



European Crime Prevention Network

European Crime Prevention Monitor

2014/1

Measuring corruption in the EU

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Measuring corruption in the EU

Abstract

In this fifth monitor the European Crime and Prevention Network focusses on corruption. Corruption is estimated to cost the EU economy 120 billion EUR per year. It does not only hamper economic development, but also undermines democracy, and damages social justice and the rule of law in general (European Commission, 2014). It is a broad, complex and multifaceted phenomenon, which covers a wide range of phenomena. Therefore it is not easy to get an overview of the phenomenon. To amend this, this monitor report provides an overview of the relevant existing data available on corruption at the EU level and also focuses on the main trends and levels of perceptions, experiences and recorded levels of corruption in the EU Member States.

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Tabel of content

1. Introduction	4
2. Overview of existing cross-country databases at the EU level	5
3. What are the trends/levels of crime in the EU for corruption?	8
3.1.Perception towards corruption	8
3.1.1. How acceptable is corruption?	8
3.1.2. How widespread is corruption?	10
3.2.Experiences with corruption	14
3.3.Crime statistics	16
4. Conclusion	20
5. Bibliography	21

Monitor 2014/1: Measuring corruption in the EU

1. Introduction

Corruption is estimated to cost the EU economy 120 billion EUR per year. It does not only hamper economic development, but also undermines democracy, and damages social justice and the rule of law in general (European Commission, 2014). It is a broad, complex and multifaceted phenomenon, which covers a wide range of phenomena. This makes it difficult to come to a universally accepted definition. The European Commission defines corruption in a broad sense as 'abuse of power for private gain' (European Commission, 2014, p.2). Rather than trying to define corruption, UNODC (2004) chooses to list and define specific and clear types or acts of corruption, such as bribery, favouritism, embezzlement, extortion, nepotism and improper political contributions. Originally corruption was limited to public corruption, which includes corruption carried out by or against public officials, but more recently focus was also put on private corruption, which consists of corruption that occurs within business activities (Szarek-Mason, 2010).

Corruption is one of the EU priorities, which is included in the Internal Security Strategy (ISS) of 2010 and in the EU policy cycle 2014-2017. The ISS 2010 indicates that one of the main challenges for the internal security of the EU is serious and organised crime, and one of these serious and organised crime types is corruption (European Commission, 2010). It is also included in the EU policy cycle, which constitutes the operational angle of the ISS shared agenda, that it is important to pay attention to this crime type as it is also a crime facilitator. It is closely linked to organized crime with an international dimension and it facilitates the operation of illegal markets such as trafficking in human beings, cigarettes smuggling, drugs, prostitution, car-theft and extortion (Europol, 2013). In the beginning of 2014, the European Commission published their first EU Anti-Corruption report. This report will be published every two years. The first issue gives information on the measures in place, outstanding issues, policies that are working and areas that could be improved for every Member State (European Commission, 2014). In addition, Transparency International launched a report in 2014 on the risks of corruption in the European Institutions and concluded that 'EU institutions are also vulnerable to corruption due to loopholes and poor enforcement of rules on ethics, transparency and financial control' (Transparency International, 2014). Corruption is one of the two themes¹ that Greece was focussing on during their EUCPN Presidency, as recently new initiatives and actions on corruption have been taken in Greece in the context of criminal policy. With these themes, Greece was the first EUCPN Presidency that deliberately chose to focus on one of the EU priorities, following one of the recommendations of the 2012 external evaluation of the EUCPN (European Commission, 2012, p. 7).

This monitor report will provide an overview of the relevant existing data available on corruption at the EU level and will also focus on the main trends and levels of perceptions, experiences and recorded levels of corruption in the EU Member States.

¹ Together with illegal immigration.

2. Overview of existing cross-country databases at the EU level

In the following paragraphs, an overview will be given on the existing types of data on corruption and the available information at the European level on this crime type.

According to Dormaels & Easton (2013), Perceptions of corruption are usually applied for two different scientific approaches. On the one hand, it is used to measure 'real' levels of crime. This first scientific approach is strongly criticised by many scholars. Perceptions would mainly be influenced by the frequency with which the mass media report cases of corruption in each country (Courakis, 2014) and/or by generalisations that present predispositions towards government, and therefore do not reflect corruption in a reliable way (Van De Walle, 2005). On the other hand, perceptions of corruption could also be used to know what is labelled as 'corruption' by the public. This knowledge is useful as this kind of behaviour will only be disapproved when it is labelled that way, and only when it is labelled as corruption, it will influence the willingness of the public to take action (Dormaels and Easton, 2011). Therefore, perceptions of corruption have an impact on the awareness of the issue and the success of any prevention measures (Lambropoulou, 2014). Perceptions can differ depending on whether views of business people, country experts or the general population are explored (Dormaels & Easton, 2010).

Victimisation surveys are better at assessing the level of corruption, but cannot measure all forms of corruption, as not all forms of corruption generate individual victims (e.g. embezzlement) and also the concept of 'victim' can have blurred connotations (UNODC, 2010). This, together with the fact that corruption is a broad and rather vague term, causes that surveys measuring experiences of corruption are usually limited to certain specific aspects of it, e.g. experiences of respondents with bribery. There are different typologies of studies which target various groups with different roles and experiences of crime, i.e., general population surveys, business sector surveys and civil servants surveys (UNODC, 2010). Nevertheless, as this is a sensitive topic, people can also be reluctant to share their experiences.

Lastly, some crime statistics on offences and offenders known to the police, prosecution, convictions and sentences, corrections including non-custodial sanctions and survey data on corruption are included. We should keep in mind that these data suffer several limitations, the most important being the dark number in crimes. Nevertheless, this source of information can also provide some valuable insights.

- Eurobarometer
 - Special Eurobarometer no. 3972 – In 2014, a Special Eurobarometer report on corruption was published. Data are available for all the EU Member States, firstly at EU level and secondly by country (data for Croatia are available on the country-level, but not on the overall EU level). This survey covers public perceptions on the one hand and personal experiences of corruption on the other.

² Information and data on the Special Eurobarometer no. 397 included in this paper and under this heading come from: European Commission (2014). Special Eurobarometer 397 – Corruption report. European Commission: Brussels. [http://ec.europa.eu/public_opinion/archives/ebs/ebs_397_en.pdf]

- Flash Eurobarometer no. 374 – Businesses’ attitudes towards corruption in the EU3 – In 2014, a Flash Eurobarometer report on Businesses’ attitudes towards corruption in the EU was published. It aims to understand the level of corruption perceived by businesses employing one or more persons in six key sectors. In order to do so, companies were asked about the prevalence of a range of corrupt practices in their country, the management of public tender and public procurement processes, the prevalence of various corrupt practices in public tender and public procurement processes, bribery among political parties and senior officials and how corruption is managed and punished in their country.

- Transparency International

- Corruption Perceptions Index (CPI)⁴ – This report, from which the most recent edition was published in 2013, ranks countries and territories based on how corrupt their public sector is perceived to be based on the perspectives of business people and country experts. It is a composite index – a combination of polls – drawing on corruption-related data collected by a variety of reputable institutions. Data are available for all 28 EU Member States.

- The Global Corruption Barometer (GCB)⁵ – The latest report, which was published in 2013, provides information on how corruption features in people’s lives around the world. It includes findings for 21 EU Member States on people’s direct experiences with bribery and details their views on corruption in the main institutions in their countries and provides insights into how willing and ready people are to act to stop corruption.⁶ Also, some information from the 2009-edition is included in this monitor report. The GCB 2009 includes information on public perceptions on corruption as well as experiences with bribery. Data from 16 Member States are included.⁷

- Worldbank - The Enterprise surveys⁸

The Enterprise Surveys collect a wide array of qualitative and quantitative information from firm managers and owners regarding the business environment in their countries and the productivity of their firms. One of the topics covered is corruption. The dataset includes bribery incidence, bribery depth and number of firms expected to give something in return. Currently, the Enterprise Surveys collected data from 16 EU Member States.⁹ The most recent data available differ

³ Information and data on the Special Eurobarometer no. 374 included in this paper and under this heading come from: European Commission (2014). Flash Eurobarometer 374 – Businesses’ attitudes towards corruption in the EU. European Commission: Brussels. [http://ec.europa.eu/public_opinion/flash/fl_374_en.pdf]

⁴ Information and data on the Corruption Perceptions Index included in this paper and under this heading come from: Transparency International (2013). Corruption perceptions index 2013. Transparency International: Berlin. [http://files.transparency.org/content/download/700/3007/file/2013_CPIBrochure_EN.pdf]

⁵ Information and data on the Global Corruption Barometer 2013 included in this paper and under this heading come from: Transparency International (2009). Global Corruption Barometer 2009. Transparency International: Berlin. [http://files.transparency.org/content/download/145/583/file/2009_GCB_EN.pdf], while all the information and data on the Global Barometer 2009 included in this paper and under this heading come from: Transparency International (2013). Global Corruption Barometer 2013. Transparency International: Berlin. [http://files.transparency.org/content/download/604/2549/file/2013_GlobalCorruptionBarometer_EN.pdf]

⁶ No information for Austria, Bulgaria, Ireland, Malta, the Netherlands, Poland and Sweden.

⁷ Austria, Bulgaria, Croatia, Czech Republic, Denmark, Finland, Greece, Hungary, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania, Sweden and the United Kingdom.

⁸ Information and data on the Enterprise Survey included in this paper and under this heading come from the database: <http://www.enterprisesurveys.org/data/exploreTopics/Corruption#eastern-europe-central-asia>.

⁹ Bulgaria (2009), Croatia (2007), Czech Republic (2009), Estonia (2009), Germany (2005), Greece (2005), Hungary (2009), Ireland (2006), Latvia (2009), Lithuania (2009), Poland (2009), Portugal (2005), Romania (2009), Slovakia (2009), Slovenia (2009), Spain (2005)

for the different Member States. The survey covers small, medium, and large companies and includes the entire manufacturing sector, the services sector, and the transportation and construction sectors. Public utilities, government services, health care, and financial services sectors are not included. A uniform universe, uniform methodology of implementation, and a core questionnaire are the basis of the Global methodology under which most Enterprise Surveys have been implemented since 2006.

- World Economic Forum - Global competitiveness report (2013)¹⁰
The World Economic Forum has conducted surveys for over 30 years. The most recent version of 2013-2014 includes opinions of over 13.000 business leaders for 144 countries. Questions were e.g. how common is diversion of public funds to companies, individuals, or groups due to corruption?; How common is it for firms to make undocumented extra payments or bribes connected with (a) imports and exports; (b) public utilities; (c) annual tax payments; (d) awarding of public contracts and licenses; (e) obtaining favorable judicial decisions?; To what extent do government officials show favoritism to well-connected firms and individuals when deciding upon policies and contracts?
- The crime against businesses in Europe – A pilot study¹¹
In autumn 2013, this pilot survey on crime against businesses in Europe was published. It was funded by the Commission under the ISEC scheme and implemented by Transcrime and Gallup Europe. Data was collected in 2012 in 20 EU Member States.¹² It carried out a survey on the victimisation of businesses and one of the crime types included was corruption.
- ANTICORRP - The anti-corruption report 1 – EU perceptions of quality of government: a survey of 24 countries¹³
The project ANTICORRP (Full name: Anticorruption Policies Revisited: Global Trends and European Responses to the Challenge of Corruption) aims to investigate factors that promote or hinder the development of effective anti-corruption policies. The survey, which is included in the first report and published in 2013, intends to capture the 'quality of government' (QOG), e.g. quality, level of corruption (perceived and experienced) and the extent to which public services are allocated impartially in 20 EU countries.

¹⁰ Information and data on the Global competitiveness report 2013 included in this paper and under this heading come from: SCHWAB, K. (2013). The Global Competitiveness Report 2013-2014 - Full data edition. World Economic Forum: Geneva. [<http://reports.weforum.org/the-global-competitiveness-report-2013-2014/>]

¹¹ Information and data on the Crime against businesses in Europe 2013 pilot study included in this paper and under this heading come from: DUGATO, M., FAVARIN, S., HIDEG, G. & ILLYES, A. (2013). The crime against businesses in Europe – A pilot survey. Final report of the project: EU survey to assess the level and impact of crimes against business – Stage 2: piloting the survey module. European Commission: Brussels. [http://www.transcrime.it/wp-content/uploads/2013/11/EU-BCS-Final-Report_GallupTranscrime.pdf]

¹² There is no information on Croatia, Czech Republic, Denmark, Italy, Luxembourg, Malta, the Netherlands and Poland.

¹³ Information and data on the Anti-corruption report included in this paper and under this heading come from: CHARRON, N. (2013). The Anticorruption Report (vol.1), Chapter 8: European perceptions of quality of government: A survey of 24 countries. In A. MUNGIU-PIPPIDI (ed.) Controlling corruption in Europe – The anticorruption report volume 1. Barbara Budrich Publishers: Opladen, Berlin & Toronto. [http://anticorrrp.eu/wp-content/uploads/2013/09/European-perception_Charron.pdf]

- **European Sourcebook of Crime and Criminal Justice Statistics¹⁴**
The fifth edition of the European Sourcebook includes information on police, prosecution, conviction and prison statistics, as well as victimization surveys from 41 countries and covers the period 2007-2011. This European Sourcebook was extended by introducing a focus on the work of probation agencies and the implementation of community sanctions and measures. In this sourcebook the amount of offences and offenders concerning corruption can be found for each of the countries. The data represented in this sourcebook were collected through a network of national correspondents and regional coordinators.
- **ICVS 2005¹⁵**
The International Crime Victimization Survey (ICVS) conducts fully standardised victimisation surveys looking at citizens' experience of crime in different countries. The aim is to compare levels of crime across countries and in time independent of police records in the age group of 16 and over. The most recent rounds of surveys took place in 2005 and 2010. The round of 2005 (with information on victimisation in 2003/2004) covered 19 EU Member States and the round of 2010 was a pilot conducted in five EU Member States. Changes were introduced in the questionnaire and the fieldwork. Therefore, the result of the ICVS 2010 cannot be compared with previous ICVS editions. This survey also included a question on bribery.

3. What are the trends/levels of crime in the EU for corruption?

3.1. Perception towards corruption

As mentioned above, corruption is a phenomenon which is difficult to grasp and as there is no single comprehensive definition of this type of crime, it is interesting to see what respondents in the EU Member States consider as acceptable behaviour. Therefore, this part of the monitor report will first give some information on how acceptable it is in the different Member States to give money or a gift, or do a favour, in return for something obtained from the public administration or public service and what the respondents consider as 'corruption'. Next, some information will be given on how widespread the respondents think the different forms and types of corruption are.

○ How acceptable is corruption?

The Global Corruption Barometer 2009 looked at how acceptable it is for a shopkeeper to give and for a public official to accept money or a gift before or after they issued a license and whether the payment/gift was considered as bribery. They presented three scenarios and asked respondents to indicate which of these behaviours were considered acceptable and whether the payments/gifts were considered to be a bribe.

- To offer a payment to a public official before issuing a license. In general, most respondents (86%) agreed that this payment/gift is a bribe. Spain had the highest

¹⁴ Information and data on the European Sourcebook of Crime and Criminal Justice Statistics 2014 included in this paper and under this heading come from AEBI, M.F., et al. (2014). European Sourcebook of crime and criminal justice statistics – 2014. Fifth edition, Academic bookstore, Helsinki, 2014.

[http://www.heuni.fi/material/attachments/heuni/reports/qrMwCVTF/HEUNI_report_80_European_Sourcebook.pdf]

¹⁵ Information and data on the ICVS 2005 included in this paper and under this heading come from: VAN DIJK, J., VAN KESTEREN, J. & SMIT, P. (2007). Criminal victimisation in international perspective, key findings from the 2004-2005 ICVS and EU ICS. Boom Juridische Uitgevers: Den Hague.

[http://www.crimevictimsurvey.eu/Products/Archive/ICVS_5_2004_5]

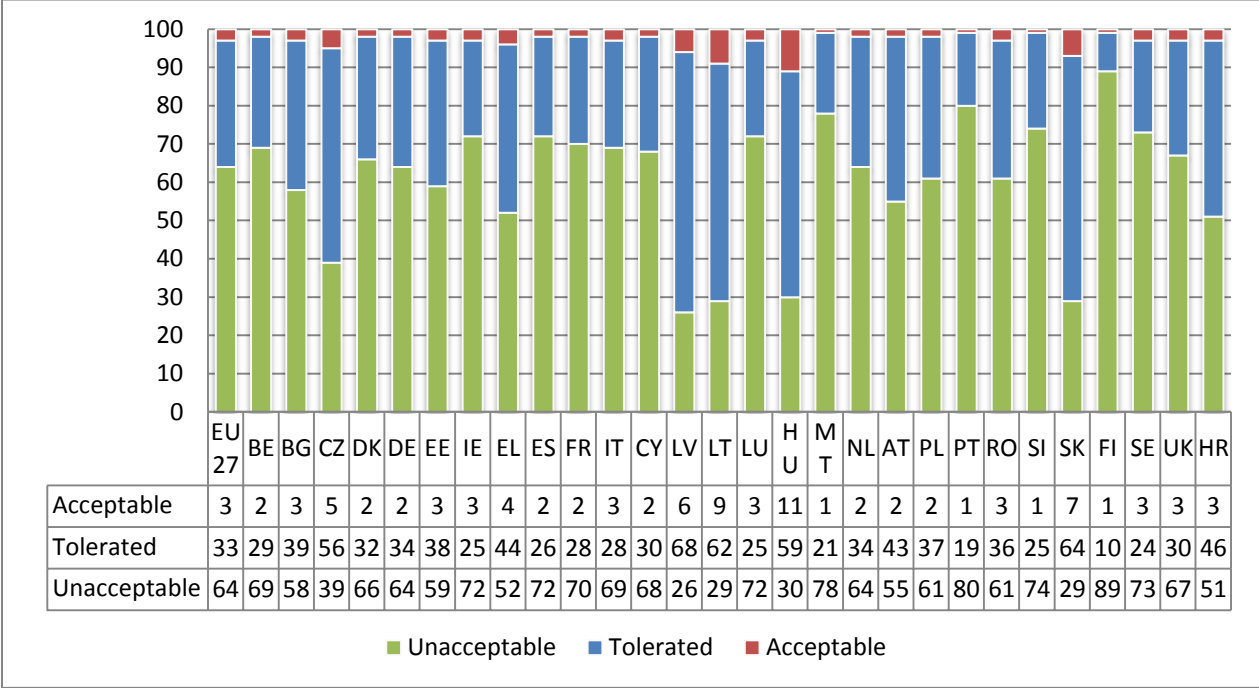
number of respondents saying this is a bribe (93%), while Poland had the highest number of respondents saying this is not a bribe (18%).

- To put notes in a tipping box, after the public official has granted a licence. Here, we see that an average of 65% of respondents agreed that this payment/gift is a bribe, which is much less than in the previous situation. Spain, together with Bulgaria, Greece and Croatia have the highest number of respondents indicating that this constitutes a bribery (respectively 78% en 77%), while the Netherlands, Poland, Austria, Portugal and the United Kingdom (more than 30%) have the highest number of respondents indicating this does not constitute a bribery.
- To ask someone else to help get the license and months later deliver a gift to the office annual party. Here, we see somehow similar results as putting notes in a tipping box, after the public official has granted a license. 61% of the respondents think this is a bribe. The highest number of respondents agreeing this constitutes bribery were found in Portugal, Spain and Greece (more than 70%), while the highest numbers of non-acceptance were found in Poland, the Netherlands, Luxembourg and Austria.

In general, the shopkeeper's behaviour was in all three situations seen as more acceptable than the behaviour of the public official.

In the Eurobarometer 397, more than two thirds of the respondents (77%) believe it is never acceptable to give a favour, a gift or money in return for something obtained from the public administration or public services. Most accepted in the EU is to do a favour (26%) or give a gift (23%) in return for something obtained from the public, while it is less accepted to give money (16%). However, there are important differences between the EU Member States, especially for doing a favour or giving a gift, while less for giving money. For example: Member States' respondents who think it is acceptable to do a favour in return for something obtained from the public ranges between 8% (Finland) and 68% (Slovakia). In general, giving a favour, a gift or money is most accepted in Hungary, Latvia, Lithuania and Slovakia, while these are the least accepted in Portugal and Finland.

Figure 1: Tolerance index to corruption for the EU member states (presented in percentages)



Source: Special Eurobarometer 397, p. T10

Also, the attitudes can range a lot within a Member State depending on the type of corruption, e.g., in Denmark only 8% (one of the lowest percentages) believes it is acceptable to give a gift in comparison to 25% (one of the highest percentages) who believes it is acceptable to give money in return of for something obtained from public administration or public services. In the Eurobarometer 374, companies were also asked what gifts offered to a public official are considered to be a bribe. More than one out of ten (13%) agreed that any gift is a bribe. Furthermore, most respondents considered a value of 1-100 euro to be a bribe (50%). 17% of the companies agreed that the value of such gift would need to be more than 200 euro in order to be considered a bribe.

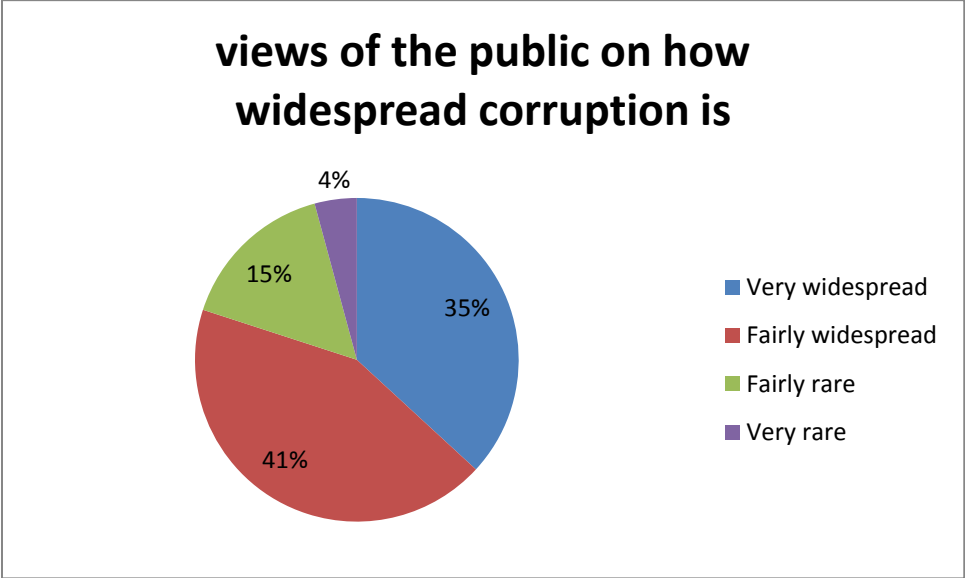
As we can see, the views on this issue range a lot in the EU Member States. In general, giving money, compared to doing a favour or giving a gift in return for something from the public administration or public services, is the least accepted. Nevertheless, it also differs whether the money was given before or after something was given by the public official. Furthermore, it is more accepted to give the money or gift than to accept it. This was also confirmed in the pilot study of Spinellis (2011), where the majority of the Greek students justified petty bribery in order to get better services and believe that someone who commits active bribery for health reasons should not be punished. In contrast, more than 90% of the respondents believe that the doctor who accepts bribery should be punished.

o **How widespread is corruption?**

For the perceptions on how widespread the general public thinks corruption is, the Eurobarometer 397 specified that corruption should be understood 'in a broad sense, including offering, giving, requesting or accepting bribes or kickbacks, valuable gifts or important favours, as well as any abuse of power for private gain'. In total, more than three out of four respondents (76%) believe that corruption is widespread within their

own country (very or fairly widespread) and one out of four respondents agree that they are personally affected by corruption in their daily life.

Figure 2: the views of the public within the EU on how widespread corruption is



Source: Special Eurobarometer 397, p. T11

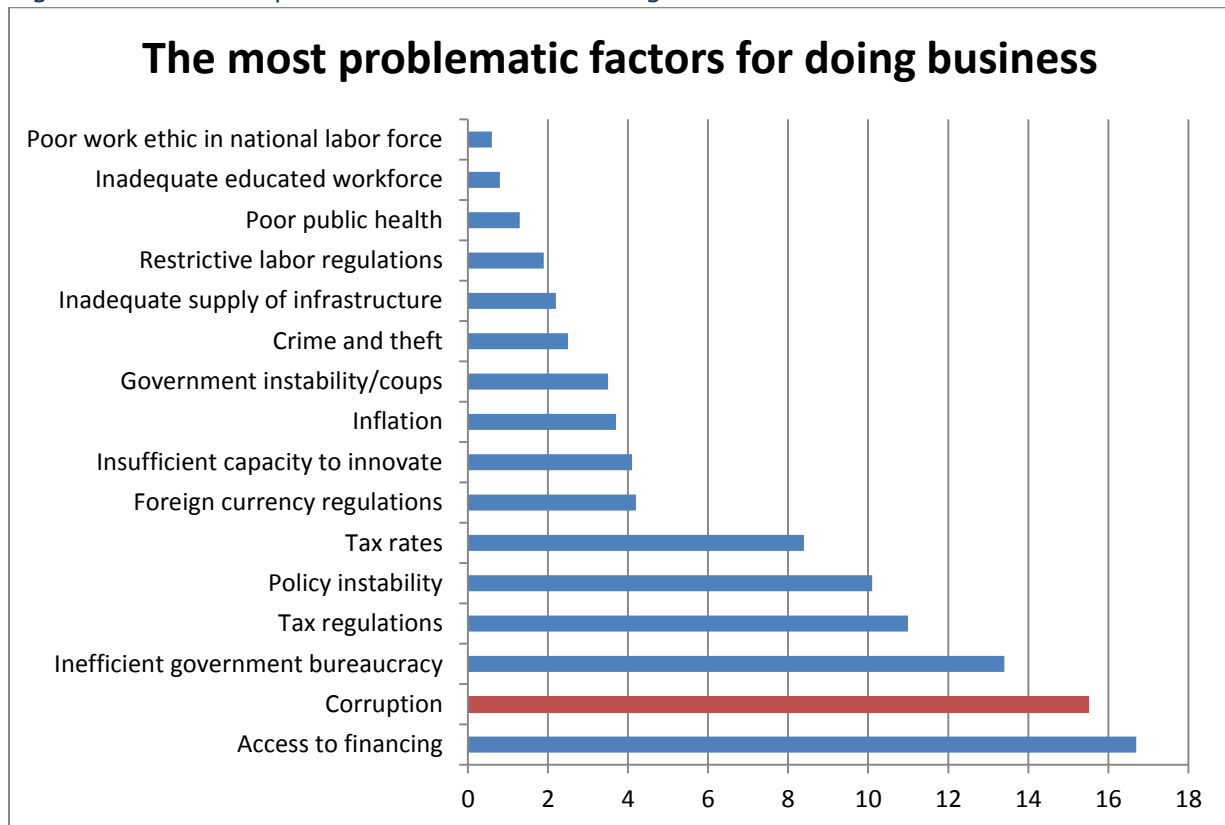
Member States with high percentages of respondents who believe that corruption is widespread usually also have high percentages of respondents who agree that they are personally affected by corruption in their daily life. Within the Member States, the perception on the spread of corruption ranges between 20% (Denmark) and 99% (Greece). Greece is followed by Italy, Lithuania, Spain, Czech Republic, Croatia, Romania, Slovenia, Portugal and Slovakia, where 90% or more of the respondents agree that corruption is widespread in their country. Only in Sweden, Luxembourg, Finland and Denmark less than half of the respondents believe corruption is widespread in their country. Furthermore, more than half of the respondents (56%) believe that the level of corruption has increased the last three years, while 29% thinks it stayed the same and only 5% thinks it decreased. The percentage of respondents who believe the level of corruption decreased in their Member State is the highest in Croatia (17%), Estonia and Poland (15%). Giving and taking bribes and abuse of power for personal gain is believed to be the most widespread within political parties (59%), politicians at national, regional or local level, officials awarding public tenders and officials issuing building permits (more than 40% believes this is widespread) and least widespread in the education sector, the social security and welfare authorities, and the public prosecution service (less than 20% believes this is widespread). The Global Barometer Corruption 2013 confirms that most of the respondents consider corruption as a serious problem in the public sector in their country and, in general, political parties are believed to be the most corrupt (with the exception of respondents from Bulgaria, Denmark, Lithuania, Slovakia and the United Kingdom). Also, more than half of the respondents believe that the Parliament/Legislature and Public official/Civil servants are (extremely) corrupt. The percentages of corruption are the lowest for NGO's (24%), the military and the education system (26%). Unlike in the Eurobarometer, the Global Barometer Corruption 2013 does not define the phenomenon 'corruption' any further, which can explain some of the differences in the results. Also the pilot study in Greece on students' beliefs and attitudes towards corruption and transparency showed that almost 60% of the Greek students did

not trust political parties at all, and approximately two thirds of the students attributed the country's economic crisis to corruption and more than 60% to politicians in general (Spinellis, 2011).

The Eurobarometer 374, which focuses on businesses' attitudes towards corruption in the EU, also asked how widespread they think the problem of corruption is in their country. The results correspond with those of the Eurobarometer 397: three quarters of the companies believe that corruption is widespread in their country, with the highest number in Greece (99%) and the lowest in Denmark (10%). Favours friends and family members in business and public institutions (both 43%) is believed to be most widespread, followed by tax fraud or non-payment of VAT (42%), funding political parties in exchange for public contracts or influence over policy making (32%), offering a free gift or trip in exchange for a service (24%), bribes (23%) and kickbacks (20%). A positive correlation was found between agreeing that corruption is a problem when doing business and thinking corruption is widespread in their country. Nevertheless, in general corruption is not considered as the most serious problem for companies when doing business (25%). More serious problems are for example tax rates and fast-changing legislation and policies. Corruption was especially seen as a problem by companies in Cyprus, Romania, Slovakia, Greece, Portugal and the Czech Republic (more than 60%). On the other hand, less than 20% of the businesses in Estonia, Finland, Ireland, United Kingdom, Sweden and Denmark considered this a problem for their company.

The survey of the World Economic Forum asked businesses in the Member States how common it is for firms in their country to make undocumented extra payments or bribes and to what extent government officials in their country show favouritism to well-connected firms and individuals when deciding upon policies and contracts. The results indicate the weighted average which ranges between 1 (very common) and 7 (never occurs). In general, irregular payments and bribes received an average of 5, while favouritism had an average of 3,5. Respondents who indicate that irregular payments or bribes are common usually also report that favouritism is high, e.g. Slovakia. Corresponding with the findings of the Eurobarometer 397, companies also indicate favouritism as more common than undocumented additional payments and bribes. The survey also wanted to select and rank the five most problematic factors out of 16 for doing business in their country, which also included corruption. The results were afterwards weighted according to their rankings. In Czech Republic and Bulgaria, corruption is seen as the most problematic factor for doing business. It is also in the top five of most problematic factors for doing business in Romania, Slovakia, Croatia, Latvia, Slovenia and Cyprus. On the other hand, corruption was in the bottom five most problematic factors for doing business in Denmark, Finland, the Netherlands, Sweden, Luxembourg, Belgium, Ireland, United Kingdom and France. In these countries, less than 2% of the respondents consider corruption as the most problematic. With the exception of Denmark, Ireland and the Netherlands, respondents of the Member States considered corruption more problematic for doing business than crime and theft. Nevertheless, other factors such as inefficient government bureaucracy, tax rates and access to financing were in general seen as more problematic than corruption. In regards to the respondents of all the countries that participated in the global competitiveness report from the World Economic Forum, we can see that corruption is listed as the second problematic issue for doing business.

Figure 3: The most problematic factors for doing business



note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

Source: The Global competitiveness report 2013-2014, p. 376

The Corruption Perception Index 2013 consist of a composite index, a combination of polls, and are related to the perceptions of experts and businesses on corruption in the public sector and politics. It can be related to a defined type of corruption or, and where appropriate, the effectiveness of corruption prevention as this can be used as a proxy for the perceived level of corruption in the country. Where 0% is highly corrupt and 100% is very clean, Denmark scores the best (91%), while Greece has the lowest score (40%). One out of four Member States score below 50% (Croatia, Czech Republic, Slovakia, Italy, Romania, Bulgaria and Greece). The EU has an average score of approximately 63%.

As we can see, the public opinion and companies consider corruption to be very widespread within the EU. In general, three out of four respondents consider corruption as (very or fairly) widespread in their country, with up to 99% of the respondents in Greece. Again, there is a lot of variation within the Member States. Greek respondents usually have the highest perceived levels of corruption, while the Danish respondents have the lowest. Moreover, more than half of the respondents of the general public believe that corruption is increasing. In general, corruption is believed to be most widespread within political parties and among politicians at national, regional or local level (more than 50% of the respondents agree with this). Favouritism is seen by companies as more widespread than bribery. Nevertheless, corruption is not considered

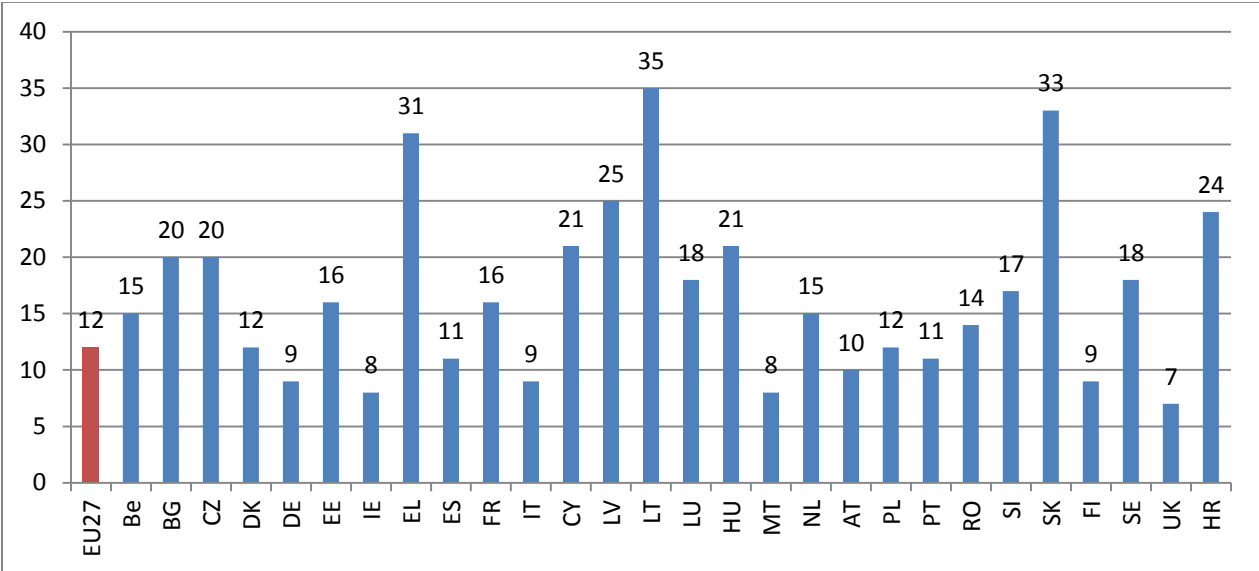
as the most serious problem for companies when doing business (with the exception of the Czech Republic and Bulgaria).

3.2.Experiences with corruption

This part of the monitor report focuses on experiences of the public and companies with corruption. Data from the Eurobarometer 397, Eurobarometer 374, the Global corruption barometer 2013 and the Enterprise surveys are included. The focus in all these reports is put on bribery. It includes population surveys as well as business sector surveys.

The Eurobarometer 397 first asked the public’s opinion on whether they personally knew of anyone who takes or has taken bribes. 12% of the respondents say they personally know someone who takes or has taken bribes. Respondents in Lithuania, Slovakia and Greece (more than 30%) are most likely to know someone, while in Germany, Finland, Italy, Ireland, Malta and the United Kingdom (less than 10%) they are least likely to know someone.

Figure 4: percentage of respondents knowing someone who takes or has taken bribes



Source: Special Eurobarometer 397, p. T21

Next, respondents were asked whether in their contacts in the past year with various public and private services and institutions, officials, and politicians and political parties anyone asked or expected them to pay a bribe for their services. 4% of the respondents was asked or expected to pay a bribe for services received. Especially the respondents from the Member States that joined the EU during the 2004 and 2007 enlargements were confronted the past year with someone asking for a bribe for services (15%) in comparison to the other Member States (2%), with outliers in Lithuania (29%) and Romania (25%). Bribes were most likely asked or expected when dealing with the healthcare system (2%), followed by dealing with private companies (1%) and the police or customs (1%). However, as these are base sizes, they should be treated with caution. 5% of the respondents that visited public health practitioners and institutions the last year say they had to give an extra payment, valuable gift or make a donation to the hospital. They had to give an extra payment or valuable gift because they felt they had to before the care was given (19%), because they would get a privileged treatment (19%), because they felt they had to after care was given (18%), because the

doctor/nurse expected an extra payment/gift following the procedure (14%), because they were asked to go for a private consultation in order to be treated in a public hospital (12%), because the doctor/ nurse requested this in advance (8%) or other (9%).

The Global corruption barometer 2013 also included some questions in their survey on experiences of respondents with bribery. First of all, they asked respondents if they were ever asked to pay a bribe. The Member States with the highest percentages were Greece (38%), Lithuania (31%), Slovakia (27%), Cyprus (26%) and Romania (25%). Despite that respondents in Greece have the most experience with bribery, petty corruption in Greece is said to be decreasing continuously since 2009. The decrease would be the result of the reduction in incomes (due to the economic crisis), the continuous campaigns against corruption carried out by tax authorities and NGOs, and the more intensive state control (Transparency International 2013; Courakis, 2014). The lowest percentages on bribery were found in Italy, Spain, Finland, United Kingdom and Denmark (less than 10%). Most of the Member states with low percentages on bribery had high percentages for refusing to pay any requested bribe. An exception to this rule is Spain. This was one of the Member States with the lowest percentage of respondents that were ever asked to pay a bribe, but half of those who were actually asked to pay a bribe, also paid it. Other Member States that had high percentages of actually paying the bribe were Hungary, Latvia and Lithuania (more than 40% of the respondents did not refuse to pay the bribe). The Global corruption barometer also examined how many respondents paid bribes in the past year to one of eight public services (i.e. police, judiciary, registry, land, medical, education, tax or utilities). The highest percentages of respondents who have paid bribes in the past year to any one of the eight services are Greece, Lithuania and Slovakia (between 20-30%). The results in the Global corruption barometer confirm that the public service where bribery was most common was the medical and health sector. This was followed by the judiciary, land services, the police, registry and permit services, education, tax revenue/and or customs and utilities. Bribery percentages within the medical and health sector also vary here a lot between the Member States: between 1% (Finland and Spain) and 35% (Lithuania). With some exceptions, these results correspond with the ones of the Eurobarometer.

The Eurobarometer 374 included a chapter on experiences of businesses with bribery in public tenders or public procurement procedures in the last 12 months. In general, the experience of bribery is again low: less than 2% for the listed services and permits. The highest percentages (more than 10%) are found in Ireland, Bulgaria and Greece for building permits and in Bulgaria and Slovakia for license plates or permits related to vehicles.

The experience with bribery by companies in the last 12 months was also measured in the Crime against business in the EU survey. The prevalence rate is again very low (compared to other crime types) and is about 1%. It varies between different economic sectors. Interesting here is that a high multi-victimisation rate was found, because more than half of the businesses (61%) which indicated to be a victim of bribery were victimised more than once. Highest prevalence rates were found in Bulgaria, Greece, Hungary and Portugal, while the lowest numbers were recorded in the United Kingdom, France, Germany, Ireland and Belgium. Victimised companies considered corruption extremely (16,1%) and very widespread (24,2%), moderately widespread (14,3%), slightly widespread (10,7%) or almost not existing (11,9%) in their economic sector. The supposed perpetrator of bribery and corruption were in more than half of the cases

(52,3%) public officials, followed by someone acting individually (39%), other private companies (20,9%) and members of organised crime (8,5%).

The Enterprise Surveys (Worldbank) measured, among other things, the bribery incidence (the percentage of firms experiencing at least one bribe payment request during six transactions dealing with utilities access, permits, licences, and taxes), the bribery depth (the percentage of transactions (out of six transactions dealing with utilities access, permits, licences, and taxes) where a gift or informal payment was requested) and the percentage of firms identifying corruption as a major constraint (the computation of the indicator is based on the rating of the obstacle as a potential constraint to the current operations of the establishment) in companies in 16 Member States of the EU. Lithuania had the highest number of bribery incidence and depth, while Slovenia had the lowest. In general, Member States that have a bribery incidence that is above average, normally also consider corruption more as a major constraint when doing business. Exceptions are Croatia and Hungary. Although these Member States had a rather low bribery incidence and depth, they identify corruption as a major constraint.

The International Crime Victimization Survey 2005 also asked respondents in the Member States whether a government official asked or expected to pay a bribe for his or her service (i.e. street level corruption). Of course, we should be aware that these data are already somewhat outdated (these data were gathered in 2003-2004), but they can still give us an idea of how widespread bribery is compared to other crime types.

As we can see, measurement of experiences with corruption are usually limited to experiences with bribery, which are rather low compared to other crimes. Also, there is a gap between perceptions of the frequency and experiences with corruption. However, we should be aware that the experiences which are measured, only cover a small part of corruption, i.e. bribery. Corruption is a complex and multifaceted phenomenon, which covers more than just bribery, e.g. also favouritism, nepotism, embezzlement, trading in influence, buying votes or illegal political party financing. On average, most experiences with bribery were found in the healthcare system (2%). Nevertheless, the percentages of experiences with bribery in the healthcare system range a lot (between 0% and 22%) in the different EU Member States. For businesses, we see similar results. Interesting for businesses is that more than half of the businesses (60,5%) that indicated that they were the victim of bribery were victimised more than once, which means that there is a high multi-victimisation rate.

3.3.Crime statistics

This part of the monitor will include data on corruption from the European Sourcebook, i.e., police data, prosecution and conviction statistics and information on sanctions/measures taken in the various Member States. Also, there is some information included from the Eurobarometer 397 and 374 and the Global Corruption report. Notwithstanding that these data involve perceptions of the general public; it was included in this part of the Monitor as it provides specific information on how people think the government deals with corruption.

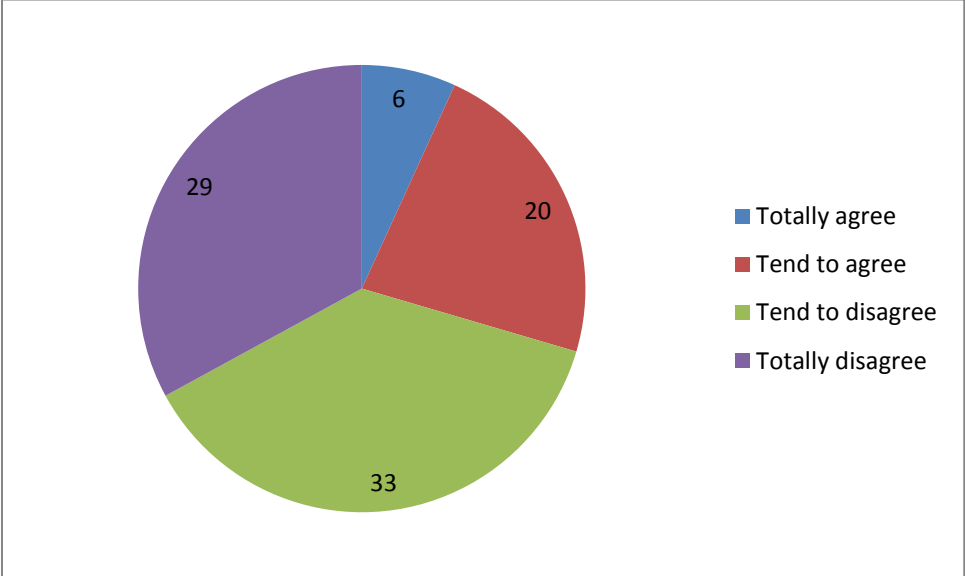
Corruption is defined as 'the offering or accepting of a financial or any other advantage in exchange for a favourable treatment by public officials'. However, only few Member States could adopt this standard definition. There were various variations from the standard definition for this crime type, which need to be taken into account when

comparing levels of recorded crime among EU Member States., e.g. Sweden only included bribery. It should also be taken into account that each country has its own counting rules which affects cross-national differences.¹⁶ First, the police statistics provide information on the offences and suspected offenders recorded by the police. Most of the Member States had considerably low number of police reported corruption cases (most of them had a yearly amount of less than 10 offences per 100 000 population). Poland and Lithuania had the highest rates with a yearly average of between 10-20 offences per 100.000 population. Belgium, Denmark, Finland, Ireland, Portugal and the United Kingdom (Scotland) reported less than 1 offence per 100 000 population. The strongest increase of reported offenders/offences was found in Austria, Slovenia, Croatia and Czech Republic. The average corruption reported perpetrator is an indigenous native male offender. An exception is Cyprus, where almost half (44,9%) of the corruption offenders are aliens. Next, the prosecution statistics provide information on the decision-making at the prosecution level of corruption criminal cases in 2010. Most of the Member States had less than 6 criminal cases per 100.000 population handled by the prosecution authorities. Only Lithuania (15,7) and Romania (24,7) had a considerable higher number of criminal cases handled at the prosecution level. The cases that were afterwards actually brought before a court range a lot in the different Member States. The highest percentage were found in Lithuania (72,8%), Czech Republic (85,9%) and Hungary (91,7%), while the lowest were found in Romania (7,6%) and Belgium (22,7%). Conviction rates give information on the persons who have been convicted, i.e. found guilty according to law of having committed a criminal offence. Again, the conviction rate is very low (e.g. less than 3,5 per 100 000 population in 2011). Exceptions are again Lithuania (e.g.11,2 people per 100 000 population in 2011) and Poland (e.g. 6,9 people per 100 000 population in 2011). The type of measure/sanction mostly given to the offenders depends on the Member States. Most Member States give mostly suspended custodial sanctions and measures, i.e. Austria, Czech Republic, France, Hungary, Poland, Portugal and the United Kingdom (N. Ireland). Others mostly give fines, e.g. Finland, Germany and Sweden. Only the Netherlands gave mostly non-custodial sanctions and measures (in 66,7% of the cases).

The Eurobarometer 397 measured the views of the respondents on how corruption is dealt with at the national and EU level, examining opinions of the effectiveness and impartiality of the judicial system, or those of EU institutions. In general, most of the respondents in the EU (62%) do not agree that there are enough successful prosecutions in their country to deter people from corrupt practices. Moreover, they do not think that government efforts to combat corruption are effective and EU institutions are not helping in reducing corruption in their country. Overall, 73% of the respondents agree that high-level corruption cases are not pursued sufficiently in their country.

¹⁶ For more information, read Aebi, M. F. (2008). Measuring the Influence of Statistical Counting Rules on Cross-National Differences in Recorded Crime. In K. Aromaa & M. Heiskanen (Eds.), *Crime and Criminal Justice Systems in Europe and North America 1995-2004*, 196-214. HEUNI Publication Series No. 55. Helsinki: European Institute for Crime Prevention and Control. [http://www.peacepalacelibrary.nl/ebooks/files/HEUNI_572DFFCB.pdf]

Figure 5: % of respondents think there are enough successful prosecutions in their country to deter people from corrupt practices

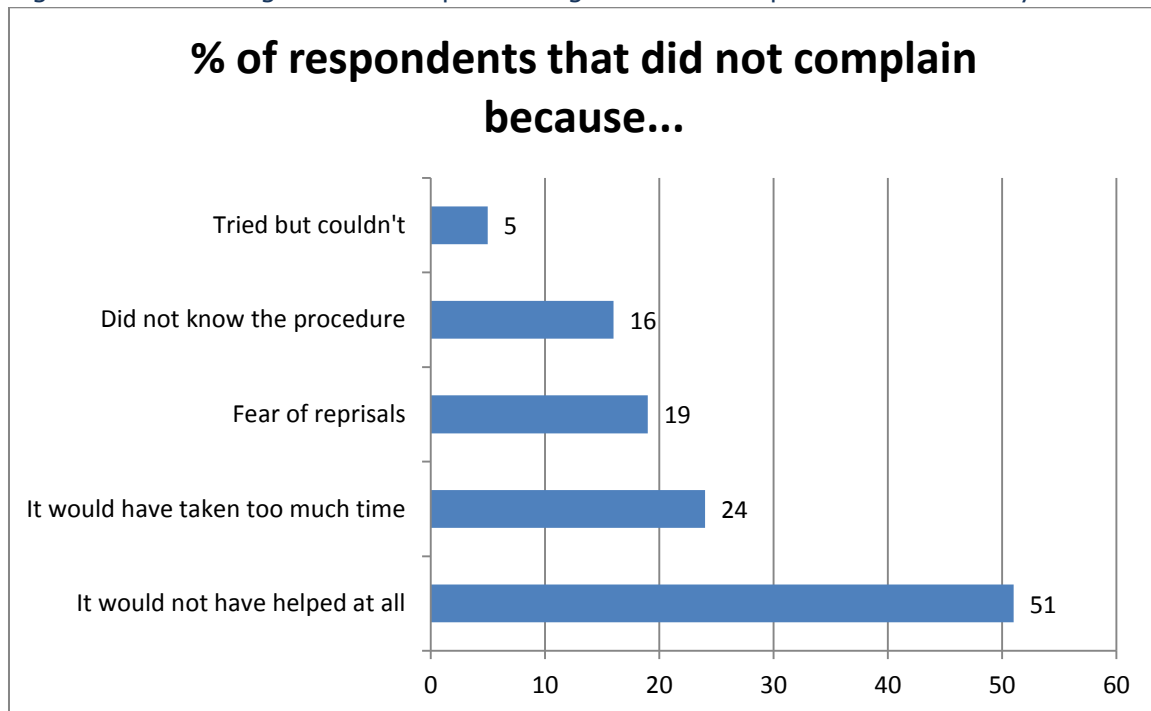


Source: Eurobarometer 397, p. T70

In the Eurobarometer 374, in general six out of ten companies think it is unlikely that corrupt people or businesses would be caught or reported, fined or imprisoned. In Slovakia, Cyprus and Bulgaria less than one out of four respondents believe it is very likely that people or businesses in corrupt practices in their country would be caught by or reported to the police or prosecutors, while this number is more than 50% in Romania, Poland, Denmark and Croatia. Denmark and Croatia are the only two Member States where more than one out of two companies also believe it is likely that they would be heavily fined or imprisoned by a court. Furthermore, less than half of the companies (46%) agree that those caught for petty corruption or bribery are appropriately punished. In Italy, Spain and Ireland, most companies believed that people and businesses caught for petty corruption are not appropriately punished (60% and more). Also, half of the companies disagree that measures against corruption are applied impartially and without ulterior motives.

In the Global corruption barometer 2013, on average 70% of the EU respondents indicated that they would report an incident of corruption if it occurred. Most of the respondents that would not report it, reasoned it would not make a difference (51%), were afraid for the consequences (28%), would not know where to report it (14%) or had another reason (7%). Hungary and Latvia were the only two Member States where more than half of the respondents said they would not report an incident of corruption (respectively 70% and 52%). More than half of these respondents said they would not report because it would not make any difference.

Figure 6: Reasons given for not presenting a formal complaint about bribery



Source: Transparency International Global Corruption Barometer 2009. (percentages are weighted)

Survey results from the Eurobarometer 397 show that, on the contrary, three out of four respondents who experienced or witnessed a case of corruption in the past year did not report it. This number increased to 90% and more in Estonia, Latvia, Greece, Slovakia and Poland (98%). The highest reporting rate (more than 30%) was found in Finland and the Netherlands. Furthermore, almost half of the respondents does not know where they should report a case of corruption. In Hungary and Belgium, more than 60% of the respondents do not know where they should report it, while in Finland, Cyprus and Slovenia, most respondents know where to report a case (more than 60%). When respondents were asked which reason for not reporting could be most important, they believe it is because it is difficult to prove (47%), reporting it would be pointless because those responsible will not be punished (33%) and there is no protection for those who report corruption (31%). Most trusted to deal with a complaint about a case of corruption is the police. The least likely to trust political representatives and EU institutions.

As a conclusion we see that, while most of the respondents (70%) indicated in the GCB 2013 that they would report an incident of corruption if it occurred, in general three out of four respondents who did experience or witness a case of corruption in the past year did not report it. Furthermore, almost half of the respondents did not know where they should report it. Most respondents believe it is unlikely that corrupt people or businesses would be caught or reported, fined or imprisoned. In relation to this most member states had considerably low number of police reported corruption cases and less than 6 criminal cases per 100.000 population handled by the prosecution authorities. Moreover the conviction rate is very low in most countries (except in Lithuania and Poland).

4. Conclusion

Corruption is estimated to cost the EU economy 120 billion EUR per year. Therefore the European Union made corruption one of its priorities. However corruption is a difficult to define concept since it covers a wide range of phenomena such as bribery, favouritism, embezzlement... Nevertheless a lot has already been published about the phenomenon. Therefore this monitor has tried to give a general overview on what the general public thinks about corruption and about what the attitudes of the businesses are towards corruption.

The acceptance of corruption defers a lot between the member states. However there are certain general conclusions that we can make. We can state that giving money is less accepted than doing a favour or giving a gift in return for something from the public administration or public services. However there is a difference in the acceptance of corruption if the money is given before or after the service, with before being less accepted. Moreover the general idea is that it is more accepted to give money than to accept it.

In regards to the spread of the phenomenon, it can be said that three out of four respondents consider corruption as widespread in their country. However there is again a lot of difference between the member states; with Greece, in general, having the highest and Denmark the lowest perceived widespread levels of corruption. In contrast, companies see favouritism as more widespread than bribery. Furthermore, they consider corruption not as the most serious problem for companies when doing business (with the exception for companies from Czech Republic and Bulgaria).

The complexity of the phenomenon makes it difficult to grasp the experiences of the general public since they are often limited to bribery. In this regard we see most experiences with bribery occurring in the healthcare sector; however there is again a lot of difference between countries. Moreover businesses have 60,5 % chance that they will be multi-victimised. This shows that there is a gap between the perception of the frequency and of how widespread corruption is and the actual experiences of corruption.

In connection to the fact that three out of four respondents think that corruption is widespread in their country, also 70% of the respondents indicate that they would report an incident of corruption if it occurred. However in general three out of four respondents who did experience or witness a case of corruption in the past year did not report it. This stands in connection with the low number of police reported corruption cases and with the very low conviction rate in most countries. This in its turn shows that there is again a gap between what people perceive of corruption and how people act according to it. Even though there is already a large knowledge of the phenomenon, there is still a long way to go towards acting upon that knowledge and through this decreasing the problems connected to it.

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