

THE POLITICAL ECONOMY OF CORRUPTION IN TRANSITION AND THE PRESSURES OF GLOBALIZATION

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Abstract

The East European countries' transition towards market economy and democratic governance seems blocked. In this context, the paper argues that integration with the EU and NATO might offer a second chance for turning the transition process successful. From all causes of this delayed economic and democratic development, I chose to analyse the one essential for Romania: obstruction of free and fair access to resources and services by a narrow group of transition winners. These individuals have used the advantage of past positions in the communist bureaucracy to, currently, constitute an informal, but efficient, structure that monopolizes resources, prevents free access to the economic system, and, therefore, nurtures corruption. Moreover, the still existent state monopoly enables corruption turning it into a force that is blocking development of free markets. The paper argues that integration with the European Union and NATO may offer a solution for eradicating corruption and for increasing transparency in the system. This is possible for two reasons. First, the two above-mentioned institutions enjoy great legitimacy in Romania and can therefore act as levers for triggering effective reforms. Second, the conditionality of adopting the Acquis Communautaire – a body of laws that can fight corruption – might lay a solid basis for successful internal reforms that would create sustainable and transparent structures able spur economic and democratic development.

Key words: oligarchs, informality, groups of interest, transition winners, acquis communautaire

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