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**THE VOICE OF GENERAL PUBLIC AND BUSINESS PEOPLE
ON CORRUPTION**

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Introduction

The present report describes the findings of corruption research conducted in June 2003. The research was another edition in the series of surveys commissioned by Stefan Batory Foundation Anti-Corruption Program. Analogically to previous surveys from the series, this research was also carried out by Public Opinion Research Center (CBOS).

The first part of the research is a public opinion survey, conducted on a random-address sample of 1016 adult Poles. Questions included in the survey, otherwise known as the ‘barometer of corruption’, referred to corruption-related experiences of survey interviewees, and were the same as those included in previous editions of the research, carried out in 2000, 2001 and 2002. Consequently, one could obtain relevant data illustrating any changes, or the absence of those changes, pertaining to the issue in question.

The second part of the research is an individual questionnaire, addressed to private company owners and managers. The aim of the questionnaire was to obtain information on the way corruption is perceived by business people – how they evaluate its importance, scope, place of occurrence, and the corruption itself.

The content of the questionnaire was discussed with business associations. We have cooperated with the Polish Chamber of Commerce (*Krajowa Izba Gospodarcza - KIG*) and Polish Federation of Private Employers (*Polska Konfederacja Pracodawców Prywatnych - PKPP*).

I. „The barometer of corruption” – personal experiences of Polish people with respect to corruption: trend analysis

Public opinion survey, conducted in June 2003, was yet another attempt meant to grasp the picture of personal experiences of Polish people related to corruption. Also, the researchers were trying to determine whether in the course of the last four years this picture has changed in any way. Ever since the beginning of 2003, due to the so-called ‘Rywin-gate’, the presence of a special Sejm Committee appointed to explain the circumstances of this scandal, and other shocking incidents subsequently revealed by the media, the term ‘corruption’ became a permanent subject on the agenda of public discourse. Thus, it was all the more interesting and important to see whether – and to what extent - the omnipresence of corruption as the subject of public discussion in Poland has been reflected in the declarations of people who are talking about their own personal experiences related to corruption. With this purpose in mind, the questions were repeated with exactly the same wording as in the editions from 2000, 2001 and 2002 research.

In most general terms, it can be concluded that the declarations concerning personal experiences that the people had with respect to corruption, have remained more or less stable.

In comparison to the results obtained last year, the percentage of people who say they personally know someone who takes bribes (Specification 1) has remained on roughly the same level.

Specification 1 Personal acquaintance of people who take bribes, in consecutive years (*in %*)

November 2000 - 30

household)

- those between 25 – 34 years of age - 27%
- those who declare political interests - 37%
- those who say they have left-wing or right-wing political views (in contrast to the centrist views) - 27%
- those who describe themselves as atheist - 31%

As for the number of people who take bribes acquainted with the interviewees, there were no radical changes (Specification 3). Typically, the interviewees claim that they know 2-4 such people.

Specification 3 The number of people who take bribes among personal acquaintances of interviewees /out of the population of those who say they know such people in the first place/ (data in %)

	Research date		
	Nov. 2000	June 2002	June 2003
1 person	10	22	21
2 – 4 people	48	48	44
5 – 9 people	23	18	17
10 and more people	19	12	18

Out of the total population included in the research (both those who personally know someone who takes bribes and those who do not), we can distinguish those groups that personally know a wider range of people who take bribes (i.e., more than 5 such persons). Those interviewees constitute 7% of the total population interviewed, but this percentage is significantly bigger among the following categories:

- tentative and confirmed atheists (15% and 13%, respectively)
- people with a degree (11%)
- people with low income (300-399 PLN per one family member) – (15%)
- specialists and the intelligentsia (12%)
- the self-employed (18%)

Once again, the self-employed turn out to encounter more frequently relatively many people who take bribes. This phenomenon will be further corroborated by the declarations of business people, included in the survey from Part II of the research..

During the last four years, there was a considerable change in the number of people saying that someone tried to give them a bribe. (Specification 4).

Specification 4 Percentage of people declaring that someone tried to give them a bribe, in consecutive years (*data in %*)

Nov. 2000	-	13
Oct. 2001	-	9
June 2002	-	7
June 2003	-	5

As can be inferred from the above Specification, the number of people potentially taking bribes has been on the decrease. Perhaps this fact is a result of widespread discussions devoted to the subject of corruption, side by side with the presence of legal regulations that focus predominantly on punishing those who accept bribes, which in turn must discourage people from saying that they might have even potentially taken a bribe.

Still, one can point at those categories of people - ‘potential bribe recipients’ – who confess they have come across this kind of situation.

According to the latest research findings, the percentage of people someone tried to bribe is particularly high among the following groups:

- people employed in institutions, offices, state and public units (13%);
- those who say that their financial status is quite high (9%);
- those who say they are extremely interested in politics (14%);
- people who describe themselves as atheist (10%);
- people with a degree (17%);
- those whose income is relatively high (12%);
- representatives of managerial personnel (57%);
- representatives of the intelligentsia (16%) and office workers (16%).

The percentage of people who confess they accepted a bribe remained on more or less the same level during the last four years (Specification 5).

Specification 5 Percentage of people who declare they accepted a bribe, in consecutive years (*data in %*)

Nov. 2000	-	14
June 2002	-	16
June 2003	-	17

The following characteristics are typical of people who say they have given a bribe more often than the average:

- male (21%);
- persons between 25-34 years of age (26%) and 33-44 years of age (20%);
- people with secondary education (24%);
- those whose income is low /300-399 PLN per one member of the household/ (24%);
- the self-employed (48%);

- the unemployed (22%)
- those who say they are very much interested in politics (24%);
- those who say they have left-wing or centrist political views (21% each);
- people who describe themselves as atheist (23%).

Just like in the surveys conducted in previous years, business people admit that they give bribes more often than other social groups. Interestingly enough, this percentage is on the rise. While in 2000 30% of business people confessed they gave bribes, and in 2002 the rate was 38%, now this percentage has reached as much as 48%. Clearly, the participation of business people in corruptive behavior is growing.

There is a close correlation (Cramer's V 0,31) between the fact that someone gives bribes and the fact that they know someone who takes bribes, which not only stands to logic, but it also shows that there is no contradiction in the declarations of the interviewees. Among those persons who gave a bribe, 46% said earlier that they personally knew someone who took bribes, but 8% had declared that they knew no such people. Moreover, people who have been giving bribes, say more frequently they know more potential bribe recipients – as much as 22% of people who give bribes know more than 5% of the people who take bribes (in the total population this percentage equals 7%).

Concluding, we can distinguish between two types of people who are most frequently involved in corruption. The first of those types are people with better education and higher income, generally active at work and in life; whereas the other type are people with lower income, often unemployed and less active. Consequently, there are people who give bribes in order to have more, and the people who give bribes in order to survive.

Analogically to research findings from previous years, the interviewees gave bribes most frequently in the area of healthcare (57% of cases), and then in the following areas, according to the number of reported cases:

- to traffic police officers - 15,5%
- in the *gmina* , city and *poviat* offices - 5,2%
- when applying for a job - 4,9%
- in ZUS (Social Insurance Institution), when applying for a disability pension certificate - 3,1%
- at schools, to teachers - 2,0%
- when taking a driving license test - 2,0%
- in courts - 2,0%

There were also individual cases of bribes given when someone was trying to sell farm produce, to obtain a construction permit, bribes accompanying tender procedure, and finally, bribes in SANEPID (Sanitary Control Inspection) and the State Labor Inspection. 7% of the people interviewed refused to disclose the name of the institution involved in cases of bribery.

Drawing on both personal experiences of the people and the public discussion devoted to the subject of corruption, the hierarchy of areas perceived as most prone to corruption did not change in the last couple of years (Specification 6).

Specification 6 The areas of social life which – according to the people interviewed – are most prone to corruption (data in %)

	R e s e a r c h d a t e		
	Nov. 2001	June 2002	June 2003
- politicians, party activists, councilors, deputies, senators	54	52	60
- health care	47	42	43

- central government offices	38	29	37
- courts and prosecutors' offices	36	33	33
- the <i>gmina, powiat</i> and voivodeship offices	28	25	29
- the police	30	23	25
- state-owned companies	13	12	11
- private sector companies	13	9	11
- banks	6	3	5
- education and science sector	6	8	4
- it is hard to say	2	12	8

(The total sum of percentages does not yield one hundred because each interviewee was allowed to choose 3 areas at the maximum)

With reference to the second part of the research, and given the scope of information on bribes given in all kinds of public offices by business people who run their own companies, we have also asked the people taking part in the nationwide sample survey to determine which of the following statements reflects their personal opinion better:

- *business people give bribes of their own accord, they are hoping that it will help them to settle the matter they came with in their favor*

or

- *business people give bribes because the officials involved in the matter clearly expect or demand a bribe.*

The views on this issue are far from unanimity: 39% of the people interviewed blamed business people, 42% pointed at public officials, and 19% had no specified opinion on this matter. If we focus on these groups that tend to blame business people for bribery more frequently than others, the following characteristics will emerge:

- young people /under 24 years of age/ (45%);
- people with secondary and higher education (47% and 42%, respectively);

- people with average level of income, i.e. between 400 and 600 PLN per one member of the household (44%), and those with higher level of income, i.e. more than 800 PLM per person (43%);
- representatives of managerial personnel (54%), the intelligentsia (50%) and office workers (52%);
- people employed in state or public institutions (54%);
- people who say that they have left-wing political views (48%).

As can be concluded from those findings, potential recipients of bribes are the ones to blame business people for bribery most frequently. And the business people themselves only slightly less frequently than the overall population of interviewees (36%) declare that they initiate the cases of bribery.

To sum up, the findings of the „barometer of corruption” have not changed much. In the course of the last four years, the number of people who say they give bribes remained rather stable. The only exception in this respect would be the category of business people from the private sector: in this group the percentage of people who say they give bribes is definitely on the rise. The other change that can be observed is a decrease in the number of potential recipients of bribes.

II. The voice of business people on corruption

1. Description of research method and research sample

The answers to survey questions provided by business people constituted a bulk of this year's research. Apart from the subject of corruption-related experiences of the interviewees, the survey questions also referred to the importance of corruption for our public life and for the economy, the attitudes towards bribery and its sources, the evaluation of the way various institutions and offices operate, the barriers and obstacles encountered by our interviewees in their business activity and company management, and finally, individual social and demographic characteristics of the interviewees (a copy of the survey is presented in the Annex).

The sample included 306 private sector companies from three categories, according to the size of workforce employed: 1) up to the total of 9 people employed (102 companies in the sample), 2) from 10 to 49 people employed (100 companies in the sample), 3) from 50 to 249 people employed (104 companies in the sample). We focused on small and medium size businesses, whose owners have to take most decisions directly by themselves, including the decisions regarding corruption behavior.

During the selection process of sample companies, we have divided them into 5 areas of activity:

1. industrial processing, mining and mining industry (92 completed questionnaires);
2. construction, transport, warehousing and communications, energy, gas and water production and supply (52 completed questionnaires);
3. trade and repairs, hotels and catering (96 completed questionnaires);

4. services for real estate, rental services, science and services for businesses, financial brokerage, education, healthcare and social welfare (52 completed questionnaires);
5. agriculture and forestry, fishing without individual agricultural and fishing farms (14 completed questionnaires).

When selecting the companies in each of the categories, according to the number of employees, the CBOS pollster responsible for the research took into consideration the type and size of locality where the company was based. As a result, it turned out that the sample companies were located:

- in rural areas – 25 companies (8%);
- in the towns with more than 20 ths. inhabitants – 42 companies (14%);
- in the towns with 21 ths. to 50 ths. inhabitants – 63 companies (20%);
- in the towns with 51 ths. to 100 ths. inhabitants – 21 companies (7%);
- in the cities with 101 ths. to 500 ths. inhabitants – 67 companies (22%);
- in the cities with more than 500 ths. inhabitants – 88 companies (29%).

The research comprised at least three *poviats* in each voivodeship.

The questionnaires were being completed only by those people who are responsible for current operations of the company, such as: owners, co-owners or company presidents and general directors who run the company. A company owner or general director was not allowed to delegate this task to any other person. When the person responsible for current operations of the company refused to participate in the survey, this firm was given up and another company which complied with the sample selection criteria was chosen in its place. As a result, out of the sample of 306 companies, 110 interviewees (36%) are sole proprietors of companies, 112 (37%) are co-owners, and 84 (27%) are responsible for running the company.

Given the sensitive nature of the questions, CBOS pollsters had to make sure that the interviewees felt the research was as anonymous as possible. To that

end, once the pollster found a proper interviewee that satisfied research selection criteria, and the purpose of the survey has been explained (relevant information was laid out on the front page of the questionnaire), the interviewees were given a copy of the questionnaire to be filled in personally by themselves. If the circumstances allowed, the questionnaire was being completed in the presence of the CBOS pollster. In those cases when the interviewee would not or could not go along with this arrangement, the pollster made an appointment to come back to take the completed questionnaire at interviewee's convenience. When the researcher came back, he or she had to make sure that all the questions had been answered – the interviewee was asked to check and make sure personally that none of the questions had been omitted. Subsequently, the questionnaire was placed in an envelope, which was then sealed in the presence of the person interviewed.

On top of that, CBOS researchers were supposed to write a report that would contain the information on the number of refusals, the reasons behind those refusals, and all kinds of objections and difficulties that they may have come across during execution of the research. Notably, it was particularly important to specify whether the refusal took place before or after the person interviewed read the contents of the questionnaire.

All in all, 241 people refused to take part in the research. The vast majority (70%) said 'no' even before they had a chance to look at the survey. The most frequent reasons were: lack of time, longer absence of potential interviewees, or general aversion to all kinds of opinion polls and questionnaires. In 73 cases (30% of the total number of refusals), the person said 'no' after they had read the contents of the survey, or at least the explanation placed on the front page. Apart from time constraints, the negative decision was also caused by the fear that the questionnaire answers would not be completely anonymous, or by the belief that there was no point in conducting research on that subject, since *everybody knows what is going on anyway, and no questionnaire can ever*

change that. Similar comments can be found in additional opinions submitted by some of those people who decided to complete the questionnaire. Out of the total sample of 306 people participating in the research, 38 interviewees put such opinions at the end of the survey sheet. Apart from the skeptical views regarding the effectiveness of survey results, or the honesty of research participants, those opinions focused on the need to punish corruption behavior more effectively, they included interviewee comments about officials and politicians responsible for the economy (absolutely negative in tone), and finally, the description of particular cases of corruptive behavior that the interviewees had come across.

Additional comments to the questionnaire, in which interviewees expressed their extremely critical opinions and frustrations accompanying the task of running a business, were written with great frankness, which seems to indicate that they were equally honest and frank when answering the questions included in the survey.

The research was conducted in all voivodeships (and comprised at least three poviats in every voivodeship). Out of the total sample of 306 completed questionnaires, the representation of each voivodeship looks as follows:

1. dolnośląskie	- 21	(6.9%)
2. kujawsko- pomorskie	- 16	(5.2%)
3. lubelskie	- 11	(3.6%)
4. lubuskie	- 10	(3.3%)
5. łódzkie	- 20	(6.5%)
6. małopolskie	- 23	(7.5%)
7. mazowieckie	- 52	(1.7%)
8. opolskie	- 9	(2.9%)
9. podkarpackie	- 11	(3.6%)
10. podlaskie	- 8	(2.6%)
11. pomorskie	- 18	(5.9%)

12. śląskie	- 39	(12.7%)
13. świętokrzyskie	- 9	(2,9%)
14. warmińsko-mazurskie	- 10	(3.3%)
15. wielkopolskie	- 34	(11.1%)
16. zachodniopomorskie	- 15	(4.9%)

Male interviewees dominated in the sample, with the representation of 71% of the total population interviewed. In the research sample there are also a lot of mature people, in terms of age: 38% of the sample are people over 51 years of age, 34% are those between 41 and 50, 20% belong to the category of 31-40 years of age, and 6% are below 30 (2% of the people interviewed did not provide information with regard to their age).

Compared to the average of the total Polish population, our interviewees can boast higher level of education. More than half (55%) of the people included in the sample have higher education. Incomplete higher education was reported by 9%, college education by 5%, secondary vocational by 19%, secondary comprehensive by 6%, and finally, vocational and incomplete secondary by 6% of the sample.

Most of our interviewees enjoy good financial status. 65% of the people interviewed describe the financial situation in their household as good or very good, 29% declare that it is average, and only 6% say that it is bad or very bad. Most of the interviewees (55%) believe that their financial status will not change in the course of one year from now, 29% expect a change for the worse, and only 16% have optimistic outlook and believe that their financial status is likely to improve. According to CBOS research findings from the same period, among the total population of Poles as many as 34% interviewees describe their financial circumstances as rather bad or bad, 17% as good or very good, and only 12% expect improvement in the course of one year from now.

Furthermore, our research sample is different from the overall representation of Poles with respect to political views and religious beliefs. In our group, there is a much bigger interest in politics. Below is a comparison of the extent of involvement in political interests, declared in a comparable period of time (data in %):

	Business people	Polish population total
- extensive	8	3
- big	34	11
- average	47	48
- insignificant	6	22
- none at all	5	16

Also, business people more frequently have right-wing political views. Below is a summary of declarations regarding political views of the interviewees (data in %):

	Business people	Polish population total
Left-wing	21	20
Centrist	32	30
Right-wing	41	24
<i>It is hard to say</i>	6	26

Business people we have interviewed describe themselves as religious slightly less frequently than the population total:

I think I am:	Business people	Polish population total
- deeply religious	8	9
- religious	72	86
- tentative atheist	8	4
- confirmed atheist	7	1

respect to the development and growth of their company, the interviewees said that the prospects were (data in %):

- very good - 5%
- quite good - 45%
- rather bad - 27%
- very bad - 3%
- *it is hard to say* - 20%

Concluding, one third of the business people from the sample are worried with regard to future prospect of their firms. Even so, 57% of the interviewees intend to continue with the same profile of activity, 31% want to extend their activity, and only 4% are planning to change it; 7% of the interviewees have not decided what to do yet.

2. The importance of corruption as a social issue, according to business people.

In the questionnaire business people were shown 15 social problems that are particularly conspicuous in contemporary Poland, and asked to select not more than five of those problems which they consider to be of primary importance. An analogical question, in exactly the same wording, was addressed to the interviewees in the nationwide survey carried out in November 2001, and then to self-government officials in June 2002. The comparison of results obtained in those three editions of surveys is presented in Specification 7.

Specification 7

(dane w %)

	Nationwide sample Nov. 2001	Self- government officials June 2002	Business people June 2003
1. employment and unemployment	83	93	71

2. poverty	58	46	36
3. crime	57	47	46
4. healthcare	46	46	32
5. disability and retirement pensions	42	41	29
6. corruption	40	33	61
7. education	29	32	21
8. the situation of farming sector	26	36	10
9. responsibility for mistakes in the government	23	27	31
10. slow economic growth	23	32	51
11. residential buildings sector	18	20	12
12. tax system	17	18	61
13. privatization and re-privatization	9	10	14
14. the military and defense	3	1	1
15. economic relations with foreign countries	2	3	2

(The total sum of percentages does not yield 100, because the interviewees were allowed to select 5 items of primary importance, in their opinion)

As can be concluded from the Specification, the hierarchy of various social problems rated according to their importance, prepared by business people in 2003, differs considerably from the one arranged earlier by other social groups. Business people tend to attach much more importance to corruption, tax system and slow economic growth. Such a situation might be connected with the presence of their group interest, but it can also result from socio-economic changes that took place in Poland during the last year or two.

Different attitude of business people with respect to the importance of corruption and the area of its occurrence once again comes into surface when the interviewees are asked to select those areas of social life in Poland which are most 'infected' with corruption. The rating reflecting the opinions of the overall

population of Poles is different from the one typical of business people, as shown in Specification 8.

Specification 8 The areas of social life with the highest frequency of corruption, according to the interviewees (*data in %*)

	J u n e 2 0 0 3	
	Nationwide sample	Business people
- politicians, party activists, councilors, deputies, senators	60	62
- health care	43	35
- central government offices	37	49
- courts and prosecutors' offices	33	18
- the police	25	17
- the <i>gmina</i> , <i>poviat</i> and voivodeship offices	29	40
- state-owned companies	11	13
- private sector companies	11	3
- education and science	4	3
- banks	5	4
- it's hard to say	8	7

(The total sum of percentages does not yield one hundred, since each interviewee was allowed to choose three areas)

Compared to the results obtained for the population total, business people much more frequently perceive central government offices and the ministries, side by side with lower level units of voivodeship, *poviat* and *gmina* offices, as strongly corrupt. On the other hand, however, both of the above-mentioned social categories fully agree in their perception of politicians and politics itself as the group and the area 'infected' with corruption more than any other.

Business people recognize the importance of corruption issue in Poland, and at the same time most of them (66%) believe that in recent years this

phenomenon has been expanding. Accidentally, this opinion is also shared by many interviewees included in the nationwide survey samples, conducted in the last few years (in 1991, 40% of the sample claimed that corruption was expanding, in 1992 – 39%, in 1993 – 45%, and in 1995 – 51%). At present, the view that corruption is on the rise is expressed much more frequently by business people. In my opinion, it might in part result from extensive media coverage on corruption, rather than from personal experiences of the interviewees. When asked whether in recent years corruption has become more of a problem for their companies, the majority of business people deny it. Only 29% declare that during the last 3 to 5 years corruption was getting more of a problem for the firm, 48% claim that the situation has not changed (which might mean that the problem has been there for a long time), only 4% say that corruption has become less of a problem, whereas 6% declare that there is no problem at all. Quite a lot of business people interviewed – as many as 13% - refused to answer this question.

Business people perceive corruption as a grave social problem. But on top of that, they seem to regard it as a barrier in running their own business activity.

3. Corruption as a barrier in business activity

In order to grasp the importance of corruption as a barrier in business activity, a list of 16 such potentially detrimental factors has been prepared. The interviewees were allowed to select any number of items which in their opinion were of primary importance (Specification 9).

Specification 9

- 1) delays in payments - 66% of cases
- 2) business recession - 64%
- 3) the level of PIT taxation - 49%
- 4) complicated credit procedures - 48%
- 5) too many taxation rates - 43%

- 6) corruption in the administration - 38%
- 7) long duration of court proceedings in commercial cases - 37%
- 8) the level of interest rates - 33%
- 9) low efficiency of courts in commercial cases - 32%
- 10) the level of CIT taxation- 26%
- 11) too many institutions that supervise and control company operations, their tasks and duties often overlap - 24%
- 12) protracted duration of administrative decision-taking process related to investment - 23%
- 13) time-consuming registration procedures - 17%
- 14) high costs of court proceedings in commercial cases - 16%
- 15) lack of capital in loan and guarantee funds - 10%
- 16) political authorities of various levels that interfere in company operations - 7%
- 17) other obstacles reported by the interviewees - 12%
 including: high costs of ZUS payments (2%), ambiguity of legal regulations and arbitrariness of interpretation of legal provisions (2%), and – in individual cases – lack of market for one’s products, protruded administrative decision-taking procedures, incompetent officials, surplus of employed workforce, limitations with respect to free competition and market access.

The fact that business people rated corruption in administration on the sixth place among so many factors of great importance for business activity, seems to confirm that business people perceive corruption as a serious hindrance and a barrier in their business activity. Another proof is provided by the answers to the question whether the phenomenon of a ‘bribe tax’ exists in Poland; in other words, whether running a business entails additional expenses needed for payments for public officials of different levels of administration hierarchy. Below is a summary of the answers provided by business people to the question whether ‘bribe tax’ really exists:

- Yes, absolutely - 20 %
- I think so - 47%
- I don’t think so - 10%
- Definitely not5%
- It is hard to say - 18%

So, two thirds of the people interviewed confirm the existence of ‘systemic corruption’ – the one that is deeply ingrained, so to speak, in the framework of contacts between business people and administration. In greater detail, the conviction that ‘bribe tax’ does exist is more frequently expressed by those business people who are relatively ‘new’ on the market – they started their business activity not more than 5 years ago. In this subgroup, the percentage of ‘Yes, absolutely’ answers reaches the level of 47%. By the same token, there is a correlation between the perception of company’s financial standing and the views on the existence of ‘bribe tax’. Among those people who described their firm’s financial circumstances as ‘very bad’, 66% answered ‘Yes, absolutely’. When talking to their colleagues about the ‘bribe tax’ and all kinds of ‘additional gratification’ for administration officials, business people typically prefer to keep a low profile. They mention various situations and incidents, but avoid being specific or explicit. Frank, direct conversations devoted to that subject are reported by 27% of the people interviewed, 44% say that the subject is being discussed only in most general terms, and 29% declare that it is not discussed at all. Open and frank conversations are usually reported by ‘fresh’ business people (not more than 5 years of experience in business activity – 38%), and those who are most ‘mature’ (with their own business activity for more than 15 years – 37%).

Moreover, frank, direct conversations on the subject of ‘gratification’ for officials occur more frequently among those business people who declare that they personally know someone who takes bribes (33%).

The question concerning interviewee’s personal, direct involvement in corruptive practices gives reason to doubts with regard to interviewee’s honesty and sincerity – after all, we are talking about criminal activity here. That is why the survey did not include any direct questions with reference to interviewee’s corruptive behavior. Instead, there are quite a few questions touching upon that subject in a less straightforward way. The research has determined (just like in

the case of the nationwide sample) whether the interviewee personally knows someone who takes bribes, and how many such people they might know.

It turned out that the acquaintance of someone who takes bribes is much more frequent among business people than in the population total. In the overall sample, 22% of the interviewees said they knew someone who takes bribes, while a corresponding percentage among the business people reached as much as 57%. Furthermore, business people declare personal acquaintance of a greater number of people who take bribes than an average Pole – see Specification 10.

Specification 10 (*data in %*)

The number of people who take bribes the interviewee knows personally:	J u n e 2 0 0 3	
	Polish population total	Business people
- 1 person	20	4
- 2-4 people	42	39
- 5 or more	33	38
- a lot, many	-	6
- a few	-	9
- it is hard to say	5	4

The vast majority of business people interviewed personally know several people who take bribes – of those, over 20% know 10 or more such people. They met them either in work-related circumstances (51% of the interviewees), or in private life situations (49%), including 19% of those who said they met people who take bribes both in their professional and private conduct.

A bigger percentage of acquaintance with people who take bribes is reported by those interviewees who have been running a business for more than 15 years – in this group of experienced business people the percentage of those who know people who take bribes reached 93%.

Personal acquaintance also exerts influence upon the perception of the extent of corruption practices in Poland. In the category of people who say that corruption in Poland is expanding (76% of the overall population), 82% personally know someone who takes bribes, while 68% say that they do not know such persons.

Among the interviewees who say that corruption in Poland has become more of a problem for their company (29% of the overall population), the percentage of those who personally know someone who takes bribes is 37%, while 22% claim that they do not know any such people.

In order to be able to draw some conclusions, even indirectly, with respect to the extent of administrative and commercial corruption in various institutions, the interviewees were shown a list 18 places/institutions, and asked to specify if they had any personal corruption-related experiences (such as bribe suggestions or demands) while running a business. The frequency of such incidents is presented in Specification 11.

Specification 11

(data in % - the other line shows frequency of such incidents only in those companies that have contacts with a given institution)

When running this company, did you have any personal corruption-related experiences in the following situations:	Often	Rarely	Never	The company does not have such contacts in its profile of activity
1) While interpreting tax regulations with respect to tax exemption, tax allowances or payment by installments – in the tax office	2	7	57	34
	3	11	86	
2) While applying for tax exemption or tax allowances to regional self-government authorities	2	4	57	37
	3	6	91	
3) With VAT tax exemption	2	2	64	32
	3	3	94	
4) While applying for public procurement, with bids for tender	9	10	38	43
	16	18	66	
5) While applying for deductions and reimbursements in units with the status of ‘protected workforce’	1	4	41	54

	2	9	89	
6) When applying for credit on preferential terms	4	6	45	45
	7	11	82	
7) In ZUS (Social Insurance Institution)	5	3	67	25
	6	4	90	
8) While obtaining permits for the launch of business activity (e.g. in SANEPID – the Sanitary Inspection, in the Fire Department, the State Inspection of Tradeetc.)	9	14	56	21
	11	18	71	
9) In customs offices	10	7	32	51
	21	15	64	
10) During official inspections	6	14	50	30
	9	20	71	
11) When applying for construction, alterations or company expansion permits	8	15	44	33
	12	23	65	
12) When applying for import or export quota	2	4	27	67
	6	12	82	
13) When applying for farm produce subsidies	-	3	22	75
	-	12	88	
14) When applying for support purchase contracts	-	3	21	76
	-	12	88	
15) When trying to obtain contracts with other private sector companies	8	16	31	45
	14	29	57	
16) At the police	5	12	44	39
	8	20	72	
17) In prosecutor's office	3	1	49	47
	6	2	92	
18) In courts	4	4	51	41
	6	7	87	

In corruption-related situations in those institutions the interviewees have contact with, bribes tend to appear most frequently when trying to obtain contracts with other private companies (the total of 43% of ‘often’ and rarely’ answers). Answers frequently point at customs offices, bids for tender and application for various permits and licenses. Thus, we are witnessing corruption on the borderline between the public and the private sector, side by side with

corruption within the private sector itself, which contradicts the belief that privatization is a sufficient remedy for corruption.

Interviewee experiences exert strong influence on their opinion about the expansion of corruption – among those people who claim that corruption is on the rise (77% of the overall population), the level of percentages of people reporting frequent occurrence of corruptive practices in various institutions is considerably higher. For instance:

- when applying for permits for business activity launch – 99%
- when obtaining contracts from other private sector companies – 86%.

A similar correlation comes into surface with respect to interviewee opinion on increasing importance of corruption in the operations of their own company. Among the category of people who say that corruption is becoming more of a problem in their business operations (30% of the total sample), the level of percentages of people who report frequent occurrence of bribes in various situations is much higher:

- with bids for tender – 55%
- when obtaining contracts with other private sector companies – 50%
- when applying for permits for business activity launch – 45%
- in customs offices – 40%

Those interviewees who report frequent occurrence of bribes in various situations are strongly in favor of the concept that ‘bribe tax’ does exist. In the overall sample there is 20% of such people, but among those who report frequent occurrence of bribes:

- when applying for permits for business activity launch – 45%
- in customs offices – 40%
- when obtaining contracts with other private sector companies – 25%
- with bids for tender – 23%

Furthermore, there is a strong correlation between the acquaintance of someone who takes bribes and reporting frequent occurrence of bribery. 57% of the overall sample declared such acquaintance, but in the category of those who reported frequent occurrence of bribes the percentages are as follows:

- with bids for tender – 78%
- when applying for permits for business activity launch – 88%
- in customs offices – 80%
- when obtaining contracts with other private sector companies – 99%.

The frequency of bribe occurrence in contacts with various institutions seems to encourage more frank and direct attitudes during conversations about corruption among the interviewees. Among the total population of interviewees, 27% declare they talk about ‘additional gratification’ in an open, direct manner, but among those who report frequent occurrence of bribes the percentages are as follows:

- when applying for permits for business activity launch – 55%
- in customs offices – 40%
- when obtaining contracts with other private sector companies – 38%.

When the extent of some phenomenon is getting bigger and bigger, even if the phenomenon itself is illegal and full of dishonesty, inhibitions and secrecy begin to disappear, and they are replaced not necessarily by ostentation, but at least by openness and a matter-of-fact approach. It is a dangerous example of social taboo transgression.

In corruption incidents reported by the interviewees, the following forms of bribes occurred:

- money – 53%
- gifts – 26%
- share in contract – 9%

- hiring a friend or a family member in the company run by the interviewee – 9%
- other forms of gratification, such as holiday gift packets, goods from the store, free training courses, computer equipment – 3%.

As has been shown, the most direct type of corruption, i.e. financial bribe, is a dominant category.

Relatively few of the sample companies are involved in corruption related to politicians. When asked whether the company has ever been approached with a request to support a political organization or a politician that would be against the law, they provided the following answers:

- never – 82%
- once – 9%
- a few times – 9%
- many times – 0%.

Needless to add, 18% of such cases is 18% too many. Moreover, it is worth remembering that companies included in the sample are not huge market players (250 employees at the maximum) with exorbitant budgets.

4. Business people about self-government officials

In most cases, business people are involved in corruption behavior when dealing with public officials. Consequently, we have tried to determine interviewee perception of the extent of corruption involving self-government officials. We have also assumed that small and medium business owners have more contacts with regional rather than central administration. In 2002 research, the same questions were addressed to the officials themselves. As it turned out, they conducted this self-assessment of their own professional environment with much leniency. The opinions of business people were definitely more harsh, which indirectly proves that they must be involved in corruption as well. In a vast majority of cases, business people believe that suspicions concerning various types of corruptive behavior to be observed in Polish self-government units are justified, whereas only 40% of officials agree with this opinion (for details, see Specification 12).

Specification 12 (data in %)

	Self-government officials June 2002	Business people June 2003
- to a great extent	40	69
- to some extent	30	17
- not at all	5	9
- it is hard to say	25	5

The opinion that suspicions with respect to corruption in self-government units in Poland are to a great extent justified is much more frequently expressed by those business people who reported frequent personal experiences related to corruption:

- with bids for tender, applying for public procurement – 88%
- when applying for business activity launch permits – 88%

- in central government offices – 80%
- when obtaining contracts with other private sector companies – 99%.

By the same token, in comparison to the results obtained from public officials, a bigger representation of business people believe that officials take advantage of their position to draw private profits (cf. Specification 13).

Specification 13 (*data in %*)

The opinion that in the self-government units in Poland:	Self-government officials	Business people
	June 2002	June 2003
- Many officials take advantage of their position to draw private profits	18	70
- There are such officials, but not too many	57	24
- There are no self-government officials who would take advantage of their position to draw private profits	3	0
- It is hard to say	22	6

However, when asked if there are some procedures in the jurisdiction of their self-government unit that would encourage and promote the occurrence of corruption cases, the answer was affirmative only in part.

When asked how often it should happen in their *gmina* that a leading official (the *wójt*, the mayor or the president) by the way of individual decision grants tax exemptions to some companies, a majority of interviewees (74%) was unable to provide an answer, 12% said that such situations were frequent, 10% said that it happened rarely, and 4% said there were no such cases. Still, a vast majority (86%) of business people from the sample declared that where they live, the clients have direct access to the *gmina* unit official who is responsible for solving the matter they came with. Moreover, 73% believe that this arrangement is right, 21% find it inappropriate, and 6% have no opinion on the

matter. Concluding, it is clear that business people prefer to contact the officials directly and personally, which might facilitate corruptive behavior.

When we compare the frequency of wrongful and explicit cases of corruption (this comparison is by no means complete, as the surveys addressed to officials and to business people were conducted in different periods and on different research samples), reported in the *gminas* where interviewees work, once again we will see (Specification 14) a wide gap between the opinions of self-government officials and those pertaining to business people.

Specification 14 (*data in %*)

Type of behavior	Frequency of occurrence							
	Frequently		Rarely		Never		It is hard to say	
	O*	B*	O*	B*	O*	B*	O*	B*
The land surveyor employed by regional self-government administration runs his or her own private surveyor's office	15	35	15	22	39	8	27	35
A <i>gmina</i> official outside working hours runs courses, trainings and consultations financed from the <i>gmina</i> budget	2	19	15	32	53	9	30	40
An architect employed by self-government regional administration runs his own designer office	11	39	21	24	36	9	32	28
The sale of municipal property to relatives of <i>gmina</i> officials	7	54	24	19	27	7	42	20
The sale of municipal property to relatives of councilors	7	56	28	19	23	4	42	21
A self-government officials employs his or her child or spouse in subordinate position	6	56	29	27	40	2	25	15
Municipal flats are given to persons who do not meet qualification criteria	4	40	23	30	37	2	36	28
Confidential information is passed on to the people who can profit from this information	4	53	13	20	40	8	43	19
Bids for tender are 'set up' in such a way that the contract goes to the company run by 'a friend of a friend'	8	76	9	13	41	1	42	10
Bids for tender are 'set up' in such a way that the contract goes to the company that had paid a bribe	7	70	4	12	43	0	46	18
Permits and licenses issued against the law thanks to someone's private intervention	3	44	11	28	47	7	39	21
Permits and licenses issued against the law in exchange for a bribe	3	43	4	25	48	6	45	26

O* - Officials
 B* - Business people

When we compare the answers provided by officials and by business people, we see a significant discrepancy in their respective opinions. Business people are much more straightforward (fewer ‘avoidance’ answers like *it is hard to say*) and severe in their judgment than the officials. The opinions expressed by business people are strongly connected with their corruption-related experience.

Specification 15 illustrates a conspicuous rise in the percentages of people who reported the occurrence of ‘black’ corruption in *gmina* offices among the group of interviewees who, at the same time, reported the acquaintance of persons who take bribes and definitely confirmed the presence of ‘bribe tax’ in Poland, side by side with the fact that corruption becomes more and more of a problem in the operations of their company.

Specification 15 (data in %)

Frequent occurrence of the following type of behavior	(1) I definitely support the opinion concerning the presence of a ‘bribe tax’ in Poland	(2) Personal acquaintance of someone who takes bribes	(3) Corruption is becoming more of a problem in interviewee company business operations	In population total
- Bids for tender are ‘set up’ in such a way that the contract goes to the company run by ‘a friend of a friend’	85	86	90	76
- Bids for tender are ‘set up’ in such a way that the contract goes to the company that had paid a bribe	90	86	90	70
- Permits and licenses issued against the law thanks to someone’s private intervention	74	56	59	44
- Permits and licenses issued against the law in exchange for a bribe	84	58	62	43

Thus, it can be concluded that the critical assessment of the way *gmina* offices operate is deeply rooted in personal, corruption-related experiences of interviewees.

5. Attitudes of business people towards corruption

When conducting research among business people, we were also trying to find out how they evaluate different manifestations of corruption, their reasons and preventive measures that might be undertaken in this respect. There are always two sides to every corruption story – the one who gives a bribe and the one who accepts it, the one that bribes and the one that is being bribed. Whenever our interviewees report great proliferation of corruptive behavior, at the same time they confess that they are personally involved in corruption, too. If there was someone who took a bribe, there must have been a person who gave it – perhaps it was one of our interviewees. Thus, how do they assess corruptive behavior, their own corruptive behavior included?

One of the possible ways to answer this question would be to indicate the reasons behind corruption practices mentioned most frequently by business people.

When asking the interviewees to provide reasons for the presence of corruption in contemporary Poland, we showed them a list of factors from which they were supposed to select three items of primary importance, in their opinion. The very same question appeared in previous editions of my research, so in Specification 16 one can see whether the opinions of business people expressed in 2003 are any different from the views expressed by the total population sample in previous years.

Specification 16 Reasons for the presence of corruption in Poland

Interviewee choices in subsequent editions of research

(dane w %)

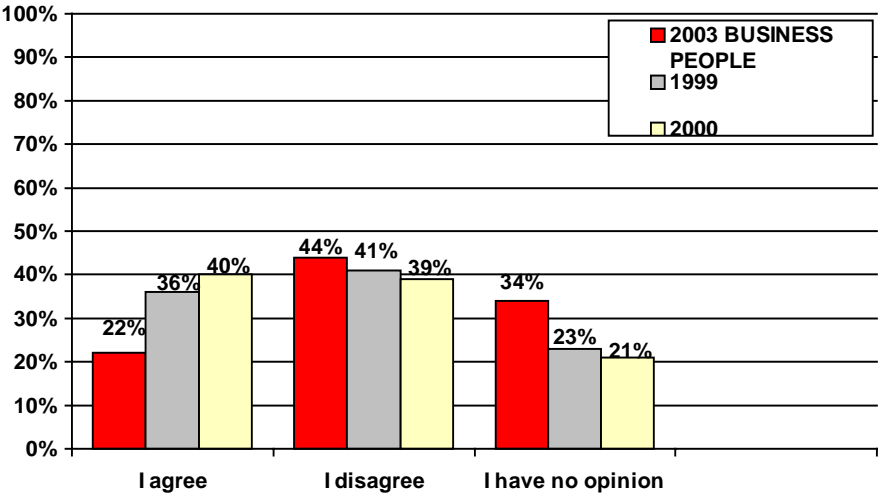
Categories of answers	1988		1991	1992 *	1993 *	1995	2000	2003
	Closed-end question selection of 4 items	Open-end question	Open-end question	Closed-end question selection of 3 items	Closed-end question Selection of 3 items	Open-end question panel (1991)	Closed-end question selection of 3 items	Business, people Closed-end question selection of 3 items
Lack of goods and services which are in high demand (since 1991, short supply of some goods and services)	96	92	6	4	6	1	5	2
Malfunctioning and inefficient administration, disorder and confusion	46	8	12	42	38	2	46	40
Too many ambiguous regulations, loopholes in legal framework	53	7	7	39	43	16	43	52
Lack of high moral standards, widespread dishonesty	57	20	33	46	45	30	56	65
The wish to get rich, to have more at any price	65	23	23	46	56	24	66	62
corruption habits inherited from the previous system (in 1988 – from the time of 19 th century Partition Period and 2 nd World War Nazi occupation)	15	6	10	38	36	9	28	31
Bribery occurs in every society, irrespective of when and where	20	1	1	-	-	0	25	12
It is hard to say	4	1	16	-	7	11	4	3

The total sum of answers does not yield 100%, because the interviewees were allowed to select a few items in each research edition..

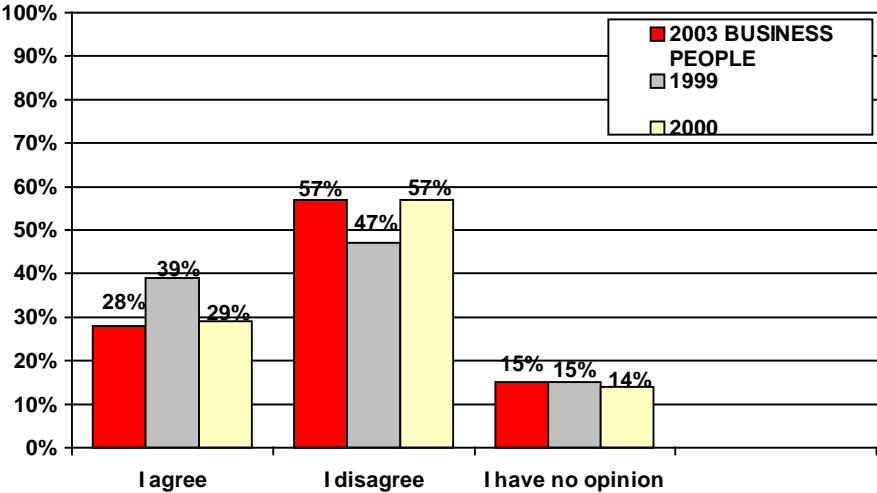
As can be concluded from the chart, in the course of many years, starting from the time of systemic transformation in 1989, there were no significant changes in the order of selected items, both among the population total, and among the business people now. By and large, corruption stems from people's

personal characteristics, such as dishonesty, low morals, and the wish to get rich at any price. Systemic features or institutional solutions are to blame to a lesser extent. Consequently, personal ethics, high moral standards and individual system of values are dominant factors, so particular individuals are predominantly to blame for wrongful doings. From this point of view, it was very important to find out to what extent the interviewees disapproved of, accepted or even approved of corruption. To that end, the interviewees were asked to express their opinion on 10 statements related to bribery, which is the most explicit and unambiguous manifestation of corrupt behavior. For the sake of comparison, I also present corresponding results obtained during the editions of research conducted on a sample of overall population.

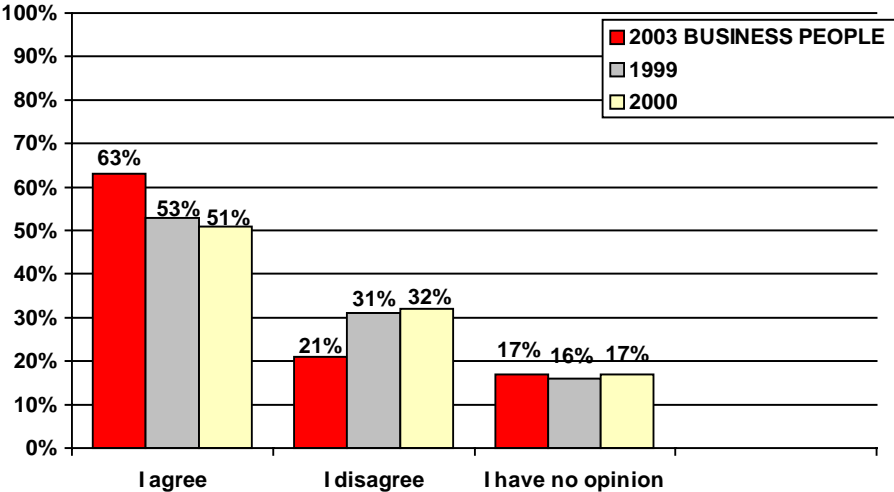
I. I would never give a bribe, even in a very difficult situation



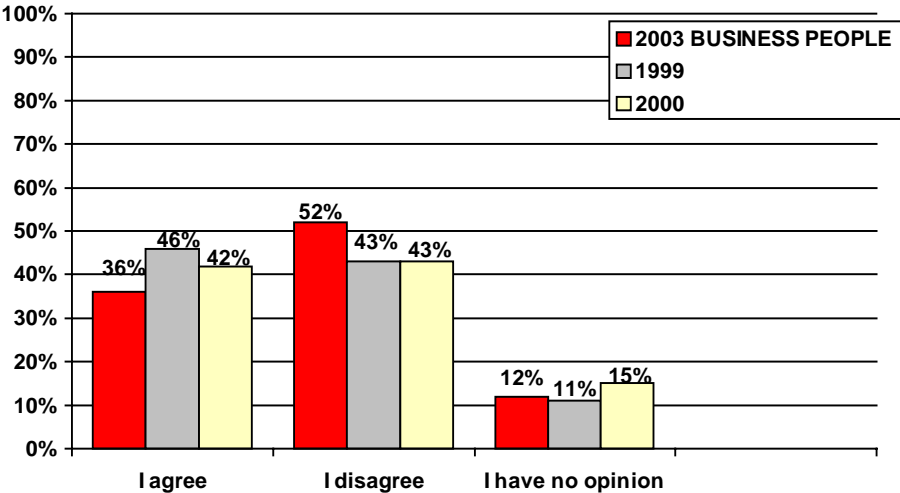
II. A bribe is a supplement to a meager salary



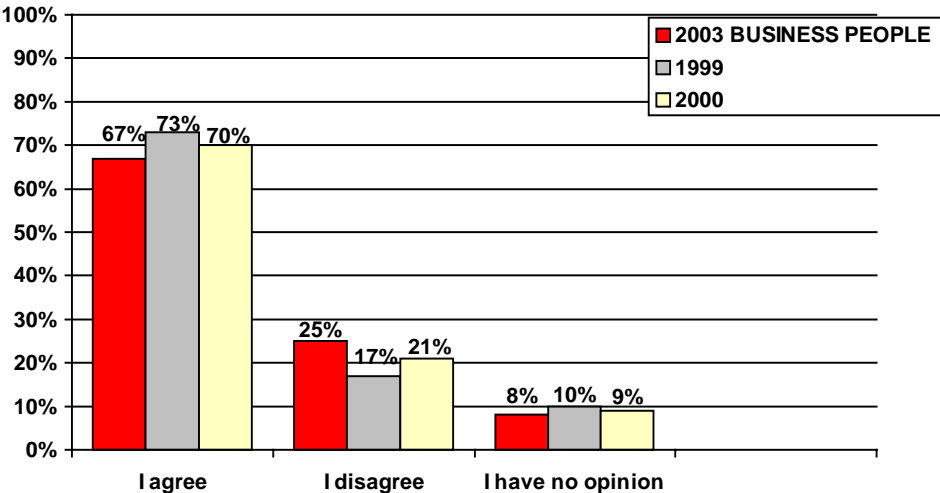
III. Bribery should be punished with long-term imprisonment



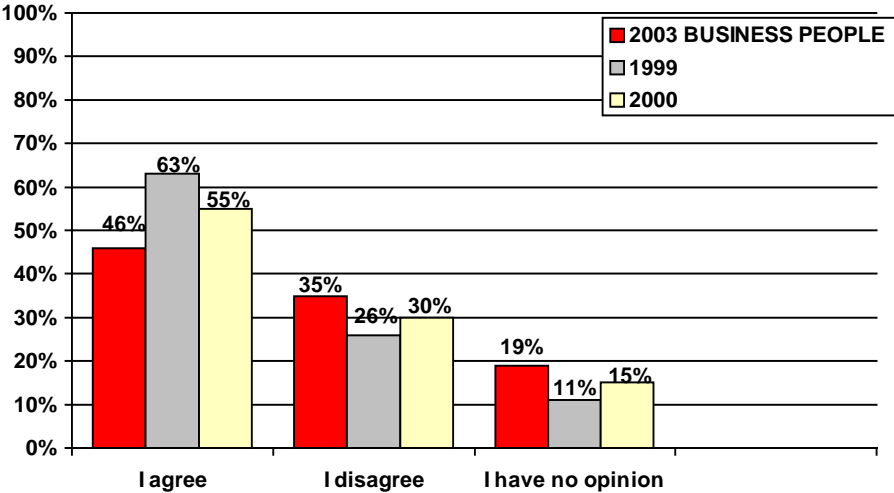
IV. In certain situations, giving a bribe can be justified



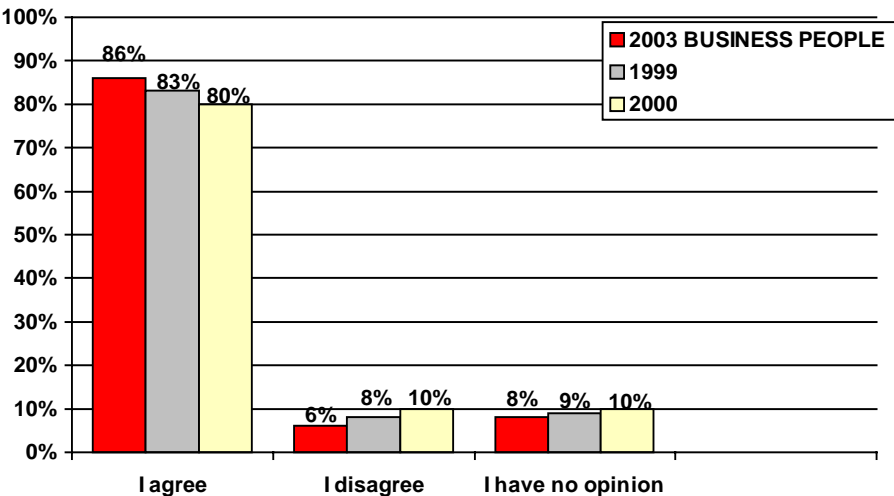
V. Both those who take and those who give bribes should be condemned



VI. In present-day situation people have no choice – they have to give bribes

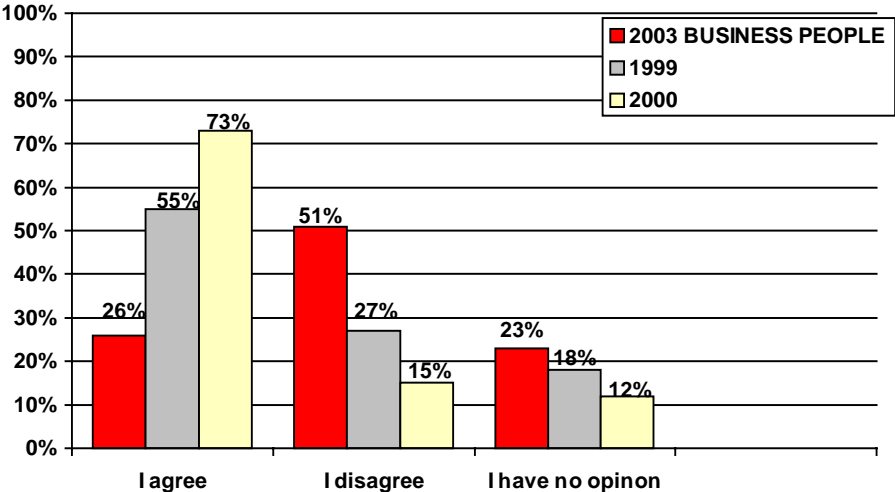


VII. A bribe is immoral in every walk of life, irrespective of when and where

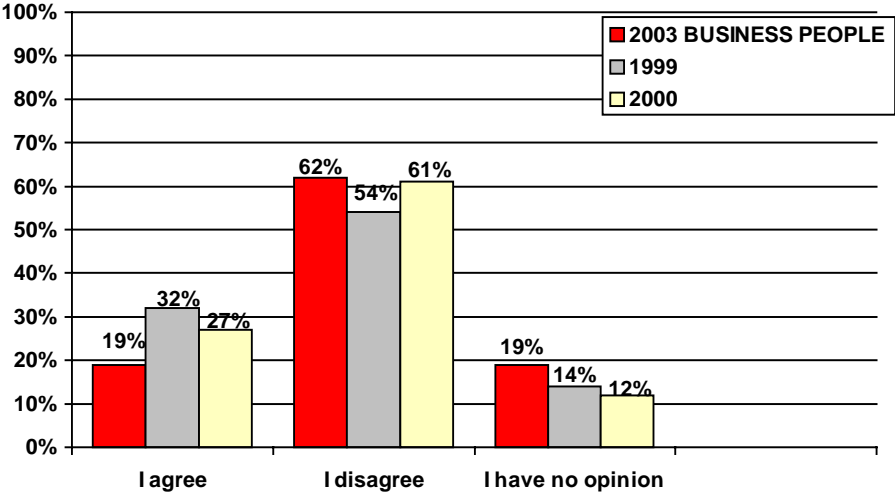


VIII. A gift from someone in return for doing them a favor is just a symbol of their respect and kindness

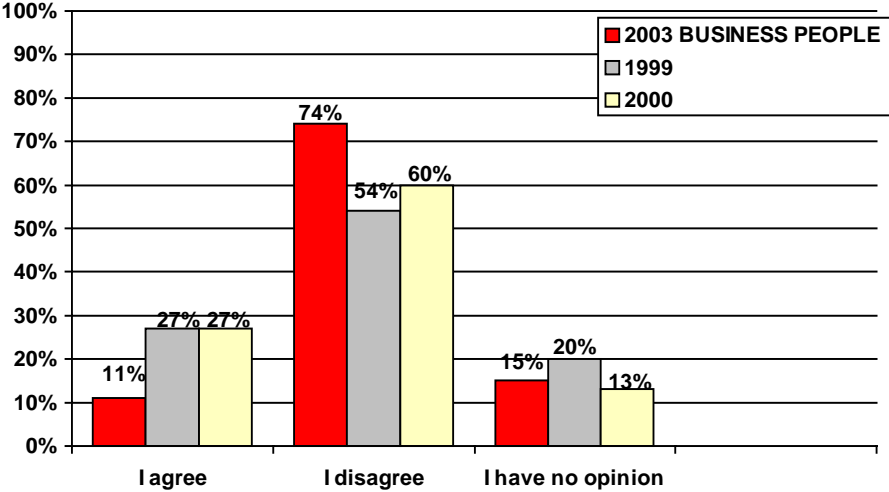
(In the question addressed to business people, the phrase *even quite valuable* was added after the word ‘gift’)



IX. Only financial bribes deserve disapproval



X. All the blame should go on those who take bribes, and not on those who give bribes



The biggest discrepancies came into surface with respect to those statements which refer to people who give bribes (statements I and X), i.e. potentially our interviewees, as well as the one devoted to a bribe in the form of gift (statement XIII – but maybe it is because the wording of the question was changed, or due to personal experiences of the interviewees, who reported that they are expected or made to provide such gifts). Moral disapproval for bribes is very strong (statement VII), both with respect to those who take and those who give bribes (statement V). It must translate into the state of serious dissonance for potential donors of bribes.

Thanks to categorization of findings, we have managed to specify three more general kinds of attitudes towards the phenomenon in question, exhibited by our interviewees:

- * **disapproval on moral grounds** – we have assumed that this attitude corresponds with the presence or absence of interviewee identification with the following statements: 1) a bribe is immoral in every walk of life, irrespective of when and where (VII); 2) bribery should be punished with long-term imprisonment (III); 3) I would never give a bribe, even if I was in a very difficult situation (I); 4) both those who take and those who give bribes should be condemned (V).
- * **acceptance, tolerance for bribery** – the indicator of this category is the presence or absence of approval for the following statements: 1) in present-day situation people have no choice – they have to give bribes (VI); 2) all the blame should go on those who take bribes, and not on those who give bribes (X); 3) only financial bribes deserve disapproval (IX).
- * **Approval for a bribe as a compensation of a kind** – this attitude is measured by means of the presence or absence of approval for the following statements: 1) in some situations, giving a bribe can be justified (IV); 2) a gift from someone in return for doing a favor is just a symbol of their respect and kindness (VIII); 3) a bribe is a supplement to a meager salary (II).

Notably, the attitudes presented below do not have to be mutually exclusive – someone may condemn bribery and at the same time feel compelled to accept its occurrence.

Diagrams 1,2 and 3 below illustrate the percentage break-up for the frequency of occurrence of various types of moral condemnation, acceptance and approval for bribery in subsequent years.

Diagram 1. The extent of disapproval for bribery on moral grounds

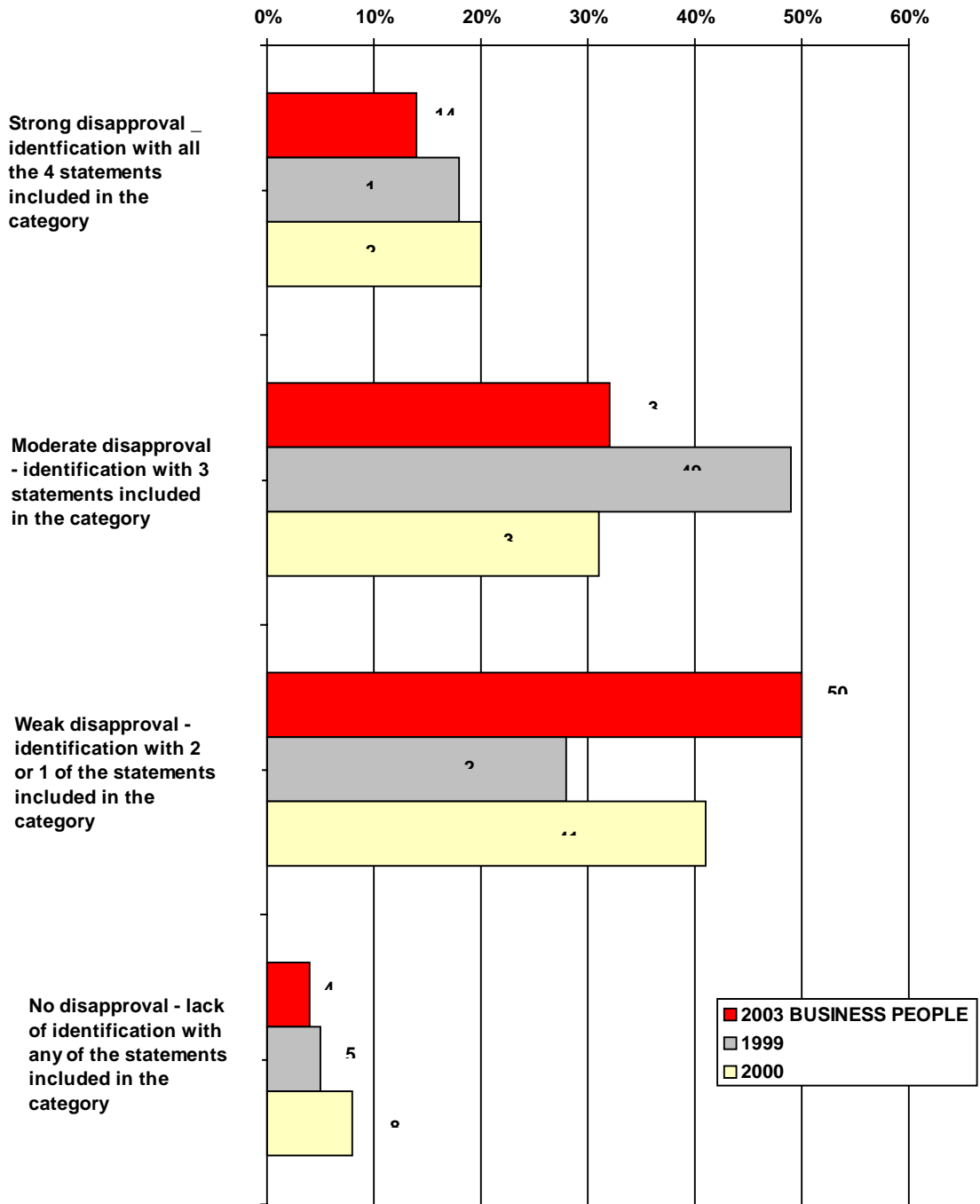


Diagram 2. The extent of acceptance, or tolerance for bribery

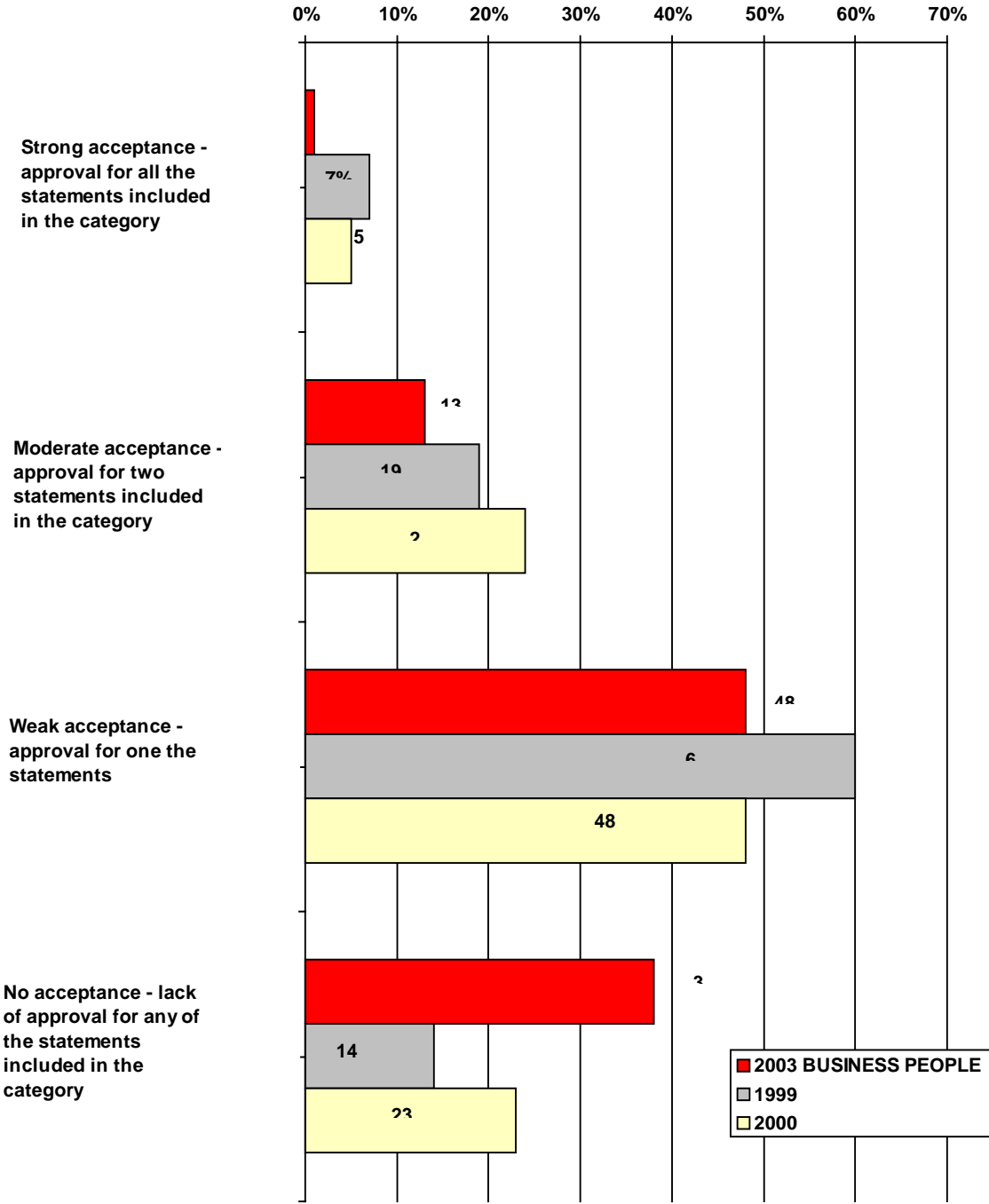
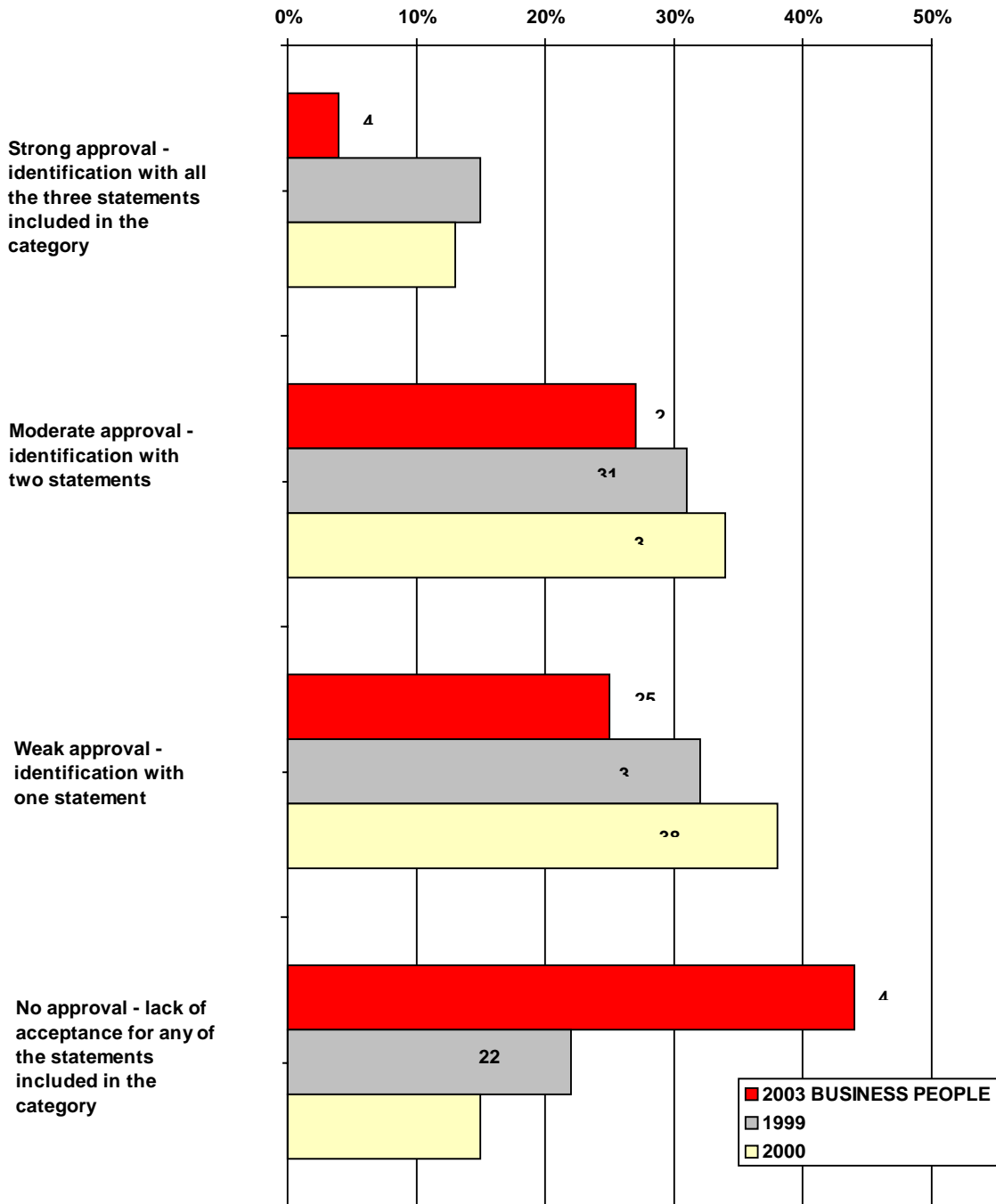


Diagram 3. The extent of approval for bribery



The level of moral disapproval towards corruption among business people is lower than in the sample of Polish population total, but so is the acceptance for corruption and the approval for the occurrence of corruptive practices. Such an attitude seems quite reasonable – business people tend to have more understanding for immoral behavior they are involved in, but at the same time they do not want to condone such behavior or, for that matter, approve of it.

6. Suggested measures meant to curtail corruption

Thus, what steps can be taken to curtail the occurrence of corruption, according to our interviewees? We asked our interviewees to come up with their own ideas for combating corruption in all kinds of public offices. Irrespective of the type of the office in question, interviewee suggestions touch upon the subject of legal regulations – they emphasize the need for unambiguous, explicit provisions that do not fall prey to arbitrary interpretation by the officials, doing away with the laws that duplicate one another, and simplifying legal rules (including tax regulations). Further on, the interviewees would welcome stronger, more direct and precise supervision of officials' performance (especially in tax revenue offices, when applying to self-government authorities for tax exemptions or tax allowances, and with bids for tender). It is also very important, according to our interviewees, to implement severe punitive measures, even in the form of strict penal sanctions, but it is unclear whether this punishment should involve only bribe recipients, or bribe donors as well. As can be concluded from the context, business people restrict the responsibility for corruption to the officials only – they mention the irrevocable, life-long ban on performing one's professional duties in the capacity of a public official or customs officer, firing the supervisors of corrupt officials, making the names of those officials known to the general public, punishing them with confiscation of

property. Very few interviewees (3 cases) suggest that the people who give bribes should be exempt from punishment.

Specifically with respect to tax revenue offices, the interviewees see the need for flat-rate taxation (6 persons) and the dissolution of the offices (6 people as well). As far as tax allowances and exemptions are concerned, VAT included, it is suggested that they should be cancelled. With regard to bids for tender and public procurement procedures, business people also suggest that the terms and conditions must be clearly laid out before bidding, tenders should be open, and there should be better access to information about tenders. Also, the Public Procurement Act must be amended in order to make its provisions more specific (30 people altogether). According to business people, the best way to combat corruption during official inspections and while applying for business activity launch permits would be either to do away with the permits on the whole, or at least to radically reduce their number (18 interviewees), and to introduce procedures enforcing equal treatment for all companies involved (6 persons).

By and large, the suggestions meant to curtail the proliferation of corruption submitted by business people from the sample tend to focus on the need for more liberal, but at the same time precise and explicit legal regulations, rather than on more restrictive punitive measures. From the standpoint of business people, the issue of corruption rests predominantly in the domain of officials. Business people seem to forget that corruption behavior always requires the involvement of two sides.

Conclusion

The findings of quoted research are rather pessimistic. Opinions and experiences expressed by Poles and presented above not only reflect the fact that Polish people believe there is high proliferation of corruption in Poland, but also mean that this belief is deeply rooted in their personal experiences. While the widespread perception of the world of politics as corrupt may result from the information provided by the media, every day personal contacts with healthcare, traffic police and various units of public administration are a tangible proof for about one fifth of adult Poles that we live in a country with high levels of corruption, which does not mean, however – at least in my opinion – that corruption is a ubiquitous phenomenon in Poland, or that we are witnessing a dramatic upsurge of corruption.

Business people from the private sector belong to the social group that is especially vulnerable to corruption. They are involved both in commercial type of corruption (when they bribe public officials for the sake of their business activity), and in administrative one (if the officials make them give bribes). In this respect, there is a divergence of opinion among the general public, with slightly more people putting the blame on public officials - 39% of the sample blamed business people for corruption, versus 42% who pointed at the officials.

Business people themselves see corruption as a social issue of much greater importance than the total population of Poles. By the same token, more often than the general public they notice corruption in public administration units of all levels - starting with the level of *gmina* offices, all the way up to central government administration. The majority of business people (66%) are convinced that we are witnessing a growing proliferation of corruption in

Poland, and almost 30% declare that corruption is becoming more and more of a problem in their business activity. Side by side with delays in payments, business recession, taxation and credit problems, corruption is seen as a major barrier to running a business. Actually, two thirds of the business people from the sample believe that there is a special additional tax burden in Poland – the so-called ‘bribe tax’. This belief is based on their personal experience: as many as 57% of business people know someone who takes bribes, and 92% of this group know at least several people who take bribes. As for the items reported most frequently as corruption-prone, they quote customs offices, tenders, public procurement, permits for company expansion and business launch, and getting contracts from other private companies.

Business people are extremely critical towards the offices and employees of regional self-government administration, with respect to their involvement in corruption. According to as much as 69% of business people, the suspicions concerning various kinds of corruptive behavior in Polish self-government units are substantiated to a great extent, and 70% believe that many self-government officials abuse their position in order to draw private profits.

The majority of business people from the sample are convinced that in the jurisdiction of their *gmina* bids for tender are often ‘set up’, so that the contract goes to a company run by a ‘friend of a friend’(76%) or to a firm that had paid the bribe (70%).

At the same time, business people express strong disapproval for corruption, and seek its sources in lack of moral standards, in human dishonesty and the wish to get rich, to have more at any price. It cannot be denied that the level of strong disapproval for corruption on moral grounds is lower among business people (14%) than in the overall population, but on the other hand, business people more frequently express lack of acceptance for corruptive practices (38%), side by side with lack of approval for their presence (44%).

Business people believe that the best way to curtail corruptive behavior is to reduce the quantity of legal regulations, and to make them as precise and explicit as possible.

ANNEX
Questions included in the nationwide sample survey – June 2003

- 1. Recently there has been a lot of discussion about corruption in different walks of life and areas of social life in Poland. In which of the following areas, in your personal opinion, corruption occurs most frequently? Please select 3 items at the maximum:
 - 01) in gmina, powiat and wojewodship offices
 - 02) in the units of central government administration and in the ministries
 - 03) among politicians, party activists, councilors, deputies and senators
 - 04) in the police
 - 05) in healthcare
 - 06) in education and science
 - 07) in state-owned firms/companies
 - 08) in private sector firms/companies
 - 09) in banks
 - 10) in courts and prosecutors' offices
 - 11) somewhere else, where?
 - 12) It is hard to say

- 2. And what is your personal experience in this respect? Do you personally know someone who takes bribes?
 - 1) yes
 - 2) no **[go to question 11]**

- 3. How many such people do you know?

- 4. Has anyone ever tried to give you a bribe, or not?
 - 1) yes
 - 2) no
 - 8) I refuse to answer this question

- 5. During the last 3-4 years, did it happen to you that you had to give someone a bribe?
 - 1) yes
 - 2) no **[go to question 14]**
 - 3) It is hard to say **[go to question 14]**
 - 4) I refuse to answer this question **[go to question 14]**

- 6. In what institution did it take place, what were the circumstances?
.....

- 7. Recently there has been a lot of information about bribes in various offices, given by business people who run their own firms. Which of the following statements reflects your personal opinion better?

- 1) Business people give bribes of their own accord, they are hoping that it will help to settle the matter they came with in their favor
- 2) Business people give bribes because the officials involved in the matter clearly expect or demand a bribe.
- 3) It is hard to say

QUESTIONNAIRE ADDRESSED TO BUSINESS PEOPLE

Dear Sir / Madam,

A lot is being said in Poland about all kinds of barriers and obstacles that have detrimental effect on business activity.

Centrum Badania Opinii Społecznej (Public Opinion Research Center) is going to conduct research devoted to various barriers that get in the way of business activity, with special emphasis on corruption. The research was commissioned by Stefan Batory Foundation, it will be carried out with the cooperation of business associations – Krajowa Izba Gospodarcza (Polish Chamber of Commerce) and Polska Konfederacja Pracodawców Prywatnych (Polish Federation of Private Employers). That is why we would like to ask you to complete this questionnaire. The questionnaire is anonymous, and your answers will only be used for the purpose of aggregate statistical studies. Our consultant will leave a copy of the questionnaire with you, and once it has been completed, he or she will put it in the envelope and seal it in your presence.

Please mark your answers in the questionnaire and, if desired, add your opinions and comments on the problems described.

Thank you for your cooperation.

1. **How long have you been self-employed (number of years)?**
.....
2. **And when was your firm established? month and year when the company was created**
3. **How many people are currently employed in the company?**
4. **What is the company's profile of activity**
And business branch.....
5. **Does the company intend to:**
 - 1) Carry on this kind of activity
 - 2) Expand its profile of activity
 - 3) Switch into another business branch or profile of activity
 - 4) It is hard to say
6. **In your opinion, what is the financial standing of the company:**
 - 1) Very good
 - 2) Quite good
 - 3) Rather bad
 - 4) Very bad
 - 5) It is hard to say
7. **In your opinion, what are the prospects for company development:**
 - 1) Very good
 - 2) Quite good
 - 3) Rather bad
 - 4) Very bad
 - 5) It is hard to say
8. **At present in Poland there are many social problems waiting to be solved, there are a lot of areas that need improvement. From the list below please choose not more than five such problem issues, which in your opinion are the most important ones:**
 - 1) education
 - 2) disability and retirement pensions
 - 3) crime
 - 4) privatization and re-privatization
 - 5) employment and unemployment
 - 6) the status of farming sector
 - 7) slow economic growth
 - 8) corruption
 - 9) poverty
 - 10) tax system
 - 11) residential building sector
 - 12) healthcare
 - 13) responsibility for mistakes in the government
 - 14) economic relations with foreign countries
 - 15) the military and defense
 - 16) it is hard to say
9. **A lot is being said about barriers and obstacles in running a business in Poland. Which of the factors enlisted below pose the biggest problem for the operations of your company:**
 - 1) business recession
 - 2) the level of interest rates
 - 3) the level of CIT taxation
 - 4) the level of PIT taxation
 - 5) too many taxation rates
 - 6) time-consuming registration procedures
 - 7) corruption in administration
 - 8) too many institutions that supervise and control company operations, their tasks and duties often overlap

- 3) Lack of moral standards and dishonesty of many people
- 4) Excessive ambiguity of legal regulations
- 5) The wish to get rich, to have more
- 6) Bribe habits inherited from the previous system
- 7) Bribery is present in all societies and at all times
- 8) Other reasons – what kind?
- 9) It is hard to say

17. It is sometimes said that there is a special ‘bribe tax’ in Poland: running a business incurs additional expenses needed for payments to officials from different levels of public administration. Do you share this opinion or do you disagree with it?

- 1) I definitely agree
- 2) I agree up to a point
- 3) I can’t say I agree
- 4) I absolutely disagree
- 5) It is hard to say

18. Do your acquaintances and colleagues who run their own companies discuss the subject of ‘additional gratification’ for officials, or not?

- 1) yes – it is discussed openly and to the point
- 2) yes – it is discussed , but only in a most general way, dropping hints
- 3) no – it is not discussed at all

19. Below we have put forward some statements concerning the subject of bribes. Please note next to each entry whether you agree or disagree with each of the statements:

- 1) In present-day situation people have no choice – they have to give bribes
a) I agree b) I disagree c) I have no opinion
- 2) Bribery should be punished with long-term imprisonment
a) I agree b) I disagree c) I have no opinion
- 3) A bribe is immoral in every walk of life, irrespective of when and where
a) I agree b) I disagree c) I have no opinion
- 4) All the blame goes on those who give bribes, and not those who take bribes
a) I agree b) I disagree c) I have no opinion
- 5) In certain situations giving a bribe can be justified
a) I agree b) I disagree c) I have no opinion
- 6) Both those who take bribes and those who give bribes deserve to be condemned
a) I agree b) I disagree c) I have no opinion
- 7) A gift, even quite valuable, given to someone in return for their favor is just a sign of respect and kindness
a) I agree b) I disagree c) I have no opinion
- 8) I would never give a bribe, even in a very difficult situation
a) I agree b) I disagree c) I have no opinion
- 9) Only financial bribes deserve disapproval
a) I agree b) I disagree c) I have no opinion
- 10) A bribe is a supplement to a meager salary
a) I agree b) I disagree c) I have no opinion

20. Sometimes we hear about self-government officials who take advantage of their position to draw private profits. In your opinion, in self-government units in Poland:

- 1) A lot of officials do that
- 2) Some of them do that, but they are not numerous
- 3) There are no such officials who would take advantage of their position to draw private profits
- 4) It is hard to say

21. How often do the following situations take place in the jurisdiction of your *gmina*:

Next to each statement please circle one digit which best reflects your opinion on the matter:

		frequently	rarely	never	It is hard to say
01)	The land surveyor employed by regional self-government administration runs his or her own private surveyor's office	1	2	3	4
02)	A <i>gmina</i> official outside working hours runs courses, trainings and consultations financed from the <i>gmina</i> budget	1	2	3	4
03)	An architect employed by self-government regional administration runs his own designer office	1	2	3	4
04)	The sale of municipal property to relatives of <i>gmina</i> officials	1	2	3	4
05)	The sale of municipal property to relatives of councilors	1	2	3	4
06)	A self-government officials employs his or her child or spouse in subordinate position	1	2	3	4
07)	Municipal flats are given to persons who do not meet qualification criteria	1	2	3	4
08)	Confidential information is passed on to the people who can profit from this information	1	2	3	4
09)	Bids for tender are 'set up' in such a way that the contract goes to the company run by 'a friend of a friend'	1	2	3	4
10)	Bids for tender are 'set up' in such a way that the contract goes to the company that had paid a bribe	1	2	3	4
11)	Permits and licenses issued against the law thanks to someone's private intervention	1	2	3	4
12)	Permits and licenses issued against the law in exchange for a bribe	1	2	3	4

22. How often does it happen in your *gmina* that the leading official (*wójt*, mayor, president) by individual decision grants exemption from taxation to some companies?

- 1) frequently
- 2) rarely
- 3) never
- 4) it is hard to say, I do not know

23. In the offices of your *gmina*, do clients have direct access to the official who deals with their case?

- 01) yes
- 02) no → go to question 25

24. Do you think it should be that way?

- 1) Yes, absolutely
- 2) I guess it should
- 3) I guess it shouldn't
- 4) Absolutely not
- 5) It is hard to say

25. In your opinion, are suspicions with regard to various corruption behavior in Polish self-government units substantiated:

- 1) To a great extent
- 2) To some extent
- 3) Not at all
- 4) It is hard to say

26. When running your company, did you personally have any corruption-related experiences in the following situations:

(Please put a cross next to the relevant entry)

		frequently	rarely	never	Our company does not have this kind of contacts in its profile of activity
01)	While interpreting tax regulations with respect to tax exemption, tax allowances or payment by installments – in the tax office				
02)	While applying for tax exemption or tax allowances to regional self-government authorities				
03)	With VAT tax exemption				
04)	While applying for public procurement, with bids for tender				
05)	While applying for deductions and reimbursements in units with the status of 'protected workforce'				
06)	When applying for credit on preferential terms				
07)	In ZUS (Social Insurance Institution)				
08)	While obtaining permits for the launch of business activity (e.g. in SANEPID – the Sanitary Inspectorate, in the Fire Department, the State Inspection of Labor etc.)				
09)	In customs offices				
10)	During official inspections				
11)	When applying for construction, alterations or company expansion permits				
12)	When applying for import or export quota				
13)	When applying for farm produce subsidies				
14)	When applying for support purchase contracts				
15)	When trying to obtain contracts with other private sector companies				
16)	At the police				
17)	At prosecutor's office				
18)	In courts				
19)	In other situations and institutions, of what kind?				

27. If any of the above-mentioned corruption-related situations did take place, what was expected in return:

- 1) money
- 2) a commission, a share in contract

- 3) employing a family member or a friend in your company
- 4) a gift
- 5) other form of gratification – of what kind?

28. Has anyone approached your company asking for support for a political organization or a politician that would be against the law?

- 1) never
- 2) once
- 3) a few times
- 4) many times

29. In your opinion, what has to be done to curtail corruption:

- 1) In tax offices
- 2) When applying for tax exemption or tax allowances to self-government authorities.....
- 3) With VAT tax exemptions
- 4) When applying for public procurement, with bids for tender
- 5) When applying for business permits and licenses and during official inspections
- 6) In customs offices

Background information about the interviewee:

1. Sex: Female Male

2. Year of birth:

3. What is your education:

4. How would you describe current financial situation of your household? Is it:

- 1) Very bad
- 2) Rather bad
- 3) Neither good nor bad
- 4) Quite good
- 5) Very good
- 6) It is hard to say

5. In your opinion, in a year from now financial situation of your household is likely to:

- 1) Deteriorate to a great extent
- 2) Deteriorate slightly
- 3) Remain the same
- 4) Improve slightly
- 5) Improve to a great extent
- 6) It is hard to say

6. The headquarters of your company are located in:

- 1) a rural area
- 2) a town with the population below 20 ths.
- 3) a town with 21 ths. to 50 ths. inhabitants
- 4) a town with 51 ths. to 100 ths. inhabitants
- 5) a city with the population between 101 ths. and 500 ths

6) a city with a population over 500 ths.

7. Did you own other companies before?

- 1) yes
- 2) no

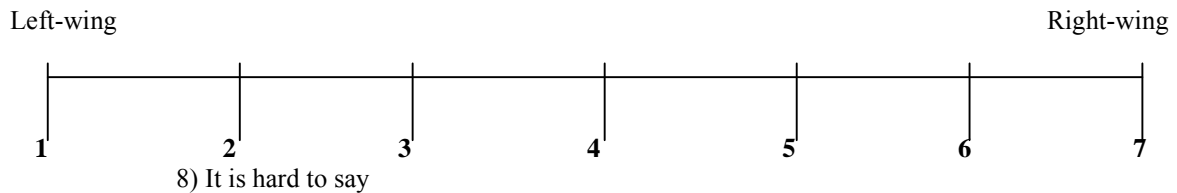
8. How many companies did you run/own before:

9. How would you describe your attitude towards politics:

I think that my interest in politics is:

- 1) extensive – I carefully follow all the details of political situation;
- 2) quite big – I tend to follow what is going on in politics;
- 3) average – I only follow major events;
- 4) small, insignificant – I often miss even major events;
- 5) close to none – actually, I do not care about politics

10. This line encompasses the range of political views, from the left to the right extreme of political scene. Please mark which position best reflects your political views:



11. How would you describe your attitude towards religion. Do you think you are:

- 1) deeply religious
- 2) religious
- 3) tentative atheist
- 4) confirmed atheist
- 5) it is hard to say

If you have any comments regarding this questionnaire, please note them below:

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