



Flash Eurobarometer 482

Briefing Note

Businesses' attitudes towards corruption in the EU

Fieldwork
September-October 2019
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December 2019

Survey requested by the European Commission,
Directorate-General for Migration and Home Affairs
and co-ordinated by the Directorate-General for Communication

This document does not represent the point of view of the European Commission.
The interpretations and opinions contained in it are solely those of the authors.

Flash Eurobarometer 482 – Kantar



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Directorate-General for Migration and Home Affairs

Survey co-ordinated by the European Commission, Directorate-General for Communication
(DG COMM "Media monitoring and Eurobarometer" Unit)

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INTRODUCTION

Corruption is a serious challenge for all societies. While its nature and level vary from one Member State to another, it has an impact on the EU as a whole: it lowers levels of investment, introduces inefficiencies into the operation of the Internal Market, and drains revenues from public finances.

Corruption takes many forms, such as bribery, trading in influence, abuse of functions, but can also hide behind nepotism, conflicts of interest, or revolving doors between the public and the private sectors. It constitutes a threat to security, as an enabler for crime and terrorism. It acts as a drag on economic growth, by creating business uncertainty, slowing processes, and imposing additional costs. Although the nature and scope of corruption may differ from one EU State to another, it harms the EU as a whole by lowering investment levels, hampering the fair operation of the Internal Market and reducing public finances.

The European Commission is strongly committed to fighting corruption, and its anti-corruption efforts are centred around the following pillars: mainstreaming anti-corruption provisions in EU horizontal and sectorial legislation and policy; monitoring performances in the fight against corruption by Member States; supporting the implementation of anti-corruption measures at national level via funding, technical assistance and experience-sharing; and improving the quantitative evidence base for anti-corruption policy.

This Eurobarometer survey, first conducted in 2013¹, and repeated in 2015² and 2017³, explores the level of corruption perceived and experienced by businesses employing one or more persons in the following six key sectors: energy, mining, oil and gas, chemicals; healthcare and pharmaceutical; engineering and electronics, motor vehicles; construction and building; telecommunications and information technologies; and financial services, banking and investment.

The survey covers a range of areas, including perceptions of:

- Problems encountered when doing business;
- Businesses' perception of the level of corruption in their country,
- The prevalence of practices leading to corruption;
- Corrupt practices in public tender and public procurement procedures;
- How corruption is investigated, prosecuted and sanctioned.

This Flash Eurobarometer was carried out by the Kantar network in the 28 EU Member States between 30 September and 24 October 2019. All interviews were conducted using the TNS e-Call centre (our centralised CATI system). The sample of 7,722 businesses was selected from an international business database and, where necessary, from local sources in the countries concerned. The methodology used is that of Eurobarometer surveys carried out by the Directorate-General for Communication ("Media monitoring and Eurobarometer" Unit)⁴.

¹ Flash Eurobarometer 374:

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/60596>

² Flash Eurobarometer 428:

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/69434>

³ Flash Eurobarometer 457:

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/81005>

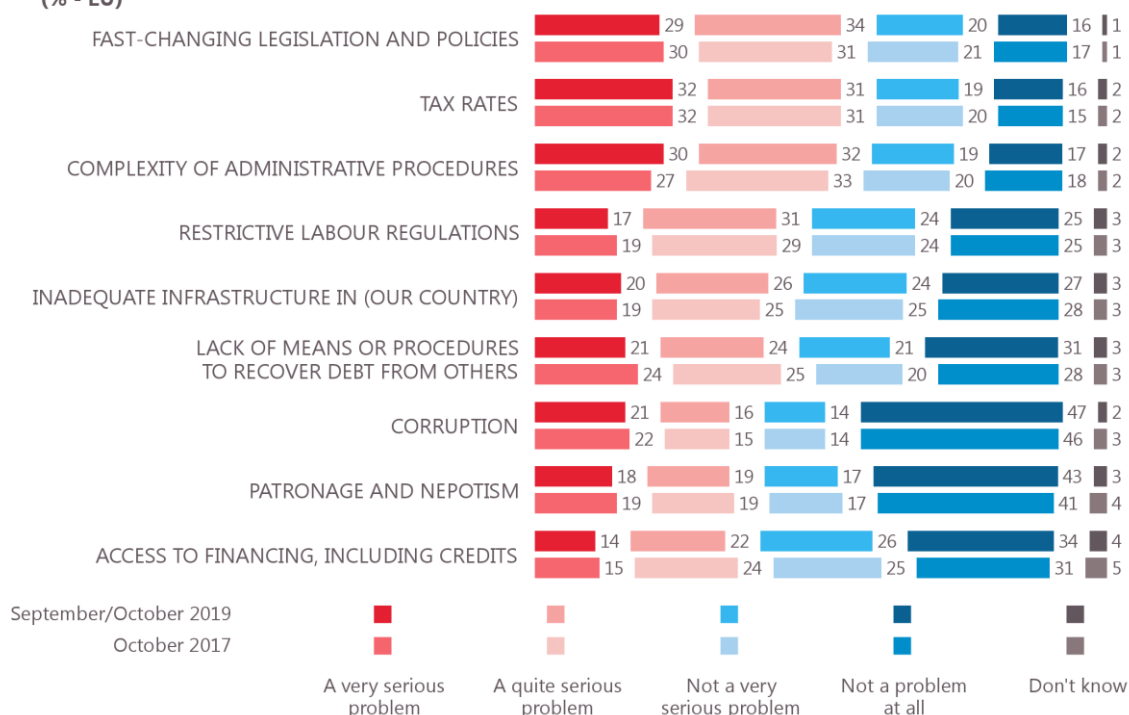
⁴ <http://ec.europa.eu/commfrontoffice/publicopinion>

I. PROBLEMS ENCOUNTERED WHEN DOING BUSINESS

- Nearly four out of ten companies consider corruption to be a problem when doing business, but it is not considered to be the main problem -

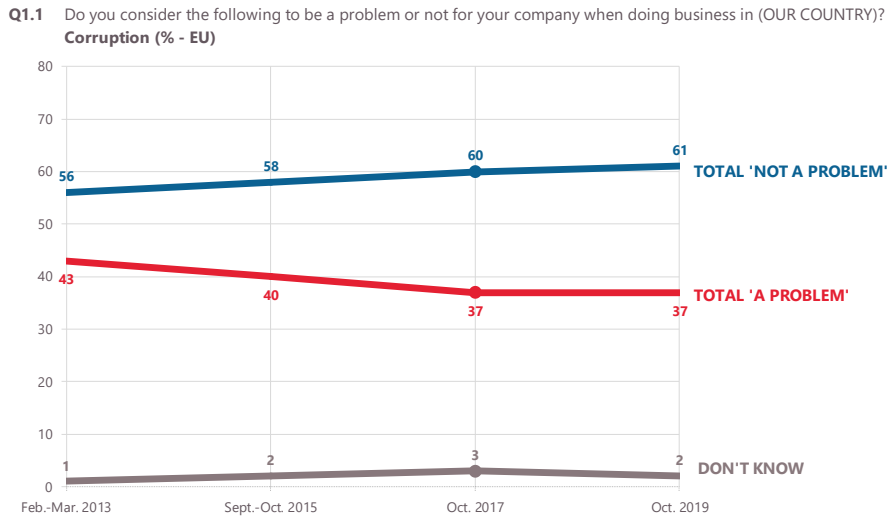
As in the previous Flash Eurobarometer of October 2017, companies do not consider corruption among their main problems. When asked which issues are a problem when doing business in their country, more than six in ten European companies consider **tax rates** (63%, no change since October 2017), **fast-changing legislation and policies** (63%, +2 pp) and **complexity of administrative procedures** (62%, +2 pp) to be the main concerns.

Q1 Do you consider the following to be a problem or not for your company when doing business in (OUR COUNTRY)? (% - EU)



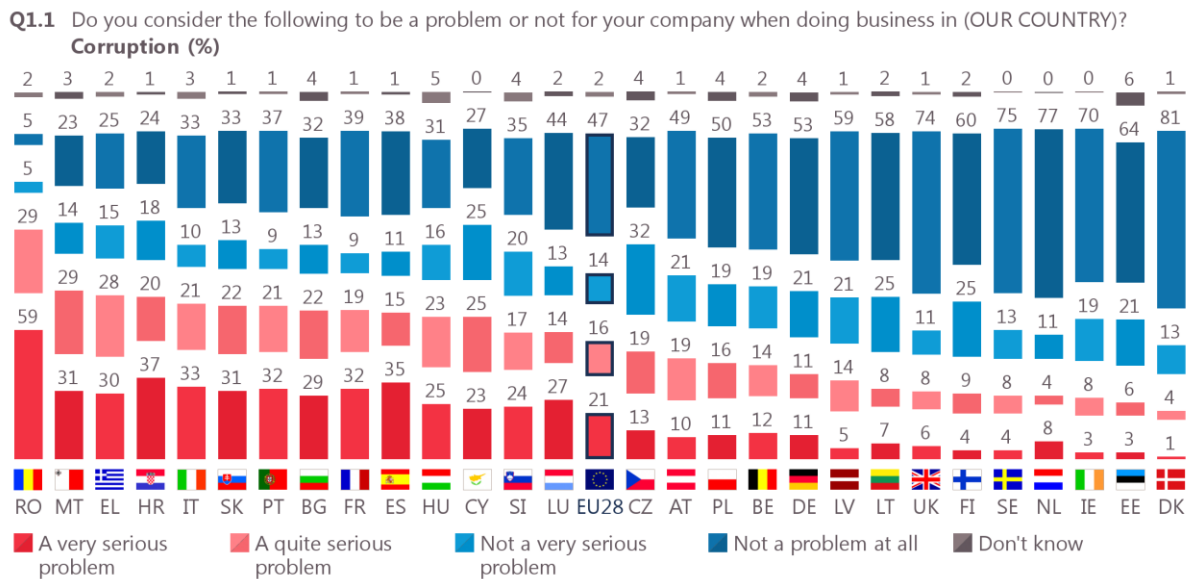
Base: all companies (n=7,722)

Although not ranked among the top issues, corruption is a problem for nearly four in ten European companies (37%). This is the first time that the proportion for corruption has remained stable between two surveys, after having decreased with each consecutive wave of the survey, down from 43% in 2013 and 40% in 2015 to 37% in both 2017 and 2019.



Base: all companies (n=7,722)

The country level analysis highlights important differences between EU Member States. Over half of companies see corruption as a problem in nine EU Member States, with the highest level in Romania (88%), ahead of Malta (60%) and Greece (58%) whilst Denmark (5%) and Estonia (9%) register the lowest levels.



Base: all companies (n=7,722)

Corruption is a problem when doing business for fewer than four in ten companies in all sectors, with the highest proportion among companies in the healthcare and pharmaceuticals sector (38%), and the lowest in the energy industry (31%).

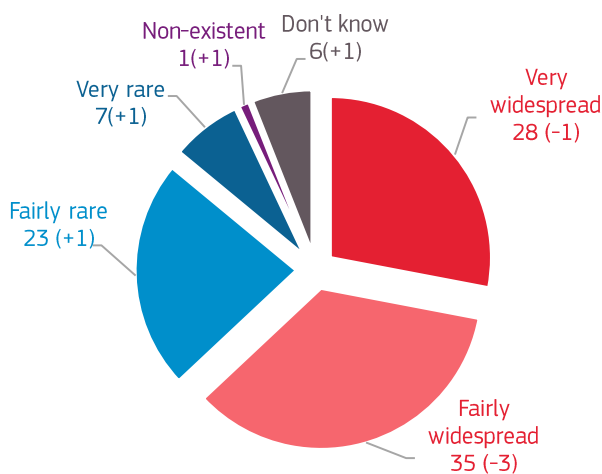
Irrespective of their size, corruption appears to be a problem for all companies. Nearly four in ten companies – irrespective of their size – say that **corruption** is a problem for them when doing business in their country: 37% of companies with one to nine employees, 38% of those with 10 to 49 employees, and 39% of those with 50 employees or more.

II. BUSINESSES AND THE LEVEL OF CORRUPTION IN THEIR COUNTRY

- Nearly two thirds of companies say corruption is widespread in their country -

Across the EU, more than six in ten European companies (63%, a 4-point decrease since October 2017) consider that corruption is widespread in their country, including nearly three in ten for which it is “very widespread” (28%, -1 pp).

Q3 How widespread do you think the problem of corruption is in (OUR COUNTRY)? (% - EU)

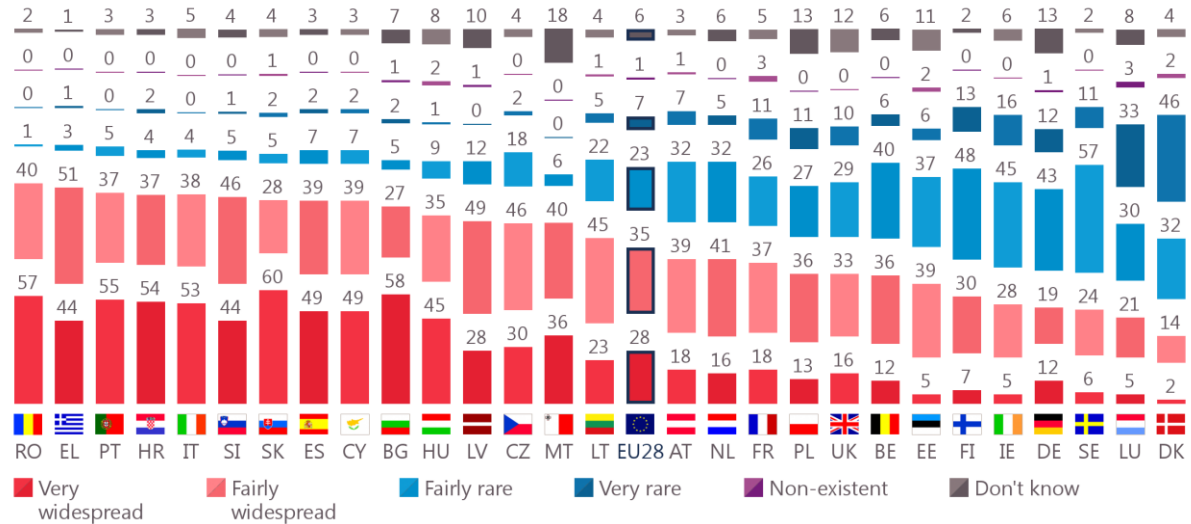


(September/October 2019 - October 2017)

Base: all companies (n=7,722)

Country level analysis reveals significant differences between EU Member States. In 22 EU Member States a majority of companies believe that the problem of corruption is widespread in their country.

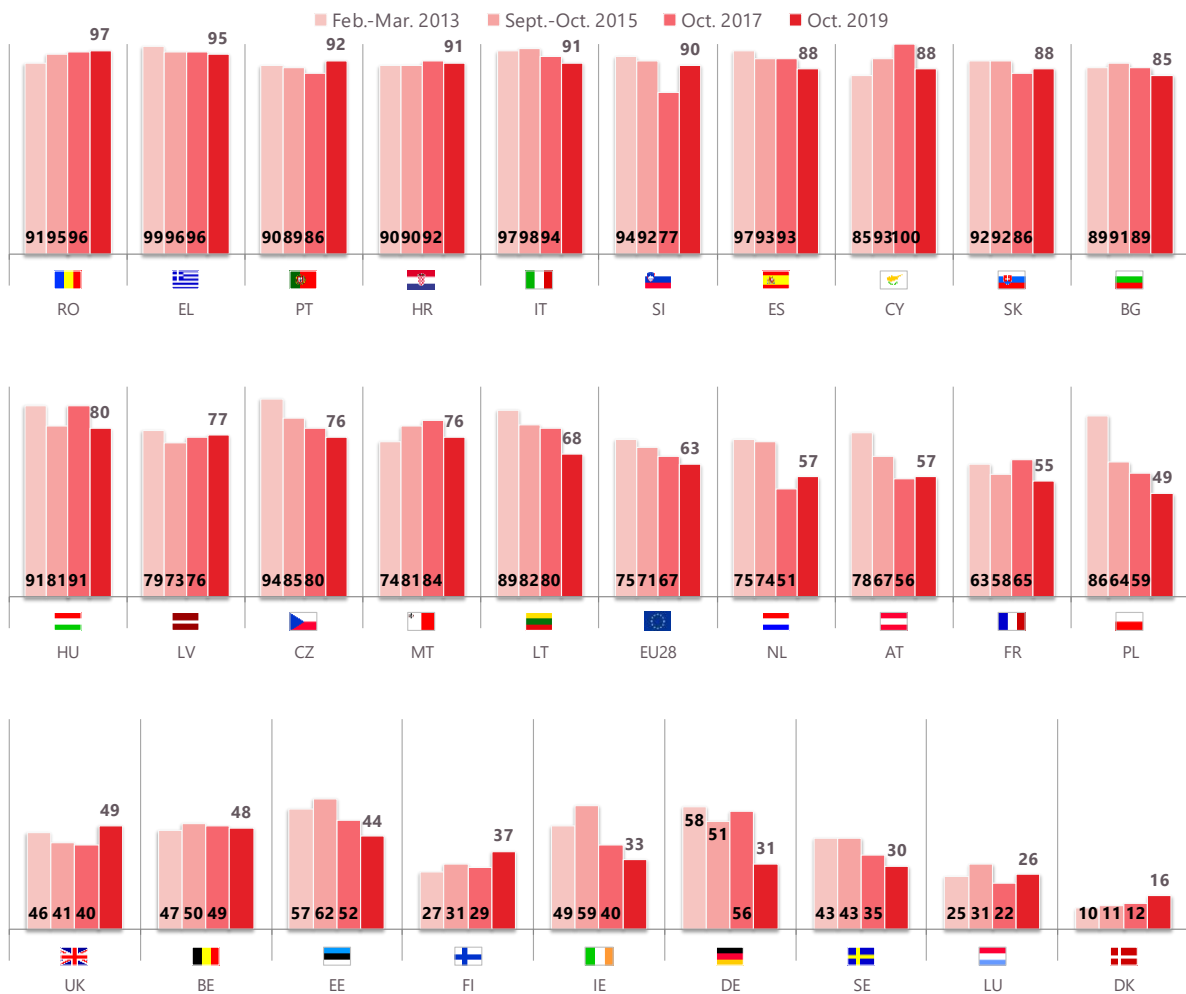
Q3 How widespread do you think the problem of corruption is in (OUR COUNTRY)? (%)



Base: all companies (n=7,722)

The perception that corruption is widespread has decreased in 18 Member States since 2013, but remains high in some. Since 2017, the share of companies that consider corruption being widespread has increased most notably in Slovenia (90%, +13 pp), the United Kingdom (49%, +9 pp) and Finland (37%, +8 pp). On the other hand, this share decreased considerably in Germany (31%, -25 pp), Cyprus (88%, -12 pp) and Lithuania (68%, -12pp).

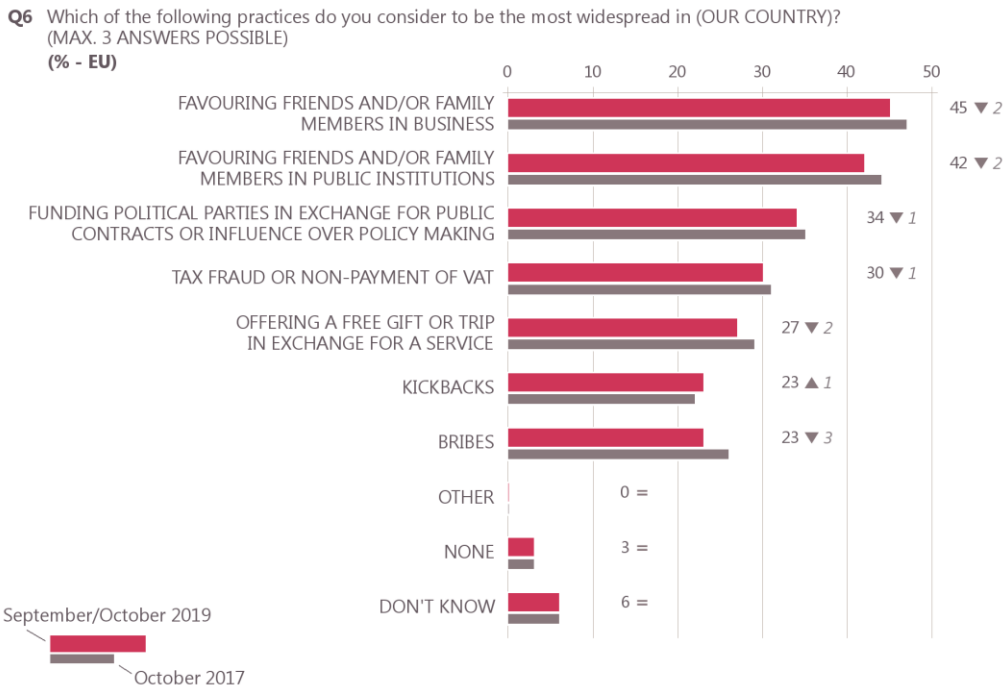
Q3 How widespread do you think the problem of corruption is in (OUR COUNTRY)?
(% - Total 'Widespread')



Base: all companies (n=7,722)

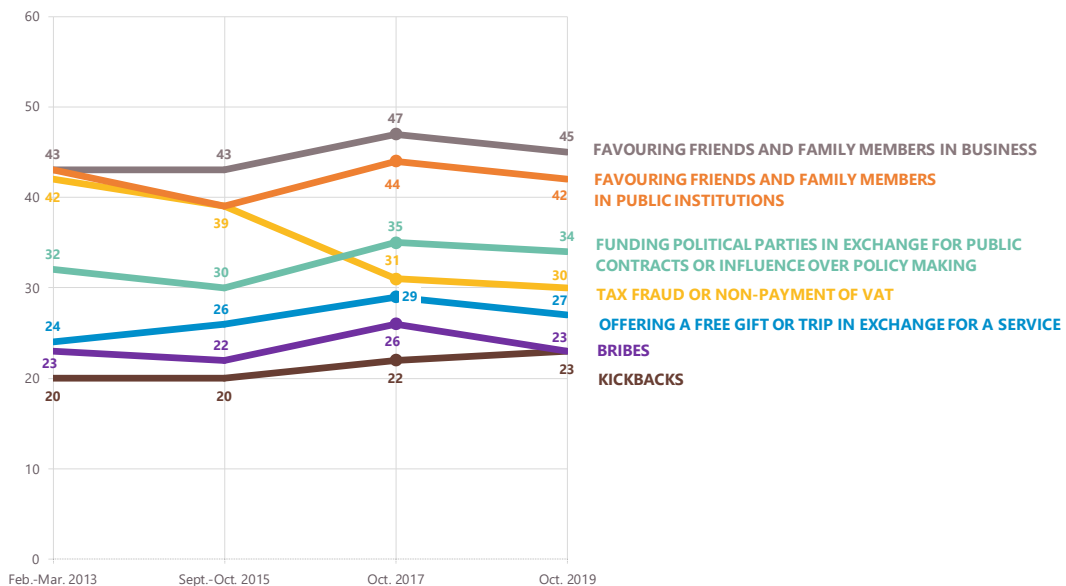
– Favouring family and friends in business is considered to be the most widespread corrupt practice –

Over four in ten European companies say that favouring friends and family members in business is the most widespread corrupt practice in their country (45%, a 2-point decrease since October 2017), whilst a similar proportion say the same about favouring friends and/or family members in public institutions (42%, -2 pp).



Base: all companies (n=7,722)

Since October 2017, six practices have registered slight decreases. However, looking at the long term trends since 2013, the share of corrupt practices mentioned remained stable or increased slightly, except for tax fraud and non-payment of VAT, which decreased considerably by 12 percentage points over this time span.



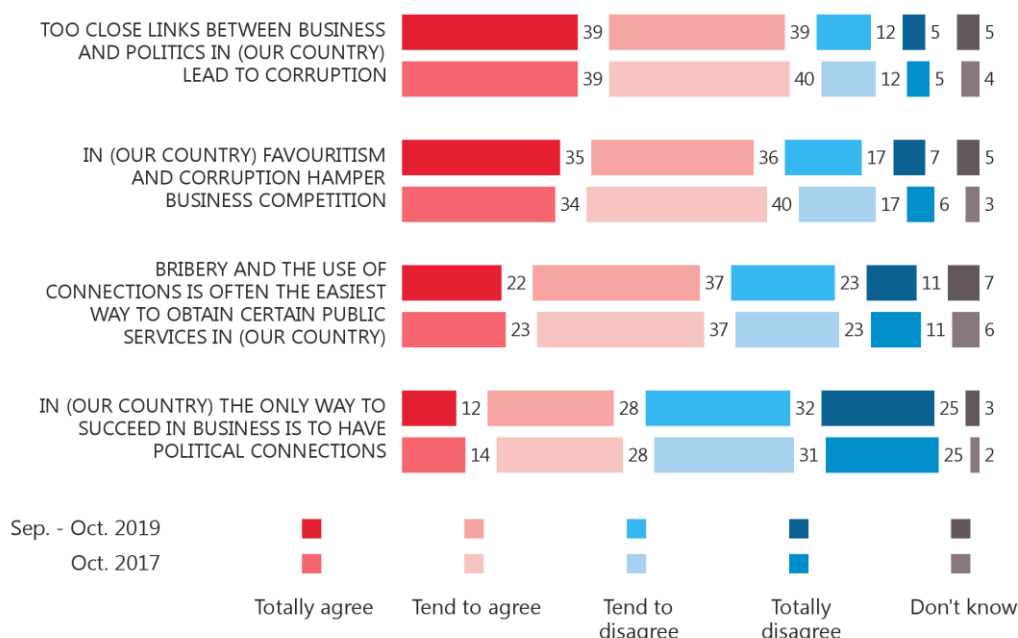
Base: all companies (n=7,722)

III. BUSINESSES' OPINIONS ABOUT PRACTICES LEADING TO CORRUPTION IN THEIR COUNTRY

More than three-quarters of European companies agree that too close links between business and politics in their country lead to corruption

Over three-quarters of European companies agree that too close links between business and politics in their country lead to corruption (78%, a 1-point decrease since October 2017), with close to four in ten (39%, no change) in total agreement with this statement. Slightly fewer companies (59%) agree that bribery and the use of connections is often the easiest way to obtain public services. As in the previous survey, less than half of the companies surveyed (40%) think that the only way to succeed in business is to have political connections.

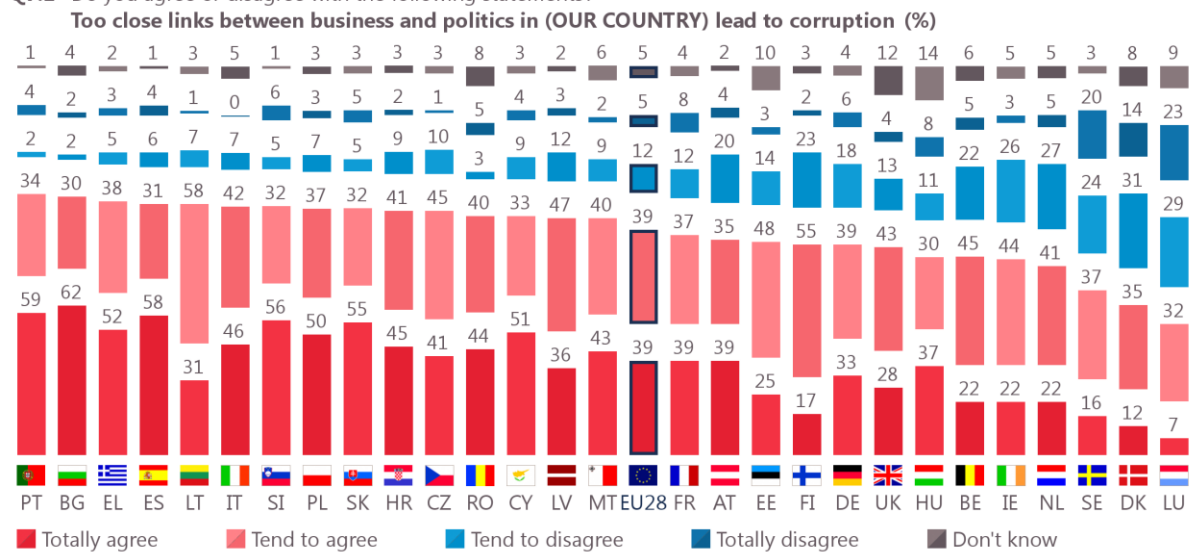
Q7 Do you agree or disagree with the following statements?
(% - EU)



Base: all companies (n=7,722)

In almost all EU Member States, more than half of companies agree that **too close links between business and politics** in their country lead to corruption, with the highest scores recorded in Portugal (93%), Bulgaria (92%) and Greece (90%). Luxembourg (39%), Denmark (47%) and Sweden (53%) stand out with a particularly lower-than-average proportion of companies that consider too close links between business and politics to be connected with corruption. Compared to 2017, the level of agreement with the statement has decreased most notably in Hungary (-11 pp). On the contrary, it has increased notably in Denmark (+11 pp) and the United Kingdom (+10 pp).

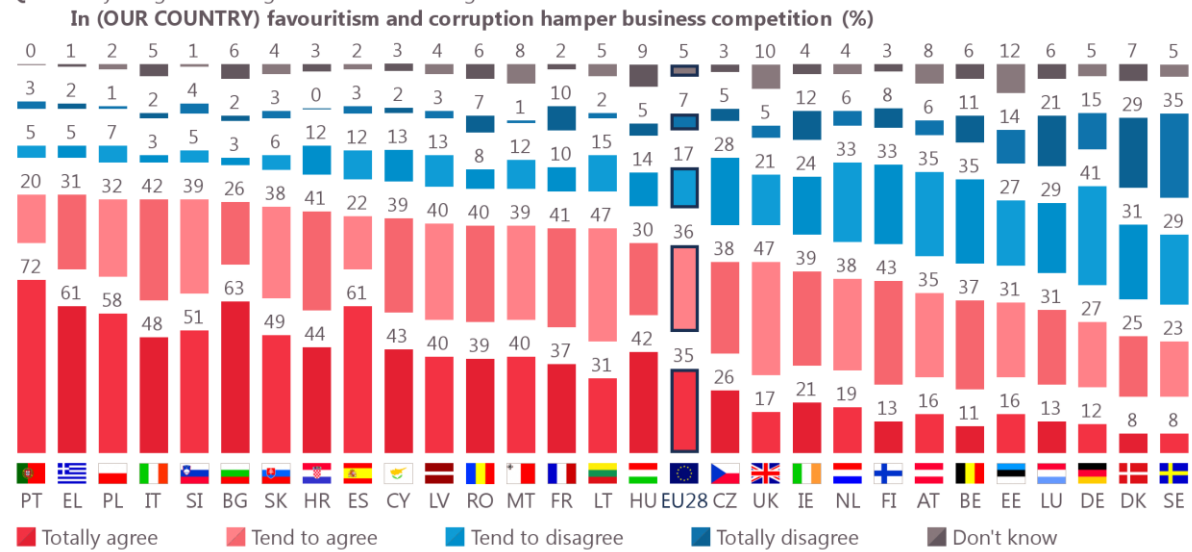
Q7.1 Do you agree or disagree with the following statements?



Base: all companies (n=7,722)

More than half of companies in 22 Member States agree with the statement that **favouritism and corruption hamper business competition** in their country, with the highest proportions in Greece and Portugal (both 92%), and Italy, Poland and Slovenia (90% in the three countries). As above, Luxembourg (44%), Denmark (33%) and Sweden (31%) are among countries with the lowest share of companies that think the same, along with Germany (39%). Compared to 2017, the proportion of companies agreeing with the statement has lost ground in Germany (-17 percentage points), Romania (-14 pp), Hungary (-11 pp), Sweden, Estonia and Czechia (all -10 pp). On the other hand, this proportion has risen particularly in Ireland (+14 pp).

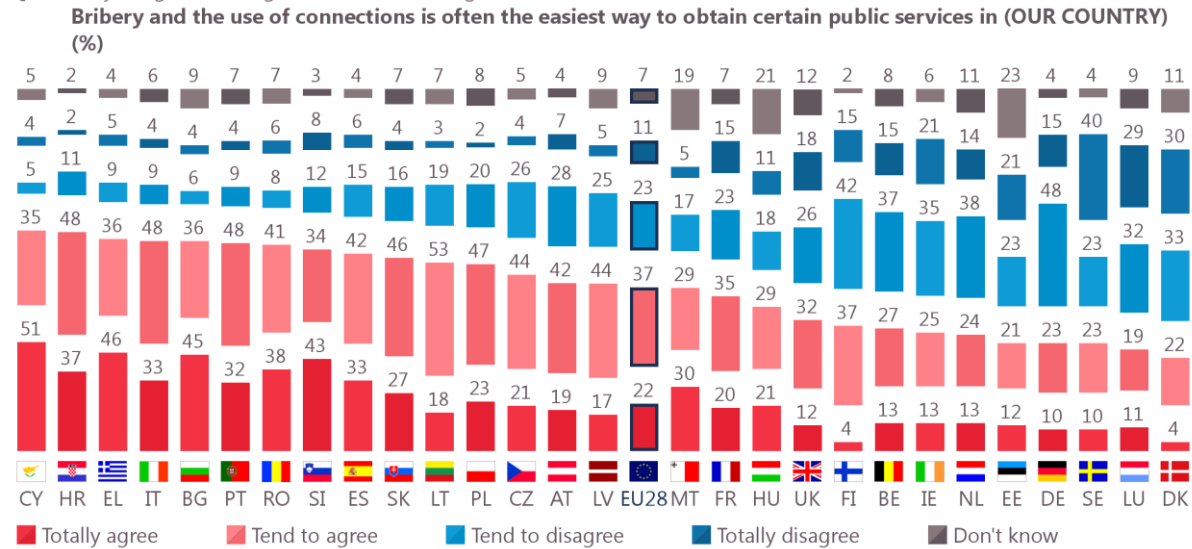
Q7.5 Do you agree or disagree with the following statements?



Base: all companies (n=7,722)

In 18 EU Member States, at least half of companies agree that **bribery and the use of connections is often the easiest way to obtain certain public services** in their country, with the highest scores recorded in Cyprus (86%), Croatia (85%) and Greece (82%). The proportion of companies agreeing with the statement has fallen particularly in Malta (-13 pp), Luxembourg, Germany and France (all -11 pp) and Czechia (-10 pp). On the other hand, the share has increased most notably in the United Kingdom (+12 pp).

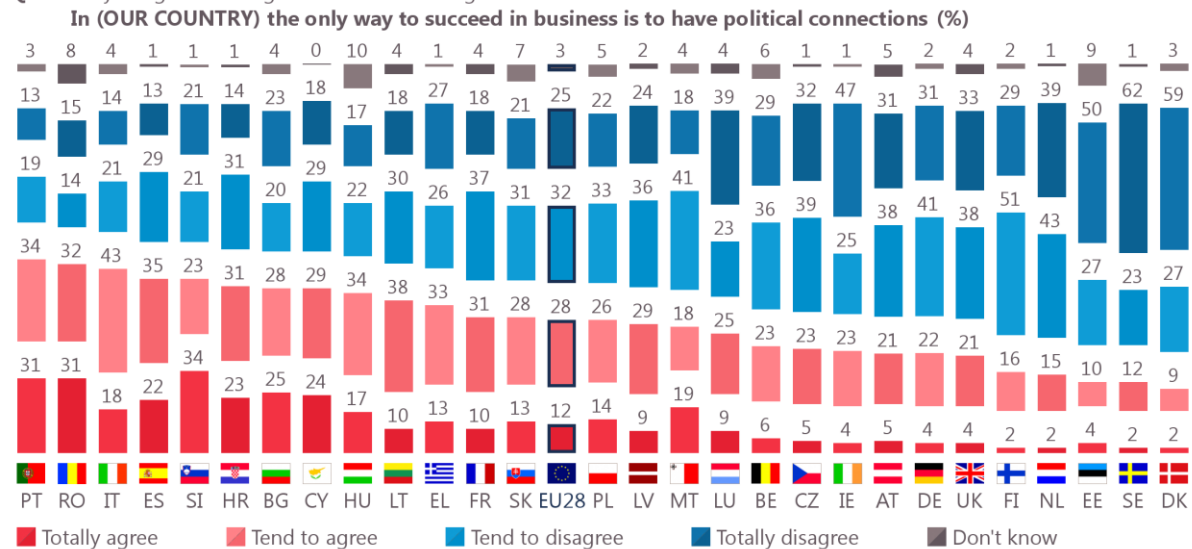
Q7.2 Do you agree or disagree with the following statements?



Base: all companies (n=7,722)

In nine EU Member States, a majority of companies agree that in their country **the only way to succeed in business is to have political connections**, with the highest proportions in Portugal (65%), Romania (63%) and Italy (61%). Compared to 2017, the proportion of companies agreeing with the statement has decreased most significantly in Estonia (-20 percentage points), Czechia (-18 pp) and Greece (-11 pp). On the contrary, it has risen in Slovenia (+8 pp).

Q7.4 Do you agree or disagree with the following statements?



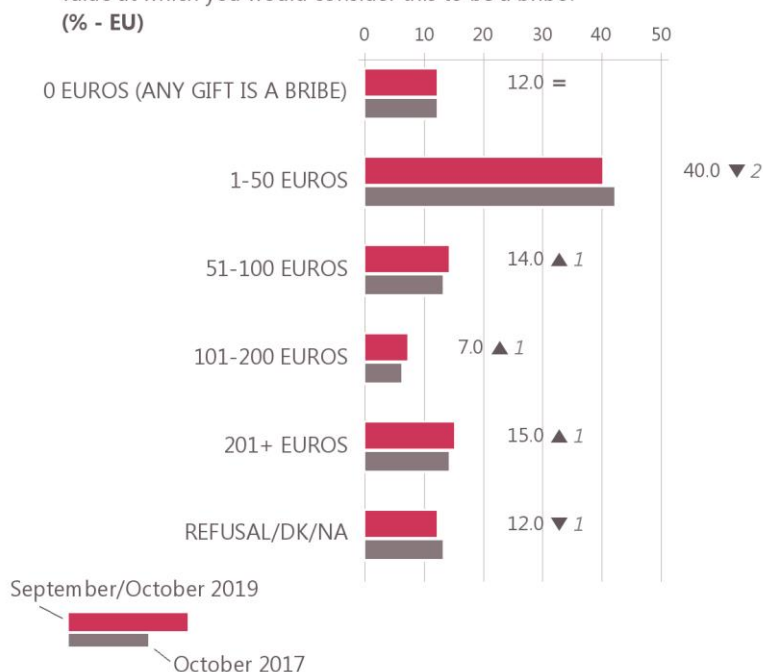
Base: all companies (n=7,722)

IV. BUSINESSES AND CORRUPTION IN PUBLIC TENDERS OR PUBLIC PROCUREMENT PROCEDURES

- Just over a tenth of European companies consider that a gift of *any* value given to a public official in return for a favour is a bribe -

European companies were asked the minimum value at which they would consider money, a gift or a service received by a public official in return for a favour to be a bribe. In total, **66% of the European companies interviewed think that a gift of 100 euros would be considered a bribe** (this share remained largely stable, with a 1-point decrease since 2017).

Q2 A gift from someone in return for a favour may be evidence of his esteem and kindness, but may also qualify as a bribe. If a public official receives money, a gift or a service from someone, what would be the minimum value at which you would consider this to be a bribe?



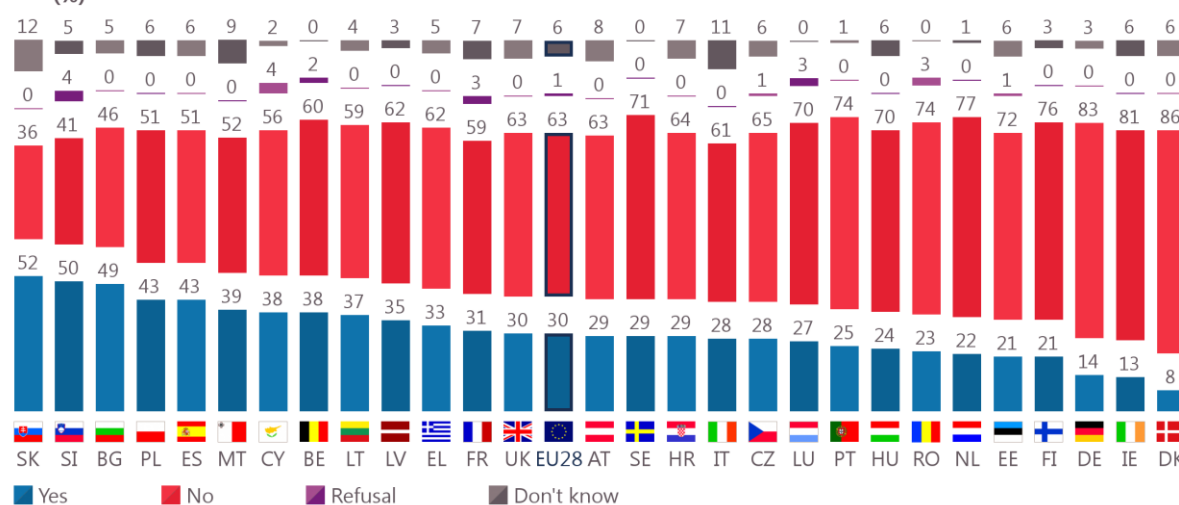
Base: all companies (n=7,722)

- About one third of companies say corruption prevented them from winning a public tender or procurement contract -

Three in ten European companies that have taken part in a public procurement procedure⁵ believe that corruption has prevented them from winning a public tender or a public procurement contract in the last three years (30%, -1 percentage point since October 2017).

At country level, a majority of companies believe that corruption has prevented them from winning a public tender or a public procurement contract in the last three years in just three EU Member States.

D8 In the last three years, do you think that corruption has prevented you or your company from winning a public tender or a public procurement contract? (%)



Base: companies that participated in a public procurement procedure (n=2,314)

Companies that have not participated in any public tender or public procurement procedure in the past three years chose several possible reasons explaining their non-participation from a list of five items.

Among the reasons given, a fifth of companies answered that the procedure seemed too bureaucratic or burdensome (20%, -2 pp). Less than a fifth (14%, -2 pp) consider that the criteria seemed to be tailor-made for certain participants. A tenth (no change) think that the deal seemed to be done before the call to tender. Lastly, less than one in ten consider that the deadlines for submitting the project were too tight and impossible to meet (9%, no change) or that they had the impression that collusive bidding would take place (7%, -2 pp).

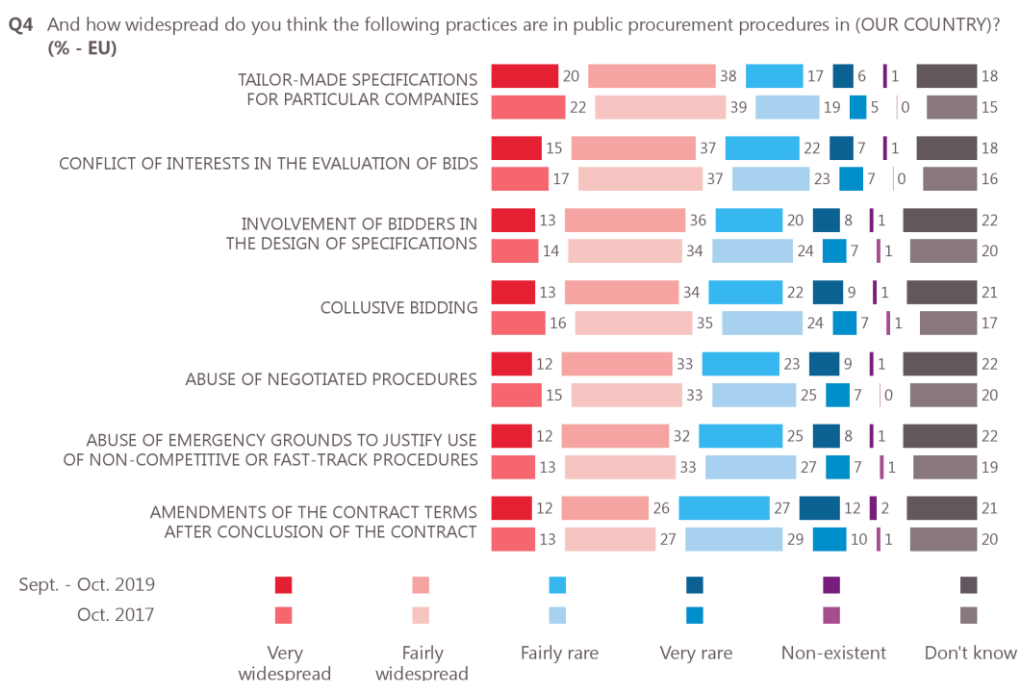
⁵ 30% of the sample. For more details, please refer to the main report.

Nearly six in ten European companies consider that **tailor-made specifications for particular companies** (58%, a 3-point decrease since October 2017) are widespread in their country, 20% (-2 pp) even saying that this practice is “very widespread”.

More than half of companies also consider that **conflict of interests in the evaluation of bids** (52%, -2 pp) is widespread in their country.

Nearly half of companies share this opinion about **the involvement of bidders in the design of specifications** (49%, +1 pp) and **collusive bidding** (47%, -4 pp).

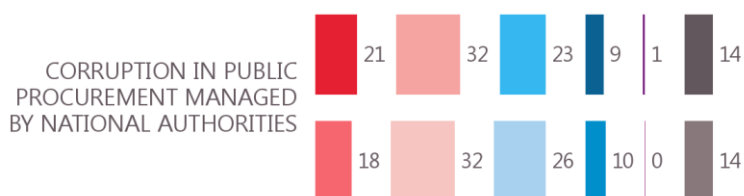
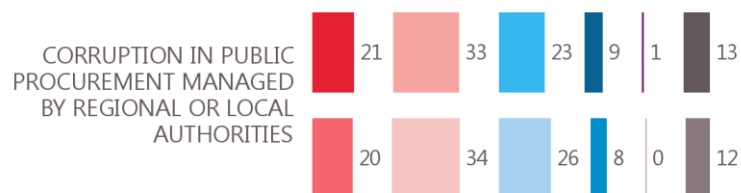
Over four in ten companies share this opinion about **the abuse of negotiated procedures** (45%, -3 pp), and **the abuse of emergency grounds to justify use of non-competitive or fast-track procedures** (44%, -2 pp).



Base: all companies (n=7,722)

More than half of European companies consider that corruption in public procurement managed by **national authorities** is widespread (53%, a 3-point increase since October 2017).

Q5 And how widespread do you think the following practices are in (OUR COUNTRY)? (% - EU)

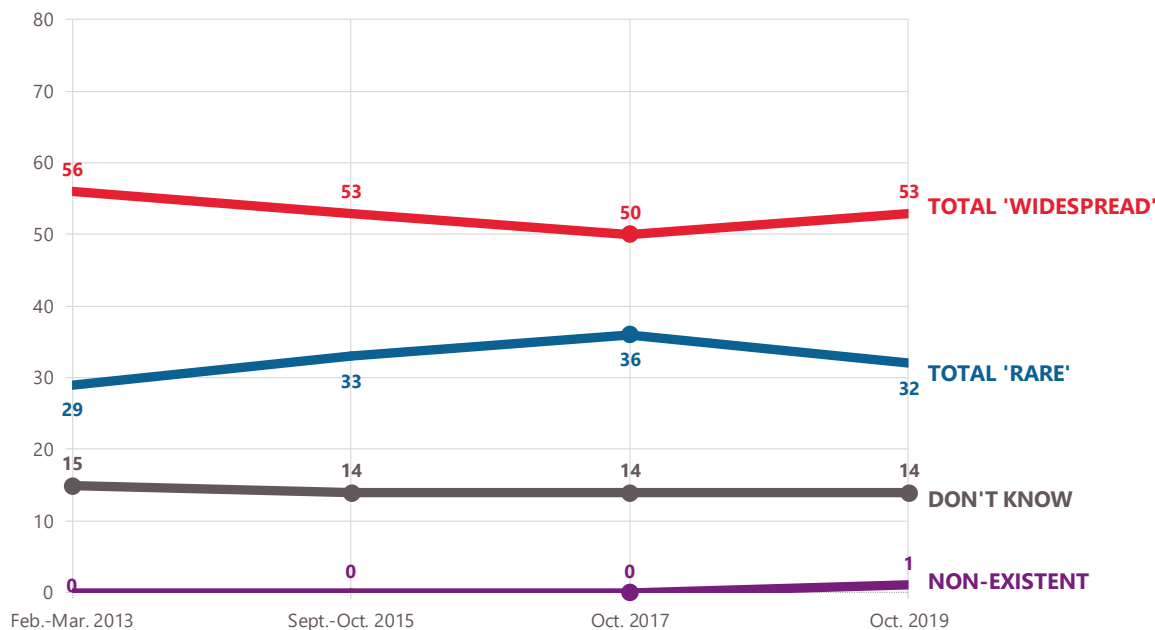


Base: all companies (n=7,722)

Procurement managed by national authorities

In terms of changes, the proportion of companies for which corruption in public procurement managed by national authorities is widespread in their country has risen for the first time since 2013, up from 50% in 2017 to 53% in this survey.

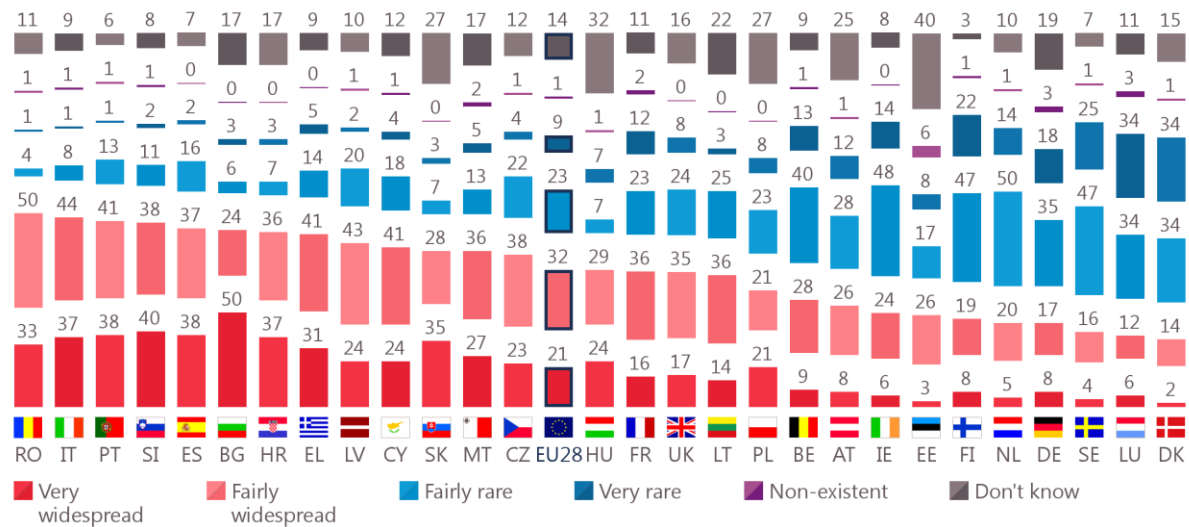
Q5.1 And how widespread do you think the following practices are in (OUR COUNTRY)?
Corruption in public procurement managed by national authorities (% - EU)



Base: all companies (n=7,722)

A national analysis shows significant differences across EU Member States. In 17 EU Member States, at least half of companies think that corruption in public procurement managed by **national authorities** is widespread in their country. Since October 2017, the share increased considerably in Slovenia (+29 pp) and the United Kingdom (+20 pp). On the contrary, this proportion has decreased notably in Germany (-9 pp).

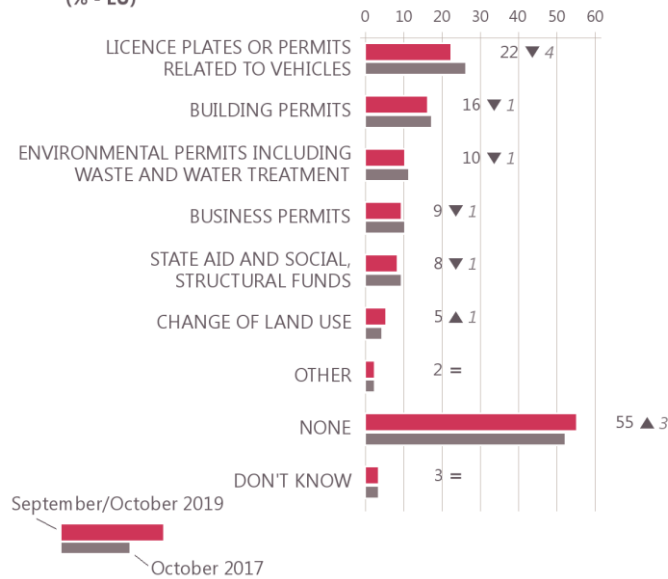
Q5.1 And how widespread do you think the following practices are in (OUR COUNTRY)?
Corruption in public procurement managed by national authorities (%)



Base: all companies (n=7,722)

When asked whether they have been **in contact with the public authorities in order to obtain permits or to use their services** in six categories over the last 12 months, more than four in ten European companies gave a positive reply (42%, a 3-point decrease since October 2017).

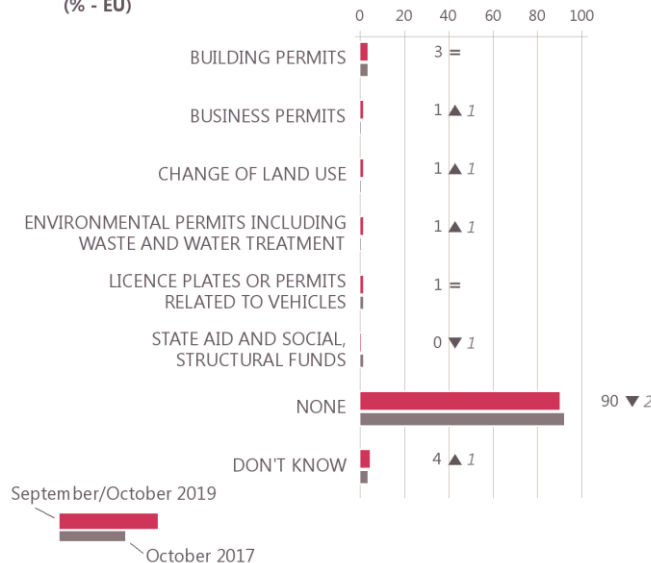
D10 Over the last 12 months, has your company been in contact with the public authorities in order to obtain the following permits or to use their services in the following categories? (MULTIPLE ANSWERS POSSIBLE) (% - EU)



Base: all companies (n=7,722)

Only 5% (no change since October 2017) of companies answered that they were asked or expected to give a gift, a favour, or extra money for any of these permits or services, mostly in relation to building permits (3%, no change), compared with 0% to 1% for other permits or services.

D11 And has anyone in (OUR COUNTRY) asked or expected someone from your company to give a gift, favour, or extra money for any of the following permits or services? (% - EU)

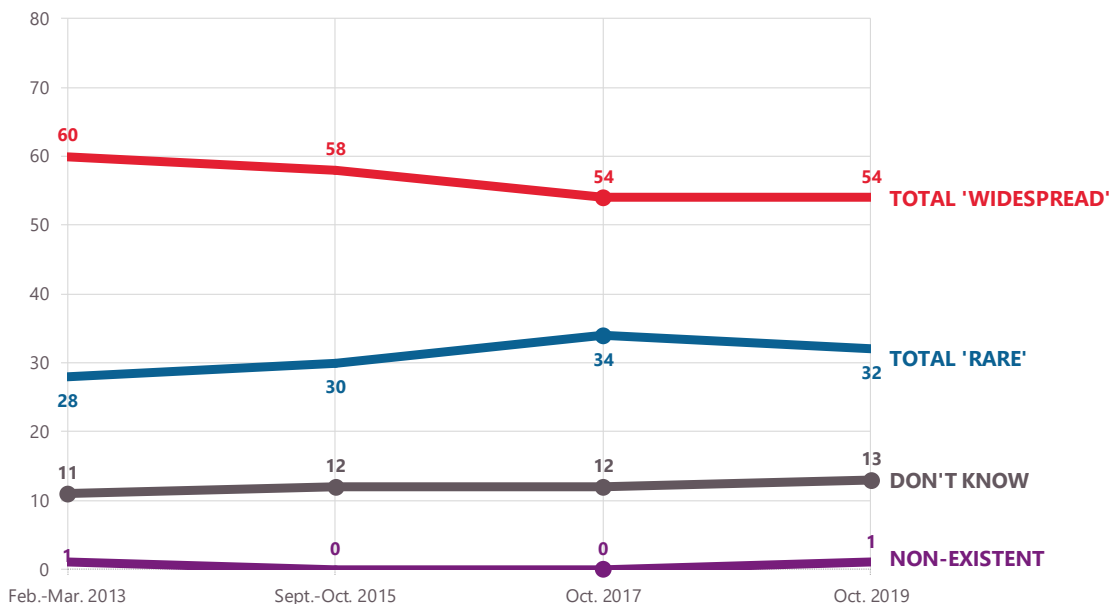


Base: all companies (n=7,722)

Procurement managed by regional or local authorities

For the first time since 2013, the proportion of companies for which corruption in public procurement managed by **regional or local authorities** is widespread in their country remains unchanged (54% in both 2017 and 2019).

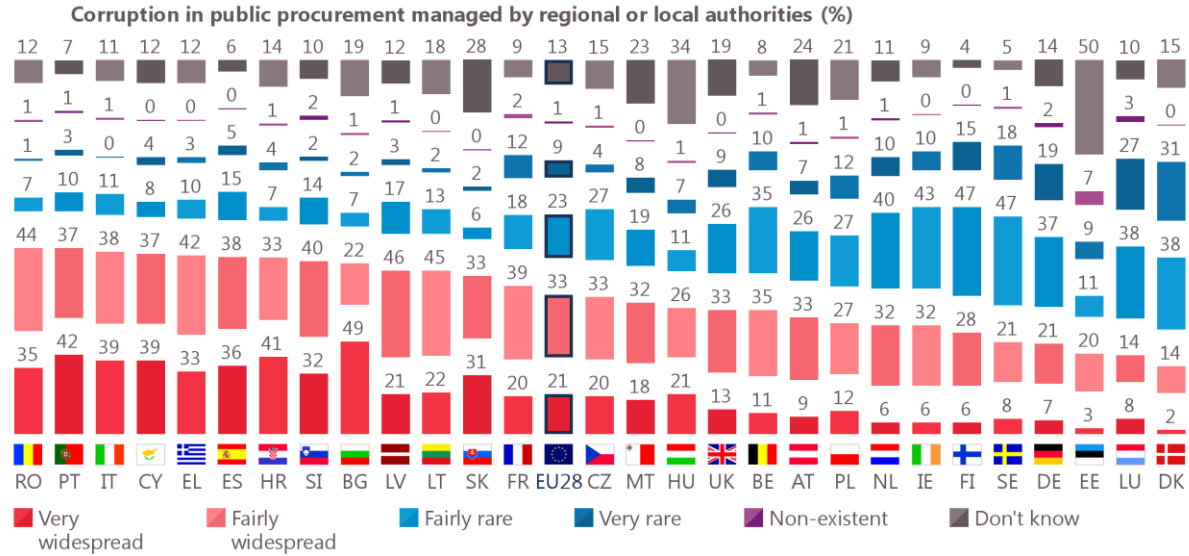
Q5.2 And how widespread do you think the following practices are in (OUR COUNTRY)?
Corruption in public procurement managed by regional or local authorities (% - EU)



Base: all companies (n=7,722)

A national analysis shows that at least half of companies in 15 EU Member States believe that corruption in public procurement managed by **regional or local authorities** is widespread in their country, with the highest levels in Portugal and Romania (both 79%), and Italy (77%). Since October 2017, the proportion of companies has gained ground most notably in the United Kingdom and Lithuania (both +17 pp), Slovakia (+14 pp) and Slovenia (+12 pp). On the other hand, this proportion has decreased most notably in Germany (-19 pp).

Q5.2 And how widespread do you think the following practices are in (OUR COUNTRY)?



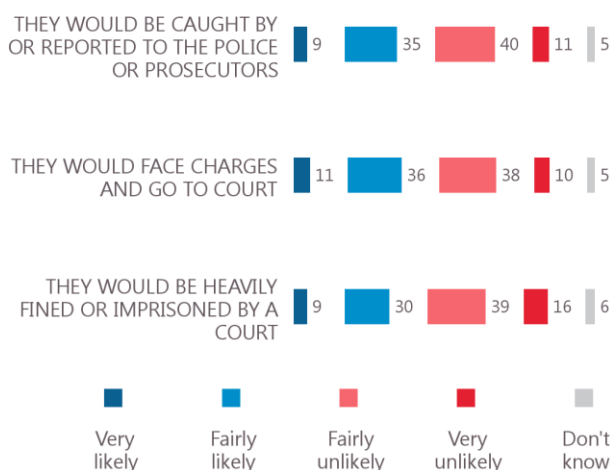
Base: all companies (n=7,722)

V. BUSINESSES' OPINIONS ABOUT HOW CORRUPTION IS TACKLED IN THEIR COUNTRY

- The majority of European companies think it is unlikely that people or businesses engaging in corrupt practices would be caught, face charges and be fined or imprisoned in their country -

A majority of European companies think it is unlikely that people or businesses engaging in corrupt practices would be caught, face charges and be fined or imprisoned in their country.

Q8 How likely do you think it is that the following would happen to people or businesses engaging in corrupt practices in (OUR COUNTRY)? (% - EU)

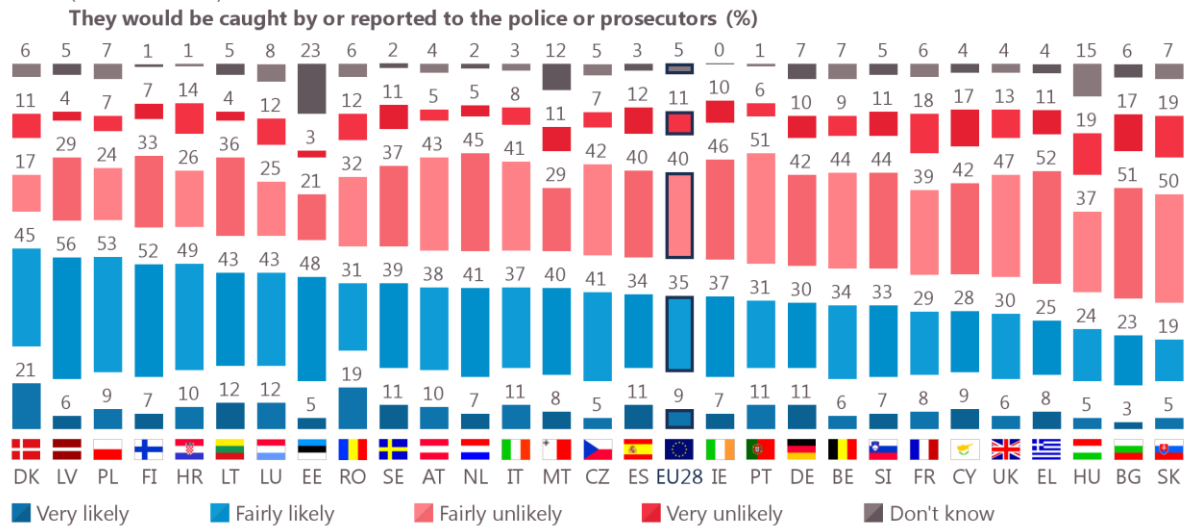


Base: all companies (n=7,722)

Being caught by or reported to the police or prosecutors

A national analysis shows significant differences across EU Member States. At least half of companies consider that corrupt people or businesses would be caught by or reported to the police or prosecutors in ten EU Member States. The highest share of companies that think it is likely are recorded in Denmark (66%), and Latvia and Poland (both 62%). Since 2017, companies in Malta are considerably more likely to say that people or businesses engaged in corrupt practices will be caught by or reported to the police or prosecutors (+21 pp). The second highest increase is in Romania (+10 pp). On the hand, companies in Austria (-5 pp), and Belgium and Greece (both -4 pp) are less likely to say so.

Q8.1 How likely do you think it is that the following would happen to people or businesses engaging in corrupt practices in (OUR COUNTRY)?

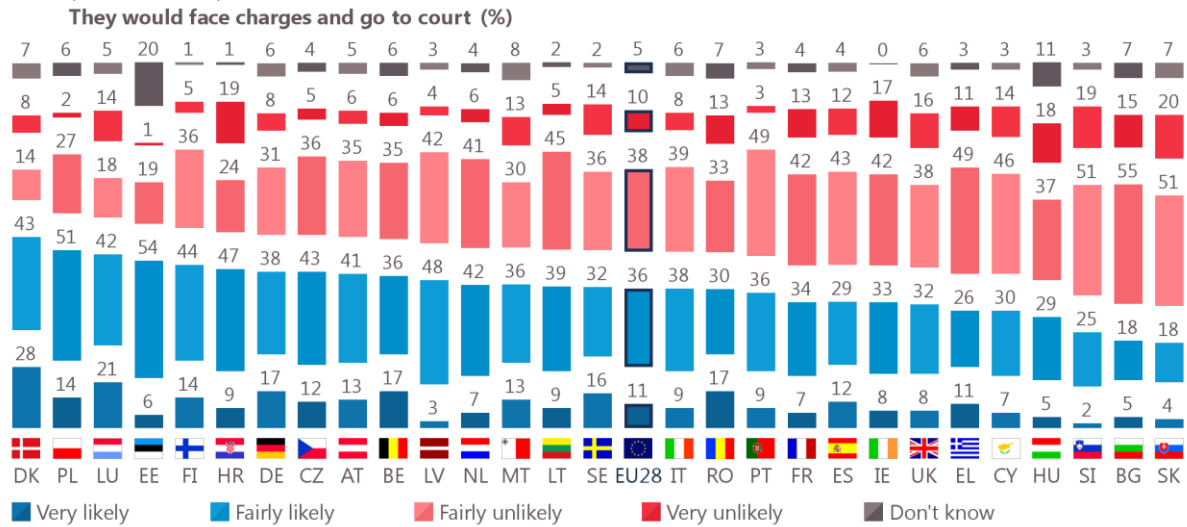


Base: all companies (n=7,722)

Facing charges and going to court

In 17 EU Member States, less than half of companies consider it is likely that people or businesses engaging in corrupt practices in their country would face charges and go to court. The highest scores are among companies in Denmark (71%), Poland (65%) and Luxembourg (63%). On the other hand, in Slovakia (22%), Bulgaria (23%) and Slovenia (27%), less than a third of companies consider this to be likely.

Q8.2 How likely do you think it is that the following would happen to people or businesses engaging in corrupt practices in (OUR COUNTRY)?

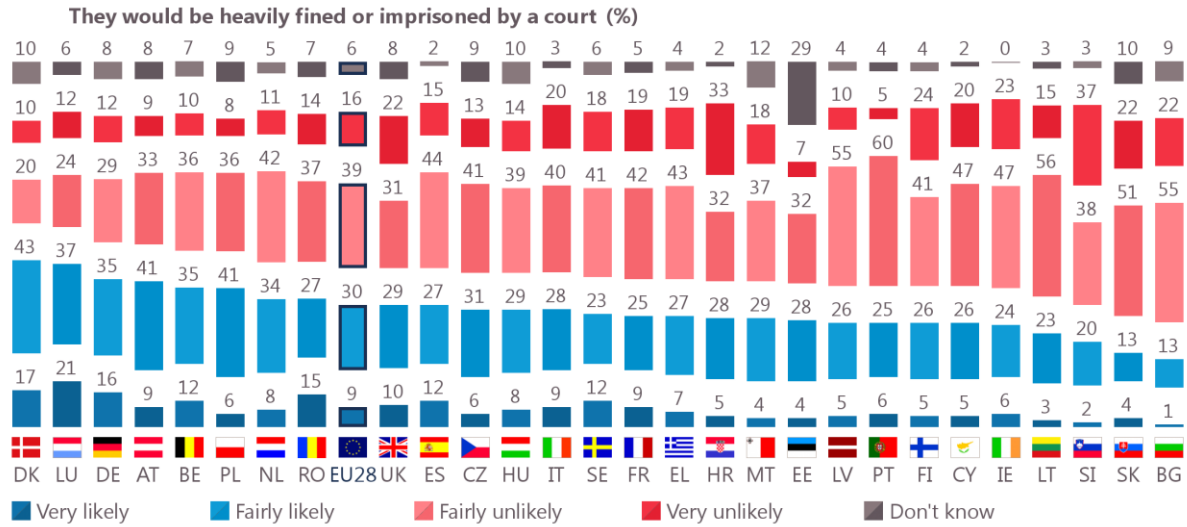


Base: all companies (n=7,722)

Being heavily fined or imprisoned by a court

A national analysis reveals that at least half of companies in four EU Member States think it is likely that corrupt people in their country would be heavily fined or imprisoned by a court. Compared with 2017, companies in Czechia and Malta (both +11 pp) are more likely to think that persons or businesses engaged in corrupt practices will be heavily fined or imprisoned by a court. In Estonia (-12 pp), Cyprus (-11 pp) and Portugal (-10 pp), the proportion of companies agreeing with this view has declined considerably.

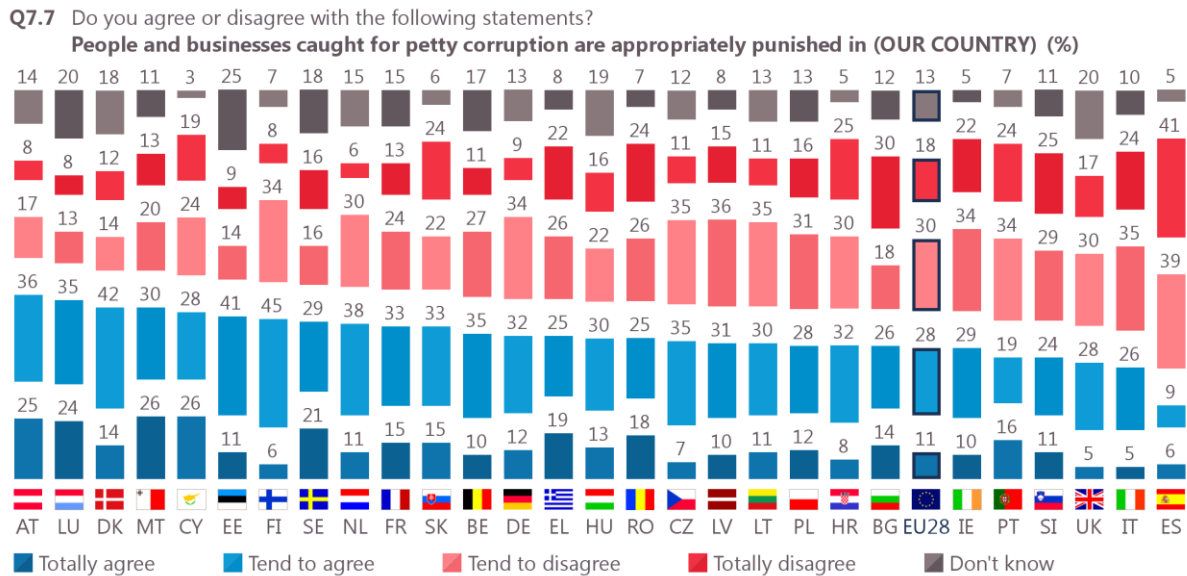
Q8.3 How likely do you think it is that the following would happen to people or businesses engaging in corrupt practices in (OUR COUNTRY)?



Base: all companies (n=7,722)

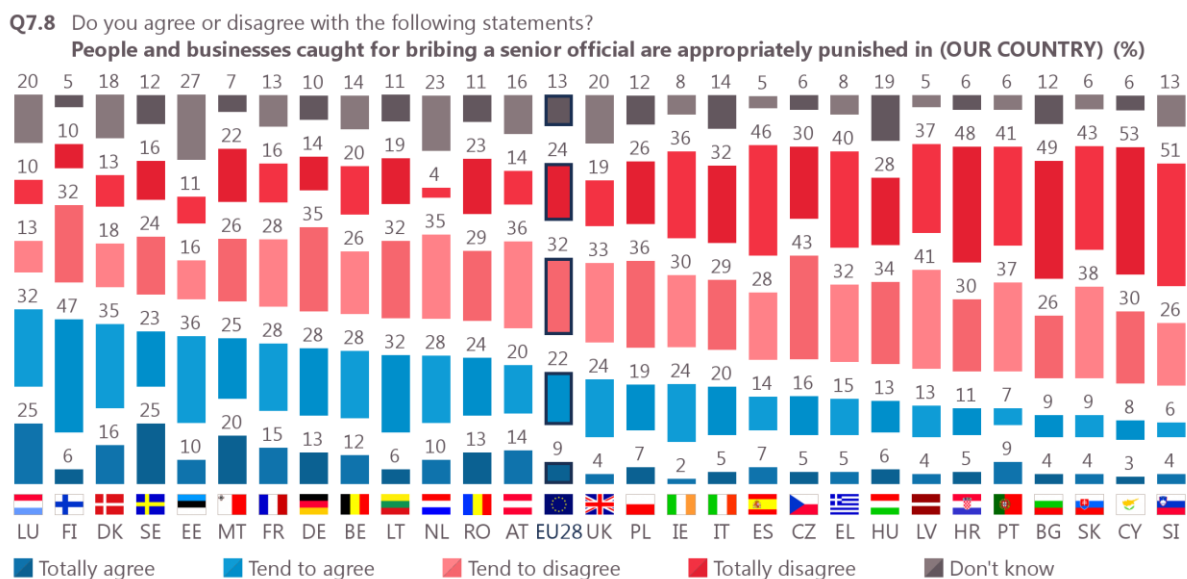
- Nearly half of European companies consider that people and businesses caught for petty corruption are not appropriately punished -

When asked whether **people and businesses caught for petty corruption are appropriately punished in their country**, nearly half of European companies disagree (48%, no change since October 2017).



Base: all companies (n=7,722)

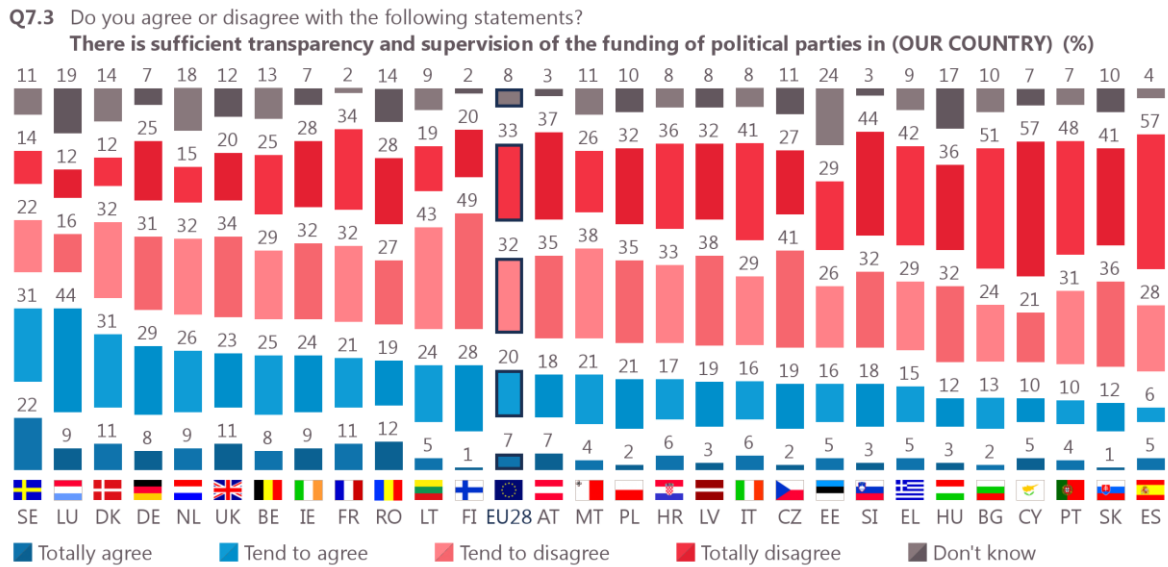
European companies were also asked whether they agree with the statement that **people and businesses caught for bribing a senior official are appropriately punished in their country**. Less than a third agree with this statement (31%, a 1-point increase since October 2017).



Base: all companies (n=7,722)

- Close to two-thirds of European companies consider that there is not sufficient transparency and supervision of the funding of political parties in their country -

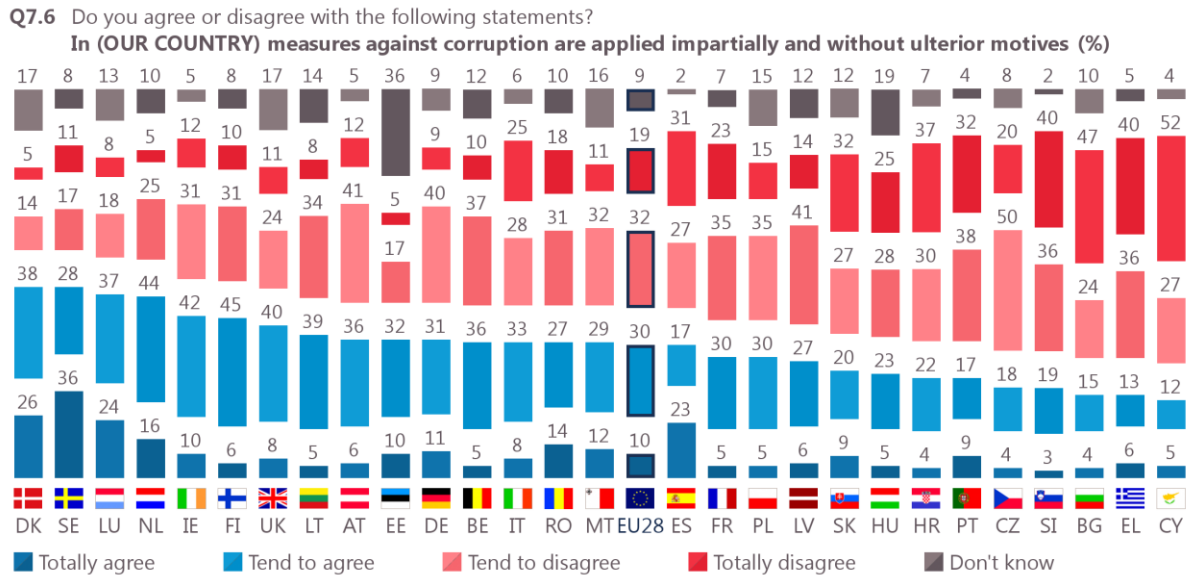
Just over a quarter of European companies agree that there is sufficient transparency and supervision of the funding of political parties in their country (27%, a 2–point increase since October 2017).



Base: all companies (n=7,722)

- Only four in ten European companies consider that measures against corruption are applied impartially and without ulterior motives in their country -

When asked whether they agree or disagree with the statement that in their country measures against corruption are applied impartially and without ulterior motives, four in ten European companies (40%, a 2-point increase since October 2017) answered that they agree with this statement.



Base: all companies (n=7,722)

CONCLUSIONS

Close to four in ten EU companies say that corruption is a problem when doing business (37%). This overall remains stable since 2017 and corruption is one of the least often mentioned compared to other problems tested such as fast-changing legislation or tax rates (both 63%).

This problem declined since 2013 but remains serious in many Member States with a gap that remains wide between countries: 88% of companies in Romania say it is a serious problem compared to 5% of the companies in Denmark.

Corruption is less widespread than in 2017 and in 2013. Still, **63% of the companies say it is widespread in their country** and in 18 Member States more than half of the companies are of that opinion.

More than half of the companies still **consider corruption to be widespread in public procurement** both at regional or local (54%) and national level (53%). However, **only 30%** of the companies who took part in public procurement **say they were prevented from winning a public contract because of corruption.**

Finally, companies remain **rather pessimistic about actions taken in their countries to tackle corruption.** Overall, only a minority think that people caught for corruption are appropriately punished and that measures taken are applied impartially.

