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The causes and trends of corruption risk in Europe-41

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https://corruptiondata.eu/

Executive Summary

The European Union (EU) has long been lauded as a champion in public integrity. However, corruption in Europe remains a persistent challenge. This report presents an evidence-based assessment of corruption trends across EU Member States (EUMS), accession candidates (EUCC), and neighboring countries (EUN), identifying key risks and proposing targeted policy interventions.

In Section 1, the report defines corruption as a policy problem, highlighting the various forms it might take—state capture, favoritism in public procurement, or undue influence over policy decisions. Traditional expert perception-based indices are often non-specific, necessitating a shift toward objective, fact-based indicators, such as the Index of Public Integrity (IPI) and its components.

In Sections 2 and 3, the report draws on the recent Statistical Framework to Measure Corruption by the United Nation's Office for Drugs and Crime to assess national-level corruption over the past decade not by a single measure, but a matrix of indicators assessing corruption both directly and indirectly. At first glance, Europe seems divided between a clean North-West and a more problematic South-East. In the last decade, however, companies from old EU Member States topping good governance charts bribed in new European accession partners (alongside other destinations of foreign investment), highlighting the limitations of national-level anticorruption evaluations and policies. The non-EU countries like Norway, Iceland, United Kingdom and Switzerland lead in most indicators, followed by the EUMS, and the accession countries, where Turkey and Bosnia and Herzegovina lag. However, accession countries and new MS perform well on transparency indicators, sometimes better than more developed countries. Non-competitive public tenders have increased on average in most of the EU, particularly in Poland, Romania, and Hungary, reflecting systemic favoritism. Additionally, oligarchization is on the rise, especially in Turkey, Cyprus and Hungary.

In Section 4, the report identifies administrative and budget discretion and the lack of availability of online services to the public as enablers of corruption. On average, EU neighboring countries outperform Member States and accession partners with the exception of administrative transparency, where candidate countries rank first. The poor performance by Member States can be explained by the lack of ongoing investment in transparency and discrepancies in institutional quality across the Union. Such preexisting corruption risks have been further exacerbated by the inflow of EU funds.

In Section 5, the report examines corruption disablers such as judicial independence, media freedom, and digital citizen empowerment. A lack of an independent judiciary is seen across Eastern Europe, both candidate countries and Member States. Significant constraints on media freedom, particularly in Turkey, limit the ability of investigative journalism to expose corruption.

In Section 6, a cross-sectional analysis of regulatory scope and corruption levels demonstrates the significant negative association between corruption and the comprehensiveness of a country's legal framework in four spheres of administrative transparency and accountability: financial disclosures for officials, conflict of interest, political finance, and freedom of information. Having thick regulation is thus no guarantee of corruption control.

The report concludes with a risk classification of the 41 countries in a matrix form with four quadrants rather than a ranking to highlight where the disequilibrium is and what countries could do to balance their control of corruption. It argues that corrupt behavior in the EUMS and candidate countries has increased due to a rise in corruption opportunities following the economic crises and the Covid-19 pandemic. Lastly, public accountability regulation (de jure) seems to have a limited influence over practice (de facto).

To strengthen corruption prevention, the EU should integrate national-level data across Member and candidate states, enabling cross-border tracking of individuals and companies involved in corruption through unified risk indicators. A pan-European disbarment system should be established to prevent chronic-offender favorite companies from accessing public contracts, shifting the focus from punitive measures to proactive prevention. Additionally, public procurement risk should be managed at the contracting authority level, with officials held accountable for transparency and integrity benchmarks, as addressing systemic favoritism requires real-time oversight rather than relying solely on criminal prosecutions.

List of Acronyms

All the acronyms appearing in alphabetical order.

Acronym	Description
BaFIN	Federal Financial Supervisory Authority (Germany)
CPI	Corruption Perceptions Index
CRF	Corruption Risk Forecast
DOJ	Department of Justice (United States)
EC	European Commission
ECA	European Court of Auditors
ECHR	European Court of Human Rights
EPPO	European Public Prosecutor's Office
EU	European Union
EUCC	European Union Candidate Countries
EUMS	EU Member States
EUN	European countries from the neighborhood (Norway, Iceland, Switzerland, UK)
FCPA	Foreign Corrupt Practices Act
FT	Financial Times
GDP	Gross Domestic Product
ICIJ	International Consortium of Investigative Journalists
INEGI	Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography, Mexico)
IPI	Index of Public Integrity
MEP	Members of European Parliament
NGO	Non-Governmental Organization
OLAF	European Anti-Fraud Office

Acronym	Description
OSCE	Organization for Security and Co-operation in Europe
PCA	Principal Component Analysis
PP	Public Procurement
PPP	Private-public partnerships
ROLR	Rule of Law Report
RRF	Recovery and Resilience Facility
SDG	Sustainable Development Goal
SEC	Securities and Exchange Commission (United States)
SGB	Single Bidding
TED	Tenders Electronic Daily
TFEU	Treaty on the Functioning of the European Union
TI	Transparency International
UK	United Kingdom
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNODC	United Nations Office on Drugs and Crime
US	United States
V-Dem	Varieties of Democracy

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1. How do we define corruption?

The European Union (EU) has long entertained the notion of itself as a leader in public integrity compared to the rest of the world. However, even prior to the 2022 Qatargate scandal of influence trading in the European Parliament, other indications existed that this narrative was rather self-indulgent. In the years before President Donald Trump's 2025 suspension of the enforcement of the Foreign Corrupt Practices Act (FCPA) allegedly because it created a disadvantage for US businesses against competitors, many European companies had been subject to severe monetary sanctions under FCPA, alongside Brazilian, American, Russian and Chinese companies.

From the top ten offender companies sanctioned under FCPA, half come from the EU and its most powerful economies (Germany, France, Netherlands, Sweden): together they paid almost six billion US dollars in fines relating to some form of corruption or another. These are either semi-public or private EU-based companies, which have engaged in bids for public or private contracts abroad. Some are the pride of European industry (Siemens, Eriksson, Airbus), others are telecommunication operators (Stanford Law School, 2025). While the US companies did start at a disadvantage, that disappeared as US enforcers, the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC), gradually included in their jurisdiction any company using an account denominated in US dollars to level the international business field, thus increasingly punishing European companies. The top of the list is only the tip of the iceberg. A few steps down the list we find notorious banks.

Similarly, the members of European Parliament (MEP) charged in the Qatargate scandal were far from being the only controversial MEPs. Many countries or leaders with worse records on human rights than Qatar have friends in the European institutions. Even the sponsor of the anti-EU party in Moldova's referendum on joining the EU, the convicted criminal Ilan Shor, boasts several connections. The efforts to curb openly corrupt behavior in top European ranks have barely managed to keep the lid on (de la Baume, 2019). In fact, the governing parties in Austria, Germany, Spain, Malta, Bulgaria, Slovakia and Romania have been shaken by corruption scandals in recent years and in some other countries like Hungary the control over oversight authorities is so complete that hints of corruption come only from the opposition or the social media.

The corruption that this report concerns itself with is not the deviant behavior of some profit-seeking *individuals*, although those always exist. It deals with corruption as a policy problem, the deviation of either the standards (de jure) or the practice (de facto) from the norms of public integrity and honesty as enshrined in the United Nations Convention against Corruption (United Nations Convention Against Corruption, 2004). While each *individual* act of public corruption can be defined by some abuse of entrusted power or public office for the private benefit (Nye, 1967; Rose-Ackerman, 1978), the definition of *corruption as policy problem* is set at the social and institutional level (for a review on the development of theories of institutional corruption, see Thompson, 2018) and includes public as well as private corruption. Developed countries such as EU Member States (EUMS) are supposed to have managed to control public

corruption as part of their nineteenth-century modernization, when their administrations became veritable bureaucracies, bodies autonomous from private interest and able to work for national social welfare.

Controlling corruption is an intrinsic part of the rule of law for any polity. The two are so strongly correlated that all the indicators used to measure them seem to capture only one phenomenon in different forms (Mungiu-Pippidi, 2015). Corruption is thus endogenous to the rule of law (O'Donnell, 2004) as it signals 'who gets what' from a social allocation process supposed (in democratic settings and even beyond) to distribute according to the equal entitlements of citizens or companies (when public allocations are concerned) or merit (when the market is concerned). The phenomenon of *state capture*, the preferential social allocation distorting the benchmarks of equal treatment or merit for the benefit of narrow interests, shows the extent to which corruption can pervert the rule of law, and the law itself. State capture can be endogenous to the government (political or bureaucratic capture) or exogenous (by firms or foreign agents) (Grzymala-Busse, 2007; Mungiu-Pippidi, 2023) and has become a key explanation for the democratic decline of recent years, from Hungary to the United States of America.

The European Commission (EC) publishes annually a Rule of Law Report (ROLR), which examines developments across all EUMS and includes a section on the 'anti-corruption framework' (Bakowki, 2025). In May 2023, the Commission also presented an anticorruption package, including a proposal for a directive aimed at combating corruption, which followed the regular steps and entered the last phase of negotiations in spring 2025 (European Commission, 2023). Based on Article 83 TFEU, the proposed directive aims to harmonize offenses and sanctions associated with corruption across EUMS and proposes new measures to enable countries to prevent and sanction corruption (European Commission, 2011). Additionally, corruption has always featured prominently on the EU enlargement agenda, as the rule of law was included among the so-called Copenhagen criteria that newcomers have to fulfill in order to join. The EU response to the problem of corruption is threefold therefore: as policy formulation (new legislative package), as policy monitoring (the ROLR) and as policy implementation (through the work of the European Public Prosecutor's Office, EPPO, or the European Anti-fraud Office, OLAF). The current report supports these efforts as a contribution to the evidence and the analysis.

Notorious cases of corruption in Europe cover very different time intervals. Some of them, like the Airbus FCPA settlement with the SEC, span several decades, while others, like Qatargate or the Wirecard scandal, just a few years. It is not easy to understand if corruption has either decreased due to anticorruption efforts, or if it has increased due to crises (the 2008 financial crisis and the pandemic) or finally if it largely stayed the same. Even more ambitious than discerning the trend is to understand why the trend evolved one way or the opposite direction and what—if anything—can be done about it.

The report will contribute a data-based analytical approach to enable the understanding of where corruption stands in the EUMS, accession partners (EUCC) and neighboring European countries without EU aspirations (EUN)

and how it might be evolving in the next years. It complements the BridgeGap reports on strategic corruption (Galev et al, 2025) and money-laundering (forthcoming). The report is structured as follows:

Section Two will explain the definitions of corruption used in the report and the selection of indicators, in line with the latest approach to the objective measurement of corruption developed by the United Nations Office on Drugs and Crime (UNODC) Statistical Framework to Measure Corruption.

Section Three will use the indicators of corruption at the national level to assess both the status quo and trends. The report draws on several fact-based indicators: the combined integrity index of public procurement, the level of single bidding (SGB) in public procurement (non-competitive social allocation), the percentage of total wealth owned by top 1% earners (oligarchization) and the number of firms by country sanctioned under FCPA, as well as the number of cases by countries where the bribing took place (cross-border corruption). Non-competitive social allocation from public procurement, which accounts for most of the discretionary spending of the government (as opposed to fixed expenditures such as pensions), is likely to capture the extent to which social allocation is universalistic versus particularistic, in other words government favoritism. Oligarchization shows the result of longer-term particularistic distributions within a country. Cross-border corruption comes to correct the nation-state-based approaches, as a significant part of corruption under globalization occurs across borders.

To place these direct measures in the national context and explain results the report uses the Index of Public Integrity (IPI) to rank countries for corruption risk and deconstruct it into specific causes as well as a derivate product of IPI, the Corruption Risk Forecast (CRF), to assess trends over the years.

Finally, this third section compares the fact-based indicators used with the frequently used reputation-based index, the Corruption Perceptions Index (CPI), for reciprocal validation.

Section Four of the report examines the enablers of corruption in Europe, using both the 'opportunities' components from the IPI and other indicators reported in the literature, even if they are not produced annually.

Section Five examines the disablers of corruption using again the disaggregated components of the IPI and several indicators on corruption prevention regulation from Europam.eu.

Section Six checks the effects of the comprehensiveness of procurement regulation on procurement outcomes and of freedom of information regulation on de facto Internet-based government transparency to map implementation gaps.

The concluding section offers a full risk analysis at the national level and classifies the countries in a matrix highlighting opportunities for and constraints to corruption. It also formulates a selection of actionable policies.

2. How do we model and measure?

Due to the absence of a universally accepted definition of corruption and the diversity of actions that fall under this umbrella concept (i.e., bribery, nepotism, undue influence), the United Nations Convention Against Corruption (UNCAC) does not provide a succinct definition. Conceptualizing a measurement framework that makes this possible is especially important within the context of the United Nations' 2030 Agenda and to comply with the commitments outlined in UNCAC (UNCAC, article 61). Goal 16 of the Sustainable Development Agenda (SDG16) introduced the concept of 'institutional quality' - a concept grounded in institutional corruption literature, which refers to the quality of regulation, norms and behavior pertaining to public integrity (and not, for instance, to the capability of anticorruption or control agencies). Hence, measuring 'institutional quality' is central to track progress made towards achieving the UN's sustainable development commitments and is essential for the EU as well, since the EU relies on the impact of its regulation to control corruption.

Classic conceptualizations of corruption have ranged from the very narrow, limiting the concept to specific violations or manifestations of the problem (e.g., bribery or embezzlement of public funds), to very broad notions that equate corruption with distributive justice and impartiality. This report operates with the definition of corruption as a policy problem, as already defined in the introduction, and control of corruption as the capacity of a society to prevent those entrusted with public authority from using their office for undue private profit (Mungiu-Pippidi, 2015). Corruption risk is defined as the probability that a public authority would use the office for undue private profit (United Nations Office on Drugs and Crime, 2023b).

These definitions enable us to measure corruption at national level, where the measurement of corruption has focused for the past three decades, based on the much older historical sociology approach. This level of analysis captures the society-wide rules of the game (norms and practices, institutions and organizations). Countries are specific cultural and institutional contexts where certain sets of values and norms prevail, which cut across sectors and type of corruption, making the differences in honesty and corruption across countries far more important than the differences within (Husted, 1999; Hofstede 2011; Mungiu-Pippidi, 2015; Gächter & Schulz, 2016). These different streams of literature (experimental and econometric, from social psychology, political science and economics) all point to the dominance of national level over lower levels (sector or organization). The degree to which societies control corruption, the structural as well as policy factors, results from a country's history, old as well as recent. The more the regions within the current nation-state have a background in different states, the more subnational variation can exist (Charron et al., 2014; Becker et al., 2016), but this is the exception and not the rule. The cross-border behavior in corruption is also well accounted for at national level. Corruption follows its own logic of sovereignty, based on where power lies and can be predicted accordingly. If a bidding process takes place in Uzbekistan and a Swedish company bids for a privatization controlled by the government of Uzbekistan, the corruption

risk that forecasts the outcome is that of Uzbekistan, not of Sweden (i.e., the Telia case in Lasslett & Capus, 2023[1]). However, for economic sectors where cross-border activity is predominant (versus national) and where the national jurisdictions are either absent or unclear, it is worth designing a measurement at sector level which encompasses more than one country. This is the case of money-laundering, another focus of BridgeGap research.

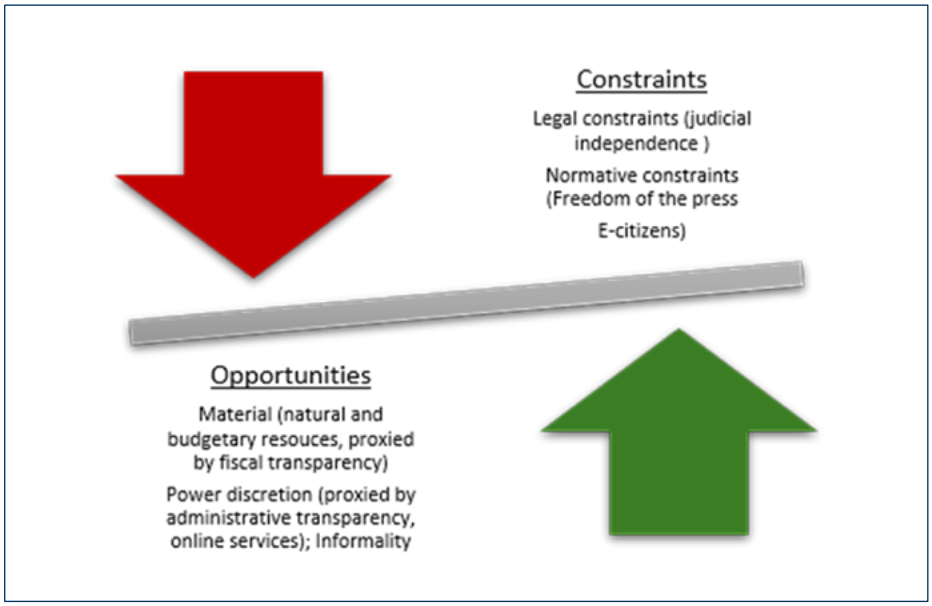
The problem with many corruption indicators at national level in use is their lack of specificity. We know that 53% of European citizens, on average, think that narrow private interests rather than the interests of the public control their government (Transparency International, 2021), but it is not clear what this refers to concretely. We understand even less when we read that the CPI, an aggregate of expert opinions by Transparency International (TI), or the Political Corruption indicator by Varieties of Democracy (V-Dem), a single source expert opinion, changed from one time point to another: as these perception indexes are non-specific, we cannot really trace what changed. It would be good to have measurements that are both at national level and specific, but where do we get them from, especially if they need to be comparable across countries? Even if we collect data across different types of corruption (e.g. political, administrative, financial, etc.) there is no theoretical or empirical model for how to aggregate them together in one national measure (Mungiu-Pippidi, 2023). But models exist at national level based on comparative research across countries (for a review of this literature, see Treisman, 2007; Mungiu-Pippidi, 2015; Escresa & Picci, 2017).

Corruption is like the tip of an iceberg, and this vast academic literature on the causes of corruption has provided a solid understanding of the different elements that form the iceberg's underwater base. The actionable factors tested in the literature (alongside non-actionable ones like the existence of mineral resources or multiethnicity) can be summed up into two categories, following the crime opportunity model (Becker, 1968; Mungiu-Pippidi; 2015). *Opportunities* for corruption include high levels of discretion (administrative or political) and the presence of abundant resources which can be easily diverted (e.g., natural resources or opaque extra-budgetary allocations). They can generally be controlled by transparency, digitalization and a reduction of transaction costs. *Constraints* to corruption issue from an independent judiciary, from an economically autonomous and free media and from civil society, either as individuals like voters and whistleblowers or associations protecting the general interest from rulers' abuse of public resources. The two categories of factors can ideally balance one another and produce an optimal equilibrium where most transactions within a society take place without corruption. But often a sub-optimal equilibrium results, where either the opportunities are too great, or the constraints too small, or both. This equilibrium model is illustrated in Figure 1. This theory was validated by factor analysis, with the indicators proxying opportunities and constraints coming together to create an internally consistent index, the Index of Public Integrity (IPI) (Mungiu-Pippidi & Dadašov, 2016), which measures corruption risk at national level through the main corruption causes.[2]

[1] See Lasslett, K., & Capus, N. (2023). Shadow state structures and the threat to anti-corruption enforcement: evidence from Uzbekistan's telecommunications bribery scandal. Crime, Law and Social Change, 81(4), 343-364 for the dominant role of the ruling family in the corruption schemes.

[2] The Index of Public Integrity (IPI) is a composite index that uses indirect objective measures (proxies) in a conscious attempt to present an actionable corruption measurement methodology (Mungiu-Pippidi & Dadašov, 2016). The IPI provides a measure of a country's capacity to control corruption and enforce integrity, broadly understood as a balance between constraints (legal + normative) vs resources (power discretion + material resources). The single composite indicator is based on an assessment of six components: budget transparency, administrative transparency, online services, judicial independence, e-citizenship (a measure of broadband subscriptions and internet users) and freedom of the press. To calculate the index, raw scores undergo z-score standardization to ensure comparability. Then, a principal component analysis (PCA) is conducted in order to establish the relative weight of each component in the final composite measure. Finally, using the PCA values, the index scores for each country is estimated and normalized to a range between 1 and 10 for ease of analysis (10 representing the highest integrity and 1 the lowest). For the purpose of this analysis we used the most recent values for the 2025 edition of the IPI which covered 115 countries.

Figure 1 Conceptual model of corruption as an equilibrium between opportunities and constraints



Knowing the specific factors that cause corruption allows for counteraction. But while the IPI offers the national context explanation against which any specific corruption tool should be assessed, disaggregation can provide more specificity, starting from the top down on a basis of a verified model, and not from bottom-up piecing together various fuzzily related categories. The result of this exercise can be a single index, but for action purposes it is far better organized as a matrix.

International organizations, policymakers at the national level, law practitioners and civil society organizations engaged in the fight against corruption need more specific measurement instruments that allow them to identify anti-corruption priorities, apply effective policies, and track the impact of their efforts. It is thus necessary to develop a measurement framework that focuses on actionability (i.e., the identification of key areas of intervention at the national level) and monitoring/evaluation (i.e., how levels of corruption change over time and respond to specific interventions). This report draws on recent efforts by the UNODC to develop the Statistical Framework to Measure Corruption (United Nations Office on Drugs and Crime, 2023a), which aims to create a holistic reference framework for guiding national efforts in developing national corruption information systems. Widely consulted (149 entities from 81 UNODC member states), the final framework includes 153 indicators organized in a specific matrix that the main author of this report has developed in the process (with fewer indicators).

Table 1 presents the conceptual matrix used in the UNODC statistical framework for measuring corruption. The UNODC matrix lists not only government favoritism as in the example in the table, but also bribing, and all the corrupt behaviors mentioned in the UNCAC, such as undue influence and abuse of office, which some countries do not even list as criminal offences. The present report uses the conceptual matrix developed for a smaller number of indicators parsimoniously selected for relevance, availability on a yearly basis for all the

cases and actionability. We focus on government favoritism as a main corruption feature, defined as preferential social allocation by governments (as opposed to the impartial allocation based on ethical universalism). Favoritism can only occur by abuse of office (to favor somebody, someone else is discriminated against), so it is corrupt regardless of whether a bribe or kickback is being used (Warren, 2004). While bribes and in particular kickbacks are frequent in public contracting, under state capture corruption is vertically integrated and pyramidal, so the use of reciprocity, personal and party connections are very important as well (Della Porta, 2004; Grzymala-Busse, 2007).

The columns of the UNODC matrix excerpt depicted in Table 1 capture the building blocks of measurements, which are divided into direct and indirect. While direct measurements of corruption are more difficult, if the funding exists for data collection they can be measured across countries and over time through the national statistical offices' efforts in the UNODC exercise. They include direct counts of phenomena such as nepotism, undue influence and profit (how many MEPs have their flight tickets paid by the countries they must decide upon in their resolutions), the cited favoritism in public contracts allocation or concessions, number of monopolies or oligarchs, and so on. Some EU Member States (Croatia, Romania) have automatic systems to check on political connections of awarded contracts, but there are no EU-wide systematic efforts in this regard, the only existing figures coming from research. Victimization surveys such as those organized by INEGI in Mexico also provide direct measurement by collecting report of solicited bribes at the level of households. Enforcement data represents just a fraction of cases, so unless a great mass of cases exists it is not usually considered as a direct measurement, but part of the government response.

The risk measurements in the matrix can be divided between the enabling and disabling circumstances for corruption, as in the theoretical model depicted in Figure 1. Against this background we can assess the response of governments to corruption, itself divided into two different categories: legal responses such as regulation (de jure) and enforcement (de facto). The response does not perform in a void, but in the risk context specific to each country. The divisions between these measurement categories, while theoretically sound, can in fact be bridged in practice, as empirical research shows. For instance, contracts with a single bidder have such a high chance of being accompanied by fraud and poor value for money that they can, in fact, be construed as a direct measure of corruption, rather than an indirect one (Fazekas & Kocsis, 2020). In this report, single bidding (SGB) is used as a risk measure, while a cumulative index of red flags measuring the integrity of public procurement is considered a direct measure of government favoritism (Fazekas & Cingolani, 2017). Most of such red flags refer to infringements of formal procedures (like shorter period of advertising or decision), while SGB is only illegal in very few countries, being a symptom of a manipulation of the process but not illegal in itself. All the other measures in the matrix—administrative and criminal sanctioning of public procurement favoritism, for instance—should be collected by European statistical offices as part of the UNODC exercise in the next years. The present report uses only data centrally collected by the BridgeGap project or former projects researchers were involved with to triangulate for the measurement of government favoritism.

Table 1 Adaptation of the UNODC conceptual statistical framework to measure corruption *Source: United Nations Office on Drugs and Crime, 2023a*

Corruption feature	Government favoritism			
Direct measures	**Indirect measures**			
	RISK		**RESPONSE**	
	Opportunities (enabling circumstances)	**Constraints (disabling circumstances)**	**De jure (regulation)**	**De facto (implementation)**
Integrity of public procurement (index OpenTender.eu based on red flags cumulation)	% Non-competitive public contracts % Non-transparent public contracts (% contracts on the e-portal from total) Digitalization versus red tape, transparency versus opacity	% Administrative and judicial redress procedures from total Strength of oversight by media and civil society	% Regulation fulfilment from benchmark public procurement (Europam.eu)	
Bribe in public services (survey)	Risk mitigation framework (IPI)		Criminal and preventive regulation	Number of sanctions

Appendix Table A1 describes the indicators used throughout this report as well as the data coverage for each measure. The report draws on a balanced panel throughout the observation period and across the country sample. To report objective data we also use a measure of bribery rates which is collected only in EUMS by the EC's Eurobarometer. The relevance of these indicators will be explained in the next sections when we introduce the results.

3. How do countries compare? The status quo

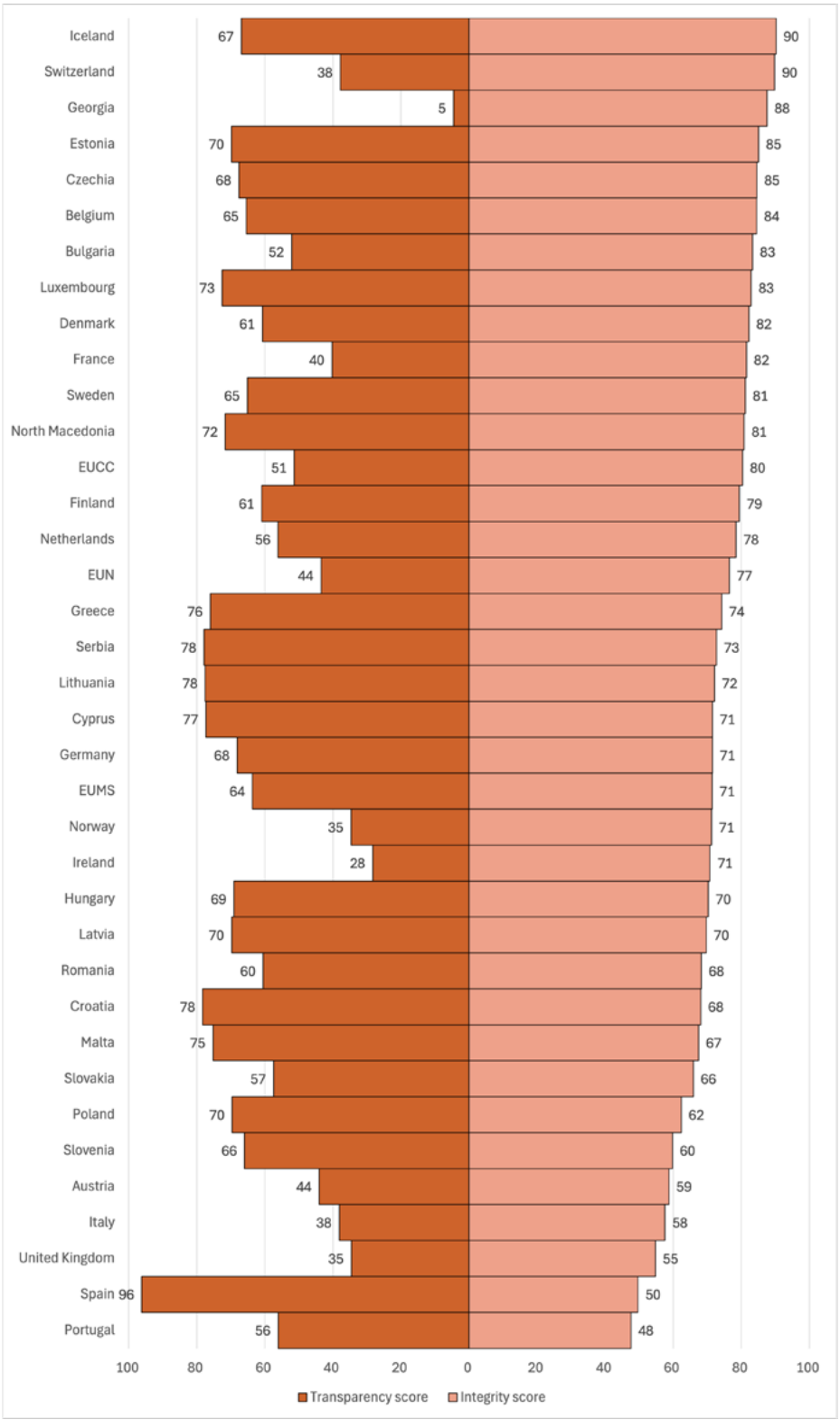
Corruption varies greatly in size and in kind across the European area, divided in this report as EUMS (the Member States), EUCC (candidate countries) and EUN (neighboring countries without aspirations to join the EU). While the most used direct measure of corruption is the level of bribery for public services among the general population, the share of such petty bribes has been low (7% on average), as this is rather a feature of developing countries (European Commission, 2024a). Even so, 14 of the 27 EU countries score above this threshold, a mixed sample across old and new EUMS (Croatia, Slovenia, Romania, Latvia, Bulgaria, Austria, Belgium, Greece) (European Commission, 2024a). The core issue of corruption in developed countries, however, is government favoritism—the favoritism of public spending and market favors (Johnston, 2005). Additionally, the companies from the developed Western economies bid for market favors also in external markets, not just internal ones. To account for the lack of this cross-border perspective in corruption measurement, this report incorporates public procurement indicators as direct measures of risk (national corruption) and enforcement data from FCPA to capture sanctioned companies and corruption cases in European countries.

3.1. Government favoritism in public procurement

Public authorities in the EU spend around 14% of GDP (around €2 trillion per year) on the purchase of services, works and supplies (European Commission, 2025). To diagnose the status quo, we use country-level data from the Tenders Electronic Daily (TED) published on the European Public Procurement Scoreboard which includes EUMS, several EUCC, Switzerland, the UK, Norway and Iceland. But first, we assess the broader integrity and transparency of public procurement using national data from OpenTender, which triangulates information on public tenders reported by both national procurement sources and TED, excluding regional sources to eliminate the risk of duplication. OpenTender includes far more tenders than those in the European Public Procurement Scoreboard, and collects data from three accession countries, North Macedonia, Serbia and Georgia and four EUN countries compared to only two in the TED database. Moreover, the platform constructs national-level measures of transparency and integrity in procurement based on individual contracts characteristics. While transparency measures opportunities for corruption and is therefore a risk indicator, it is useful to discuss it in relation to integrity.

Figure 2 illustrates each country's performance in both integrity and transparency in 2022 based on the OpenTender platform. Some countries, such as Georgia, which score very well in terms of integrity lack transparency. Conversely, countries like Spain do not hide anything about their contracts, but have a poor integrity score based on risk flags. On average, EUN, EUMS and EUCC countries lack transparency more than they lack integrity (of the published tenders). From the contracts published at a level of about 50% transparency EUCC overperform on integrity, with relatively lower risk flags, but on the whole EUMS perform the best in comparison with the other two groups, balancing integrity and transparency.

Figure 2 Composite procurement transparency and integrity scores by country (0-100) *Source: OpenTender (2022 data). Own computations*[3]

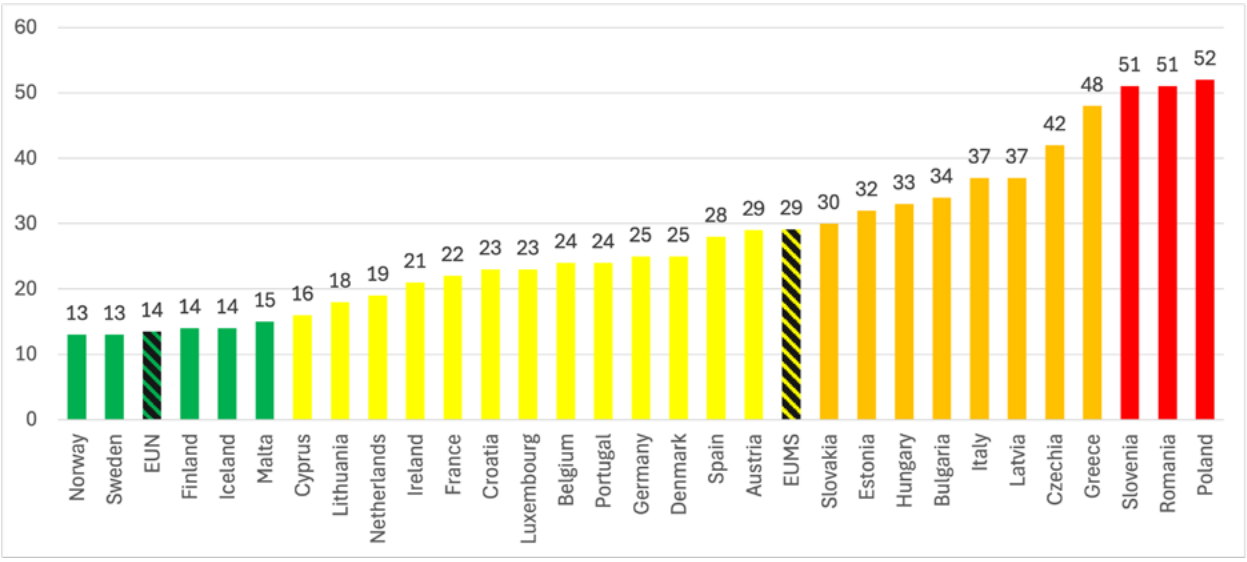


[3] See Appendix for methodological details.

As both the number of tenders and their transparency vary widely across countries, we additionally use the more restricted sample of TED to compare across countries. Non-competitive tendering (i.e. SGB, single bidding) is a fact-based indicator, which draws on a proven correlation between SGB practices and fraud in public procurement (Fazekas & Toth, 2016). SGB is widely used by auditors and corruption scholars and monitored by the EC. It occurs as an outcome of different situations, for instance, terms of reference written to favor a specific company, high awareness that a company is favorite, which discourages other bidders, and so on. SGB is not illegal in the EU, as the tender is de jure competitive, and only de facto limited to one bidder. The EU average for single-bidding in the TED database has been growing steadily since before the pandemic (Mungiu-Pippidi, 2020) and is currently at 29%. This compares to a rate of 42% for the EU and 38% for our entire sample (EU-41) when national tenders are included in the far greater sample of OpenTender (reference year is 2022), showing that beyond the high transparency area of EU funding competition drops.

As shown in Figure 3, adopting the color shading of World Bank conventions (green indicating best performance, red the worst), the least competitive tenders in the EU take place in a high-risk group of countries consisting in Poland, Romania and Slovenia (52%, 51% and 51%, respectively). In these countries, allocation without competition appears to be the norm rather than the exception. In the next group ranging between 50% and 30% we find a mix of Eastern and Southern European countries: Greece, Czechia, Bulgaria, Italy, Slovakia, Estonia and Hungary, which have invested considerably over years in anticorruption and public procurement reforms to just come above the 30% threshold. More recent EU members, such as Croatia, and good governance champions like the Netherlands rank alongside the EUMS average in the range between 30% and 16%. Northern countries, like Finland and Sweden, score under 15%. The low SGB score of EUN countries in the sample, Norway and Iceland, drives down the regional mean to 14%—less than half of the EUMS average.

Figure 3 Share of public contracts which received only one bid in 2022 by country (0-100%) *Source: Tenders Electronic Daily (2022 data). Own computation.*



Notably, these SGB estimates are likely a conservative estimate of the true nature of single bid contracts across the region that we see in the larger Open Tender sample. For example, in Malta, one of the countries in the top performance group, only 15% of contracts in 2023 received one bid according to the Single Market Scoreboard dataset. However, according to estimates from OpenTender's data for the same year, this share is actually 43%. Such vast discrepancies have been widely reported by the European Court of Auditors, emphasizing the need for a more comprehensive and consistent reporting system in order to capture the true levels of corruption risks across all tenders. Generally, there is an overlap in the best and worst performers in terms of SGB (see Table 2). However, we find a 9-point difference in the mean share of tenders which received only one bid between the TED and OpenTender databases. In contrast, comparing these to the adjusted integrity and transparency score, we find that some countries like Norway, UK and Georgia move from the top to the bottom due to lacking transparency in their procurement reporting.

Table 2 Comparison between procurement measures
Source: Tenders Electronic Daily (2022 data for SGB) and OpenTender (2022 data for SGB and adjusted procurement score). Own computations

	Top 5	Bottom 5	Average score
Single bidding (TED)	Norway, Sweden, Finland, Iceland, Malta	Poland, Romania, Slovenia, Greece, Czechia	29 (EUMS), 29 (overall)
Single bidding (OpenTender)	UK, Switzerland, Georgia, Iceland, Norway	Spain, Italy, Serbia, Poland, Slovakia	42 (EUMS), 38 (overall)
Adjusted procurement score[4]	Iceland, Luxembourg, Estonia, North Macedonia, Czechia	Georgia, UK, Ireland, Italy, Norway	42

The companies winning contracts without any competition are not just 'lucky' companies: they are favorite companies, chronic winners awarded government contracts and rents that any company would envy. The public procurement data shows that government favoritism is no exception in Europe, and during the pandemic years it has grown to become quite a norm in a majority of EUMS, especially for East European Member States, Austria (where many tenders are attributed through direct negotiation procedures), Greece and Cyprus.

In Figure 4 we illustrate the change (in percentage points) from 2012 to 2022 in the share of all tenders that received one bid. Countries which improved and experienced a decline in SGB are marked in green, while those which became less competitive are marked in red. There was a noticeable general deterioration after the 2008 economic crisis, followed by a relative stabilization at a higher risk level. From 2017, however, government favoritism increases consistently. The second crisis, the Covid-19 pandemic, seems only to have exacerbated a preexisting trend. The public procurement directives Directives 2014/23, 2014/24 and 2014/25 (European Parliament & Council of the European Union, 2014a-2014c) which entered into force in this time interval seem to have had no impact on the aggregate trend, and the increased regulations regarding EU funds may in fact have led to more favoritism in relation to national budget funds (Mungiu-Pippidi, 2020; Oosthoek, 2020).

[4] See Appendix for more details on the methodology.

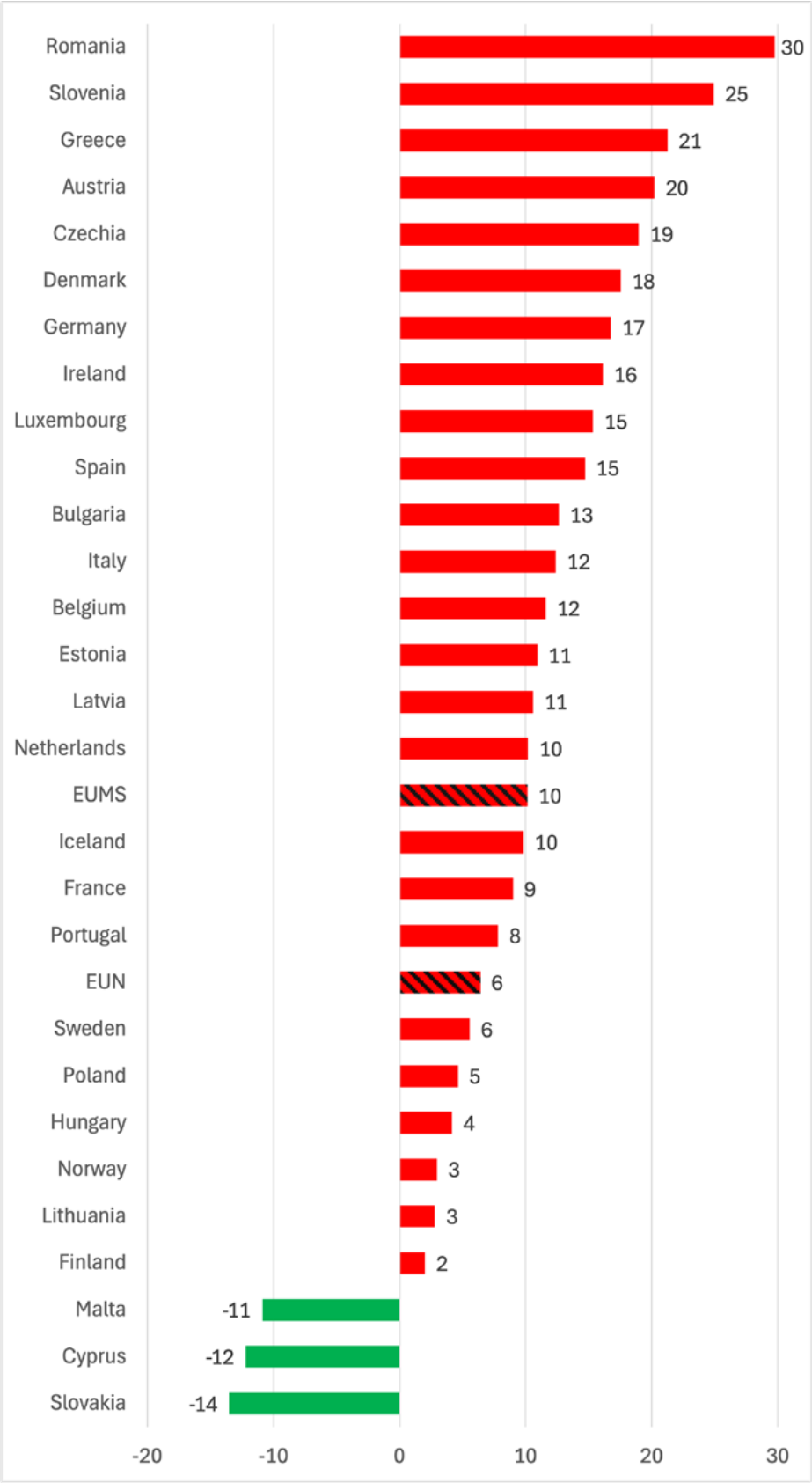
Box 1: Can single bidding indicators be trusted? The case of Albania

Due to the high risk of corruption in Albania, both the European Union and the Albanian government invested significantly to decrease corruption risks in public procurement. A full assessment of the most sensitive areas of public construction and health by OSCE (Mungiu-Pippidi & Tòth, 2023) found considerable progress in the usual risk indicators used by the EC Scoreboard, in particular the advertising and competitiveness of tenders. The risk data was scraped and publicly shared by an NGO, the Albanian Institute for Science, as official sources did not include risk indicators on the e-portal.

The NGO's research, which traced indicators before and after the country's public procurement reforms, allowed to place Albania in the high-risk group of EU MS and CC countries, but found increasing integrity and transparency across years. However, the apparent positive reform trend lost shine when accounting for a gradual shift of the public budget from public procurement towards private-public partnerships (PPP) in public construction, where the awards were highly discretionary and with lower value for money. The indicators for the health sector, where SGB was declining at first glance, also showed that a small group of Albanian pharmaceutical companies had cartel-like arrangements, bidding against each other to make tenders look competitive, but in the end with only one bidder submitting a price. The more single bidding is used as the risk indicator of choice, especially by investigations using data mining or any automatization, the more gaming we should expect, making conventional oversight by auditors or investigative journalism an additional indispensable check to the automatization of red flags.

Figure 4 Change in share of public contracts which received only one bid from 2012 to 2022 by country (in percentage points)

Source: Tenders Electronic Daily (2022 data). Own computation.



3.2. Cross-border corruption as a complement to national corruption

Many European companies engage in commercial activities across borders. The type of corruption that sometimes accompanies these commercial activities usually escapes the corruption measures at national level. The government favoritism proxied by public procurement integrity as a measure of domestic corruption can be complemented by the sanctions of EU multinationals for corrupt activities abroad. We use an updated version of a dataset pioneered by Escresa & Picci (2017) and Picci (2017) measuring cross-country corruption by combining information on companies sanctioned by the FCPA by country of origin from 2013 to 2022. As the oldest legislation against bribery across borders (1977), FCPA has many years of enforcement behind it and a significant number of cases.

Figure 5 shows the number of companies sanctioned based on where their headquarters are located (the 'supply side' countries) and the alleged bribing episodes, or corruption cases, by destination country (demand side). Overall, there are 96 cases against companies in our sample. The countries with the highest number of sanctioned firms are Germany (13), Spain (10) and France (9), countries where national government favoritism is relatively low. Conversely, several accession partners, Georgia, Bosnia and Herzegovina and Albania, lack any sanctions as they do not have multinationals engaging in cross-border trade. The same is true for Hungary, Croatia and Cyprus as well. This division follows the different levels of corporate landscape development across Western and some Southern European countries compared to newer EUMS and accession candidates.

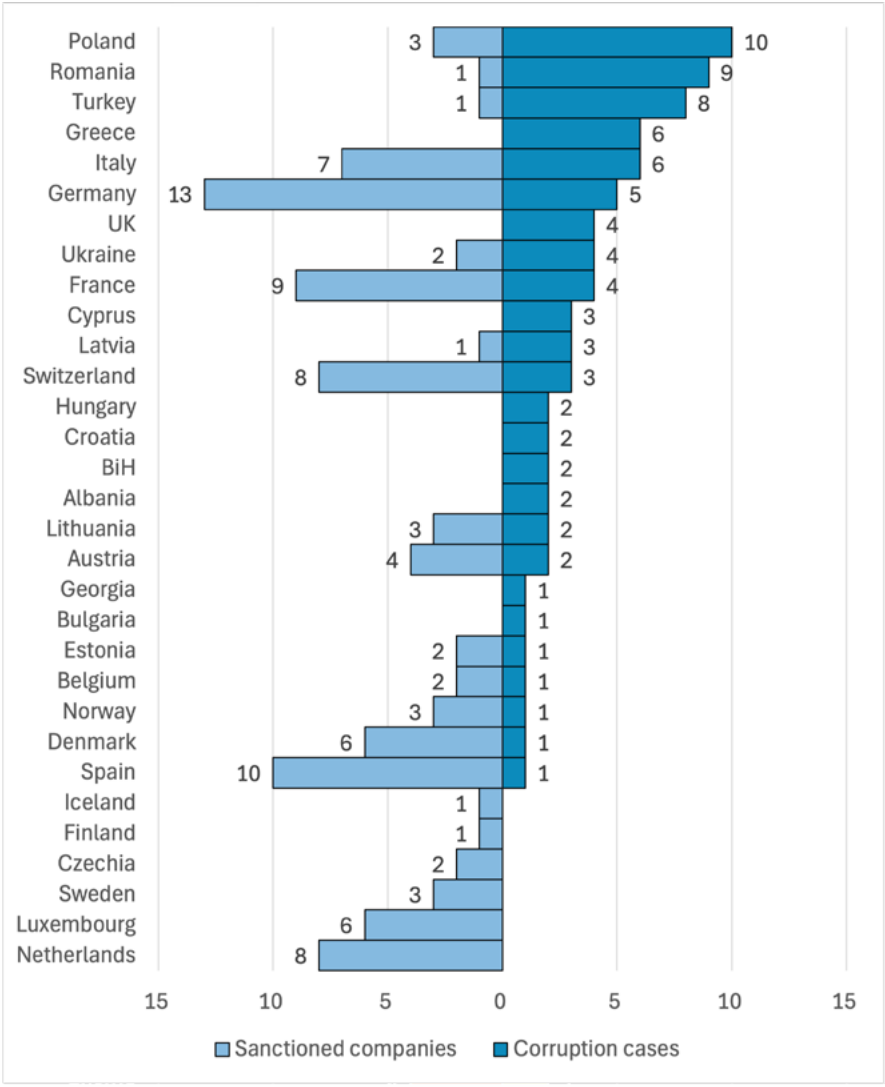
When checking the location of the corruption episode, we find 83 cases in total which allegedly took place in the countries in our sample. Three Eastern European countries score the highest number of cases: Poland (10), Romania (9) and Turkey (8). Notably, it is also important to ask what sectors these episodes are linked to (for a brief discussion, see Box 2).

Enforcement-based indicators are generally unpopular because they conflate detection capacity and corruption. Even if they capture correctly the difference between regions or countries, there is no way of calculating how much undetected corruption they miss (Mungiu-Pippidi & Fazekas, 2020). Still, the figures of the most enforced anticorruption act in the world, the FCPA, show that Europe divides between richer countries with low domestic corruption risk investing abroad in countries within or outside EU with high corruption risk. There are significant differences between this and the map of government favoritism on the investors' side, as some top integrity countries like France, Germany, Switzerland, Spain and the Netherlands appear to have leading companies bribing abroad systematically. Poland, Romania, Turkey and Greece are the highest corruption risk countries to invest in. Italy also belongs to this group, but its companies bribe abroad about as much as foreigners bribe in Italy.

Box 2: Case study of corruption cases in pharmaceutical and medical technology manufacturing

The 83 cases related to FCPA sanctions in our European sample are linked to companies from a wide range of sectors. The most represented sector is pharmaceutical and medical technology manufacturing with 13% of these cases. In fact, 30% of all corruption cases in Poland and around 25% in both Romania and Turkey have to do with companies in this sector. Most of these cases are linked to illicit payments from pharmaceutical companies to healthcare professionals in return for prescribing high-cost medicines. This trend underscores the need for national or EU-level regulation on mandatory disclosures of corporate payments and gifts which many countries lack (Parvanova et al., 2023). Notably, the first EU-level legislation on disclosing healthcare professionals' conflicts of interest was implemented in 2024 (Gentilini & Parvanova, 2024). The increased pressure of disclosing all payments above a given threshold could reduce risks for such illicit reciprocal relationships and create good practices to be adopted across accession partners.

Figure 5 Number of sanctioned companies and corruption cases by country from 2013 to 2022 *Source: Data adapted from Escresa and Picci (2017). Own computation*

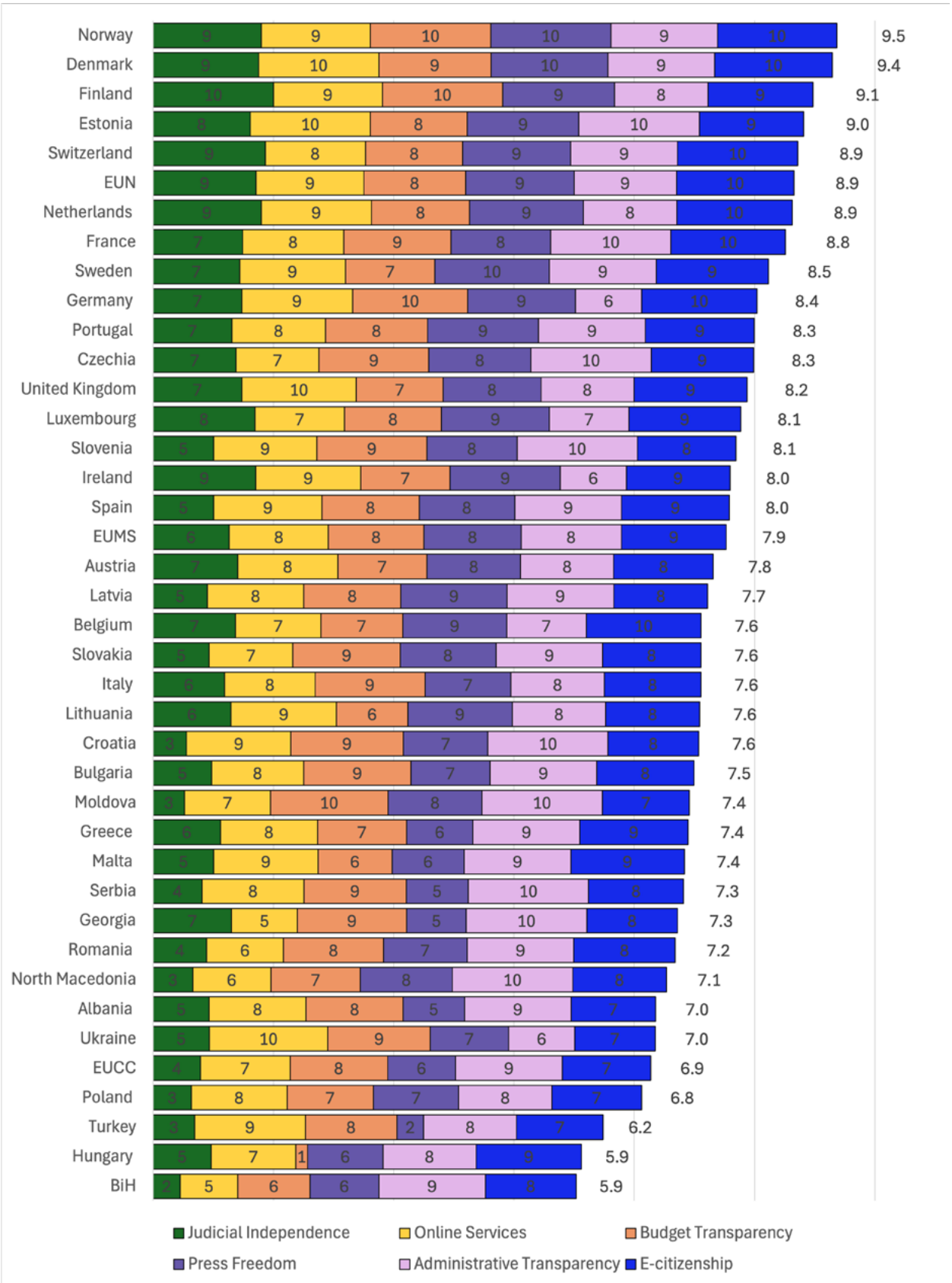


3.3. Corruption risk by country and region

The snapshots based on direct observation of government favoritism and cross-border corruption from the previous section map corruption across Europe, but do not explain it. To deepen our analysis, we now refer to the model of corruption as opportunities versus constraints, and we calculate based on the most recent data from the IPI. The Index is based on causes of corruption, not direct observations and not perceptions, although in the last part of this section the three sources of corruption assessment will be brought together for validation.

In Figure 6 we show the cumulative IPI scores of countries in our sample for 2025. While there is variation in the IPI scores, most countries are above the global IPI average of 6.2 (N=116 countries), making Europe the top clean continent compared to the rest of the world. In Europe, EUN countries (Switzerland, Norway and United Kingdom; Iceland is not covered by IPI) lead with a score of 8.9 on average on a 1-10 scale (with 10 best public integrity framework), followed by EUMS one point behind at 7.9 and candidate countries far behind at 6.9. The lowest IPI value is recorded in Bosnia and Herzegovina (5.9) and the highest in Norway (9.5). Poland and Hungary, the two EUMS democracy backsliders, are also behind even the candidate countries' average. Turkey has a very poor performance. Some EUMS like the Eastern Balkans (Romania and Bulgaria), Malta and Greece perform barely above candidate countries such as Ukraine and Moldova. Austria, Greece, Italy and Belgium among old EUMS perform under the EUMS average. The countries in North-Western Europe outperform the countries in the South/East, regardless of their status. In the following sections we will bring a more granular level of analysis as we discuss IPI by components.

Figure 6 Cumulative country score by Index of Public Integrity components (1-10) *Source: ERCAS Index of Public Integrity (2025 data). Own computation.*



3.4. Trends in corruption risk

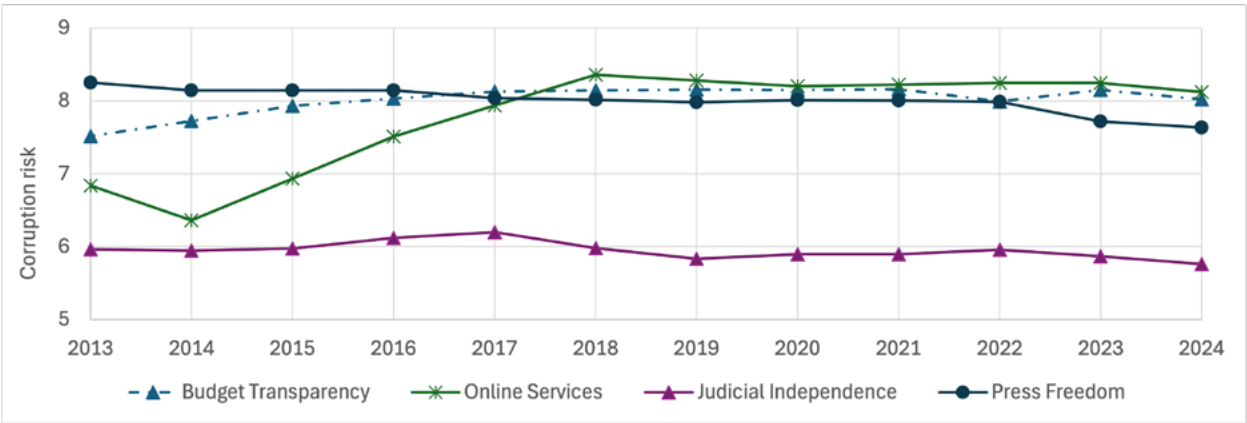
As IPI only exists since 2016 and its process of aggregation creates statistical noise that can obscure changes, we use its disaggregated components, available further back in time, to assess trends. Following the methodology of the CRF (Corruption Risk, 2022), we use the raw value of four of the six IPI components to assess how these have changed over time. We compare each country's trend with average change and standard deviation, then run a qualitative consistency test. For a country to change, it needs to have experienced a statistically significant change in the same direction for at least two components and no other component should have changed in the opposite direction. For example, if a country exhibited improvements in online services, judicial independence and budget transparency, but observed a decline in press freedom, it would be labelled as stationary.

We present changes in corruption risks for the disaggregated IPI components across all countries in our sample in Figure 7. Some positive change occurred in two of the IPI components – online service availability and (to a lesser extent) budget transparency. But since press freedom and judicial independence have worsened, overall corruption risk is rigid. The exceptions are Croatia (EUMS), North Macedonia and Ukraine (EUCC) which have improved significantly, and Hungary (EUMS) which has seen a statistically significant decline (a list of improvers and decliners can be found in Appendix Table A3). Several others in great need of progress (Romania, Bulgaria, Greece, Malta, Poland, Cyprus, Italy) stagnated despite the massive regulatory effort on the EU's part. This shows that each national context matters and needs to be examined in greater depth to understand what hinders progress.

The specificity of the measures used and the trend analysis combined method thus allow us to discern changes over time confidently and indicate specifically what changed and why. This is a novelty in corruption measurement, where even when indicators discern changes, it is difficult to grasp what changed. The change is greater if private sector-driven areas like household Internet connections (e-citizens) are included. In the current report we excluded them to highlight the other areas where the role of governments is greater.

Figure 7 Mean trends in corruption risks across Europe disaggregated by IPI components (on a scale 1-10) between 2013-2024

Source: ERCAS Index of Public Integrity (2013-2024 data). Own computation.



If the public integrity contexts show little change at individual country level, aggregate change observing direct and indirect indicators across Europe is mostly negative. As we showed earlier (Figure 4), Europe's public procurement has gradually become less competitive, with integrity declining and favoritism increasing.

The prevalence of bribery across the EU has also increased by 3 percentage points over ten years (European Commission, 2024a). Behind the stagnation and the small sub-samples, which make this indicator the least representative despite its directness, real evolution has taken place. Some Eastern European MS countries experienced significant declines in bribery rates, particularly Lithuania (-19.98 percentage points), Romania (-13.73 percentage points) and Poland (-8.23 percentage points). On the other hand, Belgium (+19.63 percentage points), Bulgaria (+14.08 percentage points) and Croatia (+9.18 percentage points) have experienced the largest increases in the share of respondents reporting giving a bribe for public services. In increasingly prosperous Central and Eastern Europe, corruption thus appears to change shape and move from public services, as they become better endowed with resources, to the lucrative area of government favoritism, where the population experiences it less directly. Petty bribing has been replaced over the years by growing state capture, with the help of large budgetary allocations during the pandemic and the following recovery period.

3.5. Oligarchization

Corruption is directly observable by favoritism, and indirectly observable by its causes (public integrity contexts proxied by the IPI) and consequences. The direct observation of wealth by office holders and the businesspeople connected to them has become popular since Russian President Vladimir Putin's oligarchs rose to global fame. But even at national level, our source of interest, corruption, if systemic, may affect wealth distribution, particularly after periods of grand transformation (Piketty, 2015). Corruption occurs due to abuse of office and is therefore based on power asymmetry**.** In its turn, power asymmetry tends to generate even more wealth inequality than the original unequal endowment (Johnston, 2005; Freund & Oliver, 2016). The super-rich then can use their wealth to buy favorable regulation, becoming more powerful. This familiar mechanism has often been seen in the United States (Thompson, 2018), although in contemporary times never so clearly as during the current presidency of Donald Trump. Compared to the United States, Europe has always seen itself as a place of equality, where different wealth or income endowments are controlled by welfare states and the influence of big business over politics is low. This picture fitted core Europe well until the 2008 economic crisis (Piketty, 2015).

For the ten years' time interval that we observe in this report, however, a phenomenon of growing oligarchization is obvious.[5] Figure 8 visualizes the distribution of extreme wealth inequality across Europe as of 2022, while Figure 9 illustrates how it has changed since 2012 (in terms of percentage points). As Figure 8 shows, the share of wealth held by the top 1% has surpassed 20% for most countries in our sample. Russia, the alleged champion of oligarchization features as a benchmark, but Russia has serious competition from some

[5] For the purpose of interpretation, here we report the % of national wealth held by the top 1%. In the Appendix we discuss changes in a measure of oligarchization adjusted for GDP per capita.

other European countries. At the top comes Turkey, which ranks the first in absolute terms (42%) and the second as growth over years (+12 percentage points), then Cyprus, which experienced the largest growth over ten years (+12.3 percentage points), importing Russian oligarchs and billionaires from outside the EU, followed by Malta, which ran a similar business. Hungary, Europe's number one democracy and corruption backslider, has also passed the threshold of 30% wealth owned by 1% in the past ten years and experienced the third highest growth in terms of percentage points. Switzerland and Georgia complete the European countries' group at over 30%: the majority then ranges between 20 and 30, leaving only Finland, Slovakia, Belgium and Netherlands under 20%. We see the danger of oligarchy in Georgia, a country poor in billionaires, but where the top two alone raise above 10% of GDP, with one the main sponsor of the incumbent government's party. The situation of Hungary and Poland, two democratic champions after 1990 but frequently accused of state capture in the past ten years, illustrates how political capture and economic capture go hand in hand. Of course, not all billionaires may be oligarchs, as shown by the cases of Kristo Käärmann and Taavet Hinrikus, the Estonian founders of the money transfer company, Wise, which is listed on the London Stock Exchange and who almost alone are the source of imbalance in Estonia's wealth distribution. However, seeing the case of Elon Musk, who has taken on a powerful, unelected role in US President Donald Trump's administration, it may be that every businessperson who controls resources sufficient to influence national politics has the potential to become an "oligarch", as this is the contemporary definition of oligarchy (Guriev & Rachinsky, 2005).

Box 3: Europe's Corrupt Gateway

Starting in 2007, EU Member State Cyprus ran a "golden passport" program to attract foreign investors. After the scrapping of the so-called Cyprus Investment Program in 2020 due to EU action, the Government initiated a golden visa fast-track program for third country nationals. This program requires an investment of at least €300,000 and boasts that little physical presence is required to get EU citizenship and access to Cyprus's low taxes. Cyprus' rise on the list of billionaires is thus due largely to foreigners who acquired Cypriot citizenship: Norwegians, Indians, but predominantly oligarchs from former Soviet Union. The International Consortium of Investigative Journalists (ICIJ) published evidence on how Russian shell companies have been registered on a large scale, and Russian money has flown abundantly for many years. Minimal taxation, the ease of registering a shell company and long-standing banking secrecy enabled several Eastern European oligarchs, among which are 96 Russians sanctioned by the West since 2014, to create an empire of thousands of separate companies or trusts.

Figure 8 Share of total national wealth held by richest 1% of the population (0-100%) *Source: World Inequality Database (2022 data). Own computations*

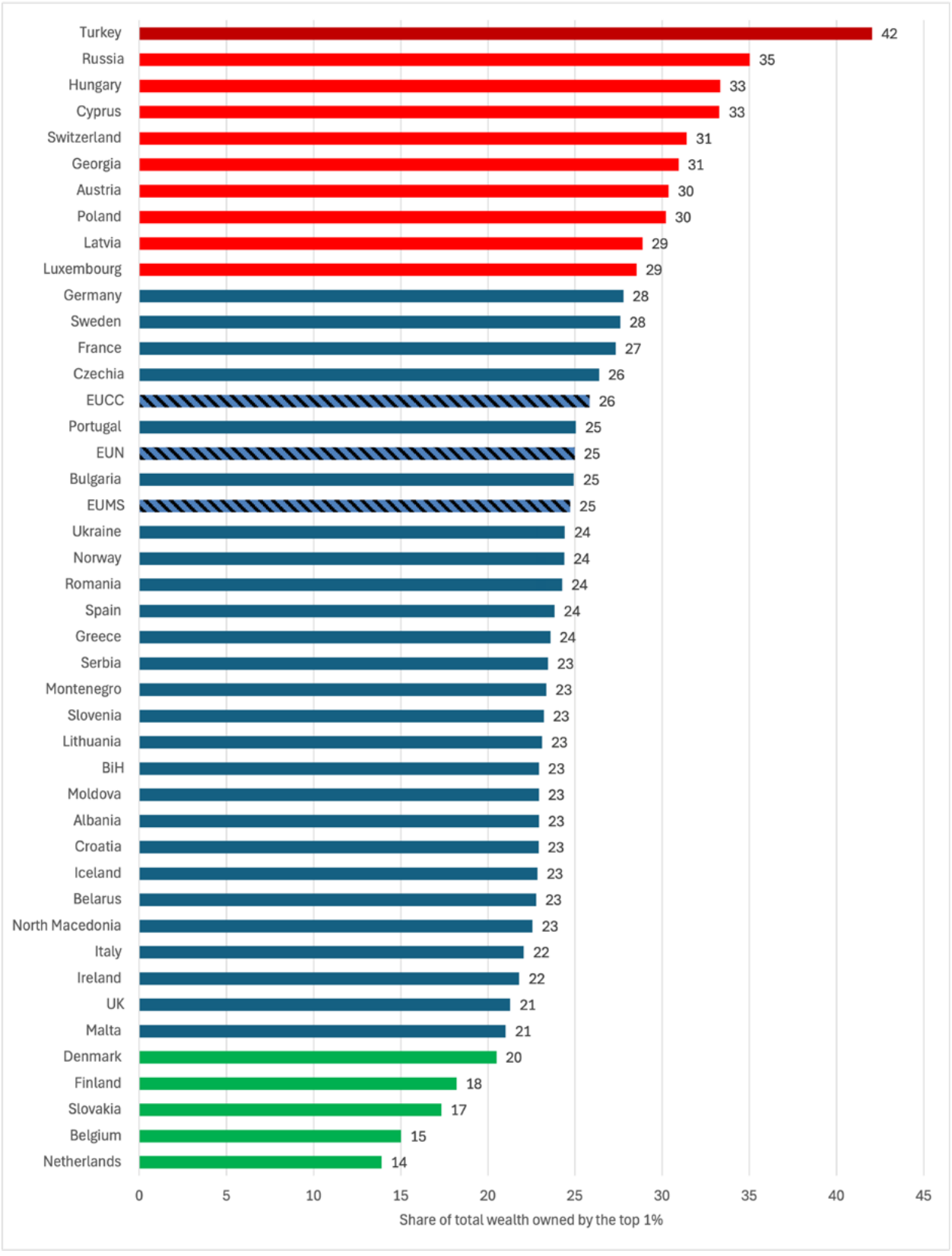
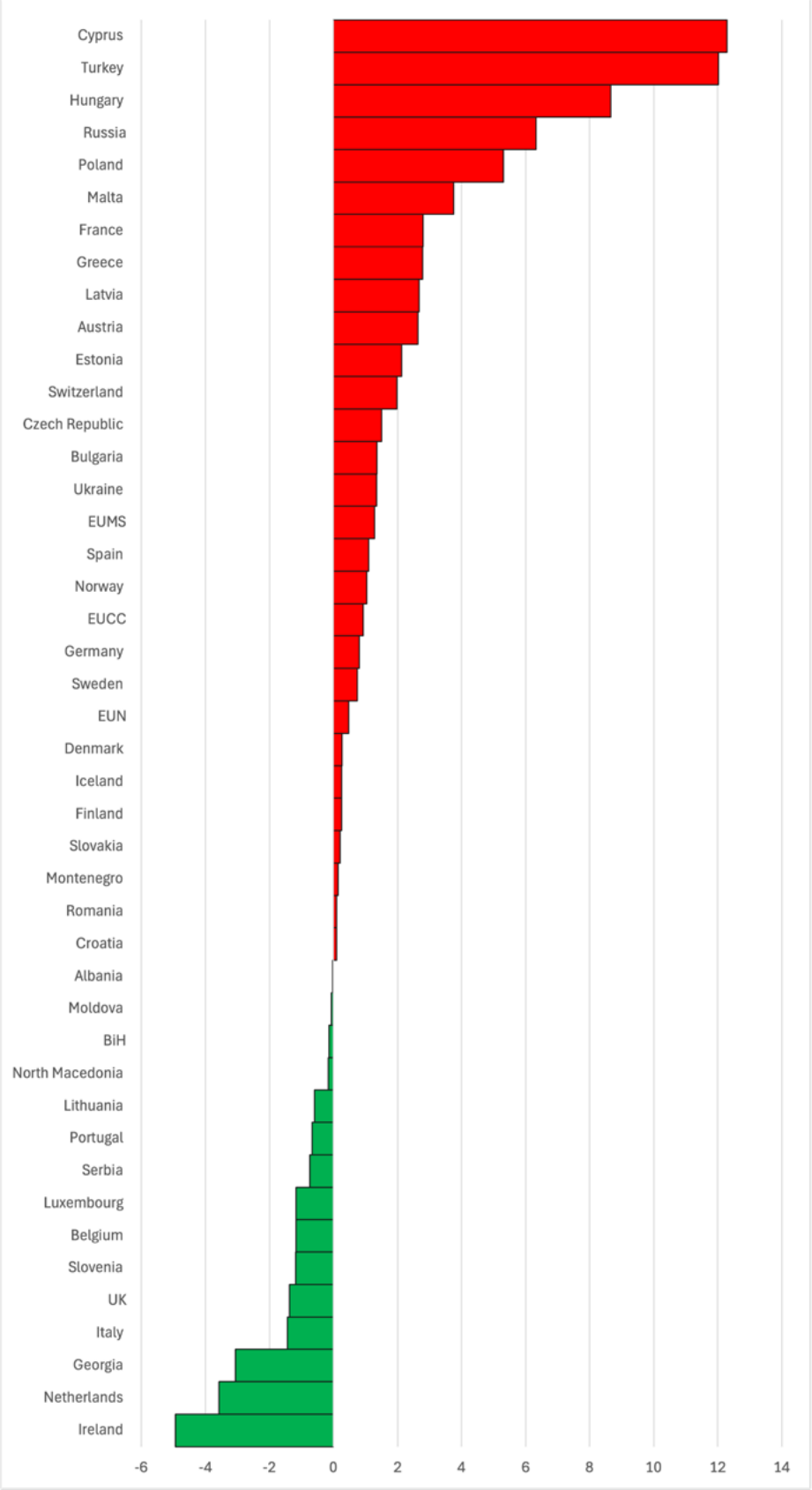


Figure 9 Change in share of total national wealth held by richest 1% of the population (percentage points)

Source: World Inequality Database (2012-2022 data). Own computation



3.6. Reputation versus fact-based indicators

Next, we aim to assess the link between direct and indirect measures of corruption. In Table 3 we report the pairwise correlations between each indicator in our analysis and its significance levels.[6] We find that indirect contextual measures (the CPI and IPI) are significantly and positively correlated. Moreover, the two measures are negatively and significantly correlated with all the direct indicators included in our analysis, including public procurement risk indicators, wealth disproportion and FCPA sanctions. Notably, we also find that both IPI and CPI are negatively correlated (and direct indicators positively) with the comprehensiveness of regulation (EuroPAM score), which we shall explain in the section on regulation.

The attempt to report on corruption by triangulating specific data rather than non-specific perceptions thus allows a better understanding of corruption causes, processes and consequences and provides a better foundation for policies. What specific policies result from these findings will be discussed in the concluding chapter.

Table 3 Correlation matrix of the direct and indirect measures of corruption used in the analysis *Source: FCPA, World Inequality Database (data from 2023), Transparency International (data from 2024), ERCAS Index of Public Integrity (data from 2025) and European Public Accountability Mechanism (data from 2020). Significance legend: *** p < 0.01, ** p < 0.05, * p < 0.1. Own computations*

[6] See Appendix Table A4 for exact correlation coefficients.

[7] See the Appendix for methodological details.

	Observed behavior: public procurement measures	Observed behavior: sanctioned behavior (FCPA)	Observed outcome: adjusted top wealth disproportion	Reputation: CPI	Causal framework: IPI	Regulatory framework: EuroPAM
Observed behavior: sanctioned behavior (FCPA)	+ ***					
Observed outcome: adjusted top wealth disproportion[7]	+	+				
Reputation: CPI	- ***	- **	- **			
Causal integrity framework: IPI	- ***	- **	- *	+ ***		
Regulatory framework: EuroPAM	+ ***	+	+	- ***	- ***	

The perception of procurement integrity is also well grounded in the facts, as shown in Figures 10 and 11. A Flash Eurobarometer of European businesses inquiring on the matter in terms of national procurement (Figure 10) and local procurement (Figure 11) is significantly associated with single bidding, with only a few outliers: Portugal and Cyprus are perceived as more corrupt than what facts seem to suggest, and Poland enjoys a very good reputation seeing how non-competitive its tenders are (European Commission, 2024b).

Figure 10 Business owners' perceptions of corruption in national procurement (0-100%) and single bidding indicator (0-100%)

Source: European Commission (2024 data on corruption perceptions) and Tenders Electronic Daily (2023 data on single-bidding). R-squared = 0.2

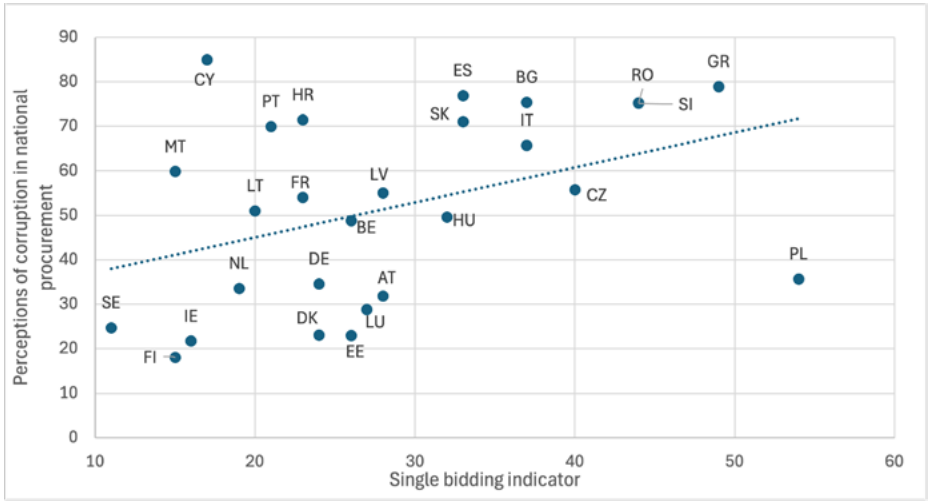
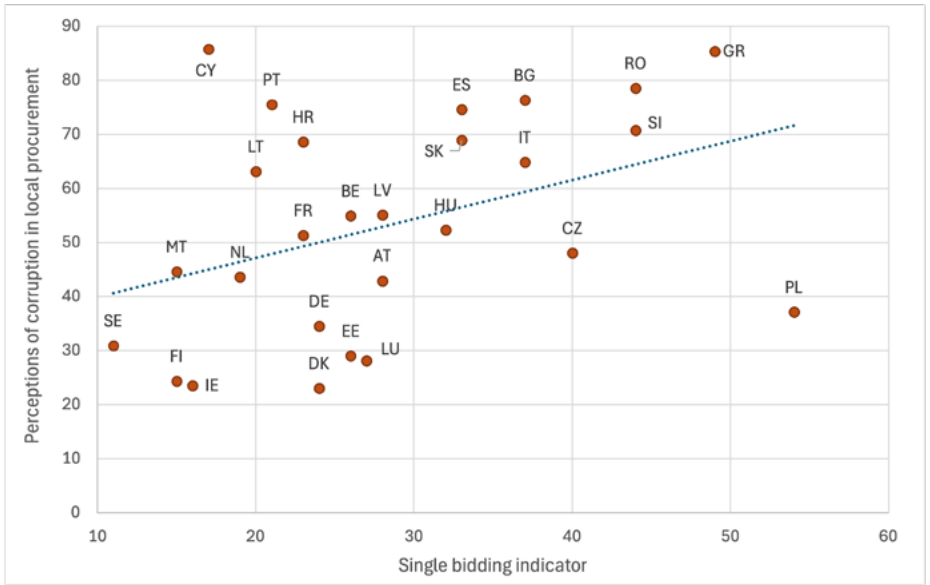


Figure 11 Business owners' perceptions of corruption in local procurement (0-100%) and single bidding indicator (0-100%)

Source: European Commission (2024 data on corruption perceptions) and Tenders Electronic Daily (2023 data on single-bidding). R-squared = 0.2



As we have shown, corruption measures correlate with one another despite their widely different sources (internal validation) and with reputation measures like the Corruption Perceptions Index (external validation). The internal validation of the principal component-based Index of Public Integrity continues to be very good (Cronbach Alfa=0.87), and its very high correlation with CPI means that IPI can be used on top of the non-specific CPI to explain the country perception scores, especially since IPI is built independently from CPI. However, this may only show that the experts who produce the individual components of CPI consider similar factors like those in the IPI composition when granting their rating.

4. What are opportunities for corruption and how do countries mitigate them?

A vast literature on corruption, starting from the first models of the Bretton Woods organizations, argued that corruption is enabled by high mineral resources, certain types of public expenditures, unaccountable aid flows and high transaction costs in the form of red tape (Tanzi, 1998; Fazekas, 2017). An additional resource for corruption is the non-fiscalized, informal economy, meaning vulnerable people who need to bribe to gain access to certain public services and unaccountable money, which can flow into corruption and organized crime (Mungiu-Pippidi, 2015).

Table 4 shows a parsimonious list of corruption enablers. The most actionable areas in the short term are budget and administrative transparency, as well as online services. For practical purposes we thus measure opportunities mostly by their mitigating factors (e.g., transaction costs by the level of digitalization meant to reduce them or administrative and fiscal discretion by transparency which is meant to restrict them). The evidence shows that the resource curse—resulting from either extra-budgetary funds or mineral proceeds—tends to be controlled better in developed countries with high institutional quality, although even in these countries a sector such as banking remains highly vulnerable. These indicators have different degrees of actionability, as indicated in Table 4: administrative discretion and fiscal discretion largely depend on the government, while the informal economy and discretionary resources, e.g. from mineral proceeds, depend on a larger group of factors, some of which may be difficult for any single government to influence (natural monopolies, economic heritage).

Table 4 Proxies for opportunities for corruption
Source: Adapted after Mungiu-Pippidi (2015).

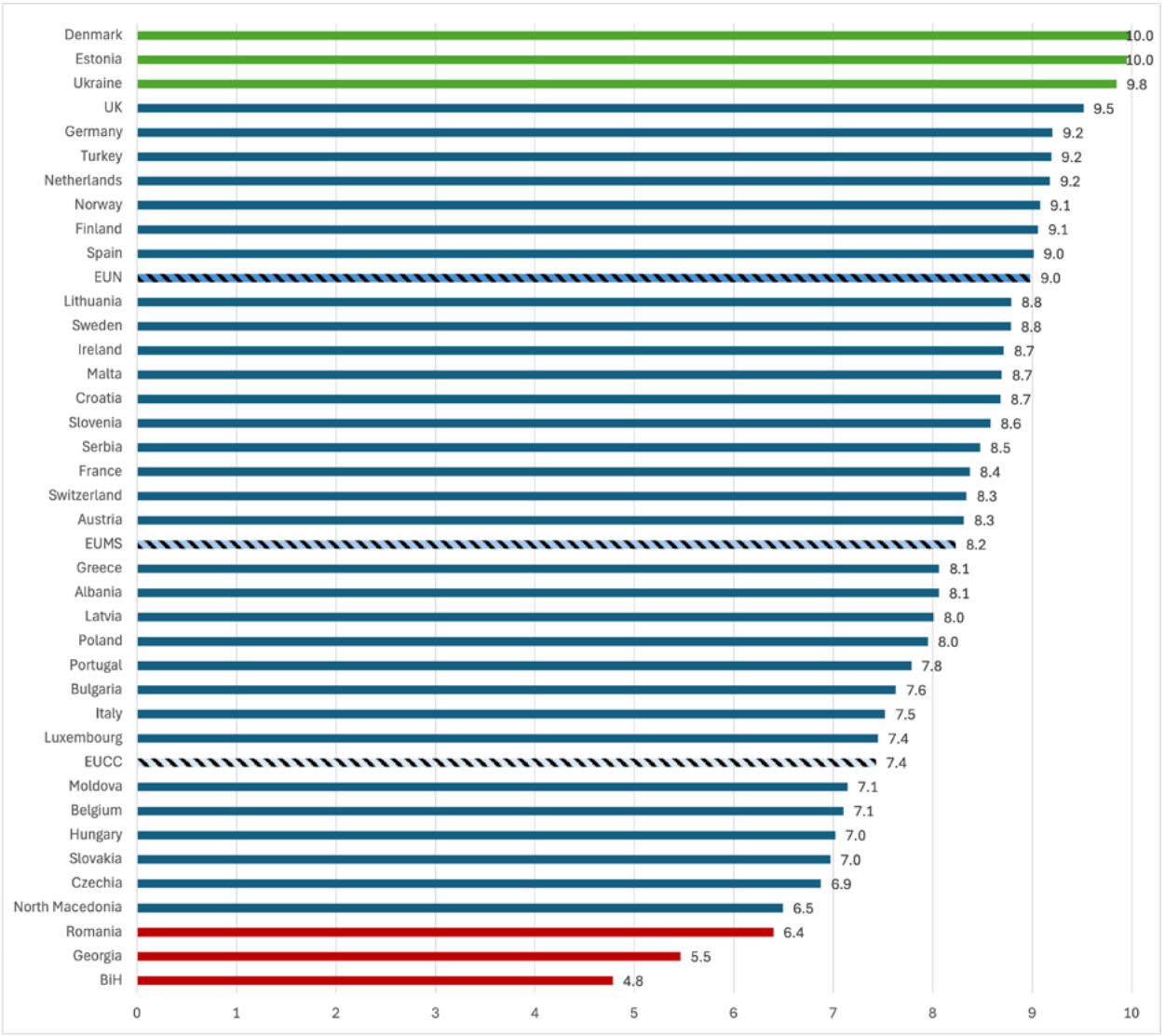
Enablers	Proxy measures	Actionability
Administrative discretion and burden (transaction costs)	Online services (digital services offered to the public, UN Survey) Administrative transparency (e-portal, digital land cadaster, e-register of commerce, online Auditor General annual report)	High
Fiscal discretion	Budget transparency	High
Discretionary resources (resource curse)	Large extra-budget allocations in the form of emergency funds, proceeds from mineral resources if spent	Medium
Informal economy	Vulnerable employment; cash transfers	Low

4.1. Administrative burden. Online services

The European region presents a large variation in corruption opportunities. The EU mitigates some corruption risk through its competition policies, eliminating some sources of potential corruption like national subsidies, but its legislation is complex and increases the administrative burden, while the level of digitalization could also improve (Draghi, 2024). The online service component of the IPI highly correlates with the other components and with different measures of corruption, showing that red tape is also a corruption risk: the countries with the lowest digitalization of services also perform poorly on corruption. As shown in Figure 12, the group of Northern EUN countries at an average score of nine perform significantly better than EUMS (8.2) or candidate countries (7.4). Ukraine ranks spectacularly high due its pre-war investment in digital services, and North Macedonia, Romania, Georgia and Bosnia are the laggards, with the latter falling below five.

Figure 12 Index of Public Integrity component measuring availability of online services to the public by country (1-10)

Source: ERCAS Index of Public Integrity (2025 data). Own computation.



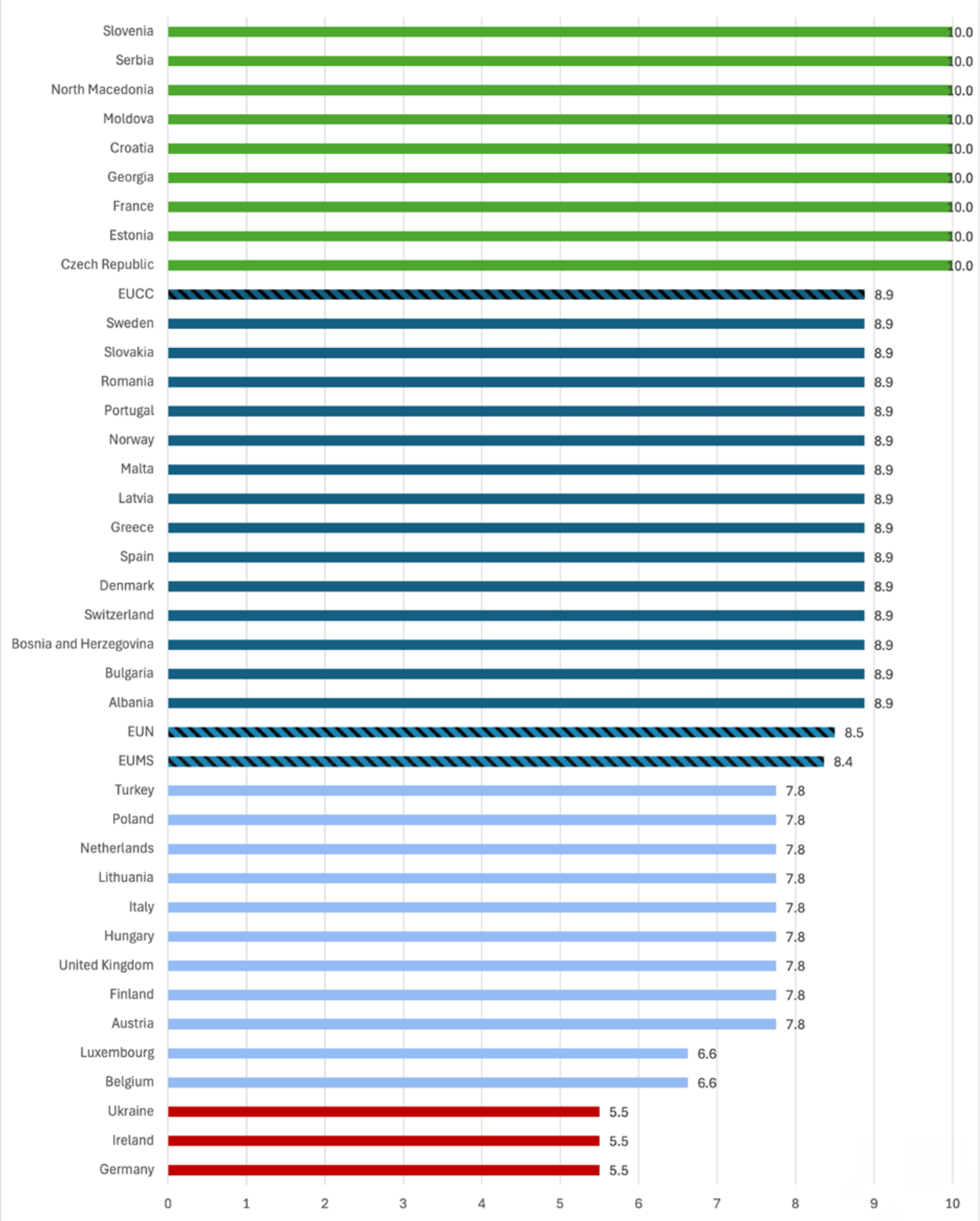
4.2. Administrative burden and its mitigating factor, transparency

The other indicator used to estimate administrative discretion and burden as corruption enablers is transparency. The ranking on administrative transparency depicted in Figure 13 is based on a four-component indicator showing whether land and company property data is published online alongside public contracts and the auditor report. As this indicator is closer to pure transparency than the more expensive online services offered by the state, we find on top of the ranking the countries which have invested in anticorruption in the past two decades, especially candidate countries like Moldova, North Macedonia and Serbia alongside older success stories such as Estonia, Croatia, Slovenia and Czechia. Of the old EUMS, only France is among this compact group of countries with scores of 10 (the maximum), and the average of set of candidate countries is the highest at 8.9. But the differences are small, and EUN countries at 8.5 and EUMS at 8.4 are not far behind. An unlikely, but spectacular group of laggards on transparency is formed by Belgium, Luxembourg, Ireland and Germany. Ukraine alone in this group has lost transparency due to the war, which made it take most of its information down from the sites for fear it would be used by the Russians.

The explanation for the poor performance of some EUMS is that they have not had problems with corruption for a long while, so they did not invest in transparency. However, their real estate and businesses have been seriously penetrated by oligarchs and money-launderers from Russia and other countries (as, for instance, the *Wirecard* collapse showed in Germany, exposing corruption of the German regulators as well as the Russian intelligence connection), so open publication of property records should be a priority for these countries. The lack of transparency in bank ownership is of particular concern, having already led in Moldova and the Baltic states to spectacular money-laundering operations involving also West European banks (Harding, 2017).

Figure 13 Index of Public Integrity component measuring administrative transparency by country (1-10)

Source: ERCAS' Index of Public Integrity (2025 data). Own computations



4.3. Fiscal transparency and informal economy

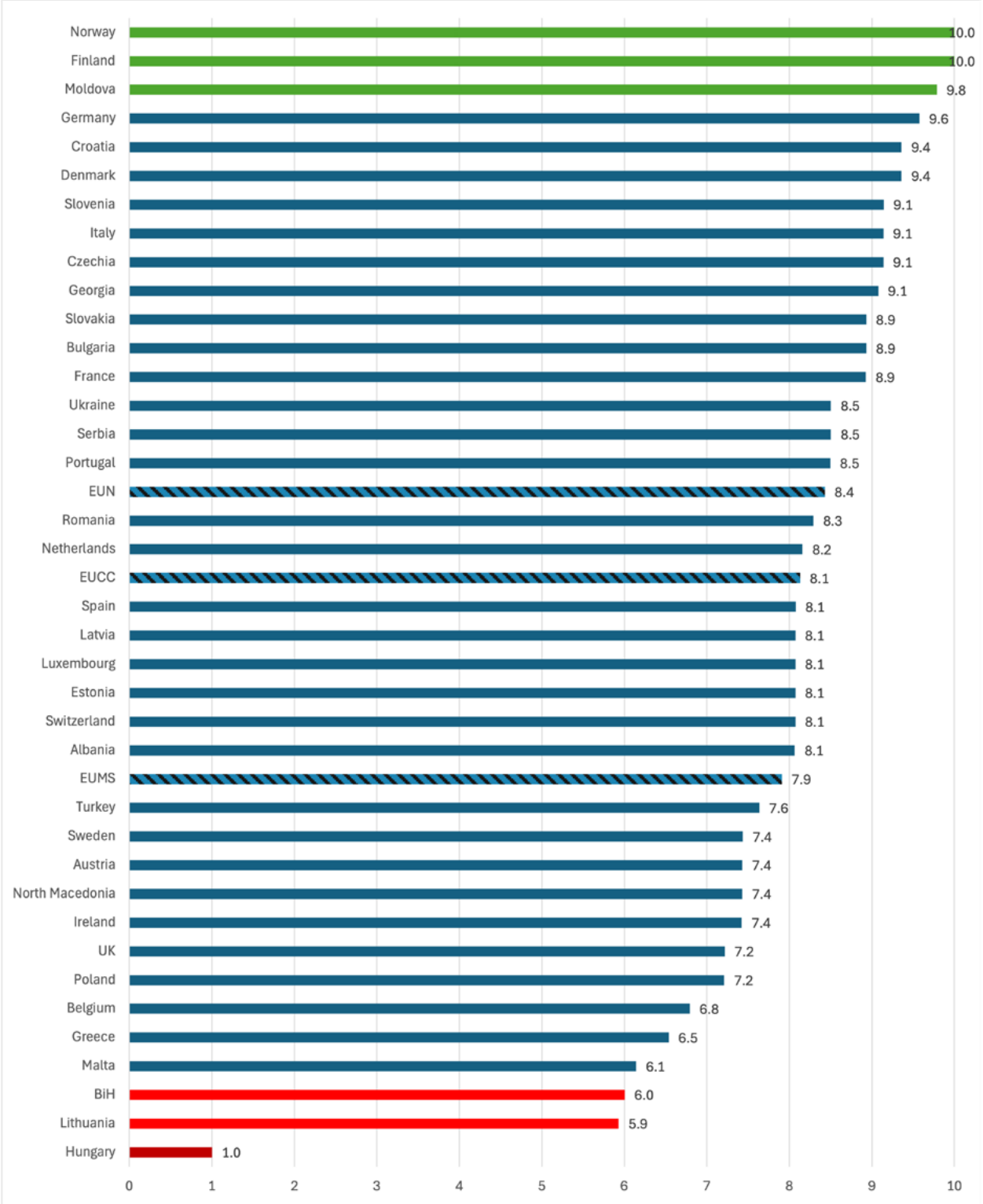
We measure fiscal discretion as an opportunity for corruption in the IPI by a simple mean value of the scores resulting from 14 specific questions from the Open Budget Survey (International Budget Partnership, 2023) that cover transparency and oversight of the Executive's Budget Proposal. This is complemented by two specific questions on transparency, one related to past expenditures and the other to current ones (public expenditure tracking systems).

As shown in Figure 14, EUN countries perform well on the mitigating factor budget transparency (8.4), followed by candidate countries (8.1) and EUMS (7.9). Countries with great corruption reputations such as Norway and Finland (both at ten, the top score) are joined in the top five not only by Germany, but by surprise performers like Croatia, EU's most recent member, and Moldova, a candidate state. Malta, Bosnia, Lithuania and especially Hungary are lagging, with the latter three falling at or under six. The candidate country Albania with 8.1 is above the EUMS average. Very few countries, despite e-invoices becoming nearly general, have adopted public expenditure trackers, allowing expenses to be monitored on a permanent basis to compare value for money across the public sector: a few European capitals have adopted the system, like London, as have a handful of states, like Estonia and Slovenia from the new EUMS, and Ukraine and North Macedonia. Greece introduced attempts to track expenses digitally, but its transparency is still below the benchmark.

On the other side, the shine of some candidate countries in terms of budget transparency is offset by the small size of their fiscalized economy, so what governments post online captures just a fraction. Indeed, in many of these countries, the informal economy is still significant. Moldova with 59% vulnerable employment, an indicator of the size of the informal economy, and Albania with 48% lead the ranks of informality and have therefore high corruption risks, followed by Serbia at 24%. Greece's 24% and Romania's 22% are very high for EUMS and show high vulnerability to corruption, despite progress recorded in the last decade by both (World Bank Group, 2025b).

Figure 14 Index of Public Integrity component measuring budget transparency by country (1-10)

Source: ERCAS' Index of Public Integrity (2025 data). Own computations



Finally, several scholars, politicians and auditors have argued that EU funds, in particular funds meant for development and recovery, provide significant opportunities for corruption (Varoufakis 2017; Fazekas & King, 2019; European Court of Auditors, 2023). The argument from the classic International Monetary Fund paper is that funds with a universalistic destination (for instance, Erasmus grants) cannot be easily used for political or corrupt ends, while funds for projects require considerable discretion from implementing states (who play a large role in choosing recipients, as they often have to advance the funds before the EU reimburses them), and are thus prone to corruption. The evidence seems rather cohesive, finding that in countries or regions with high institutional quality (good control of corruption) the absorption and impact of funds are higher, while in corrupt countries and regions such funds do not manage to bring the expected impact and reinforce local particularism (Beugelsdijk & Eijffinger, 2005; Ederveen et al., 2006; Fazekas & King, 2019; Mungiu-Pippidi, 2020).

More than one-third of the EU budget is spent on the so-called Cohesion Policy, largely aimed at fostering regional convergence, even if not all the cohesion funds are spent in less developed regions, with social and green transition funds being more universal. The EC has learned some lessons from Greece and Italy, where the administrative watchdog OLAF has never managed, or even attempted to change the political economy of funding, as it has never had the mandate to do so (Mungiu-Pippidi, 2020). The more recent Next Generation EU has a more balanced distribution across EUMS, which should reduce risk, but ambitious spending targets and the simple vastness of the amount invested creates huge corruption risks alongside absorption risks (Moller-Nielsen, 2024). By January 2025 this fund has allocated €641 billion (European Union, 2024).

But do at least EU funds manage to change preexisting governance? Recent studies on public procurement found considerable differences in institutional convergence across EUMS. From Eastern Europe, Slovakia, Estonia and Lithuania have managed to progress on controlling corruption risks, Poland and Latvia are in between, with Hungary, Czechia and Romania still close to their original low level of institutional quality and Slovenia and Bulgaria seriously lagging (Toth and Hajdu, 2021). Southern Europe—Greece, Spain and Italy—had always had issues. But corruption in the common market and even beyond it knows fewer and fewer borders. The EPPO already started investigations of corruption and fraud on Next Generation Europe, alongside other investigations in Bulgaria, Hungary and Czechia (European Public Prosecutor's Office, 2025). Although the EU's Recovery and Resilience Facility (RRF) for Italy was the original focus of the most extensive investigation so far, the alleged criminal organization suspected of defrauding €600 million used a network of accountants, service providers and public notaries in Austria, Romania and Slovakia (European Public Prosecutor's Office, 2024). As in the case of pandemic-related funds, substantial allocations are made in some countries with expedited procedures, proving in real life the control of equilibrium model. Even countries with good control of corruption reputations such as UK and Germany are overwhelmed by such opportunities, with the result being fraud, partisan allocation and corruption, just like countries with poor reputations (Thomann et al., 2023). The EU funds thus remain a serious corruption risk, as the few centralized controllers—OLAF or EPPO or ECA—cannot compensate for the absence of the proper institutional set-up of EU funding programs

(Bellacosa & De Bellis, 2023). Prevention, and not repression, would be the most economical solution, but that remains scarce (European Court of Auditors, 2023).

5. Disablers of corruption

We again use the disaggregated components of the IPI to examine the disablers of corruption (constraints), summarized in Table 5. In other words, we examine how the regulation deterring corruption works in the context of broader constraints: an independent judiciary, a free media and a digitally empowered citizenry (e-citizens) able to exercise oversight. The constraints components of IPI, or corruption disablers, reflect the capacity of society to limit the government's ability to extract rent or grant particularistic access to public resources. We divide them into legal, encompassing an independent judiciary, and normative ones, linked to an autonomous media and empowered citizens (Mungiu-Pippidi & Dadašov, 2016).

Table 5 Proxies for constraints to corruption
Source: Adapted after Mungiu-Pippidi (2015).

Enablers	Proxy measures	Actionability
Judicial independence	To what extent is the judiciary in your country independent from influences of members of government, citizens, or firms?	Medium (judicial independence depends on the government, accountability more on the judiciary itself)
Freedom of the press	Degree of media independence	Medium (aside from the government, other actors and the business environment shape media capacity)
E-citizenship	The ability of citizens to use online tools and social media and thus exercise social accountability	Medium (private sector and individual income drive individual digital empowerment, although the government can be proactive in this regard)

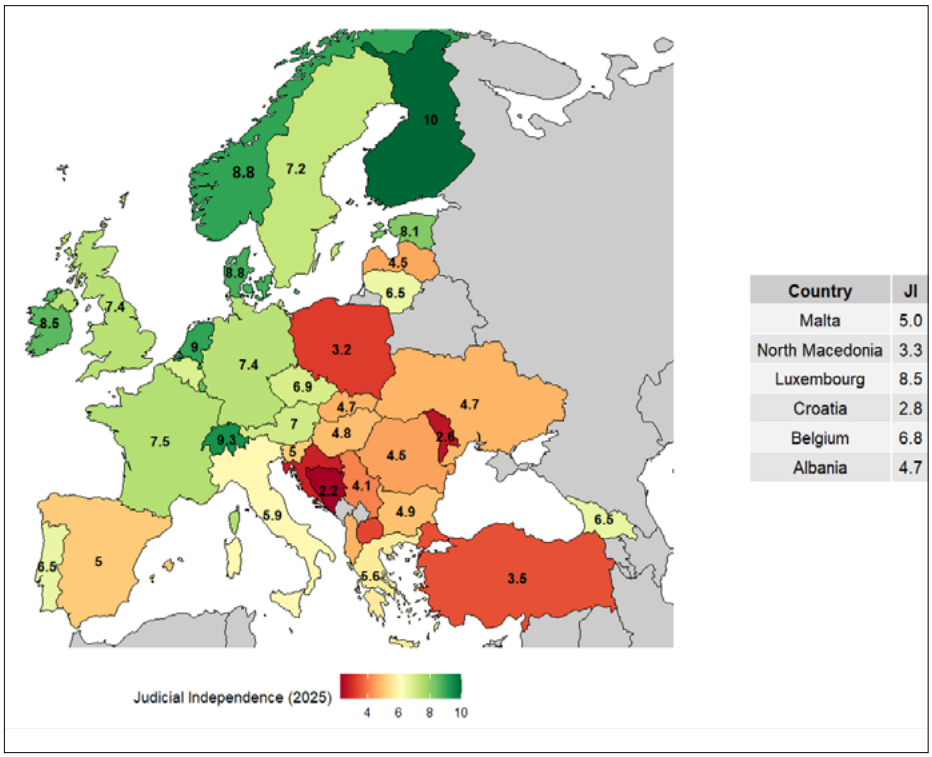
5.1. Judicial independence

A judiciary independent from the government and private interference is an indispensable component of corruption control and the rule of law (Van Aaken et al., 2010; Mungiu-Pippidi, 2015). The interconnectedness of the two is drawn from the norms of ethical universalism and equal treatment of citizens by the law. In the EU's approach to Member State integration and accession, the independence of the judiciary is a major political benchmark needed for the functioning of the common legal space and for controlling corruption.

As shown in Figure 15, Europe presents great variation in levels of judicial independence, an IPI indicator based on the "judicial independence" indicator from the Executive Opinion Survey of the World Economic Forum Global Competitiveness Dataset (Schwab, 2016). The usual divide exists between the North-Western and South-Eastern countries in the European area. Bosnia and Herzegovina has the lowest judicial independence score in the region (1.0), hav-

ing experienced a significant decline in this aspect. This is seen in the external assessment of the country's judiciary system and public perceptions driven by reports of links between judges and convicted criminals (European Commission, 2024c). Judicial independence is also hindered by political divisions between ethnic groups in the country. For example, in February 2025 Bosnian Serb lawmakers passed laws rejecting the authority of the country's central judiciary after a court conviction against the Bosnian Serb president, who was previously named in several US sanctions (U.S. Department of the Treasury, 2023).

Figure 15 Index of Public Integrity component measuring judicial independence by country (1-10)
Source: ERCAS' Index of Public Integrity (2025 data). Own computations



Country	JI
Malta	5.0
North Macedonia	3.3
Luxembourg	8.5
Croatia	2.8
Belgium	6.8
Albania	4.7

The worst-performing EUMS is Croatia with a score of 2.8. The 2024 Rule of Law Report on Croatia (European Commission, 2024d) highlights the severity of the issue, with only one in four citizens and businesses perceiving the judiciary as impartial and independent—a share that has been declining since 2020. EUN countries, especially Norway and Switzerland, show strong performances, but EUMS Finland is at the top, with Denmark and Netherlands, but also Ireland and Estonia also having excellent scores.

An independent set of fact-based data on the quality of the judiciary assessed according to number of violations is available from the European Court of Human Rights (ECHR), which enforces the European Convention of Human Rights. Several countries in our sample perform poorly (European Court of Human Rights, 2022). Among EUCC, Albania has half its violations (38 of 78) due to infringement of the right to a fair trial, specified in Article 6 of the European Convention for Human Rights. Moldova has 180 convictions for breaching the

right to a free trial (of 492), Turkey 991 of 3,458 and Ukraine 622 of 1800. Among the EUMS, Austria was judged to have violated the right to a free trial in 97 cases (of 287), Croatia in 142 cases (of 406), Romania 481 (of 1541), Greece 145 (of 969) and Italy 301 (of 1915). This compares to the Russian Federation, that has been judged to infringe the right to free trial in 1076 cases (3,317 total violations) (European Court of Human Rights, 2022). By contrast Norway and Iceland were found to have violated the right to a fair trial only once since they joined ECHR. As corruption cases are judged in ordinary courts, these figures on the general fairness of courts are relevant, showing to what extent it may become problematic if the anticorruption campaigns are instrumentalized by governments against their opposition. For example, one-third of Romania's violations have been for infringement of the right to a free trial, the highest share per capita in Europe (as Turkey and Russia have larger populations). The country leads in repressive anticorruption, with the equivalent of an entire government sentenced for corruption over fifteen years. Romania's model has been promoted by both the EU and US in the Balkans, Ukraine and Moldova for its effectiveness, although a tradeoff may exist between effective judicial anticorruption and due process. Most of the cases sentenced in ECHR for due process are not corruption cases, but national courts did sanction some politically motivated cases, especially the one of Romania's first President of the National Integrity Agency, Horia Georgescu (Mungiu-Pippidi, 2018). Romania also convicted many prosecutors and army generals for corruption, which is unique in Eastern Europe.

Table 6 A selection of judicial vetting policies

Country	Rationale and criteria	Screening body	Impact
Albania[a] starting 2018	Corruption and organized crime link; professional record, undue links with criminals and financial disclosures	National Independent Qualification Commission (IQC) and judicial appeals chamber oversight by an international monitoring operation (United States and EU); secret service	Ongoing; 100 judges screened since the first year of operation; 1.35-point improvement in judicial independence score (2013-2023); 2025 score of 4.7 (1-10 scale).
Argentina[b] 1984	Political repression involvement	Political (Senate)	More than 500 judges went through this process; 70% were confirmed.
East Germany[c]	Involvement in political sentences under GDR	Committee half political, half West German judges	About 3,000 screened, acceptance rate roughly 3 of 5 by 1991.
Kenya[d]	Corruption	Professional vetting board (magistrates) politically appointed	All upper courts screened; a small fraction removed; appeals and controversies followed.
Moldova[e] since 2022	Corruption	Mix internal-external; OSCE Office for Democratic Institutions and Human Rights	Judicial Council candidates; Courts; ongoing; 0.31-point improvement (2013-2023)
Ukraine[f]	Proficiency test; Interview on integrity (financial disclosures)	Official committee plus civil society	Ongoing; not yet reflected in indicators improvement; 0.81-point improvement (2013-2023)

a. Law no. 84/2016 "On transitional re-evaluation of judges and prosecutors". See https://web.archive.org/web/20130409095853/http://www.jmvb.or.ke/index.php/about-us/members-profile

b. See more information on Argentina case here: http://opiniojuris.org/2019/02/18/judicial-vetting-the-forgotten-aspect-of-argentinas-transition/

c. See more about Art. 3, Richtergesetz vom 5. Juli 1990: https://deutsche-einheit-1990.de/wp-content/uploads/GbI_DDR1990_I_42_Richtergesetz.pdf

d. Post-conflict constitution of 2010; Vetting of Judges and Magistrates Act, 2011.

e. https://www.osce.org/odihr/553987

f. The 2014 Law on Government Cleansing, see objections here. https://www.venice.coe.int/webforms/documents/?pf=CDL-AD(2015)012-e.

In recent years, attempts to reform judiciaries by governments in order to improve their impartiality and performance (especially in anticorruption) have become widespread both within the EU and outside. In Table 6, we briefly describe some of the international experience with vetting of judiciaries, and the progress recorded in the cases of Moldova, Albania and Ukraine, the three countries in our sample. All three countries started from very low levels of judicial independence. Progress over ten years is larger in Albania than in Moldova, but Moldova's reforms are the most recent.

But not all such judiciary reform efforts are actually intended to enhance judicial independence. The Polish attempt to introduce disciplinary procedures for judges and change the composition of the supreme courts—challenged by the EC and fought in the European Court of Justice as restricting impartiality—was not an isolated case. Similar situations existed also in Hungary, Romania, Italy and Spain among EUMS. Other countries do not attempt to change regulation but pull strings to appoint favorite judges (Greece in Mandrou, 2019[8]).

Such attempts to reform the judiciary, even if differently motivated across countries, result in the end in government intervention in the affairs of the judiciary. That the judiciary's accountability also matters alongside its independence from the government is acknowledged by the EC, which has supported different forms of vetting the magistrates under the patronage of domestic governments in Albania, Moldova and Ukraine (see Table 6). To make this look like less of an intervention, foreign experts were also involved. The interventions over the judiciary personnel, regardless of context, always raise issues of objectivity, as the separation between a reshuffling of the judiciary on political grounds (followed by politicization) is hard to tell apart from a 'good' intervention meant to eliminate crooked judges. The UN Basic Principles on the Independence of the Judiciary (1985) consider that judges should have 'guaranteed tenure until a mandatory retirement age or the expiry of their term of office'. Some exceptions to the principle of cancelling tenure can be found in the Bangalore Principles of Judicial Conduct (United Nations Office on Drugs and Crime, 2002); examples include 'proved incapacity, conviction of a serious crime, gross incompetence, or conduct that is manifestly contrary to the independence, impartiality and integrity of the judiciary'. Furthermore, the practical problem always exists of who can screen judges without violating basic principles of separation of power.

5.2. Freedom of the press

Over the past decade, freedom of the press has declined significantly across several countries in the wider European region. These include Turkey, which has the lowest score on the press freedom indicator in the 2025 IPI (see Figure 16). The implications of this are also reflected by the report by the Committee to Protect Journalists, which recorded 11 journalists who had been imprisoned in Turkey in 2024 (Committee to Protect Journalists, 2024). Recent years have also seen the closure of independent media agencies disseminating political information in opposition to the government (Open Radio, Mezopotamya Agency). Turkey stands out for its use of criminal law in going after critics of the government in the media (Griffen, 2017). The ECHR found Turkey's violations of Article

[8] See also Greece in World Justice Project (2024).

10 of the European Convention on Human Rights incompatible with the freedom to receive and impart information or ideas. The Hungarian case, where economic control of the media rather than open repression is used, has been successfully replicated at both national and regional level across Eastern Europe. While global investigative journalism has thrived to some extent, domestic investigative media has struggled due to competition from social media and lawsuits, many using the data protection regulation (CEELI Institute, 2024).

Box 4: The German Wirecard Scandal

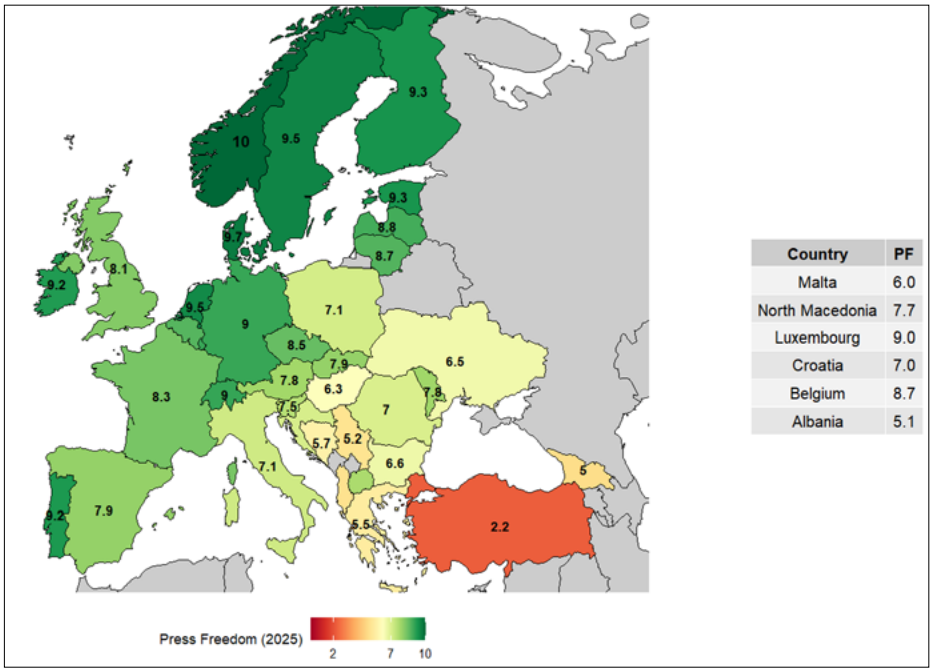
The German financial regulator BaFin filed criminal complaints against two *Financial Times* journalists in April 2019 after the *FT* had published articles for a while alleging that the maverick financial services company Wirecard had been inflating its revenues by using forged and backdated contracts. The Munich prosecutor opened an investigation into market manipulation over their reports about accounting irregularities on the suspicion that they acted to support some short sellers of Wirecard stock. Wirecard declared insolvency in June 2020, having admitted that about €1.9bn in cash was missing from its accounts, after years of clean bills of health from auditors and regulators.

Its bankruptcy prompted a parliamentary investigation, and it soon turned out that BaFin employees owned Wirecard stock and had a vested interest that the truth about the company would never be known, hence the complaint against the journalists who had been reporting for years that Wirecard's accounts were misleading. The prosecutors eventually dropped the investigation into the journalists. While the Wirecard investigation turned into a thriller, with suicides and revelations of ties with Russian military intelligence, Germany passed new regulation to strengthen the oversight of financial markets and prohibit BaFin staff from trading financial instruments on the German stock exchange. It took over a year for the leadership of BaFin to resign following the parliamentary investigation. No criminal investigation on corruption or compensation to the harassed journalists ensued.

Other countries in the Balkans perform better than Turkey but markedly worse than their Northern European counterparts (as illustrated in Figure 16). An exception to this is North Macedonia which has experienced significant progress in ensuring press freedom over the past decade and the highest IPI score across the Balkans (7.7). The European Center for Press and Media Freedom reported on these positive trends, including amendments to the Law on Civil Liability for Insult and Defamation limiting libel cases and improved independence of the national broadcasting service (Association of Journalists of Macedonia, 2023). However, progress in the country is still seen as fragile given its prior history of media oppression.

Figure 16 Index of Public Integrity component measuring press freedom by country (1-10)

Source: ERCAS' Index of Public Integrity (2025 data). Own computations



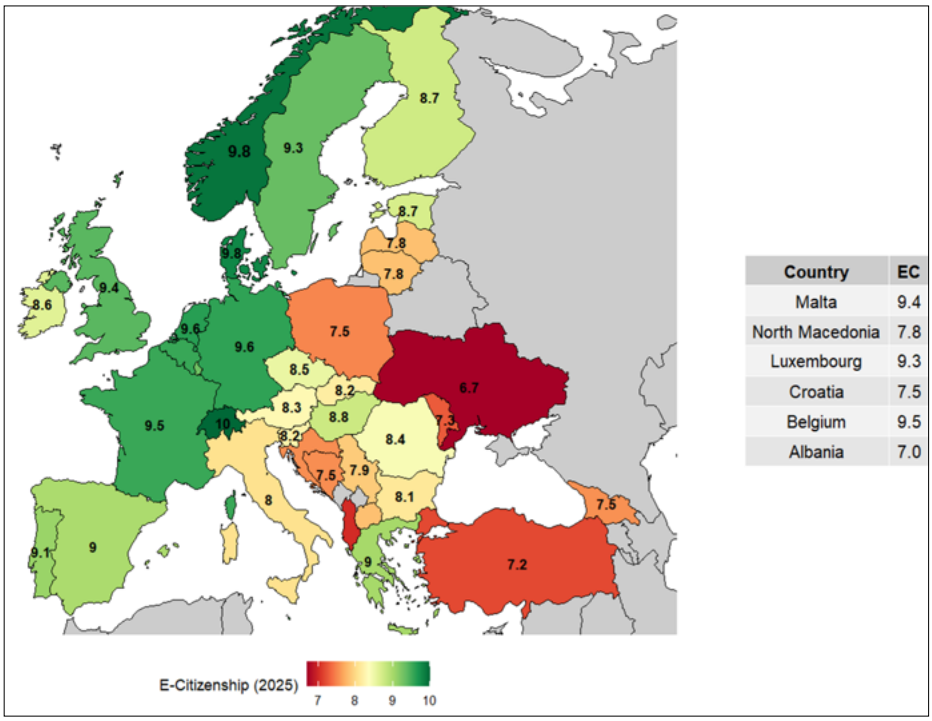
Country	PF
Malta	6.0
North Macedonia	7.7
Luxembourg	9.0
Croatia	7.0
Belgium	8.7
Albania	5.1

5.3. E-citizenship

Figure 17 visualizes e-citizenship trends across the region, highlighting disparities in citizens' digital engagement. Overall, e-citizenship remains high in Northern and Western Europe and has seen improvements across Eastern European accession partners following improvements in internet infrastructure. Ukraine remains the country with the lowest e-citizenship score in the region with fewer internet subscriptions and individuals using the internet, relative to the rest of the region.

We do not assess changes in e-citizenship for this report. The nature of the indicator is such that rolling back on the number of internet users or the number of broadband subscriptions is unlikely. Therefore, including this in the final risk assessment under the CRF would overestimate the extent of improvement across countries in our assessments.

Figure 17 Index of Public Integrity component measuring e-citizenship by country (1-10) *Source: ERCAS' Index of Public Integrity (2025) data). Own computations*



Country	EC
Malta	9.4
North Macedonia	7.8
Luxembourg	9.3
Croatia	7.5
Belgium	9.5
Albania	7.0

6. Regulation

So far, this report has surveyed behavior in the areas of public contracts distribution and cross-border bribing and has placed these behaviors within the broader opportunities and constraints determining control of corruption. In this section, we examine the role of regulation. Carefully designed public accountability regulation should be able to reduce opportunities for and enhance restrictions on corruption if it is properly enforced and implemented (Graycar & Jurkiewicz, 2023; Heinrich & Brown, 2017)

The tool to do that is the EuroPAM database on transparency and accountability in the legal frameworks of European countries[9]. EuroPAM data measures the comprehensiveness of a country's legal framework in five spheres of administrative transparency and accountability: financial disclosures for officials, conflict of interest, political finance, freedom of information, and public procurement regulation. Indicators for these mechanisms are based on internationally accepted legal standards, established by organizations such as the World Bank, Article 19, Access Info Europe, Global Integrity, and the Institute for Democracy and Electoral Assistance. For public procurement, EuroPAM data assesses both the extent of the procurement framework and its adherence to norms established by the EC. Starting with 2015, EuroPAM had regular updates. It currently includes the regulation current as of December 31, 2019 (2020 wave)[10]. Data is quantified on a simple 0-1 scale, with most indicators falling into a binary of 0 or 1 that reflects whether a provision exists within the law. Scores for each country are then aggregated into categories for each mechanism, and an overall

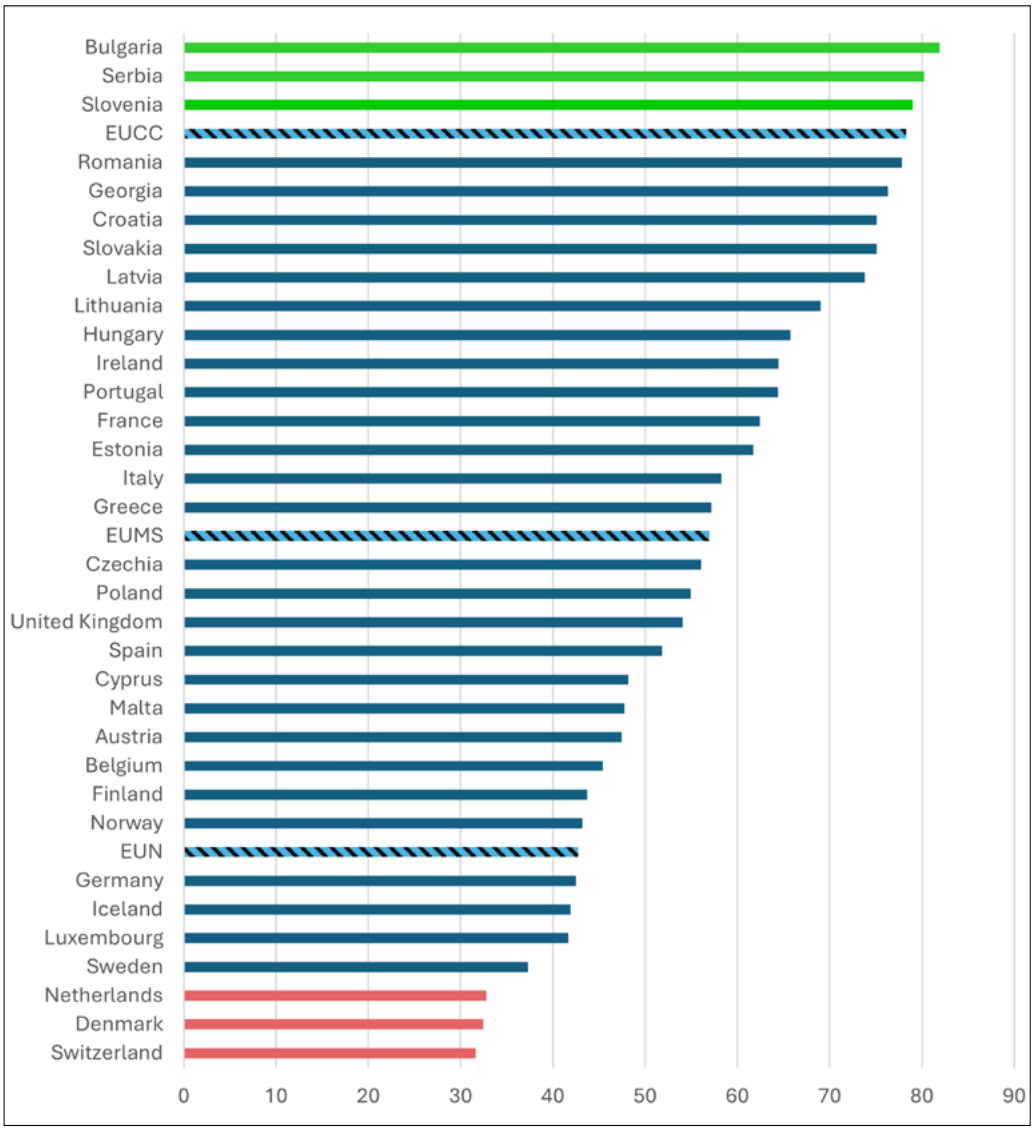
[9] Created by ERCAS for the Horizon Project Digiwhist.

[10] Created by ERCAS for the Horizon Project Digiwhist.

country score is produced on a 0-100 scale for each mechanism, with 100 the most extensive regulation. The presumption behind the quantification of public accountability regulation is that the more extensive and applicable to more categories it is, the more accountability results. However, previous reports found a more complicated relationship between regulation and public accountability (Mungiu-Pippidi & Dadašov, 2017; Fazekas & Cingolani, 2017).

Aggregating the EuroPAM scores across the five categories confirms the findings of previous literature (as depicted in Figure 18). The regional averages are ranked in the opposite order from the other measures, with EUCC having the most extensive regulation, the EUN the least and EUMS falling in between. Bulgaria, Serbia, Slovenia, Romania and Georgia are leaders in terms of the extent of regulation, while Netherlands, Denmark and Switzerland have the thinnest regulatory framework.

Figure 18 Comprehensiveness of public accountability regulation by country (0-100) *Source: European Public Accountability Mechanism (2020 data). Own computation, EuroPAM aggregated scores*



While the aggregate effect shows that the broader context shaping opportunities and constraints matters more than integrity regulation, we turn next to testing each component separately. The results, presented in Table 7[11], are significant but negative for four areas—freedom of information, financial disclosures, conflict of interest, and party finance—confirming the old Roman proverb that "the most corrupt Republics have the most laws." The association of these four with public procurement is positive but not significant. The countries in our sample which have more corruption regulation have worse control of corruption as measured by the IPI, except for public procurement and freedom of information, for which no connection between regulation and outcome can be found on this sample.

Table 7 Correlation matrix of disaggregated EuroPAM regulatory scores and IPI *Source: corruptiondata.eu. Significance legend: *** p < 0.01, ** p < 0.05, * p < 0.1. Own computations* [12]

	Public procurement	Freedom of information	Political financing	Conflicts of interest	Financial disclosures	IPI
Public procurement	1					
Freedom of information	+	1				
Political financing	+	+	1			
Conflicts of interest	+	+**	+***	1		
Financial disclosures	+	+*	+***	+***	1	
IPI	-	-	-***	-***	-***	1

7. Concluding remarks

7.1. A varied landscape in corruption risk

The report has assessed the public integrity framework and corruption risk for 41 European countries, including EU Member States, EU candidate countries and non-aligned states – Norway, Switzerland, UK and Iceland. It finds that the ability of EUMS in the North-West to control corruption differs widely from that of the South-East Member States; the group of non-EU European states are at the top of our good governance assessment and candidate countries generally lag.

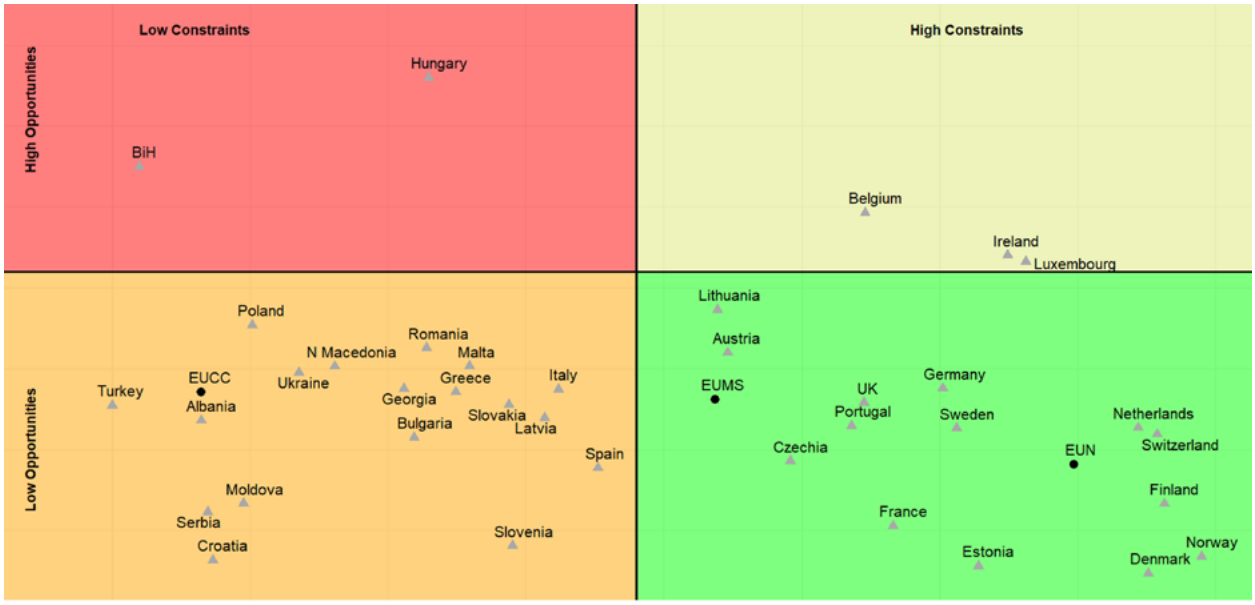
As corruption results from opportunities not being properly mitigated and constraints being insufficient, the 2025 Index of Public Integrity (includes administrative transparency, budget transparency and online services as opportunities, and judicial independence, press freedom and digital citizens as constraints; see www.corruptionrisk.org) was used to plot countries across these two ma-

[11] See Appendix Table A5 for exact corrlation coefficients.

[12] See Appendix for exact correlation coefficients

jor groups of causes. The exercise resulted in one high-risk group, two moderate-risk groups and a lower-risk group. In separate sections, the report details what the opportunities and constraints are and how countries perform on each.

Figure 19 Corruption opportunities and constraints matrix
Source: ERCAS' Index of Public Integrity (2025 data). Own computations



As noted above, the ability of EUMS in the North-West to control corruption differs widely from that of those in the South-East; the group of non-EU European states (Norway, Iceland, Switzerland, UK) are at the top of our good governance assessment and candidate countries generally lag, despite noteworthy performance on transparency of some (Moldova, North Macedonia and Ukraine before the war)**.** Poland's ranking has fallen near that of Turkey and Hungary's near Bosnia and Herzegovina's, all four forming the group of the bottom performers, below the average for candidate countries. Moldova under Maia Sandu has risen above Greece, Malta and Romania, all EUMS. Cyprus has insufficient data on fiscal transparency to feature in the IPI, but its performance on the other indicators shows it to be of low integrity. Estonia continues to overperform.

As regards the general control of corruption causal framework, European countries can be ranked into four groups (see Figure 19):

Group A (top left), with high opportunities for corruption and low constraints, features in 2025 Bosnia and Herzegovina, a negative outlier on all counts, and Hungary, a significant backslider. This is the highest risk group, which needs to improve on all components of the IPI. Hungary has arrived here as the end of a long involution. The country has more than sufficient anticorruption tools (as shown also in EuroPAM) and handles petty corruption very well, so only a political change to allow more judicial and press independence can trigger its positive evolution. Bosnia's constitutional division in three states prevents a middle-ground, objective constituency for integrity to exercise effective control.

Group B (top right), with high opportunities and high constraints, features Belgium, Ireland and Luxembourg, three countries with good constraints but very high opportunities. These countries need to improve administrative and budget transparency, as well as online services. Better put, they need to improve on real transparency. Luxembourg looks good in many charts but, despite implementing all required international regulations, continues to be an offshore paradise for many international corrupt characters and home to many law firms which assist from the creation to the legal defense of money launderers (Baquero et al., 2021). This is a high-risk group.

Group C (bottom left), with low opportunities and low constraints, features the outlier Turkey, with extremely low constraints, but also the largest group of countries, including all candidate countries and most of the new EUMS. Considerable variation exists in this group, which typically has high transparency but low constraints. Nearly all Southern and Eastern European EUMS belong here, except Czechia, Lithuania and Portugal. Ukraine and North Macedonia have significantly improved over the last ten years (Moldova had its ups and downs and is presently up) to belong here with some new and old EUMS. The risk varies widely within this group, but it remains a high-risk group. These countries all need to enable accountability by increasing constraints. Spain, Greece and Italy have been in the EU for decades and still belong to this risk group. Some countries in Eastern Europe like Romania have undergone changes in the last decade, as their petty corruption declined and their public services offer more equal access, less intermediated by bribes than in the past. But their government favoritism remains high—indeed the rule of the same. This shift can be seen to some extent for all EUMS in Eastern Europe: as they develop, their dominant form of corruption shifts from bribing for access, the corruption of poor countries, to corruption involving market favors, the corruption of developed countries.

Group D (bottom right) is the group of lowest risk. While EUN lead and EUMS follow, two new member states, Estonia and Lithuania, have managed to reduce their risk and belong here. Still, this group of well-placed Western and Northern EUMS should be weighed down by their international cross-border bribery, even if their national contexts are sound. The issue is concerning, as US President Donald Trump asked in February 2025 for a pause in the enforcement of FCPA and new guidelines. There is therefore no group of zero risk, although Group D presents the lowest risk of national corruption.

7.2. Government favoritism on the rise

While the public integrity national framework captured by IPI recorded little change over the last ten years, with few countries progressing or regressing significantly, government favoritism indicators in EU Member States and candidate countries have increased due to a rise in corruption opportunities after the economic crises in 2008-2009 and the Covid-19 pandemic. This can be observed in both EU funds procurement (Tenders Electronic Daily) and the national budget tenders (OpenTender.eu). Most countries regressed, resulting in a significant increase of government favoritism for EUMS. In Poland, Greece, Slovenia and Romania favoritism characterizes nearly one in two transactions,

and countries like Czechia and Bulgaria do not fare much better in OpenTender.eu. Some candidate countries seem to exert better control than some Member States in terms of both the transparency and the integrity of their public procurement, but the gaming of indicators was also detected and illustrated in the report.

7.3. Consequences of government favoritism are visible

The negative trend is accompanied by the phenomenon of increasing wealth inequality, with the result of real oligarchies exercising power and influence across Europe. In countries like Cyprus and Malta the practice of golden passports has bolstered this development. Turkey is the new Russia by the percentage of GDP owned by the top 1%, and various EU fiscal paradises and jurisdictions that welcome foreign billionaires follow on this list.

7.4. Regulation is not the answer to everything corruption

Public accountability regulation (de jure) as captured by EuroPAM (2020) seems to have limited influence over practices (de facto). The last decade saw a flurry of EU regulations which should have impacted the corruption control of EU and candidate countries. However, not only has the impact of these reforms been inadequate, but some countries changed domestic regulation to allow them more latitude when being coerced by EU regulation (for instance on procurement) to restrain government favoritism. Low-integrity countries still regulate far more than high-integrity countries, a phenomenon exemplified by new EUMS and exacerbated by the candidate countries, which exhibit huge implementation gaps. The EuroPAM update in 2025 and its enrichment with criminal regulation will allow a reexamination of this issue.

7.5. Smart policies against corruption

Some scandals like the collapse of the financial company Wirecard or the FCPA sanctioning of Vimpel (Russian company registered in Netherlands) demonstrate **the increasingly visible cross-border character of corruption, which requires cross-border action.** The simultaneous use of national (IPI, procurement, oligarchy) and international (FCPA) measures of corruption in this report brought to the fore numerous cases of cross-border corruption: Cyprus climbs in oligarchization due to its golden passport scheme; the German financial market is shaken by the Austrian-registered Wirecard created by a Belarus national; 'clean' Member States bribe in the emerging markets of new Member States and receive FCPA sanctions from the US; and EU funds attract corruption. The cross-border character requires cross-border action, but what actions are implementable, without adding to the already existing 'dead letters'? We suggest just three actions which could have an impact:

a. Unify data and risk indicators. Connecting databases at national level (registers of commerce, land cadasters, financial data) across Member States and candidate countries would allow searches of persons and companies of interest on the model of Follow the Money by Youcontrol across borders (BridgeGap, 2024). All Member States and candidate countries should publish tenders us-

ing the Open Tender risk indicators to allow tracing of corruption risk by country and contracting authority.

b. Disbar the bad guys. Europe is flooded by companies benefitting from favoritism, and it would do well with a pan-European disbarment system for companies on the model of the World Bank (World Bank Group, 2025a). While Framework Decision 2003/568/JHA criminalizes both active and passive corruption in the private sector within the EU, creating the possibility for legal persons to be held liable for such offences, the most effective actionable level in corruption is administrative, not criminal. The aim should be to prevent, not punish, the fact. Problematic companies should be barred from the EU and national tenders, breaking with the impunity culture of the past.

c. Act ex ante, not post factum. Europe needs a better culture of public management handling of corruption risk, where the monitoring of risk indicators in public procurement is placed at the relevant level (contracting authority) and the European benchmarks of transparency, integrity and competitiveness are implemented by positive and negative inducements for public procurement executives. High-risk procurement areas such as defense and Ukrainian reconstruction lie ahead, and current anticorruption watchdogs and prosecutors cannot solve such problems post factum and at their current budgets. We need to stop the widespread government favoritism from happening, not spend taxpayer money to chase a few profiteers after the fact.

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Appendix

1. List of direct and indirect indicators used in the analysis

Table A1 Description of direct and indirect indicators used in the analysis

Corruption indicator	Measure	Year coverage	Country coverage	Source
Single bidding (TED)	The share of reported public tenders which received only one bid	2013 - 2023	EUMS, Norway, Iceland	TED (SMSB)[1]
Single bidding (Open Tender)	The share of reported public tenders which received only one bid	2022	EUMS, Georgia United Kingdom, Norway, Switzerland, Serbia, North Macedonia, Iceland	OpenTender[2]
Adjusted procurement score	The product of the integrity and transparency scores from OpenTender	2022	EUMS, Georgia United Kingdom, Norway, Switzerland, Serbia, North Macedonia, Iceland	OpenTender[3]
Oligarchization	Total wealth of the top 1% as a share of GDP	2014 - 2023	All countries	World Inequality Database[4]
Cross-border corruption by country of origin	Number of companies registered in a country sanctioned by the FCPA	Not disaggregated by year; 2013-2022	All countries	Picci (2018)
Cross-border corruption by country of destination	Number of alleged corruption episodes taking place in a country	Not disaggregated by year; 2013-2022	All countries	Picci (2018)
Perceptions of corruption in national procurement	% of EU businesses that believe corruption in national procurement is pervasive	2024	EUMS	European Union[5]
Perceptions of corruption in local and regional procurement	% of EU businesses that believe corruption in local procurement is pervasive	2024	EUMS	European Union[6]
Public procurement regulation score	A composite score of EuroPAM in-law data assessing both the extent of the procurement framework and its adherence to norms established by the European Commission	2020	EUMS, Switzerland, Norway, UK, Georgia and Serbia	EuroPAM[7]
Freedom of information regulation score	A composite score of EuroPAM in-law data assessing both the extent of the procurement framework and its adherence to norms established by the European Commission		EUMS, Switzerland, Norway, UK, Georgia and Serbia	EuroPAM[8]

Corruption indicator	Measure	Year coverage	Country coverage	Source
Political financing regulation score	A composite score of EuroPAM in-law data assessing both the extent of the procurement framework and its adherence to norms established by the European Commission	2017	EUMS, Switzerland, Norway, UK, Georgia and Serbia	EuroPAM[9]
Conflicts of interest regulation score	A composite score of EuroPAM in-law data assessing both the extent of the procurement framework and its adherence to norms established by the European Commission	2020	EUMS, Switzerland, Norway, UK, Georgia and Serbia	EuroPAM[10]
Financial disclosure regulation score	A composite score of EuroPAM in-law data assessing both the extent of the procurement framework and its adherence to norms established by the European Commission	2020	EUMS, Switzerland, Norway, UK, Georgia and Serbia	EuroPAM[11]
Corruption reputation	Corruption Perceptions Index score	2014 - 2024	All countries	Transparency International[12]
Index of Public Integrity	A composite measure of the policy causes of corruption	2025	All countries (except Iceland, Montenegro and Cyprus)	Mungiu-Pippidi & Dadašov (2016) Or ERCAS[13]

[1]Tenders Electronic Daily (TED). See http://data.europa.eu/88u/dataset/ted-csv. Accessed: 21/03/2025.

[2]Opentender: Making Public Tenders More Transparent. See https://opentender.eu/. Accessed: 21/03/2015.

[3]Idem

[4]World Inequality Database. See https://wid.world/data/. Accessed: 21/03/2015.

[5]Businesses' attitudes towards corruption in the EU in 2024. See https://data.europa.eu/data/datasets/s3180_fl543_eng?locale=en. Accessed: 21/03/2025.

[6]Idem

[7]European Public Accountability Mechanism. See https://europam.eu. Accessed: 21/03/2025.

[8 9 10 11]idem

[12]Transparency International : Corruption Perceptions Index 2024. See https://www.transparency.org/en/cpi/2024. Accessed 21/03/2025.

[13]Measuring Control of Corruption by a New Index of Public Integrity. See https://www.againstcorruption.eu/publications/measuring-control-of-corruption-by-a-new-index-of-public-integrity/. Accessed 21/03/2025.

2. Methodological notes and robustness checks

2.1. Constructing the adjusted procurement score

As discussed in the report, single bidding (SGB) is one of the most monitored procurement corruption red flags as a proxy for government favoritism and lack of universalism. However, it is important to place this measure into the wider context of procurement practices due to the potential of gaming which might bias the validity of SGB in national and cross-country analyses. To do this, we introduce an adjusted procurement score which is the product of the composite integrity and transparency scores developed by and reported on OpenTender. In Table A2, we report each of the sub-indicators which make up the two composite scores. These are weighted equally when calculating the aggregate scores.

Table A2 List of sub-indicators included in the composite integrity and transparency scores *Source: Adapted form OpenTender.eu*

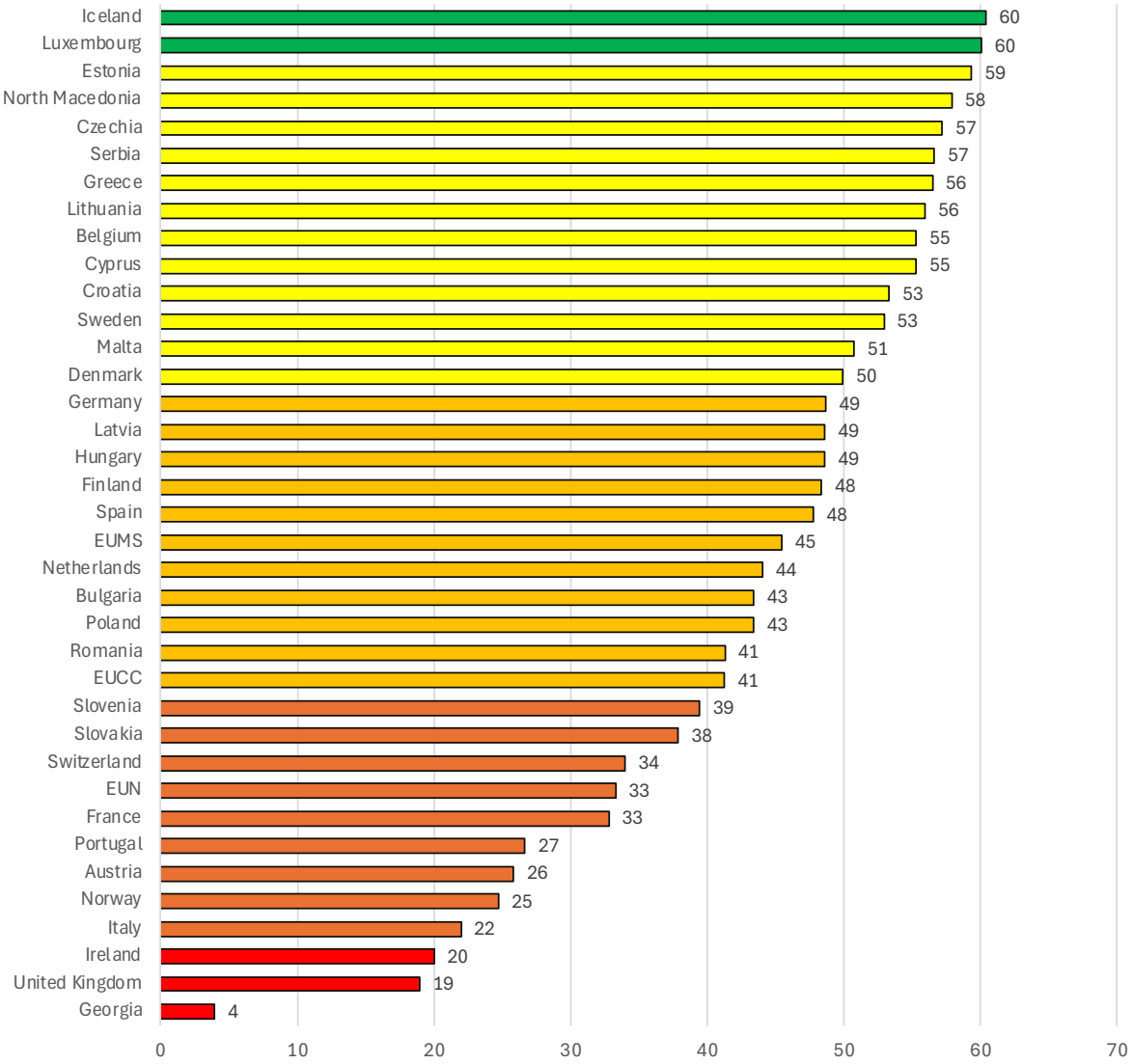
Integrity sub-indicators	Transparency sub-indicators
Bidder number Bidder number signals a risk in the case of single bidding, i.e. when only one bid is submitted in a tender in a competitive market.	**Implementation location available** Share of tenders where the regional codes (NUTS) of the implementation location is available.
Call for tenders Call for tenders signals a risk when no call for tender or prior information notice for a procedure is published.	**Subcontract info available** Share of tenders where information on subcontracting is available.
Procedure type Non-open procedures signal a risk of using procedures types which are less open for competition and more readily used for directly contracting connected companies (e.g. negotiated without publication).	**Product codes available** Share of tenders where product code information (CPV) is available
Advertisement period Advertisement period length reveals the risk of suspiciously tight bidding deadlines or when advertisement period is excessively long.	**Funding info available** Share of tenders where information on funding is available
Length of decision period Length of decision period signals risks when the decision period length is either suspiciously short or suspiciously long.	**Award criteria available** Share of tenders where award criteria information is available
Tax haven Tax haven signals a risk when the supplier is located in a tax haven country (based on Tax Justice Network's Financial Secrecy Index).	**Duration available** Share of tenders where contract duration information is available
Supplier's contract share of buyer's spending on public procurement Supplier's contract share of buyer's spending signals a higher risk the higher the share of a given supplier's contracts in the buyer's total procurement spending. A high spending concentration on one or few suppliers can signal that those suppliers are favored in the award process.	**Selection method available** Share of tenders where selection method information is available
Benford's law Benford's law signals a risk when the contract price is not consistent with Benford's law, indicating a higher risk that the price was manipulated and not driven by market pricing dynamics.	**Contract value available** Share of tenders where the contract value is available

Integrity sub-indicators	Transparency sub-indicators
Distinct markets The distinct markets indicator captures the risk of companies winning very different tenders, what might suggest that they were not won based on objective criteria but through personal connections.	**Bidder name available** Share of tenders where the name of the bidder is available
	Eligible bid languages available Share of tenders where eligible bid languages information is available

On a 1-100 scale, there is a large variation between EUMS bringing the average for the group down to 45. The mean for EUCC countries is slightly lower at 41. Surprisingly, the average for the EUN region is substantially lower at 33 due to the low scores for countries such as Norway and Iceland, mostly driven by lacking transparency. Figure A1 presents the ranking of based on the adjusted procurement score.

Figure A1 Adjusted procurement score (1-100) by country

Source: OpenTender (2022 data). Own computation



2.2. Constructing the adjusted oligarchization score

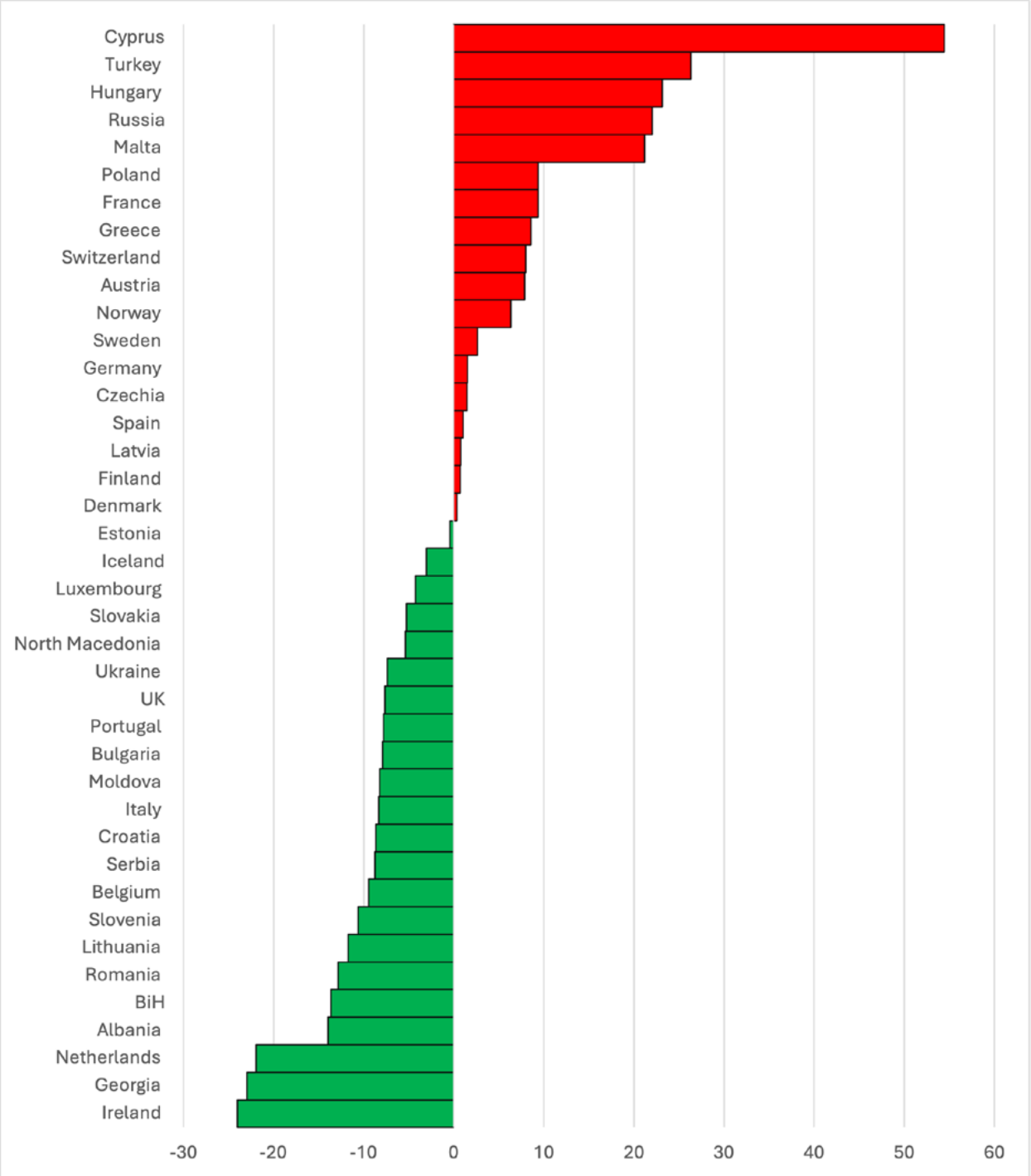
Our sample consists of countries with varying income levels, as measured by GDP. To account for this heterogeneity and to ensure that our analysis is not biased, we constructed an adjusted measure of oligarchization, or extreme wealth inequality. This adjusted score is the quotient of the raw wealth inequality value and log of the GDP per capita measured in 2025 USD. To explore the trends between 2013 and 2023, we calculate the percentage change between the adjusted scores for the two years (as per the formula below):

$$\text{Adjusted oligarchization} = \frac{\left(\frac{\text{wealth inequality}_{2023}}{\log(\text{GDP per capita}_{2023})}\right) - \left(\frac{\text{wealth inequality}_{2013}}{\log(\text{GDP per capita}_{2013})}\right)}{\left(\frac{\text{wealth inequality}_{2013}}{\log(\text{GDP per capita}_{2013})}\right)} \times 100$$

The results are reported as percentage change for ease of interpretation and reported in Figure A2. The top and bottom of the ranking match what we found when looking at the raw oligarchization score. Discrepancies especially in cases where the raw change in oligarchization was not as significant (in either direction) are due to the substantial growth in GDP per capita. On average across EUCC countries the GDP per capita during the last decade has increased from $5887 USD to $16,667 USD[14]. While we also see an increase in EUMS (from $33,910 USD to $49,996 USD) and in EUN (from $71,022 USD to $73,234 USD), the jump for these regions is not as drastic. Notably, despite these changes in GDP, the vast majority of countries, especially those at the top and bottom, retain their relative ranking.

[14]Measured in 2025 USD.

Figure A2 Change in adjusted oligarchization (measured in percent change) between 2013 and 2023 *Source: World Inequality Database (2013 and 2023 inequality data) and World Bank (2013 and 2023 GDP per capita data). Own computations.*



3. Additional data description

3.1. Corruption risks changes

In Section 3 of the report we discuss the change in corruption risks (by IPI component) across the entire sample. In Table A3 we report the same change by country. Significance is determined by checking whether the change is above one standard deviation of global change. If so, it is labeled as significant (either positive or negative). The color coding in Table A3 indicates improvement using a green upward arrow, decline using a red downward arrow, and no significant change using a yellow circle.

Table A3 Changes in IPI components between 2014 and 2024 by country (green upward arrow – significant improvement, red downward arrow – significant decline, yellow circle – no significant change) *Source: ERCAS Corruption Risk Forecast (2014 and 2024 data). Own calculations.*

Country	Online Services	Press Freedom	Budget Transparency	Judicial Independence
Albania	↑	↓	●	↑
Austria	●	↓	●	●
Belgium	●	●	●	●
Bulgaria	↑	●	●	●
BiH	↑	↓	●	↓
Switzerland	↑	●	●	●
Germany	↑	●	●	↓
Denmark	↑	●	●	●
Spain	●	●	●	●
Estonia	↑	●	●	●
Finland	●	●	●	●
France	●	●	●	●
United Kingdom	●	●	●	↓
Georgia	●	↓	●	↑
Greece	↑	↓	●	↑
Croatia	↑	●	↑	●
Hungary	●	↓	↓	●
Ireland	↑	●	●	●
Italy	●	●	●	●
Lithuania	●	●	●	↑
Luxembourg	●	↓	●	●
Latvia	●	●	●	●
North Macedonia	↑	↑	●	●
Malta	↑	↓	●	↓
Netherlands	●	●	●	●
Norway	●	●	●	●
Poland	↑	↓	●	↓
Portugal	●	●	●	●
Romania	↑	●	●	●
Slovakia	↑	↓	●	↑
Slovenia	↑	●	●	●
Sweden	↑	●	●	↓
Turkey	↑	↓	●	●
Ukraine	↑	●	●	↑

3.1. Correlation matrices

In section 3.6 we report a correlation matrix between the direct and indirect measures used in the analysis. Table A4 presents the exact correlation coefficients in the matrix.

Table A4 Correlation matrix between direct and indirect measures used in the analysis

	Observed behavior PP measures	Observed behavior sanctioned behavior FCPA	Observed outcome (adjusted top wealth disproportion)	Reputation (CPI)	Causal framework (IPI)	Regulatory framework EUROPAM
Observed behavior sanctioned behavior FCPA	0.41 ***					
Observed outcome (adjusted oligarchization)	0.27	0.17				
Reputation: CPI	-0.61***	- 0.27**	-0.39 **			
Causal framework (IPI)	- 0.51***	- 0.36**	- 0.27*	0.8 ***		
Regulatory framework EuroPAM	0.47***	0.2	0.28	-0.73***	- 0.57***	

In Section 6 we report a correlation matrix between the disaggregated EuroPAM components and the IPI. Table A5 below presents the exact correlation coefficients in the matrix.

Table A5 Correlation matrix between disaggregated EuroPAM components and IPI

	Public procurement	Freedom of information	Political financing	Conflicts of interest	Financial disclosures	IPI
Public procurement	1					
Freedom of information	0.26	1				
Political financing	0.04	0.02	1			
Conflicts of interest	0.13	0.41**	0.63***	1		
Financial disclosures	0.3	0.3*	0.76***	+***	1	
IPI	-0.27	-0.15	-0.62***	-0.54***	-0.53***	1

3.3. Matrix of corruption opportunities and constraints

The matrix of corruption opportunities and constraints in Section 7 of the report was created using the average z-score standardized values for IPI components. These are divided into opportunities (budget transparency, administrative transparency and online services) and constraints (e-citizenship, press freedom and judicial independence) by country using the 2025 IPI data. Using a z-score standardization allowed us to implement a single scale for all constraints and opportunities and therefore measure the average performance of each country in these two dimensions (see Table A6). These were used as coordinates to map our countries. In the matrix, the axes for the two dimensions intersect (i.e., the coordinates for the origin) at the sample mean value for each dimension

Table A6 Constraints and opportunities z-scores used in matrix

Source: ERCAS Index of Public Integrity (2025 data). Own calculations

iso	country name	EU status	constraints	opportunities
NOR	Norway	EUN	1.7	-1.1
FIN	Finland	EUMS	1.7	-0.9
CHE	Switzerland	EUN	1.6	-0.7
DNK	Denmark	EUMS	1.6	-1.1
NLD	Netherlands	EUMS	1.6	-0.7
EUN	EUN		1.5	-0.8
LUX	Luxembourg	EUMS	1.4	-0.2
IRL	Ireland	EUMS	1.4	-0.2
EST	Estonia	EUMS	1.3	-1.1
SWE	Sweden	EUMS	1.3	-0.7
DEU	Germany	EUMS	1.3	-0.6
FRA	France	EUMS	1.2	-1.0
BEL	Belgium	EUMS	1.1	0.0
GBR	UK	EUN	1.1	-0.6
PRT	Portugal	EUMS	1.1	-0.7
CZE	Czechia	EUMS	1.0	-0.8
AUT	Austria	EUMS	0.9	-0.5
LTU	Lithuania	EUMS	0.8	-0.3
EUMS	EUMS		0.8	-0.6
ESP	Spain	EUMS	0.6	-0.8
ITA	Italy	EUMS	0.6	-0.6
LVA	Latvia	EUMS	0.5	-0.7
SVN	Slovenia	EUMS	0.5	-1.0
SVK	Slovakia	EUMS	0.5	-0.6
MLT	Malta	EUMS	0.4	-0.5
GRC	Greece	EUMS	0.4	-0.6
HUN	Hungary	EUMS	0.3	0.6
ROU	Romania	EUMS	0.3	-0.4
BGR	Bulgaria	EUMS	0.3	-0.7

iso	country name	EU status	constraints	opportunities
GEO	Georgia	EUCC	0.3	-0.6
MKD	North Macedonia	EUCC	0.2	-0.5
UKR	Ukraine	EUCC	0.1	-0.5
POL	Poland	EUCC	0.0	-0.4
MDA	Moldova	EUCC	0.0	-0.9
HRV	Croatia	EUMS	-0.1	-1.1
SRB	Serbia	EUCC	-0.1	-0.9
ALB	Albania	EUCC	-0.1	-0.7
EUCC	EUCC		-0.1	-0.6
BIH	BiH	EUCC	-0.3	0.1
TUR	Turkey	EUCC	-0.7	-0.6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