks become a problem only when their members choose to ignore rules and legislation to the benefit of themselves and/or fellow members. The author identifies and examines those informal structures and networks in Slovenia that have facilitated widespread corruption and reduced the effects of anti-corruption reforms. For that purpose, he did in-depth interviews to underpin next year nationally representative survey (Survey is a part of research project on Conditionality, corruption and informal institutions: An Analysis of corruption in the spheres of public procurement, party funding, lobbying and the judiciary in the Czech Republic, Slovenia, Bulgaria and Romania, organised by NIBR<sup>1</sup>) with members of some target groups. Thus, preliminary results are presented with generated data allowing for "mapping" of the links between elected representatives of public procurement officials, judges, business-people and political parties. The analysis of the status of corruption and informal networks in Slovenia identifies the problems related to providing a legal definition of corruption and informal networks, as well as those in connection with harmonisation of its regulations with EU regulations, laying out official statistics data on corruption and highlighting the trends.*

### INTRODUCTION

A problem of corruption has become more transparent in last decade. It is more known, because there were several noisy cases of corruption in the media. Global process around the world, like downfall of socialist states or war crisis on the door - step of Europe etc., promote and make possible a development of corruption. Corruption appears all over the world. It is not a result of some systems like it was erroneously thought. Sensational cases around the world cause exchanges of state leaders, members of various parliaments, ministers and other employees in a public sector. Corruption has become a problem of the whole world, especially in states, where democracy has just taken a place and market economy has just begun to develop. States in transition have attracted an attention of developed world because of up mentioned problem. Slovenia is also a state in transition and the phenomenon of corruption needs detail treatment.

Criminal offence of corruption could be determined as offering, receiving or demanding some benefits in view to influence on official's acts. Various authors in their discussions believe, that wide use of bribery could seriously or even ominously damage the work of different institutions in modern society. Official proceeds should be founded on principles of democracy. But if proceeds are founded on principles of bribery and greed, than constitutional system becomes a system, where decisions are made on the base of personal connections and acquaintance.

Participants in corruption could be classified in three branches on the base of role, which they play in this criminal activity: public branch, private branch and political branch. We can also classify these three branches in internal or international activities. Persons, involved in corruption, could be civil servants in all levels, individuals from corporations companies or members of organised criminal groups.

Legislation, concerning corruption, is regulated in almost all of states. Differences have turned up at question, either only politicians and officials should be punished, either there should be a punishment for economists. There are also differences in performance of legislation and in corresponding services for fight against this phenomenon. Organised crime and corruption do not admit state's borders. Both phenomenon become an international problem. Therefore international co-operation is necessary in effective fight against corruption.

Criminal offence of corruption does not produce victims like other criminal activities. Therefore nets of corruption are so hard to discovered and destroyed. All participants have benefits, state is the one, who loses, and not only in material way. State also loses its credibility. If there was a participant in corruption business, who would like talk in front of the court about some criminal activities, his enemy would find the way to silence him down. Net of corruption, plaited between organised crime, civil servants and politics would be that enemy. Inside of institutions, officials are also disciplined by their corrupted superior. In economy, repentant individual wouldn't get new jobs, if he reported such criminal offence. All these facts show, how subjects involved in corruption, rendered proceeds of discovery and how hard is the fight against corruption.

What can be done to reduce corruption? We think in the long run, more democracy and freer market will help, but we have not enough time, especially countries in transition. In short terms we must clarify official discretion, enhance transparency, increase the probability of being caught and rise the penalties. To do this we must punish some major offenders that people can still believe in politicians and chief executives. Than we must involve the people in diagnosing corrupt systems, people must say no to request for bribes. Because of fallen public sector wages in countries in transition, we must also improve incentives. And we must work on preventive measures and anti corruption efforts to fix corrupt systems (Klitgaard, 1997).

With all measures mentioned above, we can fight corruption, but we must be aware of some failures in combating corruption. New administration may wish to tackle corruption effectively, but inherits a corrupt bureaucracy that impede efforts for change. If there is absence of commitment at the top, there is a lack of moral authority to enforce laws and punish the corrupt. Ambitious promises leads to loss of public confidence. Un-coordinated reforms means no one is committed to implement and kept up to date. Reforms that rely too much on law and enforcement leads to repression, which stimulates corruption. Reforms which focus only on the ordinary people cases have no legitimacy or deterrent effect. Also we can not outlive civil society and private sector in institutional mechanisms fighting corruption (Pope, 1996).

Reforms and, more generally, the improvement of the functioning of the all sectors are especially important where institutions have grown, salaries have plummeted, information are scant and unreliable, where corruption has become widespread. Past efforts and reforms have had a disappointing impact on the performance of the institutions. Therefore reforms in Slovenia and countries in transition must be macro economical and macro political connected. Slovenia is in some respects, regarding laws and indicators, already well aligned and comparable with the European Community. But still there are corruption problems during all processes so let us analyse them closer.

## **OVERVIEW ON CORRUPTION AND INFORMAL NETWORKS IN SLOVENIJA**

After Slovenia's declaration of independence, ownership relationships changed. The transition and changes leading to a market economy definitely greatly influenced the

spread of corruption in the broadest sense, for moral, ethical and other values were pushed to the side in the frenzied race for greater profit by individuals and indeed society as a whole. The above figures on corruption-related criminal offences dealt with in court do not represent a complete picture of the situation in the transition period, which points to the fact that there is a large grey area in the detection of offences.

These general social conditions caused a similar situation in state bodies. One of the reasons for this situation can be found in the state administration, in the incomplete strategy of the struggle against corruption in state bodies. Other, external, reasons are connected with the effects of the transition process in the country. Although the programmes of the state administration are in keeping with the ultimate goal of building a modern state administration, legal provisions for measures which would prevent negative consequences of this kind of organisation have gone largely ignored. Racing against time, the state administration is attempting to achieve its goal of perfect organisation as quickly as possible, whereas at the same time, it is ignoring the functioning and self-preservation of further operations. It is true that through numerous measures the state is trying to prescribe accurate procedures, but this ultimately leads to very complicated and time-consuming procedures in public administration, which forces individuals and officials to act illegally.

The analysis of the status of corruption in Slovenia identifies the problems related to providing a legal definition of corruption and to harmonization of our regulations with EU regulations, laying out official statistics data on corruption and analysing the trends. The problems of institutions that have to deal with corruption, focusing on the police, public attorneys office, the courts, the Office for Curbing of Corruption, and some other state institutions. A weak role of the media and non-government organizations that could do more in educating the general public in corruption-related issues is established, and some actual problems to be solved in the future.

## CORRUPTION

The regulations of the Republic of Slovenia do not officially define the notion of corruption in the broadest sense. Criminal offences involving corruption and the punishment thereof are, however, stipulated in the Penal Code of the Republic of Slovenia in seven articles dealing specifically with the punishment of corruption offences pertaining to official duties and public authorisations: Acceptance of Bribes (Article 267), Giving of Bribes (Article 268), Unjustified Acceptance of Gifts in the business sector (Article 247), Unjustified Giving of Gifts (Article 248), Undue Influence concerning human rights and freedoms (Article 269), Obstruction of Freedom of Choice (Article 162) and Acceptance of Bribes in Elections or Ballots (Article 168).

For individual spheres of government and public administration, economic and public activities, the Penal Code defines in detail the criminal responsibility of the perpetrators of specific offences. But the fact is that the offences stated above become nothing but "dry phrases of the legislator" when a suspect is charged with a certain corruption-related offence. In practice, there exist completely different dimensions of corruption, which in terms of penal legislation is expressed in different forms of offence. But these are mostly due to difficulties in exposing and difficulties to prove corruption-related offences. Some of the characteristic offences listed in the Penal Code of the Republic of Slovenia which in one way or another emerge as corruption-related offences are Abuse of Office or Official Duties (Article 261), Forgery or Destruction of Official Books, Documents or Files (Article 265) and Disclosure of Official Secrets (Article 266).

In addition to the penal legislation, other regulations also reveal that corruption is substantially overlooked. For example, the Public Procurement Act, which deals with the economic relations of the state with legal persons, includes an "anti-corruption clause", the intention of which is to deter users from corruption in public tenders. But the fact is that in practice, this clause is ineffective because users who have to observe the law escape both supervision and criminal responsibility in various sophisticated ways. Unfortunately, in most cases the problem of corruption is evident only in the statistics on those criminal offences that have been dealt with in court.

The efficiency of detecting corruption-related criminal offences can be undoubtedly improved by having adequate procedural legislation which would allow the police to resort to special methods and means as defined in the Police Act and the Criminal Procedure Act in the case of the investigation of the most serious criminal offences, including corruption.

In connection with the criminal offences of acceptance and giving of bribes and unjustified acceptance and giving of gifts, the police, with the approval of the public prosecutor, can adopt the measure of feigning the giving and acceptance of bribes and the giving and acceptance of gifts.

According to the Penal Code, gifts and money obtained through unjustified giving and acceptance of gifts and giving and acceptance of bribes shall be confiscated. In other cases connected with corruption-related criminal offences, the Criminal Procedure Act authorises the police to confiscate assets obtained in this way during pre-trial criminal procedures.

#### INFORMAL NETWORKS

Networks in Slovenia are mainly the consequence of the size of Slovenia. When a person gets a certain position in society he than just circles on that level. There is limited number of those positions so everybody on that level knows everybody and consequently makes favours and than owes favours. Of course there are public invitations for applications but that is just the facade because you can get those jobs only through the networks.

We still do not argue about informal networks and grand corruption. There is also no National strategies aimed at combating informal networks in country, we are in the process of adopting criminal policy which will be the base for other special policies. There is no special legislation on informal networks, we can limit informal networks through penal law, but it is very hard to prove anything because of the problems mentioned in previous chapters. To regulate this area, Slovenia was one of the first to sign and ratify the penal law convention on corruption and to sign the civil law convention on corruption. After joining the OECD, it will also sign and ratify the Convention on Combating Bribery of Foreign Public Officials. International co-operation in the detection of corruption takes place within Interpol and is based on numerous bilateral agreements and adopted conventions dealing with the fight against organised crime.

#### INTERNATIONAL CO-OPERATION

Since the declaration of independence and the introduction of market economy, Slovenia became an interesting partner for foreign investors. But globalisation and delays in the adoption of legal regulations in Slovenia have greatly hindered the detection and particularly the taking to court of corruption-related offences. Many foreign investments in Slovene companies are carried out through bribery. The next

problem occurs when during investigation it is established that in the country of the foreign company, bribery does not constitute a criminal offence but is considered to be the funding of the foreign partner abroad. Such foreign investments also involve officials who issue different certificates necessary for foreign investment, since usually these companies also finance political and other structures.

To regulate this area, Slovenia was one of the first to sign and ratify the penal law convention on corruption and to sign the civil law convention on corruption. After joining the OECD, it will also sign and ratify the Convention on Combating Bribery of Foreign Public Officials.

## SURVEYS ON CORRUPTION IN THE REPUBLIC OF SLOVENIA

### OFFICIAL DATA

Statistically corruption offences do not represent a big problem and no serious increase can be perceived long term, although general data on the total number of all criminal offences in Slovenia do indicate their increase. Below we are listing statistical data on the number of criminal offences of corruption detected in Slovenia from 1991 and for comparison also the total number of all criminal offences in the same period as well as their clear-up rate.

Year	Crim. offences of corruption (in %)	All crim. offences	Clear-up rate
1991	21	42 250	53,3
1992	39	54 085	55,5
1993	51	44 278	57,5
1994	55	43 635	57,5
1995	35	38 178	60,4
1996	32	36 587	65,4
1997	19	37 137	64,5
1998	33	55 473	52,9
1999	56	62 836	46,6
2000	43	67 617	46,9
2001	58	74 795	47,1
2002	51	77 218	47,6

The number of criminal offences of corruption is very low. Even if the change of property ownership after the independence of Slovenia – privatization – brought along a large number of irregularities detected in the changed property ownership, this has not been reflected in the increased number of detected offences of corruption. Most probably this is the consequence of very liberal economic legislation and lack of practice.

As regards its structure, corruption does not represent a major problem either – the greatest portion belongs to the so called petty corruption – bribing of state officials on the lowest levels (traffic and border police officers, customs officers), yearly we only record a couple of cases where bribing of state officials of a higher rank is involved (so far the highest level has been the state secretary), and here the most exposed fields are certainly the field of public procurement (especially construction work) and medical care. So far operative data have not given us too big a reason for concern either, as on their basis it can not be inferred that the problem of corruption is great or important.

Already in its basic characteristics corruption is an act that in its most serious forms has all the features of organized crime and is therefore only one of its phenomena. So far



Slovenia cannot claim that organized criminal associations who deal with other criminal offences as their basic activities also deal with corruption. It would be more accurate to say that groups of perpetrators that associate in order to perpetrate the offences of corruption increasingly operate according to the principles that apply to organized criminal associations. This is also why in 1999 the newly established police units for the fight against corruption were placed within wider units dealing with the repression of organized crime. Namely, the methods, means, procedures and way of the fight against both phenomena are identical and their closer connection in future inevitable.

#### PUBLIC OPINION POLLS AND OTHER SURVEYS

The first *general and direct survey* on corruption in the Republic of Slovenia, conducted in July 2002, showed that public opinion regarding the extent of corruption (44.2% of those polled believe that public servants accept bribes) is more negative than experience shows (32.3% of those polled or their acquaintances have had such an experience); the most important causes of corruption in the country are believed to be insufficiently high penalties (25%), inefficient law enforcement (19.8%), and inadequate legislation (17%); according to respondents, the institutions most credited with contributing towards the war against corruption are the media (3.43 on a scale of 1 and 5), the Office for the Prevention of Corruption (3.03), and medical institutions (2.99); most respondents first experienced corruption whilst visiting their doctor (14.4%), in educational institutions (7.9%), and in the state bureaucracy (7%); the survey also shows that the opinion of most respondents is formed by media reports (32%), other sources of information (22.1%), and personal experience (19.7%).

A survey about the *industrial and business* environment, business ethics and unofficial payments in Slovenia, conducted in October 2002, indicates that 43.4 % of Slovene managers believe that corruption is an important problem in the country, and that the biggest obstacle to their operations is the judiciary (48.3%); that 22.4% of all firms occasionally "unofficially reward" public servants for their deeds; that patronage and nepotism have the greatest effect on the operations of their firm (36.7%); that 31% of managers believe that corruption can contribute to the development and growth of their firm and the Slovene economic system; that 48% believe that corruption is an ineluctable part of the Slovene economy; and that 52% of all managers believes that their firm does not require a code of ethics.

The most internationally renowned public opinion poll and survey is *Transparency International's* Corruption Perceptions Index (CPI), which rates the perception by people in individual countries of the degree of corruption in their countries, but falls short of providing data regarding the actual state of affairs. Slovenia ranks together with Estonia as one of the least corrupt countries in central Europe. A cause for concern is the fact that Slovenia's ranking on the CPI has been falling for some last years, and of even greater concern is the fact that its score has also consistently been falling (1999 ranking: 25th position and a score of 6.0; 2000 ranking: 28th position and a score of 5.8; 2001 ranking: 34th position and score of 5.2). The CPI figures for 2001 show a slight improvement: Slovenia was ranked 27th and had a score of 6.0.

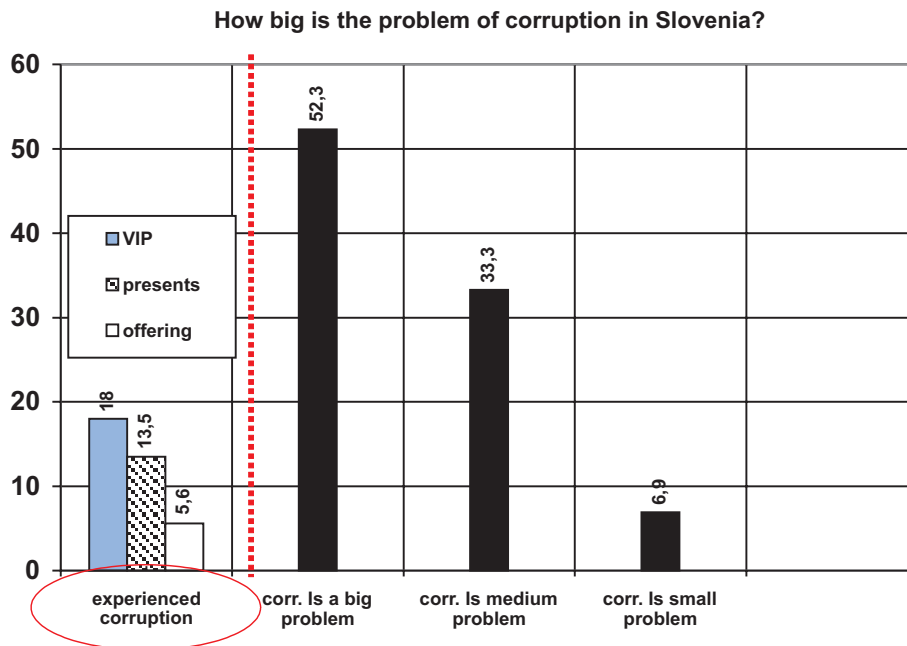
Of interest is the data regarding *state capture* (the role of firms in shaping legislation) in Slovenia. In a survey conducted by *EBRD* 125 to 150 firms indicates that 8% of firms in Slovenia are able to exert illegal influence on the adoption of legislation, i.e. on Parliament, 5% of the firms are able to exert influence on the adoption of secondary legislation, 4% on Bank of Slovenia decisions, 6% on criminal court decisions, 6% on industrial court decisions, and 11% on political parties. The total state capture index

for Slovenia, i.e., the which represents the percentage of firms prejudiced by state capture, is 0.07, which is reasonable low.

Corruption in the state administration is measured with the percentage of annual income that firms allocate to bribing public servants. For Slovenia, according to the EBRD, this percentage is 1.4%.

In the *World Economic Forum* research into global competitiveness in 2001-2002, Slovenia was ranked as 31st among 75 countries in terms of corruption, scoring 5.29 points (on a scale of 1 to 7). It was ranked 31st in terms of the frequency of corruption in the import-export sector(score of 5.3 out of a possible best of 7), 35th by the same criteria for the private and public sectors(score of 5.3), 32nd in terms of corruption with regard to taxation(score of 5.2), 41st with regard to public contracts(score of 4.2), 47th with regard to drawing loans(score of 4.7). A survey conducted among Slovene firms regarding the demands by other firms for bribes resulted in a score of 4.8 (1 - high costs, 7 - negligible costs), ranking Slovenia in 35th place. Slovenia was ranked 32nd in terms of trust in and the honesty of politicians with a score pf 3.0 (1 - very low level of trust, 7 very high level of trust).

Researches in Slovenia shows that 52% of people see corruption as a serious big problem, but only few of them had experienced it. Their opinions base mainly on media reports (Center za raziskovanje javnega mnenja, 2002). More than 30% of people said, that they saw reality through media reports.



Source: Center za raziskovanje javnega mnenja, 2002.

**Picture 1: Problem of corruption**



## PILOT RESEARCH ON CORRUPTION AND NETWORKS IN SLOVENIA

In this part we like to present some results of research project on corruption and informal networks: An Analysis of corruption in the spheres of public procurement, party funding, lobbying and the judiciary in the Czech Republic, Slovenia, Bulgaria and Romania. We will present only a pilot study done for Slovenia, which is the base for further work on the project. The main purpose of the project is to identify and examine informal structures and networks that are widespread in Eastern Europe, that have facilitated widespread corruption and that reduce the impact of anti-corruption reform. Project is coordinated by Dr. Åse Berit Grødeland (Researcher, Norwegian Institute of Urban and Regional Research, Oslo, Norway).

The project will identify and examine informal networks in the areas of public procurement, party funding, lobbying and the judiciary in the Czech Republic, Slovenia, Bulgaria and Romania – examining their impact on grand corruption. Secondly, the project will generate data necessary for policy-prescription – both for EU/CoE and national states – aimed at enhancing the effectiveness of anti-corruption policies in Eastern Europe, thus counter-acting the erosion of the democratic values on which both EU and the Council of Europe are founded, from within. Results of an analysis of corruption in the spheres of public procurement, party funding, lobbying and the judiciary in Slovenia, done for NIBR<sup>2</sup> shows some interesting results. All results based on interviewants personal experiences, experiences of their friends, colleagues and the media.

Pilot study for Slovenia, shows that a (level of democracy) level of political culture is still quite low, and political parties' interests don't reflect the real needs of society. It seems that a part of economy is sliding into a crisis due to the fact that a level of unemployment is increasing. There are several branches of economy which seem to be prosperous but some branches in specific regions (e.g. Maribor) are collapsed or about to be collapsed. On one hand networks are very important for any social activity, on the other hand all citizens are supposed to follow the rule of law. One of unintended consequences of "informal" networking for the purpose of "formal" activities or business is so called creative adaptability. This kind of adaptability mainly serves for private gains of individuals and rarely for the common good. It is well known that informal (communication) determines formal functioning (systemic theory). If we compare the state of corruption in Slovenia with the past, it is impossible to draw a conclusion that it is increasing or decreasing but we are facing the biggest media attention to this social problem in the last ten years. It will take a decade or two or maybe more to change legal culture and a belief of citizens into the present politics of the "rule of law". Crime pays due to many factors – changing legislation and undefined procedures for specific (sophisticated) criminal offences, limits of the police powers and human rights issues ...

Political situation is bad, because of all networks established during past years. There is strong political influence on the public sector. Economy is not growing and there are not enough investments. If you want to success, you must know the right people. Legislation is good enough, but there is no implementation of laws in every day life. Penalties are too low and there is no strict carrying out of penalties in practice. There is big influence of networks specially in economy and one can not develop without another. Phenomenon can be best seen during financing elections. There is some influence of other countries networks only on investing in big firms, connections with politicians were seen in big cases. In the past low and middle class workers lived better, there was no big affairs. Corruption was lower with smaller amounts and there was no lobbysm. Rule of the law can bring out benefits if it is strictly carrying out specially in practice. In further actions we must work on people consciousness to fight corruption.

We could see some political pressure on judges by trying to take away a right to permanent mandate. On the field of economy we can see stagnation, therefore we will join EU as under developed country, which will give us bad starting position. Laws were accepted in hurry so the branch profession could not cooperate in proceedings. Networks has little influence on judges because of good established laws, but it can be worse in the future if networks will success in their intentions. We can see connections of our networks from the former Yugoslavian networks based on the old tradition and acquaintance. Comparing the past situation is generally better, there are more political parties which control each other, there are more independent media and level of corruption is the same but now is more visible. A lot of persons got work by connections and there is slight pressure on persons work. By strengthening the rule of law we can do something but we can do better by investing in education.

Business representatives think that political situation is stabile and all positions are distributed. All the main actors in society really cooperate among each other, although the picture in the media could be different. In economy some branches are in bad position, trends show even worse position in the future. There will be more unemployed people specially in textile industry. Some branches are in good position like pharmacy mainly those with foreign strategic partners. There are too many laws already, with intention for more laws in future. For economy it is hard to follow the new standards and procedures, so the results vary from time to time. Politicians have main role in economy, they give directives for economy which is opposite than the situation abroad where capital support the party and dictate the politicians. Because of small size of Slovenia and small amount of capital in the market, there is no influence of foreign networks. Comparing to the past networks and corruption were and are now, but with the new players and more sophisticated methods. Unfavourable experiences are seen when closing possibilities for firm if something against main party interests wants to be done. Strengthening the rule of law is good weapon against corruption but only if it is strictly implemented in practice. If few cases will be prosecuted that could be a warning sign for others not to corrupt in the future.

Institutions are well established. In economy we can see slight regression, primary industry is closing but trade business is growing. Laws are quite good and we can see big influence of politics on economy. Therefore we can see networks especially when employment is the question, establishing parastate institutions etc. All the serious questions are raised by the small circle of people. Networks from other countries are not so interested in Slovenia because of small size and already opened market. Compared to the past there are more connections among influence people and there is more corruption because of conflicts of interests. A lot of persons have personal experiences with networks which are rather bad for their work and person could not reach the promised position. Strengthening the rule of law was never a solution because of power of lobbyist, which creates the laws.

Politicians think that situation is favourable comparing to other transition countries. Economy is growing and if we will follow the stream we will reach the EU countries in 10 years. Slovenia is a little story of success. There is a mixture of private interests with national interests which influenced on creations of laws. Regarding this, Slovenia has a few powerful groups of interests (politicians, economists ..) specially there, where big money is in question. Because of the relatively closed market there is little impact of foreign networks but there will be influence in the future. There is more corruption comparing to the past because of changes in the system. Old mechanisms of control were decaying and new are not established yet. There are a lot of experiences on corruption and networks. If a person hits the interests of lobbys, they do everything to neu-

tralise interests by using state institutions. Strengthening the rule of law could improve the situation, but Slovenia took wrong way because the authority is not interested in changes until the privatisation is over.

Media states that in past years we were approaching the EU standards. We had advantages even in former Yugoslavia and standards influenced before from Italy and Austria helped us to this rather good situation. Economy is well developed comparing to other countries on Balkan and we have possibilities to success in some sectors even in EU market. Laws are not following the market development, so there are too much cases in courts. The main problem is that there are no practical cases from the past for forming guidelines. Influences of networks are very big in all sectors, politics, economy, state institutions etc. The most anxious influence of networks has been seen on creation of laws. There is also influence of foreign networks specially in the firms which cooperate with the foreign companies (Lek, Krka ...). Networks and corruption were more extended in the past comparing to the situation now.

NGOs are not developed in Slovenia and for them the situation is very stable, parties and state institutions are well established based on democratic principles. Economy is looking good but there will be a shock when the credits must be paid off. We do not know what will happen in stock market then? Laws are very good but the execution of laws is not following up, because the people do not obey the new laws. There are strong connections of small circle of people and without connections one can not work. Influence of foreign networks are not seen because we are so small that the market is not interesting for big groups of interests. Compared to the past there were more social rights and more rights for working people. Market is established but there are a lot of mechanisms from the past (Balkan agreement). Strengthening the rule of law will not solve the situation. We must work on executing the laws and work on people belief in institutions. That can be reached by making institutions better, more professional etc.

According to the selected interviews we can draw some conclusions. Political situation is stable and institutions are well developed. Economy is in stagnation, situation is better than in other transition countries, but there are not enough investments. Networks have influence on the creation of laws. There are a few strong networks in the country but because of its small size there is a lack of networks from other countries. Comparing to the past corruption has bigger media attention, it is more visible and sophisticated. Persons have more benefits and unfavourable experience with networks from friends than personal experience. (Probably they talk indirectly from personal experience.) Strengthening the rule of law is not enough combating corruption but it is a good start.

## CONCLUSIONS

Reasons, why corruption is so extended in Slovenia, can be found first of all in decay of values in new developed democracies, incapability of superiors, immorality of individuals from public life, lack of internal supervision, inequality in front of law, and other. For us corruption is a conflict between public interest and market. Market, made by corruption, is opposed by strong public interest. Corruption is not a crime without victim. This phenomenon destroys some democratic principles that should be used by officials, when they make decisions. Epidemic of such behaviour can bring to general mistrust in the state's institutions and can also create disrespectful relations of citizens toward the law. Discussions about combating corruption must change in discussions about controlling and managing corruption if we want to success. Measures controlling corruption cannot work in isolation. So we must ask ourselves are measures

mentioned above enough to control and manage the corruption or just enough to fight corruption?

A few questions raise at the end of my writing:

- Is corruption illegal or just immoral?
- Who might report corruption cases, and what will happen to them?
- What will happen to the corrupt person?
- Who might deal with corruption? (police, prosecutors, special agencies, public ...)
- What is the role of the media?

## ABOUT THE AUTHOR

**Bojan Dobovšek**, Ph.D., Senior Lecturer in Criminal Investigation, is a head of the Criminal Investigation, Criminology and Criminal Law Department at the Faculty of Criminal Justice, University of Maribor, Slovenia. He is the author of a book on organised crime and editor of several publications on corruption and organised crime. He is a secretary general of the Slovenian Association of Criminal Law and Criminology.

## ENDNOTES

- 1 Norwegian Institute for Urban and Regional Research (NIBR). An Analysis of Corruption in the Spheres of Public Procurement, Party Funding, Lobbying and the Judiciary in the Czech Republic, Slovenia, Bulgaria and Romania" during the period 2003-05.
- 2 Norwegian Institute for Urban and Regional Research (NIBR). An Analysis of Corruption in the Spheres of Public Procurement, Party Funding, Lobbying and the Judiciary in the Czech Republic, Slovenia, Bulgaria and Romania" during the period 2003-05.

## REFERENCES

- Combating corruption in Central and Eastern Europe. (1997). Rome: UNCRI
- Corruption and reform. (1996/97). Dordrecht, Crime, Law and Social Change 25/1996/97/4
- Council of Europe. (1998). Programme of Action against Corruption.
- Dobovšek B. (2004). Problemi merjenja korupcije. *Varstvoslovje* 1/2004, Fakulteta za Policijsko varnostne vede, Ljubljana.
- Eigen P. (1996). Combating Corruption Around the World. *Journal of Democracy*. Vol.7, No 1.
- Grodland Ase. (1998). Foolish to give and yet more foolish not to take: in depth interviews with post-Communist. *Europe-Asia Studies*, Jun98, Vol. 50 Issue 4.
- Kiltgaard Robert. (1997). *Cleaning up and Invigorating the Civil Service*, John Wiley and Sons, Ltd.
- Levi Michael. (1996). *The corruption of politics and the politics of corruption*. Cambridge: Oxford.
- McCormack R. (1998). *International Corruption A Global Concern*. Meško G. (1998). A Workshop on Corruption in the Post-totalitarian States – Indicators of Transition Processes, *British Society of Criminology Newsletter*, No. 32, December 1998, 2-3
- Pope J. (1996). *National Integrity Systems*, The TI Source Book, Berlin, Transparency International.
- Shinkai Hiroyuki. (1997). *Combating corruption in Central and Eastern Europe*. Rome: UNCRI.
- <http://www.mnz.si/si/index.php> (Official data on corruption in Slovenia.)
- <http://izum.izum.si/scripts/br-eng> (Bojan Dobovšek's articles on corruption in Slovene language.)
- <http://www.acsp.uic.edu/oicj/pubs/CJI/120413.htm>
- <http://www.coe.fr/corrupt/eaction3a.htm>