SYNOPSIS

Conflict, cronyism, and a flawed privatization process damaged Croatia’s international image during its first decade of independence from Yugoslavia. After a change in government in 2000, a parliamentary consensus formed around the pursuit of European integration, but the European Union demanded real progress in tackling corruption, echoing citizen concerns. In response, the Croatian government created a specialized prosecution service called USKOK, the Bureau for the Suppression of Corruption and Organized Crime, to work in concert with other anti-corruption institutions. At first under-resourced and ineffective, USKOK grew in authority and stature after 2005, aided by new legal powers and new leadership. By building capacity and institutional partnerships at home and abroad, USKOK rose to be one of Croatia’s most-trusted government institutions. By 2012, USKOK had achieved a conviction rate surpassing 95%, successfully prosecuting a former prime minister, a former vice president, a former top-level general, and other high-level officials. By turning a corner on corruption, USKOK’s work strengthened the rule of law and cleared a key obstacle from Croatia’s path to European Union accession. This case study describes how USKOK’s leadership built capacity, public trust, and sustainability under pressure.

Gabriel Kuris drafted this case study based on interviews conducted in Zagreb, Croatia, in November 2012. Case published April 2013.

INTRODUCTION

On 10 December 2010, former Croatian prime minister Ivo Sanader was driving with his brother on an Alpine highway when Austrian police stopped his car and arrested him under an international warrant. Sanader had fled his home country a day earlier, hours before a committee of his colleagues in parliament voted unanimously to strip him of legislative immunity at the request of State Attorney General Mladen Bajić. After his extradition to Croatia, Sanader faced formal charges backed by 13,483 articles of evidence. In November 2012, he was convicted (pending appeal) and sentenced to 10 years’ imprisonment for illegal kickbacks totaling 10 million euros, or about US$13 million. It was a stunning reversal for a man who three years earlier had led Croatia.

Sanader’s yearlong trial, in which more than 50 witnesses gave evidence, riveted Croatians. Prosecutors from USKOK (Ured za suzbijanje korupcije i organiziranog...
kriminaliteta, or the Bureau for the Suppression of Corruption and Organized Crime) confirmed suspicions that Sanader’s history of graft dated back nearly two decades. In a crime USKOK prosecutors described as “war profiteering,” Sanader had received a US$695,000 bribe from an Austrian bank to help expand the bank’s market access during Croatia’s independence war. A later bribe of 5 million euros helped a Hungarian energy firm secure controlling rights in Croatia’s state oil company. In a separate case, USKOK prosecutors charged that Sanader had established an illegal political slush fund.

Media reports dwelled on Sanader’s expensive villa, custom-made tuxedos, watch collection valued at 150,000 euros, and historic Croatian paintings and suitcases of cash he stashed with his butcher before fleeing for Austria. “You have damaged Croatia’s reputation,” the judge told Sanader as he announced his verdict. “This verdict is a message to those engaged in politics that crime does not pay.”

Sanader was “adored,” said Ivo Banac, a former Yale University historian and cabinet minister in Sanader’s rival party. “[His premiership] was probably the best period after independence: lots of prosperity, very little unemployment. He could walk on water. Now . . . he is [seen as] the darkest devil you can imagine, with the longest possible horns.” Public opinion had shifted against Sanader as his corruption came to light and the 2008 European financial crisis discontented the public. But ultimately, it was the investigators and prosecutors of USKOK, led by Dinko Cvitan, who put Sanader behind bars and gave heft to the judge’s stern warning.

When Cvitan first joined USKOK as deputy head in 2003, Sanader was Croatia’s newly elected prime minister and USKOK was a two-year-old agency facing an uncertain future. The bureau was overwhelmed by backlogged cases and outmatched by Croatia’s corruption networks. Prosecutors had brought no graft charges against any high-level government officials. “In that time, USKOK was just a formality,” said Josip Kregar, primary drafter of Croatia’s anti-corruption laws. The organization “didn’t have the people, the resources, or even the authority” needed to do its job, he said. Years of hard work lay ahead before Croatia could begin to bring its corruption problem under control.

THE CHALLENGE

The inspiration for USKOK first came from Kregar, dean of the University of Zagreb’s faculty of law and later a member of parliament. Kregar first became interested in corruption as a graduate student in public administration in Paris during the early 1980s, moved by stories his classmates from the postcolonial world told him about how corruption hampered progress in their home countries. “It was very far from my experience,” he said. Croatia, then a socialist republic within the federation of Yugoslavia, was considered relatively prosperous, liberal, and well governed. “During socialism there was not democracy, but society was relatively moderate,” Kregar said. “It was natural that people were taking small bribes—petty corruption—but . . . the risk of corruption in general was very low.”

Historically, Croatia’s frontier position in the Austro-Hungarian Empire engendered laws and norms under which corruption was persistent but manageable. In everyday business, said Tvrtko Jakovina, a historian at the University of Zagreb, Croatia exhibited the patronage networks, shadow economies, and low-level graft that Jakovina called “characteristic of the Balkan-Mediterranean region.” But in its law and government, Jakovina said that Croatia inherited “an extremely bureaucratized structure from Austro-Hungarian times.” That Germanic system fostered Croatia’s economic and political
modernization but also opened opportunities for bribery, as citizens worked around the imperial bureaucracy.

Likewise, in Yugoslavia, many Croats engaged in low-level graft, finding the Belgrade-based bureaucracy to be exploitative and unresponsive. Banac called corruption “endemic and systemic” in Yugoslavia. “There was an attitude of permissiveness,” he said. “Corruption became second nature.”

In 1991, Croatia’s independence war and postcommunist transition opened new opportunities for high-level corruption. Ćedo Prodanović, a Yugoslav-era prosecutor who later served as Sanader’s defense counsel, likened the period to America’s Wild West, saying, “After independence, we had the war, and in the war a lot of things happened that normally wouldn’t be permitted.” Lasting until 1995, the war crippled Croatia’s economy, cutting off the tourism and regional trades on which it depended. Under an international embargo, Croatians secured arms and supplies through informal channels, empowering transnational crime syndicates and war profiteers.

Compounding the impact of wartime corruption was what Banac ironically described as “criminal privatization.” Calling for an elite class of “200 families” to lead privatization and spur economic development, President Franjo Tuđman’s government rewarded loyalists with lucrative state assets. “There were many opportunities for theft . . . if one was connected,” said Banac, who stressed that elite families were not the only beneficiaries of such opportunities.

Kregar said that it became “visible at that time that corruption was more than just isolated incidents.” In 1997, he and other activists tried to found a chapter of Transparency International, but the government blocked them. “The first reaction in politics and [the] media was denial of the problem,” Kregar said. “It was a refusal to understand anything about corruption. They didn’t want to recognize that corruption exists, especially not in the political sphere.”

In January 2000, weeks after Tuđman died, Croatian voters rejected his party, the Croatian Democratic Union (known by its Croatian acronym HDZ), and handed the presidency and parliament to an opposition coalition. With a supermajority, the new government amended the constitution to create a more typical European democracy, with stronger civil rights and with power concentrated in a unicameral parliament called the Sabor. The new government reoriented foreign policy toward membership in NATO and the European Union (EU), signing the Stabilization and Association Agreement with the EU in 2001. A 2002 resolution adopted by all parties in parliament set EU accession as a national strategic goal.

After this liberalization, media and civil society—including Transparency International Croatia, established in 2000—began to investigate the high-level corruption that had proliferated under Tuđman, raising public awareness. “When Tuđman died, there was the first indication that corruption existed,” Kregar said. “Mainly because of the media. There were hundreds of new scandals regarding corruption.” Workers were infuriated by reports of political cronies who took ownership of productive factories and shipyards and shuttered them, selling off their assets for short-term gain. Kregar said: “Some of the scandals were well documented, and no action was taken by the state or police. There was a high level of political protectionism.”

The new prime minister, Ivica Račan, appointed Kregar to lead a committee to draft a national anti-corruption strategy, passed in early 2002. Although Kregar conceded that the strategy document was “mainly lip service” to the problem, he said it nevertheless was a significant step forward. “People [no longer] denied the issue of corruption; the issue was
legitimized publicly and politically,” he said. “In
the end, the strategy had no votes against it in
parliament. That was the first time we
acknowledged that corruption was real.”

Multiple factors drove that legislative
consensus. Vladimir Šeks—a former state
prosecutor who led the parliamentary opposition
under Račan and became speaker of parliament
after Sanader led the HDZ to victory in the
November 2003 elections—identified several
pressures on legislators to tackle corruption.
“Most crucial was that an efficient fight against
corruption and organized crime was actually a
precondition for Croatia’s accession to the EU,”
he said. “We were receiving constant signals not
only from the EU but also from the United
States. . . . But there were also internal
influences arising from Croatian society, from
the media. The media played a significant role
in reporting about various forms of corruption
crimes.”

The national strategy, based on
Transparency International recommendations,
called for legislative action in three areas:
promoting transparency, monitoring conflicts of
interest among public officials, and creating an
independent anti-corruption agency.
Kregar helped draft legislation on all three. The laws on
conflict of interest and public access to
information were more popular with
the public
than with parliament, but both were enacted in
late 2003 and implemented after the 2003
elections. In Kregar’s view, the Sanader
government and its successors shrugged off the
obligations of both laws, limiting their impact
until stronger legislation passed in 2011.

In contrast, legislators agreed on the urgent
need for an anti-corruption agency. “The idea
was that existing authorities were not
appropriately or adequately organized to fight . . .
corruption and organized crime,” Šeks said.
“The police, state attorney’s office, and judiciary
did not have the tools and mechanisms to
combat corruption and criminal acts in a
successful way. What was necessary was to set
up specialized bodies to do this.”

Zorislav Petrović, president of
Transparency International Croatia from 2002
to 2010, said, “The idea was that Croatia would
get its own ‘Untouchables,’” referencing the elite
team of federal investigators who pursued
Prohibition-era crime bosses in the United
States. Even the name the government chose,
USKOK, reinforced that heroic image: the
Uskoks were 16th-century Croatian seafaring
guerrillas who raided Venetian-Ottoman trade
with stealthy, swift boats. Because they
undercut those empires’ encroachment upon
Habsburg Croatian lands, the Uskoks became
folk heroes of patriotic resistance.

Prime Minister Račan assembled a working
group under First Deputy State Attorney
Dragan Novosel to draft the USKOK law.
Kregar, a group member, said the first proposal
was “a police paramilitary unit to fight
corruption, like the anti-Mafia squadron in
Italy.” Kregar said, “The impetus was very
practical: You cannot investigate corruption
simply with ordinary police.”

After research in neighboring Italy, the
working group determined the Italian anti-mafia
model was ill suited to Croatia’s law
enforcement structure and white-collar
corruption problems. The group instead favored
the approach of Lithuania’s Special
Investigations Service and Hong Kong’s
Independent Commission Against Corruption.
Both were multifunctional anti-corruption
agencies involved in investigation, prosecution,
prevention, education, and policy coordination.
The two countries’ agencies differed
structurally: Hong Kong’s was more
multifunctional and independent, and
Lithuania’s was more investigation focused and
integrated with existing law enforcement. As a
compromise, the USKOK law created a
multifunctional bureau that was autonomous
but attached to the office of the state attorney
general, who appointed the bureau’s head. In practice, this setup nudged USKOK to prioritize investigation and prosecution over prevention, education, and policy coordination. “By words, we imitate Hong Kong,” Kregar said. “In reality, more like Vilnius” [Lithuania].

Parliament passed the USKOK law in October 2001, but the bureau’s political support was initially weak. Kregar said the bureau had “a very poor beginning.” In its first year, USKOK’s director was replaced twice.

Petrović said: “During the [parliamentary] debate, the law lost its teeth. Instead of a tiger, we got a pussycat.” Petrović recalled visiting USKOK headquarters early on and finding only the director’s office furnished. He said: “At the beginning, USKOK had only a principal, a secretary, and a ficus plant. There were no funds, no support. Even though we had not started EU negotiations at the time, it looked to me like USKOK was there just to fill in the box. That was the case until Mr. Cvitan was appointed.”

In its early years, USKOK prosecuted few cases, with convictions only in relatively minor cases. “They had myriad investigations, but not too many cases were brought to trial,” said Banac. “Was that because they were told not to, or because they were cautious? I cannot tell.”

In February 2003, Croatia formally applied for EU membership, spurring the government to boost support for USKOK. “The key moment was the opening of EU negotiations,” said Petrović. “Things started to change, and some new funds came to USKOK. After the negotiation process really started, it really had some positive impacts on USKOK.”

The EU stepped up both its support and its scrutiny, intensifying its accession process after seeing reforms stall in many newly admitted member states. The European Commission’s 2004 opinion on Croatia’s membership application disparaged the country’s progress against corruption, noting, “USKOK is not yet fully operational, and its administrative and operational capacity needs to be considerably improved. . . . [S]ignificant further improvement will be required.” Corruption emerged as a crucial barrier to Croatia’s accession, threatening the government’s public support.

Indeed, the Croatian public was becoming increasingly concerned about corruption. Transparency International surveys in 2003 and 2005 found that 85.9% and 89% of Croatians, respectively, considered corruption to be widespread. A government–financed survey in 2004 found that 72% of Croatians believed that most civil servants were involved in corruption. Čeks, then speaker of parliament, recalled, “The public very powerfully supported this fight.”

The start of formal EU accession negotiations in 2005 marked a pivot point. The Croatian government was under foreign and domestic pressure to make tangible progress against corruption, especially against the high-level corruption that had proliferated since Croatia’s independence. To achieve the results Croatia needed, USKOK and its institutional partners would need to secure support, build capacity, and launch high-powered investigations without skimping on preventive efforts.

FRAMING A RESPONSE

Prime Minister Sanader tapped Kregar, a political adversary, to draft a stronger anti-corruption strategy, ratified in 2006. Kregar said the move “surprised” him but that foreign pressure had become “a very decisive element.” He reflected in 2012: “All the embassies were quite well-informed [about Croatia’s corruption problems]. They were pushing, and still they are pressing. The progress reports have always emphasized corruption.”

Under international pressure, parliament ratified the United Nations Convention against Corruption in 2005, and had amended the

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USKOK law in 2003 and 2005 to expand the bureau’s powers and authority. As a prosecution-focused body, USKOK had supervisory powers over relevant police investigations but did not perform police functions itself. The new amendments gave USKOK powers beyond those then available to typical prosecutors, subject to judicial review. The powers included authority to use special investigative methods such as undercover operations, sting operations, and telecommunications surveillance. The amendments also widened the range of crimes under USKOK’s jurisdiction, obligated other state bodies to assist the bureau, and allowed USKOK to inspect personal financial data and business operations and to freeze assets with judicial approval.

The 2005 amendment created an international cooperation and joint investigations department to supplement USKOK’s other three functional departments: prosecution, research and documentation, and anti-corruption and public relations (responsible for preventive and educational activities). In actuality, however, USKOK’s nonprosecutorial departments barely existed. Likewise, few staff operated outside the capital city of Zagreb, even though the USKOK law had established three sections—in Rijeka, Split, and Osijek—to accommodate Croatia’s sprawling geography and complement judicial divisions. Whether because of capacity shortages, mismanagement, or legal and structural deficiencies, USKOK was still not operating as intended.

The Croatian public put most of the blame for USKOK’s underperformance on government inattentiveness and judicial ineffectiveness rather than internal failures. The bureau “always had quite a good reputation,” said Petrović. “The public sympathized with USKOK, seeing it as a good guy in a bad neighborhood.”

Nevertheless, the public perceived USKOK head Željko Žganjer as ineffective. The Economist Intelligence Unit reported, “Local media point out that USKOK has had no significant success in fighting organized crime and corruption since he was appointed to the post in September 2002.” Although Žganjer argued that his office’s jurisdiction was too broad and that its 12 prosecutors were overwhelmed with uncorroborated citizen complaints,8 he resigned in November 2005.

State Attorney General Bajić appointed USKOK deputy head Cvitan to replace Žganjer: first in an acting role, then to a regular, renewable four-year term in March 2006.

Cvitan was not a career prosecutor. He had served six years as a municipal-level prosecutor in Yugoslavia before shifting to the private sector after independence, eventually becoming chief counsel at an insurance company. Cvitan said his commercial experience broadened his view of the law, teaching him different analytical methodologies. However, the creation of USKOK inspired him to rejoin public service. Cvitan became a deputy county prosecutor in 2003 and moved to USKOK a year later.

Petrović of Transparency International pointed out three factors behind Bajić’s decision to appoint Cvitan to head USKOK: the attorney general’s trust in Cvitan, Cvitan’s reputation for political independence, and foreign demands for a stronger USKOK.

Drawing on increased political will and new powers and authorities, Cvitan aimed to shape the bureau into an effective, trusted, professional force capable of achieving real progress in combating corruption and organized crime at high levels in order to bolster Croatia’s rule of law and its drive for EU accession.

Cvitan set four goals. “My first task,” he said, “was to fully implement the USKOK law” by making all four organizational departments and territorial offices operational. His second
goal was to bolster interagency cooperation. Only then could USKOK tackle his third goal: to prosecute high-level corruption. Finally, after USKOK established a solid track record, Cvitan wanted to improve international cooperation to counter transnational threats.

Building USKOK’s credibility, support, and capacity enabled the bureau to take on a more expansive, multifunctional role. However, under Cvitan, USKOK made a strategic choice to focus on its core strengths of investigation and prosecution and to defer to complementary institutions on anti-corruption activities involving prevention, education, and policy coordination. That choice fit the multiagency model of anti-corruption systems in western European countries such as France and Spain rather than the single-agency models in Hong Kong and Lithuania. “The primary task of USKOK is criminal prosecution,” said Nataša Đurović, hired in 2005 as USKOK’s deputy head of anti-corruption and public relations, explaining that USKOK conducted preventive efforts “in cooperation” with other authorities and civil society groups.

GETTING DOWN TO WORK

In pursuit of Cvitan’s goals, USKOK became more effective by building capacity, collaborating with outside institutions, taking on high-level corruption cases, and strengthening international relationships. “Everything actually happened in that order,” Cvitan said. “Of course, it took time.” In addition, USKOK worked with partner agencies and organizations to build support alliances and promote preventive and educational efforts.

Reaching full strength

After Cvitan assumed leadership of USKOK in late 2005, his first priority was to flesh out the bureau’s staff to match its legal mandate. “We reorganized and established the four departments [prosecution, research and documentation, anti-corruption and public relations, and international cooperation], and I hired department heads who drafted strategies,” he said. For example, Đurović’s draft strategy for the anti-corruption and public relations department prioritized the strengthening of relations with the public by reaching out to the media and civil society.

To fill out USKOK’s staff, Cvitan made recommendations to the state attorney general, who hired USKOK prosecutors for four-year terms under the USKOK law. Cvitan said he focused on “teamwork and specialization” in recruiting staff: “It wasn’t easy. A lot of people came in and out. We always assume our staff will be good, but some are not able to work under the pressure. They are good prosecutors, but this is special work.”

He and Bajić combed the ranks of county and municipal prosecutors, looking for those who had demonstrated commitment to fighting corruption and had acquired specialized experience in such areas as narcotics trafficking, human trafficking, and financial crime. Cvitan’s first deputy prosecutor, Tamara Laptoš, who came from a small, remote office, went on to earn recognition as a 2011 “prosecutor of the year” by the International Association of Prosecutors. To broaden USKOK’s skill base, Cvitan recruited some staffers who had no formal legal backgrounds, including a criminologist and an information technology specialist for the research and documentation department. For complex investigations, prosecutors worked in interdisciplinary teams.

USKOK staff also strengthened capacity by developing expertise in special investigative methods, such as telecommunications surveillance, which Croatian law permitted USKOK prosecutors to use when evidence for a suspected crime was otherwise unobtainable. Judges approved and supervised such surveillances and reviewed records and the
destruction of documents deemed to contain no evidence. USKOK staff used only relevant conversations as evidence, although defense counsel had the right to review all recordings of intercepted conversations. Surveillance duration ranged widely, from 24 hours to 18 months. One major case involved the recording of 90,000 telephone conversations. Cvitan said such special measures enabled USKOK to capture targeted evidence about two-thirds of the time.

Because of the unusual sensitivity of USKOK’s work, staffers had to pass security screens and receive special certification to handle confidential information. The office instituted strict protocols for managing information and working in a closed, high-security computer network.

In addition, Cvitan called foreign assistance an “important component” of USKOK’s development. EU assistance included twinning programs with Spain (2004–06) and Germany (2010–12). US assistance coordinated across several agencies included stateside study tours and advanced training seminars. Kregar said an experienced American prosecutor whom he called a “very good role model” helped train USKOK on how to “follow the money” in corruption investigations. With outside support, USKOK prosecutors gained competency in modern methods of financial investigation, including freezing assets and securing sufficient evidence to support court-ordered asset seizures.

**Building public support**

“Our primary task is repression [of corruption], but we know that prevention and education are also important,” Đurović said. “We rely on other segments of society, like citizens; it’s important that they report [corruption].”

Đurović saw strong media relations as essential to building public trust. “First, we wanted to build good relations with the media,” she said. “The media can inform the public about our activities and . . . strengthen public opinion.” Through meetings with journalists, answers to written inquiries, and updates to the USKOK Web site, members of Đurović’s department made relations with the press more flexible and cooperative, allowing the press to correct misunderstandings and counter disinformation quickly. “We held many meetings with the press, explaining how USKOK works,” she said.

A former journalist served as a press representative, informing the public of case developments. “Public relations helped us build credibility with citizens,” Cvitan said. “That is important to efficiently fight crime.” Improved public relations helped produce a sharp uptick in public complaints about corruption, providing evidence for further investigations.

One of the challenges of USKOK’s media relations was to break down prosecutors’ ingrained reluctance to answer media questions. All USKOK prosecutors participated in media training to improve their skills in answering media queries without endangering casework. “We also aimed at [nongovernmental organizations, or NGOs],” Đurović said. “We have long-term cooperation with Transparency International and other, smaller NGOs . . . at the local level, too. They promote our work and raise public awareness.” USKOK representatives attended NGO workshops, and bureau investigators solicited case leads from civil society. Banac, who served as president of the Croatian Helsinki Committee for Human Rights, Croatia’s preeminent human rights advocacy organization, said: “We in the Helsinki Committee worked with USKOK very closely. There are a number of cases they investigate that are of interest to us. . . . We found them to be reliable.”

**Bridging agency divisions**

Đurović said Cvitan often used the word *synergy* to describe USKOK’s relationship with
other anti-corruption institutions. “We rely on other institutions: the police, Ministry of Finance, and other agencies,” she said.

“Everyone has to do their task.”

That synergy sometimes produced friction. Kregar said: “There were problems, in the beginning, with cooperation from the police, and especially the Ministry of Finance. They didn’t want to provide them [USKOK] financial information.” To lower those barriers, USKOK established memorandums of understanding with relevant ministries and agencies to establish controlled means of access to their databases that enabled USKOK to exercise its special powers of inspection of financial data without violating citizen privacy. When required, a tax office staffer would come to USKOK headquarters to provide personal support and supervision.

Conflicts with police over information-sharing and operational cooperation diminished as Croatian police professionalized, becoming “increasingly on par with typical Western police forces,” according to Banac. However, the incongruence between the bureau’s specialized prosecutors and their nonspecialized counterparts in the police and judiciary began to raise issues of competence, coordination, and confidentiality. The Croatian government responded to the disparity in October 2008 by creating specialized bodies within the judiciary and the police to complement USKOK. Both were structurally parallel to USKOK, with headquarters in Zagreb and three regional branches.

The USKOK courts were not separate institutions but, rather, teams of specialized judges designated to hear USKOK cases. The judiciary appointed the judges and granted them certain special powers and higher pay; but otherwise, they performed normal judicial roles. The police organization, however, was a new agency within the Ministry of Interior called the USKOK national police (PNUSKOK), the result of a broader police reorganization process undertaken with Dutch support through an EU twinning project. PNUUSKOK had six strategic divisions: organized crime, narcotics, economic crime and corruption, criminal intelligence analytics, criminal intelligence activities, and special criminal activities. Šeks explained: “Sophisticated criminal minds are always one or two steps ahead of the institutions that are supposed to identify them. So what we wanted to do was to provide the most appropriate tools and weapons, so that our police have well-trained, well-educated people in charge of hunting this sort of prey.”

Mario Bertina, appointed head of PNUUSKOK in 2012, said parliament had formed the organization “to be partners with USKOK, to extend the reach of their arms.” Bertina’s unit generally conducted its investigations under USKOK command, although the law allowed it to conduct its own, limited investigations before informing USKOK. Ultimately, USKOK controlled the scope of the police unit’s involvement in all investigations. Bertina said USKOK could enlist the aid of his unit at any time during an investigation or choose to forgo it in such cases as high-level financial crimes that didn’t require police expertise. “The relationship between the two institutions is always collegial,” Bertina said. In the most basic cases, he said, the police officers worked on their own “because the guidelines given by USKOK are very clear and there is no need to involve extra people. But in the most complex cases, we basically work as a team.” Over time, members of the police unit learned from USKOK prosecutors what kinds of evidence were most helpful in court. “There are differences of opinion, but we resolve them sitting around the table, professionally, . . . [until] we come to a mutual agreement on a case-by-case basis,” he said. For example, in the November 2012 arrest of several high-ranking police officers for corruption, members of the
police unit “worked on a daily basis with people from USKOK—from the first moment. We collected evidence together, conducted interviews together.”

Bertina said the jurisdictional lines and the differences in competencies between his unit and other police bodies were clear enough to prevent conflict: “The law is one side of the coin. The other side of the coin is the reputation we’ve built over the years working on the most difficult cases.”

*Investigating high-level cases*

Launched in late 2006, USKOK’s first major investigation—code-named *Maestro*—concerned bribery in the Croatian Privatization Fund. Because of its sensitive subject matter, Cvitan kept the operation top secret, working in a small, handpicked team co-led by State Attorney General Bajić.

Bajić’s willingness to collaborate closely at the investigative level impressed Cvitan. “The state attorney general participated in the case almost as a deputy. He presented ideas, gave advice. This was unique,” Cvitan said. “We worked in a special room with access restricted to those working on the case. Nothing left the room—no papers or thumb drives. We worked 14- to 15-hour days. We had wild mood swings, from euphoria to depression.” However, the evidence didn’t add up until Cvitan asked two other deputies to work on the case without telling them of his previous work, hoping they would bring a fresh perspective. After six weeks, he invited them to a meeting of his small team. “We had a difference of opinion, a fierce discussion,” Cvitan said. “And it was productive; it resulted in an indictment.” The court convicted the defendant—a vice president from the privatization office—sentencing him to 11 years’ imprisonment, an unprecedented corruption sentence for Croatia.

“From then on, things weren’t the same at USKOK,” Cvitan said. “We set the highest possible standard then. There were a large number of cases after that.” “That case gave them a very high profile in public,” Petrović said. “Privatization is seen as a synonym for corruption, very often . . . so it confirmed what everybody knew, in a way.” The media reported the arrests and trials thoroughly, as USKOK’s use of special investigative methods revealed intriguing details—like a suspect who was recorded asking a potential briber for 50,000 euros for a coffee. Petrović continued: “Before that, whenever you saw something about USKOK in the media, it would be about something like two policemen extorting money from drivers.”

USKOK’s most-high-profile case, based on years of investigation, targeted Prime Minister Sanader. In July 2009, after six years in office, Sanader had stunned Croatians by abruptly resigning midterm and without explanation. The resignation came as the media was showing increasing interest in his hidden wealth. Sanader returned to parliament a year later as an independent and signaled his intent to return to higher office. In December 2010, USKOK announced charges in a case that ultimately implicated Sanader and several associates, centering on the sale of Croatia’s state-owned oil company. As USKOK traced Sanader’s corruption networks, the charges embroiled the ruling HDZ party itself. Charges of HDZ financial violations filed a month before the December 2011 elections contributed to the party’s defeat. Despite their sensitive nature, these investigations posed “no special obstacles,” Đurović said, “besides the complexity of the cases, which required the engagement of several prosecutors.”

Many factors contributed to the spate of high-profile USKOK investigations beginning in 2009, beyond incremental improvements in bureau capacity. Đurović pointed to three: staffers’ improved investigative skills such as asset-tracing and special surveillance methods,
the specialized institutional framework between USKOK and its related special police and court operations, and criminal procedural reforms passed in July 2009 that shifted investigative responsibilities from judges to prosecutors and made the trial process more efficient.

Arguably, changes in the political climate gave USKOK a freer hand as well. Beginning in 2009, the European financial crisis shifted public opinion against Sanader and the ruling HDZ party. Sanader’s successor, Jadranka Kosor, faced domestic and international incentives to support USKOK’s work. “There was a lot of pressure coming from outside Croatia to arrest Sanader,” Petrović said. Besides the pressure of the EU accession process, Austria and other regional countries had detected evidence of Sanader’s graft beyond Croatian borders.

Nevertheless, Cvitan stressed that operational rather than political considerations dictated the timing of USKOK investigations. “Not everyone is satisfied with our work,” he said. “Some media believe we’re slow; they second-guess why we waited so long to prosecute the former prime minister, for example. Some citizens write us numerous letters. But we can only initiate cases when there is sufficient evidence. We must prove offenses, unlike journalists. . . . You don’t just go to court saying, ‘Oh yeah, the prime minister is a thief.’”

Sanader’s trial for corruption charges, some of which dated back to the legal lapses of the Tudman era, marked a decisive shift in Croatia’s battle against the wave of high-level corruption that followed Croatian independence. Kregar said that in the 1990s, the mentality was that “some people are beyond the law, they have impunity, in the social sense. Because of that, it was so shocking for the people when we had the case against the prime minister.”

**Fostering international cooperation**

International relationships were essential to uprooting many forms of corruption. Complex investigations into organized crime and corrupt business practices, such as the Sanader case, required collection of evidence from foreign banks, corporations, and governments. The state attorney’s office signed memorandums of understanding with agencies across the region, in the United States and the EU, and as far afield as China and Chile. USKOK participated actively in international organizations such as INTERPOL; Europol; OLAF, the European Commission’s anti-fraud office; and Eurojust, the EU’s agency for judicial cooperation. In 2009, the Croatian government first delegated a prosecutor as a Eurojust liaison, which was set to transition into a permanent role after Croatia’s accession. “They already treat us like a fellow EU member state,” Cvitan said in 2012. He added that USKOK cooperated frequently with relevant US agencies, especially regarding organized crime.

Regional cooperation was another priority, and cooperation with law enforcement agencies in former adversaries Bosnia, Serbia, and Montenegro posed special challenges. “The criminal organizations networked quite well during the war,” Cvitan said. “Now, organized crime in Croatia is conducted with Croatians doing the logistics, but bringing in [hired] enforcers from neighboring countries. Police forces across the region are trying to cooperate.”

As USKOK’s reputation strengthened and Croatia advanced in the EU accession process, USKOK served as a kind of model for international efforts to support regional justice-sector reforms.

USKOK’s police counterpart also emphasized international cooperation. Bertina said, “We were given open arms to cooperate fully with police from the United States and
Europe and in the region, which is vital.” Bertina said he worked closely with representatives of US agencies, including an agent from the Federal Bureau of Investigation based for three weeks in Bertina’s office to “see how cooperation could be improved even more.” Bertina said the police had also established high levels of cooperation with law enforcement in other former Yugoslav republics.

To coordinate preventive anti-corruption policies with international bodies and other Croatian agencies, USKOK deferred to the Ministry of Justice (see Box 1).

OVERCOMING OBSTACLES

Even though USKOK prosecuted officials at the highest level of government, the bureau faced little overt political pushback, especially in comparison with the experiences of peer agencies in other postcommunist countries such as Slovenia, Latvia, and Lithuania. USKOK’s arrest and prosecution of Sanader occurred while the HDZ party still held power and had opportunities to use parliamentary and executive powers to hamper investigations and to use friendly media channels to discredit the bureau. Shortly before the 2011 elections, USKOK even charged the HDZ directly with financial violations, without suffering political retribution.

Strong political support was a significant factor behind USKOK’s apparent free rein. Sanader, for example, did try to persuade other HDZ party leaders to fight back against USKOK after he resigned his premiership and presidency of the party, but he was unsuccessful, according to former HDZ leader Šeks. “He somehow felt that the investigation would eventually reach him,” Šeks said. “He then tried to somehow neutralize this fight against corruption. He tried to persuade the then ruling party to relieve the state attorney from office. . . . He wanted to protect not only himself but also some other officials.”

However, Šeks said, the investigation had become “an unstoppable process.” He explained: “The prime minister [Kosor] and the party leadership defended themselves against this pressure from the former prime minister, and they actually wanted to create a framework in which no one is untouchable. And indeed, PNUSKOK and USKOK enjoyed such support from the government that nobody, from the highest to the lowest levels, was exempt from investigation.”

Several political incentives factored into Kosor’s public stance that “no one was untouchable” in her government. First, USKOK’s achievements were instrumental in closing the chapter on fundamental rights and the judiciary in EU negotiations in December 2010, one of the last outstanding obstacles to Croatia’s accession. “At a time of deep crisis, [Kosor] was the one pushing for closer relations with the European Union, to fulfill that criterion,” said history professor Jakovina. Though the HDZ lost the next election, Kosor signed the EU accession treaty in her last days in office, achieving a major political goal.

Čedo Prodanović, counsel to Sanader, claimed there were political tides within the ruling party that eased Sanader’s prosecution. Kosor and Sanader came from opposing party factions. Prodanović said: “A lot of this anti-corruption campaign, in a substantial way, was a fight between two branches of the same party. That was a way to resolve the political struggle . . . One part of HDZ was indicted, and the other part—with the same kind of people—nobody touched.” Prodanović said the 2010 parliamentary elections intensified that factional dispute, when Sanader returned to parliament as an independent member and posed a challenge to Kosor after the HDZ suffered losses.

Petrović agreed that Sanader’s return had indeed made him a more tempting political target: “If he did not try to retake the party after
Box 1: Prevention-focused Institutions Complementing USKOK

Although the law empowered USKOK to be a multifunctional agency with broad authority over government anti-corruption efforts, Cvitan focused the bureau’s resources on its core strengths of investigation and prosecution. In the areas of prevention, education, and policy coordination, USKOK generally took a backseat to the Ministry of Justice’s Independent Anti-Corruption Sector, led by magistrate Davor Dubravica.

With a staff of twelve at the height of the EU accession process, Dubravica coordinated systemic anti-corruption reforms across government and reported on progress to domestic and international bodies. “We were involved in drafting many laws, as part of working groups,” Dubravica said. New laws on political party funding and conflict of interest were based on diverse Western models, from Romania to Canada.

Dubravica saw advantages to his office’s position within the justice ministry: “As a part of the system, inside the house, sometimes it’s easier to [propose reforms] than from outside the house.” However, Dubravica found it difficult to secure high-level cooperation among other ministries. In response, in April 2008 Prime Minister Sanader organized an anti-corruption coordinating committee, chaired by the minister of justice and including relevant state secretaries. “After one year of implementation like this,” Dubravica said, “we saw that these kinds of representatives were too weak. So we put it on a higher level.” Kosor, who replaced Sanader in July 2009, personally chaired the committee, inviting relevant ministers and agency heads. “This was very good for our credibility and authority,” Dubravica said. “I had the authority of the prime minister behind me.” (In fall 2012, with EU accession all but ensured, the justice minister resumed chairing duties.)

Dubravica’s office led anti-corruption education through media campaigns, youth education within the schools, and training for public servants, police officers, judges, and executives of state-owned enterprises. “We organized many education [sessions], and we invited USKOK prosecutors there,” Dubravica said. “They gave us very good cooperation.” He added: “We also did a lot of seminars at the local level. For a lot of them, it was the first time they heard something.” Public officials were especially interested in conflicts of interest, a challenge for Croatia’s many small, insular communities.

USKOK helped shape the priorities of Dubravica’s office. “After USKOK had conducted investigations of many state-owned companies,” he said, “we saw that we had to improve prevention in them.” In November 2009, the government adopted a program developed by Dubravica’s office requiring such companies to implement integrity plans. The plans included preventive measures such as establishing procedures for reporting violations and designating ethics officers and information officers. Companies initially responded apathetically to the integrity plans—until Dubravica’s staff hit upon a creative solution: a ranked scorecard for implementation, based on a detailed questionnaire of yes-or-no questions. “We started to publish all the answers on our Web page,” Dubravica said. “Between the big companies, this started a competition about what others were doing or not doing.” Dubravica’s office ranked each company’s progress in semiannual reports, presented at press conferences. The success of this competitive approach elicited interest from peer agencies across Europe.

The National Council for Monitoring Anti-Corruption Strategy Implementation, led by Šeks, also helped scrutinize anti-corruption reforms among executive agencies. “We are the watchdog,” Šeks said. “We have open sessions with media representatives, in which an individual minister comes to defend his work.” The council convened a few times each year, covering the reports and testimonies of several agencies. In one session, the council exposed irregularities in public procurement that led to 22 indictments.
HDZ did very poorly in the 2010 elections, he perhaps might not have been prosecuted.” (USKOK denied that politics was a consideration in the decision to prosecute Sanader.)

Petrović offered two other reasons for the lack of pushback to USKOK’s widening dragnet: “One, the EU negotiation process put more light on everything. Two, Sanader left office, and . . . his successors could not control everything as well as he could.” Sanader’s resignation threw his party into disarray, constraining unified action. “The other protagonists started fighting to get their piece of power,” Petrović said.

Kregar suspected that Croatia’s old-guard politicians, many of whom had risen in the underregulated environment of the Tuđman era, were reluctant to stick out their own necks to defend colleagues who were under investigation. Younger politicians, Kregar said, were less likely to be implicated in high-level corruption to begin with. “The new elite took as their own some real values of democracy,” he said.

The growing clout of Croatian law enforcement also raised the political cost of any move against USKOK. “USKOK is a sort of symbol for the people,” Kregar said. “It became, and is now, one of the most powerful, most efficient agencies in the area of anti-criminal matters.” As long as the bureau maintained a reputation for professionalism and effectiveness, the salience of corruption as a public issue provided insulation from political winds.

The economic crisis kept the issue of corruption on citizens’ minds. While Croatians generally didn’t attribute the crisis to corruption, Dubravica said the crisis and the government’s austerity measures that followed the crisis put the costs of corruption in stark relief. “People became aware of how corruption damages every citizen,” he said.

Support by State Attorney General Bajić also helped fortify USKOK. Jelena Budak, an expert on corruption at the Economics Institute of Zagreb, said: “Bajić and Cvitan have so much public authority. They are the rare charismatic public figures in Croatia that people perceive are honest and competent and doing their job.” The personal popularity of both those leaders helped protect USKOK’s investigations from interference.

Kregar cited three reasons Bajić was a critical ally for USKOK. “First of all is the character and abilities of Mr. Bajić,” said Kregar. “He knows what politicians are thinking of him.” Bajić’s political skills and reputation for competence helped USKOK maintain political support while staying above the political fray. “Second, he has very good relations with the media,” Kregar said. Bajić’s media savvy helped keep USKOK in the headlines. “Third, he has a lot of files,” Kregar said. “No one is willing to discover what he has.”

Critics argued that the surveillance powers and political capital held by Bajić and Cvitan gave Croatian law enforcement undue influence and upset the balance of power between elected and unelected branches of government. However, Cvitan stressed that USKOK’s special powers were regulated and supervised judicially, in line with European standards.

Many Croatians perceived judicial reforms as lagging behind reforms among police and prosecutors, with slow trials that drained public enthusiasm for USKOK cases. Jakovina said Croatian politicians were unafraid to face corruption charges partly because of the inefficiency of the court system, which gave defendants opportunities to delay or avoid trial. Jakovina even looked forward to EU accession as a check on Croatia’s judiciary: “We will have a place to appeal, especially if our courts are not functioning well.”

Kregar said Croatia’s judiciary had resisted efforts to make the courts more efficient, transparent, and accountable. “The judiciary did not change much [after independence],” he said. “They are very resistant against changes
because they feel independent.” Furthermore, Kregar said judges were quick to use legal powers to penalize those who criticized ongoing trials, thereby chilling public discussion of corruption cases.

Because public dissatisfaction with the judiciary affected perceptions of the overall legal system and its capacity to punish offenders effectively, concerns over judicial inefficiency affected USKOK. In 2008, Croatia introduced significant procedural reforms that were used first in July 2009 for criminal offenses prosecuted by USKOK before implementation nationwide. The reforms transferred supervisory powers over criminal investigations from investigative judges to prosecutors and moved Croatia toward a more Anglo-American legal model.

The new criminal procedures also allowed prosecutors to use plea bargaining to avoid lengthy, costly trials and boost judicial efficiency. Although critics contended that plea bargaining undercut the right to fair trial, Cvitan asserted that such agreements helped USKOK conserve resources while reducing court congestion and that suspects were often eager to avoid trial. He said: “Our goal is to follow the Anglo-Saxon model, with a high level of plea bargains. In the first nine months of 2012, we achieved a plea bargain rate of 49%. Our goal is to reach 80%. It’s an ongoing process to get there.”

ASSESSING RESULTS

The creation of USKOK was one of three popular anti-corruption reforms passed before the 2003 elections, along with new laws on conflict of interest and public access to information. Of the three, Kregar said in 2012, “the only thing that worked and is still working is USKOK.”

From 2006 to 2012, USKOK convicted 2,185 defendants, with a conviction rate of roughly 95%. Arguably, USKOK’s investigations had their greatest impact on high-level corruption. Those convicted included dozens of powerful officials. “Not many other countries were able to put a former prime minister on trial, as well as a former vice president, a former minister of defense, and former minister of police,” said Jakovina. “It’s much easier now to try a high-level politician. . . . People are going to be more cautious. A message was sent.”

Other USKOK corruption investigations implicated senior tax officials, a minister of agriculture, the ambassador to the United Nations, a former deputy prime minister, and the general in charge of all land forces. “And, of course, we have prosecuted judges and prosecutors,” Cvitan said. “Every institution needs to clean up its own mess first.”

Several noteworthy cases involved whole institutions, starting with Maestro’s targeting of the Croatian Privatization Fund in 2006, which led to ten convictions. In a 2007 case called Gruntovec, 26 suspects were convicted of bribery in the Zagreb land registry. The case called Index, in 2008, involved academic graft across several major universities. Cvitan described the case as “almost like a military operation: 105 suspects arrested at once, everything coordinated to the minute, over 72 hours.” All persons charged after the investigation were convicted. Another series of cases in 2008, called Diagnosis, ultimately involved 53 suspects. The Diagnosis case was especially scandalous, implicating physicians who had been bribed to produce false injury reports for fraudulent claims to government benefits intended for wounded veterans.

Perceptions of low-level corruption remained stubbornly high, however. A March 2010 survey by Croatia’s Institute for Social Research, a social science research organization founded by the University of Zagreb, revealed that 81% of respondents believed that most civil servants were involved in corruption, up from 72% in 2004.
Arguably, however, the increase in perceptions of corruption was a natural consequence of high-profile corruption revelations. University of Zagreb sociologist Duško Sekulić wrote: “The revelation of a series of corruption cases in the countries of the European Union results, as a rule, in a significant rise in perceived corruption. . . . [R]eveling corruption and fighting seriously against it leads to a situation where corruption is perceived as more widespread than before. This rule is obvious in its extreme form in Croatia as well.”

Budak, an economics researcher and author of “Corruption in Croatia,” a 2011 report by the UN Office on Drugs and Crime, agreed that Croatians’ lingering perceptions of corruption were normal and that there was a time lag between anti-corruption reforms and public perceptions of their impact. “With the first affairs and scandals, awareness of corruption is rising but also perceptions,” she said. USKOK investigations across several sectors inevitably contributed to public perceptions of corruption in those sectors. A 2010 survey cited in Budak’s report found that Croatians listed corruption as the third most important issue facing Croatia, narrowly edged out by unemployment and government performance—a sign of raised awareness within Croatia. Budak found in a 2012 study that 47% of respondents believed corruption had increased over the preceding three years; 44% believed it had remained the same.

One positive indicator was the growth in public trust in Croatian law enforcement. A 2010 survey found that 33% of Croatians had quite a lot of trust in the judiciary and 58% had quite a lot of trust in the police, up from 25% and 54% in 2004, respectively. By 2010, the police had become the second-most-trusted institution in Croatia, ahead of the Roman Catholic Church and behind only the military.

Croatia joined NATO in 2009 and was on track to join the EU by July 2013. Croatia’s progress in combating corruption, and especially USKOK’s high-level investigations, played critical roles in those foreign policy achievements. The European Commission’s final monitoring report on Croatia’s accession preparations in March 2013 noted: “The legal and institutional framework for the suppression of corruption and organized crime is adequate. . . . Law enforcement bodies remain proactive, including in higher-level corruption cases . . . and corruption in law-enforcement institutions . . . ” The report also noted Croatia’s strengthened corruption prevention measures and legal improvements.

Croatian leaders believed anti-corruption reforms were unlikely to backslide, even after accession. Many noted that the EU toughened the criteria for Croatia after reforms appeared to stall in newly admitted member states. “It won’t happen in Croatia because after the experience with Bulgaria and Romania, the threshold for Croatia has been very high; we’ll have to meet many benchmarks,” said Šeks. “It’s deeply rooted in our society now. There is no way back to the old bad habits.” Jakovina agreed, noting that Croatia would continue to face pressure within the EU both as a relatively small country and as a country sensitive to western European perceptions because of its cultural ties to the Catholic world.

Others asserted that reduced EU scrutiny might slacken the pace of reform. “Now we have a lot of spotlights on Croatia,” Petrović said. “Fewer spotlights, more corruption risk.”

Journalist Nataša Škarčić said the government’s anti-corruption reforms were modest and likely unsustainable because USKOK’s prosecutions were due to a political window of opportunity that could easily close again. “The anti-corruption mechanisms and public sector structural changes were not developed,” she said. “It’s not that the system has improved, but the political climate has
changed.” Still, she said EU pressure could help Croatia reverse the growth of high-level corruption that followed Croatia’s independence. “Since the history of corruption in Croatia is a relatively short history, related mostly to the [postcommunist] transition, and since we reached bottom during the [Sanader] government, it is highly likely, at least in a minimal sense, that the EU will influence policy,” she said.

Dubravica said Croatian reforms had advanced enough that domestic pressure would be sufficient to carry the policies forward. “Maybe it’s better that we don’t have the pressure [from the EU], that we decide on our own what is best for us.”

One unintended consequence of increased anti-corruption scrutiny was a chill in government procurement. “These days everyone is more careful,” Petrović said. “In state-owned companies, people are scared to sign any contracts.” Šeks argued that this was a “natural, temporary consequence” of a sudden wave of enforcement. He said that as public servants became accustomed to functioning with new procedures, such clampdowns would become less necessary. “The train is moving,” said Šeks. “The conductors are well trained. And the train will drive very well.”

Some Croatians found USKOK’s authority and influence worrisome. “They are now quite a big and powerful organization,” Kregar said in 2012. “Now we even have a problem of how to control what they are doing.” Prodanović voiced a similar view: “The powers of USKOK are now very strong, without any control, with very big legal responsibilities. Nowadays they can do what they want . . . . The politicians are very frightened, feeling lucky and happy if they are not under investigation.”

Although Cvitan stressed that the judiciary held USKOK and the state attorney’s office accountable, Prodanović saw the courts as intimidated by USKOK as well, feeling public pressure to convict high-level defendants. Cvitan disputed that claim. “When we fail, which is rarely, we are not angry at the court,” he said. “We go over our own actions and rethink how we could have done better.”

REFLECTIONS

USKOK’s success, and Croatia’s rollback of high-level corruption, involved the complex interaction of many factors. Davor Dubravica, former head of the Ministry of Justice’s Independent Anti-Corruption Sector, listed several: “Good laws, a strong prosecution service, political change and political will, the EU negotiation, and awareness raising about the damage of corruption, especially at a time of economic crisis. All these processes came at the same moment, and the result was a successful fight.” Dubravica also said that legal procedural reforms helped prosecutors secure convictions that sent strong signals to potential offenders.

Such a combination of success factors and windows of opportunity showed the wisdom of USKOK’s strategic decision to focus on its core strengths—investigation and prosecution—and to defer to other agencies in most matters related to corruption prevention and education. Collaborating across agency lines allowed for more redundancy and flexibility in combating corruption than one agency could manage alone. Josip Kregar, drafter of many of Croatia’s anti-corruption laws, said such adaptability is why he preferred the Croatian metaphor institution forging to the English metaphor institution building, explaining that the process involved reshaping by strong hammer blows. “Institutions have to be flexible!” he declared.

However, the flexibility of Croatia’s anti-corruption institutions also depended on strong personal relationships, like that of State Attorney General Mladen Bajić and USKOK head Dinko Cvitan. If those leaders had been jealous or antagonistic, they might have worked at cross-purposes or overstepped their powers.
The important roles played by such strong personalities opened questions as to whether USKOK could sustain its gains if its leadership changed. But Don Markušić, a Transparency International board member, predicted that the deterrent effect of USKOK’s prosecutions would be long-lasting because they were reinforced by legal and other structural changes. He argued that the combination of legal changes and high-profile USKOK enforcement actions had broken up networks of high-level corruption and forced changes in corrupt norms in such fields as politics, education, and medicine.

Markušić also argued that the political implications of Croatia’s anti-corruption efforts were hard to determine. In the short term, USKOK’s exposure of corruption within the ruling HDZ party under Kosor had contributed to the party’s loss in the 2011 elections. However, Markušić noted, later party leaders were able to point to the HDZ government’s impressive record of results in the fight against corruption in subsequent campaigns.

Jelena Budak, a corruption expert at the Institute of Economics, in Zagreb, said toleration of corruption in Croatia had shallow roots, and the high-level graft of the postindependence era was a historical aberration increasingly irrelevant to a liberalized, EU-integrated nation. She described Croatia’s corruption problem as stemming from a temporary “institutional vacuum” in the wake of war. “Croatia, a small country severely hit by war very recently, [developed] malfunctioning institutions and corrupt institutions; and a new elite emerged,” Budak said. “So the set of social values was destroyed and built in a different way. This transition was a process that was hard for us.”

Budak said she had faith that Croatia would develop stronger institutions and social norms that stigmatized corruption but that it would take time. “Twenty years is not enough to build that properly,” she said.

Cvitan saw the trials of Prime Minister Ivo Sanader and other high-level leaders as pivotal moments for changing Croatian attitudes toward corruption. “The republic of Croatia is going through a certain catharsis,” Cvitan said in 2012. “We needed to. After going through these trials, nothing like this will happen again in Croatia. Not with these proportions.”

The long-term sustainability of Croatia’s anti-corruption reforms, especially after EU integration relieved Croatian leaders of international pressure and scrutiny, was still too early to gauge in early 2013. Institutional leaders had no illusions about the struggle ahead. “We’ll always have something to do,” Cvitan said of USKOK. “We’re like undertakers: we’ll never run out of work.”

References
4 Ibid.


12 For more, see Innovations for Successful Societies case studies by the same author on Indonesia (2012), Latvia (2012), and Slovenia (forthcoming).

13 Sekulić, “Perceptions of Corruption over Time.”

14 Ibid.


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