

Anti-Corruption Measures to Accelerate the Progress of Sustainable Development Goals Conference

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Douglas Hajek, MBA - President of Prague City University

Douglas Hajek is co-founder and President of Prague City University with a responsibility to fulfill its long term mission and vision to provide an excellent university education and environment for its students, to create an outstanding workplace for academic and operational staff, and to contribute in meaningful ways to the betterment of communities and the world around us. As a European specialist university, it has emerged as an attractive choice for Czechs and students from around the world.



Opening

It is a great pleasure to welcome you to this interdisciplinary conference focusing on the latest academic research and industry practice to stamp out corruption and its malevolent effects on business and society. We are focusing on the connection between the declared UN sustainable development goals as a tool to support the reduction of corruption worldwide. I would like to thank our truly international participants from academia, business and the public sector. PCU has a tradition and mission to expand research and practice beyond traditional boundaries and I believe such an experience will be a result of today's conference. And I look forward to the ideas being discussed today that will emerge in future research and industry practice among our participants, and indeed, in the wider world.

Dr. Warren Harrison - Dean of Teesside University International Business School

Warren is the Dean of Teesside University International Business School. He has developed and grown a wide range of successful partnerships in Europe and across Asia and Southeast Asia; focusing on student recruitment and trans-national education partnerships. His enterprise activity has focused upon enabling the development of digital capabilities and strategies for the media sector in the north-east region.

Warren's research has focussed upon the design and delivery of education to employers and working professionals. His most recent practice-based research project is The Creek, which examines a working-class community that existed in Teesside from the early 20th century to the mid 1980's. The work investigates the community in relation to the plotlands developments within the socio-economic development of Teesside, depictions of gender, as well as the examination of the work of the photographer Ian Macdonald. The work has been screened to both public and academic audiences regionally and globally.



Opening Address from Strategic Partner

Hon. Prof. Stefano Cavagnetto, PhD - Dean of the School of Business, Prague City University

Stefano Cavagnetto is Dean of the School of Business and Programme Leader for postgraduate studies and Honorary Professor of Teesside University. He is co-founder and director of CRIS (the Centre for Research and Interdisciplinary Studies) at PCU, and responsible for the research unit of the School of Business. After earning his Doctor degree in Philosophy at the University of Eastern Piedmont in Italy and being visiting scholar at the Columbia University in NYC, Stefano moved to Prague and specialised in Mathematical Logic and Computational Complexity Theory at the Institute of Mathematics of the Academy of Sciences of the Czech Republic, and earned his PhD in Mathematical Logic at Charles University. Stefano also holds a Master degree in Scientific Communication from COREP (Consortium for Permanent Research and Education) in Turin. He has been a visiting scholar and fellow at the Isaac Newton Institute for Mathematical Sciences in Cambridge (UK) and has been published in the fields of mathematical logic, theoretical philosophy, ethics, and business strategy. He has written two university textbooks for undergraduate and postgraduate students on mathematical logic.



The Fight Against Corruption - A Struggle Towards Sustainable Development

Human societies have faced the phenomenon of corruption all around the world. The term we know today has derived from the Latin verb “rumpere” which means “to break, to alter” and consequently the term “corrumpere” indicating that something is being broken. In the current context, we define corruption in English as an “act of dishonesty by those in power”, “civil and business misconduct or wrongdoing”.

Corruption, as disruption of moral integrity, leads to market failure, while market failure in turn causes more corruption. While all actors have a major role to play in such a “hen and egg” puzzle, the relationship and codependence between corruption and economic growth, prosperity and welfare are undeniable. The World Bank has also stressed the fact that if we are to have any hope of achieving economic, social and environmental sustainability by 2030 as set out by the UN Sustainable Development Goals (SDGs) agenda, corruption needs to be better understood and dealt with. The fight against corruption is, therefore, a fight towards the goals of SDGs and a crucial challenge for the years to come.

Yet, while many businesses and organisations have publicly committed to combating corruption and consequently to achieving the SDGs, we still see insufficient understanding on the link between the two, on how corruption impacts not only sustainability in general but each of the SDGs separately, on how compromising corruption prevents economic growth, increases inequality and slows improvements in overall global prosperity. Corruption as a result of civil and business misconduct and wrongdoing subtracts valuable resources in times when they are most needed. Previous logical reasoning can be supported by some of the following facts. According to the World Economic Forum, the annual costs of global corruption, in the form of bribes and stolen money, in 2018 was estimated to be around \$3,6 trillion, which was equivalent to more than 5% of the global GDP during the same year. At the same time to put things in perspective with respect to some of the SDGs, statistics claim that we only need \$14 billion yearly to end world hunger (Germany’s Centre for Development Research (ZEF)), \$8 billion to eliminate malaria (The Lancet Commission on Malaria Eradication), and \$26 billion to help us provide basic education for all the children around the world (Education for All Global Monitoring Report team). Finally, it is estimated that we only need \$1 trillion to be able to extend the global infrastructure worldwide (COP27).

While the 6th SDG aims at clean water and sanitation, the world needs between \$770 billion and \$1,760 billion to develop water resources and services around the globe. Yet, 20% to 40% of water sector finances, ranging from \$155 to \$700 billion annually, as estimated by the World Bank, are lost to corrupt practices.

Lastly, the World Bank states that the global market loses \$10 to \$15 billion annually from illegal logging (11th and 12th SDGs, Sustainable cities and communities and Responsible consumption and production, respectively), with governments losing an additional \$5 billion in revenues. A high level of corruption, little oversight and insufficient law enforcement create many irregular income opportunities. For these and many other reasons,

the fight against corruption has emerged as one of the most critical issues for development of cooperation and many international organisations have established policies and programs on how to fight corruption. Ever since 1993, when Transparency International (TI), a global organisation that measures the degree of corruption in societies by interviewing the citizens, was formed, and 1995, when the head of the World bank declared a war on corruption, the fight is evergoing. Prevalence and consequences of corruption has substantially drawn attention worldwide while a large number of organisations are engaged in advocacy against corruption. But the fight is far from over.

As of November 2021, the only universal anti-corruption instrument, the United Nations Convention Against Corruption (UNCAC), is accepted by 189 State parties. Yet, the problem of corruption is not only at the country level where it can be faced globally, but also at the individual level where single actions can play a role in order to prevent and counter corruption to develop higher resilience and foster integrity at all levels of society. Corruption is a global problem which requires comprehensive solutions. Corruption exists in all parts of the world, countries, industries, areas of society. The World Bank has identified corruption as the main obstacle to development and stated that the world's actors must pave the way for development and tackle the barriers to make it easier for poor people to improve their living conditions.

As Ban Ki-Moon, Eighth Secretary General of the United Nations, said: "Neither peace, development nor Human Rights can flourish in an atmosphere of corruption". Thus, a conference that will help to share ideas, current research, government initiatives and industry practice to allow for greater consideration and future integration of knowledge and practice in tackling the issues of corruption in its different forms to be able to envision a sustainable future, is a fundamental step that can be undertaken by educational, governmental and industry institutions.

Pavel Vyhnánek, MA - Deputy Mayor of Prague City Council

Pavel Vyhnánek after completing his secondary education at the United World College of the Adriatic and studying economics at the University of Bologna in Italy, moved to Germany for his postgraduate studies at the Friedrich-Alexander-Universität Erlangen-Nürnberg. Pavel speaks fluent Czech, English, Italian, French, German and worked in the banking sector before entering politics. In 2014 he became interested in politics also due to the deteriorating situation in the district of Prague 7 where he lives, and succeeded in being elected as an independent and becoming the deputy mayor for finance and investment of the district. During his tenure he managed to increase the number of places in kindergartens, but also completely revised contracts structuring for information technology management in order to enhance transparency and prevent corruption. He also managed to recover millions of crowns from advertising for the district, which was illegally kept by the company publishing the town hall magazine Hobuleť during the era of the previous leadership. In the elections of 2018 Pavel was elected representative of the capital city of Prague and elected to the position of deputy mayor of the capital city of Prague for the area of finance and budget. Under his leadership several different successful projects of modernization and revitalization of areas of the city have been started. Among them, the Prague Market, where he organised an international architectural and landscape competition in the form of its public spaces inspired by the buildings in the area that bear elements of Art Nouveau and Neo-Renaissance. The City Council of Prague under his administration has achieved the lowest level of indebtedness in the last 20 years.



No Controls, No Sanctions: How Does Corruption Persist In The City of Prague?

While there are no established criminal organisations, at least in local politics, there are numerous patterns of how corruption persists and reproduces in the city of Prague. Based on an individual experience one can distinguish between patterns and mechanisms of reproduction on one side, and on the other side, the environmental conditions that make the first to operate and flourish.

Corruption Patterns and Mechanisms in Prague

The first pattern is doing nothing, which is considered easier and safer with regards to corruption. Whether that is because someone's relative is involved on the other side, or simply because it does not seem safe to point it out to the superiors, it can be seen throughout governmental operations. City could be having contractual relationships with a company that is supposed to be generating revenues back, yet not receiving the latter for years, and never asking for it. Or, investing in rather expensive equipment to be used for public benefit, which never worked but was not fixed or shot down either.

The second pattern has to do with creating chaos. In a world of dysfunctional and chaotic rules, nobody is responsible for anything. This applies when signing high value contracts, even with multiple people, yet not checking or realising where the money goes to. No one takes responsibility, while everyone assumes that the responsibility has been taken by someone else. This pattern could also be applicable to the existence of vague and non-specific laws and rules, that get further abused for the individual benefit.

The third pattern concerns allowing arbitrary exceptions, especially in terms of development. In particular this means that even when having some strict rules and regulations, they can be voted down on demand, which sometimes is also used for the benefit of the individuals.

The fourth pattern is about blackmailing contractors. In this way, corrupted politicians / public employees do not steal money from public budgets but instead from contractors, either by threatening them that they would

not sign the contracts or that they would terminate them. In such a way no loss is caused to public budgets. If the contractors do not announce such behaviour, there is almost no chance to stop and sanction it.

The fifth pattern has to do with manipulating project documentation for investments. Projects often include fictive works or technical requirements which are eventually not needed. This could show in buildings, when for example, a project included twice as many windows than the building had, or while including a requirement for a particular crane owned by only one construction company.

Finally, in all of these patterns, it is all about keeping a low profile. If the local politicians do not exceed specific limits of loss to public budgets and dimensions of their corruptive behaviour, they do not run the risk of being investigated by national, specialised units of police. The local units are not trained for such investigations, do not have the necessary resources and more importantly they are often in near contact with local politicians.

Environmental conditions: how is this possible?

The Czech municipal environment is rather transparent. All contracts with value exceeding 2.000 EUR have to be uploaded to a public register, otherwise they are not valid. Moreover, there is a rather strict law about free access to information. If you send an official request, the municipality must provide you with the information you are interested in and publish it except for very few exceptions. Yet, corruption patterns persist for the three reasons outlined below.

There are no controls. Czech Supreme Audit Office can not audit Czech municipalities, but only ministries and state organisations, while municipalities control and audit themselves. Therefore, unqualified personnel in the department of internal audit are seen to be employed while an audit company is paid to not investigate the above described risks, but only take care of accounting and formal fulfilment of duties given by the law.

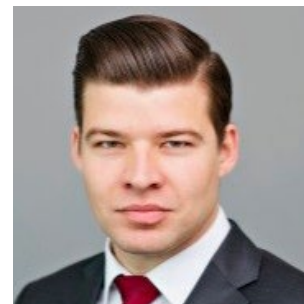
There are no sanctions. As mentioned before, local police units for criminal investigation are unqualified, without necessary resources and often in massive conflict of interest because of their cooperation with local politicians on many subjects and often because of receiving financing for equipment, housing from them on top of that. Local police units for criminal investigation do not know the legislations with regards to public administration nor the processes. While several suspicions of criminal behaviour bearing characteristics of corruption might be announced, they are eventually dropped, with only a few ending up with a sentence.

While, the national unit against organised crime is the exception to the above rule, they only investigate the biggest cases and only very few per year. Statistics (2013-2017) show that over the period of five years, in the whole of Czech Republic with more than 6.200 cities and villages and more than 60.000 elected representatives, only 33 politicians were sentenced and sanctioned.

There is no interest in politics. Local organisations of political parties are rather small, often having only few members. It is therefore easier for individuals with corruptive behaviour to dominate them, take control and shape them in any way they see fit. Moreover, inhabitants do not follow the politics and do not understand the electoral system of the local elections as much as needed in order to require change. Thus, the political responsibility is rather reduced.

Jiří Michal, MSc - UniCredit Bank, Czech Republic and Slovakia

Jiří holds a Master's degree from Prague City University School of Business, accredited by Teesside University, focusing on International Management. Jiří first gained experience in finance as assistant manager in a brokerage firm, and further joined the Corporate Finance Advisory team of UniCredit Group in July 2017. Jiří has worked on sell-side mandate on project MARS, sell-side advisory to GeneProof, during advisory to MONETICA on the acquisition of MILKEFFEKT, as well as IPOs and sell-side/buy-side mandates predominantly in the sectors of General Industrials, Energy and TMT. Jiří is responsible for origination of mandates and for advisory during the all phases of the transaction process, including preparation, marketing, due diligence, negotiation and signing as well as analysis, valuation and preparation of documents.



Anti Corruption Measures In International Banking

It is undeniable that corruption is an inseparable phenomenon, prevalent wherever political power, influence and money collide. It is not exclusive to just third world countries such as North Korea, Syria, Sudan etc. where it is clearly observable it is very much a part of the most developed countries as well. The key difference is however, that more developed countries have clear systems in place designed to moderate effects of corruption as well as a highly balanced and defined separation of powers. Generally the less developed regions tend to concentrate the power and therefore possibility of corruption in less complex structures or even individuals. In these cases for the country itself, it is nearly impossible to change the system however what we as developed countries can change is our approach. We are a significant part of the external forces that shape the country, we create the market, we own the companies and the infrastructure on which corruption may or may not be facilitated. One of these external forces is access to capital which predominantly means banks.

As an insider, I have a chance to see and analyse what banks do to prevent corruption and what these institutions would stand to gain or lose by engaging in this activity. In this research it was investigated, whether there is strong enough internal regulation and measures in place to prevent corruption, whether there are tools to help employees discover corruption, to secure anonymity for whistleblowers and effective methods to teach employees to repel corruption. Secondly it was further researched whether there is robust enough national and international regulation. Finally an argument was made, whether it is the management of the bank, therefore the bank itself or whether it is the employees who potentially stand to gain more and therefore are motivated to commit these crimes.

The sources for this research were gathered via personal long-lasting experience from the banking sectors, while being in a front office mergers & acquisitions position. This in other terms means that my team would spend a considerable amount of time on meetings and negotiations with clients, investors, managers, lawyers, advisers, bankers etc. while a significant amount of capital is at stake, which seems like the perfect position for anyone to become corrupt.

The fact eventually is, that the systems in place and the interconnectedness coupled with digitalization and the heavy regulation in the banking sector effectively prevents most attempts and severely punishes these crimes to such an extent, that banks lack any motives as well as individuals.

Mgr. Hana Lešenarová - Deutsche Bank, Germany

As a young journalist, after completing her studies at Charles University in English and American Studies, Hana was trained by the young Americans who arrived in Prague in the early 1990s and started the first English-language newspapers, Prognosis and later Prague Business Journal. Hana began shedding light on the first oligarchs of the Czech Republic and their often controversial and sometimes criminal activities in real time, their exposure to financial crime and reputational risk. From 2002, she continued her interest, heading up the economics editorial department at Mladá Fronta Dnes daily (then owned by a German publishing company). She also worked in private intelligence consultancy Control Risks in London for 10 years and in 2016 joined a specialised internal intelligence team in Deutsche Bank in Berlin. Her current role is to try establishing whether the bank's clients or prospects are engaged in financial crime, what are the probability that they may end up in prison or fined and what is the significance and magnitude of their reputational risk.



Meeting The Real Victims Of Corruption And Bribery

The fight against financial crime and corruption has now grown to become a huge industry, employing thousands of people in police, courts, law firms or banks. There are books written about the topics and movies made, the industry produces numerous policies, procedures and laws. However, in all the noise and the complexity of this industry, one sometimes forgets about those who are in fact being hurt by this crime, its victims. Some examples of those who have been directly or indirectly affected by this type of crime, from an individual, to a company or to an entire country and its citizens, are often not visible at all, and therefore have been presented. Moreover, while the industry has started to get better at punishing corruption and bribery, in many instances the collected fines largely return back to the system, to the regulatory institutions or to those responsible governments, rather than to those who lost out in the first place.

Take one of the most famous and memorable recent corruption cases, the tuna bond scandal which hit the country of Mozambique. From 2012 to 2016, at least twenty local government officials conspired with international bankers to borrow significant funds to finance an expansion in what was to become a major tuna producing facility but instead became a US\$2 billion fraud. When it was revealed that a large part of the funds was in fact spent on bribes, the banks received fines and some of the government officials went to jail. But the real victims were the 32 million citizens of this already fairly poor country. According to the Centre for Public Integrity NGO, the scandal reportedly cost the country US\$11 billion, or US\$400 per person, and pushed additional two million people into poverty. Although Credit Suisse, one of the main banks implicated in the scandal, paid a US\$475m in fine to the US authorities and also wrote off some US\$200m in debt owed by Mozambique. Similar stories are associated with other cases of high-profile government corruption, which we are witnessing for instance in Turkey or Hungary where the victims are also the country's citizens.

Dott. Roberto Impeduglia - De Sanctis - Scicolone Law Firm

Roberto Impeduglia was born in Rivoli, in the province of Turin, in 1989. He graduated in law from the University of Turin in 2014 (110/110 cum laude and the right of publication of the thesis, awarded best thesis in law in 2013 – 2014). In the same year he started his lawyer training and he became a lawyer in 2017 (first place at bar exam in Turin). He has always worked in the area of criminal law. He is teaching assistant with the Department of Criminal Procedure Law of University of Turin.



Strategies For Preventing Corruption in Italy and “Modello 231”

In Italy one of the most powerful measures for preventing corruption is the so-called “Modello 231” (depending on D. Lgs. n. 231 of 8 th June 2001). In the Italian legal system D. Lgs. n. 231/2001 states the administrative liability of legal persons, Companies and Associations resulting from the fulfilment, in their own interest or advantage, of type of offences by natural persons who manage, represent the Corporation or depend on it. The legal person’s liability is established by the criminal court in the criminal trial and it is independent from the offender liability. Pecuniary sanctions are set out by law for all the administrative offences due to crimes and in the most serious cases even prohibitive sanctions may be applied.

In order to protect legal persons and Companies from liability and pecuniary and prohibitive sanctions, top management shall adopt the ““Modello 231”” suitable to reduce or exclude the risk of committing crimes in the legal person or in the Company.

The “Modello 231” is a structured set of principles, rules and provisions on the management and control of every corporate process aimed at preventing crimes commission.

The Corporate Code of Ethics is also part of the “Modello 231”. In addition, legal persons and Companies shall appoint the Organismo di Vigilanza (OdV), which is the supervisory board for the ongoing verification of compliance with “Modello 231”. Legal persons shall also plan personnel training about “Modello 231” rules and policies and about Corporate Code of Ethics. The offences whose commission may determine the legal persons liability include practically every offence against public administration and so the predicate offence list also include bribery.

In particular, Anti-Corruption Procedure and anti-bribery policies are part of the “Modello 231” and, during the personnel 231 training, Company staff is educated and trained on Anti-Corruption regulations and procedures. In case the Company has a certified management Anti-Corruption system (for example UNI ISO 37001), the procedures of the management system become part of the “Modello 231”. Moreover, the Organismo di Vigilanza verifies compliance with anti- bribery set in the “Modello 231”. For these reasons, in the Italian legal system, “Modello 231” is the most effective measure to prevent corruption for private legal persons and Companies.

Oana Lupan - Rina S.P.A., Accredited Certification Body

As ESG & Quality Lead Auditor, Oana continues her career with focus on sustainability, ethics and compliance. For the last 12 years Oana was covering ESG managerial positions in the energy sector within a company publicly listed on both Bucharest Stock Exchange and London Stock Exchange with over ten thousand employees. As Sustainability and CSR Commission member she had awarding financing and monitoring responsibilities for environmental, social, community and educational projects for more than 5 years. Her experience is completed by 7 years of entrepreneurial experience in business consultancy. After obtaining her B.Soc.Sc. in Sociology with major in organisational psycho-sociology at Bucharest University she completed her studies with an MA in Non-Profit Organisations Management at Bucharest University and Communication and Public Relation postgraduate studies at SNSPA (National School of Administrative and Political Studies).



Organisational And Social Impacts Of The ISO 37001 Certification Process

The paper intends to identify and reveal the impact of the ISO 37001 certification process both at organisational level, as well as at community and social levels. Our endeavour needs first to explore what ISO 37001 is, what is the international standard's scope and what it addresses, in which international context it came into being and based on what elaboration process. We will be briefly indicating to whom the standard is applicable and what ISO 37001 implementation and certification require. For an extensive coverage, the six phases of a management system certification process, out of which five are mandatory, will be presented, starting with defining the scope of the Anti-Bribery Management System and subsequently of the certification, continuing with the "readiness for assessment" evaluation, after with the Certification Audit (Stage 1 Audit, Stage 2 Audit), the Surveillance Audits and finally the Recertification Audit. Further an analysis on each of those six phases will allow to determine and present all potential effects generated or enhanced by its implementation not only within the organisation but also for specific communities in which an organisation that chose the certification path operates and for the society as a whole.

Panel Discussion: Recognising Corruption and its Impact in All the Forms

- **Chaired by Dr. Bruce Gahir, Prague City University**
- **Roberto Di Cursi, Luca Prague s.r.o.**
- **Marcela Laššáková, Swixx Biopharma**
- **Dott. Alessandro Romei, Rina S.P.A**
- **Mgr. Markéta Kořínková, Bříza & Trubač**

When political power, influence, and money intersect, corruption thrives. It is, therefore, important not only to recognise corruption reproduction mechanisms, but also the external elements preceding those mechanisms' existence as well as helping them thrive. Every sector significantly contributes to the formation of those external forces that may or may not support corruption. This realisation also contributed to the formation of a major anti-corruption industry that now employs thousands of people in the police, courts, law firms, and banks to prevent corruption. There now also exist various anti-bribery management systems as tools to mitigate the risk of corruption, the implementation of which forms an advantage for public and private organisations, where the ISO 37001 stands out as a rather effective tool according to industry feedback. Yet, dishonest practices persist on different levels of society, as does their dreadful impact on individuals who are really suffering as a result of this crime.

Dr. Željko Ivanković holds a PhD in political philosophy from the Australian National University. His research interest evolved from theory of property, institutional economics and political economy to history of finance and digital money. Dr. Ivanković published books and papers about democratic transition of socialist countries to a market economy, transformation of property rights, inequality, crony capitalism and digital society. Recently he investigates the legal history of money and digital economy and finance. His research is focused on digital money and cryptocurrencies as a laboratory of creation of money and of development of formal and informal financial institutions. Earlier in his career Dr. Ivanković was research director of the Croatian Banking Association, university teacher, editor of a leading Croatian journal of banking and finance, consultant, counsellor at Croatian embassies in Tokyo and Canberra.



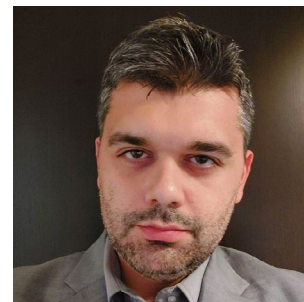
Political Crisis And Crony Capitalism

The phrase 'crony capitalism' was reaffirmed with regard to the Asian financial crisis of 1997. It was used as a concise description of a particular political and economic system that was considered to be specific to Far Eastern countries. However, further analysis recognises strong characteristics of crony capitalism all over the world, including but not limited to Russia, India, Africa and Latin America. The privileged market position of some companies that comes as a consequence of personal relationships between businesses and government, rent seeking, favouritism, clientelism, corruption and other similar features are not uncommon in the developed world either. In the United States, for example, cronyism uses the practice of lobbying, revolving doors between business and political organisations and the financing of political campaigns for furthering private over public interests. Cronyism allegedly intensified after the Great recession of 2008. Therefore, it is not easy to point to cronyism as a distinctive feature of a particular country. The question is what exactly makes capitalism to become 'crony'; what is specific to cronyism? Can we find any examples of capitalism that are not crony?

According to the model and analysis offered in the paper, crony capitalism is primarily a political phenomenon and cannot be reduced to its economic features and effects. Cronyism emerges in circumstances of real political instability or in an environment which is spuriously presented as a political and economic crisis. For example, if a normal fall of government is exaggerated as a prelude to a catastrophe, this can forge a political crisis. In both cases, in situations of real or fake crisis, cronies come to the scene and propose a solution for economic growth which is expected to stabilise the political situation indirectly. The promise of growth serves as a justification for the system of privileges. The culture of a developed democracy with an efficient system of checks and balances and strong and influential public control of the government appears to be the most efficient barrier to cronyism. This understanding of the political and economic system of crony capitalism enables its comparison with other political and economic systems and their different deviant characteristics: captured state, corruption, rent seeking. The model opens a door to investigation into the question whether features of crony capitalism in former socialist countries emerge as a consequence of privatisation of former state controlled companies and the transition from socialism. This paper introduces a theoretical model of the development of crony capitalism. The comparison of crony capitalism and the socialistic political and economic system is provided. The collapse of the largest Croatian conglomerate in 2017, which was the biggest bankruptcy in Europe at that time, is used as an illustration of the development of crony capitalism in former socialist countries. However, features of crony capitalism re-emerged in the process of overcoming the financial problems of the conglomerate: neglected conflict of interest, providing insider information to powerful and politically connected businessmen. The bankruptcy was solved with the swap of debt to equity and Russian banks VTB and Sberbank became the majority owners of the conglomerate. However, the war in Ukraine and sanctions against Russian banks put the conglomerate in a difficult position again leading to the elements of cronyism to resurface. This implies that crony capitalism is not an aberration of capitalism but its constant companion.

Dr. Josip Lučev - University of Zagreb, Faculty of Political Science, Libertas International University in Zagreb

Josip Lučev is an assistant professor at the Faculty of Political Science, University of Zagreb. He obtained his MA in political science in 2010, as well as an MA in social policy at the Faculty of Law in Zagreb in 2013, and his PhD in 2020 at the Faculty of Political Science. Apart from higher education teaching and research, he also has substantial experience in academic editing and review, having served as one of the editors in *Little Leviathan* (Mali Levijatan), executive editor in *International Studies* (Međunarodne studije), and a contributing editor for *Algoritam* and *Jesenski i Turk*. His international experience includes cooperation with National University of Public Service in Budapest, University of Wrocław and University of Salzburg. Josip Lučev is a member of Croatian Mensa, Rotary Club Zagreb Metropolitan, Scientific Society of Economists and the Croatian Political Science Society. He is the author of *Systemic Cycle and Institutional Change: Labor Markets in the USA, Germany and China* published by Palgrave Macmillan in 2021.



Clientelism And Corruption As Coordination Mechanisms

The last two decades of comparative capitalisms research has focused on the Varieties of Capitalisms literature, enriched with an increase in studied cases and in the last few years, also with macroeconomic elements. The success of this approach has largely been due to the innovation of institutional complementarity. This idea focuses on the interaction of various institutional arrangements (corporate finance, industrial relations, educational systems...) in order to produce two ideal-types of successful developed market economies. These two are the Liberal Market Economy (USA, Canada, UK, Ireland, Australia, New Zealand) and the Coordinated Market Economy (Germany, Austria, Switzerland, Netherlands, Belgium, Denmark, Norway, Sweden, Finland and Japan). The Varieties of Capitalisms approach has been quite successful in explaining the first type of capitalism as primarily market coordinated and the second type as primarily strategically oriented. However, this approach has had substantial difficulties in moving beyond these sixteen cases, and particularly in explaining the informally organised and underdeveloped economies. This paper joins the attempts to do so by approaching a crucial, but under-recognized mechanism of coordination in the under-developed economies. This is the channel intertwining corruption and clientelism. These two are usually recognized merely as morally problematic and illegal, but in order to truly eradicate them, we must first recognize their institutional function. In order to do so, this paper first constructs some elements of an ideal-type of capitalism riddled with clientelism and corruption.

The public sector of such a capitalism lacks in capacity as the various bodies prefer to outsource their activities to private actors. This creates a channel for picking private clients alongside the more usual subsidies or favoritism in public tenders. These also include employment, as job vacancies are filled on personal rather than meritocratic criteria. The general lack in capacity incentivizes corruption of the ordinary citizen (in order to vie for timely acceptance or service in the health, education, housing, elderly care or kindergarten systems). Additional ways to connect the public and the particular with this channel include the control over media and judiciary by the political elites. This paper does not seek to tie this description directly with any given market-economy, as the described channel could function in the developed economy like the USA, a post-transition economy like Croatia, or an under-developed economy like Malawi. The burden that such a channel presents for the development, however, differs substantially. Firstly, this mechanism implies rent seeking behaviour in which the efficiency of the market is reduced. The paper compares it to monopolies and extremely high inequality in that the economies riddled with corruption and clientelism subvert the ostensibly public character of public goods and reconstitute inequality. Secondly, this paper explores the functional role that this channel provides. If neither private nor public capacity to supply the housing, health or education goods in demand is adequate, corruption and clientelism serve as necessary pressure valves which enable a timely service to those with resources. This approach suggests a particular care in those areas with particularly poor capacity compared to the demand.

Dr. Victoria Bozhenko - Tübingen University; Sumy State University, Department of Economic Cybernetics

Victoria Bozhenko graduated from Ukrainian Academy of Banking of the National Bank of Ukraine (M.S in "Finance", Ph.D. in "Finance, Money and Credit"). Currently, Victoria Bozhenko has a postdoctoral fellowship at Tübingen University (Germany). She works as an Assistant Professor at the Department of Economic Cybernetics at Sumy State University (Ukraine). She is a member of the editorial board for scientific journal "SocioEconomic Challenges" (Ukraine). She is an executive performer in 2 national R&D projects funded by the Ministry of Education and Science of Ukraine. Victoria Bozhenko lectures Jean Monnet Module in EU Practices to protect the financial system against cyber threats at Sumy State University. She is the author of more than 60 papers. Scientific interests include money-laundering risk, corruption, shadow economy, and sustainable funding.

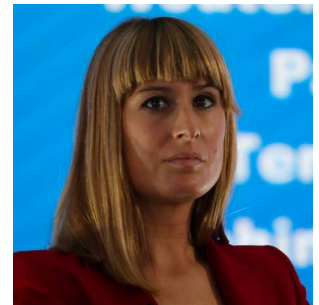


Will Corruption Hinder Achieving Net Zero

Limiting global temperature rise to below 1.5°Celsius while achieving sustainable development will require trillions in new investments, and a deliberate shift toward low-carbon, climate-resilient economic models. Governments and international organisations are making a concerted effort to provide large amounts of money to reduce emissions of greenhouse gases (climate mitigation) or adapt to the effects of climate change (climate adaptation). Developed countries have already considerably increased their climate finance contributions. Between 2012 and 2020, total climate finance has steadily increased from 364 USD billion in 2012 to 632 USD billion in 2020. The largest recipients of climate finance are among the riskiest places in the world for corruption (these countries receive 41.9% of all climate-related overseas development assistance). The risk of corruption in climate change financing is significant because massive investments need to be deployed on public infrastructure, an economic activity that has traditionally been plagued by large-scale bribery and theft. Corruption destroys justice and fairness, undermines vital tendering processes, damages industries, and violates business integrity. The relevance of this scientific problem decision is that corruption is gradually turning from a domestic problem into a global threat, and it is a cross-sectoral issue. This paper describes an econometric model using a climate funding dataset to analyse the effects of corruption on reaching the net-zero targets. The model is used to simulate the periods of achieving net-zero targets by changing the level of corruption in the recipient countries. The time horizon of the study covers the period 2003-2022. Methodological tools of the research methods were Kaplan-Meier Survival Analysis, regression, and correlation analysis. The empirical analysis shows that public institutions need to work towards achieving the Climate Action Goals by improving the institutional and regulatory framework. The results of the research can be useful for international and national anti-corruption institutions, and national regulators.

Dr. Tena Prelec - University of Oxford, Department of Politics and International Relations, University of Rijeka, Center for Advanced Studies, South East Europe

Dr Tena Prelec is a Research Fellow at the Department of Politics and International Relations (DPIR) of the University of Oxford. She is also a Region Head at Oxford Analytica and holds affiliations with LSE-Research on South Eastern Europe, European Institute, London School of Economics and Political Science (LSE) and with the Centre for Advanced Studies at the University of Rijeka. Dr Prelec is furthermore a member of the Academic Freedom and Internationalisation Working Group (AFIWG), of the Balkans in Europe Policy Advisory Group (BiEPAG) and a Marshall Memorial Fellow, German Marshall Fund. She has obtained her PhD from the School of Law, Politics and Sociology, Centre for the Study of Corruption, at the University of Sussex.



Buying Status: Philanthropy To Charities And Universities

While an act of generosity, philanthropy – literally, ‘love of humans’ – is not always self-interested. Philanthropic donations allow for an easy face-lift. By linking their names to high-sounding institutions and good causes, unsavoury individuals and autocratic governments can use a fraction of their wealth to mask their sins and rewrite their past. In so doing, they make the origin of their wealth invisible, while refashioning themselves as benefactors and influential voices in western societies. In the UK and in the US, the focus on universities as ‘businesses’ has brought reliance on private donations to unprecedented levels. In dynamics worsened by an increasingly privatised business model, universities and charities have often lowered the bar of what is considered acceptable, lapping up donations from obscure foundations linked to elites of authoritarian states. A certain increase in awareness of the problem – in the wake of a high-profile scandal in 2011 – has not brought an overhaul in these practices, due to the opacity and almost complete lack of regulation of the issue. This presentation, outlining a forthcoming book chapter, will draw on research conducted in the frame of a Global Integrity Anti-Corruption Evidencing (GI-ACE) project that has aimed to investigate the various nuances of the UK’s kleptocracy problem.

Dr. Danny Singh - Teesside University, School of Social Sciences, Humanities and Law

Dr. Danny Singh is Senior Lecturer in Politics and International Relations at Teesside University, where he is Course Leader for MA in International Relations / MA International Relations Applied. He holds a Ph.D in Politics and Criminology. His research interests include police corruption and anti-corruption in war-torn environments, just war and military ethics, international relations theory, and conflict studies. He is author of *Investigating Corruption in the Afghan Police Force: Instability and Insecurity in Post-Conflict Societies* (Policy Press, 2020) and co-editor of *Comparative Just War Theory: An Introduction to International Perspectives* (Rowman & Littlefield, 2020). Dr. Singh is inviting article submissions as Special Issue Editor for a Laws Special Issue titled, *Police Corruption Prevention in Post-Conflict Societies*. Dr. Singh's current book projects are situated within political philosophy and international relations. In contrast is *Applied Afro-Communitarian Ethics and Foreign Armed Intervention* (Springer, October 2023). Under external peer review is *The Tripartite Realist War: Analysing Russia's Invasion of Ukraine* (Palgrave, anticipated 2023). For forthcoming work, Singh is working on several sample chapters and seeking a book contract on *Realist-Constructivist Ethics: The 'Normative' Morality and Ethics of Western Intervention* (Routledge War, Conflict and Ethics Series).



Identifying The Causes of Police Corruption And Prevention Strategies In Hostile States

Corruption undermines the effectiveness of public services, the rule of law and security. The abuse of public office for private gain impacts on state institutions and the services provided. Poorer households pay a higher slice of their household incomes for services that should be free of charge. The United Nations Sustainable Development Goals have focused on reducing inequalities and promoting peace, justice, and strong institutions. This invites anti-corruption measures to challenge poverty and strengthen law enforcement.

The purpose of this paper rests on police corruption, namely in hostile states. Police corruption protracts conflict due to public distrust of the national police force and state illegitimacy encourages support for an insurgency that is fighting against a corrupt government and its police force. This was evident with the reinvigorated Taliban fighting the publicly perceived corrupt Afghan government and police force. Despite numerous initiatives to combat Afghan police corruption, once the United States withdrew its armed forces to honour the Doha Agreement, the Taliban resealed power. If prevention measures against police corruption were taken seriously by the international donor community, then it could have promoted a better and nationally proud police force to fight against the growing Taliban insurgency. Similarly, in Nigeria, the national police force is publicly distrusted, and Boko Haram have offered alternative local security, Almajiri boarding schools and employment based on religious ideology, arguably for both political and economic advantage, to recruit further disenfranchised youths into the insurgency. In a range of other scenarios in the Americas, such as Mexico and Colombia, the national police forces are distrusted and their corrupt activity results in support for criminal groups that protracts conflict and/or narco-wars.

This paper is structured into four sections. The initial part defines police corruption and its principal practices, which range from receiving minor gratuities to adding and planting evidence. The next section focuses on the predominant causes and consequences of police corruption. This part provides several contexts in hostile states, including narco-states, to examine factors such as low pay, bribery and roadside extortion, patronage-based appointments and promotions, nepotism, infiltration from criminal networks that permeate main functions of the state (state capture) and debatably the lack of motivation in national policing. The consequences rest on public discontent with both the national police force and government, which intensifies the likelihood of civilians supporting an alternative armed opposition group. The final section concentrates on police reform initiatives to prevent police corruption. This includes: commissions of inquiry to expose police scandals; meritocratic appointments to circumvent patronage-based recruitment; pay and rank reform to curtail the low wage hypothesis; the creation of independent anti-corruption agencies to investigate crimes of corruption; rotation strategy to

restrain officers paying and/or influencing posts in vice areas; and increasing accountability measures to prevent low-risk and high-reward practices. An all-inclusive anti-corruption strategy is needed that embraces these policy reform initiatives to reinvigorate the United Nations Sustainable Development Goals on reducing inequalities and strengthening criminal justice institutions.

Dr. Massimiliano Malvicini - University Of Eastern Piedmont, Department of Economics and Business Studies

Post-doc fellow and lecturer in Italian Public Law at the University of Eastern Piedmont. Massimiliano holds a degree in Political Science, International Relations and Administration from the University of Pisa (2014); a Master's degree in Political Science from the University of Florence (2016); In 2020 He earned his PhD in Constitutional law from the Sant'Anna School of Advanced Studies in Pisa. His research interests include the role and the functions of Parliaments in Contemporary Political systems and the structure and the organisation of the Italian Cabinet.



Preventing Corruption In The Public Administration: The Case Of Italian Anti Corruption Authority (ANAC)

Within the framework of the United Nations 2030 Agenda, a prominent role is played by reducing corruption and abuses of power in all their forms (Goal 16 - Foster peaceful and inclusive societies geared toward sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels). That said, alongside private actors and private economic operators, public institutions also play a key role in anti-corruption processes and public policies, both at national and supranational levels. They cover a leading role not only in the production of new legal norms to prevent the corruptive phenomena, but also in ensuring their enforcement and, more generally, the coordination of policies in this field. In this perspective, the Italian legal system recognizes broad powers to ANAC - the National Anti-Corruption Authority.

The ANAC was established by Legislative Decree No 150 of 2009, implementing Article 6 of the United Nations Convention against Corruption (UNCAC). Legislative Decree No. 90 of 2014 conferred on it the powers of the Authority for the Supervision of Public Contracts for Works, Services and Supplies (AVCP), provided for in Article 6, c. 1, of Legislative Decree No. 163 of 2006, abolishing it. Finally, Law No. 190 of 2012 (the so-called 'Severino Law') gave ANAC the responsibility to: develop a preventive anti-corruption strategy; supervise the anti-corruption strategy of each public body (through the adoption of three-year Integrity and Transparency Plans); ensure transparency in public administrations; ensure the integrity of public employees and spread the culture of integrity and legality.

The Authority has a general purpose, which can be traced back to the prevention and fight against corruption in public administrations, participating and controlled companies. The authority monitors compliance with the rules on transparency in the organisation and management of public administrations. ANAC provides guidance and operational guidelines to public administrations and public companies to identify organisational measures to prevent corruption. It ensures that administrations adopt effective corruption prevention measures, remove conflict of interest situations and promote impartial behaviour of employees. Finally, it supervises whistleblowing reports, proposing the imposition of administrative sanctions if the conditions are met.

On the basis of these premises, the aim of the speech is to illustrate the organisational and functional specificities of ANAC, in order to provide basis for possible comparisons with foreign countries and with supranational and international institutions. In this perspective, the main initiatives of the Authority related to anti-corruption governance implemented in recent years will also be investigated.

Dr. Tarela Ike - Teesside University, School of Social Sciences, Humanities and Law

Corruption and Public Trust Building on Avenues for Addressing Alleged Police

Dr Tarela Juliet Ike is a Senior Lecturer in Criminology and Policing with research interests and specialism in terrorism, counterterrorism, and peacebuilding in the post-conflict context. Tarela is a multiple award winner of prizes for excellence in research output. Tarela is also involved in evidence-based research with direct public benefit. Her work revolves around policing, state responses to insecurity, including terrorism and contextualising the social context in which reintegration occurs.



Misconduct In Nigeria: A Mixed Method Single-Arm Study

In Nigeria, issues of police corruption and brutality towards the public have tended to produce a strained relationship between both groups marred by public resentment towards the latter. Police accountability is essential for public trust-building, yet, in Nigeria, there are limited interventions addressing the situation.

Methodology: A mixed-method single-arm trial was adopted to examine the appropriateness, feasibility and acceptability of the Legal Education-informed Cognitive Behavioural Therapy (LiCBT) for improving public confidence using 24 participants from Delta-State, Nigeria. Participants were assessed using the Legal - Consciousness-Questionnaire, Legal Awareness of Complaint Channel Scale and the PHQ-9. Wilcoxon Signed-Rank test was used to analyse quantitative data, while the qualitative analyses involved thematic-analysis from a social identity theoretical lens.

Results: Retention rates of 96% was recorded in the 12-sessions and 100% in the baseline, end-of-intervention and 3-months follow-ups. Participants showed increased knowledge of their legal rights (LCQ) from baseline ($Md = 1.00$) to end of intervention ($Md = 4.00$) with $z = -4.427$, and at 3-months follow-up, $z = -4.423$. **Conclusions:** LiCBT appears acceptable and feasible for improving public legal knowledge, including positive attitudes towards the police. A fully powered multicentre cluster randomised control trial is recommended to test its effectiveness.

Dr. Maryna Utkina - University of Warwick, Fernandes Fellow; Sumy State University, Department of Criminal Law and Procedure

Maryna Utkina, PhD (2018), Senior Lecturer at the Department of Criminal and Legal Sciences and Procedure, Head of the Scientific Association of Students (Audience Members), Postgraduates, Doctoral Students and Young Scientists at Sumy State University (Ukraine), Fernandes Fellow at the University of Warwick. Participant of Academic Mobility Programs (Italy, 2015; Slovak Republic, 2019; Latvia, 2020, Sweden, 2022). Author and co-author of more than 100 research papers, 15 of which are in journals indexed by Scopus and Web of Sciences. My research is on financial regulation and criminal law enforcement of illicit proceeds from organised crime - including terrorism, money laundering and corruption. The main areas of research are: theoretic and legal framework: comparing of notions or definitions of financial intelligence (monitoring); acts and codes which regulate this question; financial intelligence (monitoring) entities: the system of such entities and their duties; levels, main points and the process of the financial intelligence (monitoring); financial intelligence (monitoring) in the system of corruption prevention: best practices and others.



Features Of Combating Corruption In The Sphere Of Law Enforcement Agencies And The Judicial System

The urgent need to combat corruption led to the accumulation of efforts at the international level, which resulted in adopting relevant anti-corruption international legislation. Corruption is one of the critical threats to national security as it harms the financial system and negatively affects the public confidence in the state and the ability of government agents to protect national interests through appropriating public office *intuitu personae*. In general, the problem of corruption in the sphere of law enforcement agencies and the judicial system is a typical phenomenon in developing countries. Corruption in the given areas breaks the basic principle of equality before the law. In general, it deprives people of their right to a fair trial.

Criminal offences committed by the representatives of law enforcement agencies are most often various deviations and violations of the current legislation regulating the law enforcement activities of these agencies. To combat and prevent corruption in law enforcement agencies, the given measures can be taken:

- better hiring (for example, optimisation of the personnel selection process; evaluation of candidates according to results of psychological test, social service history, and personal history);
- accountability to the community (the level of responsibility to the community increases);
- salary increase and promotion of intra-departmental financial intelligence (monitoring) of the way of life of law enforcement officers (when a salary is low, and the risks and occupational stresses are high, representatives of law enforcement agencies will be more vulnerable to corruption because of their need for money);
- promotion of the anti-corruption campaign through a culture of integrity against corruption in law enforcement agencies (trained leaders of integrity);
- better evaluation of complaints (all people who registered complaints against representatives of law enforcement agencies must be guaranteed confidentiality. The given complaints should be thoroughly investigated, even if the responsible person resigns or retired);
- better disciplines (consistent, impartial, immediate, and definitive discipline. Corrupted representatives of law enforcement agencies must be dismissed from the agency).

Corruption in the judicial system causes more damage than any other because even the assumption that the judiciary is corrupt raises comprehensive doubts about the success of anti-corruption activities and the effective-

ness of legal protection through judicial means. The main obstacles to combating corruption in court activities are the lack of consistency in implementing judicial reform and the lack of awareness of all the negative phenomena that discredit the judicial system. The main measures that will help to prevent and combat corruption are the following:

- development and implementation of information technologies;
- involvement of the public in the process of formation of the judicial corps and supervisory activities;
- optimization of approaches to professional selection and improvement of judges' qualifications.

Panel Discussion: Corruption in Different Parts of the World & Ways of Dealing with It

- **Chaired by Hon. Prof. Stefano Cavagetto, Prague City University**
- **Dr. Václav Brož, Prague City University School of Business**
- **Dr. Massimiliano Malvicini - University Of Eastern Piedmont, Department of Economics and Business Studies**
- **Dott. Roberto Impeduglia, de Sanctis – Scicolone Law Firm**
- **Dr. Thomas Draper - Prague City University School of Business**
- **Alia Yakupova, MSc - Prague City University School of Business**

Corruption is one of the major global threats to environmental sustainability, social justice, economic prosperity, and national security. Forms of corruption including favouritism, clientelism, self-interested philanthropy, amongst others, are widespread in both developed and developing worlds. The urgent need to fight corruption through accumulated international action and the adoption of pertinent anti-corruption international legislation highlights the significance of institutions in the fight against corruption, along with private actors and private economic operators, both at national and supranational levels.

Goal 16 of the United Nations 2030 Agenda calls for combating corruption and abuses of power (Foster peaceful and inclusive societies geared toward sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels). Preventing corruption also prevails in other SDGs, such as climate action, global education, responsible consumption and production, reduced inequalities, etc. So, while the stakes are so high, it is critical to not only set the legal norms and policies to prevent the corruptive phenomena, but also to ensure their enforcement and overall coordination in the field. It is about the practices that work.

Student Presentations and Debate on Anti- Corruption and SDGs based on the UN model organised by the PCU Student Council

PCU Student Council following the three questions below will present their views and will engage in a debate by brainstorming on different topics related to corruption.

Q1) The title of this conference is: “Anti-Corruption Measures to Accelerate the Progress of Sustainable Development Goals Conference”. Present your reasoning to justify how Anti-Corruption measures may assist in the progress to achieve some of the SDG’s?

Q2) Can you present actual examples where anti-corruption measures have been implemented and they have assisted in the progress towards attaining the SDG’s?

Q3) What are the possible barriers that you see in implementing anti-corruption measures within countries that aim to progress towards the SDG’s?

At the end the best group will be selected and awarded by a selected committee from the academics and professionals audience attending the event.