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QUALITY OF INSTITUTIONS IN CANDIDATE AND POTENTIAL CANDIDATE COUNTRIES COMPARED TO THE NEWEST EUROPEAN MEMBERS

КВАЛИТЕТ ИНСТИТУЦИЈА У КАНДИДАТИМА И ПОТЕНЦИЈАЛНИМ КАНДИДАТИМА У ПОРЕЂЕЊУ СА НАЈМЛАЂИМ ЕВРОПСКИМ ЧЛАНИЦАМА

Summary: *This paper deals with the quality of institutions in two samples. The first sample consists of candidates and potential candidates for membership in the European Union - Albania, Bosnia and Herzegovina, Serbia and N. Macedonia, while the second sample consists of the youngest member states of the European Union - Croatia, Bulgaria and Romania. In some of the earlier papers, as a co-author or author, I compared the countries of the region with the members of "New Europe", i.e. the countries that became members of the EU in 2004, but a glance look at the data today led me to the conclusion that the quality of the institutional environment in the region is more logical to compare with the newest EU members. Even in comparison with these countries, our region lags significantly behind. As a database for the quality of institutions, I used the World Governance Indicators developed by Kaufman et al. (2010). Institutions are defined as they were defined by Nobel laureate Douglas North and after him, a whole group of economists under the auspices of the New Institutional Econony.*

Keywords: *institutions, world governance indicators, corruption, rule of law, transition, European Union.*

JEL classification: *O43, F63, F68.*

Резиме: *У овом раду обрађује се квалитет институција у два узорка. Први узорак чине кандидати и потенцијални кандидати за чланство у Европској унији – Албанија, Босна и Херцеговина, Србија и С. Македонија, док други узорак чине земље најмлађе чланице Европске уније – Хрватска, Бугарска и Румунија. У неким од ранијих радова, као ко-аутор или аутор упоређивала сам земље региона са чланицама „Нове Европе", земљама које су постале чланице јон 2004. године, али сам поглед на податке данас навео ме је да су ове земље значајно напредовале у погледу квалитетат институционалног окружења и да логичније поређење може бити са најновијим чланицама ЕУ. Чак у поређењу и са овим земљама наш регион значајно заостаје. Као базу података за квалитет институција користила сам Свјетске индикаторе управљања које су развили Кауфман и други (2010). Институције су дефинисане онако како их је дефинисао Нобеловац Даглас Норт и након њега, цијела једна група економиста под окриљем Нове институционалне економије.*

Кључне ријечи: *институције, свјетски индикатори управљања, корупција, владавина закона, транзиција, Ебропска унија*

JEL класификација: *O43, F63, F68.*

1. INTRODUCTION

"Deeper" determinants of economic growth, besides physical and human capital accumulation and technological change, also include institutions (Rodrik et al. 2002, 2). Many other authors, based primarily on the North's definition of institutions, explored their role in economic performances and proved a positive relationship between institutional development and growth (Acemoglu et al. 2004; Acemoglu and Robinson 2010; Eicher and Leucher 2009; Knack and Keefer 2005; Hall and Jones 1998; Dollar and Kraay 2003; La Porta et al. 1998). So what are institutions or institutional quality?

Institutions or institutional environment in this study are defined according to the postulates of the New Institutional Economics. It assumes Nobel laureate Douglas North's concept of institutions and institutional environment. He explained institutions in his capital work "Institutions, Institutional Change and Economic Performance" in 1990 pursuant for which he won Nobel Prize in Economics. In defining the concept of institutions it is important to distinguish institutions from organizations. North (1990, p. 3) and other authors of the New Institutional Economics define institutions as the rules of the game, or as rules, regulations (humanly devised constraints) which structure political, economic and

social relations; they consist of two factors: the formal rules (constitution, laws, private property right) and informal constraints (sanctions, taboos, customs, traditions and codes of conduct). The purpose of the rules and conventions of behaviour is to define the rules by which the game is played, monitored and enforced. Organizations or individuals are the only entities that devise and implement these institutions.

While exploring the role of institutions in economic development, Hall and Jones (1998, 2) coined a new term - *social infrastructure,* which includes institutions and government policies that determine the economic environment within which individuals accumulate skills, and firms accumulate capital and produce output.

One practical definition of institutions is given by Lin and Nugent (1995, 2306-2307) who define institutions as a set of humanly devised behavioural rules that govern and shape the interactions of human beings, in part by helping them to form expectations of what other people will do.

In our previous research and papers that dealt with this problem we investigated the quality of the institutional environment in the region (Trivic and Petkovic 2014; Trivic and Petkovic 2015; Klimzcak and Trivic 2018), serve as a starting point for this research. But every new research after some time sheds new light on the subject theme. As we will see in the results and conclusion, our region is still "stuck in transition" in terms of institutional building. In this regard, we cannot expect any further economic progress that could stop negative trends of emigration of people, etc. My hard belief is that institutional change is a condition sin e qua non for a faster and healthier economic progress.

If in few of our researches (see Trivic and Petkovic 2014; Trivic and Petkovic 2015) we stated that as a region we lag behind the countries of the "new Europe", the countries that became members of the European Union in 2004 in terms of institutional quality, in this paper the main **research question** is whether and how far countries that are a candidate and potential candidate countries (Albania, Bosnia and Herzegovina, N. Macedonia and Serbia) lag behind its closest neighbours, countries we called Newest European Countries, i.e. Bulgaria, Romania and Croatia, on average in terms of the quality of the institutional environment.

2. TRANSITION AND INSTITUTIONS

The process of transition is most simply defined as a process that includes moving from a centrally planned to a market-oriented economy. The more precise definition says that the transition process is the "reform process in countries that have made the decision to move from a planned socialist system to a private market economy, one in which private ownership predominates and most resources are allocated through markets" (Fischer and Gelb 1991, 91).

An especially interesting issue could be an analysis of the institutional environment in transitional economies as they moved (or still are moving) from one form of society to another changing thus their institutional environment. The main aspects of the transition process which more or less prevailed in all transition countries are liberalization, macroeconomic stabilization, privatization and *legal and institutional reforms*. Especially the last element of the transition process – institutional reforms lacked in many aspects in most transition economies.

Economists of NIE were not at the heart of the debate in the early years of transition. Murrel (2003) explored the usage of NIE postulates in the process of transition and concluded that the main reason why institutions were not regarded as a crucial factor of transition was the assumption that the development of the institutional framework was slow and could not contribute to the transition process in the short-run. But after some time, more and more authors started to analyse institution building in transition economies and to relate the quality of institution with the progress in reforms (Kolodko 1999; Campos 2000; Svejnar 2002; Roland 2002; Murrel 2003; Fischer and Sahay 2004; Popov 2007)

Kolodko (1999) blames the Washington consensus for neglecting the significance of the institutional building in transition economies. Aware of the fact that institutions change very slowly, he finds that they have a very strong influence on economic performance. According to him, the institutional framework is the most important element of the long-run growth, and "unlike certain liberalization measures, institution-building by its nature must be a gradual process" (Kolodko 1999, 225).

Arguing that International Financial Institutions (IFIs) were well conscious of the need for institutional development in transition economies, Fischer and Sahay (2004) tried to prove that IFIs

made many efforts in helping to build institutions. Besides debate on the role of IFIs in transition economies, they have also admitted the crucial role of institutions in the transition process.

One of the main conclusions of the authors who explored the role of institutions in transition economies is that institutions do change over time (Campos 2000). Analyses of transition economies proved on an experiment that institutions are not a static factor of economic growth and development and that there is ample room for policy choices in an attempt to create a good institutional framework (Kolodko 2002; Murrel 2003)[1].

3. HOW TO MEASURE INSTITUTIONS?

There are several data sources and indicators used in empirical work as measures of institutions:

1) Aggregate index of governance called *World Governance Indicators*, developed by Kaufmann et al. (2010) which is composed of six sub-indices: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption. The last publication by World Bank includes variables for 215 economies and measures the quality of institutions from 1996 to 2019.
2) International Country Risk Guide developed by Political Risk Service in 1980 which monitors political, economic and financial risk. Some of the variables include measures of institutional quality such as Government Repudiation of Contracts, Risk of Expropriation, Corruption, Law and Order, and Bureaucratic Quality.
3) Index of Economic Freedom developed by Heritage Foundation; composite index comprises of several indices such as property rights, freedom from corruption, business freedom, monetary freedom, trade freedom, labour freedom, financial freedom, investment freedom, fiscal freedom and government spending; authors while exploring institutional quality usually use some of the components (freedom from corruption or property rights) of the composite index.
4) Economic Freedom of the World by Fraser Institute; index comprises several sub-indices – the size of government, legal structure and property rights, sound money, freedom to trade internationally and regulation; in its latest issue index covered 152 economies.
5) Corruption Perception Index developed by Transparency International; corruption is regarded as one of the main informal institutions, especially in transition economies.

For measuring the institutional change in transition economies, authors usually use EBRD's Transition Reform indicators which measure structural and institutional reform compared to developed market economies (Efendic et al. 2010). According to them, Transition Indicators are the best proxies of institutional change in these economies as the transition in its essence is a process of transformation from centrally planned towards market-oriented economies.

Campos (2000), World Bank (1994, 1998) and Streeten (1996) in an analysis of institutional quality put emphasis on one of its elements and that is governance. Kaufman et al. (2010, 4) define Governance as traditions and institutions by which authority in a country is exercised which includes 1) the process by which governments are selected, monitored and replaced, 2) the capacity of the government to effectively formulate and implement sound policies and 3) the respect of citizens and the state for the institutions that govern economic and social interactions among them.

Very similarly to these three aspects of governance, Kaufmann et al. (2010) developed six measures of governance, belonging to three broad areas mentioned above, which are used in this research.

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[1] Douglas North, the Nobel laureate who defined institutions and institutional change, referred to the role of institutions and their importance for transition economies in his annual lecture for UNU/WIDER (North 1997).

Table 1: Six measures of governance in World Governance Indicators Dataset

A) The process by which governments are selected, monitored, and replaced	
1. Voice and Accountability (VACC)	Captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and free media.
2. Political Stability (PS)	Measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism.
B) The capacity of the government to effectively formulate and implement sound policies	
3. Government Effectiveness (GE)	Captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.
4. Regulatory Quality (RQ)	Captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.
C) The respect of citizens and the state for the institutions that govern economic and social interactions among them	
5. Rule of Law (ROL)	Captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
6. Control of Corruption (COC)	Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture of the state by elites and private interests.

Source: World Governance Indicators 2014; Kaufmann et al. 2010, 4

4. INSTITUTIONAL QUALITY IN TRANSITION COUNTRIES

4.1. Unit of analysis – two samples of comparison

Our samples include:

1. Candidates and potential Candidates – Albania, Bosnia and Herzegovina, N. Macedonia, and Serbia.
2. Newest European Countries – Bulgaria, Romania and Croatia.

As I said previously, there are few papers in which I measured and compared West Balkan countries to the countries of the New Europe (Slovakia, Slovenia, Czech Republic, etc.), but now rationale behind the only two samples is that countries that become countries of the EU yet in 2004 are not comparable in any aspect with the countries of our region. It seems that they moved forward much quicker than our region, so in this paper, we analyse how much our countries lag behind the newest countries of the European Union – Bulgaria, Romania and Croatia on average.

4.2. Comparative analysis of institutional quality in two samples of countries

Comparative analysis of institutional framework in these two samples is done for each variable of governance: voice and accountability, political stability, government effectiveness, regulatory quality, rule of law and control of corruption, for the period from 2004 to 2019.
A very important fact to mention is that the unit scale of the scores goes from -2,5 to 2,5, where lower score shows the worse result and higher scores show better result.

Voice and Accountability (VACC)

The first figure shows averaged movement of the Voice and Accountability in the samples of Candidate Countries and Newest European Countries.

Figure 1: Comparison of Voice and Accountability between Candidate Countries (Serbia, Bosnia, Albania and N. Macedonia) and Countries that are newest in the EU (Bulgaria, Romania and Croatia)
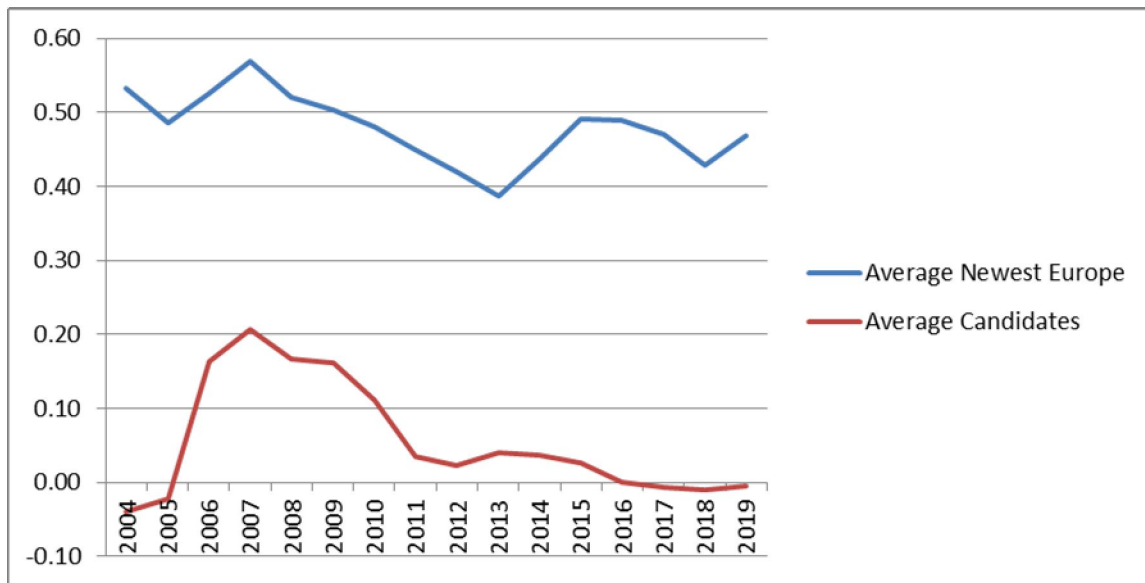
Source: World Governance Indicators Database 2019

Political Stability (PS)

The second figure shows averaged movement of the Political Stability in the two samples from the period of 2004 to 2019.

Figure 2: Comparison of Political Stability between Candidate Countries (Serbia, Bosnia, Albania and N. Macedonia) and Countries that are newest in the EU (Bulgaria, Romania and Croatia)

Source: World Governance Indicators Database 2019

Government Effectiveness (GE)

The third figure shows averaged movements of the third element of institutional framework *Government Effectiveness (GE)* between countries that are newest in the EU and candidate and potential candidate countries of our region.

Figure 3: Comparison of Government Effectiveness between Candidate Countries (Serbia, Bosnia, Albania and N. Macedonia) and Countries that are newest in the EU (Bulgaria, Romania and Croatia)

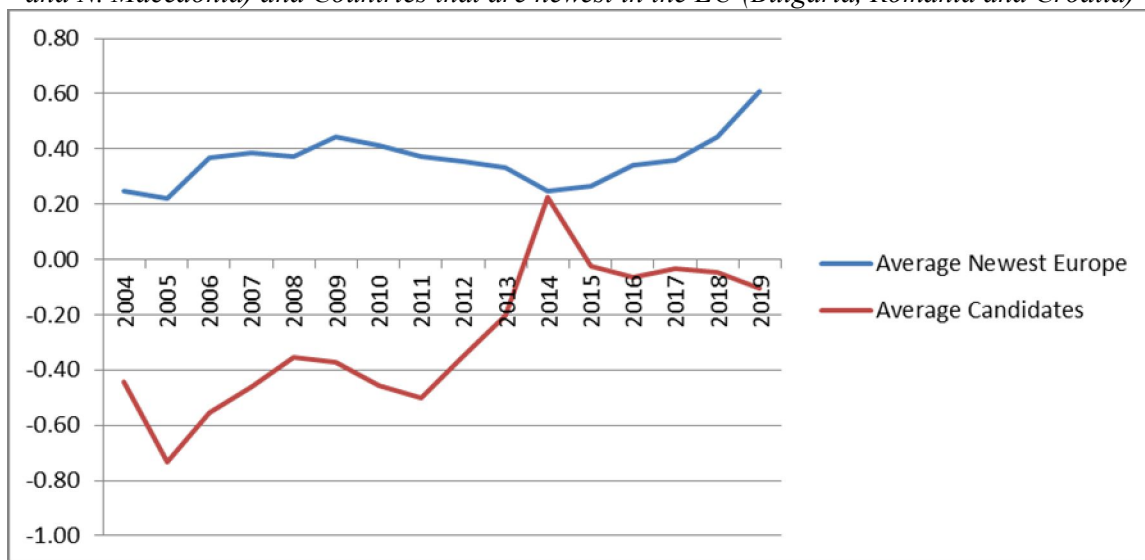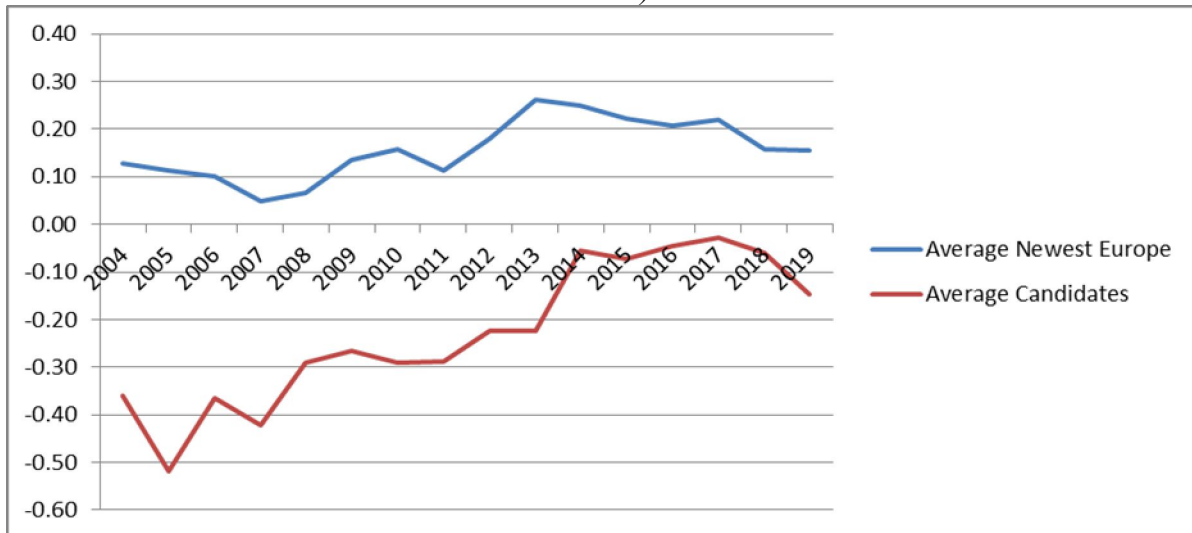*Source: World Governance Indicators Database 2019*

Regulatory Quality (RQ)

The fourth figure shows averaged movement of the next element of institutional framework called *Regulatory Quality (RQ)* between the two samples.

Figure 4: Comparison of Regulatory Quality between Candidate Countries (Serbia, Bosnia, Albania and N. Macedonia) and Countries that are newest in the EU (Bulgaria, Romania and Croatia),

Source: World Governance Indicators Database 2019

Rule of Law (RoL)

The fifth figure shows averaged movements of the fifth element of institutional framework *Rule of Law (RoL)* between countries that are newest in the EU and candidate and potential candidate countries of our region.

Figure 5: Comparison of Rule of Law between Candidate Countries (Serbia, Bosnia, Albania and N. Macedonia) and Countries that are newest in the EU (Bulgaria, Romania and Croatia)

Source: World Governance Indicators Database 2019

Control of Corruption (CoC)

The sixth figure shows averaged movements of the sixth element of institutional quality *Control of Corruption (CoC)* between countries that are newest in the EU and candidates and potential candidate countries of our region.

Figure 6: Comparison of Control of Corruption between Candidate Countries (Serbia, Bosnia, Albania and N. Macedonia) and Countries that are newest in the EU (Bulgaria, Romania and Croatia)
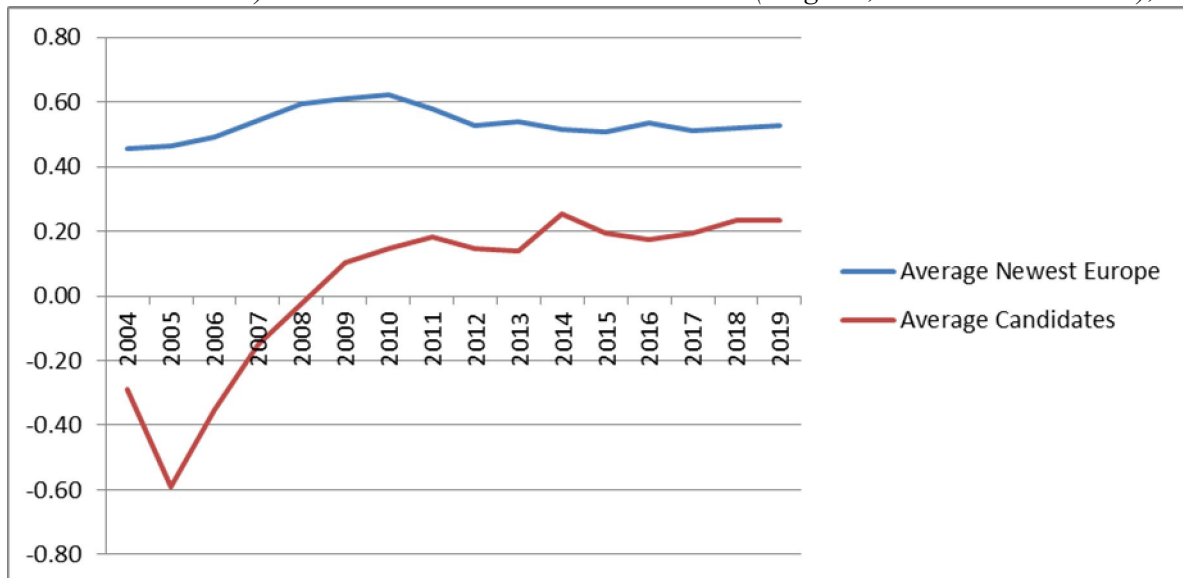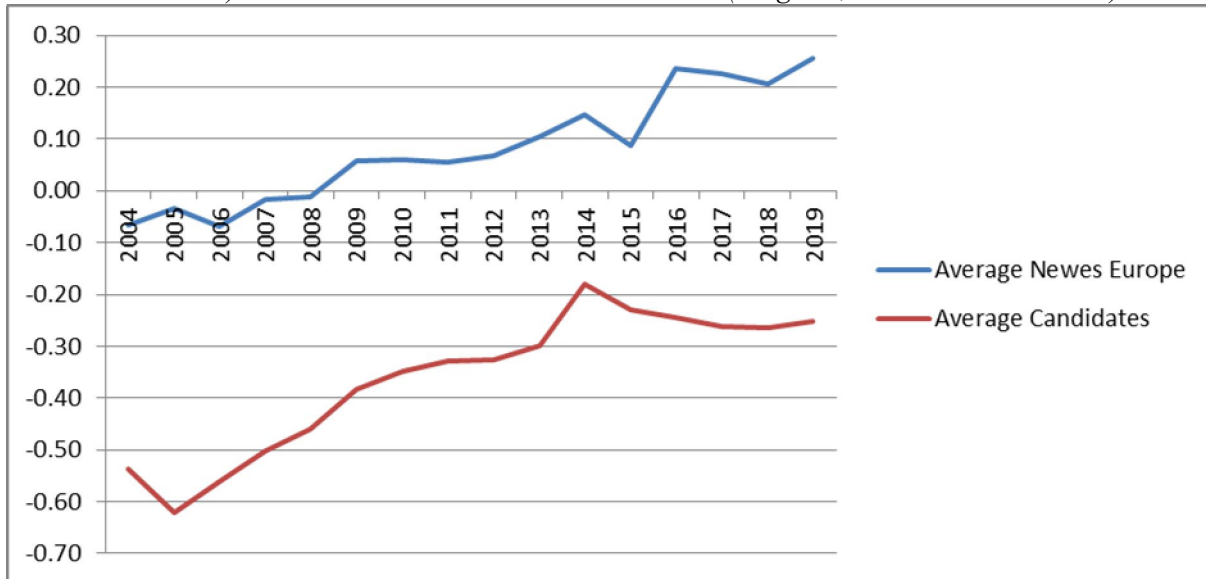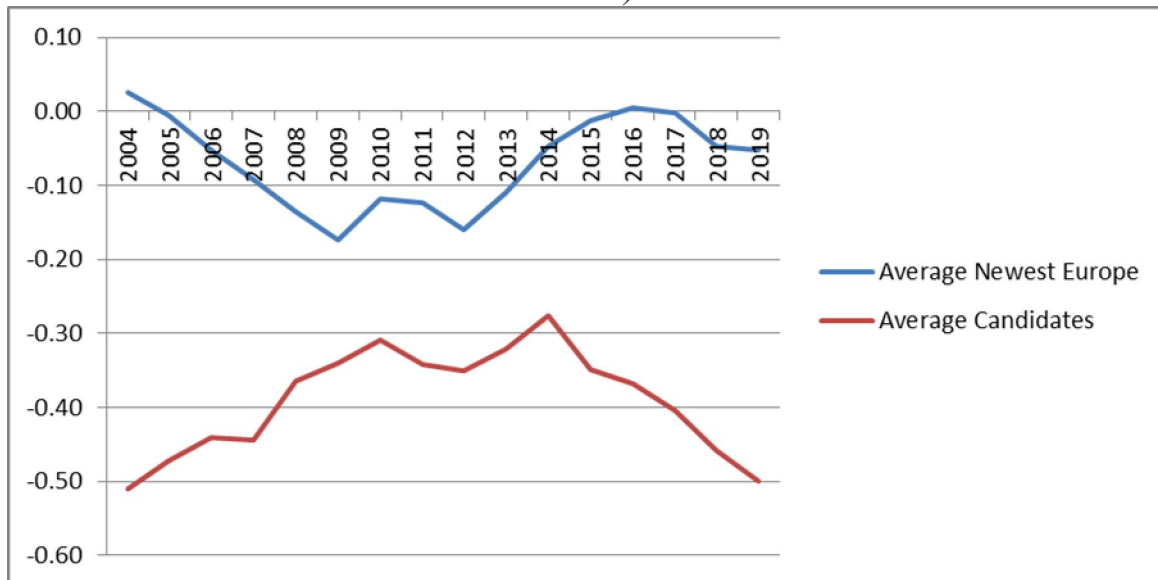

Source: World Governance Indicators Database 2019

5. RESULTS AND DISCUSSIONS

In all six aspects of governance and quality of institutions, we see that the countries of the region lag significantly behind the countries that are our closest environment. The common thought in our country is that countries like Bulgaria and Romania are somewhere with us in terms of economic parameters, and from these graphs, as far as we can see, they are significantly faster in terms of progress and institution building.

What worries us the most are the two items in which we are significantly lagging behind, and those are the rule of law and the control of corruption. These are perhaps the two most important aspects of the quality of institutions. It is difficult to develop an economic program if the level of corruption is such that it eats away healthy economic activity, and if there is no rule of law, all aspects of life suffer.

From the figures of these two aspects of institutional quality, we see also that the gap is significantly widening from 2013/2014. In previous papers, we also compared countries of the New Europe that become members in 2004, but just a quick look at the parameters of these countries and countries of our region shed light that this comparison would be useless. So we stayed on comparison with the countries we called Newest European countries – Romania, Bulgaria and Croatia. Even comparison with these countries is not promising for the countries that are candidates and potential candidates for European Union Membership.

6. CONCLUSION

The analysis of institutional quality by two samples clearly indicates that the countries of the region lag behind the countries that recently joined the European Union. If we know that there is a lot of research that proves a positive link between economic growth and the quality of institutions, then this slow development of institutions in the countries of the region is remarkably worrying.

It is particularly pronounced if we look at the particular countries in the tables attached to the paper, where indicators of corruption control and the rule of law are not progressing but regressing.

All the data indicates that the gap between our countries and those that make some progress in terms of the quality of institutions, will continue to widen.

In this context, one of the frequently asked questions among research economists and practitioners is "when transition ends". This paper sheds new light on this answer. Judging by these data, the countries of the region are not even close to completing the transition process.

Some future research should address the reasons why regional countries make no progress in the quality of institutions domain and what the root causes of such poor scores are.

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ANNEX

Table 1: Voice and Accountability

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albania	-0.70	-0.79	-0.80	-0.69	-0.59	-0.54	-0.53	-0.68	-0.73	-0.70	-0.55	-0.48	-0.41	-0.42	-0.52	-0.53
Bosnia and Herzegovina	-0.34	-0.24	-0.30	-0.38	-0.36	-0.38	-0.34	-0.32	-0.30	-0.24	-0.31	-0.39	-0.46	-0.52	-0.57	-0.61
North Macedonia	-0.50	-0.45	-0.37	-0.36	-0.19	-0.13	-0.08	-0.09	-0.04	-0.05	-0.02	-0.26	-0.29	-0.31	-0.36	-0.41
Serbia	-0.50	-0.41	-0.29	-0.35	-0.31	-0.31	-0.29	-0.27	-0.33	-0.30	-0.23	-0.27	-0.32	-0.38	-0.37	-0.45
Average	-0.51	-0.47	-0.44	-0.44	-0.37	-0.34	-0.31	-0.34	-0.35	-0.32	-0.28	-0.35	-0.37	-0.40	-0.46	-0.50
Bulgaria	0.11	0.06	-0.07	-0.18	-0.25	-0.21	-0.19	-0.22	-0.23	-0.27	-0.25	-0.26	-0.17	-0.16	-0.15	-0.16
Croatia	0.26	0.17	0.08	0.09	-0.01	-0.05	0.06	0.06	0.01	0.12	0.22	0.25	0.20	0.19	0.13	0.13
Romania	-0.30	-0.24	-0.16	-0.18	-0.14	-0.26	-0.23	-0.21	-0.26	-0.19	-0.11	-0.02	-0.02	-0.03	-0.12	-0.13
Average	0.02	-0.01	-0.05	-0.09	-0.14	-0.17	-0.12	-0.12	-0.16	-0.11	-0.05	-0.01	0.01	0.00	-0.05	-0.05

Table 2: Political Stability

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albania	-0.43	-0.51	-0.51	-0.20	-0.03	-0.05	-0.19	-0.28	-0.14	0.09	0.49	0.35	0.34	0.38	0.38	0.12
Bosnia and Herzegovina	0.02	-0.50	-0.44	-0.63	-0.54	-0.67	-0.69	-0.82	-0.54	-0.40	-0.02	-0.40	-0.40	-0.35	-0.39	-0.40
North Macedonia	-0.85	-1.16	-0.74	-0.43	-0.30	-0.30	-0.52	-0.62	-0.49	-0.42	0.26	-0.29	-0.35	-0.25	-0.20	-0.05
Serbia	-0.51	-0.77	-0.54	-0.59	-0.54	-0.48	-0.42	-0.28	-0.22	-0.08	0.18	0.24	0.14	0.09	0.02	-0.09
Average	-0.44	-0.73	-0.56	-0.46	-0.35	-0.37	-0.46	-0.50	-0.35	-0.20	0.23	-0.03	-0.07	-0.03	-0.05	-0.11
Bulgaria	0.00	0.15	0.40	0.36	0.37	0.35	0.36	0.30	0.38	0.17	0.08	0.02	0.08	0.33	0.46	0.54
Croatia	0.69	0.43	0.56	0.60	0.57	0.61	0.61	0.62	0.61	0.64	0.62	0.59	0.66	0.69	0.81	0.76
Romania	0.06	0.08	0.15	0.20	0.18	0.36	0.27	0.19	0.08	0.18	0.05	0.19	0.28	0.06	0.06	0.53
Average	0.25	0.22	0.37	0.39	0.37	0.44	0.41	0.37	0.36	0.33	0.25	0.27	0.34	0.36	0.44	0.61

Table 3: Government Effectiveness

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albania	-0.42	-0.66	-0.52	-0.41	-0.36	-0.26	-0.28	-0.21	-0.27	-0.32	-0.09	0.01	0.01	0.08	0.11	-0.06
Bosnia and Herzegovina	-0.63	-0.76	-0.62	-0.84	-0.60	-0.72	-0.74	-0.74	-0.46	-0.43	-0.45	-0.55	-0.39	-0.48	-0.62	-0.63
North Macedonia	-0.18	-0.33	-0.11	-0.21	-0.02	-0.05	-0.09	-0.11	-0.07	-0.05	0.23	0.13	0.12	0.10	0.15	0.09
Serbia	-0.21	-0.33	-0.21	-0.23	-0.19	-0.04	-0.05	-0.09	-0.10	-0.09	0.09	0.11	0.08	0.18	0.11	0.02
Average	-0.36	-0.52	-0.37	-0.42	-0.29	-0.27	-0.29	-0.29	-0.22	-0.22	-0.06	-0.07	-0.05	-0.03	-0.06	-0.15
Bulgaria	0.15	0.18	-0.06	-0.01	-0.05	0.17	0.11	0.11	0.14	0.16	0.08	0.21	0.30	0.26	0.27	0.34
Croatia	0.44	0.46	0.57	0.47	0.57	0.60	0.62	0.56	0.71	0.70	0.69	0.51	0.49	0.57	0.46	0.41
Romania	-0.21	-0.31	-0.21	-0.32	-0.32	-0.36	-0.27	-0.33	-0.31	-0.07	-0.03	-0.06	-0.17	-0.17	-0.25	-0.28
Average	0.13	0.11	0.10	0.05	0.07	0.13	0.16	0.11	0.18	0.26	0.25	0.22	0.21	0.22	0.16	0.16

Table 4: Regulatory Quality

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albania	-0.17	-0.37	-0.10	0.06	0.15	0.24	0.23	0.23	0.20	0.21	0.22	0.19	0.19	0.22	0.27	0.27
Bosnia and Herzegovina	-0.21	-0.58	-0.46	-0.28	-0.15	-0.09	-0.09	-0.03	-0.05	-0.07	-0.09	-0.20	-0.17	-0.15	-0.21	-0.19
North Macedonia	-0.05	-0.23	-0.05	0.11	0.22	0.29	0.32	0.32	0.35	0.33	0.48	0.43	0.44	0.50	0.53	0.51
Serbia	-0.45	-0.58	-0.44	-0.34	-0.29	-0.13	-0.02	0.03	-0.06	-0.06	0.14	0.16	0.06	0.01	0.11	0.11
Average	-0.29	-0.59	-0.35	-0.15	-0.02	0.10	0.15	0.18	0.15	0.14	0.25	0.19	0.17	0.20	0.23	0.23
Bulgaria	0.66	0.64	0.60	0.63	0.70	0.67	0.65	0.54	0.56	0.54	0.57	0.56	0.66	0.63	0.59	0.53
Croatia	0.54	0.51	0.42	0.49	0.51	0.56	0.57	0.54	0.46	0.46	0.40	0.36	0.36	0.42	0.54	0.59
Romania	0.16	0.23	0.46	0.51	0.58	0.60	0.64	0.66	0.55	0.61	0.58	0.60	0.59	0.49	0.43	0.46
Average	0.45	0.46	0.49	0.54	0.60	0.61	0.62	0.58	0.53	0.54	0.51	0.51	0.53	0.51	0.52	0.53

Table 5: Rule of Law

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albania	-0.69	-0.74	-0.68	-0.65	-0.59	-0.50	-0.41	-0.46	-0.52	-0.52	-0.34	-0.33	-0.33	-0.40	-0.39	-0.41
Bosnia and Herzegovina	-0.50	-0.52	-0.50	-0.47	-0.41	-0.36	-0.35	-0.33	-0.21	-0.15	-0.19	-0.28	-0.22	-0.21	-0.23	-0.23
North Macedonia	-0.24	-0.32	-0.53	-0.43	-0.35	-0.26	-0.26	-0.24	-0.22	-0.20	-0.05	-0.19	-0.28	-0.24	-0.28	-0.24
Serbia	-0.72	-0.91	-0.53	-0.47	-0.50	-0.41	-0.37	-0.29	-0.36	-0.33	-0.15	-0.12	-0.16	-0.19	-0.15	-0.12
Average	-0.54	-0.62	-0.56	-0.50	-0.46	-0.38	-0.35	-0.33	-0.33	-0.30	-0.18	-0.23	-0.25	-0.26	-0.26	-0.25
Bulgaria	-0.11	-0.10	-0.09	-0.05	-0.11	-0.04	-0.07	-0.11	-0.09	-0.10	-0.05	-0.10	-0.06	-0.04	-0.03	0.04
Croatia	0.09	0.13	0.01	0.09	0.09	0.16	0.20	0.22	0.25	0.29	0.32	0.20	0.41	0.33	0.32	0.37
Romania	-0.17	-0.14	-0.12	-0.09	-0.01	0.05	0.05	0.06	0.04	0.13	0.17	0.16	0.36	0.39	0.33	0.36
Average	-0.07	-0.04	-0.07	-0.02	-0.01	0.06	0.06	0.05	0.07	0.10	0.15	0.09	0.24	0.23	0.21	0.26

Table 6: Control of Corruption

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Albania	-0.70	-0.79	-0.80	-0.69	-0.59	-0.54	-0.53	-0.68	-0.73	-0.70	-0.55	-0.48	-0.41	-0.42	-0.52	-0.53
Bosnia and Herzegovina	-0.34	-0.24	-0.30	-0.38	-0.36	-0.38	-0.34	-0.32	-0.30	-0.24	-0.31	-0.39	-0.46	-0.52	-0.57	-0.61
North Macedonia	-0.50	-0.45	-0.37	-0.36	-0.19	-0.13	-0.08	-0.09	-0.04	-0.05	-0.02	-0.26	-0.29	-0.31	-0.36	-0.41
Serbia	-0.50	-0.41	-0.29	-0.35	-0.31	-0.31	-0.29	-0.27	-0.33	-0.30	-0.23	-0.27	-0.32	-0.38	-0.37	-0.45
Average	-0.51	-0.47	-0.44	-0.44	-0.37	-0.34	-0.31	-0.34	-0.35	-0.32	-0.28	-0.35	-0.37	-0.40	-0.46	-0.50
Bulgaria	0.11	0.06	-0.07	-0.18	-0.25	-0.21	-0.19	-0.22	-0.23	-0.27	-0.25	-0.26	-0.17	-0.16	-0.15	-0.16
Croatia	0.26	0.17	0.08	0.09	-0.01	-0.05	0.06	0.06	0.01	0.12	0.22	0.25	0.20	0.19	0.13	0.13
Romania	-0.30	-0.24	-0.16	-0.18	-0.14	-0.26	-0.23	-0.21	-0.26	-0.19	-0.11	-0.02	-0.02	-0.03	-0.12	-0.13
Average	0.02	-0.01	-0.05	-0.09	-0.14	-0.17	-0.12	-0.12	-0.16	-0.11	-0.05	-0.01	0.01	0.00	-0.05	-0.05