

Europe and Central Asia^{*}

Country reports: Armenia, Austria, Bosnia and Herzegovina, Finland, France, Germany, Greece, Hungary, Israel, Lithuania, Poland, Romania, Russia, Spain, Switzerland and the United Kingdom.

General trends and emerging risks: *bribery persists*

- **Bulgaria:** Bribe paying is reportedly endemic in business interactions with the government and among private companies. Thirty five per cent of international companies operating in the country reported in 2007 that corruption takes place often or always when companies compete for public sector contracts, while 38 per cent report the same practices when competing for private sector contracts. (pp.411-12)
- **Finland:** A major Finnish aerospace and defence company was investigated in 2008 for alleged bribe payments in relation to arms sales to several foreign countries. Another investigation focuses on alleged bribe payments by a Finnish contractor to employees of the Finnish Defence Forces in relation to contracts for the disposal of tanks. A related trial is set to begin in the autumn of 2009. (pp.320-21)
- **France, Germany and the UK:** more than 80 per cent of surveyed executives admitted to 'not being familiar at all' with the OECD Anti-Bribery Convention, the key legal framework for tackling corruption in international business. (p.61)
- **Germany and the UK:** Roughly three-quarters of managers responding to a survey in 2006 believed that companies from their countries regularly or occasionally use intermediaries to circumvent anti-corruption laws when doing business abroad. (p.60)
- **Hungary:** Business people interviewed in 2008 estimate that the corruption burden ranges from 3 to 25 per cent of the value of a given transaction and corruption is believed to have increased over the last 10 years. (p.344)
- **Russian Federation:** More than a half of business people polled in 2008 admitted to having paid bribes, while the total amount of bribes and kickbacks paid annually by business in Russia is estimated to exceed US \$33 billion. (p.371)
- **Switzerland:** The collapse of a sports-marketing company led to the exposure of more than a decade of systematic bribe payments, exceeding US \$160 million, to sports officials for securing broadcasting rights. (pp.378-9)
- **UK:** A survey of corruption in the construction sector in 2006 indicates that one in four respondents reported having been offered a bribe at least once

^{*} These highlights only reference specific examples from the region. For more overarching global trends, figures and policy suggestions, please see the GCR executive summary and full report.

and the same portion of respondents perceived corruption in the sector to be widespread. (p.383)

The public-private nexus: precariously close relationships between business and government

- **Armenia:** National authorities allegedly approached companies advertising on a privately-owned TV station that aired speeches by the opposition, asking them to discontinue their contracts, thereby cutting off a vital source of income for the media outlet. (p.308-9)
- **European Union:** In Brussels, an estimated 2,500 lobbying organisations with 15,000 lobbyists vie for influence on EU policy-making. Among interest groups that have permanent offices in Brussels, about two-thirds represent commercial interests, 10 per cent business/labour associations, 10 per cent regional and international organisations, 10 per cent NGOs and 1 per cent think-tanks. (p.33)
- **Germany:** The government admitted in 2006 that about 100 external employees from companies and interest groups were currently working or had been working for federal ministries in the previous four years. They not only participate in all internal meetings but also represent government institutions without revealing the special employment conditions to which they are subject. (p. 336)
- **Lithuania:** A survey found in 2007 that half of the businesspeople who had contact with the media understood that in exchange for advertising in a particular outlet, they were assured positive coverage. Such an 'understanding' was most frequent in contacts with representatives of weekly magazines, followed by regional television and national press. (pp.353-4)
- **UK:** Politically connected firms are estimated to account for almost 40 per cent of market capitalisation. (p.34)

Anti-corruption advances: integrity efforts remain inadequate

- **France:** Of the 512 French companies that joined the UN's Global Compact (the world's largest voluntary corporate citizenship initiative), in 2008 only 40 reported having implemented good practice in fighting corruption and even those reporting good practice provided scant detail on implementation. (p.329)
- **Spain:** A growing number of companies are found to have anti-corruption policies in place, but less than 10 per cent provide information about related training programmes or reporting mechanisms that would make these policies effective. (p.376)