

Corruption as a Push Factor for Emigration from Croatia: Correlation between Corruption, “State Capture” and Emigration

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This paper represents an initial step in testing the correlation between corruption and state capture on the one side and emigration as a consequence on the other. The study is based on our qualitative and quantitative research conducted in Germany on a sample of 1734 recently emigrated Croatians from 2016 to 2020 and on our new research on corruption and clientelism as a push factor for emigration from Croatia. The primary hypothesis is that migration and corruption trends are correlated and that with the growth of the emigration of young workers from Croatia, the corruption rate in the country increases even more. The second part of the research was conducted on a sample of small, medium and large companies throughout Croatia. Requests to participate were sent to 2500 companies in all Croatian counties, and 178 companies responded. The questions intended to assess so-called “state capture” in Croatia according to a concept developed by Hellman et al. (2000). We measured the capture of the judiciary, the executive and the legislature in the Republic of Croatia and the perception of bribery, corruption and clientelism in companies. Results: nepotism 71%, bribery 66%, rigging public tenders 93% significantly disrupt business. Companies rate the Government, Parliament and the judiciary as the worst public services. As many as 59% of companies believe that the Croatian judiciary is corrupt. Among the measures that companies unconditionally support are the revision of transformation and privatisation (82%) and the ex-

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mination of the origin of assets (76%). The study results undoubtedly show that Croatia is even more corrupt today (2022) than it was as a non-EU member. The opening of borders has certainly facilitated emigration from Croatia, but this paper shows that emigration would not be so intense if the state and the society were not “captured”.

Ključne riječi: corruption, clientelism, emigration, Croatia, state capture.

1. Introduction

The last ten years have shown that entry into the EU did not solve the problems of Croatian society. It has slightly raised export opportunities for Croatian companies, but the country is drastically losing its population. Although some authors state that emigration will have some positive consequences for Croatian society as a whole (Euraxess.hr, 2020) in the sense that there will be an excellent choice of accessible jobs, benefits from return migration, “brain circulation” etc., it turned out that emigration in Croatia brought only negative consequences (c.f. Jurić, 2021). In addition to numerous unforeseeable consequences for the pension, education and health care systems, emigration brings another severe effect - an increase of corruption in society.

Our previous studies have proved that political elites’ corruption, legal uncertainty, and immorality have influenced emigration more than the pursuit of better earnings (Jurić, 2017, 2018, 2021). If a common denominator of the reasons for emigration is sought, then it is a desire for economic and political-legal security and not just higher earnings. Therefore, the national government can do much to reduce emigration (Goldner Lang, 2019), i.e. the government cannot diminish its responsibility for emigration.

All previous research papers dealing with corruption and its effects Budimir (2014), Jurić (2018, 2021), Petek and Kotarski (2020), Piplica et al. (2021), etc. show numerous negative effects of corruption on Croatian society. Corruption is “deeply rooted” in Croatian society and has become a form of a parallel system that undermines the Croatian economy. The basic thesis we proved in our previous research (Jurić, 2017, 2018, 2021) was that corruption and clientelism are key drivers of emigration from Croatia. However, few studies have raised the

question of how corruption reflects on business culture and researched the perception of corruption in Croatian companies. Our hypothesis is that corruption has done even more damage to Croatian national identity, sense of community and solidarity, as well as to Croatian culture in general, than the damage it has done to the economy (which is unquestionably enormous). The major negative impact of corruption has affected human capital and political stability.

2. Methodology

This study is based on our qualitative and quantitative research conducted in Germany from 2017 to 2020 and on our new research on corruption and clientelism as a push factor for emigration from Croatia. The sample consisted of 1200 adult emigrants from Croatia who emigrated to Germany from 2013 to 2018 and 534 in 2021. The respondents were accessed through the network of Croatian teaching in Germany, Croatian Catholic missions in Germany, and online through Facebook groups. We focused on whether citizens of Croatia emigrated only for economic or other reasons.

The primary hypothesis of the second part of our research, “Survey on Corruption in Croatia - Measuring Corruption,” conducted in 2020 and 2021, was that the growth of emigration of young workers from Croatia increases the corruption rate in the country even more. The main goal of the research was to answer the question of whether the level of corruption in Croatia is increasing due to increased emigration from the country.

The study was conducted on a sample of small, medium and large companies throughout Croatia (a sample of 178 companies). The questions were intended to assess the so-called “capture of the state” according to a concept developed by Hellman et al. (2000). We measured the capture of the judiciary, the executive and the legislature in the Republic of Croatia and the perception of bribery, corruption and clientelism in companies. An example of a question asked of companies (public and private) was: Do you think that the presidential powers or the powers of members of the Government or Parliament in Croatia have been used to help the private interests of certain actors in the country?

Requests to participate (online survey) were sent to 2500 companies, and 178 companies responded. Responses were collected from the company’s management. Although the questionnaires were sent in equal proportions to state-owned companies, public companies and private companies, state-owned

companies were most willing to participate in the survey. They account for 5.6% of our research. The largest share of responses came from private companies Limited Liability Company (LLC), 75.3 %, private craft companies 9.6 % and all others, including non-profit associations, 9.5%. Micro enterprises (up to 10 workers) make up 47.9%, small enterprises (up to 50 workers) 25.1%, medium (up to 250 workers) 9% and large (more than 250 workers) 18%. It was essential for us to determine whether the company went through the privatisation process (by transferring from state to private ownership) - 7.9% were such companies. Most companies responded from the City of Zagreb 37.7%, Zagreb County 22.8% and Split-Dalmatia County 6%. The core activities of the companies that participated most in the survey were manufacturing (12.9%), trade (10.1%), tourism (10.7%), technical activities (9.8%) and other service activities (9%).

Due to the mentioned sample, there are serious limitations of this study and the research is therefore not representative, but it is certainly an incentive for further research in this direction.

In addition to research, the paper combines existing literature, Eurobarometer and Transparency International reports. A particular advantage of this paper is that it does not focus as usual only on the perception of corruption among citizens but measures also the perception of corruption among Croatian companies.

3. Croatia – A Low Trust Society and Weak State?

Most societies in South-Eastern Europe belong to the type of “low trust societies”, in which, according to Roth, close social networks, kinship and friendship offer social trust and enable the individual to accumulate social capital. Trust in the state and its institutions, politicians and officials, and judges and police officers are extremely low (Roth, 2005). In the opinion of many historians, this is primarily because all countries of Southeast Europe have had centuries of experience with foreign rule, i.e., with a state that is perceived as the enemy (c.f. Jurić 2021). However, the decades of bitter experience with socialism, with a state that was perceived as a foreign power and an enemy through its totalitarian grasp on people, is also important to understand why citizens withdraw into private trust (Roth, 2005). Still, strengthening institutional trust is an elementary prerequisite for establishing civil society structures and institutions.

According to Jordan (2005), a special problem is corruption and clientelism resulting from the political elite's association with state institutions. Much of this situation stems from the fact that no lustration was carried out. According to other authors, the lack of lustration is one of the key problems in Croatia (c.f. Starešina, 2018). Another problem is that the state is not seen by all its citizens as a *res publica* but as a hostile institution to be circumvented. This was undoubtedly a legacy of Ottoman rule when the state was an occupier and enemy power. The authoritarian communist regimes reinforced this attitude (Jordan, 2005).

In Croatia, Rogić (2000) sees the root of the Croatian transition problem in the non-existence of patriotic and capable elites, which largely disappeared through adverse selection and emigration, especially during second Yugoslavia. When taken into consideration that 1) Croatia had only about 800 university students at the beginning of the 20th century; 2) that the elites of the 19th century were primarily of German and Hungarian origin; 3) that the communist government worked to suppress and expel Croatian elites; and 4) that the old privileged communist elites in Croatia were not lustrated, some authors (c.f. Starešina, 2018) conclude that Croatian society has never had the opportunity to produce its own elites (c.f. Jurić, 2021). The thesis is that due to the lack of national elites and negative selection in Croatia, institutions and system structures have been created to keep the old elite and its children in power (Starešina, 2018). This is one of the main reasons for distrust among one part of citizens toward their elites, as well as a source of fear that their political elites are working for "someone else's interests". Such a view implies that Croatia is a weak state and that the lack of patriotic elites is the key cause.

A weak state is a state in crisis. A state's weakness can be both in its social, and its institutional components – and these are often related, according to Rotberg (2004). In the first case, there is a lack of interaction between the state and society. A weak state lacks the ability to exercise social control over individuals and society, and it fails to penetrate society and regulate social conditions (Rotberg, 2004). There is resistance to the state's hegemony, which results from the conflict between the different social structures over the organisation of ordinary life. The state remains the most important but not the dominant organisation – it loses the role of the determining factor in a society (Seidl, 2007).

A weak state suffers from two legitimacy deficits: its citizens do not see it as necessary to meet the need for political and social organisation, and its citizens

have lost trust in its institutions (Krastev, 2004). The institutional component also refers to the efficiency of the state organisation and the quality of the institutional apparatus. In general, a weak state is characterised by underperforming institutions. The ability to provide all citizens with the minimum of security and “public goods” is low in such a state. It fails to protect citizens’ rights, and failure to uphold the Rule of Law is its fundamental feature (Krastev 2004). According to Seidl (2007), weak states are mostly systems where political elites enrich themselves with state resources. In such systems, large parts of the administration are corrupt, or their full functionality is reduced to core areas only (Seidl, 2007). According to Petak & Kotarski (2019), weak states became such not because of some “original sin” or weak mind or lack of pride and patriotism, but because they formulate their basic policies of poor quality and ineffectiveness and implement them very sloppily, partially and inconsistently.

The key topic of this paper, “state capture,” continues on the subject of “weak state”. Of the particularly useful papers on the topic “state capture”, we would highlight the following articles: Grzymala-Busse (2008), Hellman et al. (2000), Petak & Kotarski (ed.) (2019) and Piplica et al. (2021).

The classical definition of state capture refers to the way formal procedures (such as laws and social norms) and government bureaucracy are manipulated by government officials, state-backed companies, private companies or private individuals to influence state policies and laws in their favour (Hellman et al., 2000). State capture seeks to influence the formation of laws to protect and promote influential actors and their interests. In this way, it differs from most other forms of corruption, seeking selective enforcement of already existing laws (Hellman et al., 2000).

According to Hellman’s research (2000) the state capture index in Croatia is one of the highest in transition countries in Europe (27), and only Bulgaria has a higher index (28). A special characteristic of state capture is that only certain companies that do business with the state succeed. Across the entire sample, firms that trade with the state have higher growth rates than those that do not trade with the state and these higher rates are expected to be sustained over time. The social costs of state capture are significant, and economic reforms and civil liberties are decreasing in such states (Hellman et al., 2000).

According to Petak and Kotarski, four fundamental problems limit Croatia’s progress in the country’s development. 1) Croatian political, economic and ju-

dicial institutions are underdeveloped because their functioning since 2000 has not made the necessary leap in terms of the business environment, the efficiency of the judiciary, the fight against corruption and modernisation. 2) Interests based on public spending through public procurement or subsidies and interest groups make up an informal potential anti-reform coalition. 3) Conformism of society, where there is a high prevalence of opportunistic behaviour and wherein surveys, to the question “What is key to success?” a large percentage of citizens answer that it is “to have political connections”, and to a lesser extent “intelligence and ability” (Petak & Kotarski, 2019). Croatia is, therefore, in the first place compared to other EU transition members. Compared to other transition countries, Croatia has the largest share of citizens in the membership of political parties. In a country with such weak institutions, citizens thus secure for themselves certain benefits such as employment and higher income, rather than primarily acting for the common good. 4) The issue of low trust is significant for the political and economic development of the country, and it is very low in Croatia - in all key segments in the Government, Parliament, judiciary, banks and financial institutions and among citizens.

The authors conclude that Croatia is a captured state because it is hampered by clientelism, and at the same time, it is a weak state because it is incapable of formulating and implementing its policies. This captivity and this weakness do not allow the country to implement reforms (Petak & Kotarski, 2019).

4. Perception of Corruption in Croatia

Eurobarometer survey (2019) on corruption in the Member States of the European Union from 2019 shows that Croatia has a severe problem with corruption as a systemically unresolved issue according to many indicators. Transparency International Croatia (2021) confirmed our research from 2017 (Jurić, 2017) when we proved that corruption is the leading cause of emigration from Croatia. According to TIH, corruption is the reason for emigration from Croatia and creates the most significant economic and social development threat. 97% of Croatians believe that corruption is a widespread phenomenon (in previous surveys in 2013 and 2017, it was 94%), and 69% believe that it has increased in the past three years. According to this indicator of the prevalence of corruption, Croatia is the most corrupt country in the European Union (TIH, 2021). In Croatia, 97 out of 100 people believe that corruption

is a problem, and in Finland, only 22 out of 100 Fins have this impression about their country (Eurobarometer 502, 2019).

93% of Croatians believe that corruption is present at the local level of government, whilst 87% believe that it is present in public authorities at the national level. Political parties are seen as the most corrupt (61%) as well as politicians at all levels, from local to national (58%). The most significant deviation from the EU average concerned the judiciary, where more than half of those surveyed believed that corruption in the judiciary was widespread. When analysing the impact of corruption on the private sector, the survey revealed that corruption is much more part of our business culture (84%) than in the other EU Member States. The close connection between the business sector and politics is also a cause of corruption (83%). According to TIH (2021), the only way to succeed in business in Croatia is through political connections (80%), whilst the EU average is 51% (TIH 2020). 79% of Croatians believe that corruption and favouritism hinder business competition. According to TIH Croatia, the fight against corruption and the formation of a competent, incorruptible and effective government are key promises given by all political actors in all elections since 2000 to date in Croatia, but little has happened in this regard. Our research from 2018 regarding the factors that had an impact on the emergence of today's problems in the Republic of Croatia shows the following results (Figure 1).

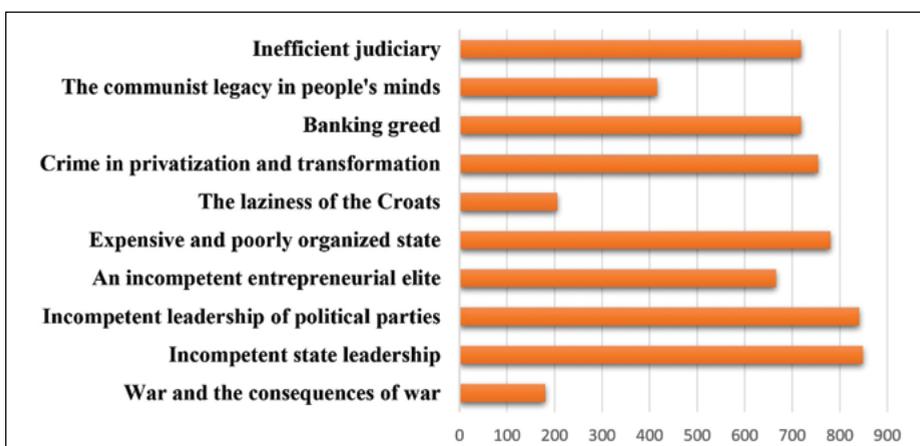


Figure 1. Factors that had an impact on the emergence of today's problems in the Republic of Croatia

Source: Jurić, 2018.

According to the results of Jurić's study (2018), incompetent politicians, the inefficient judiciary, corruption and war profiteers were at the top of the list of responsibilities. According to Hećimović and Gajić (2015), the main drivers of corruption in Croatia are the private interests of those in power. Lack of strict administrative control, the moral crisis in society and inadequate legislation related to corruption were also cited as significant problems.

Table 1. Croatia, Main problems (2014)

Unemployment	83.02%
Corruption	50.45%
Poverty	39.36%
Low wages	32.97%
Criminal acts	21.78%
High prices	21.48%
Political instability	20.08%
Health care	7.79%
Education	3.10%
Ethical issues	2.60%
Environmental pollution	2.80%

Source: Hećimović & Gajić (2015, 8) (authors editing)

In 2014 and 2015, most citizens believed that corruption was widespread in public administration. As shown in Table 2, 60.1% of citizens believed that almost all, or at least the majority of civil servants, are corrupt.

Table 2. Factors influencing the prevalence of corruption, 2015

People in power are interested in creating a vast personal wealth in a short period	88.80%
There is no strict administrative control	86.80%
Society is in a moral crisis	86.40%
Performing official duties conflicts with personal interests	86.00%
Corruption-related legislation is imperfect	81.30%
The judiciary is ineffective against corruption	78.10%
Problems related to corruption are inherited from the past	74.40%

Corruption is a unique feature of Croatian national culture	70.40%
No laws are enforced in Croatia	70.20%
Public sector officials have low salaries	35.00%

Source: Hećimović & Gajić (2015), edited by author

A positive trend is that the share of citizens who do not tolerate corrupt behaviour increased from 54% in 2001 to 77% in 2016 (Mikić, 2017). However, Croatians did not have confidence in political parties or politicians at any level of government in 2021 (TIH 2021). Of 100 respondents, 70 did not trust political parties, and the least trust was in politicians at the local level - 63.6%. Only three in one hundred people completely trust politicians at the national level and only one at the local level. Those aged 35 to 44 who do not trust political parties are mainly men in full-time employment, whilst those over 64 years of age trust them completely (TIH, 2021). Croatians aged 25 to 34 with a tertiary education do not trust politicians at the national level, whereas those over 65 years of age have complete trust in them. Croatians in all parts of Croatia do not have confidence in the judiciary. For example, of 258 people in Zagreb, only 4 had complete trust in the judiciary (TIH, 2021).

The problem of corruption is a common problem in all Southeast European countries and societies. About 50% of respondents in Southeast European countries perceive corruption as the second most significant problem in the society in which they live. According to the perception of about 60% of respondents, the main problem is unemployment and underpayment (CSD, 2016). Such a perception clearly warns that the issues associated with corruption are far from being resolved, and there is still a need to focus activities on the area. None of the countries in the region 2021 has made progress in anti-corruption policy, although efforts, with EU support, have generally intensified (EC 2021). „Corruption is widespread and remains an issue of concern” (EC 2021).

The lack of success in the fight against corruption has weakened public support for reform processes and caused a decline in trust in national institutions. As a result, public confidence in the feasibility of anti-corruption measures, a key ally for successful anti-corruption reforms, remained below the 50% threshold in almost all SEE countries (EC 2021). In Croatia in 2019, as many as 62% of the respondents expected to find themselves in a situation of corruption pressure, i.e. that they would be asked for bribes in exchange for more efficient and

faster solving of some of their problems or for doing some work (TIH 2019). This warns of the deficient level of trust that citizens in Croatia have towards public institutions and the state's readiness to tackle corrupt practices in their services in a decisive way.

Croatians find it challenging to report corruption, abuse of power, or irregularities. There are numerous reasons for this, including that it is difficult to prove corruption (45%), that those responsible will never be sanctioned (40%), that everyone knows about irregularities, but nobody reports them (34%), and that nobody wants to betray anybody else (18%). Croatians would mainly report matters to the police (38%), specialised authorities fighting corruption (33%), or the media (33%), whilst at the same time, they do not have confidence in the justice system (9%), ombudsperson (7%) or politicians (2%) (CSD 2016). Croatian citizens perceive local government (so-called "local sheriffs"), state government, Parliament, and courts as the most corrupt (Table 3). Immediately behind them are the prosecution and the tax authorities, which warn that Croatian citizens perceive corruption as a top-down model. TIH and EC (2021) shows that no progress has been made on this issue.

Table 3. The prevalence of corruption in public institutions in Croatia (Perception; 2016)

	Croatia	Average SE Europe
Government	57%	61%
Local authorities	54%	56%
Parliament	52%	57%
Courts	52%	56%
Attorney General's Office	43%	52%
Tax authorities	42%	51%
Customs offices	40%	59%
Police	40%	51%
State Audit Office	39%	40%
Investigative authorities	35%	41%
President of the state	27%	37%
Army	17%	19%

Source: CSD (2016, 115), edited by author

According to TIH (2021), Croatians do not believe in the roles of independent public authorities imposing preventative measures because the majority believe that the media has the most significant role to play as well as punitive authorities, such as the Attorney-General's Office and the Office for the Suppression of Corruption and Organised Crime (USKOK), and also the police (Table 4).

Table 4. What the citizens of Croatia think about corruption (2020)

Eurobarometer (12/2019)	Transparency International Croatia (12/2020)
97% believe that corruption is widespread	70% do not trust political parties
69% to increase in the past three years	52% of the prevention of the fight against corruption is carried out by the media
61% that they are the most corrupt political parties	71% of the cause is the climate in society
84% of corruption is part of Croatian business culture	72% of politicians are a terrible example to citizens
80% of business success is only possible through political connections	61% have no success without corruption
---	83% for the Law on the Origin of Property
	83% for the confiscation of property for which it is not possible to determine the origin of the acquisition

Source: Eurobarometer (12/2019); TIH (12/2020), edited by author

According to Eurobarometer (2019), Croatian saw materialism and the desire to get rich as the leading causes of corruption. One of the most critical consequences of corruption is the behaviour of politicians as a bad example to the public (TIH, 2021).

5. Results – Measuring Perception of Corruption in Croatian Companies

We have previously presented the perception of corruption among Croatian citizens, while we below present some of the results of our research on corruption conducted on a sample of small, medium and large companies in Croatia. The questions were intended to assess the so-called “capture of the state” according to a concept developed by Hellman (2000). We measured the capture of the judiciary, the executive and the legislature in the Republic of Croatia and the perception of bribery, corruption and clientelism in companies.

For barriers to business issues, specifically “Can you assess the overall quality and effectiveness of the services provided by the following public agencies or government services?” companies rate the Government, Parliament and the judiciary the worst, and the police the best. As many as 59% of companies believe that the Croatian judiciary is corrupt.

The biggest obstacle in companies’ daily business is corruption, taxes, and frequent changes in the Law. Management of companies spends a quarter of their working time on the application and interpretation of laws and regulations in most cases. Nepotism 71%, bribery 66%, and rigging public tenders 93% significantly disrupt business. 75% of companies have never received any assistance in facilitating polls from local governments and consider them useless.

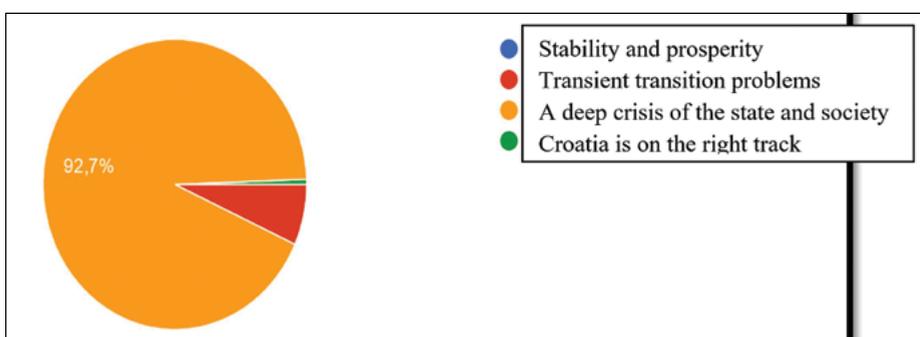


Figure 2. Which expression best expresses the situation in Croatia?

Most of the surveyed Croatian companies describe the current situation in Croatia as a “deep crisis of the state and society” (92,7 %). The perception of company management is that the general state of hopelessness and pessimism in society is the main push factor for emigration from the country and that politicians are most responsible for emigration (96.6%).

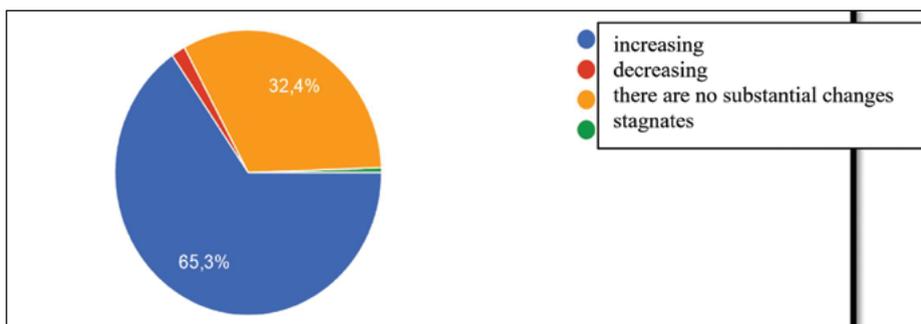


Figure 3. Corruption has been rising or falling in the last five years - what is your perception?

The perception of companies is that corruption in Croatia has been growing in the last five years (65,3% of them), and 32,4% believe that there are no significant changes.

For 34.9% of companies, the government is doing worse in the fight against corruption compared to five years ago, while 63.4% believe that there is no progress. At the same time, 87% believe that Croatian society does not strengthen the reporting of corruption, and the most significant number believe that it is not socially acceptable to report corruption in Croatia (67.8%).

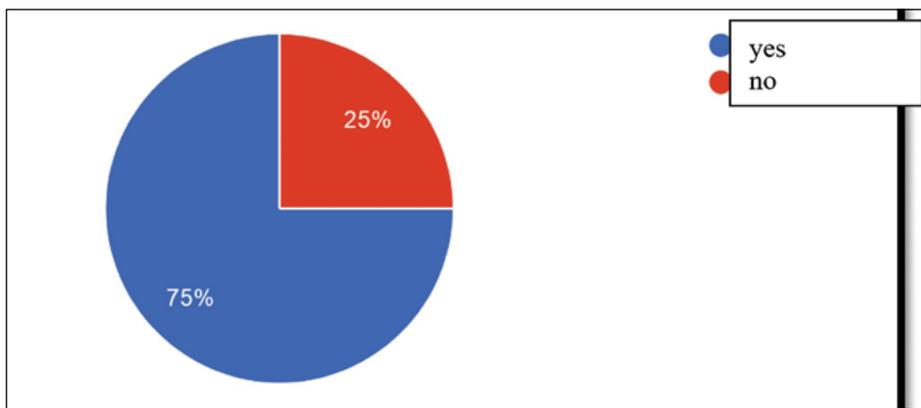


Figure 4. Do you know of any companies that bribe local or state administration to do business successfully?

Furthermore, 75% of companies claim to know companies that bribe local or state governments to operate “successfully”. The most common value of a contracted job that goes to bribes is 6 to 10%, and the most common amounts paid as bribes are up to 10,000 euros.

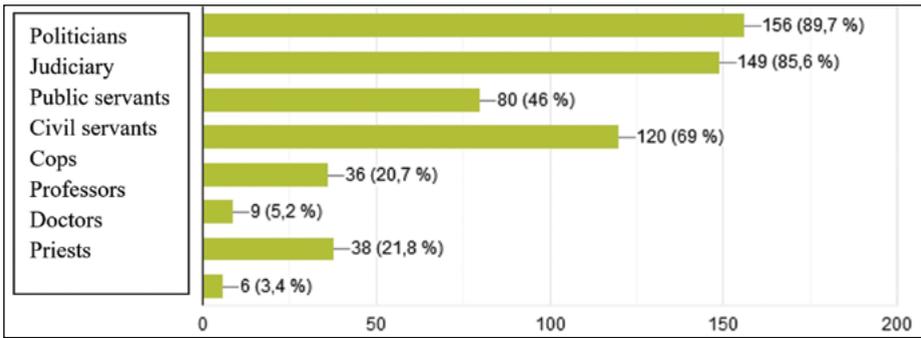


Figure 5. What is the most corrupt sector of Croatian society?

Companies perceive political elites, the judiciary and civil servants as the most corrupt sector of Croatian society.

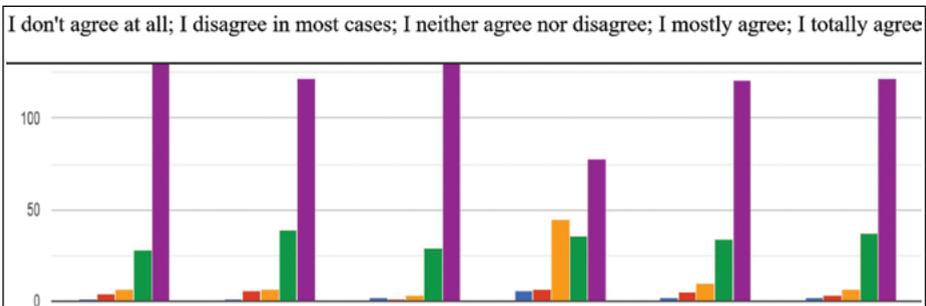


Figure 6. How much do you agree with the statement that the sale of parliamentary votes is in progress in the Republic of Croatia

Most of the companies surveyed agree with the statement that the sale of parliamentary votes is in progress in the Republic of Croatia, i.e. buying “hands” in Parliament regarding the passing of laws that benefit the private interests of certain actors in the country.

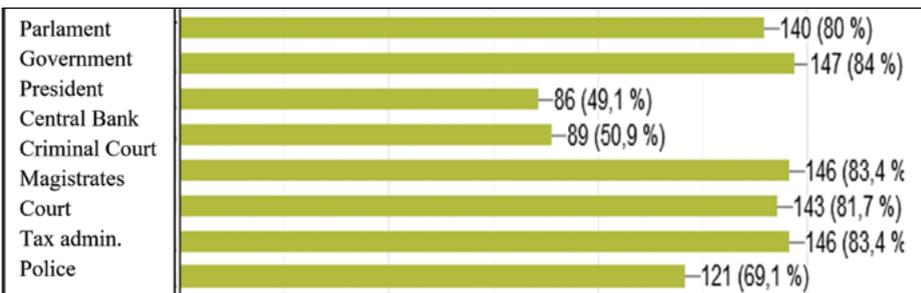


Figure 7. Which of the following institutions or employees of institutions do you consider prone to corrupt activities?

To the question “Which of the following institutions or employees of institutions do you think are more or less prone to corrupt activities” companies answer Parliament (80%), Criminal Court (83.4%), Government (84%), Misdemeanor Court (81,7%), Parliament (80%).

When asked to what extent is the Croatian judiciary corrupt, 80.7% of companies answer that it is extremely corrupt and very corrupt. Regarding how the Croatian government is behaving in the fight against corruption, most companies believe that the government is failing in that fight and that it is reacting only to external EU pressure (Figures 9 and 10).

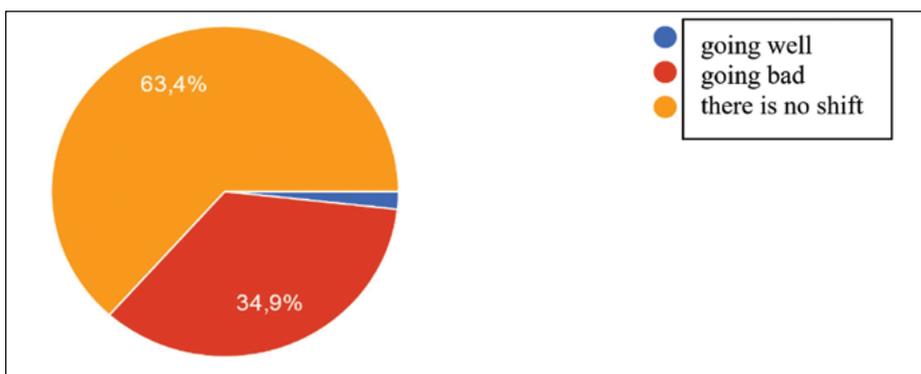


Figure 8. The Croatian government is fighting corruption:

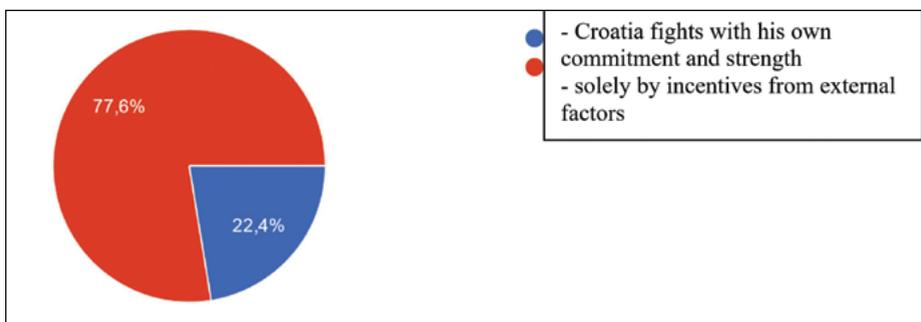


Figure 9. How is Croatia fighting corruption?

When asked how Croatia fights corruption, 77.6% answered exclusively with incentives from higher powers, referring primarily to the EU. Regarding the attitude towards the European Union, 38.1% are positive, 20.5% are negative, and 41.5% are indifferent.

Our research conducted in 2020 and 2021 shows that since those who were not “networked” emigrated and those who did remain, corrupt activities in Cro-

atian society are even easier to implement and more frequent. Namely, if the critics leave, it becomes even better and easier for the criticised. On the other hand, political elites in Croatia usually claim that people are emigrating because they want higher salaries. They have nothing to do with emigration because it is unrealistic to expect salaries in Croatia to become equal to the German salary overnight (Plenković for FAZ, T-Portal, 2020).

The basic thesis we proved in our previous research (Jurić, 2017, 2018) was that corruption and clientelism are key drivers of emigration from Croatia. However, this study showed that corruption and clientelism are increasing with the increased emigration from Croatia.

When comparing the movement of corruption in Croatia and the movement of external migration of Croats from 2010 to 2021, one can see a strong positive connection between these two processes. The more pronounced the corruption, the greater the emigration and vice versa.

Table 5. Migration and corruption trends in Croatia 2012 – 2020

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of emigrants to Germany	9019	18.633	37.060	50.646	51.163	50.283	48.618	40.151	26.355
Ranking on a scale of 1 - 180	62	57	61	50	55	57	60	63	63

Legend: Ranking: from 1 (least corrupt) to 180 (most corrupt)

Source: Jurić, 2021

From the presented data of our study and the Corruption Perceptions Index (CPI) of Transparency International, there is no doubt that corruption in Croatia is growing with emigration. A lower level of emigration has a strong positive correlation with lower external migration. In other words - the more emigration, the more corruption in Croatia. If the critics leave, it becomes easier for the criticised. Increased emigration reduces the possibility of pressure from citizens on political elites, because those who leave would be most capable of initiating change, and are most motivated for change.

The companies expect that the situation in Croatia will deteriorate further or stagnate both economically (72%) and socio-politically (70%). Our studies modelling further emigration trends using the Big Data approach show that emigration will continue (Jurić 2022, 2022a). The diagnosis is that Croatia has all the elements of a “captured state”, and that the whole society is captured in the captured state. Weak institutions, immorality, incompetence of Croatian political elites, legal uncertainty, nepotism, and corruption proved to be the supreme social motives in the emigration of the young population. The study results undoubtedly show that Croatia is even more corrupt today than it was as a non-EU member.

The whole situation is best reflected in society through the prism of emigration. The causes that led to the massive wave of emigration from Croatia are various, but the most severe is the loss of hope and distrust in institutions and political elites accompanied by clientelism and corruption - which affect both citizens and companies.

According to Hellman’s research (2000) into the “captured state” phenomenon, the way out of this situation is through a “liberated judiciary” that begins to sanction fraudsters. The Internet offers new avenues to introduce competition in the (oft-monopolised) media in captured states and, more generally, in information dissemination. It is essential to introduce transparency in parliaments, governments, state-owned companies and local authorities (Hellman et al., 2000).

According to Transparency International Croatia, people realise that a possible solution to the corruption problem in Croatia is by consistently applying a simple procedure for determining how every person acquired assets from 1990 to date. 83% of people surveyed would support such a law (TIH, 2021). On the other hand, for the systematic fight against corruption in Croatia, the International Standard ISO 37001: 2016 (Anti-Corruption Management System) should be implemented in all legal systems, state and public companies. Our research shows that among the measures that companies unconditionally support are the revision of transformation and privatisation (82%) and the examination of the origin of assets (76%). 56.6% of companies would pay additional taxes to eliminate corruption and crime.

6. Conclusion

This research points out an apparent link between political ethics, weak institutions, and emigration. The immorality of political elites, legal insecurity, “predatory employers”, nepotism, and corruption is at the top of the list of the motives contributing to emigration. Following our study from 2018, this paper reaffirms the thesis that corruption is one of the main reasons for emigration. What is especially worrying is that this study shows that the rate of corruption is increasing as the number of emigrants is increasing.

The significant negative impact of corruption has affected Croatia’s human capital and political stability. Although the official policy the migration in the EU is interpreted as a completely normal phenomenon, we emphasise that 15-17% of the working-age population emigrated from Croatia but only 1% from Germany, France and Great Britain in the same period. The problems that led to the mass emigration of young people and as many as 10 % of the Croatian population are directly related to the clientelist-comprador governance model and corruption.

An advantage of this paper is that it does not focus as usual only on the perception of corruption among citizens but measures also the perception of corruption among Croatian companies. Companies rate the Government, Parliament and the judiciary as the worst and the police as the best public service. As many as 59% of companies believe that the Croatian judiciary is corrupt. The perception of companies is that corruption in Croatia has been growing in the last five years (65,3% of them), and 32,4% believe that there are no significant changes.

For 34.9% of companies, the government is doing worse in the fight against corruption than five years ago, while 63.4% believe that there is no progress. Furthermore, 75% of companies claim to know companies that bribe local or state governments to operate “successfully”. This research shows that among the measures that companies unconditionally support are the revision of transformation and privatisation (82%) and the examination of the origin of assets (76%). The study results show that Croatia is even more corrupt today (2022) than it was as a non-EU member.

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Korupcija kao poticaj za iseljavanje iz Hrvatske: korelacija između korupcije, “zarobljavanja države” i iseljavanja

Summary

Ovaj rad predstavlja početni korak u ispitivanju korelacije između korupcije i zarobljavanja države s jedne strane i iseljavanja s druge kao posljedice. Studija se temelji na našem kvalitativnom i kvantitativnom istraživanju provedenom u Njemačkoj na uzorku od 1734 nedavno iseljenih Hrvata od 2016. do 2020. te na našem novom istraživanju o korupciji i klijentelizmu kao poticajnom faktoru iseljavanja iz Hrvatske. Primarna hipoteza je da su migracijski i korupcijski trendovi povezani te da s rastom iseljavanja mladih radnika iz Hrvatske, stopa korupcije u zemlji još više raste. Drugi dio istraživanja proveden je na uzorku malih, srednjih i velikih poduzeća diljem Hrvatske. Zahtjevi za sudjelovanje upućeni su na 2500 tvrtki u svim hrvatskim županijama, a odazvalo se 178 tvrtki. Pitanja su bila namijenjena procjeni takozvanog “zarobljavanja države” u Hrvatskoj prema konceptu koji su razvili Hellman et al. (2000). Mjerali smo zarobljenost pravosuđa, izvršne i zakonodavne vlasti u Republici Hrvatskoj te percepciju mita, korupcije i klijentelizma u tvrtkama. Rezultati: Nepotizam 71 %, mito 66 %, namještanje javnih natječaja 93 % značajno remeti poslovanje. Kao najgore javne službe tvrtke ocjenjuju Vladu, Sabor i pravosuđe. Čak 59 % tvrtki smatra da je hrvatsko pravosuđe korumpirano. Među mjerama koje tvrtke bezuvjetno podržavaju su revizija pretvorbe i privatizacije (82 %) te ispitivanje podrijetla imovine (76 %). Rezultati studije nedvojbeno pokazuju da je Hrvatska danas (2022.) još korumpiranija nego što je bila kao nečlanica EU. Otvaranje granica svakako je pospješilo iseljavanje iz Hrvatske, ali ovaj rad pokazuje da iseljavanje ne bi bilo tako intenzivno da država i društvo nisu bili “zarobljeni”.

Keywords: korupcija, klijentelizam, iseljavanje, Hrvatska, zarobljenost države.