ЗБОРНИК НА ТРУДОВИ
CONFERENCE PROCEEDINGS

INTERNATIONAL SCIENTIFIC CONFERENCE "CORRUPTION AND BUSINESS"

SEPTEMBER 2025, SKOPJE

Приватна научна установа ИНСТИТУТ ЗА ПРИМЕНЕТИ ИСТРАЖУВАЊА ЗА БИЗНИС, Скопје, Р. С. Македонија

Private scientific institution INSTITUTE FOR APPLIED RESEARCH FOR BUSINESS, Skopje, R.N. Macedonia

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CONFERENCE PROCEEDINGS

МЕЃУНАРОДЕН НАУЧЕН СОБИР “КОРУПЦИЈАТА И БИЗНИСОТ”
5 Мај 2025 година, езеро Младост, Велес, Р.С. Македонија

INTERNATIONAL SCIENTIFIC CONFERENCE “CORRUPTION AND BUSINESS”
May 5, 2025, lake Mladost, Veles, N. Macedonia

www.iarb.edu.mk

Издавач: Институт за применети истражувања за бизнис

Ул. Железничка 38/1-5, 1000 Скопје

Publisher: Institute for Applied Research for Business

Ul. Zeleznicka, 38/1-5, 1000 Skopje

За издавачот: проф. д-р Биљана Ѓозинска, Директор

For the publisher: prof. d-r Biljana Gjozinska, Director

Уредник: проф. д-р Анета Васиљевиќ – Шикалеска, научен советник

Editor: prof. d-r Aneta Vasiljevikj – Shikaleska, scientific advisor

Печати: ИВА 2003 Д.О.О.Е.Л ЕКСПОРТ-ИМПОРТ ВЕЛЕС

Print: IVA 2003 D.O.O.E.L EKSPORT-IMPORT VELES

Тираж: 70

Printing copies: 70

CIP - Каталогизација во публикација
Национална и универзитетска библиотека "Св. Климент Охридски", Скопје

658:005]:328.15(062.552)
328.185:342.841(062.552)
005:174(062.552)

МЕЃУНАРОДЕН научен собир “Корупцијата и бизнисот” (2025 ; Велес)
Зборник на трудови : меѓународен научен собир “Корупцијата и бизнисот” 5 мај 2025 година, Езеро Младост, Велес, Р.С. Македонија / уредник Анета Васиљевиќ – Шикалеска = Conference proceedings : international scientific conference “Corruption and business” мау 5, 2025, Lake Mladost, Veles, N. Macedonia / editor Aneta Vasiljevikj – Shikaleska. - Скопје : Институт за применети истражувања за бизнис = Skopje : Institute for Applied Research for Business, 2025. - 75 стр. : илустр. ; 25 см

Библиографија кон трудовите

ISBN 978-608-67060-4-3

а) Бизнис менаџмент -- Корупција -- Зборници б) Изборно право -- Корупција -- Зборници в) Менаџмент -- Деловна етика -- Зборници

COBISS.MK-ID 67285253

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ПРЕДГОВОР

Зборникот на трудови од Меѓународната научна конференција „Корупцијата и бизнисот“ претставува збир на академски и стручни трудови презентирани на конференцијата одржана на, организирана од Институтот за применети истражувања за бизнис на 5 мај 2025 година во Велес, Р.С. Македонија.

Оваа публикација обединува различни студии, анализи и согледувања кои се однесуваат на комплексната меѓусебна поврзаност помеѓу корупцијата, деловните практики и етичкото управување. Вклучените трудови обработуваат широк спектар на теми, како што се корпоративна транспарентност, системи на интегритет, антикорупциски механизми, улогата на правните и институционалните рамки, како и значењето на етичкото лидерство и корпоративната општествена одговорност. Преку разгледување на овие прашања, авторите придонесуваат за подлабоко разбирање на тоа како корупцијата влијае врз организациското однесување и врз социо-економскиот развој на локално, регионално и меѓународно ниво.

Трудовите вклучени во овој зборник ги претставуваат личните ставови и истражувачки наоди авторите, а со цел да се поттикне понатамошна академска дискусија и практична рефлексија за предизвиците и решенијата поврзани со корупцијата во деловните средини.

Изразуваме искрена благодарност до сите автори, учесници и соработници чиј придонес овозможи подготовка на ова издание.

Посебна благодарност упатуваме до научниот и организацискиот одбор на конференцијата, чија посветеност и професионалност овозможија успешна реализација на овој настан.

Се надеваме дека овој зборник ќе претставува корисен ресурс за истражувачите, студентите, креаторите на политики и практичарите заинтересирани за унапредување на интегритетот, транспарентноста и одговорноста во деловниот и јавниот живот.

Скопје, Септември 2025
Институт за применети истражувања за бизнис

PREFACE

The Conference Proceedings of the International Scientific Conference “Corruption and Business” present a compilation of academic and professional contributions delivered at the conference held on May 5, 2025, in Veles, Republic of North Macedonia, organized by the *Institute for Applied Research for Business*.

This publication brings together diverse studies, analyses, and reflections that address the complex interconnection between corruption, business practices, and ethical governance. The included papers discuss a broad spectrum of topics such as corporate transparency, integrity systems, anti-corruption mechanisms, the influence of legal and institutional frameworks, and the importance of ethical leadership and corporate social responsibility. By exploring these issues, the authors contribute to a deeper understanding of how corruption impacts both organizational behavior and socio-economic development at the local, regional, and international levels.

The papers included in this publication represent the personal views and research findings of their respective authors. They are published as part of the conference documentation with the aim of encouraging further academic discussion and practical reflection on the challenges and solutions related to corruption in business environments.

We express our sincere gratitude to all authors, participants, and collaborators whose efforts made this publication possible.

Special appreciation is extended to both, the scientific and organizing committee of the conference, whose commitment and professionalism ensured the successful realization of this important event.

It is our hope that this volume will serve as a valuable resource for scholars, students, policymakers, and practitioners interested in strengthening integrity, transparency, and accountability in business and public life.

Skopje, September, 2025
Institute for Applied Research for Business

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UDK 343.85:343.352]:334.7:004(497.11)
343.85:343.352]:334.7:004(497.7)

DIGITAL TRANSFORMATION AS A MECHANISM FOR PREVENTING CORRUPTION IN THE PUBLIC AND BUSINESS SECTORS: SERBIA AND NORTH MACEDONIA

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Abstract
Corruption represents a serious obstacle to economic development, competitiveness, and public trust in institutions, especially in countries with weak institutional capacities. This paper explores the role of digital transformation as a mechanism for preventing corruption in both the business and public sectors. The focus is on the application of modern technologies such as ERP systems, blockchain, artificial intelligence, e-procurement platforms, as well as open data and digital traceability. Through a comparative analysis of Serbia and North Macedonia, the paper presents recent data from the Corruption Perceptions Index (CPI) and case studies of digital anti-corruption initiatives – the "Red Flags" system in North Macedonia and the e-Procurement portal in Serbia. The paper also analyses institutional frameworks, legal reforms, and strategic documents supporting digital anti-corruption efforts. By combining data-driven decision-making, real-time monitoring, and automated risk detection, digital tools enhance transparency, integrity, and accountability. These insights are particularly relevant for the Western Balkans region, where digital governance is still in development. The paper concludes that digital transformation can significantly reduce corruption risks, improve regulatory compliance, and strengthen long-term public trust in institutions – but only if it is embedded within a broader agenda of good governance, capacity building, and EU-aligned reforms.
Keywords: *digital transformation, corruption, ERP systems, transparency.*

1. Introduction

Corruption remains one of the most pervasive and destructive challenges to economic development, institutional trust, and democratic governance. In both the public and business sectors, it undermines fair competition, inflates operational costs, and weakens the rule of law. While traditional anti-corruption measures—such as stricter legal frameworks, enhanced transparency, and institutional reforms—have yielded some results, the persistence of corruption in many transitional economies demonstrates the need for more innovative and systemic approaches.
In this context, digital transformation has emerged as a powerful mechanism for disrupting corrupt practices. The integration of digital tools such as e-Government platforms, blockchain technology, open data systems, and artificial intelligence provides new opportunities for enhancing transparency, accountability, and integrity. These technologies not only automate

processes and reduce human discretion but also leave digital footprints that allow for traceability and ex-post audits.

This paper explores how digital transformation can be strategically employed to prevent and reduce corruption in both public governance and business environments, with a special focus on Serbia and North Macedonia as case study countries. Through a theoretical and empirical analysis, the paper evaluates the potential of digital tools to serve as effective anti-corruption instruments, while also addressing the limitations and contextual challenges of their implementation.

The research adopts a comparative, qualitative methodology based on desk analysis of international and regional reports, academic literature, and empirical data such as the Corruption Perceptions Index (CPI), e-Government Development Index (EGDI), and concrete national initiatives. Special emphasis is placed on best practices from Estonia and South Korea, along with critical reflection on the Western Balkan experience, including progress and structural barriers in the region.

By synthesizing theoretical perspectives with practical applications, the paper aims to contribute to the ongoing discourse on digital governance and integrity, offering policy recommendations for institutional actors and business stakeholders seeking to harness digital transformation as a lever for sustainable anti-corruption reform.

2. Review of Literature

The existing literature on digital transformation and anti-corruption strategies provides a comprehensive foundation for understanding the evolving role of technology in governance and business integrity. Scholars and practitioners increasingly acknowledge that digital tools such as e-procurement, blockchain, artificial intelligence (AI), and open data systems can significantly enhance transparency, accountability, and efficiency in both the public and private sectors (Bertot et al., 2010; OECD, 2020).

According to Mungiu-Pippidi (2015), countries with low levels of corruption tend to have strong digital infrastructures and integrated data-sharing systems that limit discretionary decision-making. Similarly, studies by the World Bank (2021) emphasize the role of digitization in eliminating points of direct human interaction that often create opportunities for bribery. For example, the introduction of online tax platforms and automated licensing procedures has led to measurable reductions in corruption-related complaints across multiple developing countries.

Estonia is often cited as a global model for digital governance (Kalvet, 2012). Its e-governance infrastructure, built on the X-Road data exchange system and mandatory e-ID cards, has streamlined service delivery while drastically reducing opportunities for petty corruption. The Corruption Perceptions Index (CPI) published by Transparency International consistently ranks Estonia among the least corrupt countries in Europe (Transparency International, 2023).

Likewise, South Korea's implementation of the KONEPS (Korea ON-line E-Procurement System) has drawn attention from international development organizations. Studies conducted by the OECD (2016) and the World Bank (2017) highlight KONEPS as a powerful mechanism for promoting procurement transparency and increasing competition in government contracting.

Academic literature has also explored the limitations of digital anti-corruption strategies. Heeks (2018) cautions that digital tools alone cannot eliminate corruption without institutional reform and political will. In regions with entrenched patronage networks, such as the Western Balkans, digital initiatives often face resistance or are implemented only partially (Kmezić, 2022). Moreover, the successful application of digital tools requires technical expertise, reliable internet infrastructure, and public trust in digital systems—all of which are still developing in many transition economies.

Nonetheless, researchers agree that digitalization offers a transformative opportunity for countries seeking to modernize governance and reduce corruption. Comprehensive strategies must combine technology with legal frameworks, institutional capacity-building, and civic engagement (UNDP, 2020).

This review underscores the importance of adapting global best practices to local contexts and integrating digital transformation into broader public sector reform agendas. It also highlights the potential for regional cooperation in the Western Balkans to accelerate progress through shared standards, cross-border data integration, and knowledge transfer.

3. Theoretical Framework

Corruption is commonly defined as the abuse of entrusted power for private gain. In business settings, corruption manifests in various forms, such as bribing officials for licenses, manipulating procurement procedures, and unethical conduct within organizations. Traditional anti-corruption measures typically involve strengthening legal frameworks, stricter law enforcement, and raising awareness of business ethics. However, the advancement of digital technologies introduces new instruments in the fight against corruption.

According to Adam and Fazekas (2018), the rise of information and communication technologies (ICTs) has “strengthened anti-corruption efforts by increasing public scrutiny.” Theoretically, digital tools reduce information asymmetries between stakeholders, automate procedures, and implement systemic controls that hinder corrupt practices.

From the perspective of principal-agent theory, corruption arises when an agent (e.g., public official or corporate manager) has discretion in decision-making without adequate transparency and oversight from the principal (e.g., the public or company owner). Digitalization reduces such discretion by standardizing procedures and leaving digital footprints, enabling subsequent audits. For example, when business processes are digitized, every transaction or decision is recorded and traceable, which deters misconduct due to the risk of exposure and consequences. This reinforces accountability mechanisms.

However, it is important to emphasize that digital transformation is not a cure-all for corruption. If institutional capacity remains weak and a culture of corruption persists, technology alone will not eradicate the problem. As noted in one report, “e-government is not a silver bullet against corruption—it must be part of a broader, comprehensive anti-corruption plan.” Digital initiatives must be understood as components of an integrated anti-corruption strategy, accompanied by judicial reforms, media freedom, and a culture of integrity.

In theoretical terms, digital transformation is expected to reduce petty corruption (e.g., bribes in face-to-face administrative services) through automation and online services. More complex forms of corruption, however, still require strong political will, robust oversight institutions, and effective enforcement. Nonetheless, empirical studies reveal a positive correlation between higher levels of e-government and lower levels of perceived corruption. Countries with advanced digital public services and open data policies tend to perform better on corruption perception indexes. These findings encourage policymakers to continue investing in digital solutions as part of their anti-corruption strategies.

4. Digital Tools in Combating Corruption in the Business Sector

Digital transformation in the context of anti-corruption encompasses a wide range of tools and platforms. Below are the key digital tools currently applied in combating corruption in the business environment, along with a brief explanation of their roles and supporting references.

4.1. ERP Systems (Enterprise Resource Planning)

ERP systems are integrated business software platforms that cover finance, procurement, sales, and other internal processes. By introducing ERP systems, companies standardize procedures and implement automatic controls that reduce the risk of abuse. For instance, applying the "four eyes" principle—where one person initiates an order and another authorizes the payment—minimizes the possibility of unilateral fraud. All transactions and data changes are logged, enabling internal audits to detect unauthorized modifications or unusual activities.

According to Elbardane et al. (2016), implementing ERP systems enables risk managers to strengthen internal controls, thus reducing the likelihood of financial fraud. Additionally, ERP systems help establish robust business practices that discourage both internal and external corrupt behaviors.

4.2. Blockchain Technology

Blockchain represents a distributed digital ledger that records transactions in a secure and immutable manner. The main features of blockchain—namely transparency (every node has a copy of the ledger) and immutability (once entered, records cannot be altered unnoticed)—make it highly attractive in fighting corruption.

Blockchain can ensure data integrity across various domains, such as land registries (preventing forgery of property documents) and supply chains (tracking the movement of goods from producer to consumer, reducing theft or bribery). In the private sector, companies experiment with blockchain-based contract and payment verification—so-called smart contracts that execute transactions only after pre-defined conditions are met, eliminating unauthorized manual approvals.

4.3. Artificial Intelligence (AI)

Artificial Intelligence and advanced analytics introduce new dimensions to the detection and prevention of corruption. Machine learning algorithms can process vast datasets (e.g., financial transactions, procurement bids, accounting records) and detect patterns that may escape human oversight. AI, for example, can identify anomalies in public procurement—such as a supplier repeatedly winning tenders despite higher bids, or suspiciously similar submissions hinting at collusion—which can trigger further review.

According to the U4 Anti-Corruption Resource Centre, AI has been successfully applied in procurement integrity, compliance, fraud detection, and anti-money laundering. Nevertheless, challenges such as algorithmic bias and lack of public trust in AI remain barriers to wider implementation.

4.4. E-Procurement Systems

Procurement processes, particularly in the public sector, have traditionally been vulnerable to corruption due to discretionary supplier selection. The introduction of online procurement platforms has significantly increased transparency and competitiveness. A prime example is

South Korea's KONEPS (Korea Online E-Procurement System)—a centralized platform covering the entire procurement process, from tender publication and electronic bid submission to contract award and payment.
KONEPS has drastically reduced corruption in public procurement by ensuring full traceability and transparency. Beyond public institutions, private companies have also adopted internal e-procurement portals through which suppliers submit bids digitally. These platforms reduce direct offline communication between buyers and suppliers, ensuring that all interactions are recorded and auditable, thereby increasing trust and making backdoor agreements more difficult.

Table 1. Comparative Overview of E-Government Development Index (EGDI) and Corruption Perceptions Index (CPI) for Western Balkan Countries

Country	EGDI Rank (2022)	EGDI Category	CPI Score (2023)*	CPI Rank (2023)*
Serbia	40	Very High	36/100	101st
Albania	63	High	37/100	98th
Montenegro	71	High	46/100	65th
North Macedonia	80	High	38/100	85th
Bosnia & Herzegovina	96	Medium	34/100	110th
Kosovo	N/A	N/A	41/100	83rd

*Sources: United Nations E-Government Development Index Report (2022), Transparency International – Corruption Perceptions Index (2023)

Despite differences in political and institutional contexts, the data suggest a clear trend: countries with higher levels of digital governance tend to exhibit lower perceived corruption. This reinforces the argument that digital tools—when properly implemented—can serve as effective mechanisms for increasing transparency and accountability. However, the table also highlights the performance gap within the Western Balkans, underscoring the need for targeted reforms and sustained investment in digital infrastructure.

5. International Practices

The preceding overview of digital tools illustrates how modern technologies can play a vital role in the prevention and detection of corruption in the business sector. However, successful implementation requires strong institutional support, adequate staff training, and continuous monitoring and evaluation of their impact.
International experiences confirm that digital transformation can serve as a powerful weapon against corruption. Various countries and institutions have developed innovative approaches that serve as models of good practice. This section focuses on several prominent examples: Estonia as a digital governance pioneer, South Korea with its advanced e-procurement system, and selected initiatives by the European Union and other international organizations.
Estonia – A Digital State and Model of Transparency
Estonia is frequently cited as a global pioneer in digital governance. This small Baltic nation began its digital state (e-Estonia) initiative in the early 2000s, implementing electronic identification, nearly universal access to public services online, and institutional interconnectivity through the X-Road platform. The results of this transformation are impressive, both in terms of public sector efficiency and anti-corruption achievements.

In 2023, Estonia ranked 12th out of 180 countries in Transparency International's Corruption Perceptions Index (CPI), with a score of 76/100—significantly above the global average. The key to Estonia's success lies in the synergy of political will and digital innovation: transparency is embedded in the system. Virtually all state processes are conducted electronically, from issuing permits and prescriptions to school enrollment and online voting. This dramatically reduces the need for direct contact between citizens and officials, effectively eliminating opportunities for petty corruption—there are no longer "clerks at the counter" to whom envelopes can be slipped.

Estonia has established unified databases accessible to authorized institutions, making it harder to conceal illegal activities. For example, the tax authority automatically shares data with customs and police. Moreover, open data is made publicly available (with privacy safeguards), enabling civil society and the media to track financial flows and identify irregularities. It is no surprise that reports consistently identify Estonia as a global leader in digital transformation and governance, leveraging technology to improve services, promote transparency, and effectively combat corruption.

However, Estonia's model also relies on the strength of the rule of law. While the digital infrastructure facilitates detection, it remains essential for institutions to enforce sanctions. The combination of high-tech systems and firm political commitment has earned Estonia a reputation as a "corruption-free society," where both the public and private sectors are highly resilient to unethical pressures.

South Korea – Reforming Public Procurement through KONEPS

At the beginning of the 2000s, South Korea faced widespread issues of non-transparent and cumbersome public procurement procedures, which fostered corruption and high costs. In response, the government launched the Korea Online E-Procurement System (KONEPS) in 2002—a comprehensive, end-to-end digital procurement platform. KONEPS covers the entire process: budget planning, tender announcements, bid submission, bid evaluation, contract conclusion, and payment execution.

Mandatory for all public institutions, KONEPS quickly became a global benchmark for how digitalization can eliminate corruption in one of the most vulnerable areas—public procurement. Transparency was significantly enhanced, as all bids and documents are submitted electronically and accessible to relevant authorities. Key information such as award criteria and final results is published publicly, eliminating room for secret deals.

Moreover, the system automatically verifies the formal compliance of bids (e.g., completeness of required documentation), preventing evaluation committees from exploiting procedural loopholes to disqualify disfavored bidders. All data is centralized and permanently stored, enabling auditors to review procurement processes at any time, compare pricing, and detect anomalies.

OECD and World Bank studies have shown that KONEPS has led to a notable reduction in procurement corruption, while simultaneously increasing competition and lowering administrative costs by eliminating paper-based bureaucracy. South Korea now ranks highly on global indices of digital governance and integrity. Countries such as Indonesia and Bangladesh have modeled their systems on KONEPS.

From a business perspective, KONEPS has created a level playing field. Instead of having to lobby or bribe officials to win contracts, companies now compete transparently, boosting investor confidence and encouraging both domestic and foreign investment.

European Union and International Initiatives

The European Union has also recognized the role of digital tools in the fight against corruption and promotes them through various policies and initiatives. In 2014, the EU adopted directives requiring all member states to implement electronic public procurement—covering everything from online publication of tenders to digital bid submission. The aim was to standardize and increase transparency across the single market.

Today, all EU members operate national e-procurement portals, and the European Commission maintains TED (Tenders Electronic Daily), where large EU tenders are published. This has reduced administrative barriers and expanded access to procurement opportunities, indirectly combating corruption by widening competition and public visibility.

Beyond procurement, the EU also encourages open access to data relevant to anti-corruption efforts, such as beneficial ownership registries, budget transactions, and lists of public subsidy recipients. Through Open Data and Open Government initiatives, such transparency has become integral to EU governance.

For example, the European Commission funds the development of ARACHNE, a data-mining tool that analyzes project data in EU-funded programs to identify risk patterns—such as links between suppliers and contracting authorities or suspicious financial flows—which helps inspectors target high-risk projects.

Other international organizations are active as well. The OECD regularly issues guidelines on digital government and open data as part of its integrity strategies. The World Bank supports countries in building e-government systems and legal frameworks, as seen in its collaboration with UNDP on Ukraine's ProZorro e-procurement system. ProZorro improved competition, reduced costs, and enabled better detection of fraudulent contracts.

Transparency International has launched several global initiatives with digital components, such as the Integrity Pacts program—where independent monitors oversee large procurements using digital tools—and anonymous online corruption reporting portals available to the public.

These international practices illustrate diverse approaches, but share a common goal: using digitalization to reduce corruption opportunities and strengthen control mechanisms. The experiences of Estonia and South Korea are particularly valuable for countries seeking to improve their integrity rankings. They demonstrate that investment in technology, combined with institutional reforms, delivers measurable results in both the public and private sectors.

6. The Western Balkans Region: Status and Challenges

The countries of the Western Balkans (Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia, Albania, and Kosovo*) continue to face chronic corruption issues that undermine democratic institutions and economic development. Despite numerous reform declarations, corruption remains deeply entrenched—a fact recognized in multiple international reports. The European Union has clearly emphasized that the progress of these countries toward EU membership depends on tangible and sustainable anti-corruption results. Unfortunately, current assessments reveal that reform efforts remain slow and insufficient. According to Transparency International's regional review for 2024, there has been only "limited progress in strengthening integrity systems, with persistent weaknesses" across the region. In the 2023 Corruption Perceptions Index (CPI), most countries of the Balkans were ranked between 70th and 110th globally, with scores stagnating in the 30s out of 100—indicating systemic issues such as political interference, weak rule of law, and inadequate prosecution of corruption.

In this context, digital transformation emerges as a promising strategy for rapidly improving transparency and efficiency. Governments in the region have launched various digital initiatives in recent years, but the results remain mixed. According to the 2022 UN E-Government Development Index (EGDI), some progress is visible: Serbia ranked 40th globally (in the "very high" development category), while Albania, Montenegro, and North Macedonia were in the mid-range (63rd, 71st, and 80th, respectively), and Bosnia and Herzegovina lagged at 96th place. These rankings suggest that Serbia and Albania are leading digitalization efforts in the region, though significant gaps remain. For instance, Albania has digitalized approximately 95% of its public services via the e-Albania portal, while Serbia offers 186 different e-services through its national e-Government portal (eUprava.gov.rs). Originally launched in 2010 and modernized in 2020, the portal allows citizens and businesses to complete administrative procedures—such as obtaining personal documents, registering companies, submitting tax forms, and enrolling children in kindergarten—online, thereby reducing opportunities for bribery and face-to-face interference.

Montenegro and North Macedonia have also developed e-government portals and adopted strategic documents on digital transformation. In contrast, Bosnia and Herzegovina, due to its complex political-administrative structure, has fragmented e-services at the entity and canton levels, lacking a unified national approach.

Although many e-services formally exist, full implementation and user adoption remain significant challenges. A 2024 report by the Balkan Investigative Reporting Network (BIRN) highlights that e-government in the region is hampered by limited funding and insufficient political will. Digitalization is often partial and underutilized. For example, Montenegro nominally offers over 500 services, but BIRN found that 349 of these are merely informational (guidelines), with a significantly smaller number of actual interactive services. Similarly, citizens in Bosnia and Herzegovina and North Macedonia still frequently submit physical documents in parallel to electronic ones, due to weak inter-institutional connectivity and distrust in digital records. Human factors also play a role, including resistance from lower administrative levels due to a lack of skills or reluctance to relinquish informal influence.

Nonetheless, there have been positive developments. Serbia and Albania have established specialized state institutions focused on digitalization—such as the Office for IT and eGovernment in Serbia and the National Agency for Information Society in Albania—which have accelerated reforms. A 2023 study reported that these countries, through the engagement of domestic IT experts and institutional commitment, made significant progress. This dedication resulted in the adoption of key laws (e.g., on electronic documents, e-signatures, and e-invoicing), creating the legal foundation for digital governance. Notably, since 2022, Albania mandates all communication between citizens/firms and public authorities to be conducted exclusively through the e-Albania portal. This measure has effectively eliminated opportunities for bribery outside the system and even led to arrests of officials who attempted to bypass it—sending a strong message.

In terms of measurable outcomes, the full impact of digitalization remains to be assessed. However, there are early signs of improvement. According to the World Bank's Enterprise Surveys, 36.1% of Albanian firms reported being solicited for bribes in 2019—an alarmingly high rate. In contrast, only 6.9% of Serbian firms reported such experiences, potentially reflecting progress in reducing administrative corruption. Bosnia and Herzegovina's rate stood at 16% in 2019 but fell dramatically to just 3.5% in the 2021/22 follow-up survey—possibly a result of recent anti-corruption measures or the impact of reduced in-person interactions during the COVID-19 pandemic. Either way, the trend toward digital service delivery likely contributed to this decline.

Key challenges persist: limited infrastructure (e.g., internet access in rural areas), institutional resistance, and public skepticism. Citizens may be reluctant to use e-services if they believe paper documents carry more legal weight or doubt whether online submissions will be processed without informal "nudging." Therefore, governments must work to build trust, raise awareness, and promote digital services. In the private sector, many SMEs still lack digital tools such as ERP systems or internal whistleblowing mechanisms, making them vulnerable to fraud and external pressure.

Ultimately, Western Balkan countries stand to gain significantly from leveraging digital tools in the fight against corruption, but sustained commitment is essential to maintain and expand current initiatives. Regional cooperation may also play a pivotal role—through experience sharing (e.g., technical support from Serbia or Albania to neighbouring states), and participation in platforms such as the Regional Anti-Corruption Initiative (RAI) and the UN's Regional Anti-Corruption Platform launched in 2021. One of its core goals is precisely the application of new technologies for corruption prevention. This highlights that the international community is ready to support the region's digital anti-corruption efforts.

7. Conclusion

The fight against corruption in the business and public sectors remains a deeply complex, long-term challenge—particularly in transitional societies where institutions are still developing. However, the emergence of digital transformation as a strategic mechanism provides a new paradigm for addressing this issue in a more effective, proactive, and sustainable manner. Through this paper, it has been demonstrated that digital technologies can significantly reduce corruption risks by introducing transparency, automation, and accountability at every stage of governance and economic transactions.

Electronic services and digital platforms diminish the necessity for direct human interaction—often the breeding ground for bribery—while centralized information systems reduce the ability of public officials to manipulate data or conceal illicit decisions. Furthermore, advanced data analytics and artificial intelligence (AI) make it possible to detect complex fraud patterns that would otherwise escape traditional inspection methods. Successful international examples, such as Estonia and South Korea, provide compelling evidence that when political will aligns with digital innovation, integrity systems become more transparent, resilient, and efficient.

On the other hand, the case of the Western Balkans underscores a critical warning: digitalization alone cannot eradicate corruption. Without institutional strength, legal enforcement, and sustained political commitment, even the most advanced digital systems risk becoming underused or circumvented. This is especially true in environments where systemic corruption is entrenched and where public trust in government institutions is low.

Therefore, digital transformation should not be seen as a silver bullet, but rather as a vital component of a broader governance ecosystem. For it to achieve its full anti-corruption potential, it must be embedded within a strategic framework that includes rule of law, protection of whistleblowers, open data access, capacity building, and a clear cultural shift toward zero tolerance for unethical behavior.

Crucially, the private sector must not be overlooked. As a key actor in economic development, the business community must actively participate in digital reforms by implementing internal compliance systems, adopting transparent procurement procedures, and leveraging ERP tools and digital reporting mechanisms. Strengthening public-private collaboration in this domain will not only reduce corruption exposure but also foster a more attractive investment climate, enhance competitiveness, and stimulate sustainable economic growth.

In conclusion, the digital age offers a unique opportunity to overcome the legacy of opaque, bureaucratic, and corruption-prone systems. It is the collective responsibility of all stakeholders—governments, businesses, civil society, and international organizations—to seize this opportunity. Only through integrated efforts and continuous adaptation can digital transformation truly serve as a powerful engine for good governance, social equity, and the long-term prosperity of societies in transition. The future of anti-corruption lies in data, code, and connectivity—but it ultimately depends on values, integrity, and leadership.

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UDK 005.73:005.332.5]:303.725

ORGANIZATIONAL CULTURE AS THE FOUNDATION OF TRANSPARENCY AND RESPONSIBILITY IN THE BUSINESS ENVIRONMENT

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Abstract
Organizational culture, as a set of shared values, beliefs, and norms, forms the foundation for shaping the behavior of organization members and building mutual trust. In this context, transparency and accountability stand out as key factors that contribute to the creation of an ethical, stable, and sustainable business environment. Transparency, through open communication and availability of information, not only strengthens trust among employees, but also with all interested parties, making the organization more transparent and fairer. On the other hand, accountability – both on an individual and collective level – encourages personal engagement, promotes professional ethics, and contributes to the long-term development of the organization.
This paper analyses the interdependence of organizational culture, transparency, and accountability, emphasizing key aspects such as: leadership, effective communication, clear procedures, and a reward system. These factors play a key role in shaping an organizational culture that is oriented toward sustainability and integrity. Special attention is given to the numerous benefits that such a culture can bring, from increased employee loyalty, reduction of risk in decision-making, to the improvement of the organization's reputation.
The study underscores the importance of cultivating an organizational culture in which transparency and accountability are deeply embedded in day-to-day operations. Drawing on the Cameron and Quinn model, the paper provides deeper insight into how different types of organizational cultures influence these critical dimensions, thereby laying the foundation for the development of a healthy and sustainable organization. Finally, the paper offers practical recommendations for the continued advancement and application of these principles in the business environment, emphasizing the importance of aligning organizational culture with the core values of transparency and accountability.
Keywords: *Organizational culture, transparency, accountability, communication, Competing Values Framework.*

1. Organizational culture, transparency, and accountability

The culture of an organization represents a set of shared values, beliefs, norms, behaviors, and practices that shape the way in which members of the organization communicate, make decisions, and establish mutual relationships (Abdalla et al., 2020; Ashkanasy, Wilderom and Peterson, 2000; Colquitt, LePine and Wesson, 2015; Engelen et al., 2016).
This organizational culture shapes the work environment, organizational structure, management style, and internal relationships. According to Schein, it encompasses "the basic

assumptions that are embedded in the organization and shape the thinking and behavior of its members." Organizational culture continuously evolves through employee interactions and serves as the foundation for building trust and accountability within the organization. It not only reflects internal values but also guides member behavior toward shared goals.
Transparency within an organization entails openness in communication, accessibility of information, clarity in decision-making, and accountability for actions. In the business context, transparency refers to an organization's ability to communicate its actions, decisions, strategies, and outcomes clearly and honestly with all relevant stakeholders, both internal and external. This approach fosters trust, reduces uncertainty, and helps prevent the misuse of power. A core feature of transparency is ensuring access to information for all relevant actors, along with clear explanations of the reasons and criteria behind decision-making processes (Christensen & Cornelissen, 2015; Tapscott & Ticoll, 2003; Karim & Mursalim, 2019; Khoiriyah & Rahayu, 2021).
Accountability in an organization can be observed in two aspects: personal and organizational. Personal accountability refers to the individual obligation of employees to be responsible for their actions, decisions, and results, and to respect the ethical norms and regulations of the organization. This form of accountability implies recognizing mistakes, a willingness to learn from them, and consistently carrying out assigned tasks and goals. The organization also bears accountability as a whole unit, including management, for maintaining ethical business practices, transparency in operations, and achieving set goals.An organization that demonstrates accountability toward employees, customers, and society establishes the foundations for sustainable development and a positive reputation in the market. The combination of personal and organizational accountability forms the basis for healthy business practices that aim for sustainability, integrity, and long-term success (Robbins and Coulter 2021; Carroll and Buchholtz 2015; Adyaksana and Alqurani, 2020).

2. The importance of building a culture of transparency and accountability

Building a culture of transparency and accountability represents a key element in creating a healthy business environment that contributes to the sustainable development of the organization. This culture not only ensures effective management and decision-making, but also has a significant impact on interpersonal relationships within the organization, as well as on its reputation and competitive advantage (Fisher et al., 2016).
A culture of transparency and accountability brings numerous benefits to the organization. First, it enables the increase of trust among employees, management, and external partners. Transparency in communication and accountability for actions contribute to building trust, because employees and partners can rely on accurate information and predictable decisions that do not involve hidden interests or uncertainty (Heimstädt and Dobusch, 2020).
The second benefit is employee loyalty, which is achieved through respect for their rights and interests, as well as by providing clear and fair criteria for rewarding and advancement. When employees recognize that rules are applied equally to everyone, it is more likely they will stay in the organization, reducing staff turnover and increasing productivity (O'Regan, King and Smith, 2022).
Finally, transparency and accountability directly influence the better reputation of the organization, which is important for attracting new investments, as well as for building a positive relationship with consumers, suppliers, and the broader society (Heimstädt and Dobusch, 2020; Alom, 2018)
Thus, a culture of transparency and accountability has a profound impact on the behavior of

employees and management. Employees who work in organizations that practice transparency and accountability feel greater security and motivation. When it is clear what is expected of them and what the consequences of their actions are, it is easier to achieve high performance.

Transparency enables greater employee involvement in decision-making, which gives them a sense of importance and value within the organization. On the other hand, management that demonstrates accountability and transparency gains the authority and trust of its teams. Such management is open to feedback, which allows for a quicker response to changes in the business environment and reduces the risk of making poor decisions (Alom, 2018; O'Regan, King and Smith, 2022).

2.1. Key Elements for Improving the Culture of Transparency and Accountability

Developing a culture of transparency and accountability within an organization requires a comprehensive approach that includes a range of factors capable of significantly shaping and improving this culture. Key factors influencing its development include leadership, communication, the rights and obligations of employees, clear procedures and rules, as well as the reward and sanctioning systems. Together, these factors create a work environment that encourages transparency and accountability at all levels of the organization (Leonard, 2019).

Leaders in the organization play a critical role in shaping and maintaining a culture of transparency and accountability. The management style they apply has a profound impact on employee behavior and the formation of organizational values. Leaders who foster openness, honesty, and responsibility toward employees set behavioral standards that are transmitted to all members of the organization. Transformational leaders, in particular, inspire employees by example and actively motivate them to achieve common goals, thus contributing to the development of a culture of transparency and accountability (Wagner & Hollenbeck, 2020; Northouse, 2025). Their ability to encourage dialogue, provide clear guidance, and maintain open communication with employees significantly contributes to reducing uncertainty and strengthening mutual trust.

Effective and open communication forms the foundation on which transparency rests in modern organizations. Organizations that successfully establish clearly defined communication channels and foster a culture of information exchange are more likely to achieve a high degree of transparency and accountability. Employees who have access to relevant information, both at the strategic and operational levels, are more inclined to act in accordance with the organization's values (Lencioni, 2002). Transparent communication facilitates a better understanding of managerial decisions, reduces the potential for misunderstandings, and encourages participative decision-making. At the same time, openness to feedback becomes an essential factor in continuous development and adapting to changes in the business environment.

Further contribution to the development of a culture of accountability is reflected in the clear definition and consistent respect for the rights and obligations of employees. It is essential that employees are familiar with their responsibilities, as well as the rights that belong to them within the organization. A culture of accountability cannot develop in organizations that do not ensure the respect of basic employee rights, such as fairness, equality, and transparency in procedures (Kaptein, 2017). Organizations that clearly define and communicate rights and obligations create a work environment in which employees

understand the importance of their roles and act responsibly, reducing the risk of misunderstandings and conflicts.
In addition, establishing clearly defined procedures and rules is crucial for creating an organization where transparency and accountability are the norm, not the exception. When rules are clearly formulated and adequately communicated to employees, expectations and responsibilities become clearer, reducing uncertainty and increasing organizational efficiency. Well-designed procedures not only facilitate the daily functioning of the organization but also guide employees toward achieving goals in alignment with the organization's core values (Robbins and Judge, 2023).Moreover, well-established decision-making processes, task execution guidelines, and performance evaluations significantly contribute to the establishment of a high degree of transparency in business practices.
No less important is the reward and sanctioning system, which plays a key role in shaping and maintaining a culture of accountability. Fair and transparent rewarding of responsible behavior and achieving goals in accordance with the organization's ethical standards stimulates desired behaviors in employees. At the same time, consistent sanctioning of irresponsible behavior sends a clear message about the organization's unwavering commitment to preserving its values (Hanadelansa, 2023). The reward and sanctioning system must be carefully designed to be fair, clear, and predictable, thereby contributing to employee motivation, maintaining discipline, and the overall stable development of the organization.
The development of a culture of transparency and accountability is a complex and ongoing process that requires coordinated action from all the aforementioned factors. An organization that succeeds in embedding these principles into its daily operations not only improves its operational and strategic performance but also contributes to building a positive work environment, strengthening mutual trust, and achieving long-term goals (Kaptein, 2017; Robbins & Judge, 2023; HogoNext, 2024).

3. Transparency and Accountability in the Context of Organizational Culture Typology

Different types of organizational culture shape the level of transparency and accountability within the organization in specific ways. For example, organizations with an open and participatory culture naturally encourage open communication, information sharing, and clear definition of responsibilities. On the other hand, in organizations with an authoritarian or hierarchical culture, the flow of information is often restricted, and accountability is concentrated in the hands of management, which can hinder the development of a culture of transparency and personal accountability among employees.
In this context, it is useful to consider different typologies of organizational culture that allow for a deeper understanding of how culture influences these dimensions. Based on the level of risk and the time required to obtain feedback on the results of actions taken in the market, Deal and Kennedy (1982) identify the "macho" culture, the culture of strong individuals, the culture of hard work with fun, the culture of risk-taking, and the process-oriented culture. Cameron and Quinn (2011), based on the organization's external and internal orientation and its flexibility, distinguish clan, adhocracy, market, and hierarchical cultures. Handy (1995) introduces a typology based on the distribution of power and orientation toward people or tasks, identifying power culture, role culture, task culture, and support culture. Hartnell et al. (2016) contribute to the classification through criteria such as adaptability, mission, employee engagement, and consistency, defining mission culture, engagement culture, task culture, and relationship culture. Additionally, Sonnenfeld and Ward (2008) propose a typology based

on employee behavior, distinguishing academic culture, sports team culture, club culture, and fortress culture. These typologies provide a theoretical framework that enables a deeper understanding of the impact of different cultural patterns on transparency and accountability in organizations. Different cultural models not only shape employee behavior but also establish norms that define how information is shared and responsibilities are distributed within organizational structures.

For the analysis of the relationship between organizational culture, transparency, and accountability, we have opted for the model of Cameron and Quinn, known as the Competing Values Framework. This model, one of the most recognized and frequently applied in contemporary management theory, allows for a comprehensive view of the key dimensions of organizational culture – from the functioning of the organization and leadership style to interpersonal relationships and decision-making mechanisms (Figure 1).

Figure 1. Adapted based on Cameron and Quinn (2011).

A special advantage of this model lies in its ability to identify values and behaviors that directly influence the openness of communication, information exchange, and distribution of responsibilities. Through four basic types of culture – clan, adhocratic, market, and hierarchical – the model helps in understanding how, in different organizational contexts, a culture based on trust, clarity, and accountability is developed or hindered. In this sense, organizational culture is classified into 4 types:

- Clan Culture: based on the values of teamwork, mutual trust, respect, and close relationships among employees. In this culture, transparency is built through open communication, participative decision-making, and promoting collaboration, while accountability develops as a shared value and part of the collective consciousness.
- Adhocratic Culture: promotes innovation, creativity, and a high degree of flexibility. In this context, transparency is reflected through encouraging the exchange of ideas and innovations, while accountability is seen through individual initiative and risk-taking to develop new solutions.

- Market Culture: characterized by a focus on results, competition, and goal achievement. Transparency here is reflected through clearly defined goals and measurable results, while accountability is most often expressed through individual performance and contribution to achieving business outcomes.
- Hierarchical Culture: the emphasis is on formalized procedures, rules, standards, and control. Transparency in this type of culture is achieved through clearly established protocols and communication guided by procedures, while accountability is strictly institutionalized and linked to hierarchical levels and roles.

Additionally, thanks to diagnostic tools such as OCAI, this model also provides a solid methodological foundation for analyzing existing practices. This offers managers concrete guidance for identifying areas that need improvement and for strategically steering the development of organizational culture toward greater transparency and accountability, in line with the organization's goals.

Concluding Considerations with Recommendations

Organizational culture based on transparency and responsibility represents the foundation of modern and sustainable business operations. These values not only contribute to internal stability and trust among employees but also strengthen the organization’s reputation in the external environment. Transparency enables the open exchange of information, facilitates making quality decisions, and reduces the space for unethical practices, while responsibility encourages individual and collective commitment to achieving the organization’s goals. To fully integrate these values into the organizational culture, the following is recommended:

- Clearly define and institutionalize the values of transparency and responsibility through strategic documents, internal policies, and daily practices;
- Develop leadership styles based on ethical behavior, trust, and open communication;
- Establish mechanisms for evaluating and monitoring adherence to the principles of transparency and responsibility at all organizational levels;
- Encourage a culture of dialogue and collaboration, where information is accessible, and employees are involved in decision-making;
- Align the reward and sanctioning system with organizational values to promote responsible behavior and sanction irregularities;

It is recommended to conduct diagnostics using the Organizational Culture Assessment Instrument (OCAI) to determine the current state of organizational culture and define desired directions for its development in line with business goals and modern management standards. Special focus should be placed on promoting clan and adhocratic cultures in organizations aiming for a higher degree of transparency, employee participation in decision-making, and the development of responsibility based on trust and shared values.

By consistently applying these recommendations, organizations can build a stable and ethical business environment that fosters trust, motivation, and innovation. In this way, transparency and responsibility become not only declarative values but also operational standards that contribute to the long-term success and competitiveness of the organization.

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UDK 343.85:343.352]:658.881-022.231:004(48)

343.9.024:336.7]:658.881-022.231:004(48)

SYSTEMIC CASH MINIMIZATION THROUGH DIGITALIZATION AS AN INSTRUMENT OF ANTI-MONEY LAUNDERING AND ANTI-CORRUPTION POLICY: EVIDENCE ACROSS JURISDICTIONS

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Abstract

*This paper explores the interdependence between corruption**,** money laundering, and systemic cash minimization (SCM) as an emerging anti–money laundering and anti-corruption framework. Corruption, defined as the abuse of entrusted power for private gain, and money laundering, the concealment of illicit proceeds, are mutually reinforcing and sustained by the anonymity of cash-based economies. SCM, conceptualized as a coordinated set of regulatory, technological, and behavioral interventions, seeks to reduce physical cash use and enhance transaction traceability. Drawing on the* deterrence-through-observability *framework, the paper argues that decreasing transactional anonymity raises the expected costs of illicit behavior, thereby deterring corruption and laundering activities. Cross-national evidence from Sweden, Denmark, and Norway demonstrates how high digitalization and legal cash limits support effective AML regimes, while cases from Nigeria, India, and Kenya illustrate alternative, inclusion-oriented pathways toward transparency. Findings suggest that although SCM contributes to greater financial integrity and accountability, its success depends on institutional capacity, digital inclusion, and proportional implementation. The paper concludes that systemic cash minimization is a promising but not self-sufficient governance tool—its long-term efficacy requires balancing transparency with equity and privacy in increasingly digitalized economies.*

Keywords: *Corruption, AML, cash, finance, economy*

Introduction

In broad terms, corruption is defined as the abuse of entrusted power for private gain. In economic terms more specifically, corruption is usually described as distortion of market processes and institutional efficiency, where rent-seeking behavior leads to misallocation of resources and inefficiencies. However, many more angles of the definition of corruption arise, it is undoubtedly the criminal malpractice that unfortunately burdens every economy to some extent, and impedes business activities in an economic system.

Similarly, money laundering is closely connected to centers of power, as it is an activity that cannot be excluded from the effects of corruption on an economy. Money laundering and corruption are intrinsically linked through their financial dynamics: corruption generates illicit proceeds—such as bribes, embezzled funds, or kickbacks—that require laundering to conceal their origin and integrate them into the legitimate economy. In turn, effective laundering mechanisms enable corruption to persist and expand by reducing the risk of detection and allowing corrupt actors to safely enjoy and reinvest their illicit gains.

There are many factors that affect the level of corruption in a system, and they vary from political to economic ones, often interspersed with geopolitical systemic issues. Therefore, it is difficult to adopt one method or strategy for lowering corruption; usually an everchanging set of methods, tools, techniques is needed, and the combination of them all varies depending on the system itself and the level of corruption embedded in it.

One of the major economic issues when dealing with corruption and money laundering is the presence of cash in a system. Cash remains the most anonymous, immediate, and widely accepted means of payment. However, these same features that make cash a convenient means of payment also create fertile ground for money laundering and corruption: cash leaves few auditable traces, facilitates off-ledger transactions, and can easily flow through the system undetected. This is why cash transactions are considered one of the most prominent symbols of a corrupted system: an economic system which is heavily reliant on cash transactions is more prone to corruption than one where transactions are primarily digitalized. Both institutional reports and global academic researches have shown links between the level of cash-based transactions in a system and the level of corruption (see Singh, 2017, Welsh et. Hanfin, 2017, and Kotkowski, 2025).

Although it is difficult to imagine a cash-less society yet, many countries have tried to minimize the level of cash transactions, in order to eliminate ways in which corruption can be veiled in their economies. However, while business-to-consumer transactions are harder to imagine without any cash in the system, business to business transactions in many countries are migrating to only digitalized vehicles, as a means of lowering corruption in businesses and business-to-government corruptive practices. It must be noted however, that in more developed countries (e.g. Scandinavian countries: *Anti-Money Laundering Act and cash payment limits in Denmark,* Anti-Money Laundering Act of Norway or Riskbank proposal of cash minimization of Sweden) even business-to-consumer transactions are highly digitalized; and links between this digitalization rate and the extreme lowering of corruption are not by chance. Over the last decade, governments and financial institutions have experimented with interventions intended to reduce the role of physical currency in everyday transactions—ranging from stricter cash-transaction caps and enhanced reporting thresholds to the proliferation of instant, low-cost digital payment rails. We refer to the coordinated use of such policies and infrastructures as systemic cash minimization (SCM): a policy regime that aims to lower the economy-wide share of cash in payments and settlements in service of anti-money laundering (AML) and anti-corruption objectives.

Concepts of corruption and money laundering

Corruption and money laundering are interlinked phenomena that undermine governance, distort markets, and erode public trust. **Corruption** is broadly defined as the abuse of entrusted power for private gain (Transparency International, 2023). Academic literature distinguishes between *petty* corruption—such as bribe-taking by lower-level officials—and *grand* corruption, which involves political elites and systemic capture of state resources

(Johnston, 2005). Corruption weakens institutional integrity by diverting resources from productive uses and incentivizing secrecy and rent-seeking (Mauro, 1995). In development economics and political science, it is frequently modeled as a principal–agent problem: public officials (agents) exploit informational asymmetries to prioritize personal gain over collective welfare (Klitgaard, 1988). Money laundering refers to the process by which the proceeds of criminal activity are concealed, disguised, or integrated into the legitimate financial system to obscure their illicit origin (Unger et. Ferwerda, 2008). The classic typology—*placement, layering,* and *integration*—captures its sequential logic: cash or assets derived from crime are first introduced into circulation, then fragmented or transferred through complex transactions to distance them from their source, and finally reintroduced as seemingly lawful income or assets (Reuter et. Truman, 2004). While originally associated with organized crime, laundering now encompasses a broad range of predicate offenses including corruption, fraud, and tax evasion. In this sense, money laundering is not merely a financial crime but an *enabling mechanism* for corruption and other illicit economies (Levi et. Reuter, 2006).The nexus between corruption and money laundering is mutually reinforcing. Corruption generates illicit funds that require laundering, while laundering mechanisms—particularly those exploiting opaque financial jurisdictions or cash-intensive sectors—facilitate the concealment and enjoyment of corrupt proceeds (Ferwerda, 2009). Consequently, anti-corruption and AML frameworks increasingly converge around transparency measures such as beneficial ownership registries, cash transaction limits, and mandatory reporting of suspicious activities. Empirical research suggests that jurisdictions with stronger AML enforcement and reduced reliance on anonymous cash transactions exhibit lower perceived corruption levels (Singh, 2017). Thus, understanding corruption and money laundering as intertwined governance failures highlights the need for coordinated policy responses that combine deterrence, transparency, and institutional accountability.

Systemic cash minimization – theoretical framework and implementation examples

The link between cash and corruption is well-documented across academic research, policy analysis, and institutional reports. There is a number of factors that establish cash as an enabling mechanism of corruption, be it the lack of transparency, the veil of anonymity or the ease of concealment of cash transactions. Purely cash transactions leave no digital trace, which implies that the direction of cash flow can be easily concealed from sender to recipient, which allows for a veil of anonymity. In this sense, illicit payments are easily made using cash – if cash is minimized in a system, it is expected that such payments will be difficult, if not impossible, to remain under the veil of anonymity. In terms of the lack of transparency of cash transactions, circumventing payments via a banking system creates a possibility of inflated invoicing, under-the-table deals and other practices that stem from corruptive behaviour. Additionally, cash allows for long-term concealment and storage, which cannot be made undetected when digital payments are in question.

In this sense, the action of minimization cash transactions in a system would theoretically lead to cutting off the possibilities of corruptive practices and money laundering.

Systemic Cash Minimization (SCM) refers to a coordinated set of regulatory, technological, and behavioral interventions aimed at reducing the economy’s reliance on physical cash in order to improve financial transparency, deter illicit activity, and enhance the traceability of transactions. Conceptually, SCM builds upon theories of institutional transparency and deterrence economics, positing that when transactional anonymity declines, the expected cost of engaging in money laundering or corruption increases (Becker, 1968; Ferwerda, 2009). In this sense, SCM operates not merely as a payment modernization agenda but as a governance instrument, intended to reshape the incentive structure that sustains informal and illicit financial behavior.

At the theoretical level, SCM aligns with the literature on informality and financial surveillance, which emphasizes how cash-dependent economies create "opacity rents" that shield illicit exchanges from oversight (Schneider et. Enste, 2013). By substituting traceable electronic payments for anonymous cash transactions, an economy can reduce informational asymmetries between regulators and economic agents (Naylor, 2003). This mechanism follows the deterrence-through-observability model: increasing transaction visibility raises the probability of detection, thereby discouraging misuse of funds and corruption-related cash flows (Unger et. Ferwerda, 2008). Moreover, digital payment ecosystems generate "data exhaust" that enhances supervisory analytics, enabling early identification of anomalous patterns linked to predicate offenses (World Bank, 2020).

However, excessive restriction of cash can marginalize unbanked populations, reduce transactional privacy, and push some activities into informal channels (Rogoff, 2016). Therefore, effective SCM depends on balancing transparency with inclusion—ensuring access to low-cost digital payment options, tiered know-your-customer regimes, and offline-capable solutions for underserved users (World Bank, 2020). In policy terms, SCM succeeds not by abolishing cash outright but by re-engineering the ecosystem to make traceable, low-friction digital payments the dominant and most convenient default.

Relation between cash minimization and AML and anti-corruption policies: evidence from economies

The global shift toward reducing cash dependence has been already in motion for almost the entire quarter of this century: policies starting from the early 2000s in Sweden have been the first of many examples of SCM through digitalization, used as instruments for AML and anti-corruption. The global shift toward reducing cash dependence reflects a combination of AML objectives, digitalization and financial modernization and fiscal transparency. Different governments have implemented different SCM strategies, having in mind that they all had different end goals to reach: from corruption control to payment efficiency. However, the underlying rationale is consistent: lowering the share of physical cash transactions diminishes the anonymity that enables illicit finance. The following section of this paper will analyze the different policies implemented in terms of SCM, and the evidence of their effects as AML and anti-corruption instruments across different jurisdictions.

Sweden

One of the pioneers of a cashless society has been Sweden, beginning its transformation in the early 2000s. Sweden is often cited as the archetype of a near-cashless society. The country's transformation was market-driven, supported by digital infrastructure and strong public trust in institutions. According to Arvidsson, Hedman, and Segendorf (2018), cash transactions accounted for less than 10% of point-of-sale payments by 2020. The government and the *Sveriges Riksbank* encouraged digital payment innovations such as Swish, a mobile platform connecting banks for real-time peer-to-peer and retail transfers. Although Sweden has not imposed a legal ban on cash, its Payment Services Act and the integration of digital identity systems (BankID) have reinforced transparency and traceability. The Riksbank (2024) has also proposed introducing a maximum cash payment ceiling to align with forthcoming EU AML directives. Sweden's experience demonstrates that SCM can emerge from the interaction of technological diffusion and policy alignment rather than coercive restrictions. Armelius et. al. (2022), after studying 129 countries related to cash usage, have concluded that lower levels of corruption are associated with lower demands for cash, due to the less cash in circulation. Although Sweden's implementation of SCM policies fits the pattern of very low cash demand, the authors conclude that its sharply declining cash share cannot be fully explained by their model. In theory, the highly digitalized payment system of Sweden has overcome the problems of lack of transparency and anonymity in its cash usage. However, this type of near-cashless environment appears to have opened new fraud risks in the most recent times, especially financial crimes. However, at this point Sweden is ranked 8th out of 180 countries on the Transparency International Corruption Perceptions Index (CPI) 2024, giving its SCM policies a popularity as instruments of AML and anti-corruption.

Denmark

Denmark has adopted a more explicitly regulatory approach to cash minimization as part of its AML regime. The Anti-Money Laundering Act (Hvidvaskloven) restricts cash payments above DKK 20,000**,** targeting the opacity of large-value transactions (Danmarks Nationalbank, 2021). Retailers must maintain auditable electronic records of payments exceeding this threshold. Parallel efforts to expand the digital infrastructure—such as the *MobilePay* platform—have normalized cashless retail transactions. Denmark's Ministry of Industry, Business, and Financial Affairs has emphasized that reduced cash circulation enhances the effectiveness of AML supervision by narrowing the space for unrecorded exchanges (European Commission, 2024). Empirical indicators show that currency in circulation relative to GDP has declined steadily since 2010, while electronic payments have expanded across all demographic segments (Danmarks Nationalbank, 2021).

Norway

Norway combines AML compliance with digital financial innovation. The Anti-Money Laundering Act prohibits cash payments of NOK 40,000 or more for goods and services, whether single or split transactions (Government of Norway, 2018). This limit aims to prevent layering through high-value cash deals. The Norwegian government also supports the development of a central bank digital currency (CBDC) pilot to future-proof payment systems and enhance transaction traceability (Norges Bank, 2023). The country's banking penetration exceeds 98%, and over 95% of payments are electronic, reflecting a high level of financial inclusion (OECD, 2022). Norway's case underscores how SCM policies are most effective when accompanied by robust digital infrastructure and consumer adoption.

Nigeria

In emerging economies, cash minimization is often motivated by the need to combat corruption and improve fiscal oversight. Nigeria introduced its Cashless Policy in 2012 under the Central Bank of Nigeria (CBN) framework, limiting daily cash withdrawals and imposing processing fees on high-volume cash transactions (CBN, 2019). The policy sought to reduce the cost of cash management, curb illicit flows, and promote e-payment adoption. Empirical studies (Nwikina & Tonye, 2023) find that regions with higher uptake of digital payments show modest declines in corruption perception indices. However, implementation challenges remain, particularly in rural areas with limited access to formal banking and digital infrastructure. Despite temporary resistance, Nigeria's gradual transition toward mobile and card-based payments has contributed to a growing share of traceable financial flows.

India

India's cash minimization drive gained momentum with the 2016 demonetization policy, which invalidated 86% of circulating currency overnight to combat black money, counterfeiting, and corruption (Rogoff, 2016; Ghosh, 2018). The government subsequently launched the Digital India and Unified Payments Interface (UPI) initiatives to accelerate the adoption of digital payment systems. According to the Reserve Bank of India (2023), the number of digital transactions increased tenfold between 2016 and 2022. The UPI system has become a cornerstone of SCM by enabling free, instant, interoperable payments across banks. Nonetheless, critiques argue that without sustained financial inclusion, demonetization-induced SCM can disproportionately affect informal workers and small enterprises (Banerjee & Duflo, 2019).

Kenya

Kenya exemplifies bottom-up cash minimization through technological innovation. The launch of M-Pesa in 2007 revolutionized mobile money by allowing users to send and receive funds without a traditional bank account (Jack & Suri, 2014). The government and the Central Bank of Kenya later integrated AML safeguards such as transaction caps and identity verification to prevent misuse. According to the World Bank (2020), over 80% of adults now use mobile money, substantially reducing the volume of anonymous cash transactions. Kenya's experience shows that SCM can emerge organically through financial inclusion policies, achieving both economic empowerment and enhanced traceability.

Conclusion

This paper has examined the intricate relationship between corruption, money laundering, and the systemic minimization of cash as an anti-corruption and AML instrument. Corruption, conceptualized as the abuse of entrusted power for private gain, undermines institutional integrity, distorts markets, and impairs economic growth. Money laundering serves as its financial conduit, enabling the concealment and legitimization of illicit proceeds. The study has emphasized that both phenomena are deeply intertwined, mutually reinforcing, and collectively dependent on the opacity afforded by cash-based economies. As such, reducing the economy's reliance on cash represents not merely a technological modernization but a systemic governance reform aimed at enhancing transparency, accountability, and traceability. When transactions become increasingly digital and traceable, the expected costs of illicit behavior rise, thereby discouraging corrupt and laundering activities. Empirical examples across multiple jurisdictions demonstrate that this principle holds in diverse institutional contexts. In Sweden, Denmark, and Norway, where SCM is embedded in broader AML frameworks, high levels of financial inclusion and digitalization have produced environments in which illicit cash flows are more easily traceable. Emerging economies have also embraced SCM, albeit through different pathways. The examples of Nigeria and India's demonetization and digital payment initiatives show that SCM can be driven by fiscal and governance imperatives, while Kenya's example illustrates that bottom-up innovation can organically yield similar outcomes. Each model, however, underscores the importance of inclusion and proportionality: without accessible digital infrastructure, overly restrictive cash policies can marginalize vulnerable populations or push activities into informal sectors.

In conclusion, systemic cash minimization represents an increasingly central policy instrument in the global fight against corruption and money laundering. Its effectiveness lies in its capacity to reduce transactional anonymity while fostering a culture of financial transparency.

Yet, SCM through digitalization must be complemented by robust institutional capacity, data protection safeguards, and inclusion strategies that ensure that transparency does not come at the cost of safety in the digital sense.

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UDK 343.352:334.722]:086(100)“2024/2025“

RECENT TRENDS IN RESEARCH ON CORRUPTION IN BUSINESS: A SYSTEMATIC LITERATURE REVIEW (2024–2025)

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Abstract
This paper presents a systematic literature review of recent scholarly publications on corruption in business, focusing on articles published in 2024 and 2025 and indexed in the Web of Science database. The main objective is to identify key thematic areas, methodological approaches, and geographic patterns in current research. The analysis reveals dominant trends, including an increasing association of corruption with sustainability, corporate governance, and digital technologies. Shifts in research methodologies and the growing presence of interdisciplinary perspectives are also observed. This review offers a comprehensive overview of the current research landscape and highlights potential gaps that may serve as directions for future studies in the field of business corruption.
Keywords: *Corruption, business ethics, systematic literature review, corporate governance, sustainability, digitalization, Web of Science*

1. Introduction

Corruption remains one of the most pervasive challenges in business, affecting not only organizational performance but also economic stability and social trust. Despite the vast body of literature on this topic, corruption continues to evolve, presenting new challenges and requiring fresh perspectives. In recent years, the increasing complexity of global business operations, the rise of digital technologies, and growing concerns over sustainability have led to new discussions and research directions within the field of business corruption.

This paper seeks to provide a comprehensive review of recent scholarly research on corruption in business, focusing specifically on publications from 2024 and 2025. By conducting a systematic literature review of papers indexed in the Web of Science database, this study aims to identify and analyze emerging trends, methodological approaches, and geographical patterns in the field. In particular, this review will explore how contemporary research is addressing the intersections of corruption with corporate governance, sustainability, and digitalization, as well as the evolving methodologies used to study these issues.

The goal of this paper is to provide a clearer understanding of the current state of business corruption research, highlight key developments, and suggest potential areas for future investigation. By identifying these trends, the paper aims to contribute valuable insights into how businesses, policymakers, and academics can address the ongoing challenges posed by corruption in the modern business environment.

2. Methodology

This paper employs a systematic literature review methodology to analyse the recent trends in business corruption research. The review focuses on academic publications indexed in the Web of Science database, specifically from the years 2024 and 2025. A systematic approach was chosen to ensure a comprehensive and unbiased selection of relevant studies, which allows for a more robust understanding of the current state of research on corruption in business.

Selection Criteria:

The following inclusion and exclusion criteria were applied in selecting the articles for review:

Inclusion Criteria:

- Studies published in peer-reviewed journals or presented at reputable conferences.
- Publications focused on corruption in business, including corporate governance, corporate social responsibility, sustainability, and the role of digital technologies in mitigating corruption.
- Articles published between January 2024 and December 2025.
- Research studies that employ both qualitative and quantitative methods, as well as interdisciplinary approaches.

Exclusion Criteria:

- Studies focusing on corruption in non-business contexts (e.g., politics, public administration).
- Articles not indexed in the Web of Science database.
- Studies published before 2024 or after 2025.

Data Collection and Analysis:

The selected studies were analyzed using a thematic analysis approach. Key themes, trends, and patterns were identified by reviewing the abstracts, methodologies, and findings of the selected papers. The analysis focused on:

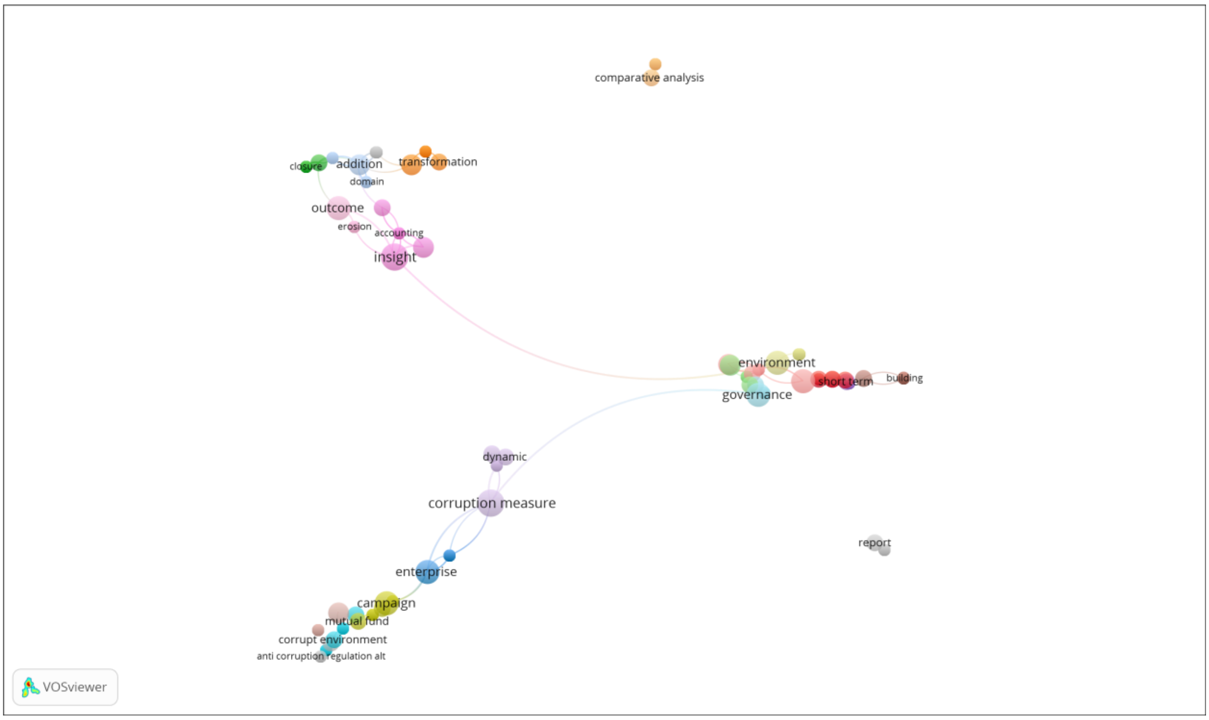
- Thematic Areas: Identifying the main research topics and emerging trends within business corruption.
- Geographic Patterns: Examining the geographic distribution of research, with a focus on regional differences and trends.
- Methodological Approaches: Analyzing the different research methods used, including qualitative, quantitative, and mixed-methods approaches.
- Research Gaps: Highlighting areas that remain underexplored or require further investigation in the field of business corruption.

Additionally, a citation analysis was performed to identify influential papers and authors in the field, as well as to assess the impact of recent publications.

Limitations:

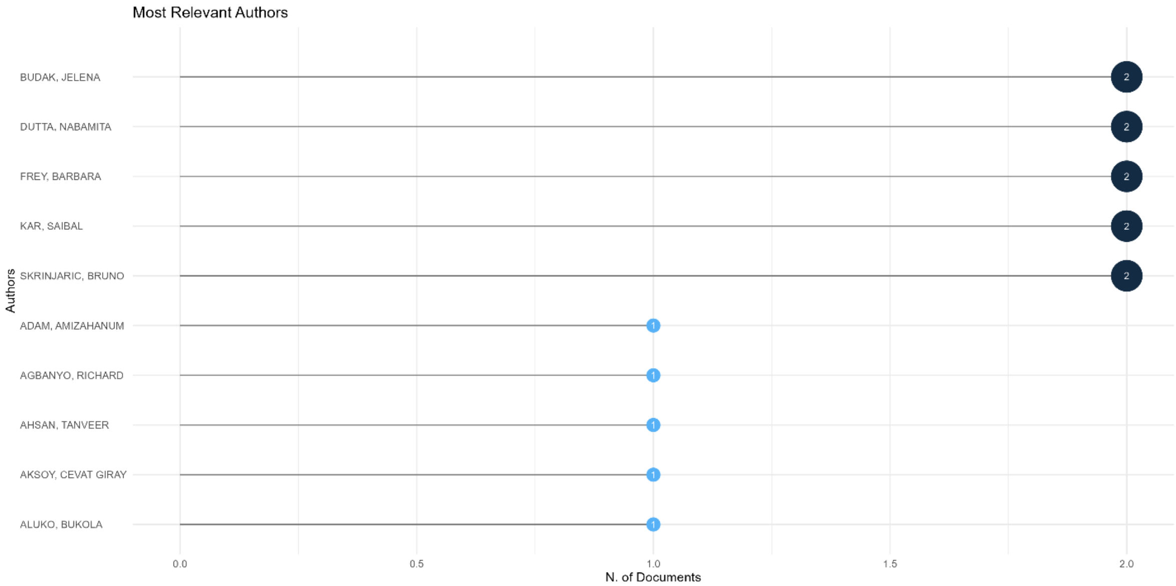
While this systematic review provides valuable insights into current trends in business corruption research, it is limited to the studies indexed in the Web of Science database and does not include grey literature or publications in languages other than English.

3. Trends in Corruption Research (2024–2025)



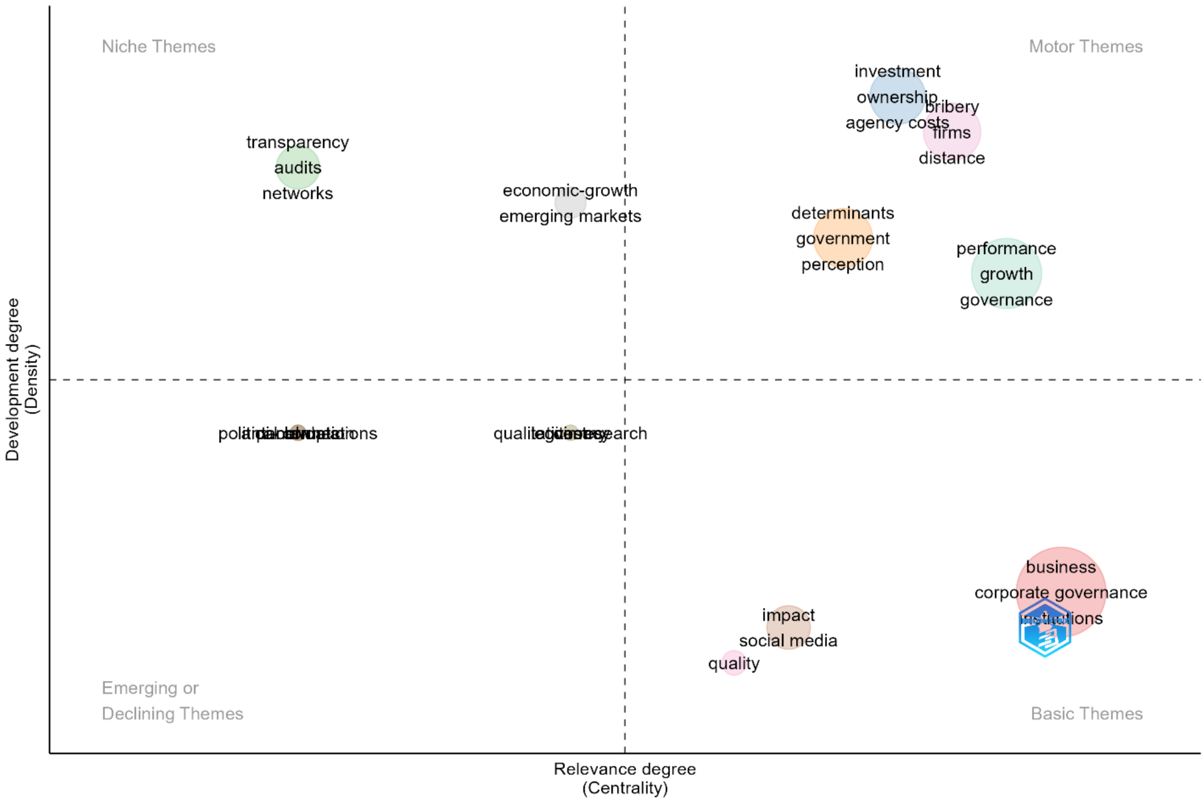
Graphic 1: Most relevant keywords (source: VOSviewer)

This network map visualizes the co-occurrence of keywords within the literature related to the selected topic. Each node represents a keyword, and the size of the node indicates the frequency of its appearance. The lines between nodes show how often keywords appear together in the same documents. Different colors represent clusters of related terms, indicating thematic groupings. For example, terms like "corporate governance", "performance", and "institutions" are grouped closely, suggesting a strong thematic link within that domain of research.



Graphic 2: Most Relevant Authors (source: Rstudio Biblioshiny)

This bar chart shows the most relevant authors based on the number of documents they have contributed to in the dataset. The authors at the top (e.g., Budak, Jelena; Dutta, Nabamita) have published the most, each contributing two documents. This visualization highlights the key contributors and possibly influential voices in the field, offering a starting point for exploring foundational or frequently cited works.



Graphic 3: Thematic map (Source: Rstudio Biblioshiny)

This strategic diagram categorizes research themes based on their development (density) and relevance (centrality). Themes in the upper-right quadrant (Motor Themes) like "investment", "governance", and "bribery" are both well-developed and central to the field. Basic themes in the bottom-right quadrant, such as "corporate governance" and "institutions", are highly relevant but less developed. The top-left quadrant contains Niche Themes like "transparency" and "audits", while themes in the bottom-left are either emerging or declining, indicating they may not yet be central to the field.

4. Key Findings, Discussions and Conclusion

The systematic review of recent literature on corruption in business, focusing on publications from 2024 and 2025, highlights several key trends that shape the current understanding of this pervasive issue. One of the most prominent findings is the increasing use of interdisciplinary approaches in the research on business corruption. Scholars are increasingly integrating perspectives from political science, sociology, and law alongside traditional business and economics frameworks. This trend suggests a broader and more comprehensive understanding of the complexities of corruption, emphasizing that it cannot be studied in isolation but rather in connection with broader societal, legal, and institutional dynamics.

Another significant finding is the central role of corporate governance in mitigating corruption within business practices. Many studies emphasize the importance of transparent and accountable governance structures in fostering ethical behavior and preventing corrupt practices. These studies underline the necessity for businesses to not only adopt ethical policies but to ensure these policies are actively enforced through clear regulations and leadership that sets a positive example. The research indicates that strong governance structures are vital in creating an environment where corruption is less likely to thrive, but also stresses that ethical leadership must go hand-in-hand with a commitment to transparency at every organizational level.

A further emerging theme in the recent literature is the growing importance of technology, particularly digital tools and artificial intelligence, in the detection and prevention of corruption. The use of advanced data analytics and AI is seen as a promising solution to identify patterns of fraudulent activities and financial misconduct in real-time, particularly in complex sectors such as public procurement and finance. However, this increased reliance on technology also presents new challenges, as the misuse of digital tools can also facilitate corrupt practices if not carefully monitored. This duality presents both an opportunity and a risk, emphasizing the need for ongoing vigilance and robust safeguards as technology becomes more integrated into business operations.

The research also reveals regional differences in the study of business corruption. While there is a significant body of work focused on corruption in developed economies, much less attention is paid to emerging markets, particularly in regions like Southeast Asia, Africa, and parts of Latin America. These areas continue to face high levels of corruption, yet they are underrepresented in academic research. This disparity suggests a critical gap in the literature and calls for more region-specific studies that can provide insights into the unique challenges and opportunities for combating corruption in these contexts.

In conclusion, while significant progress has been made in the study of business corruption, the issue remains complex and multifaceted. The integration of interdisciplinary perspectives, the focus on corporate governance, and the increasing role of technology offer promising avenues for addressing corruption more effectively. However, there is still much work to be done, particularly in terms of regional research, to understand the full scope of corruption across different economic and cultural contexts. Future studies should continue to explore these gaps, with a focus on developing region-specific anti-corruption strategies and exploring the ethical implications of emerging technologies in the fight against corruption. Strengthening corporate governance frameworks and fostering ethical leadership within businesses are also crucial steps in reducing corruption and promoting sustainable business practices moving forward.

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UDK 343.85:343.352]:329:342.849.2(497.7)"2024"

THE FIGHT AGAINST CORRUPTION IN THE ELECTION PROGRAMS OF THE PARLIAMENTARY REPRESENTED POLITICAL PARTIES IN THE 2024 MACEDONIAN PARLIAMENTARY ELECTIONS – A REVIEW

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Abstract
A year ago, the 11th parliamentary elections in pluralism were held in the country. They were attended by 16 political parties and coalitions and one group of voters. Only six of them managed to make it to the Macedonian Assembly. In the past decade, surveys on citizens' perceptions of corruption have shown a tendency for this problem to rise from fifth to first position as the country's most serious social challenge. Political parties, which always carefully prepare their political programs and platforms to gain a larger number of votes, have no way of not including this serious problem in their pre-election strategies on the eve of these elections. Taking into account that citizens are overly sensitive to issues related to corruption, some parties offered entire chapters addressing this matter in their election programs. Hence, the purpose of this paper is, through a comparative analysis of the election programs of the six relevant parties and coalitions that achieved the best results and entered the Parliament, to indicate: where the political parties located corruption, i.e. which areas were seen as hotbeds of corruption; what aspects they offered in the fight against it; what ideas they offered to improve the national legal and institutional anti-corruption framework; as well as other anti-corruption initiatives that they pledged to launch if they come to or remain in power.
Keywords: *corruption*, *political parties*, *2024 Parliamentary Elections*, *election programs*, *anti-corruption initiatives*;

Introduction

Corruption is often presented in the International Community as a vulnerable area in Western Balkan countries, and it seems that Macedonian citizens share this opinion (Zdravkov, 2015: 35). This thesis is supported by the fact that in the past decade, in several reports assessing corruption in the country, corruption has risen from being ranked as the fifth biggest problem in the country (Nuredinoska at al., 2014: 9; 2016: 15; 2018: 16), to first place in the perception of citizens (Ristevska at al., 2021: 13; 2023: 12).

Corruption is a phenomenon to which even countries far more developed than N. Macedonia are not immune, including those with a longer democratic tradition. It is widespread from the highest to the lowest corridors of political power and authority, as well as in the business world. Its destructive power is seen in the economic, social, and public service delivery spheres. Corruption obstructs economic development, reduces tax revenues, and increases the costs of administrative services. It does not contribute to a fairer redistribution of resources, humiliates the citizen, and contributes to the overall weakness of the state organism (OSCE, 2004: 2).

Hence, it is not at all surprising that politicians and political parties have begun to attach increasing importance to this issue. Political actors in the country have always taken public opinion polls into account with great attention. In them, regarding this challenge, „there is a consensus that corruption is a major social problem; that its omnipresence and impunity have a destructive impact on society“ (Dimitrovska, 2024: 4). Based on such perceptions, they prepared their political platforms and strategies. The political elite is aware that citizens are overly sensitive to this issue and that they seek adequate solutions.

Therefore, it is not surprising that, on the eve of the 11th parliamentary elections in pluralism, the political parties and coalitions that competed in them even dedicated entire chapters to the fight against corruption in their election programs. The paper aimed to conduct a comparative analysis of what aspects of the fight against corruption political parties have addressed in their election strategies. Additionally, ideas that were offered to improve the national legal framework and laws to prevent corruption will be considered, as well as other anti-corruption initiatives that they pledged to launch if they come to or remain in power. In the Elections held on May 8, 2024, 16 political parties and coalitions competed, and one list of a group of voters was submitted. In the analysis, we focused only on the election programs of the six political formations that managed to enter Parliament.

1. The fight against corruption in the election programs of the leading political parties in the 2024 Parliamentary Elections

VMRO-DPMNE, in its *Platform #1198 – People First*, which it offered to voters, dedicated an entire chapter to *the Front against Corruption*, in which it elaborated that „legal uncertainty reigns in the state, and systemically rooted corruption and crime are eroding every healthy tissue of society“ (p. 81). If we take into account how frequently the word corruption is used in the Program, which is 51 times, we can conclude that the party has attached great importance to this issue in its election strategy.

The focus was primarily on reforms in the judicial system, which is understandable since several reports on the perception of corruption in N. Macedonia have indicated that judges are among the most corrupt in the country and that corruption is most widespread in the judiciary (Ristevska at al., 2023: 23-25). The party located the reasons for such a situation in the numerous conflicts of interest in this sphere, nepotism, partisanship, and cronyism. VMRO DPMNE committed to voters that it would anticipate the recommendations of the Assessment Missions and the European Union regarding the conditions for selecting judges at all levels of the judicial branch. They will be based on clear rules and criteria embedded in a merit system. The good practices of the European Network of Judicial Councils and all recommendations from the European Union forwarded so far by the party have been taken as a model in the announced thorough reform of the Judicial Council, both in terms of the method of selecting its members and in terms of the internal rules and procedures for its work. The Council of Public Prosecutors has not been spared from the planned reforms aimed at improving credibility and professional performance. European standards, especially those from the wider neighborhood (Croatia, Slovenia), will be used as a benchmark for VMRO-DPMNE in developing a completely new Criminal Code. Starting from the logic of the separation of the judicial and prosecutorial branches, the party advocates the existence of separate academies for training future judges and prosecutors (Platform #1198, 2024:82-86).

According to several public opinion polls, Macedonian citizens’ trust in the State Commission for the Prevention of Corruption (SCPC) is growing. And in EU reports on the progress of N. Macedonia’s path towards European integration, this institution continues to be assessed as proactive. As such, the SCPC is recognized in the VMRO DPMNE election program, in which the party advocates for strengthening its human and material resources for more efficient task fulfillment. Legal amendments stipulate an obligation for the Public Prosecutor’s Office to act as a priority on the cases and initiatives submitted to it by the SCPC. VMRO DPMNE insists on staffing and resource reinforcement in the State Audit Office (SAO) to continue preventing and recognizing corruption risks. For this purpose, a new department for auditing public procurement is envisaged, where auditors will work to uncover corrupt practices related to the Public Procurement Law. To eradicate corruption in public procurement, VMRO DPMNE focuses on improving the transparency of the single public procurement system by networking it with the register of public sector employees, the Employment Service Agency, the Public Revenue Office, the Cadastre, the Central Register, the Population Registers, and other necessary systems (Ibid., 91-93).

Several years ago, the above-mentioned SCPC developed the „National Strategy for Prevention of Corruption and Conflict of Interest (2021-2025)“. For the first time, state-owned enterprises, spatial and urban planning, sports, agriculture, and the environment have been identified as corruption risk areas (Ristevska at al., 2023: 31). Some of these areas are also noted as such in the VMRO DPMNE Program for the 2024 Parliamentary Elections. Therefore, the party advocates for applying software tools that enable zero corruption and a fast, transparent, efficient, and inexpensive way of adopting urban plans. Tolls in Macedonia, which are under the jurisdiction of the Public Enterprise for State Roads, will be electronically collected to reduce corruption. In the domain of sport hunting and shooting, a substantial legal and organizational change is envisaged regarding the trade in weapons and ammunition, as well as permits for their carrying and use, to end arbitrariness and create an efficient system free from corrupt practices (Platform # 1198, 2024: 71, 76-77, 164).

Several comparative studies on corruption have found that public administration is considered a fertile ground for corruption infiltration, especially in countries in transition that do not have a long democratic tradition, such as N. Macedonia. This is due to inadequate legal regulation and imprecise and vague legislation, its weak organizational structure, inadequate education of administrators, and low salaries in the administration, i.e., the unfavorable material status of public servants (Zdravkov, 2015: 22-23). The public administration is also recognized by VMRO-DPMNE as bureaucratized, complicated, closed, and corrupt, with unclear procedures and a hotbed of nepotism. Hence, the political option’s programmatic commitments are for a public administration built on clear rules, principles of meritocracy, and a transparent relationship with citizens. An aspect of achieving these goals is the announced digital transformation. Digitalization should reduce the subjective human factor in decision-making processes, facilitate communication between institutions, simplify procedures, and improve access to services. All this will eliminate opportunities for corruption. Along these lines is the idea of developing a specialized digital platform for holding training on integrity, recognition, prevention, and suppression of corruption in the public sector, as well as the idea of mandatory implementation of the ISO 37001 standard for anti-corruption management in state institutions (Platform # 1198, 2024: 95, 106, 112).

Another important tool for improving the business climate and reducing bureaucracy and corruption is the Regulatory Guillotine 2025, which should scan a series of laws and bylaws, procedures, and actions, to abolish or simplify them (Ibid., 22).

VMRO DPMNE’s key programmatic determination in terms of the fight against corruption is the formation of a government coordination body for this area, in whose work will participate the heads of institutions that directly work in the prevention and fight against corruption (SCPC, SAO, Inspection Council, Public Prosecutor’s Office, and others) (Ibid., 91). However, the body’s position in the election program has left an impression of insufficient deliberativeness because the program does not explicitly envisage including the civil society sector, the media, the private sector, the academic community, and other individuals with expertise in this area. Even though the body was formed ten months after the formation of the new government (the Program envisaged this to happen within the first 100 days), it was emphasized at the constituent session that in the future, there would also be „broad participation of representatives from state institutions, international partners and civil society“ (Source: Vlada.mk) in its work.

Even the Social Democratic Union of Macedonia (SDSM)**,** from the ruling party's position, did not ignore corruption in its pre-election *Program for a European Future*. The word corruption is mentioned 49 times in it. Given that this formation has continuously governed the country for two terms, it is logical that the program's character in the context of the issue of corruption was more accountable. According to SDSM, proof of the dedicated work and fight against corruption is "the jump" from 85th to 76th place on Transparency International's Corruption Perceptions Index. Additionally, N. Macedonia has made progress in implementing the recommendations from the Fourth Evaluation Round Report of the Council of Europe's Group of States for the Prevention of Corruption (GRECO). The second supplement to the Second Report on the country's compliance with the implementation of recommendations relating to the prevention of corruption among members of parliament, judges, and prosecutors, assesses that 14 of the 19 recommendations have been implemented to a satisfactory extent or have been acted upon satisfactorily, four have been partially implemented, and only one of the recommendations has been assessed as not implemented. As an important contribution to the fight against corruption, the party also pointed out the obligation of state institutions to submit annual plans for assessing corruption risks, to determine each institution's potential risk of corruption, and, based on the identified risks, to undertake specific measures and activities to overcome them. SDSM also considers expanded confiscation, which is provided for in the amendments to the Criminal Code, as an important weapon in the fight against organized crime and corruption, as well as the initiation of the adoption of the Law on Confiscation of Property in Civil Procedure. According to the party, both solutions should show that corruption and crime are unprofitable. Confiscated assets from organized crime and corruption are indicated to be used for public interest and social purposes (Program for a European Future, 2024: 49, 51, 123).

In the relevant Program, SDSM also showed a certain dose of self-criticism, indicating that they are aware that citizens believe that the fight against crime and corruption has not yielded the promised results and that much more and much better work needs to be continued. SDSM believes that the absence of a functional state and democratic system, due to the presence of high corruption, slow reforms in public administration, and distrust in the judicial system, is the main reason young people leave the country (Ibid., 51, 148). In these areas, the party offered a series of measures aimed at their improvement. Reforms for a more efficient judiciary have been declared a top priority. With the aim of greater professionalism, integrity, and efficiency, the party envisages: legal reforms for a strong, independent, and professional judicial council; vetting for judges and public prosecutors; as well as verification of the origin of the assets of judges and public prosecutors as a key measure in the fight against corruption in the judiciary (Ibid., 52-56). Similarly, like VMRO-DPMNE, digital transformation has been taken as a starting point for reforms in public administration. This is completely logical and to be expected if we know that „digital transformation has gained prominence as an anti-corruption tactic globally, particularly with respect to public services as it focuses not just on digitalization, but on cultural, organizational and operational change within an institution“ (Öhman & Ellena, 2022). Additionally, the COVID-19 pandemic has shown that digitalization is possible and useful and that the future will be largely digital. According to the Program, the digitalization of public administration will contribute to timely, efficient, transparent services free from subjectivism, discretion, and corruption. In this sense, digital tools for reporting corruption are envisaged, as well as electronic monitoring of citizens' submissions to central and local institutions to prevent cases from being kept "in a drawer", unnecessary waiting, delay, and failure to act within the legal deadline (Program for a European Future, 2024: 51, 56).

The 2023 Corruption Assessment Report in N. Macedonia indicates that over 70% of citizens perceive customs officers and over 65% of police officers as corrupt. According to the same analysis, Customs is in the top five, and the Police is in the top ten of the most corrupt state institutions (Ristevska at al., 2023: 23-25). Legal changes are being announced to improve the performance of the Police, to increase its operational independence, especially regarding the Minister. This will strengthen the police service's transparency and integrity in the fight against corruption because the Minister will not interfere in the operational work of the Police as a service to citizens. It also envisages submitting a Declaration of Assets and Interests of its employees, continuing to implement the integrity test and the professional integrity test, and using body cameras as part of the police uniform to successfully deal with corruption in the police ranks. In the interest of citizens and the business community, the introduction of body cameras is also planned for customs officers at the border, for zero tolerance of corruption and corrupt behavior, and to reduce subjectivity in their work (Program for a European Future, 2024: 19, 119, 121-122).

The energy sector is another area where SDSM is announcing a fight against corruption. According to SDSM, corruption in this sector will be reduced through the ownership and management of state-owned energy companies by citizens, who will be the direct and real owners, thereby allowing them to control and manage these companies. Systemic measures to develop the fight against corruption are also envisaged in culture, without specifying which corrupt aspects and practices in this area are at issue. To ensure a society free of corruption, SDSM calls for comprehensive information to be provided to citizens about the impact of corruption, as well as raising public awareness about its consequences in society. Along this line is the commitment to more women in political positions, starting from the premise that women are perceived as less corrupt and more professional in offering quality public services (Ibid., 33, 96, 148, 151).

Under the motto *The Incorruptible in the Parliament*, the Left party (*Levica*) has drafted its election program, which is 62 pages long and includes the word "corruption" 11 times, including in its second chapter, *Law and Anti-Corruption*. In the fight against corruption, 15 specific measures have been offered. Similar to the VMRO DPMNE Program, special focus is placed on the SCPC, which, together with the Ministry of Interior, enjoys the greatest trust among citizens as an institution that fights corruption, according to the latest report on the perception of corruption in N. Macedonia (Ristevska at al., 2023: 72). The Left advocates that the president and most of its members be elected on the opposition's proposal. Additionally, the party insists on strengthening SCPC executive powers, resources, and staffing with experts. Among the measures are the abolition of misdemeanor and the existence of only criminal liability for corruption. SAO audit reports should be the basis for criminal prosecution of officials. A whole set of measures has been proposed, concerning public office holders, starting with the adoption of a Law on the Origin of Property; public and expanded publication of historical data to monitor current changes in the status of property records; and in-depth monitoring of conflicts of interest. In the judiciary, the party insists on taking robust anti-nepotism measures (The Incorruptible in Parliament, 2024: 14). Judicial reform should proceed in the direction of: the creation of specialized courts; substantial reforms in the Judicial Council; general re-election and vetting of judges; abolition of the permanent mandate and introduction of a limited term of 9 years, with the possibility of further advancement to a higher court; stricter criteria for their selection; de-partisanization and professionalization of the judiciary. Levica is on the same page with VMRO DPMNE regarding dividing the Academy for Judges and Public Prosecutors into separate programmatic and organizational units. The key commitments in the criminal justice sphere are the adoption of a new Criminal Code and the expansion of confiscation into criminal or civil proceedings (Ibid., 11, 13).

„Open and transparent party financing (...) is of crucial importance in the fight against corruption" (Popovska, 2015: 31). One of the Left's ideas in this direction is „a ban on private companies-donors to political parties from participating in public tenders" (The Incorruptible in Parliament, 2024: 14). This way, „additional post-election corruption" would be prevented (Popovska, 2015: 45). To better combat corruption, Levica, in its Program, emphasizes the need to improve the Law on the Protection of Whistleblowers – aiming for the timely disclosure of sensitive insider information about corruption schemes and scandals involving public officeholders, as well as encouraging the reporting of corruption through anonymous channels, without putting the reporter at risk (Ibid., 14). In its programmatic commitments, Levica calls for greater deliberativeness in public debates on legal solutions in parliamentary committees and plenary sessions through the mandatory involvement of the academic and expert public, civil society organizations, and affected groups of citizens (formal and informal) from the relevant spheres, including in the fight against corruption domain (Ibid., 10). However, neither Levica nor any other party included in this analysis advocated for establishing a specialized anti-corruption committee in the Parliament,[1] which has been noted in several reports addressing this issue as a mechanism for combating corruption that is missing in the country (Ristovska et al., 2023: 46).

The newly formed ZNAM Movement - For Our Macedonia, in anticipation of the 11th parliamentary elections in pluralism, decided to issue a Proclamation to the Citizens instead of a pre-election program. The Proclamation, which is 854 words and five pages long, includes a short paragraph titled *Justice for All*, *Zero Corruption*, *and the Fight against Organized Crime*. In this sense, the movement advocated for the non-existence of statutes of limitations for criminal and corruption offenses, the reinstatement of the repealed provisions of the Criminal Code, and the increase of penalties for abuse of official position and authority with a minimum prison sentence of 10 years. Starting from the thesis that exists in a series of corruption research studies, that „inadequately paid public servants must be more susceptible to temptation than those who are well paid" (OSCE, 2004: 203), ZNAM, as the only concrete measure proposed in the Proclamation, is an increase in the administration's salaries, but only for the judicial administration by 30%.

The Albanian opposition coalition VLEN, in its *Plan 2030*, specifically in Chapter 10, *Rule of Law*, pointed to a huge decline in democratization and the fight against corruption in the past 8 years. One of the reasons for this weakness is the poor performance of the judicial system. To resolve this issue, a specialized independent body, with co-opted international assistance, is envisaged to conduct vetting. Western, primarily European, experts are planned to be engaged in the judicial and prosecutorial councils to monitor the work of local judges and

[1] There are 24 committees in the current parliamentary composition.

prosecutors for six years. According to the coalition, judiciary reforms should also aim to revise the system for selecting, promoting, disciplining, and dismissing judges and prosecutors, as well as fully digitizing the courts. To uncompromisingly fight crime and corruption, VLEN offered a comprehensive legislative package. This includes adopting the Law on the Asset Recovery Office and legal interventions that will enable the Agency for the Management of Seized Assets to seize and confiscate criminal assets. According to VLEN, a new Law on Public Internal Financial Control is also necessary. The key bodies important in the fight against corruption, the SCPC, the SAO, and the Financial Police, should have their powers expanded through appropriate legal interventions. In addition to legal changes, the 2030 Plan also insists on constitutional amendments to Articles 52 and 112 of the Constitution, following the Croatian model, aimed at reviewing all court proceedings against former or current elected and appointed officials for criminal offenses, including those of a corrupt nature. The VLEN coalition believes that the state needs to establish a coordination network to combat fraud in the domain of European funds (Plan 2030, 2024: 49-53). This is significant because back in 2023, the EU anti-fraud office (OLAF) indicated that European funds were most misused in Macedonia.

EUROPE 2030 is the motto under which the election program of, at that time, the smaller ruling coalition partner, the Democratic Union for Integration (DUI), was packaged. The party opted for a more extensive election program in Albanian, and a more compressed version of it in Macedonian and English. In them, the fight against corruption and organized crime is sublimated in a way that the emphasis, as in some of the previously analyzed election programs, is placed on vetting. However, a qualitative difference between DUI and other political formations is that vetting should also include politicians and employees of law enforcement and security agencies, in addition to the judiciary and prosecution. The party in its Program also talks about vetting corruption, Russian influence, and other anti-state "services". According to the DUI, the fight against corruption requires a systemic approach, zero tolerance, individual responsibility, and greater accountability (Europe 2030: 5).

Conclusion

From the analysis offered above, it can be pointed out that the main efforts of political parties for a more effective fight against corruption are located in the reform of the judiciary. Undoubtedly, this institutional segment faces numerous challenges related to maintaining its credibility. Political parties' noted need for comprehensive reforms aimed at making judiciary operations more efficient and transparent, including in the fight against corruption, seems justified. Vetting in various forms and shapes, offered by some political parties, is considered a "panacea" for the accumulated problems in this area. According to some parties, the amendments to the Criminal Code, made in 2023, contributed to negative repercussions on the justice system and the outcome of criminal proceedings related to high-level corruption cases.

In some programs, the parties very skillfully locate the hotbeds of corruption and offer specific initiatives but do not offer a broader explanation of how they will be implemented and what resources will be used. It is important to emphasize that some political entities attach great importance to implementing digital strategies. The aim is to increase transparency, efficiency, and inclusiveness in the operation of the public sector, which should reduce corruption in this area. Another impression from the analyzed programs is that there is a certain consensus among the parties that the anti-corruption legislation in the country is comprehensive and well-established. However, it needs to be constantly amended, improved, and supplemented. This way, all obstacles and challenges to its more successful implementation would be eliminated. Legal amendments should further strengthen the capacities and competencies of key institutions tasked with fighting corruption. Some political actors are aware that a sustainable anti-corruption policy is unthinkable without greater deliberativeness and involvement of the government, the civil sector, business, the academic community, and the expert public. The logic here is simple. Reforms are always most successful if they result from domestic initiative rather than international pressure, and if all relevant local actors are actively involved with their expertise.

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UDK 343.85:343.352]:17.03

UDK 343.85:343.352]:17.03

PERSONAL FLEXIBILITY AS AN ETHICAL PRINCIPLE IN FIGHTING CORRUPTION

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Abstract
Different target groups have different needs. Corruption represents one of the most serious global challenges to justice, economic development and democratic processes. Corruption destroys fundamental relationships of trust. The issue of legal responsibility, in accordance with the rule of law, requires responsibility to be determined and individualized by the courts and other competent authorities in a specially prescribed manner. Ethical principles play an essential role in building a culture of integrity. This report examines ethical principles in the fight against corruption from a historical perspective, with a particular emphasis on personal flexibility.
The development seeks to show that the fight against corruption is not only a matter of legality, but above all a matter of moral awareness and social responsibility.
***Keywords**: corruption, ethical principles, personal flexibility.*

Introduction
The concept of corruption is reduced to the abuse of public power for the purpose of achieving private interest. Its consequences are detrimental to institutions, economic efficiency and citizens' trust in the system. Vito Tanzi believes that "corruption occurs when the principle of impartiality in decision-making is deliberately violated, with the intention of appropriating some benefit. According to the principle of impartiality, decision-making should not be based on personal or other relationships between the participants in the exchange". (Tanzi, V. 2017: 144-161) Čirich connects corruption with office and thus defines it. "Abuse of official position for the purpose of personal benefit, both of the holder of the office and of a related private or public legal person who participates in an act that is considered corrupt". (Ćirić, J. 2010:9)
With the development of the globalization process, corrupt activity began to go beyond national boundaries and spread throughout the world. The global spread of market behavior with dominant egoistic-rational motives led to a contradiction with moral norms and gave rise to a strong and uneven development of the world economy, allowing an unjustified competitive advantage of some economies over others and the formation of parallel structures of power and authority.
Corruption, as a form of abuse of public or private power for personal gain, has a long history and represents one of the most persistent social problems. Although legal measures are a necessary component of the fight against corruption, the importance of ethical principles for the prevention and eradication of this phenomenon is increasingly recognized.
Ethics belongs to those sciences that study and shape humanity and behavior, giving it the form of systematic and comprehensive knowledge. Ethics as such does not create morality, because it is already contained in human labor and behavior. Ethics is simply a profound and

systematized knowledge of morality. But once formed, such knowledge can subsequently be used for individual and collective improvement of the wisdom of life. (Šimac. N. 2000:46)
From the above it follows that morality is a form of human practice, a form of labor-practical attitude of man to the world, to others, as well as to himself. . “Morality is manifested in the value assessment of human actions and wills as positively and negatively valuable (i.e. non-valuable), in which the former are approved, desired, recommended, commanded, and the latter are disapproved, condemned, condemned, prohibited.” (Pavićević, V. 1967)
Ethical principles, such as integrity, transparency, justice and public accountability, represent the moral pillars of society, which influence the behavior of individuals and institutions.
The main postulates on which international business codes are based are kayoshi /kayoshi/ and human dignity. Kayoshi in Japanese means living and working for the common good. Human dignity refers to the value and integrity of every human being as an end in itself, not a means to achieve someone else's goals.
The modern fight against corruption is based on the following ethical principles:

- Integrity – consistency in observing moral norms and laws, even when not under supervision.
- Transparency – openness in the work of institutions and public access to information.
- Accountability – the ability of an individual or institution to be responsible for its actions.
- Justice – impartiality in decision-making and equality of all citizens.
- Personal flexibility – a person has the right and knows how to choose the ways of his behavior
- Public interest as a priority – opposition of private interests, which leads to a conflict of interest and abuse of power.

Personal flexibility as an ethical principle

The formation of personality is a complex, organized, defined and developed system that is influenced by biological, social, personal and spiritual factors. Personal resilience is intertwined with several basic characteristics, which in general constitute an ethical principle.
Integrity is a basic characteristic of personality, although it can be to varying degrees. There is a constant struggle of order and chaos between subsystems and elements, as well as the possibilities for reorganization in the personality. The cause of immediate business discommunication may be disorganization of the personality, so you have to wait for someone's unusual behavior to reorganize as a whole. Given that the personality is not monolithic and is often conflictual, integrity represents one of the main goals of the personality. Absolute mental unity is an illusion.
Isolation. A businessman should be allowed from time to time to exercise his right to solitude and solitude.
Orderliness. Personality is a set of different parts (ID, ego, super-ego, personal and professional identity, etc.). These parts are often polarized in relation to some business or life task.
Personality stability is the relationship between organization and disorganization, which alternate at regular intervals of time, balancing each other, but not destroying the integrity or functionality of the personality. Stability allows a person to tolerate changes, feelings of dissatisfaction, stress, etc. The principle is applied that there is an optimal balance between stability and change in professional life. Unstable companies determine two ways of behavior:

professional survival and professional sacrifice. Companies that are too stable do not motivate creative individuals to take professional risks, which can block progress.
Openness. There are certain levels of openness or closure of the personality towards the professional and personal environment, and this opening and closing occurs according to relatively established rhythms. Excessive closure makes the personality rigid, which can be fought against with a step-by-step strategy; excessive openness makes the personality uncontrollable, which can be fought with the strategy of setting boundaries.

Analyzing verbal and non-verbal communication, one can observe the discrepancy between the external expression and the verbal message, the cause of which is an intrasystem conflict. The most common and novice mistakes of communicators are: a) registering only one message and basing the communication strategy only on it and b) registering both messages, but according to some subjective belief, giving greater importance to one of them ("eyes never lie" - prejudice; "people always stand by their words" - illusion). For valid business communication, it is necessary to study and understand the subsystems of the personality, especially those related to cooperation, with the greatest decision-making power and basic needs in a given communication. No less important is to find the subsystem that sabotages the action the most. The best solutions are those that allow the client to experience a certain degree of integrity, i.e. satisfy their needs, have the approval of their value system, and seem reasonable to them.
- Evolution. We have defined the personality as a relatively dynamic system with a progressively growing structure and subtle internal reorganization. It is constantly developing and interacting with the changing social environment. It has been established that there is a mutual dependence between the professional identity of the person and the stages of development of the company in which the person works. It is not uncommon for individuals to "absorb" a company and companies to "absorb" individuals. The company may have little influence on the "hard" aspects of reality (political, economic, cultural...), while the "soft" organizational reality depends on internal communications. During its evolution, each company develops a "teleological matrix", woven from core values, which are often implicit and irrational and are expressed, for example, in sentences: "Poor but proud" and the like. Phase crises of organizational evolution require a revision of these core values. Organizational identity is also expressed through the specific quality of vertical, horizontal and circular communication between people.
- Autonomy. There is no absolute individual and organizational autonomy. “Freedom is a conscious necessity” (Spinoza). According to transactional analysis (TA), autonomy contains three main elements: awareness, spontaneity and intimacy. Awareness, which has two aspects: insight into oneself and insight into the outside world. Self-awareness: phenomenological awareness (my thoughts, feelings and behavior are available to me); awareness of communication (how it goes with people); motivational awareness (the reasons why it happens) and historical awareness (how it happened during one’s own growth). Insight into the outside world is awareness of the people in the company where the individual works, of the company’s rules, of understanding, explaining and possibly influencing organizational processes. Spontaneity implies the freedom to choose between the provided options and to solve problems in an individual style. Intimacy is an open, deep and close exchange between two sincere human beings. Business experience shows that neither excessive intimacy nor excessive professionalism are good. The dilemma “Is there sentimentality in business?” viewed from the perspective of business communication, remains a dilemma.

- Value. In addition to influencing the choice of goals and processes, values, i.e. their discrepancies, also influence the communication processes between employees themselves. In principle, the received messages are not identical to the sent ones, there are also such distortions (e.g., adding content, reducing content, or other modifications) with respect to the original message. The sender of the message encodes his ideas in verbal or nonverbal form of symbols. The recipient of the message decodes the form of the symbol to obtain the meaning of the message. Thus, errors are most likely to occur in the encoding or decoding phase. The conclusion is that such errors or distortions of content are accentuated in groups of different value. Namely, values can affect the perception and stimuli contained in the message. Thus, employees who have different values may select different information from the environment and have different interpretations of the same encounter... Similarly, in communication encounters, we argue that the greater the differences in values between the sender and the receiver, the greater the chance that they will construct the situation in different ways and attach different meanings to the same words and actions. (Bojanović, R. 1998).

Conclusion

Effectively combating corruption is no longer possible only within a single country, and this fight must be constantly coordinated with other countries. Research shows that society is in a major moral crisis.

The solution to combating corruption is also seen in citizens, who, with appropriate information and knowledge of legal provisions, could raise their voice against corruption.

But "under the influence of scientific postulates, not only the psyche, but also the individual person, even individual events become victims of 'equalization' and 'erasure of differences' beyond recognition, as a result of which the real picture is reduced to a conceptual 'average'". (Jung, K. 2021: 14)

The fight against corruption requires more than legal measures – it includes building the ethical infrastructure of society. Historical development shows that ethical principles are constantly being revised and improved, but their implementation depends on specific social conditions. Only through ethical education, transparent institutions, and active citizenship is it possible to build a society in which corruption is the exception, not the rule.

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UDK 005.332.5:004.6
005.35:004.6

CLOUD PLATFORMS AS A DRIVER OF TRANSPARENCY, ETHICS AND SOCIAL RESPONSIBILITY IN MODERN BUSINESS

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Abstract

In the era of digital transformation, cloud technologies have emerged as essential tools for enhancing transparency, ethics, and social responsibility in corporate governance. Beyond improving operational efficiency, cloud platforms foster organizational integrity, accountability, and sustainable practices. They enable traceability of actions, facilitate secure information sharing, and provide automated compliance mechanisms that strengthen ethical oversight. Moreover, cloud environments support ethical learning through digital training systems and enable anonymous whistleblowing channels, reinforcing trust and integrity within organizations. In the realm of Corporate Social Responsibility (CSR), cloud solutions offer advanced capabilities for tracking environmental performance, managing social initiatives, and promoting stakeholder engagement through transparent communication and real-time feedback. However, the ethical use of cloud technologies presents challenges, including data privacy, algorithmic transparency, and equitable access to digital resources. Addressing these issues requires responsible governance and ethical risk management aligned with regulatory and social expectations. Overall, cloud technologies are not neutral infrastructures but transformative instruments that, when ethically governed, can serve as catalysts for responsible business conduct. Their integration into corporate strategies creates opportunities for sustainable innovation and trust-based relationships between companies and stakeholders, paving the way toward a more transparent, accountable, and socially engaged digital economy.

Keywords: *Cloud technologies, Corporate transparency, Business ethics,Corporate social responsibility (CSR), Digital accountability*

Introduction

In the context of digital transformation, cloud technologies have become a leading infrastructure for business development and innovation. At the same time, society increasingly insists on ethical governance, social responsibility and accountability on the part of the private sector. In this context, cloud platforms play a critical role not only in increasing efficiency, but also in creating conditions for integrity, transparency and sustainability in organizational practices.

According to Transparency International, the effective use of digital technologies is a key factor in curbing corruption and increasing public trust in business (Transparency International, 2023). Cloud solutions provide new monitoring, accountability, and control capabilities that significantly improve companies' capacity to manage ethical risks.

This report aims to explore how cloud technologies can be used strategically to support corporate transparency, ethics and social responsibility – three main pillars of the modern concept of good corporate governance.

The role of cloud technologies in ensuring transparency and accountability

Transparency is a fundamental component of good governance and the fight against corruption. Cloud platforms, such as Amazon Web Services (AWS), Microsoft Azure, and Google Cloud, offer integrated solutions for centralized storage and analysis of information that contribute to building a culture of accountability.

One of the main advantages of cloud technologies is the ability to trace every action within the system – from editing documents to making management decisions. This creates a transparent environment in which responsibility can be clearly identified.

As Weitzner (2020) points out, "traceability in digital systems not only reveals who did what, but also creates a preventive effect that deters possible abuse" (Weitzner, 2020, p. 134).

Additionally, cloud platforms allow easy access to key information for stakeholders – investors, regulators, citizens. This includes the publication of annual financial statements, sustainable development policies, the results of internal audits, etc. Thus, organizations demonstrate a commitment to openness and accountability.

There are also built-in monitoring functionalities that alert deviations from internal policies or ethical norms. Such automated compliance systems reduce the human factor and facilitate the early detection of potential irregularities.

As Brynjolfsson (2022) argues, "in the cloud, corporate behavior becomes visible, measurable, and data-driven, radically changing accountability capabilities" (Brynjolfsson, 2022, p. 58).

Ethics and Compliance through Cloud Solutions

Ethical commitment and compliance with internal and external regulations are an integral part of good corporate governance. Cloud technologies provide new opportunities for systematizing, automating and tracking ethical practices and processes in compliance with legal and ethical requirements.

- *Cloud Platforms as an Environment for Ethical Learning and Culture*

Cloud systems can be used to create digital training platforms to introduce employees to corporate codes of ethics, rules of conduct, anti-corruption policies and accountability standards. Trainings can be personalized and tailored to the roles of employees in the organization.

As Treviño and Nelson (2017) note, "ethical behavior is not intuitive – it must be taught, exercised, and supported by technological and organizational systems" (Treviño & Nelson, 2017, p. 192). Cloud technologies create a suitable environment for sustainable learning, thanks to their accessibility, scalability, and ability to track learners' progress.

- *Whistleblowing Tools*

Modern cloud solutions include integrated whistleblowing modules that enable anonymous and secure sharing of information about irregularities or corrupt practices. These systems allow employees to report ethical violations without fear of reprisals.

According to Vandekerckhove (2021), "an effective signaling system is only possible in an environment where the security and confidentiality of the sender are guaranteed through technology" (Vandekerckhove, 2021, p. 67). Cloud platforms provide an encrypted and secure environment that ensures the integrity and anonymity of the reports submitted.

- *Tools for automated ethical control and compliance*

Through cloud technologies, organizations can implement automatic monitoring of compliance with internal policies and external regulations. This includes tracking access to data, checks for compliance with ethical standards, behaviour analysis and response to deviations.

There are platforms, such as SAP Cloud Compliance or Microsoft Purview, that provide predefined compliance monitoring templates, including with international standards such as ISO 37001 (Anti-Corruption Practices Management System).

As Racz, Weippl and Seufert (2019) argue, "the integration of compliance processes into cloud solutions not only reduces risk, but also creates the conditions for constant ethical self-control in organizations" (Racz et al., 2019, p. 249).

- *Transparency and documentation of ethical processes*

All activities related to ethical assessments, ethics committee decisions and internal investigations can be documented and archived in a cloud environment, ensuring full traceability. This ensures that organizations can provide evidence of compliance with ethical standards to regulatory authorities, investors or the public if necessary.

Cloud Platforms and Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a concept in which companies voluntarily integrate social, environmental and ethical considerations into their business activities and interaction with stakeholders. In this context, cloud technologies do not just support operational processes, but become an active tool for planning, monitoring and reporting CSR initiatives.

- *Environmental impact measurement and management*

Cloud platforms enable organizations to collect, analyze, and visualize data related to their environmental performance, including carbon footprint, energy and water consumption, waste, and sustainable practices.

Companies like Google and Microsoft are already using cloud technologies to monitor and reduce their climate footprint in real-time (Google Sustainability, 2023).

As Porter and Kramer (2011) highlight, "business social responsibility must be integrated into the core of strategy through measurable, data-backed goals" (Porter & Kramer, 2011, p. 67). Cloud technologies provide just such a basis for informed, transparent and adaptive management of environmental initiatives.

- *Transparent accountability of social projects and donations*

Through cloud platforms, companies can create publicly available CSR portals where activities related to charity, volunteering, training, healthcare, support for local communities and other initiatives are documented. This increases the trust of society and stakeholders.

For example, the Benevity platform enables global management of social initiatives through a cloud-based environment – donation tracking, employee engagement, impact reporting.

"When organizations demonstrate commitment through transparent documentation and access to results, CSR goes from a PR tool to a strategic function" (Bhattacharya, Korschun & Sen, 2009, p. 117).

- *Interactive communication with stakeholders*

Cloud technologies enable real-time two-way communication with employees, customers, partners and local communities through feedback platforms, online surveys, virtual meetings and campaigns.
This increases employee engagement with the organization's values and creates an open culture of collaboration and responsibility. As Freeman (2010) stresses, "corporate social responsibility is not a unilateral act, but a dialogue between the company and all its stakeholders" (Freeman, 2010, p. 45).

- *Supporting sustainable business models*

By moving to cloud services, companies are reducing their carbon footprint as shared resources and energy-efficient data centers are used. This is part of the new understanding of "green IT", which is the basis of sustainable business strategies.
Research by Accenture shows that switching to cloud technologies can reduce energy consumption by up to 65% and carbon emissions by up to 84% compared to traditional IT infrastructure (Accenture, 2021).

Challenges and ethical risks in the use of cloud technologies

Despite the significant benefits that cloud technologies offer in promoting transparency and social responsibility, their application raises important ethical and regulatory questions. The key challenges are related to the protection of personal data, fair access to technology and the transparency of the algorithms used by cloud services.

- *Personal data protection and privacy*

One of the most serious ethical risks is the insufficient protection of personal information, especially when it is processed by third parties or stored in cloud centers located in different jurisdictions. Failure to comply with the General Data Protection Regulation (GDPR) can lead not only to sanctions, but also to a collapse in consumer confidence.
As Zuboff (2019) points out, "any digital footprint is an economic opportunity for one party, and a potential violation of autonomy for another" (Zuboff, 2019, p. 211). Companies should implement strong privacy, encryption, and access control policies to minimize this risk.

- *Digital Divide and Access to Cloud Resources*

Not all organisations, especially small and medium-sized enterprises or public institutions in less developed regions, have equal access to cloud services. This deepens the digital divide and calls into question the principles of fairness and equality in the business environment.
In the words of van Dijk (2020), "digital inequality is no longer just about access to the internet, but about the ability to effectively use technologies for social and economic participation" (van Dijk, 2020, p. 88).

- *Transparency of algorithms and decisions*

Cloud platforms often use automated algorithms for analysis and decision-making, but these processes are not always transparent. Applying algorithms without ethical oversight can lead to discrimination, bias, or unintended consequences.
Bastani et al. (2022) emphasize that "the ethics of algorithms requires not only technical verification, but also social responsibility and an understanding of the context of use" (Bastani

et al., 2022, p. 54). Therefore, it is imperative that companies ensure the explainability of algorithms and the possibility of human intervention in making sensitive decisions.

- *Ethical Management of Cloud Service Providers*

When outsourcing infrastructure or services to external providers, organizations must ensure compliance not only with legal requirements, but also with their internal ethical standards. This includes ethical assessments of suppliers, the inclusion of CSR clauses in contracts and monitoring of their activities.
As Cragg (2021) points out, "corporate responsibility is not limited to the boundaries of the firm – it encompasses its entire ecosystem, including suppliers and partners" (Cragg, 2021, p. 29).

Conclusion

In today's business environment, where transparency, ethics and social responsibility are not just expectations, but real requirements for companies, cloud technologies are establishing themselves as a key factor for cultural and organizational transformation. Not only do they provide efficiency and scalability, but they also create the conditions for building trust, traceability, and accountability in every aspect of organizations' operations.
The use of cloud platforms allows the integration of codes of ethics, internal control systems, sustainable business models and digital accountability of social commitments. At the same time, their potential must be accompanied by ethical risk management, especially in terms of personal data protection, algorithmic transparency and equal access to technology.
As the analysis clearly shows, cloud technologies are not neutral tools – they can be a strong driver of an honest and socially engaged organizational culture when implemented in accordance with ethical and legal standards. The future of responsible business invariably goes through the strategic use of technology to achieve a fairer, more transparent and sustainable society.

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UDK 005.8:339.727.22(100)
338.121:339.727.22(100)

SOME ASPECTS IN INVESTMENT PROJECT MANAGEMENT

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Abstract
Domestic and external sources of investment in the economy play a crucial role in economic growth. According to the development experience of different countries around the world, investments significantly contribute to economic development. According to the classical definition, foreign direct investment flows are usually characterized "by an increase in the book value of net investments held by an investor from one country in another". (Nikonenko, U., et al. 2022). Although direct investment is a more specific category of cross-border investment, when investors residing in one country and investing in it, they establish long-term interests and have the ability to significantly influence local companies, competition, economic growth, welfare, etc. in the host country. This type of investment also plays a vital role in international economic integration. They contribute to the creation of stable and long-term relationships between efficient economies.
Keywords: *investment, economic growth, long-term interests, international economic integration.*

Introduction

The beginning of the century marks a historic change in economic and other relations in the global framework, which in the long term, according to more or less established standards, will shape life and the world as a whole. In recent years, special attention has been paid to the two main aspects of investment project management - their preparation and implementation. The variety of research and applied literature is significant, and unlike the publications of 40-50 years ago, now the approaches and the manner of presentation in these sources have been significantly enriched and expanded as a result of new trends, research, computer equipment and software products, and practical experience.

From the perspective of the definitions of "investments", it should be noted that investment itself as a process represents the capital investment leading to the implementation of the development strategies of organizations. With regard to investments at the enterprise/company level, it can be assumed that the investments themselves concern the organization as a whole. The term "organization" is usually associated with the way in which a system is arranged, outlining its elements, connections and interdependencies between them and its boundaries. Given the essential role of investments for both economic and social systems, the concept of "organization" should denote not only economic but also social systems, and thus, "organization" also represents a union of people who prioritize the achievement of common goals. Viewed through this prism, the organization is an instrument through which a group of people cooperate to achieve a common goal or set of goals; who organize themselves so that they can coordinate their activities in such a way as to create certain value and benefits. (Gutterman, A. 2023).

In today's management environment, needs, preferences, even situations are many and diverse. However, they require unity and integrity in this management, a view of processes as a set of interdependent sub-processes, linked not only to each other, but also to other systems and processes. Also, today, organizations are constantly looking for ways to increase their capital, opportunities for development and growth, opportunities to build their vision for the future in a way that guarantees long-term prospects. A key mechanism in this direction has always been investment - as a process and as an opportunity. Associated with numerous conditions, features, participants, specifics, etc., investment plays a significant role in the development of both economic and social systems.

Investments are viewed with particular attention, since changes in the modern environment increasingly require changes in the overall perception of the investment process. Along with this, investment has different options and variants to be implemented. One of the difficult undertakings in this direction is precisely investing through projects. Investment projects are often uncertain, unique, requiring time, funds, expertise and competencies, which are no longer limited solely to satisfying and justifying the expectations of shareholders.

The role and importance of investments

Investments have a significant impact on the volume of national income of a given country, on the dynamics of which such macroeconomic parameters as gross domestic product, gross national product, national income, national wealth depend. They are also a determining factor in the process of increasing production. Real investment of capital is the reason for the emergence of new enterprises, which is the basis for the creation of new jobs, housing construction and infrastructure development, an increase in the income of the population, an increase in people's well-being.

The positive impact of investments on economic growth becomes even more significant when financial development exceeds a certain threshold. Such a result can be observed when financial development is measured both by the banking sector and by the stock market. In fact, domestic investment and trade openness promote job creation in developing countries. These investments allow the creation of local enterprises that require labor, which increases employment, reduces unemployment and improves living conditions. In addition, domestic investment in infrastructure, technology, and training helps to increase productivity. (Tsimoshynska, O., et al. 2021) This allows developing countries to produce more goods and services, which stimulates economic growth. In addition, trade openness facilitates the transfer of know-how and technology from more developed to developing countries. As a result, local businesses are able to adopt more efficient and innovative practices, which increases their competitiveness. (Atstaja, D., et al. 2022).

On the other hand, domestic investment and trade openness promote economic diversification in developing countries. Instead of relying exclusively on traditional sectors, such as agriculture or raw materials, these countries can create new sectors, such as manufacturing, services, and information technology. This helps to reduce their economic dependence and create a stronger foundation for long-term growth. Capital investment is also advancing in terms of the importance of sustainable economic development. Such investments stimulate consumer spending and market demand, which contributes to an overall increase in economic growth. With an increase in household disposable income and a multiplier effect, the economy becomes more prosperous, allowing people to enjoy a wider choice of products and services. (UNCTAD 2024).

Studies in international practice show that there is a relationship between the growth of investment in the economies of developing countries and the gross domestic product (GDP) of these countries. (World Bank 2024). This means that investment plays a crucial role in the economic growth of any country.

Aspects of the process approach

Process-oriented modern companies are oriented towards monitoring their users and adapting to customer preferences and requirements; towards creating a connection with them and creating loyalty relationships. These organizations focus on processes that depend on the user and his needs. At the same time, the corporate culture strives to promote continuous process improvement, responsibility and sharing. This also opens up more opportunities for organizations, new and alternative solutions, new work processes. Integration promotes the interconnection of companies and their processes with the users themselves, creating additional value. Process synchronization, in turn, contributes to reducing costs and increasing efficiency, providing information and communication interactions, increasing trust, etc. Process management leads to numerous operational and strategic benefits for organizations. Added to these are the creation of an appropriate organizational culture, a focus on the user, the use of intelligent systems and proactive adaptation to market trends. All this also imposes new requirements in management, new skills and competencies, continuous training and motivation.

Unlike projects in general, investment projects can have different levels, different points of view regarding their success. For example, if a contractor achieves a reasonable profit, the project is successful for him. From the perspective of investment project management, success will mean the implementation of the project on time, within the budget, through high-quality implementation - achieving the project goals. Success for investors will mean a return on their investments - achieving business goals. Given the frequent social focus of investment projects and their importance for society, there will be other measures of success like opening new jobs, retaining young people in the region, etc. If the results and achieved goals will bring multiple benefits and have a high social value, the project would be successful, regardless of the budget overrun and/or the completion date.

Compared to smaller projects, large investment projects require an additional degree of planning and participation of the owner. Often, there are several owners, acting as a group, choosing one of their representatives who stands at the top - a responsible person, a leader. Owners should fulfill responsibilities that inevitably fall on them, and if they do not, the project would hardly be successful. They should devote sufficient time to definition and planning from the very beginning of the project. Specialized literature recommends, among many other details, specifics and peculiarities of investment projects, that owners take care to:

- Appoint the right people to represent and advise them – capable, experienced, competent; with the ability to execute the project activities in accordance with its components, while also being able to work well with all other participants and parties;
- Understand and clearly identify the internal and external risks and opportunities associated with the project, analyze and quantify them, and anticipate the necessary additional and unforeseen financial costs for them;
- Clarify priorities in terms of schedule, budget, quality, value and benefits, satisfaction;
- Consider the costs of the project throughout its life cycle, not just the initial costs;

- Ensure that the financial and other resources needed for the project are available and available when needed;
- Ensure compliance with legal and regulatory obligations;
- Continuously monitor progress and performance with a focus on emerging opportunities and risks. (Johansen, A., et al. 2019).

Along with all this, the owner also has a unique responsibility to ensure value creation and has an important role in managing uncertainty in the investment project.

Conclusion

Due to the level of globalization of markets today, flexible organizations are needed that can satisfy more selected markets with products and services with the quality desired by consumers. This means that organizations constantly renew their products/services and processes, and investments become the main means to achieve such improvements. Both the market orientation of organizations and greater flexibility in processes improve the quality of innovation, add value and contribute to accelerating the implementation of investment projects.

Leadership in investment project management is a major factor that significantly contributes to results and goals. While project management and effective leadership provide the framework and tools for planning and implementing projects, leadership often determines their success or failure.

In investment project management, leadership competence plays an important role during all stages of the life cycle. Thanks to it, managers guide the project towards achieving its goals, while promoting an environment of cooperation and effective work.

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UDK 343.85:343.352]:17.03

SOME ASPECTS OF ETHICS IN THE FIGHT AGAINST CORRUPTION

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Abstract
Corruption is one of the most serious challenges facing modern democratic societies. It undermines trust in institutions, hinders economic development and leads to social inequality. The fight against corruption requires not only legal and institutional mechanisms, but also deeply rooted ethical standards that guide the behavior of individuals and organizations. Ethics requires people to act according to well-wishers, even when there are no specific sanctions. It is through the integration of ethical norms into public consciousness that a lasting change in attitudes towards corruption can be achieved.
This report examines some key aspects of ethics in the context of the fight against corruption. They will be analyzed as fundamental foundations of ethical anti-corruption culture, as well as the challenges associated with ethical dilemmas and applied to good practices in the real social and institutional environment.
Keywords: *corruption, ethics, aspects, fight, social and institutional environment.*

Corruption

The word corruption comes from the Latin word con-rumpere, which means to break. Corruption is an ancient scourge that we find at the beginning of organized societies, when the first individual, against the rules and laws, manages to achieve something to which he had no right.
Corruption is an attitude based on the abuse of official or public position or influence in the public or private sector in order to derive personal benefit, benefit for another, violate rights or cause harm to another.
Corruption destroys the basic relationships of trust, and the consequences can be economic and social.
The economic consequences are numerous: corruption hinders safe and rational investments, both foreign and domestic; slows down and hinders development and restricts trade; leads to irrational and wasteful use of public funds; Corruption encourages the "grey" economy and reduces tax sources. At the macroeconomic level, corruption leads to losses of public, state, i.e. budget money through excessive spending (expensive concessions, expensive equipment, unreasonable or excessive imports) and through easy borrowing at the expense of future generations. One of the most important consequences of corruption among civil servants is that citizens and businesses avoid paying taxes, contributions and other obligations to the state.
In a social aspect, corruption increases poverty; It affects the weakest and most vulnerable because it costs them much more, in proportion to their income, and completely prevents them from receiving some public services because they cannot pay the corrupt "tariffs". Corruption creates and increases inequality between citizens in everyday life: in matters of

education, treatment, permits, public procurement, etc. In this way, corruption opens the door to organized crime and various mafia groups. (Šimac. N. 2000:22)
Serbia has a National Anti-Corruption Strategy in force. In implementing this strategy, public authorities and public officials involved in the prevention and fight against corruption are required to exercise their powers in accordance with the following general principles:

- Principle of the rule of law – Guarantee of legality of actions, equality before the law and the right of all citizens to legal protection. The Constitution of the Republic of Serbia, laws and regulations, as well as ratified international treaties and generally accepted rules of international law must be fully and consistently implemented.
- Principle of "zero tolerance" for corruption – Indiscriminate application of the law to all forms of corruption.
- Principle of accountability – The obligation to assume full responsibility for the creation of public policies and their effective implementation, including the implementation of this Strategy and Action Plan.
- The principle of comprehensive implementation of measures and cooperation between entities - The obligation to implement measures comprehensively and consistently in all areas with cooperation, as well as exchange of experience and harmonization of the actions of the relevant entities, at all levels of government, with established good practice.
- Principle of effectiveness - The obligation to regularly implement anti-corruption measures within their powers and to conduct ongoing training to improve the effectiveness in the fight against corruption.
- Principle of transparency - Ensuring public participation in the process of making and implementing decisions, as well as ensuring citizens' access to information, in accordance with the law. (www.mpravde.gov.rs)

Ethics as a system of moral principles
Ethics is a set of principles, norms and values that regulate human behavior within a particular society. In the fight against corruption, the ethical basis is not just a supplement to legal measures, but a fundamental element of the culture of good governance. In a narrower sense, "the subject of ethics is morality and moral action. Ethics studies the principles of this action" (Čehok, 1977: 27).
While the legislator determines what is permitted and what is prohibited, ethics requires people to act in accordance with benefactors, even in the absence of specific sanctions. It is through the integration of ethical norms into public consciousness that a lasting change in attitudes towards corruption can be achieved.
Morality is the distinction between intentions, decisions and actions that are considered correct and those that are inappropriate or inappropriate. (Long, Sedley, 1987)
Immorality is the active opposition to morality, while amorality is defined in various ways as unawareness, indifference, or disbelief in any particular set of moral standards or principles. First of all, due to the lexical difference, these two terms must be distinguished. (Johnstone, 2008)
Among the main ethical principles that serve as a barrier against corrupt practices, the following stand out:

- honesty, as an expression of integrity and incorruptibility,
- transparency, which ensures accountability and access to information,
- responsibility, which commits the individual to the consequences of his actions.

When these principles are institutionalized through ethical codes and training programs, an anti-corruption culture is formed, which is reflected in the daily decisions and behavior of employees in the public and private sectors. Ethical principles are guidelines for how values in society should be put into practice and, accordingly, what should constitute appropriate behavior. The ISSAI 130 Code of Ethics sets out five fundamental ethical principles.

- Integrity – to act honestly, reliably and in the public interest;
- Independence and objectivity – not to be influenced by circumstances or influences that compromise or may compromise professional judgment and to act impartially;
- Competence – to acquire and maintain knowledge and skills appropriate to the assigned role and to behave in accordance with applicable standards and due care;
- Professional conduct – to comply with applicable laws, regulations and conventions (agreements) and to avoid conduct that may bring the supreme audit institution into disrepute;
- Confidentiality and transparency – to appropriately protect information, balancing this with the need for transparency and accountability. (https://gsr-rs.org/pojmovnik/eticke-vrijednosti-i-eticki-principi/)

The fight against corruption is not always clear and easy. It is often accompanied by an ethical dilemma, in which the right decision requires a judgment between competing moral values. Among the ethical dilemmas, a special place is occupied by:

- Conflict of interest - One of the most common cases is related to conflict of interest - a situation in which an employee's personal interest may affect his impartial performance of official duties. Although the law provides mechanisms for the disclosure and management of such conflicts, in practice many employees experience an internal hesitation between personal loyalty and public interest.
- Loyalty to the institution versus public interest - Employees in the public sector are often faced with the dilemma of whether to remain loyal to their leaders and institutions or to act in defense of the public interest when they witness wrongdoing. Such an ethical dilemma requires strong moral courage and a clear awareness of the priorities of public duty.
- Whistleblowing - Whistleblowing is an important mechanism for revealing irregularities, but at the same time it causes significant moral and psychological consequences for whistleblowers, as they often face social isolation, reprisals or even job loss. An important tool in this direction for introducing clear moral standards are the codes of ethics adopted in many state institutions and private companies. They not only define expected behavior, but also offer mechanisms for self-control and accountability.

Conclusion

Effective prevention of corruption presupposes a good knowledge of this phenomenon. However, due to its complexity and constant adaptation to changing conditions in society, it is difficult to fully study the phenomenon of corruption, and hence to create adequate mechanisms for the prevention of corruption. The reasons for this should be sought in the fact that corruption, as a complex and universally present social phenomenon, is primarily a psychological phenomenon, clearly localized in behaviorism, which is also socioculturally conditioned. (Petrus Van Duyne, 1999:23)

The fight against corruption cannot be waged only with repressive or administrative measures. A profound change in public attitudes is needed, based on clear ethical principles and values. Etiquette, as an internal compass of human behavior, is based on sustainable and effective countermeasures against corrupt practices.
Ethical principles in the fight against corruption find their real dimension through specific practices and initiatives at the institutional, national and international levels. Turning ethics into an effective tool requires not only a regulatory framework, but also the implementation of sustainable mechanisms for changing behavior and stress in society.

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UDK 005.73:[343.85:343.352

CORRUPTION AS A DRIVER FOR ORGANIZATIONAL CHANGE

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Abstract

Change and corruption are psycho-social phenomena inherent in human relations since time immemorial. Organizational processes, systems and strategies must constantly change and develop in order for an organization to remain competitive, so that it is in a state of continuous change; to respond to the rapidly changing business environment, changing consumer demands, local and global economies and technological progress. Corruption has always been considered immoral. Anti-corruption strategies can only be effective if modern forms of corruption and the specifics of each individual society are well known, with special attention to cultural peculiarities and changes in the field of morality. Leaders and managers should always be prepared to deal with the challenges of organizational change and the fight against corruption through well-planned change management, as this will help ensure a smoother and more accurate transition in the organizational workflow and ensure that employees are guided through the changes smoothly.

Keywords: *change, corruption, organizational processes, challenges, morale.*

Introduction

Organizational change is not easy. It is turbulent and often chaotic, but there are techniques, strategies, approaches that can facilitate it, implement it without significant resistance, and make it more successful in the long term for positive organizational development.

At the beginning of the change process, leaders must provide employees with sufficient, relevant information about the upcoming changes, motivate the reason for the change, address employees' questions and concerns, and explore how it can positively impact their subordinates so that they can increase their acceptance and participation.

Changes in priorities and loss of focus are considered two factors that can affect the progress or failure of change. Consistency in actions supporting the change is necessary to sustain the change. Efforts must be made to maintain the dynamics in the organization, to celebrate achievements, to maintain the focus on progress. (Stilwell, R., Pasmore, W. Shon, D. 2016))

The natural state of an organization is inertia to change. Several reasons for organizational inertia are often cited in the literature, and they are as follows:

- when a company learns and develops a process, it routinizes it, in order to repeat this process in a certain form, for the sake of efficiency; the problem arises when the adopted routine procedures, due to changes in the environment, become outdated;
- the second reason focuses on people as the most important element of any organization; namely, psychology has established that people do not like to change their behavior; it is simply painful and expensive for them to do so, so they will rather "ignore" new information that is not consistent with their view of the world, or interpret it in accordance with the already existing "mental map" than change their behavior;

- one of the reasons for inertia is the company's success in the previous period (the so-called "success breeds failure" syndrome); Successful downsizers often become "dead", they are calm, so they do not react quickly enough to changes.

Reasons for organizational change can be different. Depending on whether they come from the environment or from the company, the factors for change can be divided into external and internal. External factors are reflected in the changes of certain elements in the broader social environment of the company, when they consist of: technological, political, sociocultural and economic environment. Internal factors of organizational change are those that disrupt the balance between subsystems in the company and require the organization to adapt. (Salvatore, B., 1997: 494)
One of the reasons may be corruption. It manifests itself in a variety of forms, the most common of which are: financial abuse, illegal production and trade (weapons, drugs, medicines, etc.), environmental pollution, production of products dangerous to health and life, etc.
Corruption generally refers to the abuse of entrusted public power for personal gain with conflicts of interest and nepotism as accompanying phenomena. Corruption, as a phenomenon, essentially defines immorality (or moral deviation), so we can reasonably assume that in a society in which firm moral rules dictate the condemnation of corruption is acquired by the conditions for greater susceptibility of citizens to corruption. (Vuković, S. 2005:27)
Corruption is treated as a moral problem, that is, a question related primarily to human morality. (Majstorović, 2012)
As for the consequences of corrupt practices in organizations, they are also diverse. The unethical practice was expected to create wealth overnight, but it turned out to be incompatible with the interest of shareholders and owners of organizations to maximize profits, as it weakened their income. (Long, Rao, 1995).
A priority task in the prevention of corruption is the creation of such conditions that support the manifestation of a strong moral condemnation of corruption.
The role of organizational factors in ethical decision-making, the intention to engage in some unethical action, and to a lesser extent in the very origin of unethical behavior, has been widely theorized. It has also been satisfactorily studied. For example, (Jones, 1991) concludes that the organizational context further complicates the moral decision-making of the individual, while (Smith, Carroll, 1984) give their opinion that the organization, through socialization processes, environmental influences, and hierarchical relationships, creates conditions that hinder moral behavior. Treviño (1986) speaks of the so-called "situational factors" that can lead to an unethical decision or outcome.
In the late 1970s, John Kotter, along with Leonard Schlesinger (1979), proposed a model consisting of several key communication elements, which they called resistance-overcoming methods, that can be useful for organizations to successfully implement and manage organizational change:

- Training and communication - one of the most common ways to successfully change and overcome resistance is to educate people about it in advance. Communicating ideas helps people see the need for and logic of the change. The educational process can include individual discussions, group presentations, notes, and reports.
- Participation and involvement - if initiators include potential opponents in some aspects of the design and implementation of the change, they can often prevent

opposition. By making an effort to participate, initiators listen to the people who are implementing the changes and use technical advice.

- Commitment and support - another way managers can deal with potential opposition and make change successful is by demonstrating commitment and support. This process can include sharing new knowledge, providing training in new skills, giving employees a break after a difficult period, seeking feedback, listening, and providing emotional support.
- Bargaining and agreements - another way is to offer incentives to active or potential opponents. For example, management may offer a salary increase or additional benefits in exchange for a change in work rules; it may increase retirement income in exchange for early retirement, and so on.
- Manipulation and co-optation - in some situations, managers resort to covert attempts to influence others. In this context, manipulation usually involves very selective use of information and deliberate structuring of events. One common form of manipulation is co-optation. Co-opting a person usually involves giving them a desired role in the design or implementation of the change. Co-opting a group involves giving one of its leaders or someone it respects a key role in designing or adapting to the change. However, this is not a form of participation, as the initiators do not seek the cooptator's advice, only his approval.
- Overt and covert coercion - Managers often deal with coercive opposition. Tuk essentially forces people to accept the changes, either by explicitly or implicitly threatening them (with loss of job, promotion opportunities, etc.) or by actually firing or transferring them. As with manipulation, the use of coercion is a risky process, as people inevitably strongly resent forced change. In a situation where speed is of the essence and when the changes will be unpopular no matter how they are introduced, coercion may be the only option for the manager.

Conclusion

Organizational change and corruption represent two deeply human phenomena that significantly influence the development and sustainability of organizations. Successful management of change requires strategic planning, clear communication, and the active involvement of employees to overcome natural resistance and ensure long-term progress. At the same time, combating corruption demands strong moral foundations, ethical leadership, and a supportive organizational culture that fosters integrity and accountability. Leaders must recognize that both change and anti-corruption efforts are continuous processes shaped by social, psychological, and cultural factors. By combining effective change management practices with firm ethical standards, organizations can build resilience, promote trust, and achieve sustainable development in an ever-evolving business environment.

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UDK 343.352:303.62(497.2:4-672EU)"2019/2022"

COMPARATIVE ANALYSIS OF GENERAL PERCEPTIONS OF CORRUPTION IN BULGARIA AND EU-27 FOR THE PERIOD 2019 – 2022

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Abstract
The main goal of the study is to carry out a comparative analysis of the perceptions of corruption by citizens of the EU – 27 and the Republic of Bulgaria. On its basis, conclusions were drawn about the significance of the problem with corruption in its different forms and aspects. The subject of the study is the public significance of corruption, and the subject is the perceptions of citizens of the EU – 27 and the Republic of Bulgaria. The study was based on an EC survey conducted between March 22 and April 17, 2022, conducted by direct interviewing.
Keywords: *corruption, social development, institutional order*

Introduction

Corruption is a multifaceted phenomenon in the system of public relations. It is perceived as a problem with economic, political and cultural significance (Rose-Ackerman S. 2003). Corruption has a detrimental effect on all spheres of society: economy, social sphere, politics. It is no coincidence that it is defined by researchers of public relations from ancient times to the present day as a phenomenon with negative consequences, which hinders social development and progress, but also poses a serious threat to the national security of the country (Basem, E., M. Saeh 2013).

In a socio-economic aspect, corruption causes a deterioration in the quality of human capital, operational inefficiency of political institutions, undermines the macroeconomic stability of the country, etc.

Many different definitions of the concept of corruption have been proposed in the literature, based on the variety of forms and methods of actual manifestation. One of the most frequently used definitions is based on the Latin word *corrumpo*, which means to corrupt (to corrupt, spoil). On the one hand, it refers to the abuse of public office for personal gain. On the other hand, it refers to the behavior of officials through which they or their relatives benefit themselves unlawfully and illegally by abusing the power entrusted to them. All forms of government are vulnerable to corruption, with the degree varying significantly from petty use of influence to perform services to institutionalized gain.

In the sense of the above, any person can be a subject of corruption, as long as they have the power to dispose of resources that are not their personal property (civil servant, police officer, judge, administrator, doctor, teacher, etc.). At the same time, corruption can penetrate any administrative organizational structure, the functioning of which is carried out by officials. These individuals usually have delegated authority and dispositive powers regarding the allocation and use of public resources, either by the regulatory framework or by the hierarchical structure.

Corruption can permeate and spread in both the public and private spheres. It is generally accepted that the natural environment for corruption to occur is the public sphere, where public resources are allocated (Agale-kolgo, D. 2018: 7 – 10). Corrupt relations could arise in the interaction of citizens, businesses and their associations with institutions and officials of the state administration. These relations are due to state regulation of spheres of public life, providing public services. Corrupt practices can also be implemented in the private sector, but they are in extremely rare cases.

Public understanding of corruption is based on its purely economic prerequisites and consequences. However, its social and political dimensions should not be ignored (Attah, A., Baba, E. I., P. O. Haruna, 2019: 62 – 69). Therefore, today there is hardly a person who is not familiar with the problem of corruption to one degree or another and remains indifferent to it.

In research circles, the attention of individual authors and groups is constantly focused on identifying the various spheres and forms of its materialization. In this regard, this paper presents a public opinion survey on the issue, conducted by the EC in the period March - April 2022. Based on the data it offers, we have conducted a comparative analysis of public perceptions of corruption in the EU-27 and in Bulgaria.

Research methodology

The EC's "Special Eurobarometer 523" survey was conducted using the direct interview method between March 22 and April 17, 2022. 26,509 citizens of the EU-27 were interviewed, including 1 040 Bulgarians. The questions to the respondents concern the general perceptions of corruption. The first question is: *How widespread do you think the problem of corruption is in (OUR COUNTRY)*?. (The data from the responses received are presented in Table 1.

Table 1.

	EU – 27		BG	
	2022	Δ 2019	2022	Δ 2019
Total 'Widespread'	68	-3	88	+8
Total 'Rare'	28	+6	6	+1
There is no corruption in (OUR COUNTRY)	0	-	0	-
Don't know	4	-3	6	-9

The responses received show that a large percentage of respondents in the EU-27 (68%) and in Bulgaria (88%) consider corruption to be widespread. Compared to the baseline year 2019, there has been a 3 pp. decrease in opinions in the EU-27, while in Bulgaria there has been an 8 pp. increase. For our country, this is understandable in view of the corruption schemes at high levels of power that were brought to light during this period, which caused serious political turmoil. This includes practices in road construction, public procurement, and the ineffectiveness of the judiciary.

The second question is: *In the past three years, would you say that the level of corruption in (OUR COUNTRY) has…?*. Its results are presented in Table 2.

Table 2.

	EU – 27		BG	
	2022	Δ 2019	2022	Δ 2019
Total 'Increased'	41	-1	50	-1
Stayed the same	43	+6	34	+11
Total 'Decreased'	9	+2	5	+1
There is no corruption in (OUR COUNTRY)	0	-1	0	-
Don't know	7	-6	11	-11

The data indicate that the majority of respondents report an increase in corruption in their countries – in the EU-27 this is 41% of respondents, and in Bulgaria 50%. In both groups, a decrease in results compared to the base year by 1 pp is noted. The second group of responses from those surveyed is related to the perception of the level of corruption remaining. For Bulgaria, this is mostly related to the lack of a regular government during this period and of real actions to counteract this phenomenon. Usually, in such a situation, there is a reluctance to take drastic and concrete measures due to uncertainty, both politically and economically.

The third question is: *In (OUR COUNTRY), do you think that the giving and taking of bribes and the abuse of power for personal gain are widespread among any of the following? (MULTIPLE ANSWERS POSSIBLE)*. More than one assumption is allowed in answering this question. Several conclusions can be drawn from the diagram in Figure 1.

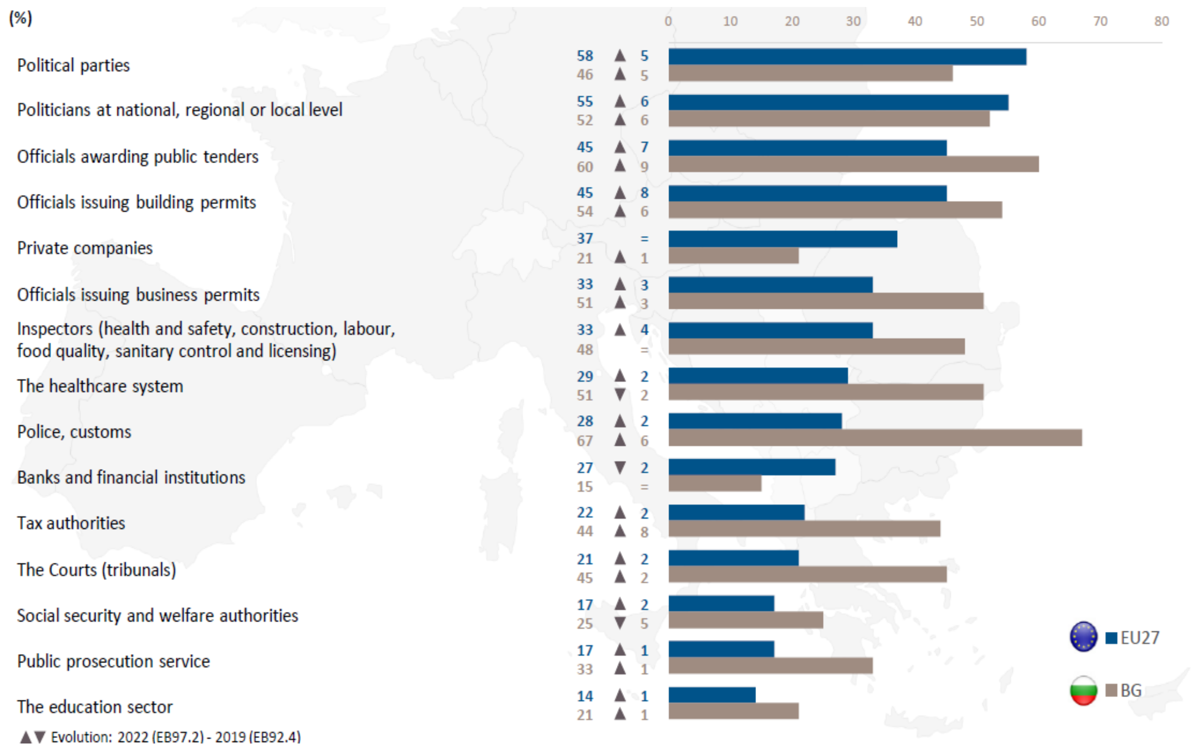

Fig. 1. Data obtained from respondents when answering the question “Do you think that giving and taking bribes and the abuse of power for personal gain are widespread among any of the following classes in your country?”

The highest percentage of responses was from respondents in the EU-27 countries, who believed that corruption was prevalent primarily among political parties as a whole (58%), followed by politicians at national, regional, and local levels (55%), and third place was shared by officials awarding public contracts and those issuing building permits with 45% each. Last in line are those working in the education sector. Across all groups covered by the question, there is an increase in the percentage of respondents who believe that corruption has increased in them.

At the same time, data for our country indicate that the greatest corruption opportunities are among police officers and customs officers (67%), followed by employees dealing with public procurement (60%), and the third position is assigned to persons issuing construction permits. The figures for our country are not surprising, because it is well known that corruption among the police and especially among customs officers is a widespread phenomenon. The exposed schemes for the illegal use of public resources in road and urban construction are the subject of media investigations, through which they become public knowledge. The opinion of the people in our country places banking and financial services in last place in terms of the risk of corruption. Of course, in their overwhelming part these activities are the subject of private entrepreneurship, where the opportunities for this are minimal.

The fourth axis of the group, aimed at determining the general perception of the presence of corruption in society, is: *Please tell whether you agree or disagree with each of the following: 1) There is corruption in the national public institutions in (OUR COUNTRY); 2) There is corruption in the local or regional public institutions in (OUR COUNTRY))*

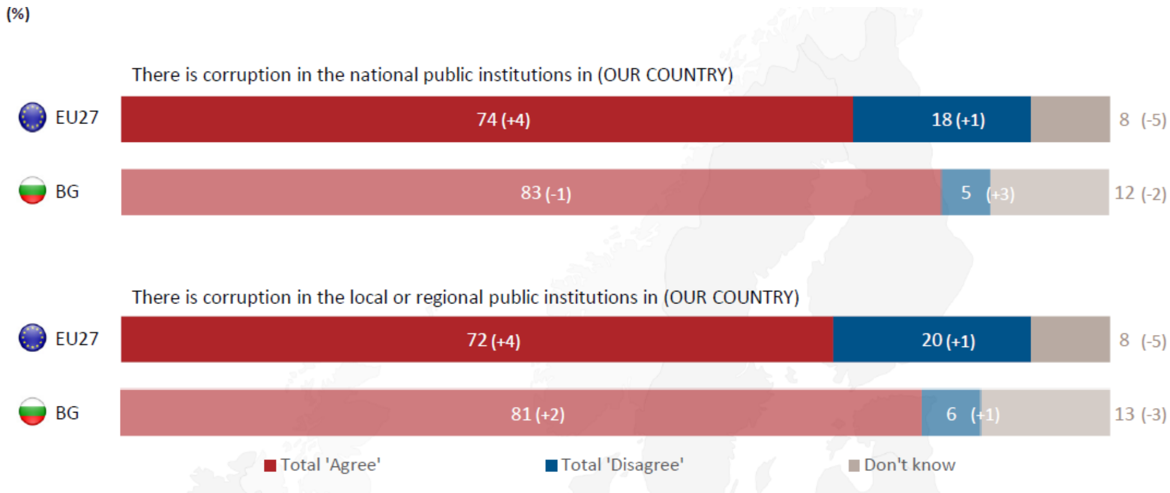

Fig. 2. Assessment of the manifestation of corruption among institutions at the national, regional and local levels.

Both in the EU-27 countries and in Bulgaria, respondents are categorical that corruption prevails in institutions at the national level - 74% for the EU-27 and 83% in our country, respectively. The data also indicate significant corruption in local and regional government offices – 72% of those surveyed in the EU-27 and 81% of those in our country take such a position. The conclusion from this data is that the greatest opportunities for practical development of corruption practices are in the institutions of power at various levels. Certainly, both Europeans in general and Bulgarians in particular have numerous examples in this direction.

In recent years, Bulgarian legislation related to the fight against corruption at all levels has introduced punitive measures both for those who, figuratively speaking, "receive benefits" and for those who offer them. In view of this, the next question from the public opinion survey is also reasonable: *Talking more generally, if you wanted to get something from the public administration or a public service, to what extent do you think it is acceptable to do any of the following?*

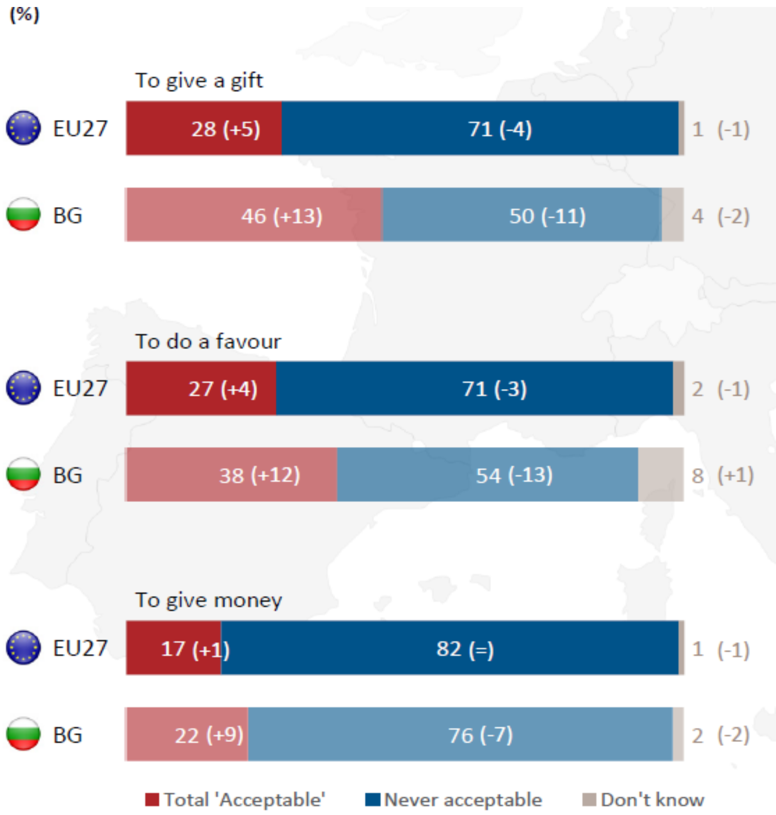

Fig. 3. Data on corrupt practices that citizens would be willing to engage in to obtain a public service.

The information in Fig. 3 shows that people's general attitudes are not to provide gifts, services, and money for receiving a public service. However, a third to a quarter of respondents suggest that this is possible if the process of receiving the service is accelerated. The tendency is higher among Bulgarian respondents compared to those in the EU-27 as a whole.

The last aspect of the survey in this category concerns the extent to which citizens are affected by corrupt practices in their daily lives. The data in Table 3 show that 58% of Bulgarians and 71% of EU-27 citizens are not affected by corruption. While in Bulgaria there is no change in the share of people who shared such an opinion, in the EU-27 countries this share has increased by 5 percentage points. However, 30% of Bulgarians believe that they encounter corrupt practices constantly. One of the reasons for the results obtained is the difference in the environment and legislative measures to combat this negative phenomenon in our country and in the EU-27 countries. We should not forget the fact that in Bulgaria there are still no effective convictions for corruption at the highest levels of power.

Table 3.

	EU – 27		BG	
	2022	Δ 2019	2022	Δ 2019
Total 'Agree'	24	-2	30	+2
Total 'Disagree'	71	+5	58	-
Don't know	5	-3	12	-2

Conclusion

From the presented research on the general attitudes of the population in the EU-27 and of Bulgarians in particular towards the various forms and methods of practical manifestation of corruption, the following more important conclusions could be drawn:

The main understanding of society is that corruption is a serious problem faced not only by developing, but also by developed countries - EU members.

The public is aware of many aspects of corruption, but it is most prevalent among individuals, representatives of public institutions, who allocate large public resources.

The practical dimensions of corruption in Bulgaria are more tangible compared to the EU-27 countries as a whole.

The lack of specific and effective measures to address this problem leads to its deepening. It is no coincidence that in a significant part of the responses, the percentage of people who shared this is increasing, growing compared to 2019.

To change people's perceptions, enormous political will and public determination are needed to take effective legislative measures.

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UDK 339.727.22:343.352(497-15)“2012/2024“

ВЛИЈАНИЕТО НА КОРУПЦИЈАТА ВРЗ СТРАНСКИТЕ ДИРЕКТНИ ИНВЕСТИЦИИ ВО ЗАПАДЕН БАЛКАН

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Абстракт
Корупцијата останува значаен предизвик за економскиот развој во Западен Балкан, влијаејќи негативно врз привлекувањето на странски директни инвестиции. Оваа статија спроведува компаративна анализа на корупцијата и СДИ во земјите од регионот, користејќи податоци од 2012 до 2024 година. Резултатите покажуваат јасна негативна корелација помеѓу нивото на корупција и обемот на СДИ, при што институционалните фактори имаат поголемо влијание од економските показатели.
Целта на оваа статија е да ги анализира трендовите на СДИ и ИПК во периодот од 2012 до 2024 година во шесте земји од Западен Балкан и да ја процени нивната меѓусебна поврзаност. Дополнително, се разгледуваат специфичните фактори и политики кои влијаат на оваа врска, со посебен акцент на институционалните реформи и економските услови.
Клучни зборови: *странски директни инвестиции, корупција, Западен Балкан*

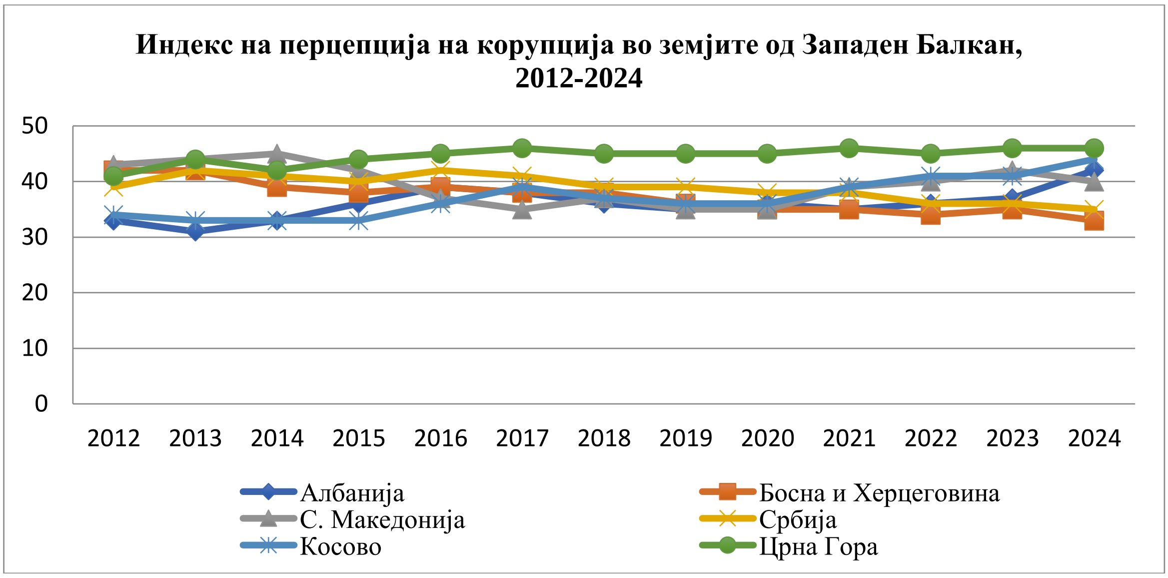
Вовед

Странските директни инвестиции (СДИ) се клучен двигател на економски развој, иновации и интеграција во глобалните пазари, особено за економиите во развој како оние во Западен Балкан. Тие носат капитал, технологија, знаење и отвораат нови пазари, што придонесува за зголемување на продуктивноста и конкурентноста на регионалните економии. Меѓутоа, корупцијата е сериозен пречекорувачки фактор кој ја поткопува довербата во институциите, ја нарушува пазарната конкуренција и ја зголемува неизвесноста за инвеститорите.
Индексот на перцепција на корупцијата (ИПК), кој го објавува Transparency International, е клучен индикатор за квалитетот на управувањето и степенот на корупција во една земја. Високата вредност на ИПК укажува на ниско ниво на корупција и обратно. Западен Балкан е регион со различни политички, економски и институционални карактеристики, што создава комплексен контекст за анализа на врската помеѓу корупцијата и СДИ.

Компаративна анализа на корупцијата и СДИ

Системска корупција, слабо управување и политичка нестабилност се проблеми карактеристични за земјите од Западен Балкан. И покрај постепените антикорупциски реформи, неретко мотивирани од желбата за побрза интеграција во Европската Унија, просечниот резултат на ИПК во регионот варира 40–46/100, што останува под просекот на ЕУ кој изнесува 64/100.
Во анализираниот период не се забележуваат драстични промени во ниедна од шесте земји во регионот. Вреди да се потенција дека Црна Гора котира највисоко според овој индекс , забележувајќи раст од 41 во 2012 година до 46 во 2024, додека Босна и

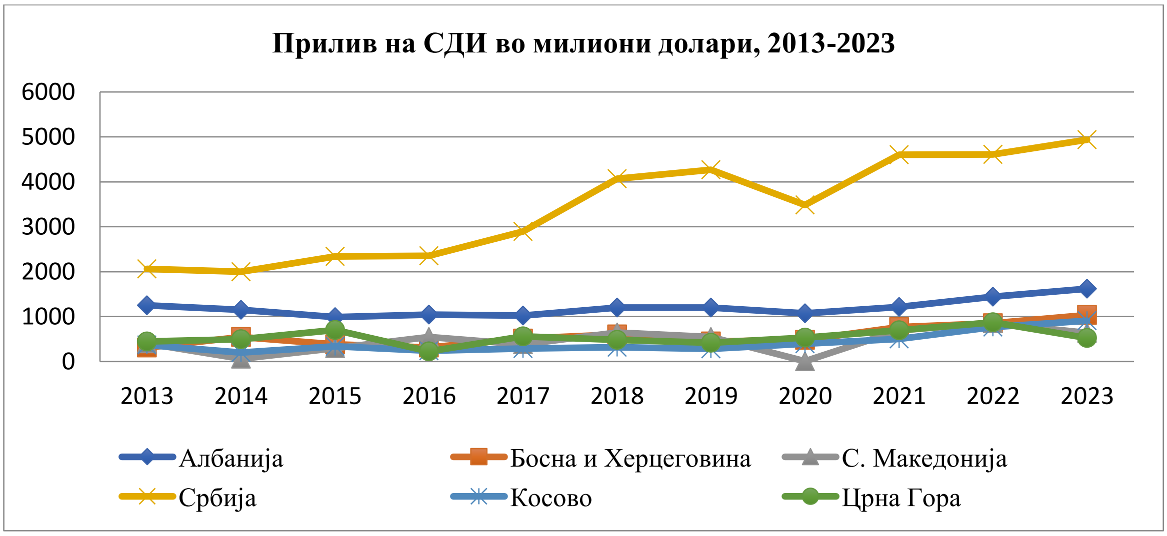
Херцеговина се забележува негативен тренд и достигнување на најниски значења токму во 2024 година.



Извор: Transparency International. Corruption Perceptions Index 2012-2024. [online] Available at: https://www.transparency.org/en/cpi/

Корупцијата влијае на странските директни инвестиции преку зголемување на перцепцијата за ризик кај инвеститорите, нарушување на конкуренцијата и зголемување на оперативните трошоци. Западен Балкан се соочува со постојани предизвици во привлекувањето на СДИ, што е видливо во податоците за приливите во регионот.

Во Албанија, на пример, постепеното подобрување на ИПК од 36 во 2015 до 42 во 2024 година е проследено со значителен раст на СДИ, од околу 990 милиони евра до над 1,6 милијарди евра. Ова укажува дека подобрувањето на институционалниот капацитет и борбата против корупцијата директно ја зголемуваат довербата на инвеститорите.



Извор: World Bank, World Development Indicators. [online] Available at: https://data.worldbank.org/

Антикорупциските реформи, подобрувањето на судската независност и зголемената транспарентност во јавните набавки се клучни фактори кои ја подобруваат инвестиционата клима.

Сличен тренд се забележува и во Косово, каде што ИПК се зголемува од 36 во 2015 до 44 во 2024 година, додека СДИ расте од 244 милиони евра во 2016 до 909 милиони евра во 2023 година. Ова е јасен индикатор дека подобрувањето на управувањето и намалувањето на корупцијата се важни предуслови за привлекување странски капитал, особено во помали и помалку развиени економии.

Сепак, во Босна и Херцеговина, ситуацијата е поинаква. ИПК бележи опаѓачки тренд, од 39 во 2015 до 33 во 2024 година, што кореспондира со ниски и нестабилни приливи на СДИ. Иако во 2023 година има значителен скок во СДИ, тој е најверојатно последица на поединечни големи инвестиции, а не резултат на системски подобрувања. Фрагментираната политичка структура, слабата судска независност и високото ниво на корупција во јавните набавки ја прават Босна и Херцеговина еден од најнеатрактивните пазари за странски инвеститори во регионот.

Во Македонија, ИПК бележи пад од 42 во 2015 до 35 во 2017 година, по што следува постепено подобрување до 42 во 2023 година. Овој тренд се одразува и во приливите на СДИ, кои се нестабилни, но со тенденција на раст во периодите на подобрување на перцепцијата за корупција. Ова укажува на чувствителноста на инвеститорите кон институционалните реформи и стабилноста на управувањето.

Србија, како најголем пазар во регионот, бележи највисоки и најстабилни приливи на СДИ, од 2,34 милијарди евра во 2015 до 4,94 милијарди евра во 2023 година. И покрај тоа што ИПК останува релативно стабилен, со благи опаѓања во последните години, силата на пазарот, економската структура и напредокот кон членство во Европската Унија ја ублажуваат негативната улога на корупцијата. Ова покажува дека големината на пазарот и економските можности можат да го ублажат влијанието на корупцијата врз инвестициите.

Црна Гора, која има највисок ИПК во регионот (од 41 до 46), сепак бележи нестабилни приливи на СДИ. Ова се должи на малата големина на пазарот и зависноста од големи, проектно ориентирани инвестиции, кои можат да предизвикаат значителни флуктуации во годишните приливи. Ова укажува дека и покрај добрите институционални услови, економската структура и големината на пазарот се значајни фактори за стабилноста на СДИ.

Заклучок

Анализата на податоците за СДИ и ИПК за Западен Балкан од 2012 до 2024 година потврдува генерално негативна корелација помеѓу корупцијата и странските директни инвестиции: како што перцепираната корупција се намалува (повисок ИПК), приливот на СДИ има тенденција да расте. Оваа врска е најизразена во Албанија и Косово, каде што подобрувањата во ИПК се совпаѓаат со раст на СДИ. Северна Македонија, исто така, покажува дека периодите на подобрено управување кореспондираат со постабилни и зголемени приливи на СДИ.

Сепак, врската не е апсолутна. Србија се издвојува како значаен исклучок, одржувајќи ги највисоките приливи на СДИ во регионот и покрај релативно стагнантниот или дури и опаѓачкиот ИПК. Ова сугерира дека фактори како што се големината на пазарот, економската структура и напредокот кон пристапување кон ЕУ, во некои случаи, можат да го ублажат одвраќачкиот ефект на корупцијата. Црна Гора, со највисок ИПК во регионот, сепак доживува нестабилни СДИ, истакнувајќи го влијанието на обемот на пазарот и инвестициите специфични за проектот.

Севкупно, наодите ја нагласуваат важноста на сеопфатните антикорупциски реформи како основа за одржливи инвестиции. Сепак, тие исто така откриваат дека управувањето е само еден дел од пошироката инвестициска равенка што вклучува економска стабилност, регионална интеграција и секторски можности. За Западен Балкан целосно да го ослободи својот потенцијал за странски директни инвестиции, од суштинско значење се координираните напори за подобрување на транспарентноста, судската независност и деловното опкружување. Континуираниот напредок во овие области не само што ќе привлече поголеми инвестиции, туку ќе придонесе и за долгорочна економска отпорност и просперитет за регионот.

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ISBN 978-608-67060-4-3