

## Cultural Roots Of Corruption - The Case Of Western Balkans

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### Abstract

*Corruption is the biggest obstacle to equality of market opportunities and it is generated by great power of the state administration, lack of transparency, lack of control authority mechanisms and uncontrolled power of individuals within the state authorities. Such conditions for corruption are created by the authoritarian systems, including various forms of individual, military or ideological tyranny. This is a significant economic, political and ethical issue. In order to be better understood and effectively eradicated, it is necessary to understand how different cultures accept corruption and the relationship between corruption and specific dimensions of culture. In this paper attention is focused on the relationship of specific aspects of culture and corruption, relying on existing experimental studies. The purpose of this paper is to check the belief expressed in the literature on the example of the Western Balkans that high power distance culture is the key cultural element which creates the conditions for the emergence and acceptance of corruption in a society. The dimensions of culture identified by Geerd Hofstede are used in the analysis and power distance is identified as the most important dimension for generating corruption in society. Using comparative analysis of power distance index and corruption index possible connections between them can be identified. This leads us to the conclusion that power distance as one of the key cultural dimensions influence the level of corruption in society. As basic research limitations the following have been identified: the complexity of the phenomenon of culture of which power distance is only one element, and the fact that corruption is a complex social phenomenon, on which, apart from culture, other important factors have influence. This implies that in the activities intended for eradication of corruption it is practically necessary to take into account the need to change culture, which is a slow and difficulty process, but not impossible one.*

**Key words:** culture, corruption, power distance, society, ethics

### Introduction

Corruption has a long history and more or less appears in all countries of the world. The causes of corruption can be individual, systemic and cultural. These causes are interdependent and deeply rooted in the culture of that society.

Although corruption is as old as humankind, interest in this social phenomenon has significantly increased in recent decades. One of the major causes of increasing interest in corruption is that the relation of power has changed between the state and the economy. Globalization of the economy conditions the behavior of the state in a way that will allow equal competition in markets around the world. Therefore, an increasing interest in corruption is related to globalization and market expansion to the countries of the former system of state and party management of the economy as well as other third world countries. In these countries, there has been a systematic and legal vacuum in the transition process, in which they demolished the old rules and the new ones are not yet sufficiently recognized. Disorganized legal system, the lack of transparency in the work of certain government agencies, weak institutional control systems, underdeveloped institutions of civil society and public opinion (freedom of the media) and in particular the power of individuals to be placed over the system create ideal conditions for corruption in these countries. In such conditions, control decreases along with moral discipline which allows corruption to become a common and effective way of solving many personal problems (Vujović et al. 2013).

Numerous analyses pointed out the negative impact of corruption on various indicators of economic freedom, which is solidly proved by Lamsdorff's (1999) analysis of the results of investigations of corruption. Tanzi (2012, p.10) suggests that corruption, which may be political or bureaucratic, generates high income to those engaged in such activities but can increase the cost and size of the shadow economy. Corruption particularly undermines the principle of equality in a democratic society and the principle of equal opportunities in market competition. This undermines confidence and trust in the principles and values of civil society and blocks mechanisms of the market economy, especially in young democracies (Pržulj, 2012).

The causes of corruption as a complex social phenomenon are multiple and interacting, so it is important to clearly identify their impact. Although corruption exists in all societies and at all times, there are important differences in the way in which some societies relate to corruption, which is woven into the very roots of culture. Culture is here understood as the way in which a particular society lives, works, thinks and solves their existential problems. It has been assumed that culture is being created in a longer period of time under the influence of various social, institutional, economic, religious, and even geographical factors. Culture influences institutions and social norms, dictates the interactions of agents within a society, and affects the type of corruption that becomes prevalent (Banuri et Eckel, 2012). At the same time, culture allows us to understand why certain policies and measures against corruption are more effective in one society than in the other.

### Various meanings of the term corruption

The term corruption covers different meanings, which often leads to confusion and misunderstandings. Thus, corruption is often seen as a whole range of illicit and illegal activities in order to acquire individual benefits by the abuse of public function. This term can mean bribery, extortion, nepotism, embezzlement, etc. Since corruption is as old as organized human society, the concept has evolved over time from social and moral phenomena to individual behavior.

Precisely, corruption (Lat. *corruptus* - bribed) at the same time means bribery and depravity, and involves illegal use of social and civil status and power in order to gain individual benefits. A corrupt person is any official or responsible person who, for personal gain or benefit of the group they belong to, ignore the general interest which they should protect with respect to the position and powers which are vested in them. In the broadest sense, corruption is seen as "the use of public power for private gain" (Jain 2001, World Bank, *Transparency International*). Some authors believe that the lack of a unified meaning of this term causes the lack of a unified theory of corruption (Collier, 1999).

More recent interpretations of the meaning of the concept of corruption are related to the activity, not to the state placing the individual and his behavior in the first place. In addition, such behavior is valued as deviant because individuals use public funds for personal interests and abuse their authority in order to gain their own benefits. So Nye (1967) understands corruption as the deviant behavior of civil servants (elected or appointed officials) that is not in accordance with their duties *ex officio*, for private enrichment or for the benefit of the individual, close relatives or a related group of people. In this way, corruption is linked directly to the behavior of elected and appointed officials in civil service who receive benefits (including enrichment) on the basis of their positions to which they are officially appointed. This refers to the deviant behavior of individuals in the anomic exchange of goods, rights and interests between two or more parties, by which ethical, professional and legal norms are violated (Gavrilovic et al 2013, p.8).

Tanzi (1995) extends the meaning of corruption, to a deliberate non-compliance with the principles of impartiality in decision-making, in order for those who committed it to gain benefit or for a related party through such deeds. According to this view, corruption exists in a nycase of an intentional violation of the principle of impartiality in decision making for the purpose of appropriating some benefits.

The phenomenon of corruption is usually associated with the activities of government officials so that public has been considered a synonym for government. However, modern economies have large private establishments and, especially, business corporations that are owned by thousands of distant shareholders who often own shares (and thus own a piece of the corporations) but play no role in running the enterprises. To some extent they are in the same situation of many citizens vis à vis the state (Tanzi, 2006, p.4).

Very often corruption is equated with bribery, or giving and receiving bribes, although the two terms are not synonymous. Bribery is just a special case of corruption in which the personal benefit for the corrupt is presented by the appropriation of money (bribe). Bribery provides preferential treatment to individuals over others because they give money to someone or offer other service (Di George, 2003, p. 219).

Corruption is a process of interaction of at least two of the participants. Their behavior is a form of an abuse of the official power of one of them, from which one gains personal benefit, in order to obtain certain privileges and other benefits that could not be achieved if complied with existing norms. This is not a simple and open interaction of a perpetrator and a victim. In this process, both parties are active participants, and both have some benefit, while the victim is usually a third party, or wider social community. Hereby, it is important to note that this behavior usually manifests itself in secrecy, and it is therefore difficult to monitor and record. It is also the main limitation of experimental research, and the most well-known research on corruption relies on perception (CPI). Since this is a subjective view of corruption, as a basic and important research limitation, the conclusions based on these data should be interpreted with caution. They are, nevertheless, indicative, at least to the extent to which people in a certain society perceive corruption.

Corruption is manifested in different ways in different countries, cultures and periods. That is part of what the meaning of corruption depends on, i.e. activities that are considered part of the phenomenon. However, it may be noted that in most interpretations of the meaning of the concept of corruption there are a few basic elements:

- It is a form of anomalous behavior
- It is the abuse of power by individuals which derives from their position in order to acquire their own benefit,
- Corruption is run by motive, or the need of one of the participants to be sure that he/she will achieve some sort of advantage or privilege to which he/she has no right to under normal circumstances,
- Corruption undermines social norms and threatens the equality of individual members of society,
- Corruption is destroying the legal, economic and moral systems of society.

From the very essence of the meaning of corruption, relevant dimensions of culture can be important for such behavior, such as: the unequal distribution of power with a tolerance of abuse of power, the need to gain advantage by achieving their own goals (achievement), safety in achieving the objectives (uncertainty avoidance), lack of feelings of empathy towards other members of society and focus on their own interests (egoism and individualism).

### **Culture and corruption: review of previous research**

Culture is manifested as a significant factor which directs individuals to create a mindset as a framework for understanding the messages that appear in the form of symbols, events, facts and relationships.

As a starting point for many later studies of the impact of culture on certain aspects of the economy and social development, the results used were obtained by Hofstede (Hofstede, 1994). His outstanding contribution was to identify dimensions of culture, which became the basis for numerous subsequent studies and which are taken as the starting point in this paper. It is important to emphasize that each of these dimensions affect the behavior of members of a society in the interaction with others so that the level of expression of other dimensions of culture can significantly affect any of the stated dimensions.

Although he later added one more dimensions (long term vs. short time orientation) under the influence of Confucian culture, the following four dimensions are usually used in analyses ([www.geert-hofstede.com](http://www.geert-hofstede.com)):

**Power Distance (PDI)** that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally.

**Individualism (IDV)** on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups.

**Masculinity (MAS)** versus its opposite, femininity refers to the distribution of roles between the genders, which is another fundamental issue for any society to which a range of solutions are found.

**Uncertainty Avoidance Index (UAI)** deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for the truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations.

By identifying these dimensions of culture, Hofstede enabled researchers to later analyze the impact of certain dimensions to certain phenomena, as well as the overall development and prosperity of certain societies. Hofstede's, and subsequent studies have shown significant differences between societies according to these dimensions of culture. The GLOBE Study of 62 Societies (Huselid et al. 2004, p. 38) indicate the links between different dimensions of culture and

economic prosperity of some societies. That stems from the fact that some of the dimensions have different effects on the way of leadership, decision-making, motivation, control, and overall economic activity.

Culture reinforces the behavior of members of society through customs and norms that members of society unconsciously accepted over time when some behavior or a way of solving the problem proved to be effective and thus became the accepted model. That is why culture is one of the biggest obstacles to change.

Given that culture through a system of values (shared values) directs (standardizes) conduct and the interpretation of reality (interpretive schemes) of the members of society through the system of meaning, it significantly affects corruption as a form of behavior, and in particular the interpretation of corruption as a social phenomenon and the degree of its acceptance as something normal.

At first glance, the universal definition of corruption means that culture does not play a role in the understanding of corruption. However, the recognition of cultural diversity in society is probably one of the reasons why action on corruption remains unclear (Kerrigan, 2012). It is especially important to keep in mind that culture determines other factors, it affects perception through mental patterns and reinforces the behavior of members of a society. Treisman (2007) suggests that legal systems differ not only in the formulation and original intent of the law, but in the prevailing expectations and practices that regulate how they are enacted - what might be called "legal culture". Conception of the social role of law and the relative importance of the rights of the preservation of the social order differ from country to country (Treisman, 2000).

The links between culture and corruption are not new and cannot be disputed. In debates on corruption there is a large agreement that culture is an important factor for the understanding of corruption (Husted 1999, Barr et Serra 2010, Serra 2006, Cameron et al. 2009, La Porta et al. 1997, Fisman et Miguel 2007, Uslaner 2004; Lipset et Lenz 2000; Banuri et Eckel 2012a; Treisman 2000, Lambsdorff 2006, De George 1982). Since culture is a complex phenomenon, there are differences of opinion by individual authors on how culture affects corruption. In the existing debates on this subject, the authors emphasize the importance of trust in the society, others point out the influence of religion, while a third group of authors direct their attention to hierarchy (centralization), then to national diversity, competition of resources, etc. Cultural backgrounds often play a large role in these attitudes especially in actions that involve exchanges of gifts or favors (Tanzi, 2006, p. 3). Culture provides an understanding of why certain policies and measures against corruption are more effective in one society than in another.

Experimental research on corruption is relatively scarce compared to non-experimental, which have appeared in recent decades and pointed to the high social costs and economic damage of corruption at the expense of individual benefits (Banuri et Eckel, 2012, p. 4). Despite shortcomings of experimental research focused primarily on the ability to monitor behavior (which corruption is in its essence), which is usually carried out in secret, these studies have their own importance and role. However, the contribution of these studies is not to demonstrate causality (though quite a number of them attempt it), but rather to document various institutional factors that contribute to, or discourage, corruption (Banuri et Eckel, 2012).

The most comprehensive, and also the most famous research on corruption is conducted each year by Transparency International, known as the Corruption Perceptions Index (CPI). As the research name implies itself, it is based on perceptions of the respondents collected from various sources and is the most commonly used indicator of corruption in literature. Referring to the fact that corruption is primarily a particular type of behavior, measuring of corruption through perceptions is often criticized, even though it must be admitted that this measurement has been the most systematic so far and is commonly used in practice as an indicator of corruption. "It is generally accepted that the collection of empirical data in this area is a real challenge due to its complex and covert nature. These difficulties are sometimes avoided because the focus is placed on the perception of corruption rather than actual experience. Regardless of all the research difficulties and shortcomings, previous studies of perception of corruption contributed much to solving the puzzle of corruption and better understanding the impact of culture on this phenomenon.

Harrison and Huntington (2000) point to the influence of culture on the development and functioning of the institutions, which are an important factor of corruption. Culture interacts with corruption through formal institutions and social norms, both of which can differ across countries (Banuri et Eckel, 2012, p. 7). Usually institutions reinforce existing social norms, so the fight against corruption turns in a vicious circle.

Husted (Husted, 1999) states that all five of Hofstede's dimensions (Hofstede, 1997, pp. 82) are correlated with corruption, testing each of them with the CPI (Corruption Perception Index). He came to the conclusion that *high*

*power distance* as well as the acceptance of an unequal distribution of power in society, uncertainty avoidance (*averse to uncertainty*) and masculinity (masculine values, efficiency, competitive spirit) are positively correlated with corruption, although the assertion regarding the dimension of uncertainty avoidance is not supported by the facts. However, this dimension indicates unwillingness to change, which can be a problem in the fight against corruption. It is important to bear in mind that the dimensions of culture are not isolated from each other, but are in interaction. Although studies show a greater impact of certain dimensions of culture on corruption, the impact of combinations of certain dimensions should not be ignored, such as high uncertainty avoidance with collectivism or masculinity with individualism. Some other authors have similar views regarding the impact of individual dimensions of culture on corruption. Thus, La Porta et al.(1997) believe that high power distance decreases trust, which creates a higher level of corruption.

Lipset and Lenz (2000) also point to two dimensions of culture important for corruption: the expectation of achievement (masculinity by Hofstede) and amoral familism or the Hofstede dimension of power distance and find the empirical basis in CPI. In most of these studies, culture is used to refer to multiple underlying elements (such as paternalism, familism, uncertainty avoidance, etc), which tend to overlap. These elements influence, and are influenced by both norms and institutions (Banuri at Eckel 2012, p.10). However, attempts to experimentally support these claims did not give satisfactory results, mainly because corruption is a complex phenomenon, as well as culture, and this puzzle cannot easily be solved. Corruption has not only cultural, but also institutional, social, moral and psychological dimensions. Therefore, it appears in all times, in any society and any culture.

No matter what, all the Hofstede dimensions of culture have some impact on corruption (as well as on other social phenomena), we can accept views of the listed authors who point out high power distance and masculinity, our attention in this paper is focused primarily on high power distance because this dimension of the culture is dominant in the Western Balkans.

## Research methodology

Previous analysis leads to the conclusion that corruption is a complex phenomenon which is influenced by culture, which on the other hand specifically determines the level of tolerance towards this phenomenon, and decreases the effects of systemic measures against it.

Our starting hypothesis was that high power distance as the dimension of culture, dominating in the Western Balkans, represents a generator of corruption and the main barrier in fighting against this socially deviant phenomenon.

Research conducted so far especially point out the influence of high power distance as a cultural dimension which seems to be a precondition for developing and tolerating corruption. In order to check these assumptions, we applied comparative analysis of the relation between high power distance and corruption index. In this analysis we used data provided by the research conducted by Geert Hofstede and the corruption perception index (CPI), because these are very complex social phenomena (culture and corruption) whose empirical research requires creation of specific and very complex methodology. The lack of such methodology is at the same time the main research constraint in elaboration of this topic. However, we believe that even a simple comparative analysis could be an acceptable indicator and, at the same time, an incentive for a more systematic research of this phenomena.

## Results

Research results obtained so far confirmed the hypothesis that high power distance plays a greater role in the generation of systemic corruption, as well as that masculinity indicates individual preferences for corruption. While individual corruption is present in all societies, systemic corruption is indeed the greatest problem of the Western Balkans. High power distance allows a high concentration of power in individuals who are in a position to adapt regulations to their interests and to place themselves above and beyond the law. High power distance is withheld in such societies precisely because it is considered to be normal and tolerated situation. As the powerful are untouchable in such societies, there are no social forces to resist the abuse of power until someone gains more power. Most often this dimension of culture is combined with collectivism, so there are no civic initiatives to initiate change. Changes in these societies are usually personal and non-substantive in nature. Authority is the surest way to win power in societies whose culture is characterized by high power distance where politics serve to gain power. Being on the position allows gaining power which serves the interests and needs of the individuals, not the society. Institutions adapt to powerful individuals rather than to the interests of society, thus creating conditions for systemic corruption.



It may be noted that the ratio of high power distance as an important dimension of the culture of a society and the prevalence of corruption are significantly correlated, as shown by the simple comparison of data on the index of corruption and power distance, as shown in table 1.

In Table 1, it can be observed that the ranking of the level of perception of corruption does not change significantly in a short time. Although the table shows the harmony between the rank of corruption and power distance (PDI), it is not our intention to argue that high power distance is the only cause of corruption. Certainly there are other factors that generate corruption. Previous studies have pointed to the role of masculinity in the appearance of corruption, which could be an additional factor to the relatively high ranking of corruption in Italy. Since masculinity involves orientation to results and competition, this dimension encourages individuals (usually in combination with individualism) not to choose means and use shortcuts in achieving material gain. However, corruption is a convenient way to provide benefits and privileges in relation to other members of society. In contrast to power distance which can affect the appearance of systemic corruption, masculinity encourages individual corruption.

Table 1 included mainly European countries and the United States, but if one looks at the table of corruption index for all countries that the survey covers, it can be seen that some countries with a strong power distance - PDI (Middle East - Iran, Afghanistan, Turkey and Latin America - Brazil, Colombia) have a very high index of corruption. We have already noted several systemic causes that could explain some discrepancies in the relationship between high power distance and corruption.

The concept of the Western Balkans and South-Eastern Europe is usually synonymous with the countries of the former Yugoslavia. In the process of transition to a democratic society and market economy these countries entered after the other Eastern European countries and in a specific way, which was marked by civil wars (Croatia and Bosnia and Herzegovina) and UN sanctions (Serbia and Montenegro). Hofstede divided data territorially, which he gathered in his previous studies for Yugoslavia and obtained data for Serbia, Croatia and Slovenia. This separated data shows the almost unique characteristics of culture in relation to other European countries, but mild differences exist in certain dimensions of culture (Table 2). Other, now independent countries of the Western Balkans (Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia, Montenegro) were not specifically covered in Hofstede's research of culture, but were parts of a federal state and a unique cultural space for 70 years.

As it can be seen from the table 2, the Western Balkan countries are characterized by the following cultural dimensions: high power distance, high uncertainty avoidance, low individualism and relatively low masculinity.

High power distance as a cultural dimension that distinguishes the Western Balkans from the majority of European countries, has many negative implications. First and foremost, it influences the leadership style; countries with high power distance tend to choose authoritarian and autocratic leaders. In these cultures, changes in government structures do not mean new distribution of power, but personal change of people who have the power and the same patterns of behavior (Janicijevic, 2008). This is contrary to democratic principles. This cultural dimension is manifested in tolerating the practice of appointing powerful individuals above the law and norms, which destroys the system and creates an environment susceptible to bribery and corruption.

Power in the Western Balkans usually comes from authority, and the political elite is usually getting rich while in power rather than to serve the interests of society. Political engagement provides privileges, accumulation of wealth, employment, doing business. Instead of everyone having equal rights, it is assumed that those who have power should have privileges and openly demonstrate their power. The way of changing such a society is dethroning (overthrowing) of those who have power and giving power to others, rather than performing a redistribution of power. Such an attitude towards power inevitably leads to its abuse.

One of the most common results of the abuse of power is corruption. For money or privileges, powerful individuals provide specific benefits to those who are willing to pay for that. Particularly problematic is the high level of acceptance of such behavior because in such cultures people believe that it is normal and legitimate for people who have power to be above and beyond the rules that apply to most.

If the characteristics of the culture of the Western Balkans, according to Hofstede's study, are seen in the context of corruption, then we can see that the high power distance, as a key dimension that generates systemic corruption, is the most prominent of all European regions. In conjunction with this cultural dimension there is collectivism, which stifles individual initiative in terms of government control, transparency of institutions, strengthening civil society, media power, encouragement and protection of "whistleblowers" which are all important factors in the fight against corruption. And avoidance of uncertainty, as the third dimension of culture, which has an impact on corruption, is

highlighted in the culture of this Region. This dimension blocks willingness to change and the fight against corruption becomes even more difficult and requires a strong individual who initiates the change.

As in most other former communist countries, the culture of corruption in the Balkan countries is anchored in the previous socialist government. The reason for this is the high influence of the ruling party in the one-party system and the individuals who were the personification of the system, then the non-transparency of the system, the lack of control mechanisms of civil society, the degree of freedom of the media, etc. All that contributed to creation of a favorable environment so that state money – money collected from the taxpayers – was transferred in an organized way to the pockets of individuals close to the regime. In the Western Balkan countries, favorable circumstances were created by the outbreak of the civil war, and especially the introduction of sanctions. Long-term crisis shattered and destroyed state institutions, including the state itself. This process was accompanied by an orchestrated and monopolistic determination of commodity prices, exchange rates, providing import and export quotas and licenses, control of large commercial arrangements, creating shortages where the privileged were granted monopolies, organizing financial pyramids, etc. In addition, the roots of corruption in the Balkans date back even in former regimes, including the Ottoman Empire (in the period of its decadence), and the regime of the Kingdom of Yugoslavia, when certain European liberal values failed to be adopted such as the rule of law, the sanctity of private property, protection of individual freedom and responsibility, care and voluntary involvement of individuals for the public good, and similar (Gamser, 2012).

Everyday scandals in these countries show that the abuse of power and corruption are significant in all spheres of life, especially in the privatization process, enabling the connection between politics, the economy and crime. In terms of being attractive for investments, corruption is often reported as being the weak point of the Western Balkans. The citizens of these countries see corruption as an exceptional social problem, second to unemployment. That is demonstrated in research on corruption conducted in this region. All Western Balkan countries have a high corruption score (Table 3) according to a survey of perception of corruption carried out by Transparency International.<sup>1</sup>

Similarly, research on corruption conducted in these countries in recent years by various international organizations (e.g., UNODC - United Nations Office on Drugs and Crime) confirms the perception of high levels of corruption, as well as the understanding of corruption as a common phenomenon. Permanently high levels of corruption in the countries of the Western Balkans show that corruption and bribery are the way of life in the Balkans and that all important issues in public or private life are solved by the giving of bribes.

**Slovenia, which was the first of the former Yugoslav republics to become a member of the European Union, with the lowest level of corruption in comparison with other ex-Yugoslav republics, has increased its corruption ranking from 37th in the year 2012 to 43th place in 2013. According to Transparency International survey, 93% of the respondents in Slovenia believe that corruption has increased in the last three years or at least remained the same.**

Although Croatia as a new member of the EU has made some progress in eradicating corruption (from 62<sup>nd</sup> position in 2012 it came to 57<sup>th</sup> in 2013), research shows that on average 18.2 percent of Croatian citizens aged 18 to 64 have direct or indirect experience with bribery of public officials each year.

Research conducted in Croatia shows that bribes are paid in cash in almost half (44 %) of all cases of bribery, with an average value of 280 Euros (UNDOC, 2011). In more than half of the cases of bribery (58%), citizens offer the bribe, while in almost 40% of the cases, the bribe is paid in response to a direct or indirect claim by public officials. This data shows that a certain number of Croatian citizens do not believe in the functioning of a public administration without giving some kind of a bribe to speed up the administrative process. Approximately two-thirds of citizens believe that corrupt practices occur frequently or very frequently in many important public institutions.

Compared with the previous year when the FYR Macedonia was the 69<sup>th</sup> place, it may be noted that this Western Balkans country slightly improved its ranking in 2013 (67<sup>th</sup>). However, the study of the Macedonian State Statistical Office shows that the Macedonians were required to, or they themselves offer, bribes at an average of 5.9 times a year.

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<sup>1</sup>The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 - 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean. See more at: <http://www.transparency.org/cpi2013/results#myAnchor1>

Although Montenegro occupies a very high position in corruption according to the Transparency International survey, the UNODC study(2013) shows that the presence of giving bribes in business and the frequency of payments is lower than in the Western Balkans (10.2% on average and an average frequency of 7.1 on the regional level). According to the Corruption Perception Index, Montenegro moved from 75<sup>th</sup> place in 2012 to 67<sup>th</sup> in 2013.

Serbia, as a candidate for membership in the EU, also made progress last year, and moved from 80<sup>th</sup> place which it occupied in 2012 to 72<sup>nd</sup> place in 2013 according to the Perception Corruption Index conducted by Transparency International. However, research on the attitudes of Serbian citizens refers to the social tolerance of such behavior and the belief that nothing can be done without "greasing of the palms". That reinforces appropriate behavior models, softens the edge of the reasonable reaction to that phenomenon, leading to a state of social anomy. Thus, the TNS Medium Gallup research in2011 concludes that one of the biggest problems related to the eradication of corruption is a high degree of social acceptance of the phenomenon, which is shown by the fact that Serbian citizens consider corruption common practice (88 %) and even expect it to a certain degree (48 %). Almost one-third, or 28% of the respondents believe that corruption is to some extent acceptable. Also, people believe that big companies (74 %) have no interest in fighting corruption because they benefit from it. It is significant that political parties are perceived (76 % of the respondents) as a sector where corruption is widespread. On the other hand, the role of citizens in corruption was ignored, and only 52 % of the respondents identify the phenomenon of the responsibility of citizens. Perception of personal responsibility in corruption is divided - 52% of the respondents believe that bribery helps to overcome unjust laws. Furthermore, 52% of the respondents believe that bribery is the only way to overcome huge bureaucracy, which clearly shows the inefficiency of the system and the importance of powerful individuals in solving these problems. The study, "Corruption against Decent Work", analyzes the influence of the parties in corrupt practices. The results show that as many as 88% of the respondents believe that corruption in hiring is the result of the abuse of political power and influence (Vujović et al. 2013, p. 73).The study starts from the hypothesis that partiocracy is the cause i.e. the grounds which allow the development and spread of corruption in other areas, on the one hand, and that has a direct impact on the status and rights of employees and their right to decent work, on the other hand.

Research conducted by UNDOC (2013) in Bosnia and Herzegovina show similar results. A significant proportion of all the bribes that companies have given to public officials in this country was in the form of money (46.6%), followed by food and drinks (29%), as well as the exchange of one service for another (11.4%). In cases where a bribe is given in the form of money, the average amount paid was approximately 327 Euros. In approximately 15.8% of all cases of bribery, a representative of the company is the one who actually started talking about the bribe without being asked to give it, while in more than two-thirds (70.2%) cases, the bribe was asked for by the public servant explicitly (26.8) or implicitly (20.4%). In the remaining 23% cases, the bribe was given upon the request of the third party. Companies report that the most common purpose of paying bribes is "to speed up business processes" (29.1% of all bribes), "to enable the completion of the procedure" (17.4%) and "to ensure better treatment" (14.4%).

The results of these studies show that corruption is deeply rooted in the culture of the Western Balkans and that the use of personal connections is a common practice to solving problems. In addition, citizens accept this form of behavior as a common practice. They do not believe that this is a concern, as it is widespread at all levels of the social system.

Changing the culture of corruption requires a series of institutional changes and changes of mental patterns and behavior patterns in the Western Balkans. In order to achieve that, society has to accept changes. Although there is an awareness of the damage that corruption causes, these changes are difficult and slow. One of the factors which block the changes could be the avoidance of uncertainty, being the prominent dimension of the culture in this region. This is suggested by the observation that the countries of the Western Balkans have long ignored the political and economic changes in the world. A common feature of all societies with high uncertainty avoidance is that they are not ready to gradually change and they ignore the need for partial changes (evolution), and instead of which, come into a situation where they can no longer work and then revolutionary changes start. The length of the transition process in these countries (two decades) speaks highly of openness and readiness for change.

When you take into account that the low level of individualism in a culture negatively affects the motive for achievement and increases social motives, we can see that the culture of the Western Balkans, which is mainly collectivist, has no assumption for the efficiency and competitiveness of the economic system. Individualistic culture supports individual responsibility, while collectivism emphasizes loyalty and obedience. In the fight against corruption, strong and courageous individuals are important as well as strong civic initiatives. Individualism is correlated with human rights and freedoms.

Corruption is no longer merely a national issue. It has largely become a transnational problem and the fight against it is aninternational obligation. Consequences of corruption are fatal for a country's economy, since it ruins main



principles of market economy: equal opportunities and healthy competition. This 'social disease' hampers economic development, disables reinforcement of democratic institutions and jeopardises standard of citizens. Tax revenues decrease due to corruption, and public services expenses increase, and resources are redirected to private pockets (Pržulj, 2012).

The change in the political and economic system of the Balkan countries after the collapse of communism and the process of admission to the European Union focuses on the problem of corruption. In recent decades in these countries awareness has increased of the harmful effects of corruption in business and economic development. One of the most important obligations of the governments of these countries, within the framework of the European integrations, is to combat corruption.

### Concluding discussion

From the analyzed theoretical studies and experimental investigations on corruption the conclusion can unequivocally be drawn that there is a strong link between culture and corruption. The assumption is confirmed that especially high power distance as one of the cultural dimension creates a favorable environment for the development of systemic corruption, while masculinity encourages individual corruption. More broadly, other cultural dimensions (uncertainty avoidance and collectivism) have impact on corruption by blocking changes in practices of corruption and accepting different models of behavior.

An example of the culture of the Western Balkans confirm these assumptions. Therefore, the logical question arises: should culture be changed in the context of the fight against corruption? Regardless of all the arguments about the obstacles and negative influences of cultural dimensions, the answer to this question can be neither easy nor exclusive. Firstly, culture is not the only factor that influences the practice of corruption in a society, and secondly, the culture cannot be changed easily and quickly. However, creating a more efficient and more consistent system framework with appropriate control mechanisms, can certainly contribute to not only the faster eradication of corruption, but also faster changing of the culture that generates it. It is particularly important that the regulations leave no discretion to individuals, who can easily abuse them. In addition, an effective fight against corruption requires adjustment to specific cultural features. In societies whose culture is characterized by high power distance, such as the Western Balkans, it is important that anti-corruption measures with a high degree of determination are run from the center of power (government and political parties, powerful individual authorities) in parallel with institutional changes and strengthening of the institutions. If we take into account that uncertainty avoidance as a cultural dimension blocks changes, it is clear that active measures against corruption in countries with such cultures require strong support from the media in the uncovering of corruption. In addition, in collectivist cultures it is very important to strengthen the citizens' initiative and encourage transparency and citizen control of public institutions.

The necessity of such changes originates from the fact that business today increasingly requires the use of the same language and adapting to cultural values on which market economy is based as well as the capitalist economic model, while corruption seriously undermines the foundations of such system.

As the countries of the Western Balkan are new members or applicants for admission to the European Union, the fight against corruption is one of the key tasks in the process of European integration. It includes a series of primarily systemic changes aimed at strengthening institutions, government control mechanisms, transparency, strengthening the role of the media, encouraging the activities of civil society, etc. Moreover, in these countries it is necessary to consider cultural factors of corruption, their achievements, and limitations, and thoughtfully act to reduce the level of tolerance regarding this phenomenon in society.

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## Tables

Table 1: Corruption Index and Power Distance (Adapted according to: TI\_CPI\_2011\_report, available 24 Sept 2012 and Hofstede G.J. 2005)

Country	Rank 2011	Rank 2013	CPI 2011	CPI 2013	PDI rank
Denmark	2	1	9.4	9.0	18
Finland	2	3	9.4	8.9	33
Sweden	4	3	9.3	8.9	31
Norway	6.	5	9.0	8.6	31
Holland	7.	8	8.9	8.3	38
Switzerland	8	7	8.8	8.5	34
Australia	8.	9	8.8	8.1	28
Canada	10.	9	8.7	8.1	39
Luxembourg	11.	11	8.5	8.0	40
Germany	14	12	8.0	7.8	35
Japan	14	18	8.0	7.4	54
Austria	16	26	7.8	6.9	11
United Kingdom	16	14	7.8	7.6	35
Belgium	19	15	7.5	7.5	67(Walloons) 61(Flemings)
USA	24	19	7.1	7.3	40
France	25	22	7.0	7.1	68
Spain	31	40	6.2	5.9	57
Portugal	32	33	6.1	6.2	63
Slovenia	35	43	5.9	5.7	71
Croatia	66	57	4.0	4.8	73
Italy	69	69	3.9	4.3	50
Serbia	86	72	3.3	4.2	86

Table 2: Data on cultures in former Yugoslav countries and other European countries (Adapted according to: [www.geert-hofstede.com](http://www.geert-hofstede.com))

	Countries	PDI	IDV	MAS	UAI	LTO
	Dimensions of culture					
Former Yugoslav countries	Serbia	86	25	43	92	52
	Croatia	73	33	40	80	58
	Slovenia	71	27	19	88	49
German countries	Germany	35	67	66	65	83
	Austria	11	55	79	70	60
	Switzerland	34	68	70	58	74
Scandinavian countries	Sweden	31	71	5	29	53
	Denmark	18	74	16	23	35
	Finland	33	63	26	59	38
Latin-European countries	France	68	71	43	86	63
	Italy	50	76	70	75	61
Anglo-Saxon countries	United Kingdom	35	89	66	35	51
	Ireland	28	70	68	35	24
Iberic countries	Spain	57	51	42	86	48
	Portugal	63	27	31	104	28

Table 3: Corruption Perceptions Index 2013 in the Western Balkans (Adapted according to <http://www.transparency.org/cpi2013/results#myAnchor1>)

Ranking	Country	Corruption Score
43	Slovenia	57
57	Croatia	48
67	Macedonia (FYR)	44
67	Montenegro	44
72	Bosnia and Herzegovina	42
72	Serbia	42