“I don’t want a bottle of scotch, I’m not an alcoholic. I just need the money to pay for my expenses at the doctors’ conference in the U.K.” This is how a Belgrade, Serbia doctor refused a gift of scotch from a patient he successfully treated: He expected money for services rendered.

He is only one of many doctors who demand bribes, which are seen by Serbian citizens as an unavoidable step in a corrupt medical system. Though the government has asked citizens not to pay bribes and to report doctors who demand them, the practice has not abated. Serbians coming to the country’s capital for medical treatment—particularly those from rural areas—always budget extra money to pay for a hospital bed or some extra attention from their doctor, which can cost 6,549 dinars (US$100) and up depending on the type of service.

Judges are no better. When Serbian justice minister Zoran Stojkovic said in July 2006 that the level of corruption had significantly increased, he was just the latest official to publicly acknowledge what every citizen realizes—that criminals can buy their freedom. Police have arrested judges and prosecutors, including a supreme court judge and the deputy state prosecutor, for taking hundreds of thousands of dollars in bribes in exchange for acquitting members of criminal gangs.

In many regions, the practice persists of paying for services from municipal administrators with a pound of coffee or a box of candy. This type of corruption is hard to uproot, particularly when authorities show little interest in tackling it, and citizens perceive it as a sort of tax.

Serbians are more aware of corruption in state institutions. According to a survey published in mid-2006 by Transparency International Serbia (TI Serbia – Transparentnost Srbija) and the Westminster Foundation for Democracy, nearly 40 percent of citizens think corruption is highest in the judiciary system, while 25 to 30 percent believe corruption exists in local and central governments, as well as the police and the media.

Most Serbians also believe that systemic corruption in higher levels of government is more dangerous than petty corruption. Large-scale interference with state functions and the weaknesses of independent oversight institutions underlie several scandals involving government administration officials.

Commenting on a World Bank report that called corruption widespread in Serbia, Verica Barac, chairwoman of the Anti-Corruption Council, blamed the government and parliament. Though the Council is a government advisory body established by Zoran Djindjic, the first democratically elected prime minister of Serbia, the current government responded to Barac with complete indifference. In contrast, TI Serbia said the World Bank report, which called on the administration to “demonstrate considerably more political will for the crackdown on corruption,” was a cause for significant concern.

So far, the government’s performance in the fight against corruption has not been impressive. Authorities have enacted an anti-corruption strategy, several anti-corruption laws in areas such as public procurement and funding for political
parties, and established a number of regulatory bodies in telecommunications, broadcasting and other industries. Unfortunately, these regulatory bodies are largely decorative, many of them launched as purely political moves. After visiting Serbia, Alistair Graham, Chairman of the U.K. Committee on Standards in Public Life, said Serbia has taken the wrong approach to fighting corruption: Authorities are obsessed with laws, while public institutions lack codes of conduct and are filled with bad examples of corrupt officials.

Government officials are inclined to intervene in state functions, frequently trying to manage economic processes and act as arbiters in the market. For example, the minister of capital investment participated directly in the procurement of used train engines and cars for the state railway company. The deal was closed without a cost schedule or the public tender required by law. When funds went unaccounted for, the minister himself closed the case, stating he ordered a police investigation that found no evidence of embezzlement.

Months later, the defense minister and several of his officers were accused of accepting bribes from a local military equipment supplier with whom the minister cut a deal, also without a public tender. The same minister was sacked for his involvement in a spy-satellite rental scandal, though legal proceedings are ongoing.

Though the Anti-Corruption Council composed a report several thousand pages long documenting the involvement of the former central bank governor and current finance minister in a case involving the sale of the National Savings Bank, the minister denied the charges, and the government did nothing.

The business community was shocked at the government’s interference in the case of a mineral water manufacturer in which the government illegally took the role of arbiter in the proprietary documents market from the Securities Commission. To support its candidate in the sale, the government, in a late-night session, ordered prosecutors to threaten the Securities Commission with arrest.

After adopting a national strategy, the government suggested abolishing the Anti-Corruption Council and forming a new anti-corruption agency. However, some worry such an agency would become just another bureaucratic apparatus under government control, itself susceptible to corruption. The government has refused to propose a law to parliament establishing an independent ombudsman to mediate corruption complaints.

The government’s unwillingness to subject itself to oversight has proven an essential problem in fighting corruption. An important example involves the law on access to information. An independent trustee appointed to implement the law has asked the government almost once a month for the last year to allow access to information of public significance. So far, the government has not responded to his requests.

The biggest potential beneficiaries of the law are the media, which could also play an important role in government oversight. However, the media’s engagement has so far been reduced to sensationalist coverage lacking analysis or investigative approaches. This is probably because most of the media are under indirect control of the ruling parties and the businessmen who finance them.
Many nongovernmental organizations have conducted surveys on the cause of corruption and credible measures of suppressing it. At this point, however, the government does not seem to understand that all segments of society must be included in such an effort—including the government itself.