



HOW THE BUSINESS COMMUNITY OF MOLDOVA CAN BECOME PART OF THE SOLUTION FOR FIGHTING CORRUPTION

Veaceslav IONIȚĂ

Viorel PÎRVAN





www.viitorul.org

HOW THE BUSINESS COMMUNITY OF MOLDOVA CAN BECOME PART OF THE SOLUTION FOR FIGHTING CORRUPTION

Veaceslav Ioniță

Viorel Pîrvan

This report was developed with support from the Center for International Private Enterprise (CIPE). The views expressed in this document may not necessarily reflect the views of CIPE. CIPE strengthens democracy around the globe through private enterprise and market-oriented reform. CIPE is one of the four core institutes of the National Endowment for Democracy and an affiliate of the U.S. Chamber of Commerce. Since 1983, CIPE has worked with business leaders, policymakers, and journalists to build the civic institutions vital to a democratic society.



www.viitorul.org

Opiniile exprimate aparțin autorilor. Administrația IDIS „Viitorul” și Consiliul Administrativ al Institutului pentru Dezvoltare și Inițiative Sociale „Viitorul” nu poartă răspundere pentru estimările și opiniile prezentate în cadrul acestei publicații.

Pentru alte detalii, vă rugăm să contactați responsabilul pe presă, Victor URSU la următoarea adresă: **ursu.victoor@gmail.com** sau la numărul de telefon **069017396**.

Adresa de contact:

Chișinău, Iacob Hîncu 10/1, 2005, Republica Moldova

Telefon: (373-22) 21 09 32

Fax: (373-22) 24 57 14

www.viitorul.org

Orice utilizare a unor extrase ori opinii ale autorului acestui Studiu trebuie să conțină referință la IDIS „Viitorul”.



Table of Contents

I. Research/Study Goal and Methodology	4
II. Corruption: One of the Main Barriers to Doing Business in the Republic of Moldova.....	4
2.1. Causes, Risks and Costs of Corruption Affecting the Private Sector Development	5
2.2. Most Corrupt Entities.....	8
III. Corruption: "Win-win" Collaboration between the Private Sector and the Public Sector	10
3.1. Legal versus "Convenient" Ways of Doing Business	10
3.2. Initiators of Acts of Corruption	11
3.3. (Non-)protection of Private Sector Rights against the Attempts and Acts of Corruption.....	12
IV. Integrity and Transparency in Doing Business.....	14
4.1. Business Community Perception of Measures to be Undertaken and the Benefits of Clean and Healthy Business Environment	14
4.2. Anticorruption Programmes and Tools in the Private Sector	15
4.3. Participation of Business in Collective and Sectoral Anticorruption Initiatives.....	18
4.4. Transparency of Companies and Reporting the Activities with high Corruption Risks.....	18
Conclusions and Recommendations.....	20

RESEARCH/STUDY GOAL

The present Study has been conducted by IDIS "Viitorul" under the Project "Advocating for a Business-Led Anti-Corruption Agenda", with the support provided by CIPE, the USA.

The role of this Research is to radiograph the current situation and the trends of corruption and its impact over the business environment in the Republic of Moldova.

This Report is aimed not only to elucidate the business integrity, its perception of and interaction with corruption, but also to support the private sector in its endeavour to be as upstanding as possible and to get involved as an active subject in identifying and implementing relevant solutions.

I. Research Methodology

The Research has been based on three major components, each of them contributing to the formulation of Report conclusions.

1. First of all, a comprehensive Questionnaire has been developed aiming to assess the economic operators' perceptions and personal experiences related to corruption in the Republic of Moldova.

The data collection was provided by the Centre for Sociological Investigations and Marketing "CBS-AXA" during 19 April – 17 May 2017. The interviews were conducted at enterprise premises. The Questionnaire was prepared in Romanian and Russian; in this way the respondents had the possibility to pick up the preferred version.

The Research was carried out on a stratified and probabilistic sample comprising 511 businessmen.

The sample covered five geographical areas, namely Chisinau, Balti, North, Centre and South, including several activity areas such as Agriculture, Industry, Constructions, Trade, Transportation, HoReCa (Food Service Industry), Services etc., while the enterprises/companies involved in the Research were assigned to

four types, namely Micro, Small, Medium and Large Undertakings.

The volumes of activity area strata, the totals per geographical areas, as well as the volumes of enterprise size strata from each activity area were calculated proportionally to the number of enterprises in accordance with the data made available by the National Bureau of Statistics of the Republic of Moldova. The enterprises within strata were selected randomly.

2. Second of all, three focus-groups were established in Cahul (on 31 May 2017), Balti (on 9 June 2017), and Chisinau (on 13 June 2017), where economic operators reported, using practical examples, how corruption occurred during their interactions with civil servants and public entities. Those focus-groups involved 30 companies per total, representing the following economic sectors: Agriculture, Transportation, Trade, Food Industry and other areas.
3. Third of all, nine in-depth interviews were conducted during 5 June – 16 June involving nine economic operators, which ensured their greater openness in reporting examples of corruption in doing business.

II. Corruption: One of the Main Barriers to Doing Business in the Republic of Moldova

2.1. Causes, Risks and Costs of Corruption Affecting the Private Sector Development

CAUSES OF CORRUPTION IN DOING BUSINESS

During the conducted focus-groups and interviews, economic operators reported their visions concerning the main causes favouring corruption in doing business. Hence, the causes may be grouped as follows:

A IMPERFECT, AMBIGUOUS AND INTERPRETABLE LEGISLATION;

According to the private sector, predictability in doing business and level playing field for all economic operators can play an important, as well as the law enforcement and non-interference of the state in private business.

"Laws do not work; laws are overloaded and duplicate/contravene one another... There is chaos in legislation; laws conflict one another".

"I am in business for 20 years, and, so far, I failed to know what strategy the country has, what we do and where we go; each governance has its own ways, plans... It is important for us, as economic operators, to know what we want to become in 10 years, five years from now, etc."

The normative documents governing the entrepreneurial activity contain many obscure and confusing provisions; sometimes they contravene the provisions laid down by other normative documents. In such cases, the legal rules become interpretable and are appreciated at the discretion of subjects empowered to apply them in practice.

Here we need to emphasise what was pointed out in many analyses and studies, namely failure to comply with the requirements of transparency in adopting normative documents and the lack of effective mechanisms to be used in consultations with the business community on initiatives regulating the entrepreneurial activity or the superficial approach in conducting such consultations. As a result, we have imperfect laws that hamper the business activity.

For example, according to the provisions of the Domestic Trade Law (No.231 of 23.09.2010), the Trader has the right to carry out commercial activities concurrently with submitting a notification on initiating commercial activity to the local public administration authorities via the "One-Stop Shop". In reality, this process implies completing several stages by the Trader, visiting many offices of different public authorities and paying amounts that exceed 100 MDL stated by law.

"They streamlined; you prepare a notification, file it with the mayoralty... it seems at first sight... a person goes to the Mayoralty to submit the application in question, they refer him to ANSA... it charges 100 MDL... it refers him to the "sanitary and epidemiological station", ... hence, there are some six offices to be visited... God forbid... you are required to pay everywhere ... it costs you circa 1500 MDL overall and takes some three weeks".

Another example mentioned by economic operators relates to optimising the Tax Service and the Customs Service, which forced the entrepreneurs to cover long distances to Chisinau or to other localities to obtain some "signatures".

"There are some unclear things related to Customs optimisation... They undertook some optimisation steps, which were not well-designed... Some procedures are not covered at all..."

"Another issue is centralization. Each and every signature needs to be collected in Chisinau... and not only in Chisinau, but in all other districts as well".

"Can you imagine an economic operator from Briceni or Cahul to travel such a long way to Chisinau to get a signature..."

"Optimisations of the Tax Service... As a large enterprise we shall report to Chisinau, and now we need to travel to Chisinau all the time; it is a great 'pleasure' to go to the Capital every single day".

B DIRECT CONTACT WITH THE CIVIL SERVANT, BUREAUCRACY AND INCOMPETENCE;

The more frequently the private sector interacts directly with civil servants, the more possible is the occurrence of corruption.

"The one who has the seal shall take decisions".

"May be corruption is not so spread out as bureaucracy is".

Business community is discontent that it has to knock at doors of so many civil servant offices from different public entities to get their approvals/authorisations.

The most severe aspect in the interaction with civil servants, according to the business environment experience, is public employees' incompetence, their poor education/training, lack of awareness about laws/legislation. Many persons are promoted based on criteria other than professionalism (within Tax Bodies, Customs Bodies or other oversight bodies).

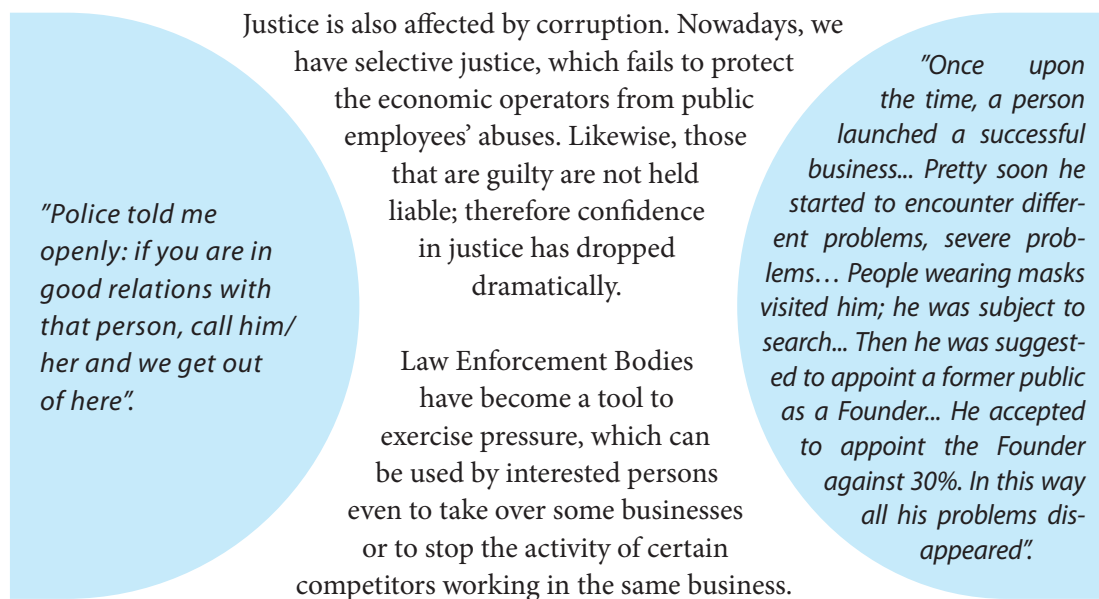
The only solution, as per the entrepreneurs' opinion, is to employ professionals and stop applying the practices of appointing people based on their political/party affiliation, family relationships, affinity relationships etc.

"Incompetence is the most severe aspect, beginning with the lowest structures and ending with the upper structures".

Moreover, in order to reduce contacts with civil servants it would be necessary to develop e-Governance tools and implement them in business relations and public entities. A relevant example to this end would be the "Digital Signature", which reduced the number of visits paid by companies to the Tax Inspectorate.

Likewise, some functional "One-Stop Shops" shall be established where economic operators may require and obtain all services that fall under the entity competence, as well as other public authorities services they would require when lacking such a system (including the integration of information systems operated by different entities).

C INEFFICIENCY OF JUSTICE AND OF LAW ENFORCEMENT BODIES;



D INVOLVEMENT OF POLITICS IN DOING BUSINESS.

The political sector shall be removed/separated from the economic sector, otherwise inequity, favouritism, and injustice would continue eroding the business environment and competitiveness.

"At present the whole economy is politicised".

The entrepreneurs are indignant about the fact that in the Republic of Moldova one can successfully carry out economic activity, encountering no barriers at all only if he/she works under political "cover", in other words, is member of a governing political party, is in close "relationships" with that political party or its members.

"Today a good relation would mean to become a member of a political party... Once you have done this, some of your issues would be immediately addressed... and God forbid if you are on the other side..."

Risks of corruption for business

"We are not competitive".

Corruption hinders doing business in the Republic of Moldova, reduces competitiveness in the private sector and leads to the development of entrepreneurs affiliated to politics or of economic operators that "can deal with it". The business either "tailors" itself to these rules of the game or is forced to "quit".

Those enterprises supporting the ruling party have the highest rates of growth and development as they win all public procurement auctions and conclude "generous" contracts with the public sector. At the same time, thanks to this "system" of political corruption and protection, monopolies are created in the most profitable strategic economic sectors.

"Public procurements: everything there is governed according to membership of political parties or according to interests".

"Our former employees learned from us; then they quitted and now, in a garage at home they do what they learned; they pay nothing to the state budget; they keep all the earned money in their own pockets... Police say "they also need to live" and does nothing".

The "legal" business cannot compete with the "illegal" business. The latter pays no taxes to the national public budget, does not keep accounting records, does not have permissive documents to carry out activities, while the law enforcement bodies "close their eyes" and do not interfere.

The Survey results show that **47.9%** of entrepreneurs consider that corruption hampers a lot the process of doing business in the Republic of Moldova, while **20.4%** of them believe that corruption obstructs the business activity in the country.

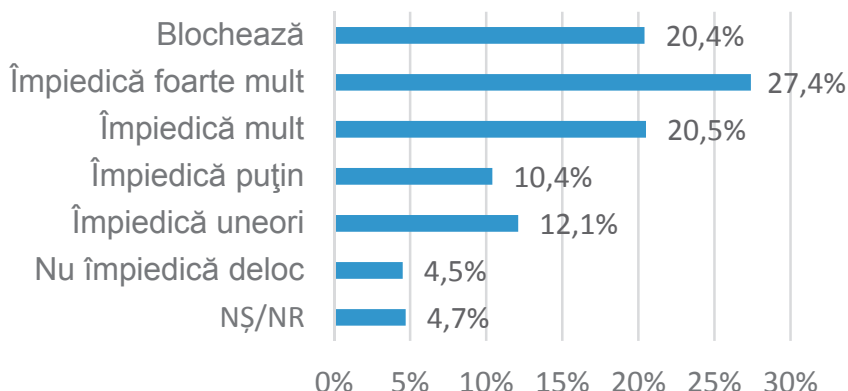


Figure 1. To what extent corruption obstructs/prevents doing business in the Republic of Moldova

Costs of corruption

According to some Studies, the total amount of bribes paid by businessmen reached 381 million MDL in 2015¹. This money, paid each year, would have helped the private sector evolve, be modernised to ensure high quality of its products /services, etc.

Moreover, corruption continues influencing the consumers' price formation for all categories of goods, while economic operators are forced to report all "unofficial payments" to "expenses".

2.2. Most Corrupt Entities

"In fact, we are the enemy of all public bodies".

The Survey results emphasise the most corrupt entities where unofficial payments are made most frequently. This ranking has been corroborated by economic operators during the discussions held with them. Hence, **31.1%** of respondents consider that most unofficial payments go to the Public Health Centre, followed by Police (**26.4%**), Customs Service (**22.3%**), Prosecution Authorities (**19.6%**), Tax Inspectorate (**18.2%**).

"We make exports to Romania... Someone in the Company has an acquainted person at the Customs, and, therefore, we go through it more rapidly, otherwise we are in trouble".

¹ Sociological Study "Corruption in Moldova: perceptions versus personal experience of businessmen and households", Transparency International Moldova, 2015.

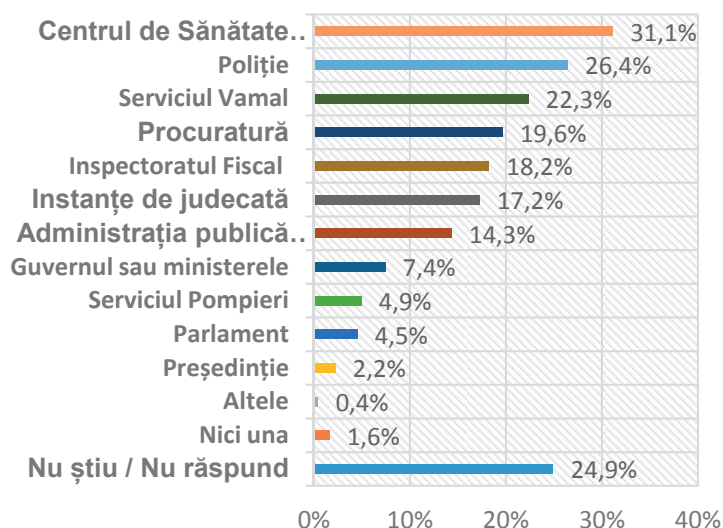


Figure 2. Entities getting unofficial payments most often.

"Those who have come today look through the window to see what car you drive in".

"They were putting different 'traps' to be able to 'catch' you and impose penalties, to get money from you for the budget".

"When a controlling body representative comes in he/she has to write something; even if everything is OK, he/she needs to write something".

These results can be compared also with business confidence in public entities. Hence, according to the conducted Survey, the ranking of public entities that are least trusted by the business environment is headed by the City/Town/Village Hall with **56.5%**, followed by the State Tax Service with **45.7%**, the Customs Service with **41.2%**, the National Agency for Food Safety (ANSA) with **41%**, and by the State Inspectorate for Construction with **37.9%**.

"We import raw materials from the Czech Republic, which are accompanied by European Quality Certificate; why shall I pay to a ... because he does not recognize that certificate?!"

III. Corruption: "Win-win" Collaboration between the Private Sector and the Public Sector

3.1. Legal versus "Convenient" Ways of Doing Business

"Today you give them 100 MDL, and tomorrow they would ask 200 MDL."

69.2 % of entrepreneurs declared that corruption and bribing practices were widely spread in the Republic of Moldova.

To the question on the simplest way of addressing the issues in doing business, **38.5%** of entrepreneurs would opt for using unofficial ways and **56.2%** – for using official ways.

"Yes, I am right, but I would waste three days, and these three days would cost me that amount... Let me give him this amount, anyway, it is less".

"As for corruption: there is one side that gives bribes and the other side that takes them... You just do not give bribes... That is right; they put pressure on you... Anyway, do not give bribes and you will see... You do not give bribes, and, at the end of the day, they would do nothing to you".

"When entrepreneurs respect themselves and have a strong back-bone, they would not bribe; it is more convenient for them to discuss, to conflict; they need to be aware of legislation provisions and protect their interests".

As a rule, the unofficial ways of addressing the issues with the public sector, take the following approaches: money (**41.9%**), contacts/relations (**26.2%**), gifts (**18.6%**), pressure from the leadership side (**11.4%**).

Large companies address the issue of corruption through personal relations and calling upon the public entity leadership, while small companies – by paying money.

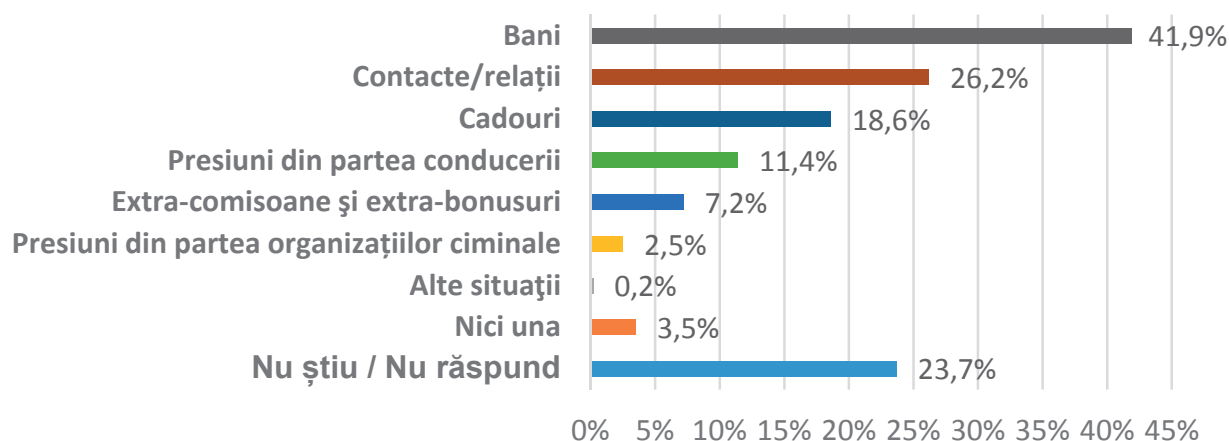


Figure 3. Forms of problem resolution with the public sector.

The business community accepts to make unofficial payments due to different reasons. Hence, in **18.2%** of the cases, the purpose of unofficial payments is to get more rapidly what it is entitled to get according to the law, while in **6,5%** of the cases – to avoid any punishment in case of breaching the law.

"We are exporters; the Customs Service issues us the Certificate of Origin; we have all the documents. After three days we get a refusal; the truck is in Russia, at the Customs with no certificate; we have agreements; we have set terms with customers we must comply with; then what guarantees do we have we would be able to comply with the terms when we encounter such impediments?!"

ing business are the following: 45.4% – during the control/oversight operations carried out by the empowered public entities, 29.7% – during the public procurement processes, 27.4% – when getting licences, authorisations and permissive acts, 22.9% – during the processes related to customs declarations/customs control.

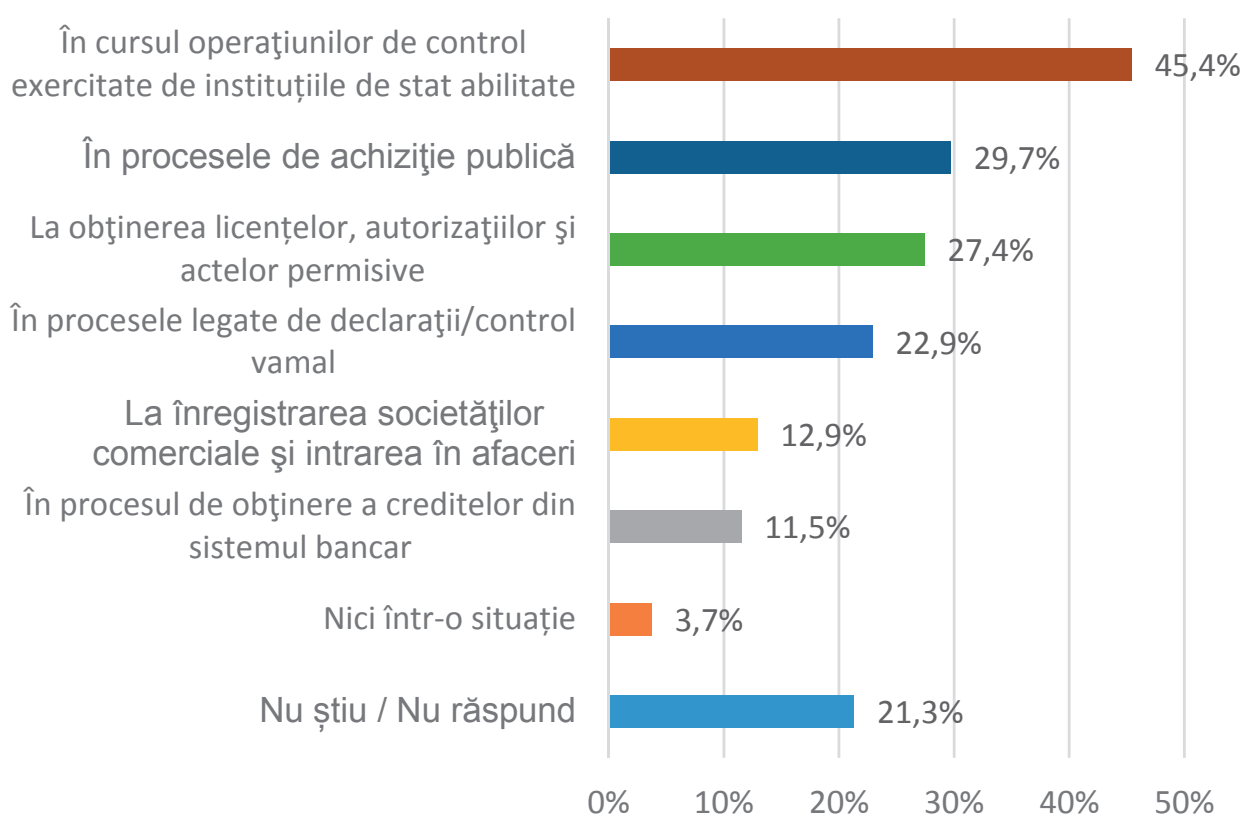


Figure 4. Situations when economic operators encounter corruption related aspects.

3.2. Initiators of Acts of Corruption

If we refer to economic operators' integrity versus the public sector integrity, the survey results show that the difference between them is not so articulated. Thus, the economic operators' integrity working in the Moldovan business environment was appraised as low and very low in **29.5%** of the cases; concurrently, the public sector integrity when it interacts with the Moldovan business community representatives was appraised as low and very low in **26.8%** of the cases.

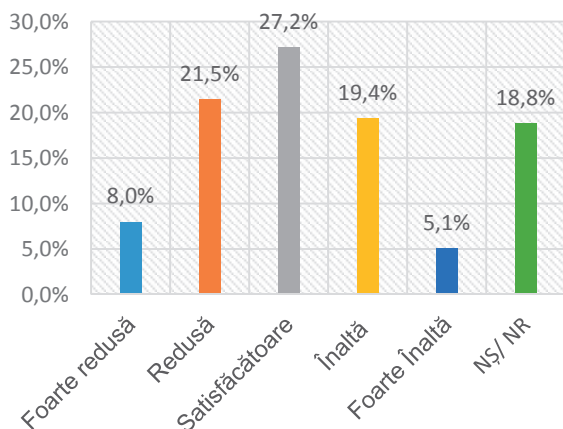


Figure 5. Business environment integrity

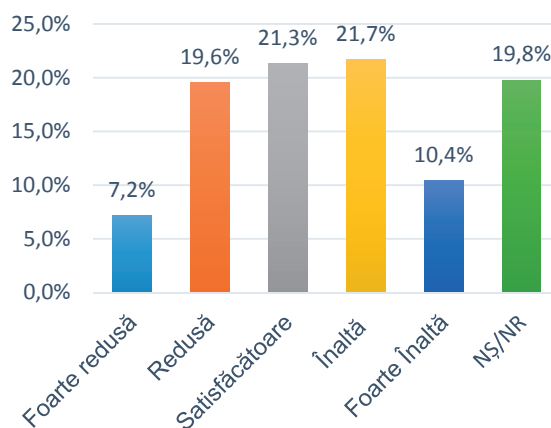


Figure 6. Civil servants' integrity.

If we make an analysis by economic sector, we notice that the entrepreneurs working in the area of services and trade have poor integrity (31.5% and 31.4%, accordingly), while in public sector, civil servants working in the trade area and in transportation and communications have poor integrity (29.6% and 27.9%, accordingly).

Regarding the initiators of unofficial payments, the business community offered them voluntarily, on their own initiative in 35.2% of the cases, while entrepreneurs were imposed and forced to offer unofficial payments in 44.8% of the cases. Most of initiators from the business side represent Agriculture (57.1%), while most initiators from the public sector side represent transportation and communication sector (58.3%).

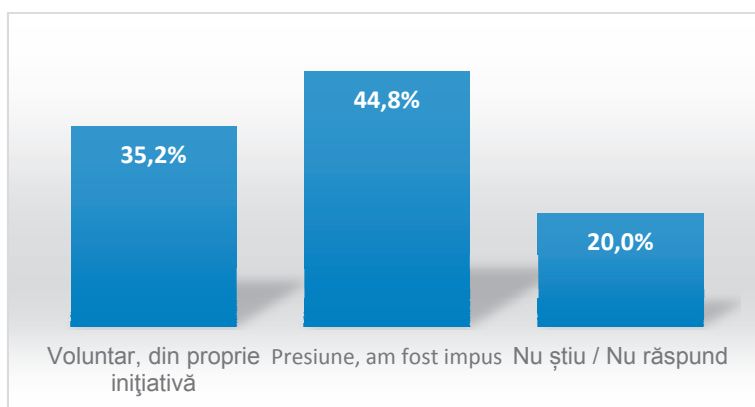


Figure 7. Initiators of unofficial payments.

3.3. (Non-)protection of Private Sector Rights against the Attempts and Acts of Corruption.

The business community feels unprotected when it faces corruption. The entrepreneurs, even when they work in compliance with the law and are "honest" in their rapports with the public sector, they often hesitate to complain against corruption.

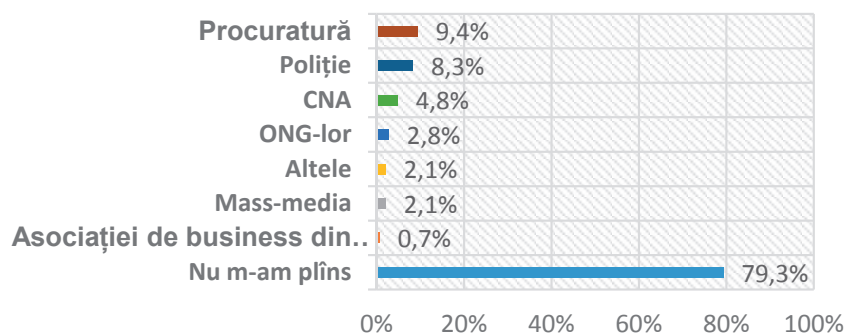


Figure 8. Complaints related to corruption.

Hence, **79.3%** of economic operators failed to complain against corruption acts they encountered. However, those who complained against corruption have never succeeded in addressing their issues in **63.3%** of the cases. The situation in Agriculture is even worse as **100%** of the lodged complaints have never been addressed.

Even though in **36.7%** of the situations the issue was addressed, the business community remained with just moral satisfaction, because those processes were time-consuming, requiring great financial, emotional, psychological efforts to be made, which could have been rechanneled to business development.

"I was in a lawsuit with the Tax Inspectorate for two years. Ultimately, I won it... However, I was not happy at all as a wasted so much time and money".

Amongst the main reasons for non-addressing/non-signalling the cases of corruption the entrepreneurs mentioned: lack of confidence in law enforcement bodies (**46.7%**), fear that the company would suffer (**35%**), fear for their physical integrity (**12.5%**). These results corroborate the inefficiency of law enforcement bodies and the practices used by the public sector, through many tools and leverages, to 'punish' the private sector that infringed the 'rules of the game'.

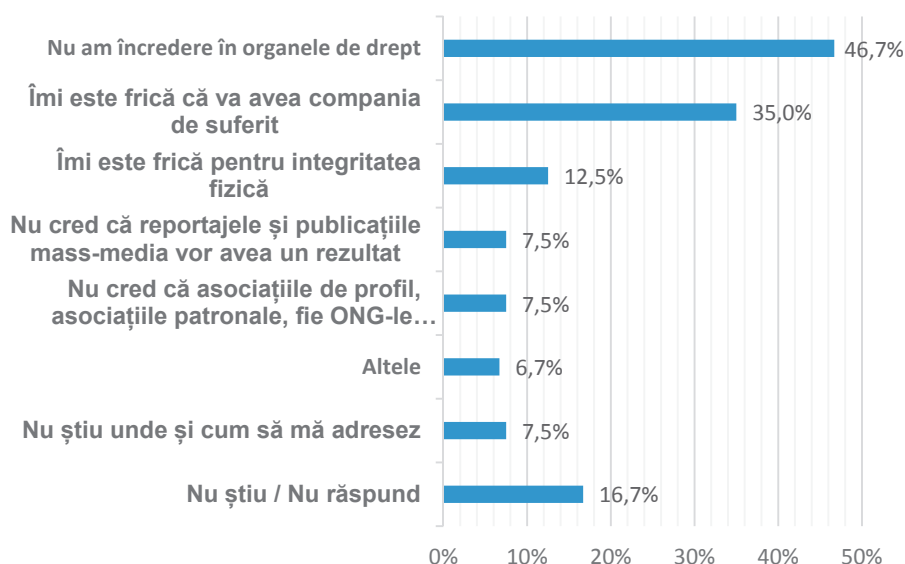


Figure 9. The main reasons for non-addressing/non-signalling the cases of corruption.

IV. Integrity and Transparency in Doing Business

4.1. Business Community Perception of Measures to be Undertaken and the Benefits of Clean and Healthy Business Environment

The interviewed entrepreneurs can see many benefits for them if the business environment is clean and healthy. Hence, **18.8%** of respondents consider they would generate more income/would grow, **14.1%** think they would have the opportunity to work honestly, **7.6%** believe they would pay wages in due time for the work done and would be able to increase the wages, **7%** think that only in this case they may rely on loyal competition, **6.8%** consider that the taxes would be fair and differentiated, other **6.8%** believe the legislation would be complied with, **6.1%** presuppose there would be less oversight/control, **5.9%** think bureaucracy would vanish, **5.3%** believe that the public procurement process would become transparent, etc.

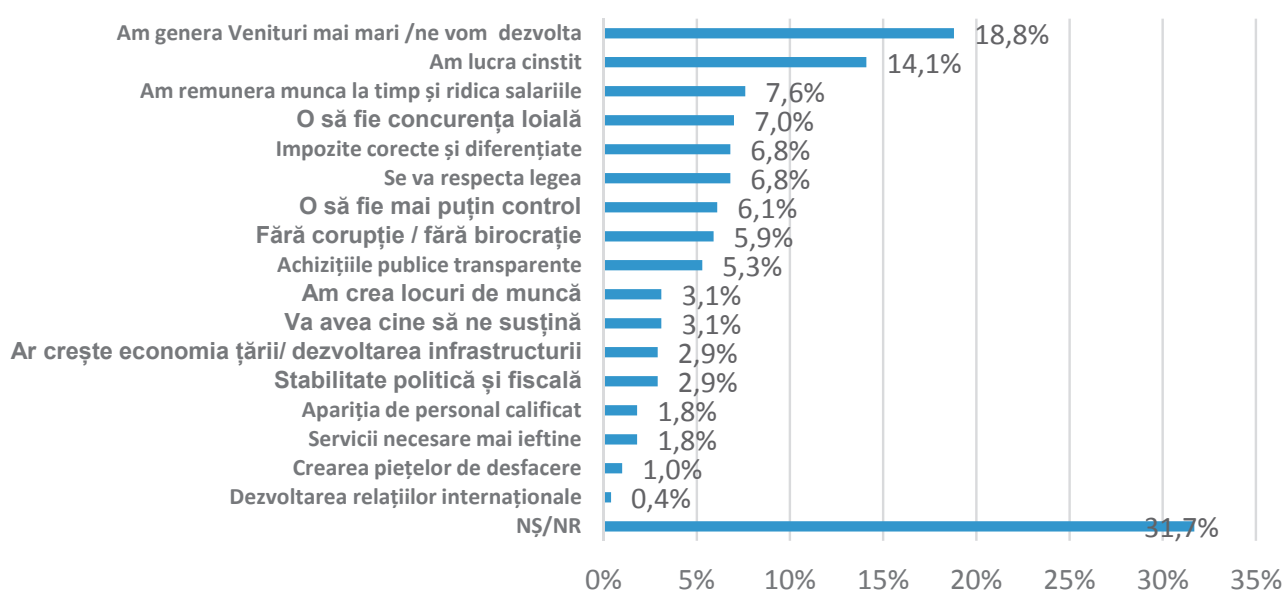


Figure 10. Benefits of clean and healthy business environment for economic operators.

Among the measures, which, as per the business community opinion, would efficiently contribute to the promotion of integrity both in the public and private sectors, the reform of justice is ranked the first, as well as revising the punitive system. Hence, **44.8%** of entrepreneurs opt for tightening the sanctions for the corrupt deeds, while **43.8%** ask for making the judicial system activity more efficient (prosecutors, judges, policemen). Moreover, the business community believes that training programmes on integrity for the public sector employees and private sector staff should be in place (**31.3%**). Likewise, one of the proposals foresees the introduction of mandatory Codes of Conduct / standards of integrity / commitments on anticorruption policy and practices to comply with by all economic operators and public entities (**30.9%**).

To fight corruption effectively it is necessary that business becomes part of solution instead of being part of the problem.

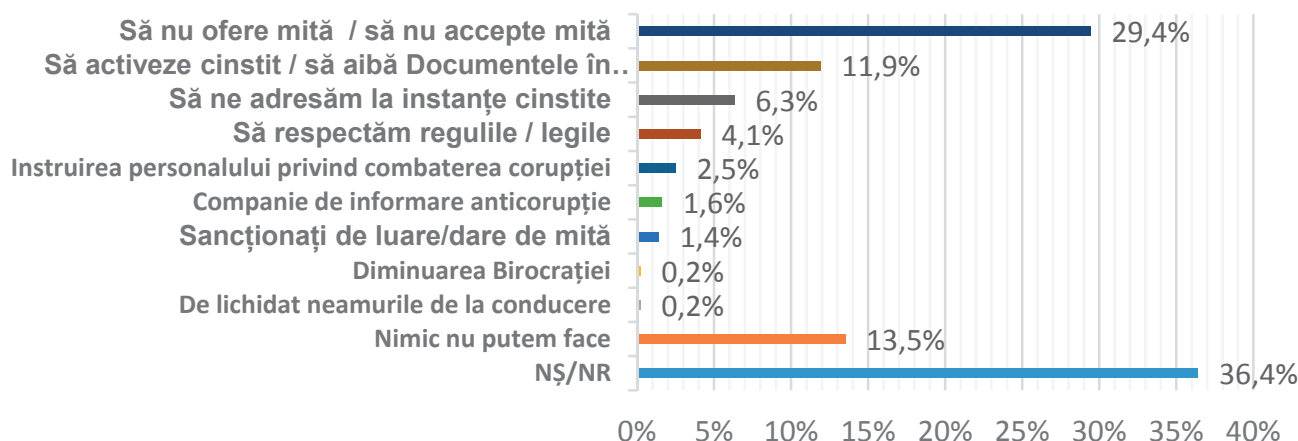


Figure 11. What Companies can do to fight corruption.

To this end, economic operators underlined a range of measures they could undertake to fight corruption. The most efficient measure, supported by **29.4%** of entrepreneurs, presupposed giving/accepting no bribes. Further, **11.9%** of companies mentioned the need to act honestly / to keep/have regular documents. Some more doubtful entrepreneurs mentioned that nothing could be done to fight corruption (**13.5%**).

4.2. Anticorruption Programmes and Tools in the Private Sector

The practice of devising and implementing anticorruption programmes and tools in the private sector is not usual for the Moldovan entrepreneurs. The Survey results show that **80.8%** of companies failed to devise an action programme containing special anticorruption rules and procedures.

Only **8.2%** of private companies managed to devise such programmes. Despite this fact, **64.2%** of entrepreneurs believe that having anticorruption programmes/plans in place would be useful for the private sector, while the doubtful entrepreneurs in this regard make up just **22.7%**.

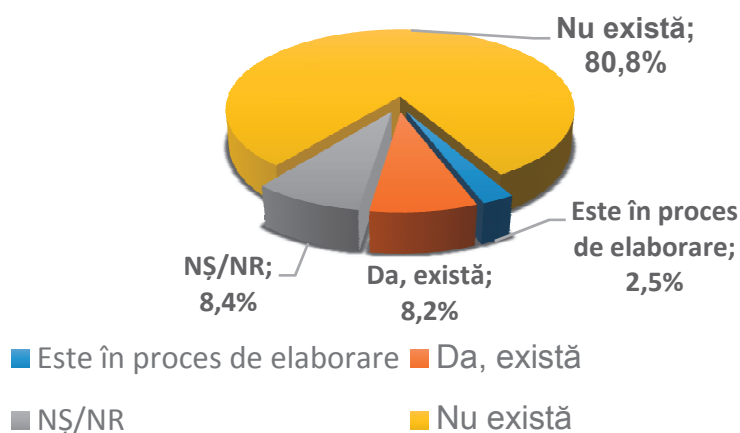


Figure 12. Anticorruption Programmes.

In terms of monitoring the anticorruption programmes within the enterprise, the survey results show that this task shall be carried out by the entity Management (**39.5%**), by an external audit and certification company (**11.2%**), by an association of employers (**10.2%**), by a field-related business association (**8%**).

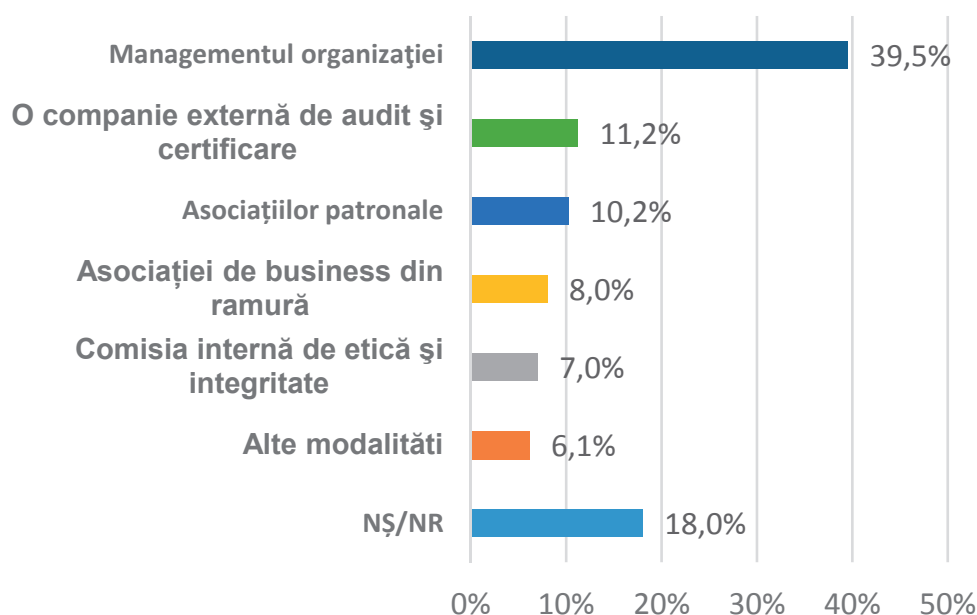


Figure 13. Monitoring anticorruption programmes within the entity.

The entrepreneurs are not aware of and do not implement prevention tools and procedures to combat corruption. The Survey results show that **76.5%** of companies have no procedures in place to prevent and penalise the act of bribing, while **66.1%** of economic operators have no procedures to prevent the conflicts of interests.

The Code of Conduct is considered to be one of the useful tools to fight corruption in the private sector. This Code covers a range of principles on how to carry out activities in a proper and transparent way, having complied with the legislation in force and taking ethical decisions in any circumstances. The Survey results revealed also that **52.8%** of companies had no internal Business Code/Handbook of Ethics for their employees, while **41.5%** had such Code/Handbook in place.

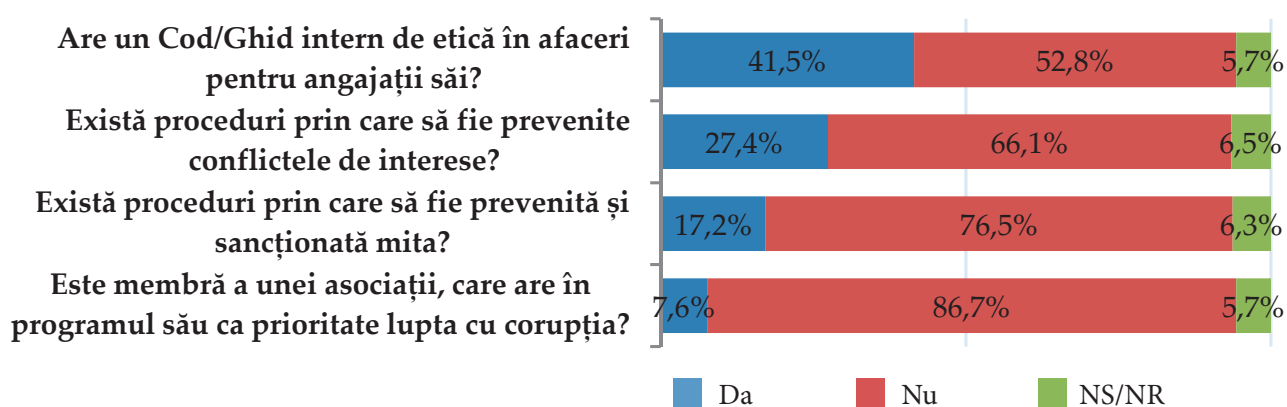


Figure 14. Internal Code of Ethics and anticorruption procedures.

Also, **83.4%** of companies conducted no course tackling the anticorruption topic for their employees or managers during 2016. Moreover, only **29.9%** of companies are interested to attend free-of-charge anticorruption courses, seminars and conferences. No sufficient audit rules are applied in **59.5%** of companies to prevent and detect corruption acts.

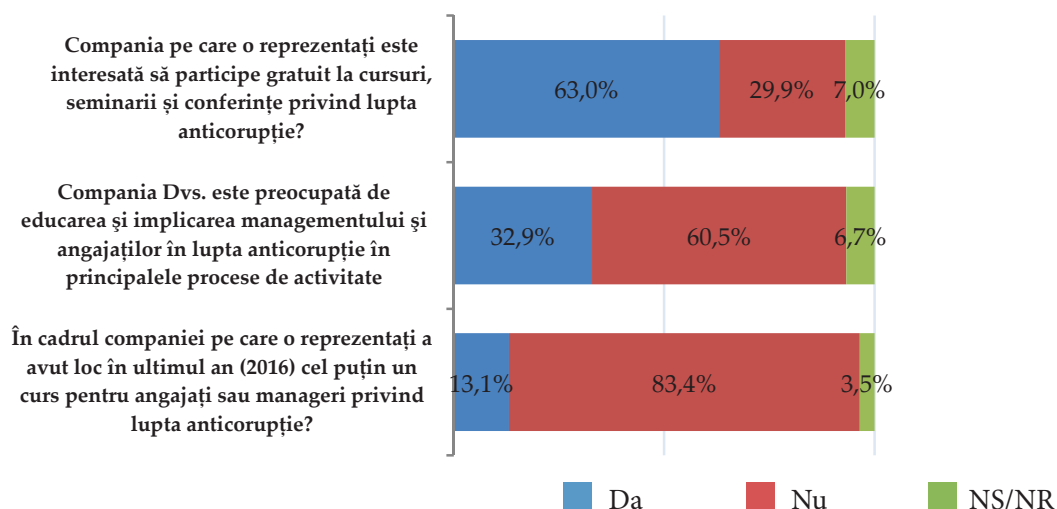


Figure 15. Courses on fighting corruption.

We shall point out that **67.1%** of entrepreneurs do not have clauses on fighting corruption in their labour contracts with the employees, as well as disciplinary procedures, other relevant sanctions for non-compliance with those clauses and bonuses for their observance.

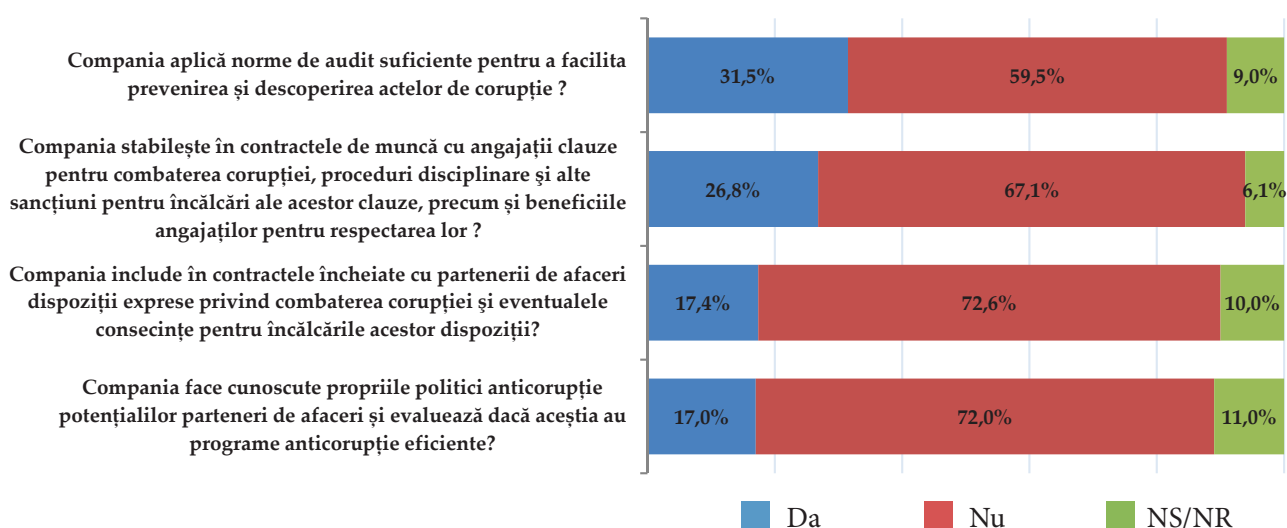


Figure 16. Audit, clauses in labour contracts and relations with business partners.

In their relations with business partners, **72.6%** of entrepreneurs do not include any express provisions on fighting corruption and the possible consequences for infringing such provisions in the concluded contracts. At the same time, **72%** of companies do not notify their potential business partners about their own anticorruption policy and do not assess if their partners have efficient anticorruption programmes.

4.3. Participation of Business in Collective and Sectoral Anticorruption Initiatives

The profile associations and other associative structures do not represent true information and assistance centres and sources for the business community in terms of fighting corruption. Practically, when lacking collective or sectoral anticorruption initiatives entrepreneurs neither get involved nor become part of such processes.

As the survey results have showed, **86.7%** of companies are not members of associations that have set fighting corruption as a priority or as a programme measure. Only **7.6%** of entrepreneurs are members of such associations.

As for the participation of business community in collective or sectoral anticorruption initiatives, **81.4%** of entrepreneurs failed to embark on such initiatives, and only **9.6%** of companies succeeded.

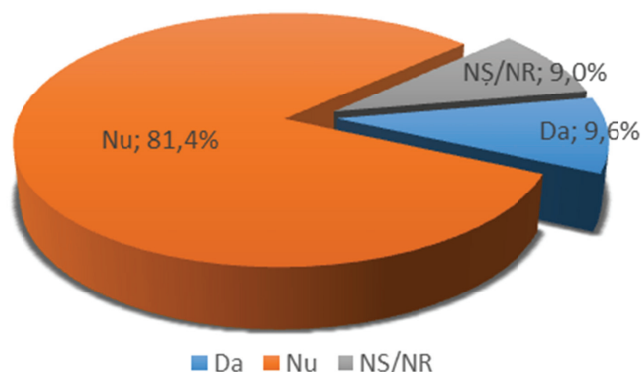


Figure 16. Participation in collective anticorruption initiatives.

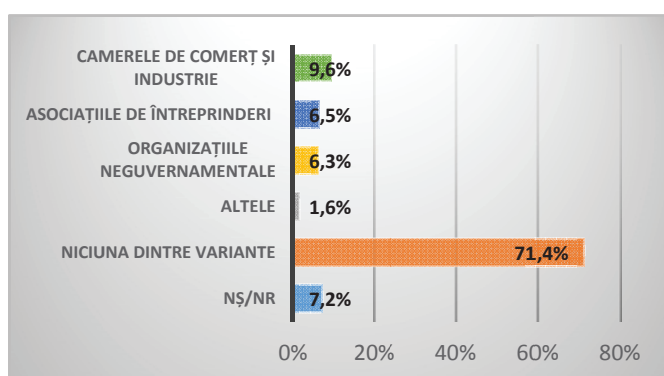


Figure 17. Associative structure called up by business community.

Most Moldovan companies (**71.4%**) do not resort to any associative structure to get information and assistance from aimed to prevent, fight and denounce corrupt practices in business. In **9.6%** of the cases entrepreneurs resort to the Chambers of Trade and Industry of the country, address to associations of enterprises in **6.5%** of the cases and resort to non-governmental organisations in **6.3%** of the cases..

4.4. Transparency of Companies and Reporting the Activities with high Corruption Risks.

To date, a significant part of information about Moldovan companies are closed/hidden for the public. Likewise, the entrepreneurs are not used to be accountable for reporting the company activities, especially those with high corruption risks.

The Survey results reveal that **72%** of economic operators make public their areas of activity, **64%** of companies publish their Commercial Enterprise Charters, **58.5%** disclose the names of companies' owners, while **50.3%** of entrepreneurs disclose the company profits and losses.

In **68.1%** of the cases the information and reports on company activities with high corruption risks are not made public. As a rule, the information disclosed by entrepreneurs is related to: expenses incurred as political contributions (**6.5%**), expenses for public-private partnerships (**8.4%**), expenses for participating in public procurement biddings (**10.4%**), expenses incurred for company social projects (**11%**), and expenses incurred for sponsorships (**11.2%**).

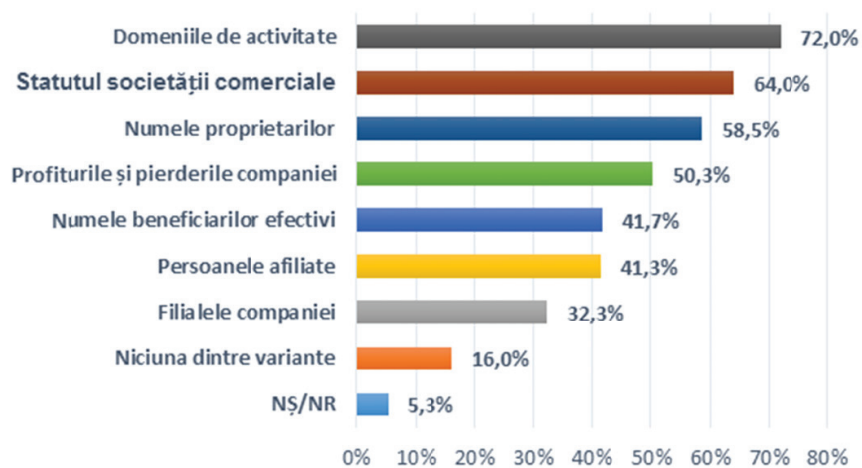
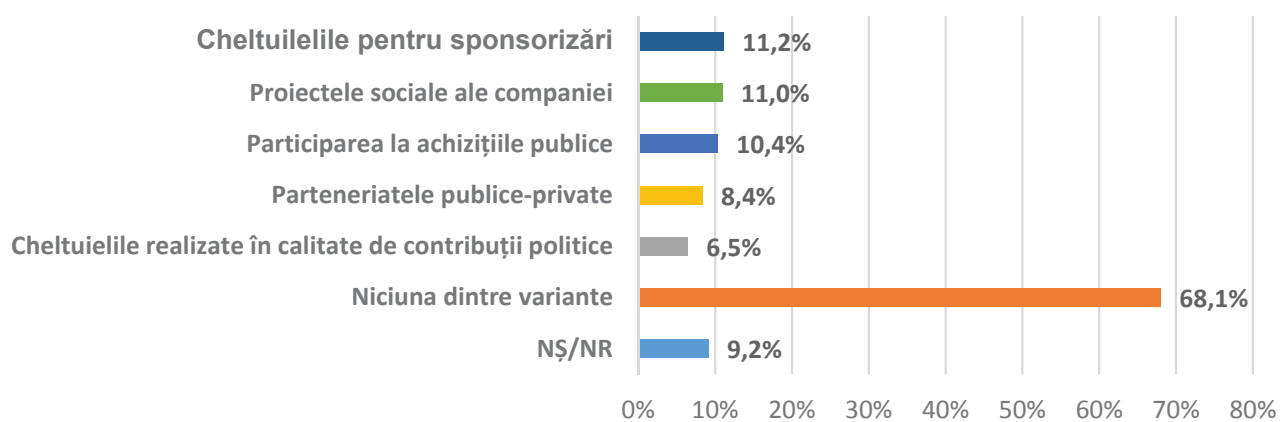


Figure 18. Transparency of company information.



Conclusions and Recommendations

1. Corruption implies major risks for businesses, as it hinders business development in the Republic of Moldova, reduces competitiveness in the private sector, leads to the development of entrepreneurs affiliated to politics or of economic operators that "can deal with it". The business either "tailors" itself to these rules of the game or is forced to "quit".
2. The main causes favouring corruption in doing business can be summarised as follows: 1) Imperfect, ambiguous and interpretable legislation; 2) Interference of politics in doing business; 3) Direct contact with civil servants, bureaucracy and incompetence; 4) Inefficiency of Justice and of Law Enforcement Bodies.
3. Most frequently, businessmen prefer to "address the problem" through "agreements" with the bureaucrats. It is cheaper, quicker and does not trigger problems in the future. As a rule, the unofficial ways of addressing the issues with the public sector take the following approaches: money, contacts/relations, gifts, pressure from the leadership side. Usually, large companies address the issues of corruption through personal relations and calling up the public entity leadership intervention, while small companies – by paying money.
4. The stages of doing business which are the most vulnerable to corruption are as follows: during the control/oversight operations carried out by the empowered public entities; during the processes related to customs declarations/customs control. Likewise, the public procurement processes are extremely politicised/corrupt as only politically affiliated companies can win the biddings.
5. Businessmen are those who most frequently initiate the problem 'resolution' just because they are well aware of the specificity of doing business in Moldova.
6. When a bureaucrat sees the possibility of getting some benefits, he/she would do whatever he/she can to get favours from the business community by postponing the answers, creating formal impediments, etc.
7. Public Health Centre, Police, Customs Service, Prosecution Authorities, and Tax Inspectorate have been ranked at the forefront of most corrupt entities. At the same time, the ranking of the least trusted public entities by the business environment is headed by the City/Town/Village Hall, the National Agency for Food Safety and by the State Inspectorate for Construction.
8. The business community feels unprotected when it faces corruption. The entrepreneurs, even when they work in compliance with the law, often hesitate to complain against corruption due to: lack of confidence in law enforcement bodies; fear that the company would suffer; fear for their physical integrity.
9. Businessmen follow legal ways of complaining only in the cases of evident and impertinent abuse exercised by civil servants. As a rule, they resort to higher hierarchical bodies or to courts.
10. Large companies can easily fight with abuses of civil servants, while small companies have neither the resources nor the capacity/ability to oppose the abuses; therefore, they rather prefer to pay than to encounter problems.
11. Politicisation of administration and designation/appointment by political criteria has led to degradation of human factor quality, incompetence of public employees, their poor education/training, failure to get acquainted with the legislation. The only solution is to employ professionals and stop applying the practices of appointing people based on their political/party affiliation, family relationships, affinity relationships etc.

12. Reorganisation of authorities reporting to the Government has hindered the activity of economic operators from the regions as they need to travel to Chisinau to obtain certain certificates.
13. Implementation of e-Governance would eliminate the need of regional economic operators to travel to Chisinau and would reduce significantly their direct contact with bureaucrats; this fact would considerably diminish the number of corrupt deeds.
14. Likewise, some functional "One-Stop Shops" shall be established where economic operators may require and obtain all services that fall under the entity competence, as well as other public authorities services they would require when lacking such a system, including the integration of information systems operated by different entities.
15. Eliminating redundant regulations and implementing clear procedures in the activity of public authorities, which would significantly curb corruption.
16. The Moldovan entrepreneurs are not used to the practice of devising and implementing anticorruption programmes and tools in the private sector. Companies do not have procedures in place by which to prevent and sanction bribing; they have no internal Business Code/Handbook of Ethics for their employees, do not apply sufficient audit rules to prevent and detect corrupt deeds.
17. Small companies should associate and act united against abusive bureaucrats. They need to fight corruption through associations, not alone. By having associated, the small companies become as strong against corruption as large companies.
18. Information on Moldovan companies shall be transparent; in particular, the activities with high corruption risks shall be reported.

IDIS „Viitorul” reprezintă o instituție de cercetare, instruire și inițiativă publică, care activează pe o serie de domenii legate de: analiză economică, guvernare, cercetare politică, planificare strategică și management al cunoștințelor. IDIS activează în calitate de platformă comună care reunește tineri intelectuali, preocupați de succesul tranziției spre economia de piață și societatea deschisă în Republica Moldova.

Institutul pentru Dezvoltare și Inițiative Sociale (IDIS) „Viitorul” este succesorul de drept al Fundației Viitorul, și păstrează în linii mari tradițiile, obiectivele și principiile de acțiune ale fundației, printre care se numără: formarea de instituții democratice și dezvoltarea unui spirit de responsabilitate efectivă printre oamenii politici, funcționari publici și cetățenii țării noastre, consolidarea societății civile și spiritului critic, promovarea libertăților și valorilor unei societăți deschise, modernizate și pro-europene.

