

## **Serbian Corruption Threatens Aid Programme**

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Widespread corruption in Serbia may hamper international efforts to help rebuild the republic.

Pervasive corruption in Serbia may put a halt to foreign aid and investment, unless credible procedures are introduced to control the expenditure of funds.

A new report from the influential non-government organisation, Transparency International, puts the Federal Republic of Yugoslavia top of the list of European countries blighted by public sector corruption.

The newly democratised government must tackle the problem if it is to persuade donors to part with much needed funds for the reconstruction and development of the country.

International concerns over the use of funds may have already hampered the aid effort, which has been slow to come into effect.

Graft is so endemic in Serbia that at least half of respondents in a recent survey did not consider as corrupt the payment of "small favours" to officials in exchange for proper and efficient service.

The line between legal and illegal is very blurred and this allows, among other things, gangsters to remain at large, despite the re-emergence of democratic forces in society.

The Serbian transitional government is virtually paralysed over the future of Radomir Markovic, chief of the Serbian secret service - an organisation widely held responsible for the killings of numerous Milosevic opponents and former allies deemed past their sell-by date.

President Vojislav Kostunica's allies in the Democratic Opposition of Serbia want Markovic sacked, but Milosevic's Socialist Party of Serbia, SPS, stalwarts are opposed to such action. Kostunica insists personnel changes in the security services must wait until after the December 23 elections, a delay many former opposition politicians fear could prove fatal to their democratic revolution.

The SPS's insistence that the leadership of the secret police remain unchanged, even at the cost of re-igniting street protests in Belgrade, illustrates just how worried they are over potential revelations concerning police collusion with criminal gangs which flourished during the Milosevic years on the proceeds of sanction-busting. A big priority is the creation of special anti-organised crime units within the federal police.

Another key objective is the reform of the judiciary. Over the last decade, many independent-minded judges were purged and replaced by regime loyalists. Many of the latter were poorly qualified. The Official Gazette of the Republic of Serbia revealed that most of them used to work on farms, in community centres and army special forces.

As part of efforts to address the corruption problem, a leading policy think-tank in Serbia, the Management Centre, has proposed the creation of a special commission - comprising judges and NGO and political representatives - to control and monitor public expenditure.

The body, which would answer directly to the reformist federal parliament, will soon be recommended to the relevant Yugoslav ministries and the Serbian Ministry for Economic and Foreign Relations.

Another proposed initiative focuses on anti-corruption training for policy-makers and public sector officials, which many here believe is crucial for developing democracy in Serbia.

None of this can be achieved, however, without substantial foreign aid. At present anticipated assistance is smaller than that earmarked for infrastructure development and is not being approved quickly enough.

Part of the problem is that the European Union Delegation Office in Belgrade, which has undergone substantial expansion, does not support anti-corruption projects and policies.

It seems some Western donors active in Serbia have got their priorities wrong.

There are also concerns over the means with which international assistance is distributed. Around 80 per cent of United States funding to Bosnia has been eaten up by US NGOs in administrative costs. International efforts to rebuild Serbia may be undermined if such organisations are used to channel aid.

In order to ensure that funds are expended properly, donors must contribute to the creation of a system capable of policing the process. Comparatively small, rapid investments in key NGOs and government ministries could help establish anti-corruption mechanisms and secure control over the influx of larger amounts of aid in the future.

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**Location:** [Africa](#)

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