Public Perceptions of Corruption in Hungary

Opinions and their Main Social Drivers

A report by Khadija Aftab, Oliver Pilz, and Aslesha Tummalapalli (Central European University School of Public Policy Masters Students) produced in collaboration Transparency International Hungary
ABOUT THE PROJECT

This study was commissioned by Transparency International Hungary. The work was conducted and recognized in partial fulfillment for the “Policy Lab” course within the School of Public Policy at Central European University.

Policy Labs are part of the MA curriculum and give an opportunity for small teams to work for external clients producing and presenting policy relevant research that will be used for advocacy, assessment, and development. Clients are civic organizations, donors, research centers and international organizations. Ben Witorsch, Holbrooke Fellow in CEU’s School of Public Policy, mentored the Policy Lab team that executed this project. Bálint Mikola supervised the completion of this report on behalf of Transparency International Hungary. Mikola and Witorsch served as the report’s editors.

ABOUT THE AUTHORS

Khadija Aftab is a Master of Arts student in Central European University’s School of Public Policy and will receive her M.A. degree in June 2020.

Olivér Pilz is a Master of Arts student in Central European University’s School of Public Policy and will receive his M.A. degree in June 2020.

Aslesha Tummalapalli is a Master of Arts student in Central European University’s School of Public Policy and expects to receive her M.A. degree in 2021.

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Public Perceptions of Corruption in Hungary - Opinions and their Main Social Drivers

By Khadija Aftab, Oliver Pilz, and Aslesha Tummalapalli in Cooperation with Transparency International Hungary

Introduction

Despite broad interest in public perceptions of corruption both from a theoretical, as well as from a policy practitioners’ perspective, relevant surveys conducted on a representative sample of the population have been rare in Hungary. Although the Corruption Perceptions Index (CPI) developed by Transparency International has been widely used as a point of reference, it is based on the aggregation of expert evaluations from 13 different surveys and does not, therefore, capture popular attitudes.

The closest approximation of public perceptions of corruption has been gauged by cross-national surveys such as the Global Corruption Barometer (GCB), some editions of the Eurobarometer surveys, and some further special surveys, such as the European Council on Foreign Relations’ (ECFR) panel survey before the 2019 European Parliament elections, as well as the “What worries the world?” regular surveys conducted by Ipsos, the main findings of which are briefly discussed below. However, as the aforementioned surveys have not been specifically designed for the Hungarian context, they fail to cover some locally relevant manifestations of corruption (such as informal payments in healthcare), while overemphasizing others that are not directly relevant from a domestic perspective. Although perceptions of corruption are occasionally also included in Hungarian opinion polls (Botos 2018, D. Kovács 2018, HVG 2019), these polls mostly focus on party preference and do not cover corruption in detail.

Therefore, the survey presented in this report, commissioned by the report’s authors (Master’s students at Central European University’s School of Public Policy) in cooperation with Transparency International Hungary, addresses an important gap in existing knowledge about public perceptions of both “petty” and “grand” corruption in Hungary. Beyond providing a descriptive overview of such perceptions based upon a representative sample, the survey conducted by the Tárki Group also allows us to assess how a wide range of socio-demographic variables affect different forms of perceptions.

In terms of the findings of previous surveys, the 2016 Global Corruption Barometer (a periodic representative survey conducted by Transparency International) found that a solid

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1 The authors are Master’s students in the Policy Lab program of Central European University’s School of Public Policy.
majority of Hungarian respondents (57 percent) felt that corruption had increased in the previous four years, while 56 percent thought the government did not do enough to curb corruption (Transparency International Hungary 2016a). Nevertheless, corruption did not feature among Hungarians’ top worries, with only 28 percent of respondents citing it as one of their main concerns, lagging far behind healthcare (67%) and unemployment (46%).

This perception, however, had changed drastically by 2019, when a survey conducted by the European Council on Foreign Relations (Krastev et al. 2019) found that roughly the same share (38%) of Hungarian respondents were concerned about the state of the healthcare system and corruption. Despite these concerns, a special edition Eurobarometer issued in 2017 (Eurobarometer 2017) found that only 35 percent of Hungarian respondents thought that certain forms of corruption such as offering money, gifts, or favours to “get something from the public administration or a public service” were unacceptable, the second lowest share in the EU (the lowest being Latvia’s 34 percent), far behind the EU average of 70 percent. At the same time, 86 percent of Hungarian respondents considered corruption to be a widespread phenomenon in Hungary (ibid.).

As the figures cited above reveal, previous surveys aptly demonstrate that corruption is widely perceived as a serious problem in Hungary, and that a significant proportion of society felt that the situation has steadily deteriorated in recent years. However, available data provide little guidance regarding the perceptions of specific forms of corruption, be it petty or grand, as well as their social drivers. The survey presented below provides an unprecedented opportunity to tap into more fine-grained attitudes and understand which socio-demographic variables affect those perceptions. This endeavour aims not only to inform future research, but also to inspire policies to meaningfully address popular concerns.

**Explanation of the survey sample and methodology**

The poll of 1,018 Hungarian citizens was conducted via personal interviews in late January 2020 using a structured questionnaire. Professional interviewers from the Tárki Social Research Institute employed Computer Assisted Personal Interviews (CAPI) to collect the data which sought to understand public perceptions on corruption in Hungary. The findings are representative of the Hungarian adult population in terms of gender, age, education level, and type of municipality.

The questionnaire, designed jointly by the report’s authors and Transparency International Hungary, consisted of ten questions and began by assessing the public’s understanding of corruption in Hungary. The survey sought to identify what actions the public believed constituted corruption, for example policemen demanding bribes, the misuse of public funds, politicians’ relatives receiving business or legal advantages, or the misuse of public office in general.
The second question measured respondents’ perception of the consequences of corruption in Hungary. They rated the capacity of various governmental institutions to address corruption, including the police, the public prosecutor’s office, Hungary’s courts/judicial system, the Parliament, and the Prime Minister.

Subsequent questions probed respondents’ experience providing unaccounted payments or services to public officials, for example municipal government representatives, health or tax inspectors, and police and asked whether respondents found it justifiable for doctors and other medical professionals to request or accept gratuity payments for services that are technically free under Hungary’s public health system.

The next set of questions focused on the characterization of large-scale, or grand corruption and its effects on the highest levels of government and public institutions. Respondents provided their perception of grand corruption and its trajectory in Hungary over the past three years. Respondents also assessed the extent to which EU funds Hungary receives contribute to corruption.

Those polled were asked for their opinion as to why Hungary had the largest number of European Anti-Fraud Office (OLAF) investigations for alleged irregularities and possible misuse of EU funds in 2018. The survey’s final question measured the extent to which respondents believed corruption influenced which companies won large public procurement tenders and, if so, through which mechanisms such influence became manifest. The full questionnaire may be consulted in the Annex.

As the description above exemplifies, the questionnaire devoted equal importance to petty and grand corruption (Jancsics 2013, Kenny and Soreide 2009; Lancaster and Montinola 2001). While petty corruption “typically involves relatively small sums of money or exchanges of favors between street-level bureaucrats and ordinary citizens,” grand corruption occurs when “powerful economic or political actors (...) are able to influence policies and regulations to extract huge amounts of public expenditures for their own benefit” (Jancsics 2013:319). Corresponding to these two types of corruption, the first five questions covered the most common manifestations of everyday corruption such as bribes and informal payments, while the second group of questions sought to tap into systemic risks and assess how state institutions performed in tackling them. We believe this approach bridges the gap between the focus of the Corruption Perceptions Index (CPI) and the Global Corruption Barometer (GCB), and thus makes a valuable contribution to existing research.

This combined approach towards data collection allowed us to draw a more refined picture of public perceptions about corruption in Hungary. Moreover, the breadth of demographic data collected with the survey made it possible to test several hypotheses regarding the social drivers of corruption perceptions, and to disentangle how different forms of corruption are perceived by specific groups in society.

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2 In 2018, 9 investigations into the use of EU funds managed or spent in whole or in part at national or regional level were concluded in Hungary by the European Anti-Fraud Office (OLAF), which was the highest number among all EU member states for that specific year (OLAF 2019; p. 13.)
Findings: How do Hungarians perceive corruption?

This section focuses on the descriptive findings of the survey along with some preliminary analysis. The distribution of responses for each question are graphically described below, along with a brief interpretation of the findings, highlighting the most relevant and/or counterintuitive results. A more detailed analysis of the findings is offered in the subsequent section.

As mentioned above, the questionnaire initially asked respondents about their everyday life experiences before proceeding toward more generalized perceptions of corruption. In this context, it was necessary (as is shown on Figure 3.1) to capture what the term “corruption” meant to the Hungarian population.

**Question 1: What do you understand by the term corruption?**

![Figure 3.1 - Respondents’ understanding of corruption](image)

**Relative Agreement on What Corruption Is, Gratuity Payments Not Seen as Corruption by Majority**

Question One described in the above graph sought to identify what actions and practices the Hungarian public believed constituted corruption. Notably, nearly 73 percent believed that
any misuse of power for personal gain constituted corruption. Strikingly, however, 60 percent of respondents did not consider paying cash to doctors for treatments and procedures covered by the state health plan to be a form of corruption. While majorities of respondents believed the question’s examples (besides paying cash to medical providers) exemplified corruption, nearly 45 percent did not consider paying a police officer in order to avoid a penalty to be a corrupt act, and 38 percent did not view it as corrupt for a police officer to demand such a payment. These results show that a significant majority of respondents identified ‘any misuse of public power for private gain’ (for example, appointing family members to important state positions), as corruption, in line with Transparency International’s definition (Transparency International 2004). At the same time, respondents were more tolerant toward such use of “power” by arguably lower level public servants such as police and doctors. This result suggests broader acceptance of forms of petty corruption, either because respondents have direct experience with it or due to cultural considerations.

Question 2: To what extent do you agree with the following statement: “Corruption often has no consequences in Hungary.” (Scale 1-5)

Figure 3.2 - Whether respondents think corruption often has no consequences in Hungary

More Than Half of Hungarians Believe Corruption Carries No Consequences

According to the survey, 56 percent of Hungarians believe those who engage in corruption will not face consequences for their actions. Although the survey parameters could not assess the specific bases for respondents’ views, the finding implies broad societal acceptance of or resignation to corruption as endemic to the system. As subsequent questions show, the public places limited confidence in government institutions’ and law enforcement’s ability to combat corruption. It is also significant that over a quarter of respondents (26.4 percent) held no opinion or could not decide, suggesting that they either lacked sufficient information or had not considered the issue prior to being surveyed (the share of those who refused to answer remained below 3 percent). The finding that only 14.7 percent disagreed (2.8 percent
strongly; 11.9 percent somewhat) with the statement shows how few Hungarians believe perpetrators of corruption will be held to account.

Q3: To what extent do the following institutions have the capacity to address corruption? Based on the scale of 1-5.³

![Figure 3.3 - Respondent's evaluation of different institutions’ capacity to address corruption](image)

**Limited Public Faith in States’ Ability to Address Corruption; Civil Servants Score Higher Than Politicians**

Question Three measured the trust Hungarians have in their public institutions’ and politicians’ capacity to counter corruption. While each of the named institutions scored better than 3 out of a possible 5 in its perceived capacity to combat corruption, as the above graph shows, respondents expressed the most confidence in Hungary’s courts, closely followed by the state prosecutor’s office. The police scored a distant third. Respondents showed less faith in the ability of the Parliament, the Prime Minister, and generic “government” to address corruption. The high level of trust in the courts’ ability to address corruption is somewhat surprising given that the president of Hungary’s court system, its constitutional court judges, and its prosecutor general are politically appointed. At the same time, most ordinary judges and prosecutors are non-political public servants, as are police officers. Depending upon how well Hungarians understand the composition of their courts and prosecution service, this finding suggests that the public trusts “professionals” more than politicians to address corruption. Ironically, the prosecution service has been frequently criticized by the European Commission (2019 and 2020 European Semester Reports) and the European Antifraud Office (OLAF) (European Union 2019) for failing to prosecute cases related to the misuse of EU funds.

³ 0.2 percent of respondents refused to give an assessment and 3.44 percent said they did not know.
Q4: Have you provided “informal” payments or services to public officials e.g. municipal government, health or tax inspectors, police etc.? If so, why?4

Most Hungarians Do Not Directly Encounter or Engage in Corruption in Their Daily Lives

Nearly 80 percent (78.8%) of respondents said they had not provided informal payments to public officials, and only 1.3 percent said they had been explicitly asked by a service provider to make an unaccounted payment in order to receive a service or desired outcome. This finding aligns closely with the 2016 Global Corruption Barometer (GCB) survey which found that 22 percent of Hungarian respondents had provided informal payments for public services during the 12 months preceding data collection (Transparency International Hungary 2016a). Ten percent of respondents admitted that they paid voluntarily out of gratitude, while roughly five percent said making an informal payment was the only way to get the service that they sought. Approximately four percent said they paid in order to receive better service. Less than 1 percent (0.7%) admitted to having paid a police officer to avoid a minor legal offense. That an overwhelming majority of respondents claimed not to have provided any under-the-table compensation to public officials could have been influenced by the concept of social desirability which lowers respondents’ willingness to provide self-stigmatizing information (Groves, 1989) and increases latency in the measurement of such items. However, as responses to the next question demonstrate, a significantly higher share of respondents finds informal payments in healthcare to be morally acceptable. The contrast between these two findings suggest that moral stigmatization primarily applies to individual involvement, whereas respondents seem more permissive when asked to reflect on abstract phenomena.

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4 Since respondents were allowed to select more than one answer, percentages add up to more than 100%
Q5: Do you find it justifiable that doctors and other medical professionals request or accept gratuity payments for services that are technically free?

Figure 3.5 - Whether respondents find medical professionals accepting gratuity payments justifiable

Majority of Respondents View Under the Table Payments for Healthcare as Necessary and/or Justified

While respondents’ justifications varied, 56.1 percent accepted so-called “gratuity” payments to medical professionals as a component of Hungary’s state-run, nominally free healthcare system. While almost 10 percent believed it was necessary due to “unacceptably low” wages received by healthcare workers, and 6 percent viewed it as a justifiable way for doctors to earn extra money, the majority of those who “accepted” the notion of extra payments for medical services (40.6%) saw it as simply “how the system worked”. The 39.4 percent who saw gratuity payments as unjustified were closely split between seeing them as morally unacceptable (21.5%) and viewing the practice as creating inequalities in treatment (17.9%). These findings are in line with previous surveys which found that a slight majority of Hungarians accept gratuity payments in healthcare while only 48 percent display negative attitudes towards the phenomenon (Baji and Gulácsi 2012, Stepurko et al. 2013). Interestingly, when asked about whether informal payments were “similar to corruption”, 80% of respondents in one of these surveys agreed at least to some extent (Baji and Gulácsi 2012, Bátory 2012).

This puzzling mismatch between the acceptability of bribes in general and the approval of informal payments in public healthcare most probably stems from the fact that the latter are justified by further, non-ethical considerations: a 2019 survey found that 14 percent of respondents offered gratuity payments in the hope of getting more attention, while another 11 percent feared they would receive a lower-quality of service without paying (Kuslits et al.
As TI Hungary’s joint paper with the Hungarian Women’s Lobby demonstrated, these concerns are especially prevalent in obstetrics and maternity care (Juhász and Sági 2019).

While four of the aforementioned questions examined respondents’ direct experiences with everyday corruption, the second half of the survey evaluated public perceptions of grand corruption and its relationship with government institutions. Rather than asking about personal experience, these questions measured respondents’ perceptions on corruption likely developed through news consumption, political affiliation, or other socialization effects. As seen from Question 6, reported below, the distribution of responses to these questions typically reflect a highly polarized landscape.

**Q6: In your opinion, has grand corruption decreased, remained roughly the same or increased during the past 3 years in Hungary?**

![Figure 3.6 - How respondents think grand corruption has changed in the past three years](image)

**Significant Majority of Hungarians Perceived No Increase in Grand Corruption during the Past Three Years**

Exactly half of the sample perceived no change in grand corruption in the three years prior to the survey while another 10.9 percent believe it decreased during the same timeframe. At the same time, around one third (32.9 %) of the public believed grand corruption increased. The polarization of public opinion on this issue could be the result of political affiliation and/or news consumption. On the face of it, the fact that a significant majority of respondents believed grand corruption had either not changed or decreased during the past three years is counterintuitive considering that numerous international reports, including the 2018 report of the European Anti-Fraud Office (OLAF 2019), the 2020 European Semester report on Hungary by the European Commission, as well as Transparency International’s Corruption Perceptions Index (CPI) reports (Transparency International Hungary 2018, 2019, 2020) plainly assert that grand corruption has intensified in Hungary during this period. The most
recent European Semester report specifically highlighted public procurements as a significant corruption risk in Hungary. The report further identified what it described as a weak system of checks and balances, a low level of accountability, and obstacles to accessing information of public interest as hindrances to combating corruption (European Commission 2020, Ligeti 2020). However, as the CPI scores of Hungary have shown a steady decline since 2012 and stabilized at the lowest ranks among EU member states towards the end of the last decade, one might argue that the large share of respondents seeing no change might be a function of the relatively narrow timeframe the question imposed, as most mechanisms that characterize grand corruption schemes in Hungary had already solidified by the start of this period (Martin 2017).

The attitudes described above might arguably also be shaped by Hungary’s media landscape in which more than 75 percent of media outlets, including an overwhelming majority of local daily newspapers controlled by a foundation closely linked to Hungary’s ruling Fidesz party and state-funded broadcasters adhere closely to the Fidesz narrative, while only 22 percent of all media outlets may be considered independent (Mérték 2019). As a result, a majority of outlets either do not report corruption allegations at all or discredit them as politically motivated. The independent outlets that do report corruption allegations only reach a limited segment of the public, mostly online. Political bias also could account for those who view corruption as a growing problem versus those who see it as under control (see Section 4).

**Q7: To what extent do you think EU funds received by Hungary contribute to corruption?**

**Figure 3.7 - Whether respondents think EU funds contribute to corruption**

![Bar chart showing responses to Q7](chart.png)

Around half of the public believes EU funds contribute to corruption while only 14 percent believes that they do not

By a wide margin, respondents believed that EU structural funds received by Hungary (more than EUR 25 billion between 2014 and 2020) contributed to corruption. While 47.7 percent agreed strongly or somewhat with the assertion that the funds contributed to corruption, only 14 percent disagreed. Somewhat surprisingly, approximately a third of respondents held no
opinion on the topic. The significant share (31.4%) of neutral opinions suggests that a large segment of the public is either uninformed of how the EU funds the country receives are being spent or uninterested. This assumption is also confirmed by the relatively large share of respondents who could not answer this question (6.5%). This lack of awareness is especially striking given that EU structural funds have historically contributed between 4 and 6 percent to the national GDP and amounted to 4.7% of the GDP in 2018 (Eurostat 2020).

**Q8: In 2018, Hungary registered the largest number of EU investigations into fraud related to EU funds. Why do you think this might be the case?**

![Figure 3.8 - Why respondents think Hungary had the largest number of EU investigations into fraud related to EU funds in 2018](image)

More than 70 percent of the public accepts that EU investigations into misuse of EU funds are justified.

The eighth question inquired about why Hungary registered the EU’s highest number of investigations for fraud related to its use of EU funds in 2018 (see OLAF 2019). More than 41 percent of respondents believed that at least some EU funds received by Hungary had purposely and privately benefited politically-connected individuals, while another 30 percent agreed that the Hungarian authorities do not adequately investigate cases of fraud and misuse of funds. A mere 26.3 percent of respondents agreed with the oft-recited Hungarian government position that the EU adopts a double standard against Hungary while its EU-provided funds are being appropriately managed. The fact that 41.4 percent believed EU funds were enriching certain individuals with political connections clearly shows that Hungarians are concerned about the inappropriate use of EU subventions, although it is also apparent that many (9.2%) lack sufficient information to make a judgement on this issue.

This finding also has potential policy implications in that it signals the need for closer monitoring of such funds. Interestingly, the finding that more than 70 percent believe EU investigations are either necessary due to Hungary’s lack of sufficient investigations or
because EU funds inappropriately benefit the politically-connected dovetails with the prior question’s finding that at least half of the public thinks EU funds contribute to corruption. This result also corresponds with a poll conducted by Závecz Research showing a solid majority (58%) of Hungarians support Hungary’s accession to the European Public Prosecutor’s Office (EPPO) including a majority (41 vs. 37%) of Fidesz voters (Medvegy 2019).

Q9: To what extent do you agree with the following statement? “The most qualified firms offering best prices win public procurements.”

Survey shows little consensus over the fairness of public procurement tenders

The survey also inquired about the extent to which respondents believed public procurement tenders were impartially awarded to the most qualified and best priced firms. By almost equal proportions, respondents believed that tenders were awarded to the most qualified/competitively-priced bidders (30.8%), were not awarded to most qualified/best priced (31.6%), or could not decide/did not have adequate knowledge to answer (32.2%). The relatively even distribution of opinions suggests that respondents lack knowledge on public procurements in general. This outcome is striking given that the influence of political biases and clientelist networks on public procurement outcomes has been widely documented (Fazekas et al. 2013, Tóth and Hajdú 2018, Transparency International Hungary 2018, 2019, 2020). As highlighted in TI Hungary’s 2018 CPI report, the share of the public procurement market controlled by pro-government oligarchs has noticeably increased, from approximately 11 percent in 2013 to more than a quarter of total market value in 2017 (Transparency International Hungary 2019), along with the share of single bid tenders which reached 39% in 2018 according to the European Commission (Transparency International Hungary 2020). Despite extensive research and advocacy efforts into the subject, the findings suggest that public awareness of such market distortions remains low.
Q10: Why do you think public procurements are not truly competitive? (If respondent selects 1-2 in Q9)

The survey’s final question asked those respondents to the previous question who believed procurements were not competitive to justify their choice. This group represented approximately 30 percent of all respondents. Nearly 70 percent of this group believed at least some procurements were rigged with the winner selected in advance or the tender designed to favor specific firms. Nearly a quarter (23.4 percent) of respondents suspected collusion among firms in the bidding process to purposely overcharge for their work. Only 7.2 percent perceived the problem to be market-based, implying that some sectors lack a sufficient number of qualified providers to engender a competitive tendering process. Rigged tenders and collusion among competing firms are in fact the most cited forms of public procurement corruption in independent studies (Fazekas et al. 2013, Tóth and Hajdú 2018), showing that the minority of respondents who believed tenders to be uncompetitive were well informed. It can therefore be inferred that sufficient information on the nature of corruption in Hungary, while absent from mainstream news sources is available to those who seek it.
4. Analysis

As Angel Gurría, the Secretary General of OECD articulated, “Integrity, transparency and the fight against corruption have to be part of the culture, they have to be thought as fundamental values” (Transparency International 2018). The subsequent part of this report seeks to understand societal values and attitudes in Hungary toward grand and petty corruption through a range of demographic variables such as gender, age, education level, party preferences and internet usage patterns and examine their correlation with the response pattern to the survey. The conclusions of existing corruption research were used as hypotheses and tested for applicability in a representative Hungarian setting.

Gender and corruption - Men slightly more concerned, but no significant difference

Numerous studies examine the relationship between gender and corruption perceptions. Most (though not all) studies find women as a group to be less corrupt than men, and therefore less tolerant towards corruption (Bauhr et al. 2019, Esarey and Waldes 2019, Waylen and Southern 2019). Gender differences in corrupt behavior might be attributed to variations in risk aversion and reciprocal behavior’ (Boehm, Frédéric; 2015). Furthermore, gender differences may also stem from the fact that women perceived to be corrupt are being treated differently than men (Waylen and Southern 2019). While we found no significant difference in Hungary between women’s and men’s attitudes towards petty corruption, this survey’s results were consistent with previous findings that men, on average, are more concerned about grand corruption than women (UNDP 2018). That is, men are generally more aware of its existence and they are also more likely to think that grand corruption is not punished in Hungary.

Figure 4.1 demonstrates the relationship between gender and attitudes towards petty corruption. The correlation between the two variables turned out to be insignificant ($r = .012$, $p = .71$), indicating that the hypothesis that men would be more accepting of petty corruption did not hold in this survey.
When asked about the potential consequences of corruption, more men than women strongly agreed that it has no consequences in Hungary. The relationship between gender and perception of potential consequences of corruption is weak but statistically significant ($r = .105, p < .01$). Furthermore, we found that men are more likely to think that grand corruption has increased in Hungary during the past 3 years ($r = .067, p = .039$) and that EU funds received by Hungary contribute to corruption ($r = .673, p = .05$). This is in line with the current literature, e.g. the UNDP’s Corruption in the Eyes of Men and Women, which found that in Ukraine women consider themselves less aware of corruption than men (UNDP 2018).

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Age and Corruption - Older respondents more concerned about use of EU funds

Our data indicate that youth in Hungary are slightly less sensitive to issues related to corruption; however, in most cases we did not find substantial differences between older and younger respondents’ perception of corruption. We found no significant relationship between age and perception of either petty corruption ($p = .05$, $r = .12$) or age and the perceived increase of grand corruption in the past three years ($p = .035$, $r = .28$). However, older people on average are more likely to think that EU funds flowing into Hungary increase corruption in the country. Despite the lack of age-related differences in attitudes toward petty corruption, the survey results indicate a statistically significant difference in how the relationship between EU funds and corruption is perceived among different generations. Figure 4.3 shows that, contrary to our baseline assumption (described in the subsequent paragraph), older people on average are more aware of the relationship between EU funds and corruption than younger respondents ($r = .113$, $p < .01$). The figure also demonstrates that the share of people thinking that EU funds “do not contribute at all” to corruption is below 2.5% in each age group.

Figure 4.3 - Whether respondents think EU funds contribute to corruption in Hungary by age groups
Our findings go contrary to the trend reported by a World Economic Forum that a majority of young people (between 18-30 years of age) believe that corruption is holding their countries back (World Economic Forum 2019). They also contradict Transparency International Hungary’s previous youth study which found that almost 80 percent of young (15-29) respondents thought that corruption was present in politics both at the national and the global level (Transparency International Hungary 2016b). There are studies, however, with which our findings are consistent: Valev and Torgler (2006) report that in Western Europe, older people generally hold a more negative opinion on corruption than younger respondents. This finding might also suggest greater acquiescence to or awareness of corruption among older respondents who remember or experienced levels of institutional corruption under Communism and during the period when Hungary transitioned to a market-based economy.

Education Level and Perception of Corruption - A surprising disconnection?

Based on previous studies on the relationship between education and political attitudes, respondents with higher levels of educational attainment should both be more informed and less tolerant towards all forms of corruption (Norris 2011, Schäfer 2012). A survey by Statistics Netherlands found that “people with a high level of education are generally more interested in politics, are more active voters, and participate in political actions more often than lower-educated people” (Statistics Netherlands, 2017). This led us to assume that the highest level of education would show a negative association with tolerance towards corruption.

Our survey delivered mixed results in correlating attitudes toward corruption with education level: As Figure 4.4 shows, better educated respondents are slightly more tolerant of the practice of gratuity payments to medical professionals than were lesser educated respondents ($r = -.075, p = .02$).
The positive relationship between education level and tolerating gratuity payments goes somewhat contrary to our initial assumption that more educated people are also more aware of what constitutes corruption. It is possible that higher income associated with higher education level increases the likelihood of a person offering gratuity payments. Furthermore, it might also be the case that better educated people are more likely to have personal relationships with medical professionals. Further research is needed to explain the nature of the relationship which is by no means strong.

We found no relationship between respondents’ level of education and whether they think grand corruption has increased in the past 3 years ($r = -0.017$, $p = .59$), or between education level and whether respondents think EU funds contribute to corruption in Hungary ($r = -0.028$, $p = .038$). Interestingly, education level does seem to correlate with whether people think corruption has no consequences in Hungary: on average, respondents with a higher level of education are more likely to think that corruption does have consequences in Hungary ($r = -0.068$, $p = .032$).
The connection between education and the perception of grand corruption is perhaps even more surprising than that of education level and gratuity payments. By definition, grand corruption is associated with “powerful economic or political actors” (Jancsics 2013:319). According to our data, more educated respondents are more likely to support opposition parties rather than Hungary’s governing party, Fidesz \((r = .104, p = .004)\). Therefore, we assumed that respondents with higher education levels are more critical of grand corruption, too. On the contrary, we found this relationship to be either non-existent (see education level and EU funds causing corruption), or inverse (see education level and the perceived consequences of corruption).

### Internet usage and corruption

The expansion of Internet access has proven instrumental in raising the awareness of citizens with respect to the functioning of their governments. A recent study found that access to the internet has correlated significantly in developing countries with ongoing dissatisfaction with government. This is not to say that these citizens were not otherwise aware of existing corruption but that the Internet has allowed people to harness their collective voices to incite action (Elkins and Posso, 2014; Norris, 2011).

Counterintuitively, this survey found internet users slightly more tolerant of requesting or accepting gratuity payments than those who do not use the internet \((r = .089, p = .005)\). While this finding contradicts both Elkins and Posso’s work (Elkins and Posso, 2014) that indicated that internet users were less likely to be tolerant towards corruption and our initial assumption that younger and better-informed respondents were more likely to oppose petty corruption and gratuity payments, the result aligns with our finding in the previous subsection on education level. Furthermore, focusing only on internet users, we found no relationship
between how frequently respondents used the internet and their attitudes toward gratuity payments ($r = .04, p = .24$).

Figure 4.6 - Perceptions of gratuity payments by internet use

Finally, the survey found no relationship between respondents’ use of the internet and their perception of whether grand corruption had increased in the past 3 years ($r = -.001, p = .96$) or any other indicators of perceptions of grand corruption.

The Partisan Divide - Government supporters more permissive towards grand corruption

A 2018 survey conducted by the Hungarian think-tank Republikon Institute found Fidesz supporters to be more likely to downplay or disregard grand corruption than opposition voters, although 34 percent of Fidesz voters were also deeply concerned about corruption in Hungary (D. Kovács, 2018). The findings of the aforementioned survey also clearly demonstrated that perceptions of grand corruption were influenced by individuals’ political affiliation, showing a clear government vs. opposition dichotomy. Similarly, a survey conducted by the Hungarian Academy of Sciences (MTA) in the same year found that 55.2% of all respondents who voted for opposition parties perceived grand corruption as a serious threat, a concern shared by only 20.4 percent of Fidesz voters (Gerő and Mikola, 2020). We therefore hypothesized that political affiliation would influence perceptions of grand corruption in Hungary. However, while the questions asked in Republikon’s survey and similar surveys generally refer to grand corruption, petty corruption is much less perceived and framed as a divisive issue along partisan lines. Therefore, we did not expect attitudes toward petty corruption to be influenced by respondents’ partisan affiliation.
In the case of grand corruption, survey results largely confirmed our expectation. Respondents were categorized as ‘Fidesz voters,’ ‘Opposition voters,’ and ‘Uncertain voters’ – many of whom are likely to support opposition parties – for ease of analysis. Figure 4.7 illustrates the significant relationship between party affiliation and respondents’ views on whether corruption has no consequences in Hungary \( (r = .26, p < .01) \). While a correlation coefficient of .26 traditionally does not indicate a strong relationship, party preference was the strongest predictor of any of the corruption attitudes our survey measured.

![Figure 4.7 - Whether respondents think corruption often has no consequences in Hungary by party preference](image)

As Figure 4.7 illustrates, an overwhelming majority (almost 70%) of opposition voters said corruption has no consequences in Hungary, as opposed to less than half (43.4%) of Fidesz supporters. Interestingly, respondents who did not indicate their party affiliation held almost identical views on corruption as opposition voters. Considering the relatively large size of this group (17% of the sample compared to 33% being opposition voters and 50% voting for Fidesz), the group’s sensitivity towards corruption necessitates further analysis. Members of this group may well include opposition voters: it has been widely observed that opposition voters are underrepresented in public opinion polls (Magyar Hírlap 2019; Miklósí 2019). However, it is also possible that although these uncertain voters hold identical views on corruption to supporters of opposition parties, they are not regular voters. It is notable that the 50/50 split between those who support Fidesz and those who do not, closely mirrors the result of Hungary’s 2018 elections in which Fidesz’s 49 percent of the popular vote translated into a two-thirds majority in Parliament. In that campaign, factions of the fragmented opposition tried to turn corruption into an election issue, a strategy that did not yield electoral success.

The relationship between party affiliation and perception of grand corruption was further confirmed by the correlation between respondents’ party preference (voting for an opposition
party), their opinion of whether grand corruption increased in Hungary during the past 3 years \((r = .46, p < .000)\), and their perception of whether EU funds contribute to corruption \((r = .31, p < .000)\). As with the previous question, uncertain voters on average hold almost identical views on grand corruption as opposition voters. Contrary to our expectation that party affiliation did not correlate with perceptions of petty corruption, we found a weak but statistically significant relationship \((r = .067, p = .048)\) between voting for Fidesz and opposing gratuity payments. Figure 4.8 summarizes the findings. While party preference was not the main driver of attitudes toward petty corruption, the survey found a clear difference between opposition voters, only 39% of whom oppose the request or acceptance of gratuity payments as opposed to 45% of Fidesz supporters. Uncertain voters fell in the middle: while a similarly small proportion (39%) of them oppose gratuity payments, they generally do not endorse the practice either (only 15%, compared to 18.6% of opposition voters).

![Figure 4.8 - Perceptions of gratuity payments by party preference](image)

5. Conclusions

The primary goal of this report was to present the findings of an original survey on public perceptions of corruption in Hungary which explored more fine-grained aspects of corruption-related attitudes than have been covered in earlier polls. The findings of the survey are in line with previous polls in showing that an overwhelming majority of Hungarians think that corruption either remained the same (50%) or increased (32.9%) during the past three years. In a similar fashion, 47.7 percent of respondents thought that the EU funds received by Hungary contributed to corruption. However, respondents were much more divided over whether public procurements were fair, which indicates that public awareness of the issue remains low. Concerning forms of petty corruption addressed in the survey, the findings demonstrate a striking mismatch between the share of respondents who admit having provided “unaccounted payments” to public officials (20.7%) and those who have no objections against gratuity payments in public healthcare (56.1%). The likely reason for this discrepancy is that gratuity payments are not universally seen as clear-cut cases of corruption:
only 39.9% of respondents selected paying a doctor money for a treatment which is part of the free health plan as an example of corruption.

In an attempt to trace back the social predictors of such phenomena, our analysis found that respondents’ perception toward corruption varied markedly depending upon the act. Examining petty corruption, the survey found no significant relationship between respondents’ age or gender and their tolerance of requesting or accepting gratuity payments. However, both education level and internet usage correlated with greater acceptance of gratuity payments, running contrary to our initial assumption that younger and more internet-savvy respondents would be less tolerant of corrupt practices than older respondents and those who do not use the internet. Party preference also appeared to correlate closely with people’s perception of petty corruption. Although this result could be attributed to different levels of education and internet usage, Fidesz voters were more opposed to gratuity payments than opposition party supporters.

When it comes to attitudes toward grand corruption, both age and gender proved to be useful predictors. Unlike the determinants of petty corruption, attitudes toward grand corruption fit more closely to our initial expectations. On average, older males are more aware and critical of grand corruption than younger or female respondents. This survey, however, found that respondents’ education level in fact negatively correlated with how critical their attitude toward grand corruption was. The greater the number years of education completed by respondents, the more they believed that corruption had consequences in Hungary. Surprisingly, we found no significant relationship between education level and more direct questions on grand corruption, such as whether it has increased in the past three years or whether EU funds in Hungary contribute to corruption. Finally, our expectation on the relationship between party preference and tolerance of grand corruption was borne out: Fidesz supporters proved less aware or more accepting of grand corruption when compared with opposition and neutral voters, a significant number of whom were highly critical of it. The relationship between party identification and attitudes to grand corruption proved the strongest among all predictors.

6. Recommendations for stakeholders

Although the primary objective of this report has been to provide new and more nuanced perspectives on public perceptions of corruption in Hungary, some of the findings presented above challenge our previous knowledge, and therefore may guide future researchers as well as policy-makers in new directions. Therefore, the recommendations included in this section aim to promote a better understanding of corruption perceptions, as well as more adequate policy responses.

First and foremost, the findings presented here underscore the value of conducting fine-grained surveys into corruption perceptions which differentiate between several forms of
corruption and avoid generalizations stemming from treating corruption as a single and unitary phenomenon. Exploring the intricacies of how people perceive corruption broadens our knowledge on what social factors drive perceptions of petty and grand corruption, respectively, and may also assist in designing more adequate policy responses. This should inspire not only think-tanks and NGOs, but also academic institutions to engage in such research initiatives, and to also ensure their long-term sustainability to allow for comparisons across time.

When it comes to the direct policy implications of our findings, two results particularly stand out as worthy of intervention. First, the findings have confirmed our expectations that respondents’ judgement of grand corruption is primarily a function of their party affiliation, which means that information on public tenders, the use of EU funds, or the enrichment of individuals with political ties is either unavailable or deeply polarized. This underlines the need for more independent and more balanced news reporting which has become extremely polarized under the heavily distorted media landscape in Hungary (Martin 2019). Therefore, public authorities and state-owned companies should both prioritize a more balanced distribution of their funds for advertising, in order to improve the financial sustainability of independent outlets. Municipalities that have their own media outlets have a special responsibility in ensuring they do not exploit such channels to pursue partisan interests, but rather use them in the service of public good. In turn, independent outlets should refrain from providing personalized narratives of crucial public policy issues and focus on raising public awareness instead. Second, the fact that younger generations seem more tolerant towards corruption is alarming and should be addressed in the design of school curricula, government information campaigns, and business communications. This is not only essential to raise future generations to become independent thinkers equipped with the necessary tools to make informed judgements about policy issues, but also to prevent the deterioration of business and professional ethics.

Finally, the findings presented in this report also have implications for the work of anti-corruption NGOs. First, they highlight that the general population Hungary lacks information about public procurements and the use of EU funds; therefore, relevant messages must occupy an even more central position in awareness-raising campaigns. Understanding that Hungary’s current media landscape could present a challenge to such campaigns, they should employ means of dissemination that move beyond traditional media, for example social media. Beyond that, NGOs working in this field must proactively seek to prevent further politicization of their messages by maintaining a neutral and professional tone when issuing reports and calling attention to corruption. Furthermore, they should develop and deploy a compelling, data-driven narrative that refutes persistent attacks on their credibility linked to their funding sources. The NGO community should also actively seek alliances with partners in the private sector that may be concerned and/or directly affected by corruption, but do not know how to address it. NGOs could help such businesses through awareness raising and advocacy.
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Annex

Questionnaire in English

1) What do you understand by the term ‘corruption’?
   a) A policeman demanding money to let you go for a minor offense
   b) Politicians’ relatives or friends having an unfair advantage in winning public procurement contracts
   c) Paying a doctor money for a treatment that is part of the free health plan
   d) Misuse of public funds
   e) Any misuse of public office for private gain
   f) Other (please specify)

2) To what extent do you agree with the following statement: “Corruption goes unpunished in Hungary.” (Please indicate the level of your agreement on a 1-5 scale with “1” meaning “completely disagree”, and “5” meaning “completely agree”.)

3) Using the above scale (1-5), to what extent do the following institutions have the capacity to address corruption?
   a) Police
   b) State prosecutor’s office
   c) Courts/the judicial system
   d) The Parliament
   e) The Prime Minister

4) Have you provided unaccounted payments or services to public officials, for example municipal government, health or tax inspectors, police, etc.? If so, why?
   a) I was explicitly asked to by the service provider
   b) I paid out of gratitude
   c) I knew I would get better service if I paid
   d) It was the only way to get the service(s) that I sought.
   e) To avoid consequences of a minor legal offense (for example traffic violation)
   f) Other (please specify)

5) Do you find it justifiable that doctors and other medical professionals request or accept gratuity payments for services that are technically free?
   a) Yes, because their wages are unacceptably low.
   b) Yes, this is a legitimate way of making more money with hard work.
   c) No, because this creates inequalities in medical treatment.
   d) No, because I find it morally unacceptable.
   e) Justifiable or not, this is how it works.
   f) Other (please specify)

6) Large-scale, or grand corruption can be characterized by corruption affecting the highest levels of government and public institutions. In your opinion, has grand corruption decreased, remained roughly the same or increased during the past 3 years in Hungary?
   a) Decreased
   b) Remained roughly the same
   c) Increased

7) To what extent do you think EU funds received by Hungary contribute to the country’s economic growth? (Please indicate the level of your agreement on a 1-5 scale with “1” meaning “Totally disagree”, and “5” meaning “Fully agree”.) Follow up: Using the same scale: To what extent do you believe these funds facilitate corruption?

8) In 2018, Hungary has had the highest number of EU investigations for fraud related to EU funds. Why do you think this might be the case? (choose all that apply)
   a) The EU applies double standards against Hungary, the funds are used lawfully.
b) Hungarian authorities often fail to investigate such cases; therefore, external control is needed.
c) Because some EU funds are purposefully misused for the enrichment of certain politically connected individuals.
d) Other (please specify)

9) The government uses public procurement tenders to make larger purchases of goods and services from private companies. To what extent do you agree with the following statement? “The most qualified firms offering best prices win public procurements” (Please indicate the level of your agreement on a 1-5 scale with “1” meaning “strongly disagree”, and “5” meaning “strongly agree”.)

10) If respondent selects options 1-2 in Q11, proceed to the following question: Please respond to the following statements (agree or disagree).

a) Some sectors lack enough providers; therefore, the government must select from the few available options.
b) Some procedures are rigged, the winner is selected in advance or the tender is designed to favor specific firms.
c) Competitors often cooperate with each other to overcharge the government.
d) Other (please specify)