



SURVEY OF THE BUSINESS SECTOR IN BULGARIA

/Sofia, February – March, 2003/

Between February 24 and March 24, 2003 the sociological agency Vitosha Research conducted a survey on corruption among the representatives of business organizations in Bulgaria. Representatives of 447 companies and organizations in the country were interviewed employing the method of personal standardized interview.

The accomplished survey is a part of the Monitoring of the Corruption System (MCS) of *Coalition 2000*. The major project objective is the recurrent introduction of information, allowing to draw conclusions about the size of the corruption in the country, as well as about the related attitudes, evaluations, and expectations. The surveys also provide a feedback about the efficiency of the anti-corruption initiatives in the Bulgarian society and an evaluation of the specific anti-corruption activities of *Coalition 2000*.

In the present survey, the businesspersons had the opportunity to describe cases of corruption that they had encountered while working in their current companies. *Table 1* represents the corruption practices as shared by the interviewees. The answers are not revised or edited, but are presented in their authentic forms. Each answer is specified by the size of the company according to the number of permanently employed persons and the main field where the company's business lie.

Table 1.

Field	Number of full-time employed persons in the company	Would you describe in brief the most striking case of corruption that you have encountered so far since you began working in this company
Wholesale trade	Number of employed persons: 11 – 50	A customs officer asked for money to process export papers in due time (during his working hours).
Services	Number of employed persons: 2 – 10	I have waited for more than 2 months in municipalities for issuing of permissions and construction plans, and approval of projects and executives.
Industry (small and processing industry, production)	Number of employed persons: 2 – 10	For four years already the court has lingered the cases for legalization of a building as a production workshop. When regulations are changed, one needs lots of money for permissions and legalization. The regulations to last for at least 10 years.
Services	Number of employed persons: 2 – 10	I work under state commissions and I have no case of asking for favors or bribing. There were such only in the initial phases of the company's establishment.
Wholesale trade	Number of employed persons: 2 – 10	There are cases of great competition coming from companies, which are not officially registered, they do not pay taxes but they do compete with us, selling our goods and ruining our business. This should be put under control. We do not have an opportunity to lobby for our cases, we are not protected by the law.
Wholesale trade	Number of employed persons: 2 – 10	There is no a single exception. I always have to pay.
Wholesale trade	Number of employed persons: 2 – 10	The working salary does not influence corruption and its price. The requirement for too many papers prolongs the whole process and presupposes payment of more money.
Public utilities (supply of electricity, gas, water, etc.)	Number of employed persons: 2 - 10	When we take part in tenders and our price offers cannot be matched by anyone else's, our company still is not commissioned. Again, in the tax offices one should be impeccable – in accountancy and taxes alike, while their

		actions and regulations are abnormal.
Retail trade	Number of employed persons: 11 - 50	They wanted me to give bribes in the customs in Svilengrad.
Agriculture, forestry and fishing industry	Number of employed persons: 11 - 50	They constantly ask for money in the Tax department, while the job is not done as promised.
Wholesale trade	Number of employed persons: 11 - 50	The outcome of a tender was fixed in advance with the active participation of the municipal administration. The tender was for purchasing a site (a petrol station).
Retail trade	Number of employed persons: 11 - 50	Corruption in cases of tax administrating.
Industry (small and processing industry, production)	Number of employed persons: 101 – 250	In the process of issuing a permission for utilization of a site, they had been sent back and forth a number of times until at last they were shown that they must [financially] “render an account.”
Industry (small and processing industry, production)	Number of employed persons: 51 – 100	Purchasing of grain (wheat) from previous years and with diminished qualities, but on current high prices.
Industry (small and processing industry, production)	Number of employed persons: 251 – 500	Mostly related to the purchase of tobaccos.
Industry (small and processing industry, production)	Number of employed persons: over 500	About contracting with scientific institutes – inclusion of their higher representatives in our studies.
Industry (small and processing industry, production)	Number of employed persons: 11 - 50	In granting a credit, I was asked to pay a percent of the credit amount in order to be able to get the credit.
Industry (small and processing industry, production)	Number of employed persons: 11 - 50	A case about illegal construction activities. Problems with the local municipal administration in relation to the construction.
Retail trade	Number of employed persons: 2 - 10	In the customs: the amount of 100 leva to release the cargo more quickly.
Retail trade	Number of employed persons: 2 - 10	Corruption is so widespread that nothing can surprise me. Foreign-run companies are the only exception to the above.
Industry (small and processing industry, production)	Number of employed persons: 11 - 50	When goods are transferred across the border, it is inescapable to pay a part of the money saved from undeclared goods and reduced customs values. This is a daily routine in the import from Turkey and China.
Wholesale	Number of employed	Construction and assembling activities and privatization.

trade	persons: 11 - 50	
Transport	Number of employed persons: 2 - 10	I paid 5000 leva for obtaining Act 16 license for the building we are currently in.
Services	Number of employed persons: 2 - 10	A legal officer in the ministry asked for a bribe (15%) to arrange an administrative certificate and lobby in front of the minister.
Retail trade	Number of employed persons: 11 - 50	I constantly pay the policeman in order to be able to park my car in front of the shop without the traffic spiders lifting it.
Industry (small and processing industry, production)	Number of employed persons: 51 – 100	Several times we have initiated legal cases against our employees who were proved to act in the company's harm. The court has taken decisions in their favor despite the evidence. Afterwards the higher judicial instance annulled those decisions as absolutely unlawful. Nevertheless, the lower instances continue issuing such decisions, which prompts me to think the ways those decisions were taken.
Industry (small and processing industry, production)	Number of employed persons: 101 – 250	In the customs every time we export they find thousand reasons to fool us around, to delay us, to ask for some other paper, so that to make us pay them.
Industry (small and processing industry, production)	Number of employed persons: 11 - 50	In the last year they were impeded to win a tender that would have ensured work for 200 workers who subsequently left for the labor market.
Wholesale trade	Number of employed persons: 2 - 10	I am against corruption, they constantly want, but I refuse to work in such a way.
Agriculture, forestry and fishing industry	Number of employed persons: 2 - 10	The manager of the company shares that whenever he goes to the ministry he is always asked for bribes to arrange the necessary things for the company. However, he does not want to make this fact public because he is afraid of negative consequences for his business. He refused to answer, directing me instead to his other employees. Besides, he said he did not believe that his sincerity would change anything.
Services	Number of employed persons: 11 - 50	A tender organized by the World bank. It was hinted that its winning depended on paying, but subsequently the tender failed.
Wholesale trade	Only the respondent	A high-ranked bank lady-officer offered me a credit for 25% of the sum while she undertook to prepare false labor contracts for me and for guarantors. The same lady went to an acquaintance of mine with a similar proposal. This is the most insolent case of corruption that I have come upon.
Services	Number of employed persons: 11 – 50	A young and beautiful lady holding a responsible position in a company – a potential client, asked for 2 800 leva so that we get a commission. That was the way she used to work before us with our competitor. Our company received 5 300 for delivering the service/commission. We heard that the humble young lady performed equally boldly with rather enormous budgets (e.g. 1.5 mln.).

Construction industry	Number of employed persons: 2 – 10	Receiving a percent of the contract amount so that to select us for a contractor in a procedure under the Public Commissions Act. This happens more and more often especially in the last 2002 in big state companies and ministries.
Wholesale trade	Number of employed persons: 11 – 50	Shortly before Christmas I had to register a company under the VAT. The tax officers' requisites amazed me. The sum was insanely high.
Services	Number of employed persons: 2 – 10	Because of the existence of extremely huge obstacles for obtaining permissions from Hygiene and Epidemic Inspection and State Veterinary and Sanitary Control the clients are forced to pay bribes. The more procedures, the higher probability to pay. Recommendation: to ease the regime for endorsement of construction and putting sites into operation. So far this is an administrative hell.
Retail trade	Number of employed persons: 2 – 10	Corruption among the traffic policemen – they asked for huge sums of money against the law.
Agriculture, forestry and fishing industry	Number of employed persons: 2 – 10	In order to do deep ploughing under a contract with the cooperative farm "X," for 2 000 dca I paid 1 lev a decare.
Retail trade	Number of employed persons: 2 – 10	With the customs authorities in receiving a cargo. There was an argument about the quantity of the goods. For three days the truck stayed loaded and after all and upon establishing that there were no transgression, they still asked for 200 leva.
Retail trade	Number of employed persons: 2 – 10	There was a VAT-related receipt issued by the company "X" – Sofia for over 10 000 leva. Both "X" and my companies were subjected to sanctions. During the tax inspection, the tax officer asked for 12 000 leva. I had to pay the sum.
Services	Number of employed persons: 11 – 50	Our company does not get many commissions (small or large) because through corruption all commissions are allotted to other (larger) companies. Our enterprise disposes of equipment, but we do not have money for textiles. All commissions are decided upon in the higher political circles.