CPI 2024 for Eastern Europe & Central Asia Vicious cycle of weak democracy and flourishing corruption

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Corruption continues to plague Eastern Europe and Central Asia, with a regional average that remains one of the lowest on the 2024 Corruption Perceptions Index (CPI) at 35 out of 100. Across different countries, weak democratic institutions and rule of law are exacerbated by ongoing instability and external pressures. This allows corruption to flourish while undermining public trust, sustainable development and climate action.

KLEPTOCRACY UNCHECKED

In order for autocratic regimes to secure power, they dismantle critical checks and balances – allowing corruption to run rampant. This is especially evident in **Russia** (CPI score: 22) and **Belarus** (33), which have both declined significantly since 2020. Russia's invasion of Ukraine has further entrenched authoritarianism, with the state <u>suppressing dissents</u>, redirecting resources to sustain its military agenda, and <u>eliminating</u> independent voices. Belarus dropped 14 points in the past four years and mirrors this regression, with over 900 civil society organisations dissolved in 2023 and <u>recent</u> <u>crackdowns</u> on protesters. Its judiciary also remains tightly controlled by the president, eliminating any last checks on centralised power.

Kyrgyzstan (25) follows a similar trajectory, with constitutional changes significantly <u>expanding</u> <u>presidential authority</u>, weakening parliamentary oversight and facilitating unchecked corruption.

Natural resources worsen these trends both domestically and internationally. The opaque and unaccountable control of lucrative resources provides autocrats with the financial means to strengthen their rule, silence dissent and resist reforms.

Russia's state-controlled energy companies enrich and empower elites at home, helping them to stay above the law. Internationally, Russia's dominance in the energy sector is used as a geopolitical weapon to <u>destabilise neighbours like Moldova</u>, entrenching authoritarianism and regional instability.

COUNTRY TO WATCH: AZERBAIJAN

Azerbaijan's (22) low score reflects how entrenched corruption and <u>undue influence impede</u> <u>governance</u> and sustainable development in a country heavily reliant on oil and gas exports. Through state-owned enterprises that control fossil fuel resources, elites have consolidated power and wealth by frequently awarding contracts based on political connections rather than competence. These elites then discourage development toward sustainable energy. In fact, they have established opaque procurement processes that allow them to take for themselves resources intended for climate resilience and renewable energy projects.

This was clearly on display at the 2024 UN Climate Change Conference (COP29) hosted by Azerbaijan. The conference was criticised for lacking safeguards against corporate capture, as fossil fuel executives were given unprecedented access to decision-making spaces while civil society was sidelined. The country's internal corruption has now compromised not only domestic development, but also global sustainability goals.

ACCOUNTABILITY STRUGGLES

Even in states with a semblance of democracy, electoral processes are increasingly undermined, with ruling parties exploiting opaque financing and manipulating rules to secure their grip on power. Vote buying, intimidation and the misuse of state resources during election campaigns diminish public trust in democratic processes and highlight how leaders of various countries rely on corruption. In **Georgia** (53), recent mass protests erupted over the government's decision to halt the EU integration process. They have also been fuelled by allegations of electoral fraud, human rights violations, state capture and failure to curb corruption, and they demonstrate widespread dissatisfaction with systemic corruption that is taking hold of many parts of the society.

Ruling parties are also weakening oversight, as numerous states introduce foreign agent laws that target independent media and civil society. In **Türkiye** (34), such a bill was withdrawn after widespread criticism, but there are signs that it could be brought back for consideration – similarly to **Bosnia and Herzegovina's** (33) Republika Srpska, where a previously withdrawn legislative proposal was recently reintroduced. In **Serbia** (35) a pro-Russian party from the ruling coalition introduced a similar legislative proposal to the parliament. Kyrgyzstan's recently enacted foreign agent law intensifies pressure on civic space, targeting journalists, activists and civil society through restrictive oversight and punitive measures.

LACK OF EFFECTIVE ANTI-CORRUPTION CONTROLS

Fifteen out of nineteen countries in the region have stagnated or declined, as governments fail to implement even the most basic measures against corruption. Many states have inadequate laws controlling political financing, lobbying disclosure or beneficial ownership transparency – some have none at all. Governments largely ignore the public interest, using special legislation to avoid controls on high-value strategic investments. The government of **Albania** (42), for example, has entered into opaque foreign investment agreements worth billions of U.S. dollars, risking the destruction of precious <u>Vjosa river delta</u>.

COUNTRY TO WATCH: SERBIA

Serbia (35) continues to decline on the CPI, as <u>executive domination and institutional vulnerabilities</u> to corruption grow under the <u>rigid control</u> of President Aleksandar Vucic.

The government's denying responsibility for the collapse of a roof in a newly renovated Novi Sad railway station that killed 15 people, sparked massive protests across the country, demanding accountability and putting government corruption in focus. In an attempt to defuse the crisis, Vucic approved the

disclosure of many documents about the station's renovation. These documents and the opaque selection of sub-contractors further fueled suspicions that the project was overpriced. Three months after the accident, the public prosecutor's office in Novi Sad announced for the first time that it will examine allegations of potential corruption.

The Serbian government also relies extensively on interstate agreements and special legislation <u>without</u> <u>proper anti-corruption controls</u> in the EXPO and other "Serbia 2027" projects, which have an estimated value of US\$18.5 billion.

WEAK JUSTICE SYSTEMS

Most countries in the region fail to prosecute high-level corruption and enforce judicial integrity as other branches of government and interest groups exert undue influence. In **Bosnia and Herzegovina** (33), current draft legislation intended to secure judicial independence is still insufficient. It fails to set clear rules for merit-based appointments, establish mechanisms for verifying asset disclosures and regulate their transparency. **Montenegro**'s (46) half-hearted approach to reforms has left the capture of the judiciary unaddressed, which risks undermining the progress made by the Special State Prosecution and perpetuating impunity for high-level officials.

Yet some bright spots emerge. Despite the Russian invasion, **Ukraine** (35) <u>is making strides</u> in judicial independence and high-level corruption prosecutions. In **Albania**, specialised anti-corruption prosecution and courts (SPAK) have earned citizens' trust after convicting former ministers, members of Parliament and mayors. SPAK continues to investigate a former president, prime minister and other high-level public officials. **Moldova** (43) improved its score after the establishment of a specialised anti-corruption court and <u>broader judicial reform</u> efforts under President Maia Sandu. These have resulted in high-profile prosecutions, including cases targeting officials involved in bribery and <u>illegal party</u> <u>financing</u>, signalling progress in tackling corruption impunity. Anti-corruption prosecutors have also been directed to process high-profile cases more swiftly to better prevent corrupt officials from evading justice and to deter would be offenders.

As the European Union prioritises enlargement, candidate countries have an opportunity to secure long-term benefits for their citizens by putting in place effective control mechanisms against corruption and by strengthening the rule of law.