

CORRUPTION PREVENTION CHALLENGES IN PRIVATE ENTERPRISES IN BOSNIA AND HERZEGOVINA

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CURRENT STATE OF AFFAIRS IN CORRUPTION PREVENTION IN PRIVATE SECTOR

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- Corruption Perception Index places Bosnia and Herzegovina in spot no.85 – almost no change in CPI for the last 4 years
- Despite an unchanged CPI score of 36, recent political developments in Bosnia and Herzegovina are worrying
- Transparency International Bosnia and Herzegovina is working to advance transparency and accountability of prosecution, monitor financing of electoral campaigns and assist citizens in reporting corruption

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- Private enterprises with strong international ties (parts of European or global corporations) spearhead internal anti-corruption efforts with the most comprehensive programs for preventing corruptive activities
- Internal programs usually part of Legal, Compliance and/or Security domains/organizational units

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- GRECO report on Bosnia and Herzegovina
- Reforms slow or stalling on all levels in Bosnia and Herzegovina
- Recommendations regarding corruption in private sector not implemented
- Legal framework inconsistent in corruption prevention domain

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- Foreign Trade Chamber of Bosnia and Herzegovina recognized corruption and unethical behavior as the greatest challenges private enterprises are facing
- Local institutions recognized International Convention on battling corruption as the chief basis for anticorruption framework development in private enterprise
- Wider implementation of ISO 37001 standard (anti-bribery management systems – requirements with guidance for use) seen as possible remedy



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- Continuous efforts on promoting systemic anti-corruption approach mainly reside with NGOs
- In 2019, 3 new anti-corruption EU projects (about 3.5 million EUR worth) announced for Bosnia and Herzegovina with Transparency International heading “EU support against corruption in Bosnia and Herzegovina” project
- Anti-corruption strategy for B&H 2020-2025 in the offing, goal to increase effectiveness of 14 anti-corruption bodies in Bosnia and Herzegovina

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IMPACT OF SYSTEMIC PUBLIC SECTOR
CORRUPTION, LACK OF ETHICS AND MOB
MENTALITY

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- Private sector corruption – reflection of public sector corruption?
 - Intersectoral corruptive interaction and influence most common – public procurements, tendering procedures in which private enterprises are willing or unwilling (!) participants

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- Private investments in public enterprises and public grants for private enterprises and non-governmental organizations
 - Lobbying and collusion – restricted only to public sector?
 - Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention)

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- Issues of Business Ethics and Corporate Social Responsibility - studies
- Corruption as systemic issue stemming from continuous practices?
- Embedded in collective consciousness?

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Moral scorn and non-acceptance of corruption – strategic goal!

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NECESSITY OF MANDATE EXPANSION FOR KEY ANTI-CORRUPTION FIELD STAKEHOLDERS

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- Governmental and NGO stakeholders - differences
- Government institutions and agencies as stakeholders in anti-corruption – divisive, confusing legislation, inarticulate purviews

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- Strategic objective 1: Establishment and strengthening of institutional capacities and improvement of the normative framework for the fight against corruption
- Strategic objective 2: Development, promotion and implementation of preventive anti-corruption activities in the public and private sectors
- Strategic objective 3: Improvement of effectiveness and efficiency of judicial institutions and bodies for law enforcement in the area of the fight against corruption
- Strategic objective 4: Raising public awareness and promotion of the need for the participation of the entire society in the fight against corruption
- Strategic objective 5: Establishment of efficient mechanisms for coordination of the fight against corruption, as well as monitoring and evaluation of the implementation of the Anti-corruption Strategy

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MAIN ISSUES (AS PER PERTINENT STAKEHOLDERS):

1. RULE OF LAW
2. LEGAL FRAMEWORK
3. ORGANIZED INSTITUTIONS

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MAIN ISSUE AS PER HOLISTIC OBSERVATION:

PEOPLE

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THANK YOU FOR YOUR ATTENTION!

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