



## **Information Technology to Combat Czech Corruption**

**by Nick Haslam**

Entrenched corruption within the Czech Republic is proving difficult to eradicate and is now perceived as one of the most pressing problems facing the country. A recent study published by Transparency International suggests that the abuse of public power for private benefit within the republic has increased by 25 percent since 1998. The international survey, which measures trends in levels of corruption shows that the Czech state has slipped 15 places in 4 years to rank 52nd with Morocco and Sri Lanka out of a total of 102 countries surveyed. To stem this widespread and often flagrant flouting of the law, the Czech government created the Ministry of Informatics in 2002 to co-ordinate the introduction of information and communication technologies (ICTs) into the complex bureaucratic world of the public administration. By publishing on the internet information which until now has been hidden from public scrutiny and by establishing a new principle of openness with improved accessibility to all kinds of data, it was that hoped corrupt practices could be curbed. In other countries, ICTs and 'e-government' have proved highly successful in lowering levels of corruption. The Chilean state, for example, made savings of up to twenty percent when the usually obscure process of tendering and awarding state contracts was made open on a government website. In Seoul, South Korea, every application for public housing can be tracked in real time thanks to the OPEN system – a complex anticorruption package relying on ICTs which has with met with success and public approval.

A major offender in the Czech Republic is the public sector where opaque, complicated and arcane systems make it easy for dishonest state officials and politicians to line their own pockets at the expense of the public purse. Surveys show that a high percentage of Czech citizens expect to have to pay bribes almost as a matter of course in their dealings with the state administration. From corrupt judges working hand in glove with property speculators to minor officials demanding bribes for the allocation of state housing or hospital beds, it seems that fraud is the rule rather than the exception. Some blame can be placed on the legacy of the Soviet era where state corruption and cronyism were an inherent part of government. But the stampede to privatisation in the immediate post-communist era created many more opportunities for graft. Valuable state assets were offered up at ill-supervised auctions and sold off at knock-down prices. High ranking officials and even organised criminal elements became involved in the scramble for easy and lucrative pickings. The numbers of financial scandals though finally reached such a high level that the coalition government finally collapsed in 1997 bemired in accusations of sleaze. But with many of the newly privatised companies proving unviable, the state again had to step in to bail out the casualties. This has led to an unhealthy amount of debt accumulating in government hands – the Czech Consolidation agency holding by the end of 2002 more than 11 billion USD of such unpaid bills. A common solution has been to write off the debt and sell the companies back to their former managers at fractions of their real worth creating yet more opportunities for illegal profit.

The Ministry of Informatics begun tackling engrained corruption by publishing basic government policy documents on the web, and by setting up an email address for victims of corruption to confidentially report to the relevant authorities. However, initial response has been poor, with surveys showing that only 17 percent of Czechs use the internet to contact public officials. Civil servants too have proved resistant to the introduction of ICTs and the principle of openness which they perceive as a threat to their position within the bureaucratic establishment.

But now, academics and NGOs working in the Czech Republic have called for the Ministry of Informatics to be given more teeth and political clout. A report produced by Czech specialist Ondrej Cisar<sup>1</sup> highlights several areas where 'e-government' could immediately have a powerful impact and suggests the Ministry of Informatics work more closely with the Ministry of the Interior in a multi-pronged co-ordinated approach to accelerate the introduction of ICTs.

Political lobbying and fund raising to finance party campaigns in national elections are very poorly regulated currently in the Czech Republic with allegations that large corporations have set up foreign slush funds to buy support and influence political decisions. If the Ministry of Informatics could ensure that each political party was now obliged to publish its annual accounts on the internet in order to qualify for statutory government funding, such illegal injections of cash would be far more difficult to conceal. E-procurement, where details of all government tendering are published on the web would ensure more openness in an area currently rife with abuse. A closely connected and relatively new field is the legal registration of new companies. Currently the regulatory framework is not clearly defined and dishonest attorneys and judges are bribed to speed or hinder the progress of applications through the courts. If all registration criteria were to be published on a government website where each new application could be monitored in real time such opportunities would no longer exist.

To implement this new rigorous approach Cisar suggests that special anticorruption units trained in ICTs should be set up by the Ministries of Informatics and the Interior with powers to enforce and penalise miscreants. Higher salaries coupled with clearer career structures would help overcome entrenched resistance amongst civil servants to ICTs and the general principle of more open government. NGOs and other agencies monitoring state activities should also be encouraged to coordinate their efforts by setting up a server dedicated specifically to anticorruption matters.

The Ministry of Informatics alone cannot provide a miracle cure yet with the Czech Republic at last making its first steps along the information highway, a much clearer and more direct communication between citizen and state is forecast. The correct implementation of ICTs will help facilitate this dialogue and begin the slow process of undermining corrupt systems at all levels of the state.

1 See Cisar, Ondrej, 'Strategies for using information technologies for curbing public-sector corruption: the case of the Czech Republic', a paper produced while the author was a fellow of the International Policy Fellowship programme.