Anti-Corruption Reform

Georgia Without Corruption

• Speaker:
• Date:

Contents

Before
Reforms
Achievements
Anti-Corruption Strategy 2010-2013
A Failed State

CORRUPTION

- Corrupt Police
- Corrupt Tax and Customs
- Corrupt Education
- Corrupt Judiciary
- Corrupt Civil Service
- Corrupt Society

Integral part of the daily life of Georgians; Rule in all public institutions and norm in the mentality of every citizen

Low Salaries

<table>
<thead>
<tr>
<th>Position</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judge</td>
<td>15 – 60 $</td>
</tr>
<tr>
<td>Prosecutor</td>
<td>15 – 60 $</td>
</tr>
<tr>
<td>Investigator</td>
<td></td>
</tr>
</tbody>
</table>

Get appointed to a position

- Policeman
- Senior Policeman
Corrupt System

Enter the University WITHOUT EXAMS

15,000 $

Commission members & chairman 30%
Dean 30%
Education Supervisor 40%
Chancellor/ chancellor’s office

Besides paying 35 GEL for getting a passport, 100 $

Plus: 3 times more expensive during shortfalls

Central Office 300 $
In the Warehouse
Minister
Head of District Police office
Head of Unit
Operator

Ministry of Justice of Georgia
Reforms

Fight against Corruption

- PR
- New Services & Simple Procedures
- Transparent & Improved System of State Procurement
- Significant Rehabilitation of Infrastructure
- IT Technologies & E-Government
- Bureaucratic Barriers VS One-Stop-shop Concept
- HR Policy Reform & Salary Raise
- Strict Policy against Violation of Integrity Rules

Violation of Integrity Rules

Number of Prosecuted Persons within the Justice System
(2003 - 2010)

<table>
<thead>
<tr>
<th>Position</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policeman</td>
<td>1064</td>
</tr>
<tr>
<td>Investigator</td>
<td>109</td>
</tr>
<tr>
<td>Prosecutor</td>
<td>20</td>
</tr>
<tr>
<td>Judge</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>1223</td>
</tr>
</tbody>
</table>
Violation of Integrity Rules

Number of Civil ServantsProsecuted (2003 - 2010)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister</td>
<td>15</td>
</tr>
<tr>
<td>Deputy Minister</td>
<td>15</td>
</tr>
<tr>
<td>Member of Parliament</td>
<td>6</td>
</tr>
<tr>
<td>Member of City Council</td>
<td>24</td>
</tr>
<tr>
<td>Chairman of City Council</td>
<td>91</td>
</tr>
<tr>
<td>Governor</td>
<td>5</td>
</tr>
<tr>
<td>City Council Chairperson</td>
<td>93</td>
</tr>
<tr>
<td>Deputy Chairperson of City Council</td>
<td>31</td>
</tr>
<tr>
<td>Mayor</td>
<td>6</td>
</tr>
<tr>
<td>Deputy Mayor</td>
<td>6</td>
</tr>
<tr>
<td>Customs Officer</td>
<td>277</td>
</tr>
<tr>
<td>Tax Inspector</td>
<td>213</td>
</tr>
<tr>
<td>Other Civil Servant</td>
<td>213</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>995</td>
</tr>
</tbody>
</table>
HR Policy

- Salary Raise
- Improved Working Conditions
- Transparent Recruitment & Assessment System
- Career Map
- Financial Disclosure

Financial Disclosure

Online Property Declaration
Destroying Bureaucracy

Time efficient, corruption-free and valuable services

Civil Registry: ID, Passport, Citizenship.....

Public Registry: Property Registration...

Revenue Service: E-declaration....

Business Registration in 1 day

Property registration in 1 day taking 1 Procedure
IT Technologies

- Secure, accurate and immediate identity information
- Safe exchange of information

Centralized software system

Receive and Review Applications online

CITIZENS

15 CONSulates

Civil Registry Agency

Other State Agencies

Commercial Banks

MINISTRY OF FINANCE

CUSTOMS POLICE

NATIONAL AGENCY OF PUBLIC REGISTRY

ADMINISTRATION OF PRESIDENT

Transparent & Improved System of State Procurement

Transparent & Competitive Procurement Process
Innovative Services & Bureaucracy-free Procedures

- Modern technologies and Online services
- Simple and User-Friendly
- Personal data protected
- Fast
- Effectively Managed

Infrastructural Changes

Before

Now
PR

Public Awareness Raising Campaigns
Intense Communication with Public
Corporate Social Responsibility

Public Survey

Disagree 79%
Neutral 7%
DK 11%
Agree 12%

Corruption is the natural occurrence and part of our life
Gorbi, 2009
Public Survey

Experience of Bribery for the Last 5 years


Public Survey

How Problematic is Corruption

<table>
<thead>
<tr>
<th>Most Acute Problem in Georgia</th>
<th>First mentioned</th>
<th>Second mentioned</th>
<th>Third mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug use</td>
<td>31.4%</td>
<td>21.1%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Selling drugs</td>
<td>28.9%</td>
<td>27.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Crime against the life</td>
<td>18.0%</td>
<td>16.6%</td>
<td>20.6%</td>
</tr>
<tr>
<td>Theft</td>
<td>5.6%</td>
<td>9.0%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Trafficking</td>
<td>3.3%</td>
<td>5.3%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Hooliganism</td>
<td>3.3%</td>
<td>3.6%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Corruption</td>
<td>2.0%</td>
<td>3.7%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Fraud</td>
<td>1.8%</td>
<td>3.5%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Armed robbery</td>
<td>1.6%</td>
<td>3.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Sexual offences</td>
<td>1.1%</td>
<td>2.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Robbery</td>
<td>0.8%</td>
<td>2.6%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Membership of criminal world</td>
<td>0.1%</td>
<td>0.4%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>
Dynamics of FDI Growth

![Graph showing FDI growth over years](image)

Dynamics of GDP Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP  (mln USD)</td>
<td>3,990.8</td>
<td>5,124.7</td>
<td>6,411</td>
<td>7,761.7</td>
<td>10,172</td>
<td>12,800.5</td>
<td>10,744.7</td>
<td></td>
</tr>
<tr>
<td>Real growth (%)</td>
<td>11.1</td>
<td>5.9</td>
<td>9.6</td>
<td>9.4</td>
<td>12.3</td>
<td>2.3</td>
<td>-3.9</td>
<td>5.5</td>
</tr>
</tbody>
</table>
Dynamics of State Budget Increase

Liberalization of Economy

Licenses

Permits

Construction Permit

7th Place
International Ranking

#1 Reformer for the Last 5 Years
World Bank, 2010

11th place in Doing Business
World Bank, 2010

5th place in Ease of Starting Business
World Bank, 2010
International Rankings

Paying bribes to get things done

<table>
<thead>
<tr>
<th>Year</th>
<th>IFC Enterprises Survey</th>
<th>Transparency International</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Georgia: 70%</td>
<td>Georgia: 127</td>
</tr>
<tr>
<td>2008</td>
<td>Georgia: 4%</td>
<td>Georgia: 68</td>
</tr>
</tbody>
</table>

CPI Index

<table>
<thead>
<tr>
<th>Year</th>
<th>CPI Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1.8</td>
</tr>
<tr>
<td>2004</td>
<td>2</td>
</tr>
<tr>
<td>2005</td>
<td>2.3</td>
</tr>
<tr>
<td>2006</td>
<td>2.8</td>
</tr>
<tr>
<td>2007</td>
<td>3.4</td>
</tr>
<tr>
<td>2008</td>
<td>3.9</td>
</tr>
<tr>
<td>2009</td>
<td>4.1</td>
</tr>
<tr>
<td>2010</td>
<td>3.8</td>
</tr>
</tbody>
</table>
**International Ranking**

Recommendations of GRECO & OECD Implemented

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**Georgia’s Mental Revolution**

“Less corrupt than most former Soviet republics”…

“One of the easiest places in the world to do business”,

“…Its police do not take bribes”.

“People are no longer surprised by such success. The biggest transformation is in their minds.”

*The Economist, August 19, 2010*
Anti-Corruption Strategy & Action Plan 2010-2013

- Modernization of Public Service
- Development of Administrative Service
- Procurement
- Reform of Public Finance System
- Development of Tax and Customs Systems
- Enhancing Justice Administration
- Increased Interagency Coordination for Prevention of Corruption
- Improved System of Political Party Financing; Prevention of Political Corruption

Results

- Cases of Corruption decreased dramatically
- Positive Public Attitude & Perception about anti-corruption reforms and achievements
- Positive International Rankings