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Book Review

Rasma Karklins, *The System Made Me Do It: Corruption in Post-Communist Societies*. Armonk, New York, and London, England: M. E. Sharpe, Inc., 2005. x, 219 pp. (ISBN 0-7656-1633-5, hardcover, \$65.95; ISBN 0-7656-1634-3, softcover, \$24.95).

Corruption is still a major economic, political and social problem in the Baltic states. The Baltic states are not yet clean enough to be respectable. According to Transparency International 2005 report, however, they are in the top third of the Least Corrupt Nations List (Estonia – 27th, Lithuania – 44th and Latvia – 51st out of 159 countries). Reading the 2005 report, only Estonia has reached the 6.4 level (midlevel corruption) on a 10-point scale. Lithuania, even after a substantial improvement in the last year, is at 4.8 points, still short of the 5 point (out of 10 points) minimal international decency level. Latvia is improving very slowly, and is at 4.2 points. Although this is better than what is observed in other post-communist societies, progress is, in many ways, uncertain. Being covert, bribery is hard to measure. Thus, last year's improvement in Latvia from 4.0 to 4.2 points does not show significant progress. Under these circumstances, both progress and shortcomings in the Baltic states cannot be followed without a full understanding of the corruption that is prevailing there.

This book is important for understanding institutional changes, good and bad, in societies that are gradually transforming themselves after the collapse of the Soviet regime. A comprehensive compendium, it covers both the persistence and abatement of corruption in the Baltic States, as well as in neighboring Poland and Russia and 15 other countries.

The book follows and widens two previous discussions. The first is Rein Taagepera's "Baltic Values and Corruption in Comparative Context," *Journal of Baltic Studies*, 33:3, 243-58, which describes the unusual value constellations characteristic of Baltic societies. The other is my own contribution with Bruce 83 Finnie and Linda Gibson, "Corruption and Economic Development on the Baltic Littoral: Focus on Latvia," *Journal of Baltic Studies*, 35:4, 329-45. We conclude that corruption delays economic development and is materially costly to the societies that tolerate it. We also offer a long-term plan, suitable for improvements in Latvia. For the Baltic states, we suggest a return to the high ethical standards prevailing in the Nordic countries. This is a major challenge.

Iceland and Finland, the most ethical countries in the world, set a very high standard for the Baltic future. In contrast to the Nordics, Transparency International reports that Russia (2.4 points) has sunk to the lowest depths of corruption, to the level of Albania, Niger and Sierra Leone. It is one of the most corrupt nations. Indeed, the tsar described by Leo Tolstoy in Hadji Murad believes that it is in the nature of Russian officials to steal. Today, the Russian research group Indem notes that corruption is the gravest problem in Russia. This group estimates that bribes alone, on all levels, are twice as high as the federal budget.

As concluded by *The Economist* (October 2228, 2005), corruption on this scale is more than internally significant. It also affects the traffic across Russia's borders and seriously damages Russian international relations. It is obviously an important factor in the administrative and economic life of the Baltic States. This situation leads me to conclude that the presence of recent immigrants from more corrupt societies causes significant problems in the Baltic States.

Political science professor Rasma Karklins (University of Illinois at Chicago), a noted scholar of ethnopolitics in Baltic States, is a well established and frequently published researcher on transitional societies. Among other recognitions, she holds the prestigious Ralph E. Bunche Award of the American Political Science Association.

Karklins' book is well planned and meticulously organized. The design of her book has many-sided interdisciplinary dimensions. Her aim is to explore and explain the phenomena of corruption. Her approach is of necessity empirical and institutional; it does not lend itself to making universally valid characterizations of the countries reviewed.

Karklins explores in depth the many expressions and phenomena of corruption, problems related to it, what is held common, and what is different. The result is a classic chapter on the typology of corruption, as well as a good

understanding of the working of corruption from several perspectives. Karklins stress institutional accountability as an essential part of corruption control. The concluding chapters present criteria for making plans to reduce corruption. In the last pages there is a model for corruption containment, together with suggested principal steps to contain it. The first is the recognition of corruption as an important problem. The second and third are to establish and use the legal and financial institutions of accountability. The fourth is the fine-tuning of the corruption-prevention enterprise.

To facilitate these steps to a more ethical and democratic society, Karklins uses national data mostly for the exploration and informed explanation. Using the 2004 reports of Transparency International, Karklins place the Baltic States in a separate, least corrupt, group of societies.

For the few other comparisons she makes, Karklins relies heavily on the major World Bank study, published in 2000, *Anticorruption in Transition: A Contribution to the Policy Debate*. It should be stressed that the whole population, not just the titular ethnic elements, is the source of information. The data show that corruption is different in the three Baltic States. In public administration (mostly bribes and extortion) Estonia ranks low, fifth lowest among the twenty countries surveyed. Latvia is second lowest, and Lithuania is eleventh. For grand corruption, sometimes call "state capture," Estonia ranks fourth lowest, and Lithuania is sixth. Latvia shows unusual problems, and is sixteenth, right behind Russia, in seventeenth place. These differences are underscored by the sale of gymnasium examinations in Estonia, the violation of international agreements to preserve the Old Town in Riga, Latvia, and the sad case of a corrupt President in Lithuania.

These differences show that each of the Baltic States should have their own priorities in fighting corruption. Even without a heavy reliance on somewhat unreliable statistics about activities that are essentially covert, Karklins presents a comprehensive picture most useful to leaders and scholars concerned with corrupt post-communist societies in transition. This complete picture of corruption in post-communist states is documented by an unusually fine bibliography, current through early 2004.

Together, the text and the bibliography serve as a fundamental reference for students of post-communist societies. They also provide a logical starting point for further studies of the Baltic countries and for making corruption abatement plans.

For these reasons, this book should be in every academic and public library as well as in the hands of Baltic researchers. My own copy will go to the Latvian university that I feel needs it most. Readers of *Lituanus* are urged to give the book to colleges and universities of their own choice.

Gundar J. King