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SLOW STRENGTHENING OF LATVIA'S RESILIENCE IN PREVENTING AND COMBATING CORRUPTION: AN ANALYSIS OF CAUSES

ABSTRACT: The aim of the article is to present the authors' assessment of the effectiveness of the anti-corruption policy in Latvia, to establish the compliance of national anti-corruption strategies with the EU goals in terms of preventing and combating corruption. The research methods aim at confirming a hypothesis that in order to deepen anti-corruption reforms and strengthen resilience in the fight against corruption, it is not enough for Latvia to conduct only institutional reforms, but it is important to promote anti-corruption values. The study is based on the methodology of new institutionalism and axiological analysis. The authors argue that if the role of non-democratic values is significant, it will slow down the progressive institutional reforms needed to bring Latvia's anti-corruption policies fully in line with EU development strategies.

KEYWORDS: corruption, anti-corruption policy, EU, Latvia

1. Introduction

Preventing and combating corruption is one of the EU priorities. Although the EU is based on a system of compromises, the problem of corruption is uncompromising. Corruption is one of the challenges for the EU perspective, despite the fact that it is one of the least corrupt regions on the planet. In regard to member and candidate states, new objectives are constantly defined in the area of anti-corruption and reaction to the latest corruption risks. In this process, there are both achievements and failures, since within the European integration space differences between member states in the traditions of corruption and anti-corruption are considerable.

The EU defines corruption more broadly than bribery or gaining undue benefits. It includes trading in influence, in justice, uncivilized lobbying, conflicts of interest, nepotism, favouritism, cronyism and more. The problem for many EU member states

consists in not only the organization of effective anti-corruption campaigns, but also the creation of an atmosphere of total intolerance of destructive practices, constant development of the anti-corruption segment of civil society and strengthening its sustainability.

It is noticeable that EU countries differ significantly in their loyalty to domestic, bureaucratic and other corruption. At the same time, it is wrong to consider the “old” EU member states more resistant to corruption and the young democracies as outsiders of anti-corruption. The evidence of this is the large differences in anti-corruption in the group of the Baltic States: Estonia is the leader in anti-corruption processes, and Lithuania and Latvia show stagnation. All the three Baltic countries undertook a number of anti-corruption reforms at the request of the EU institutions at the stage of accession, but after the great enlargement of the EU in 2004, some of them have managed to maintain or strengthen the results of the reforms, whereas others have retained persistence of destructive institutions and corruption pragmatism, etc. While Estonia is the leader of anti-corruption and a worthy competitor in this process to the leading EU countries, Lithuania and Latvia have remained stagnant in recent years.

The aim of this study is to find out, from the case of Latvia, what are the reasons that hamper the achievements of high anti-corruption standards at the institutional and value-based levels in most of the new EU member states. According to our working hypothesis, most post-totalitarian states in Central and Eastern Europe have slowed down anti-corruption reforms for similar reasons since the end of the European integration process. Therefore, the results of the Latvian case study can be useful not only in identifying a range of problems to prevent and combat corruption, but also in assessing anti-corruption stagnation/regression in other post-totalitarian states in Central and Eastern Europe.

This case has been chosen for analysis because Latvia is the least successful example of preventing and combating corruption in the Baltic States. An equally important task is to assess the compliance of Latvia with the EU anti-corruption goals (progress, stagnation or regress) both at the institutional level and at the value-based level. The present analysis is relevant to the fact that Latvia, on the one hand, met the Copenhagen criteria and was admitted to the EU, but on the other hand, in many respects, it still does not meet the standards set by the EU for the member states.

The working hypothesis is the thesis that, in order to deepen anti-corruption reforms and strengthen the position of Latvia as a state resistant to corruption, the introduction of institutional reforms exclusively is not sufficient, yet democratic changes in the values of the population are necessary. If the role of values that are not liberal and democratic is significant, it will slow down the progressive institutional transformations needed to bring Latvia’s anti-corruption policies fully

in line with EU development strategies. Institutional reforms must be synchronized with changes in the political culture of the population through the formation of zero tolerance for corruption.

2. Research methodology

The methodological basis of the study is axiological analysis. It helps to explore the expression of anti-corruption values in the political and legal culture of the population of Latvia and their consistency with the EU value paradigm.

To analyse a wide range of issues dealing with Latvia's consistency with the EU anti-corruption policy, the methodological potential of new institutionalism is also used, which examines the counteraction to the informal destructive corruption institute. The institutional analysis made it possible to investigate the mechanisms for minimizing corruption and the consistency of Latvia's national anti-corruption policies with the EU policies.

It should be noted that despite the broad scientific interest in the topic of corruption and the fight against it, its analysis exemplified with the Baltic states is insufficient, especially from the standpoint of the value-based approach. This group of states has rarely been the focus of corruption research, but the case of Latvia is an important part of an extensive analysis of democratic transformation processes in the post-totalitarian states of Central and Eastern Europe. The analysis of historiography has showed that Latvia, first of all, was analysed in the context of the political regime change, fulfilment of the Copenhagen criteria, adaptation to EU standards, and so on. Although the problem of corruption is an important component of these processes, it has not yet been properly researched from the perspective of both institutional and value-based approaches.

Political science discourse is dominated by a thesis that corruption is a deterrent to the democratization of the post-Soviet Baltic states, including Latvia. Specifically, B. Earle (Earle 2000) emphasized the benefits that the Baltic states and their communities could gain by minimizing corruption practices. These conclusions were very important at the time when Latvia was actively executing the Copenhagen criteria in order to meet the basic EU standards.

It should be pointed out that most of the available studies on corruption examine the experience of all the three Baltic states in total, but they do not focus on the cases of specific countries. Actually, R. Taagepera was one of the first to consider the problem of corruption in the Baltic states in the context of the influence of dominant values. The main emphasis was on the fact that if Estonians, Latvians and Lithuanians want to achieve such high living standards as the peoples of Northern and Western Europe, they must reconsider their values. Taagepera's conclusions were especially up to date on the eve of the accession of the Baltic

states to the EU (Taagepera 2002). Also, before the great 2004 enlargement of the EU, a group of researchers showed, through the example of Latvia, how the existing corruption practices had negatively affected the economic development of that country (King et al. 2004).

It is worth mentioning that in the early 2000s large-scale institutional reforms took place in all Baltic states, which helped these states meet the Copenhagen criteria. However, unlike institutional reforms, the values of the population were changing much more slowly, which still creates certain dividing lines between Latvia (as well as Lithuania) and the EU.

It is obvious that the acquisition of EU membership did not result in a rapid eradication of corruption practices, overcoming corruption pragmatism, although it certainly had a positive effect both at the institutional level (anti-corruption reforms) and at the value-based level (increasing awareness of importance of anti-corruption values in the political and legal culture of the population). In fact, after the completion of the Baltic states' accession to the EU, various destructive practices, especially political corruption, operation of various illegal networks, etc., persisted in the Baltic states and affected the quality of democracy, observance of human rights standards, transparency of government and business, etc. (Villaveces-Izquierdo et al. 2013).

Latvia and other Baltic states were analysed in terms of such a threatening trend for young democracies as state capture (Bennich-Björkman 2002). Undoubtedly, state capture is one of the most dangerous manifestations of political corruption, which is incompatible with the standards of democracy and the rule of law. L. Bennich-Björkman turned attention to the risks that hinder the stability of democracy in the Baltic states. The Baltic region was also studied as a grey area of economic activity, with an indication of the functioning of the "underground economy" there (Wadsworth et al. 2010). Researchers noted the interdependence of corruption and state capture.

Some investigations provide insights into the influence of the Russian factor on the democratization of Latvia. In particular, A. Grigas (2012) states that a consequence of such influence is an increase in the vulnerability of the Baltic states to various destructive informal practices, one of which is corruption. The Russian factor is rightly interpreted as a powerful obstacle to the liberation of young democracies from the effects of corruption as soon as possible.

Meanwhile, the cases of the Baltic states, including Latvia, demonstrate obvious positive anti-corruption characteristics in comparative studies that examine the post-Soviet states, Central and Eastern European countries. For instance, A. Kupatadze, using the method of paired comparison, compares Estonia and Latvia, on the one hand, and Georgia and Armenia, on the other. In the context of the present study, the researcher's conclusions about the differences between, at first glance, similar countries – Estonia and Latvia are of interest. A. Kupatadze emphasizes the divergences that exist between the two Baltic states in terms of corruption

indicators: Estonia is successful and excels at the regional and international levels, while Latvia is more prone to corruption (Kupatadze 2017, 189). The researcher describes the anti-corruption reform in Estonia as complex and comprehensive, whereas in Latvia – as rather limited and fragmentary (ibidem, 193). One reason for this was the exceptional level of influence of the old guard on politics in Latvia.

Thus, it can be observed that the case of Latvia has its own unique characteristics in terms of the reasons for the slow progress in preventing and combating various types of corruption.

3. Preventing and combating corruption as part of Latvia's European integration strategy

After its proclamation of independence, Latvia was quickly confronted with the challenge of systemic corruption at the domestic, administrative and other levels. Such destructive processes called into question the near-term European integration perspective.

The very beginning of anti-corruption was closely aligned with Latvia's desire to be admitted to the EU (an association agreement with the EU was signed in 1995). In the early 1990s, corruption-related offences were superficially settled in Latvia. The Criminal Code of Latvia at that time was still based on the former Soviet version, which did not treat economic crimes as serious. Only in 1995 was the content of corruption defined at the legislative level, the declaration of income for officials was standardized, the restrictions were set for civil servants to hold other positions or perform certain jobs. Anti-corruption innovations caused political turbulence in Latvia (resignation of A. Šķēle's government in 1997). In the meantime, it was found that some government officials continued to work for private companies, incorrectly declared their property and income in their annual property and income tax returns.

Concurrently, Latvia was the first of the Baltic states to seek assistance from the World Bank in promoting anti-corruption policies. It was the first among the candidate countries for EU accession in Central and Eastern Europe to adopt an anti-corruption strategy (1998). Since then, anti-corruption has begun to take on a clear institutional set-up.

However, anti-corruption policy was not effective at the time. According to international institutions, the Latvian governments rather imitated reforms at that stage (Rusu 2010, 20). For example, the World Bank surveys of 1997-1998 state that in Latvia, compared to other post-communist states, the level of bureaucratic corruption is relatively low, but the top-level corruption is high, first of all, in the field of public procurement (Anderson 1998). It was then that the idea of the oligarchic

“state capture” and the undermining of key state institutions by individuals and firms for private or corporate gain were first voiced (Hellman et al. 2001).

Since 2002, the anti-corruption reform has taken more concrete forms. This is due to the creation of, by analogy with the Hong Kong Anti-Corruption Authority, the Corruption Prevention and Combating Bureau (KNAB), due to the implementation of several reforms important in the context of Latvia’s course for European integration. These reforms were linked to the initiatives of Prime Minister E. Repše (2002-2004): his cabinet’s priority was to counteract corruption, especially as regards tax evasion. Many senior officials, including Minister of E. Repše’s Cabinet (Health Minister A. Auders), were held accountable during that period. The paradox of the Latvia case consisted in the fact that E. Repše himself was soon suspected of corruption (the investigation lasted several years, but no charges were brought).

Undoubtedly, the implementation of the program to prevent and combat various types of corruption contributed to Latvia’s accession to the EU. However, as rightly noted by A. Vilks (2017, 434), who investigates corruption in Latvia, “the prevention and combating of corruption, despite the strivings of law enforcement authorities, are considered to be insufficiently effective. Despite the long history of corruption and many attempts to prevent it, the importance and topicality of this phenomenon have not disappeared”.

4. The analysis of the slow strengthening of Latvia’s resilience in preventing and combating corruption after the accession to the EU

While at the stage of preparation for EU accession Latvia demonstrated certain anti-corruption progress, stagnation was observed for some time, and only in the last two years there has been an insignificant increase in the anti-corruption characteristics of this state. This is evidenced by the Corruption Perceptions Index. The following table based on Transparency International’s annual reports is an illustrative of this. It does not only show the stagnation of Latvia, but also demonstrates its performance in comparison with other countries in the region.

Table 1. 2012-2022 Corruption Perceptions Index for the Baltic States

Country	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Estonia	74	74	75	74	73	71	70	70	69	68	64
Lithuania	62	61	60	60	59	59	59	61	58	57	54
Latvia	59	59	57	56	58	58	57	55	55	53	49

As we can see from the table, the Corruption Perception Index of Latvia improved over the past two years, but this country is still in positions that are lower than the average for the EU countries and OECD member countries. According to the results of 2021, Latvia is in the 15th place among the 27 EU states, and in the 26th place among the 37 OECD member states. However, the recent increase does not inspire confidence that the country will be able to reach the goal listed in the National Development Plan 2021-2027 – 64 points by 2024, and 67 by 2027.

Although nowadays Latvia belongs to some leading international organizations, which are based on the principles of democracy and free market, the country is still ranked low in terms of welfare, quality of life, competitiveness, and so on. Corruption is one of the main causes of this situation.

A. Mungiu-Pippidi (2013) pointed to a number of trends characteristic of Latvia: corruption has caused a huge “brain drain” from the country; there is a high level of favouritism during the formation of governments and other authorities; since the judiciary is not completely independent, the anti-corruption body has become an object of political control; there are serious problems with the independence of the media, which complicates anti-corruption investigations and public declaration of their results; the public audit is weak, etc. The researcher bracketed Latvia together with countries with a high risk of deepening corruption. While Estonia and Lithuania succeeded in creating relatively effective mechanisms for curbing corruption, despite still considerable resources to preserve it, Latvia reduced control over corruption, and the country was therefore properly classified by the researcher as an outsider of anti-corruption within the EU.

Even in the years of Latvia's membership in the EU, local political parties were still actively funded by oligarchic groups and businesses, which made them prone to political corruption. Latvian political parties used loopholes in the legislation on the funding of parties to circumvent restrictions during election campaigns, etc.

The findings of this study indicate several trends: 1) over the years of the country's membership in the EU, Latvian became less tolerant of petty corruption; 2) a high level of distrust of the Latvian authorities is preserved, first of all – of executive and judicial; 3) protracted lawsuits reduce Latvia's confidence in punishing corrupt officials; 4) the bureaucratic system still motivates Latvians to wrongfully reward officials; 5) business considers corruption as a sure way to be ahead of competitors; 6) parties are viewed as corrupt actors.

It is noteworthy that the main reason why Latvians assisted in the officials' illegal benefit is usually the belief that the reward will promote the desired scenario of handling their problems. A small percentage of Latvians are ready to cooperate with anti-corruption bodies regarding disclosures of corruption cases. This demonstrates substantial difficulties in the field of anti-corruption political and legal culture of Latvians, despite the formal integration with EU values.

The high level of corruption in Latvia can also be explained with the weakness of the anti-corruption segment of the national civil society. Among non-governmental organizations, Transparency International Latvia – Delna (TI-Latvia) conducts important anti-corruption activities.

Let us turn to the results of the Eurobarometer survey (European Commission 2017). Only a third of Latvian respondents (34%) indicate that corruption practices are unacceptable; on the other hand, in the “old” European democracies, the overwhelming majority of respondents perceive corruption negatively (by comparison: 84% of Finns, and 81% of the Irish). This shows that the level of corruption tolerance within the EU member states is very different. 43% of the surveyed Latvians consider the provision of public services as a service to a citizen for which the official is to be rewarded; 29% of Latvians are loyal to the reward of an official, and this is a much higher percentage than in other EU countries (except Hungary). Only 11% of those polled in Latvia rated the government’s anti-corruption policy as effective.

According to the journalistic investigation of the Latvian IR Magazine, Latvia was long informally managed by the oligarchic trio. This is in reference to the oligarchic “state capture” by A. Lembergs (a former mayor of Ventspils, and an entrepreneur), A. Šlesers (held high government positions, an entrepreneur), A. Šķēle (held the post of prime minister twice, and an entrepreneur). In 2017, IR Magazine published transcripts of conversations about the probable ways of influencing the Latvian politics and media (IR 2017) recorded at the Rīdzene Hotel, which were allegedly held by A. Lembergs, A. Šlesers and A. Šķēle. The records pointed to the facts of undue influence of A. Lembergs, A. Šķēle, A. Šlesers and others concerning the appointment and removal from public office.

Investigations against the aforementioned Latvian oligarchic politicians were going on for a very long time¹. For example, in 2006, A. Lembergs became involved in corruption cases. He was accused of gaining undue benefits in particularly large amounts, legalization of unlawfully acquired money and property, abuse of office as the mayor of Ventspils (an important port city) and other criminal acts. It was not until early 2021 that A. Lembergs and his accomplices were convicted of bribery and money laundering. A. Lembergs was sentenced by the Riga District Court to five years in prison with property confiscation, and a fine of 20 thousand euros.

As for the private conversations of A. Lembergs, A. A. Šlesers and A. Šķēle mentioned above, their audio recordings, not authorized by the court, were not considered sufficient evidence to bring charges, and therefore the process of the so-called “case of the oligarchs” was closed. Noticeably, the investigation in this resonant case was hampered by constant leakage of confidential information, which

¹ In 2016, the investigation results of the Latvian anti-corruption body against A. Lembergs, A. Šlesers and A. Šķēle were completed and released to public in 2017.

allowed the interested parties to take a proactive approach. In general, large-scale political pressure was often exerted on the anti-corruption authorities of Latvia.

Although the period when the three influential Latvian oligarchs determined the policy of this Baltic state is over, it is revealing that: 1) their oligarchic schemes were implemented even when Latvia was already part of the EU; 2) the “oligarchic trio” have remained certain latent influence on the current Latvian policy to this day.

Another senior official associated with Latvian corruption affair is a former mayor of Riga N. Ušakovs (who held the post for ten years). In April 2019, he was suspended from his position due to a corruption case in the municipal transport company Rīgas satiksme. N. Ušakovs is suspected of misuse of funds in this company, and failure to perform obligations to control procurement. The total amount of doubtful transactions was approximately €270 million². It must be pointed out that during the decade of N. Ušakovs's governance of Riga, 28 criminal proceedings were initiated in relation to the Riga City Council and its institutions: gaining and demanding undue benefits, forgery of official documents, transfer of municipal funds to private accounts of officials, etc. The Court issued verdicts only in seven cases; others were closed at the stage of investigation or court proceedings. In general, the Riga City Council was often an object of criticism of anti-corruption institutions and public organizations. However, assumptions about involvement in corruption schemes did not prevent N. Ušakovs from being elected (May 2019) to the European Parliament. It should be mentioned that on November 11, 2021, members of the European Parliament voted to strip N. Ušakovs of his parliamentary immunity. That decision was made in connection with the criminal proceedings against N. Ušakovs in Latvia.

In the meantime, over the past three years, Latvia made significant efforts to counteract the laundering of money obtained by criminal activity. For instance, according to the Latvian Prosecutor's Office, in 2019, Latvian courts initiated 59 criminal cases involving 102 people charged with laundering money obtained by means of crime (Prosecution Office 2020). As a comparison, in 2018, there were only 23 such criminal cases involving 54 people. In total, in 2017-2019, the Latvian Prosecutor's Office issued 103 criminal proceedings against 195 persons for money laundering charges. This indicates that the Latvian authorities stepped up to counteract that kind of criminal activity. In 2019, Latvia was recognized as not eligible for inclusion in the “grey list” of countries, which is formed by the intergovernmental organization Financial Action Task Force (FATF). However, not so long ago, namely in 2018, the possibility of including Latvia in the group of “grey listed” countries was considered.

² The case against N. Ušakovs is not closed. In March 2020, legal proceedings were opened at N. Ušakovs' suit alleging the unlawful nature of his removal from the office as the mayor of Riga.

In 2022, we can state the following: Latvia has become the first member state under review by MONEYVAL (Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism) to have successfully implemented all the 40 FATF recommendations.

At the same time, the detection of criminal corruption schemes and criminal proceedings brought by the Latvian competent authorities still does not often lead to a real prosecution of the perpetrators, especially in cases of corrupted top officials. It is obvious to the Latvian public that high-profile criminal proceedings do not bring the expected court decisions within a reasonable procedural time. The authorities' inability to bring the cases of top corruption to justice is perhaps the main reason for the deterioration of Latvia's anti-corruption resistance and high public mistrust to the authorities. This leads to international criticism; for example, GRECO criticizes Latvia for delaying the regulation of lobbying, defining parliamentary ethics, preventing conflicts of interest, etc. (GRECO 2019).

According to the government's program to prevent and counteract corruption, Prime Minister K. Kariņš's populist cabinet declared that Latvia would score at least 70 points in the 2020 Corruption Perceptions Index. However, taking into account the trends of preventing and combating corruption in recent years, Latvia may objectively need around 15 years to achieve this goal. The results of the 2020 Index showed that Latvia scored only 57 points, in 2021 – 59 points, being an outsider in the group of the Baltic states. Corruption remains among the weakest spots in Latvian democracy. At present, there is no atmosphere that would contribute to the effective prevention and counteraction of corruption practices in the country. Latvia needs more comprehensive and systematic planning as well as implementation of anti-corruption policies. Corruption remains very tangible for Latvian businesses, with regard to bribes and other undue benefits. The shadow economy is about 22% of the country's GDP. The problem of Latvia is also seen in the retention of many civil servants, officials of different levels per capita. This problem persists despite the rather active implementation of e-government, which is expected to minimize bureaucracy.

Regardless of the fact that Latvia's criminal law sanctions several corruption offences (trading in influence, conflict of interests, undue benefits, etc.), anti-corruption legislation is not effectively applied. The Latvian government has strengthened the independence of the anti-corruption body, created an e-government system, institutionalized a centralized public procurement process, etc., but some acute problems remain. The sustained success in minimizing corruption in Latvia has not been achieved. In recent years, there has been stagnation in Latvian anti-corruption; external (first of all, Russian) destructive effects are obvious. The civic credibility of the national political system is low due to manifestations of conflict of interest, abuse of power, ineffective use of public funds, etc. The public procurement, health care, construction, EU development projects, transport, political

party financing, etc. remain corrupt areas. This influences citizens' income level, Western investment partners' refusal of cooperation, labour migration of highly educated youth, gradual isolation of the country from the international business community, etc. However, some achievements, such as those aimed at preventing corruption in the banking sector, cannot be overlooked; besides, there is progress in completing several corruption trials.

A. Krivins (2021, 163) highlights successes achieved by Latvia in the field of public procurement, which is promoted by the large-scale digitization and centralization of the public procurement process. This is in reference to The Electronic Procurement System that includes four subsystems (e-orders, e-auctions, e-tenders, e-certificates). The digitalization also physically separates entrepreneurs and officials, which significantly reduces the risk of extorting bribes. In this context, the motivation of Latvian entrepreneurs not to engage in corruption operations is growing (Krivins 2021, 162). At the same time, problems remain with the level of Latvian entrepreneurs' confidence in whether other market participants will act honestly and not resort to corruption practices. Also, entrepreneurs are dominated by a belief that public procurement in Latvia is politically influenced. This indicates that there is still a large amount of work for anti-corruption institutions.

At present, Latvians' readiness to expose corruption is low, and the reasons for this lie in the value dimension, parameters of their political and legal culture. Latvians do not have a strong awareness that corruption is not only a violation of law and an impediment to the economic growth, but also a matter of national security for their society and state. Their weak monitoring of the areas sensitive to corruption and their lack of motivation to prevent it are important reasons for the current slowdown in anti-corruption.

An absolute positive was the adoption by the Latvian Parliament on 13.10.2022 of a law that normalizes the institution of lobbying. This happened only after thirteen years of a debate on this issue. The law went into force on 01.01.2023; however, the register of interest representation and the declaration system will start as early as 09.01.2025. Also, among Latvia's anti-corruption achievements is the fact that this state has made it mandatory for all joint-stock companies to register their shares and submit information on their shareholders to the Enterprise Register, thus increasing transparency. An economic crime court to adjudicate complex financial crimes was also established. Thanks to the mentioned as well as many other measures, Latvia has been strengthening its resistance to corruption, although, at the moment, this process is not characterized by fast dynamics.

There is hope for Latvia's progress in the coming years. Latvia's Corruption Prevention and Combating Bureau (KNAB) has made a great progress in recent years. The Latvian government is currently making significant investments in preventive measures, public awareness, as well as reduction of overall tolerance of corruption among residents. KNAB has also successfully improved control

over political parties' and their associations' financial activities. This was possible thanks to the adoption of the Electronic Data Input System, as well as thanks to the introduction of types of target groups, permitted expenditures and limits on the use of state budget funding allocated to political forces.

5. Conclusion

The present study considers Latvia's series of anti-corruption measures to be insufficient, leaving the country among the EU countries in low positions in terms of well-being, quality of life, competitiveness, etc. Corruption has caused a huge "brain drain". There is a high level of favouritism in the formation of authorities; the judiciary is not completely independent; an anti-corruption body becomes subject to political scrutiny; problems of media independence are obvious, which complicates anti-corruption investigations; the public audit is weak, and others. Public opinion in Latvia is evolving very slowly towards intolerance of corruption practices. The country continues to be influenced by the Russian factor in terms of corruption manifestations. The shadow sector of the economy remains significant. Anti-corruption legislation is not effectively implemented. Health care, construction, EU development projects, transport, political party financing, etc. are still corrupt. Latvians' willingness to expose corruption is low and the reasons for this are observed in the value dimension, parameters of their political and legal culture. As a result, Latvia is viewed as a country with a high risk of deepening corruption, although some reforms are noticeable, first and foremost in combating money laundering.

Today, it is essential for Latvia to: 1) improve institutional mechanisms for preventing and counteracting acts with a corruption component; 2) activate the preventive anti-corruption activities aimed at strengthening the zero tolerance of corruption by Latvians; 3) mobilize the civil society in the area of using its potential in controlling corruption cases, providing legal assistance to corruption exposers (whistleblower), developing public audit. It is important that Latvia should minimize administrative opportunities for corruption, specifically, by making the most of public services available online, although the progress on this issue is now evident.

In order for Latvia to strengthen its anti-corruption resilience, institutions should act bravely, put an end to delays with decision-making and improve the situation in sectors such as prevention of wasting public resources, promotion of political and business honesty. The private sector also plays a major role in preventing corruption. The government should do more to promote integrity in business and motivate entrepreneurs to be proactive in their efforts to prevent and expose corruption.

Assessing the overall compliance of the Baltic states with the EU anti-corruption strategy, it must be pointed to: 1) the heterogeneity of these countries in the issue of anti-corruption: Estonia shows progress, while Latvia and Lithuania strengthen their resilience in preventing and countering corruption rather slowly. The reasons for this are both institutional and value-based. The Baltic countries are making unequal efforts to carry out institutional reforms and in the area of anti-corruption socialization of citizens, despite the obvious cause of rootedness of corruption at the value-based level; 2) the Baltic countries occupy intermediate positions on rates of anti-corruption between the leaders of this process (Denmark, Finland, Sweden, etc.) and the outsiders (Bulgaria, Greece, Italy, Malta, Romania, Slovakia, Hungary, Croatia). This demonstrates the attention of the Baltic states to a wide range of corruption-related issues, coupled with retaining numerous problematic issues and constant emergence of new challenges that need to be addressed promptly with regard to both preventing and counteracting corruption practices. It is in Latvia where the problems with the quality of anti-corruption reforms are currently the most common among the Baltic states.

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