



corruption corrodes

SECURITY

NATO takes the lead in containing bribery and abuse of office in the defense sector

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Living in a global era we are faced with threats of all kinds. Is corruption one of them? In a way it is and affects all of us. The problem of corruption is neither new nor restricted only to developing countries. Its nature can be extremely diverse and the context and relevance of the problem varies widely between countries and time periods. The world has focused on the problem in recent decades with the increase in global cooperation for achieving economic and social growth in all countries.

The globalization process has been driven by policies that have opened our economies domestically and internationally. After World War II, and especially after the Cold War, many governments adopted free-market economies, increasing their productive potential and creating new opportunities for international trade and investment. But globalization remains controversial. While proponents see globalization as a way for poor countries to raise their standards of living and develop economically, opponents believe the process creates an unfair international free market that only benefits multinational corporations at the expense of local enterprises, local cultures and the common people.

A LONG HISTORY

Corruption as a phenomenon has always been present in societies, in different times and in different forms. The roots of corruption go back to the history of human civilization. References to corruption were found in the writings from the fourth century B.C. in India and in the writings of ancient Greek philosophers like Aristotle and Plato. The word corruption comes from the Latin word “*corruptus*,” which means “to destroy.” Nowadays the word corruption has many meanings, but usually is connected to governments and is widely used to mean political corruption, or the abuse of power for private gain. The power of corruption is even greater since it’s hard to measure and operates without transparency, which means “behind the scenes.”

There is no consensus on the definition of corruption. Black’s Law Dictionary defines corruption as “the act of an official or fiduciary person who unlawfully or wrongfully uses his station or character to procure some

benefit for himself or for another person, contrary to duty and the rights of others.” Black & Garner and Braguinsky defined it as “misappropriation of government property or revenues made possible through government regulations.” Gradually, the concept has expanded to include all areas of life. Hodess defined political corruption as “the abuse of entrusted power by political leaders for private gain, with the objective of increasing power or wealth.” Political corruption leads to lack of transparency in public life and lack of faith in the system by the population.

Political corruption also encourages business corruption through an institutionalized system of bribery and other illegal payments. Therefore strong links exist between corruption and economic growth. It is not fair to say that corruption exists only in less developed – or developing – countries. Corruption may be more conspicuous in those countries after their recent transitions to a free-market economy. Nor is it right to attribute corruption to absolute poverty in the Third World. Relative poverty also generates corruption to a significant extent. There are always parties in all countries that benefit from corruption and seek to maintain the system. Recent analyses go as far as to connect the fight against corruption with the fights against terrorism and human rights abuses.

CORRUPTION IN THE DEFENSE SECTOR

The defense sector is not immune to this phenomenon either, if you take into account research done by Transparency International, which categorized defense as the most corrupt amongst public sectors. Corruption affects the capabilities of military units and influences morale. The existence of corruption is often exploited by organized crime and terrorism to acquire information. In the medium term, it affects the whole process of attracting qualified personnel, military or civilian, and degrades professionalism. Among the consequences are a loss of public trust and reduced defense budgets, which in turn could endanger the maintenance of the armed forces and diminish capabilities. Corruption can compromise national security and tarnish the international image of a country.

The international community today, and NATO as a politico-military organization within that framework, is forced to deal with corruption. It leaves the success of certain international projects and missions in doubt. For example, the so-called Afghan “crisis of confidence” is due to the large presence of corruption in that country. Corruption, drug addiction and desertion in the Afghan Army impede the transfer of responsibility from the International Security Assistance Force (ISAF) to the government of Afghanistan.

Another example is Somali piracy. Massive piracy couldn't exist in Somalia without the collaboration of corrupt authorities. The ransom required for the release of hostages, which averages about \$12 million, suggests the pirates are operating a well-organized business. The ransom money is shared with the authorities, which offer protection and weapons to the criminals.

Like other global organizations fighting corruption, NATO views the phenomenon as a global threat and in 2007 started an initiative to battle corruption in defense establishments. All nations are confronted with the long-term affordability and sustainability of defense and security expenditures. The demand to invest in new capabilities and to meet the challenges of ongoing operations is not new. However, all nations are under increasing pressure to make maximum effective use of limited funds and demonstrate that they are accountable for the resources allocated for defense and security. In addition to wasting limited public resources and undermining public trust and confidence, corruption has a negative and corrosive impact on the ability to execute NATO-led operations.

BUILDING INTEGRITY

The NATO Building Integrity initiative within the Partnership Action Plan for Defence Institution Building (PAP-DIB) was adopted in November 2007 at the Euro-Atlantic Partnership Council ambassadors meeting. Building integrity in defense structures, promoting best practice and reducing corruption are integral NATO goals expressed in the Partnership for Peace (PfP) Framework Document and further elaborated at the Istanbul Summit. The same initiative is open to all NATO and PfP countries in accordance with the Bucharest Summit Declaration, paragraph 32.

The efforts focused on a development package for education and training prepared in consultation with experts from countries and nongovernmental organizations (NGOs). Three

main instruments are products of this initiative, which supports national defense reforms and meets international obligations under the United Nations Charter. This includes development tools for self assessment – a questionnaire, NATO courses on building integrity, and a handbook on best practices. The initiative is gaining importance as nations fall under growing economic pressure to maximize use of limited funds for defense and security.

In 2008, this initiative grew into the Building Integrity Trust Fund project led by Poland, Switzerland and Great Britain. Norway also got involved. While other NATO trust funds focus primarily on the release or destruction of surplus ammunition in certain countries, this trust fund is the first of its type developed within the PAP-DIB. Given the different nature of this initiative, this project, where appropriate, can influence existing procedures.

Since 2008, this trust fund has three phases with total costs of 26 million euros. The first phase is completed with the development of the above-mentioned three tools. The second phase, which is in progress, aims at enhancing existing tools, mainstreaming the initiative and embedding it into national and NATO structures, as well as providing more tailored practical support for individual nations to reduce the risk of corruption. Phase 2 is focused on developing tailored programs to support Afghanistan, nations in Southeast Europe and the Ukraine. Phase 3 is scheduled for 2015-2020 and will cost around 19 million euros. It will embed tools and mechanisms in NATO and national structures based on work conducted in phases 1 and 2.

The Building Integrity Initiative is focused on raising awareness and developing practical tools and mechanisms to transfer knowledge, promote good practice and build capacity. Education and professional development of people who work in the defense and security establishment is a keystone of the initiative. Main achievements to date include a NATO Leadership Course, which is certified by Allied Command Transformation. This is the first NATO course developed and conducted in collaboration with an NGO – Transparency International. A Building Integrity Self Assessment Survey and a Peer Review Process that map current practices and procedures in defense establishments are also of great value. The Building Integrity Self Assessment has been completed by Bosnia-Herzegovina, Bulgaria, Croatia, Norway and Ukraine. The completed



Former Croatian Prime Minister Ivo Sanader attends court in November 2011 on charges he took a \$695,000 bribe from an Austrian bank in 1994-95. Charges against Sanader include war profiteering and abuse of office.

survey results and peer review provide a framework for sharing experiences as well as developing national action plans and benchmarks. The text of the Building Integrity Self Assessment can be accessed from the NATO and Transparency International websites.

The Compendium of Best Practices in Building Integrity and Reducing Corruption in Defense, a joint effort of NATO and the Geneva Centre for Democratic Control of Armed Forces (DCAF), provides a strategic approach to reduce corruption risks. The compendium focuses on the practicalities of designing and implementing an integrity building program, taking account of the cultural specifics of defense organizations. The text can be accessed from the NATO and DCAF websites.

Also important is the establishment of a pool of subject matter experts drawn from national ministries, international organizations and civil society who take an active role in the development and implementation of all aspects of the program. The experts play an important role in enhancing knowledge of corruption and understanding its impact on military operations and peace building.

Corruption has a negative impact on security forces and their operations. It undermines the development of professional security forces, wastes resources and damages public confidence. Afghanistan is ranked by Transparency International and the World Bank as one of the most corrupt nations in the world. According to UN surveys, Afghan citizens identify corruption

as one of the primary obstacles to security and development. Building Integrity efforts are aimed at reducing the risk of corruption through increased transparency and accountability in the Defense and Interior ministries, including the forces under their authority. Strengthening transparency and accountability in the Afghan National Security Forces (ANSF) is complementary to ISAF-led efforts aimed at detection and prosecution. This dedicated program provides practical support to the efforts of the Afghan government to combat corruption and promote good governance.

The aim of this tailored program is increased transparency and improved accountability in ANSF, reducing the risk of corruption, and making the ANSF a leader in good practice and smart defense. Implementation will take place over 10 years (2011-2021). The emphasis will be placed on capacity development, lessons learned, and implementation of best practices at the central and sub-national levels. Further, a center will be established within the ANSF at the Afghan National Security University. This will be an integral part of the ANSF training and education system responsible for design and delivery of education and training activities for all ranks of the ANSF.

FIGHTING CORRUPTION IN MACEDONIA

Changes that began in the spring of 1989 announced a process of social change exemplified by the fall of the Berlin Wall and the transition



Macedonians rally outside the offices of the European Union delegation in Skopje. Macedonia is eager for EU membership, but has to meet qualifications raised by Brussels, including a reduction in official corruption.

to a new democratic order. This transition was a difficult and long process manifested by a decline in industrial production, record unemployment, poverty, inflation, and rising crime and corruption. Following independence in 1991, the Republic of Macedonia has found itself in a continuous institutional, social and economic transition to a democratic and market-oriented state. Although Macedonia, unlike other Yugoslav republics, was spared the Balkan wars, the country was not spared the negative consequences of the conflict. Infrastructure was unevenly distributed across the former Yugoslavia and trade routes were severed starting in the early 1990s. Embargoes and rivers of refugees further hampered the development of the region.

In this period, citizens lost the benefits of lower relative prices for services, and purchasing power suffered with high unemployment. Institutions, faced with rapid changes to the “rules of the game,” created a surge of new legislation that led to frequent turnover and the loss of capacity for effective monitoring. As certain groups in society tried to get rich quickly, corruption appeared in every segment of the society. In the beginning, corruption appeared in the form of petty corruption, but grew into political corruption as state-owned enterprises were privatized.

Being aware of these issues, the new government has focused on a determined, thorough and uncompromising fight against corruption. It has created a zero tolerance atmosphere for corruption and aims to strengthen measures for discovering and punishing violators and depriving them of illegal income.

The creation of a normative and institutional framework for dealing effectively with corruption in Macedonia began in 2002 with the adoption of the Law on Prevention of Corruption. Of course, before the adoption of this law, Macedonia possessed regulations and institutions addressing corruption as a general crime, but apparently these regulations didn’t yield the expected results. Therefore, the state created a more efficient legal and institutional framework to establish good preconditions for successfully tackling corruption.

The State Commission for Prevention of Corruption is composed of seven members – prominent experts in law and economics – who serve five-year terms, without the possibility for reappointment.

In 2003, the commission adopted the first National Programme for Prevention and Repression of Corruption, which suggested

measures to prevent corruption. The country adopted many new laws and amended more than 40 existing laws. The Constitution was amended to start the process of judicial reform.

The legal framework of anti-corruption policy consists of several laws. It includes the Law on Prevention of Corruption, which is fully compliant with European Union standards; the Law on Criminal Procedure and Penal Code, which provides legal control for acts of corruption; the Law on Monitoring of Communications; and the Law on Anti-Money Laundering and Other Proceeds from Crime and Financing of Terrorism.

Also part of Macedonia's anti-corruption framework are laws addressing public prosecutions, financing political parties, public procurement, access to public information, elections, property confiscation, conflicts of interest and financial oversight. The government also formed an inter-ministerial body to coordinate the battle against corruption. Macedonia has ratified all European and international conventions and protocols relating to corruption, harmonizing them with national legislation.

Tackling corruption requires establishing systematic and concrete normative and institutional rules and procedures. In this regard, Macedonia has created a solid framework for combating corruption. But this operational framework needs to function better to provide more real, visible and effective results.

In Macedonia, a large number of people have been sentenced for misuse of their official position and authority, and receiving bribes. Those convicted include a former prime minister and deputy minister, a mayor, judges, notaries, customs officials, police officers, tax officials, a state attorney, doctors and corporate directors. Areas that are most susceptible to corruption are mainly public services, customs, police, the judiciary, administration, health, education and the private sector. Such corruption has been punished by up to 14 years of imprisonment, confiscation of property, forced compensation and prohibitions against pursuing former professions.

Macedonia is on track in its fight against corruption, reflected in the rankings of Transparency International for 2010, in which the country placed 62nd. That's an improvement over the years 2003-2009, when Macedonia's ranking ranged from 71st to 106th. In 2010, Macedonia shared 62nd place with Croatia, Ghana and Samoa. Compared to other countries from the region, Macedonia falls behind Turkey (56), but

surpassed Montenegro (69), Serbia (78), Albania (88), Bosnia & Herzegovina (91) and Kosovo (110).

CONCLUSION

The current economic crisis relates to corruption. The global crisis is an opportunity to strengthen the fight against corruption because corruption is one of the factors that caused the recession. Three things are essential – political will, political energy and domestic consensus. An anti-corruption fight is much more efficient if it is initiated by the affected country itself, when it generates the necessary political will and public support. Furthermore, in terms of anti-corruption, there should be no difference in standards for developed and developing countries.

During the transition from communism, most economic factors stabilized, but problems endured in areas where the transition process was slower, enabling corruption to reappear. The countries that did not transform their economies quickly faced a greater tendency towards corruption.

We must not treat corruption as an isolated phenomenon. It affects each and every aspect of society, obstructs decision making at every level, blocks development and destabilizes countries. This is why the fight against corruption must take a central place in reforms working towards coherently and effectively building efficient democracies on a global scale.

While corruption may vary across countries and companies, it is truly global considering the massive flow of illicit money between rich and rich, poor and poor, and rich and poor countries.

We are all aware of the fact that there is no security without development and no development without security. We must continue to work together to strengthen transparency and good governance, two essentials for the stability of all countries. □

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