



NEPOTISM AND CORRUPTION IN INSTITUTIONS AND COUNTRY'S ECONOMY

Dr. Sc Arsim GJINOVI¹ , BSc. Dren A. GJINOVI

¹ Dr.Sc, Lector at University College of International Management Studies 'Globus'

Abstract *Nepotism usually means hiring relatives, close friends, regardless of their merits and abilities. While corruption is a permanent risk to the economic system, but also for the country's legal system. The purpose of this paper is; to evaluate the factors affecting the appearance and development of nepotism and corruption. Then, analyze the impact of nepotism and corruption in the country's economy. The impact of nepotism in the hiring and advancement of relatives in important sectors of the country and the impact of corruption and nepotism in the judicial institutions. Results of the survey will be useful to researchers who will deal with the analysis of factors influencing nepotism and corruption.*

Key words:

Nepotism, corruption, justice institutions, the economy of the country

JEL Codes:

E26

1. INTRODUCTION

Nepotism may occur in different areas of the organization of society (nepotism, 2013). Nepotism exists throughout the world, but nowhere dominone in political, economic, social and comprehensive as it is suppose to; countries of Eastern Europe, South Eastern Europe, the Middle East, and even in some EU countries. According to the Strasbourg Convention (1999), corruption threatens legal norms, democracy, human rights and freedom, undermines the system of state management, social justice and fairness, distorts fair competition, hinders economic development and moral foundations of society. The word "Nepotism" is derived from the Italian "nepote" which means, nip, which has been used by the papal practice of giving special favors grandchildren or their relatives. So, favoring relatives on the basis of family ties, saying rather that nepotism means employment of relatives or close friends, regardless of their merits and abilities (Dictionary, 2013).

For Kregar (1997), corruption is a pathological phenomenon, systematic operation in which the ruling political class put personal interest above political community.

Corruption is a phenomenon that is found both in developed and in developing countries, but at different

levels and it can be observed a higher inclination of the poorest countries in corruption acts that he present in developed countries. Corruption is a widespread phenomenon around the world as in the developed as well as developing countries. However, market places and centralized economies that are faced with more in the past and in the current period (Mihaiu and Opreana, 2013). Gjinovci (2014), From a legal perspective, distinguishe Corrupt two types of behavior; Corruption active, and passive Corruption. We are aware that corruption, a huge stretch or small, is a threat to all participants in a democratic society, especially to countries that are in a transition period. Fight corruption and put under control at the moment he appeared. The reason is easy to fight corruption at the time of its presentation, it is very easy to identify and prevent. In more general terms, corruption is generally degrading effect on the system and social order. The boundaries of corruption are as inaccessible as is unattainable and human greed. Increase human greed does not cure the justice system. Acts of corruption, related to violation of legal provisions and the professional code of ethics by the employees as public or private sector. According to Antonic (et. Al., 2001), corruption appears in various fields and in different ways. As an illustration, we can direct attention only some forms of corruption in the judiciary, police, customs, health, and corruption of local authorities. But Halimi (2014), in an article titled trailer;

"Corruption is the cancer of Kosovo society", corruption poses as influential factors in the destruction of that country's economy.

Nepotism may occur in various areas including: Political nepotism; Family nepotism; Nepotism in the organization; Nepotism in employment / advancement. Political nepotism affects the granting of special favors political collaborators in public organizations. For Institute for development policy (2014), politicization of public organizations, has brought the first effects. Appointing political people on the boards of public organizations. Now, the phenomenon of political nepotism, has taken deep roots in provincial and regional mentality in society, and is not nothing less harmful than family nepotism. This phenomenon, but in the political mentality, it is also installed to the general public. Demi, A., (2014), estimates that the politicization of public organizations has started since Kosovo's declaration of independence. Favoring relatives on the basis of family ties, which more precisely means nepotism in one way or another in most cases allows the employment of relatives without adequate qualification and merit, with the later consequences for the institution and the society itself. According to the Kosovo Democratic Institute (2014), central public organizations have been the most suitable for rehabilitation and accommodation of party militants. Political and family influences, led to the employment of approaches in different positions in the public and state institutions, employment included all the important sectors of the country; Employment in public administration, employment in managerial staff in ministries, employment of relatives in departments, important domestic sector, employment in the security bodies, employment agencies, employment in public corporations, employment in public media (Gjinovci, A., 2016). According to the organization Arise (2007), Kosovo is located politicization total administration, which is in complete contradiction with European criteria for the reform and construction of civil administration and the continuation of this would deepen the economic crisis in Kosovo and will undermine stability its economic, political and social. Political parties in power to frame policy kin and client-based phenomenon have been all those political forces that have been in power for years. Inappropriate employment has (had) a negative impact for the country and beyond. So do the preliminary criteria for the definition of employment, but employment by group influences, tribal, or clan affect the arrival of people in positions without merit, the negative impact; the country's economy for integration, with negative impact for justice, and the negative impact on society itself. With that criteria would determine the criteria and conditions for the establishment of labor relations, which saw the completion of which criteria, should not be made

any admissions, meeting the criteria of employment or promotion, there have been almost no once properly, it had repercussions on the advancement of the organization and development of the public sector. So, on the "criteria" of nepotism and professionalism it has not been possible to establish the proper authorities and state portfolios and professional administration. Because only a strong administration and professional experience led me to the right people can build successfully on the economic development field and in every field of life. Perhaps, we do not have happened to encounter anywhere in Europe, in state bodies and government hiring and designation of officials in leadership positions of political and economic to do without public tenders, through which the real appreciation of staff experience and professional skills. By eliminating the effects by family ties, as has happened and is still happening in the Balkans, especially in: Kosovo, Albania, Macedonia, Montenegro, B & H, etc. Nepotism family (clan), many times is on starting from appointment to the highest state and to lower levels near the municipal administrations. To take only the example of the appointment of senior public officials / state, we would realize that almost none are named based on fulfillment of the conditions set by the law, namely the contest, to be appointed or elected to these positions, the minimum work experience. Errors in employment in Kosovo began with the establishment of international administration (UNMIK, 1999). And here lies the fatal error that made UNMIK together after Kosovo's government. Once, instead brought temporary acts of normative and legal conditions for employment, ranging from the duty clerk just to the position of president of the country, making professional selection of applicants for admission to work, what happened today is continuing, namely employment and appointment of people, not by legal and professional norms, but on the basis of family nepotism. But this has happened in several public representations, diplomatic most southeastern Balkan countries. For, Abdala, M. (et, all 1994), whether employees are in competition with any person eligible to advance their probability is very low. Therefore, taking into account legal violations that are made in terms of hiring people without merit and without fulfilling the criteria competitive, we should not be surprised why today in these countries dominates economically backward, with a population of poor in the extreme, youth unemployed. Kayabaşı, Y. (2005) believes that the phenomenon of preferential treatment is also considered a "form of corruption" that appears in the process of political decision-making, it is at the same time one of the main problems of public bureaucracy. Nepotism within organizations, when a person is employed because of their family ties. It is generally seen as unethical, as by employers and employees.

According to the Institute for Development

Policy (2014), the appointment of board policy, has led to these people, to make room for the other militants of political parties jeopardizing their full capture of partisan elements.

The presence of the high degree of risk in the business, and unfair competition to the market in which organizations are acting more and more is affecting economic stability and business organizations (Gjinovci A., 2014). Corruption causes trading without affecting equality in favor of certain businesses. As a result of corruption is increasing the cost of doing business in these countries, it is affecting the creation of a climate which the businessman is considered more hard able to stay active in the market. For Eigen (2004), the Countries in the region have Multitude of Anti-Corruption Laws, But They Also Have Judges appointed and beholden to Politicians Who are selective about the Enforcement of These Laws. What good they are crooked These Laws Politicians When They won't know APPLIED oath.

The transition from one system to another system policy has led to a large extent affected the personal ethics of the citizens of the country. Therefore, the desire to gain illicit wealth is not accidental it is the result of slow action of law, justice delayed action or no (Gjinovci A., 2014).

The transition from one system to another system policy has led to a large extent affected the personal ethics of the citizens of the country. Therefore, the desire to gain illicit wealth is not accidental it is the result of slow action of law, justice delayed action or acting at law (Gjinovci A., 2015). But why should it be present corruption in transition countries that have already been devastated economically?

In countries in transition societies are faced with;

- Requirements for the liberalization of the economy.
- Major social transformations.
- Transformations property.
- The absence of laws.
- We are dealing with legal gaps (issued with or without purpose).
- Low salaries of officials of the state administration.
- Misuse of official position is on trend now, in almost all countries in southeast Europe.
- Requirements of citizens to live better.
- Corruption, already takes galoponte size, and the mechanisms available and the climate which dominates the citizens hardly inhibited (Gjinovci A., 2014).

1. OBJECTIVES OF RESEARCH

This paper is based on meeting certain objectives as follows:

- Information on nepotism and influence in institutions, the economy of the country and abroad;

- Information on corruption and its impact on institutions and economy of the country and abroad;
- Theoretical treatment of nepotism and corruption.

2. AIMS OF THE STUDY

In this study, it is doing research in the field of nepotism and corruption. This paper aims to meet the following goals:

- Assess the factors that have contributed to the introduction and development of nepotism;
- Assess the factors that have influenced the appearance and development of corruption;
- Analyze the impact of nepotism and corruption in the country's economy;
- The impact of nepotism in the hiring and advancement of relatives in important sectors of the country;
- The impact of corruption and nepotism in the judicial institutions.

Results of the survey will be useful to researchers who will deal with the analysis of factors influencing nepotism and corruption.

3. QUESTIONS RESEARCH

Research questions raised in the foundation of the study are:

1. What is the impact of nepotism on the economy?
2. What is the impact of korropcionit for the country's economy and democracy?

4. HYPOTHESES

The hypothesis of the study on this topic based on research questions raised above

They are:

1. Nepotism and corruption are presented before 1999;
2. Nepotism positivist influences on the economy;
3. Nepotism and corruption are presented after 1999;
4. Nepotism and corruption have negative effect on the economy and democratic institutions of the country.

5. METHODOLOGY

For preparation of this publication was used literature in the field of corruption and nepotism, the emphasis on using research in this field, and the use of materialist collect the documents, and the results of those respondents who are involved in this research. Based on the specifics of this research has been used to research methods as it combined quantitative and qualitative research.

The sampling is based on the following criteria:

- a) To investigate the literature and publications on nepotism in Kosovo,
- b) To investigate the literature and publications on corruption in Kosovo.

Data, reports and surveys of participants were analyzed in detail, in order to create a clear overview as related to research.

7. RESULTS OF THE SURVEY

7.1 THE IMPACT OF NEPOTISM IN THE COUNTRY'S INSTITUTIONS

Nepotism is a common accusation in politics when a relative of a powerful political figure rises to power without possessing the relevant qualifications. Nepotism As the term implies granting special favors grandchildren or relatives. But the phenomenon of political nepotism, has taken deep roots in provincial and regional mentality in society, and is not nothing less harmful than family nepotism. This kind of cronyism, where leaders have been and remain the main pivot around which are set myths and political programs on the basis of nepotism and political ideology by regional and tribal affiliation leader. This kind of nepotism undoubtedly is the core of the failure of many political parties, which continue to identify the party leader and leader. Of course, the politicians must give them the votes and support of merit and experience they have in political life, not by political nepotism, for a "criterion" and such logic lokaliste in politics does not practice any rule of law and democratic democratized countries, especially in some countries of Europe that have already past these problems. This phenomenon, but in the political mentality, it is also installed to the general public. So, favoring relatives on the basis of family

ties, which more precisely means nepotism in one way or another in most cases allows the employment of relatives without merit and adequate qualification, with consequences for the institution and the society itself. Political and family influences, led to the employment of approaches in different positions in the public and state institutions, employment involving all sectors of the country such as:

- Employment in the public administration;
- Employment in managerial staff in the ministry;
- Employment of relatives in departments, important sector of the country;
- Employment in the security organs;
- Employment in state agencies;
- Employment in the public corporations;
- Employment in the public media.

When it is shown nepotism in Kosovo?

The field research was done in order to identify nepotism; and manner of submission period. The results of field research shows that only 40% of respondents have agreed that corruption is present before 1990, while 60% do not know if there were corruptions during those years. Although 40% of respondents strongly agree that nepotism has been present in the 1990s.

When it is shown nepotism in Kosovo?

Based on field findings we conclude that nepotism before and after few years has been very present in local institutions.

But there are findings which show that the ground 80% of respondents agree that nepotism is presented after establishing international administration in Kosovo (UNMIK). While 60% of respondents think that nepotism is shown after independence

Table 1

When it is shown nepotism in Kosovo?	Yes	No	I do not know!
Before the 90 'to	40%	/	60%
After the 90 'to	40%	20%	40%
After the war during the rule of UNMIK	80%		20%
After the declaration of independence of Kosovo	60%	20%	20%

Source; Author (2016).

Based on the survey results, we conclude that nepotism is presented and developed during the international administration and have continued after the declaration of independence.

But the effect on the economy nepotism?

Most of the respondents think that nepotism has negative impact the country's economy. Nepotism phenomenon is affecting the employment of non-professionals, and this is negatively affecting the

economy, the politics of the country. Since I employments under political influence, it is affecting the poor have diplomatic representation.

Table 2:

<i>How does nepotism in the economy of the country?</i>	Yes	No	I do not know!
Nepotism positive effect on the economy?	20%	80%	/
Nepotism is affecting the employment of unprofessional?	100%	/	/
Employment in Kosovo is difficult without support from outside / policies?	60%	/	40%
Nepotism has affected the poor have diplomatic representation?	100%	/	/
Nepotism is affecting the hiring / promotion of relatives in important sectors of the country?	80%	/	20%

Source; Author (2016).

The survey results show that nepotism is affecting the employment and advancement of relatives in important sectors of the country, creating staff unprofessional and incapable of solving the problems in the economic, political, social country. This has contributed to economic development have a relative who is not in employment achieves youth so knaçeshme. Insufficient economic growth is affecting the increasing demand for search of a better life in Western Europe. This massive displacement of the population of new countries into the EU has created the impression that the country is created in a barrel manufacturer working for the EU countries, with long-term consequences for families, the country's economy. Once the majority of persons seeking economic asylum EU countries that lack education / specific specializations which will help you find places to dinitetshme work.

7.2 RESEARCH INTO THE IMPACT OF CORRUPTION

But what motivates officials to corruption, legal violations and violation of code of ethics stimulating them to entry into the sphere of corruption?

It is thought that there are many factors that influence entry into the world of corruption. But what motivates towards entry into the sphere of corruption; the desire to get rich as soon as possible; to gain illegal property which easily seen as a form of enrichment; benefit of any personal interest, family, or privilege, benefit of any right or upgrading to higher levels of hierarchy, etc.

When it filed corruption in Kosovo?

Field research shows that all respondents believe that corruption in Kosovo is presented after the establishment of the international administration in Kosovo (UNMIK, 1999), and this opinion have 100% of respondents while 80% of respondents believe that after the announcement that independence was presented corruption, while 100% of the respondents believe that the deployment of EULEX has not affected the reduction of corruption.

Table 3

<i>When it filed corruption in Kosovo?</i>	Yes	No	I do not know!
After the establishment of UNMIK	100%	/	/
After the declaration of independence of Kosovo	80%	/	20%
After deployment on EULEX in Kosovo	100%	/	/

Source; Author (2016).

What is the impact of corruption on the country's economy?

The great majority of respondents believe that corruption has a negative impact on the domestic economy, while

20% believe that corruption has a positive impact on the domestic economy. Indeed, the vast majority of respondents believe that corruption is bouncing for democratic institutions themselves. As a phenomenon, corruption hinders economic development, undermining

the country's development processes. Corruption increases the uncertainty, the negative impact on institutions of justice.

Table 4

<i>How does corruption in the country's economy?</i>	Yes	No	I do not know!
Corruption affects positively on the economy of the country?	20%	80%	/
Corruption is a threat to democratic institutions?	100%	/	/
Corruption inhibits and undermines economic development?	100%	/	/
Corruption affects the loss of local and foreign investors?	80%	/	20%
Corruption affects the increase of insecurity?	80%	/	20%
Corruption and nepotism have a negative impact on institutions of justice?	100%	/	/

Source; Author (2016).

CONCLUSIONS

Basing on the research understand that nepotism as a phenomenon has been present even before 1990, then found monistic governance of the country, but was limited nepotism. But, as a phenomenon on the rise, according to the results of research in the field, nepotism ran and grew especially after 1999, during the government of international administration (UNMIK). After the proclamation of independence, there has been no positive result in the avoidance of nepotism although according to the results of research it has been less present.

Problems that carries numerous nepotism;

- Nepotism is impacting negatively on the economy;
- Nepotism is affecting the employment of non-professionals, with implications for democratic institutions;
- Employment in Kosovo is difficult without support from politics;
- Nepotism affected have weak political representation, diplomatic;
- Nepotism is affecting the hiring and advancement of relatives in important sectors of the country.

So, as the main concern for nepotism, it is that it rejects the employment of workers and promovuarit the most qualified candidate for a job. While the market may face the other candidates who may have higher education, work experience. While Choosing the hiring of a relative, who does not possess the necessary qualities, and this may give the impression of a classic nepotism and harmful.

Corruption is a permanent risk to the economic system, but also for the country's legal system. Corruption is one of the greatest challenges of our time. It is a challenge that must and can be overcome, but which requires a

commitment to ethical human resources which are scarce in southeastern Europe.

Results of the survey show that:

- Corruption as a phenomenon is presented after establishing international administration;
- After the declaration of independence of the country is not making any great effort in combating corruption;
- Also international EULEX mission despite the exclusive powers did not make the slightest attempt to fight corruption in the country.

Field results show that corruption is part of the phenomenon that is hard to define because its meaning changes depending on the time of political and social context.

However, according to the findings:

- Corruption is negatively affecting the country's economy;
- Aje, is a threat to democratic institutions;
- Corruption is increasingly hinders economic development;
- Corruption affects the loss of domestic and foreign investors;
- Corruption is affecting the growth of economic uncertainty, political, social;
- Corruption and nepotism have a negative impact on the justice institutions.

REFERENCES

1. Boadi, G. E. (2000), "Conflict of Interest, Nepotism and Cronyism", Source Book 2000, Vol. 5, p. 195-204.
2. Begovic, B., and Mijatovic, B., (2001), 'Corruption u Sebiju'. Publisher; Centre for liberal Democratic Studies. Serbija, Belgrade.
3. Demi, Agron, (2014), Analizë mbi funksionimin e Agjencive të Pavarura dhe Ndërmarrjeve Publike, baza ligjore e tyre, politizimi i bordeve udhëheqëse, si dhe raportet e tyre me institucionet themeluese, Prishtinë 2014.
4. European integration, judiciary and fight against corruption, taken from http://www.cohu.org/repository/docs/Integrimi_Evropian,_Gjyqesori_dhe_Lufta_kunder_Korrupsionit_10259.pdf, (seen 16.12.2013).
5. Eigen P., (2004), The Judiciary, Law Enforcement and Society in the Fight Against Corruption, Regional Conference of Central and East European ACountries on Fighting Corruption, Bukurešt, pp-39.
6. Gjinovci, A., Arsim (2016), The Impact of Nepotism and corruption in the economy, "Dimitrie Cantemir" Christian University. Knowledge Horizons – Economics, Volume 8, No. 2, pp. 133–139.
7. Gjinovci, A., Arsim (2016), Nepotism and economi crime, The role of nepotism and corruption in the economy. Publisher; LAP, Lambert Academic Publishing.
8. Gjinovci, A., Arsim (2015), Economic Transformation and the role of privatization. The experience of developing countries in southeast Europe. Publisher; LAP, Lambert Academic Publishing.
9. Gjinovci, A., Arsim (2014), Informal economy and ethics in management of human resources and business;the case study of Kosovo. Publisher; LAP, Lambert Academic Publishing.
10. Gjinovci, A., Arsim (2016), The impact of nepotism and corruption on the economy and HR. Economic and Environmental Studies, Vol. 16, No. 3 (39/2016), 421-434, septembar 2016.
11. Gjinovci, A., Arsim (2016), The impact of nepotism and corruption in the economy. "Dimitrie Centemir", Christian University - Romania, Knowlwdgww Horizons – Economics, Volume 8, No. 2, pp. 133-139.
12. Halimi, A., (2014), 'Corruption "cancer" of society in Kosovo'. <http://www.ekonomia-ks.com/?page=1,9,8531> (seen 20.10.2014).
13. Institute for development policy (2014), Politizimi në ndërmarrjet publike lëshon rrënjët e tij. Prishtine, Kosove, 20/11/2015.
14. Kregar, J., (1997), "The appearance of corruption". Croatian year book of International Law and Practice, Vol. 4, pp- 26.
15. Konjufca, Glauk (2012), Nepotizmi ka lëshuar "rrënjë" në Kosovë. Publikur nga Zëri i Kosovës, Dec 04, 2012, Prishtine, Kosove. <http://zerikosoves.org/nepotizmi-ka-lëshuar-rrenje-ne-kosove/> (28.01.2016).
16. Kayabal, Yeltekin (2005), Politik Yozlamaya Çözüm Olarak Anayasal ktisat, Çukurova Üniversitesi Sosyal Bilimler Enstitüsü, Yayınlanmamı Yüksek Lisans Tezi, Adana.
17. Mobingu dhe nepotizmi në Republikën e Kosovës (2014), Hulumtim i opinionit public, Publikuar nga: Instituti për Kriminologji dhe Kriminalistikë, Prishtinë, shkurt 2014, f-13-14.
18. Mihaiu Marieta and Opreana Alin (2013), "The public sector efficiency from prespective of corruption phenomen '. Revista Economica 65:1, Lucian Blaga University of Sibiu, pp 39.
19. Mesko, G., and Petrovic, B., (2004), 'Criminology". Publisher; Faculty of Law, Sarajevo, pp. 183 - 184.
20. Nepotism (2013), Dictionary.com, Retrieved 20 June 2013. Nepotism at Work (2013), Safeworkers.co.uk. 2013-04-20. Retrieved 2013- 06-20. Strasburg Convention (1999), "Criminal responsibility in the fight against corruption'. p.1 of paragraph 4 Strasbourg 17,01,1999.
21. Sasic, Z., (1998)," Corruption and its suppression in the world and in Croatia'. Criminal aspect, Police and security. Croatia, Zagreb, 1-2/1998, pp. 3 - 4.
22. UNMIK (2001), United Nations Interim Administration Mission in Kososovo regulation no. 2001/11, value added tax. <http://www.unmikonline.org/pages/default.aspx>.
23. Zogiani, Avni (2012), Nepotizmi ka lëshuar "rrënjë" në Kosovë. Publikur nga Zëri i Kosovës, Dec 04, 2012, Prishtine, Kosove.