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An Analysis of Corruption in Micro-Enterprises

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The purpose of this study is to present the research work made whilst studying the presence of corruption in the operations of Slovenian micro-enterprises. Our study builds on research which we carried out in 2005 and compares the findings of both studies. We wish to present our findings to public experts for a professional assessment and provide a basis for further work. We hope that in this way we can contribute to the development of new guidelines for the preparation of further analysis, the causes and elimination or at least limitation of corruption in business operations. Notable studies, which address corporate corruption in Slovenia, are non-existent. The results have confirmed the basic research hypothesis that the presence of corruption in the micro-business environment compared to a previous study in the last five years has increased.

Key words: micro-enterprise, micro-entrepreneur, corruption, corruptness

1 Introduction

Corruption is a definite reality in the global market. International research shows that corrupt activities occur in certain patterns which do not differ a great deal from country to country. The mixture of economic and financial flows is increasing, and consecutively so is the private enterprise share in the gross domestic product. Corruption is a social occurrence and is present in both public and private sectors. The unambiguous and universally accepted definition of what corruption is, despite numerous attempts to conceptualise this phenomenon, is still undefined. The word corruption comes from the Latin 'corumpere' and means to break, to tear, to split up. After Hankiss (2002: 243-261) it can be understood as meaning to break the law, rules and norms. Hankiss goes on to state that by the action of corruption, the human persona is also broken, as it degenerates due to untruths and dishonesty.

2 Corruption

In the study we use the working definition of corruption: 'Corruption is each and every violation of obligatory conduct of responsible persons within the private sector, as well as the conduct of persons who are initiators of infringement, or persons who may avail themselves of infringements, whether directly or indirectly, promised, offered, given or demanded, accepted or expected as a benefit for oneself or for another. It is a fully rational decision made by a natural person for the maximum achievement of his/her desired objectives'.

2.1 Interpretation of the definition of corruption

Corruption in some countries of the world has become a generally accepted part of the national culture and is so widespread that it does not make sense to make any complaint against it (Tanzi, 1997). Sometimes it is so ingrained that it is simply 'business as usual' already. Let us look at some interpretations of corruption:

Corruption is the offering or promising of any rewards, gifts or other benefits to public officials in order to influence their decisions. Promised, offered or given rewards can be explained as a rational decision made by any natural person for the maximum achievement of his/her desired objectives (OECD, 1997)[1].

The first global anti-corruption convention – United Nations Convention against Corruption (UNCAC), was adopted on 9th December 2003. The convention covers 71 Articles covering bribery, illegal enrichment, illicit procurement and dealings, witness protection, non-targeted spending, embezzlement, money laundering, the freezing of financial funds and international cooperation between countries. The convention, which was issued by the UN, defines and dictates preventative

1 OECD – Organisation for Economic Cooperation and Development: Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, London, 1997.

and proactive behaviour in an anti-corruption policy and identifies the establishment of protective anti-corruption bodies. In addition, the convention demands that all member States combat corruption in the private sector and within the frame of judicial authorities, but points to the essential involvement of civil societies.

The active role in the fight against corruption is held by the Council of Europe (GRECO: Groupe d'Etats contre la corruption – Group of States Against Corruption), which define corruption as 'Whichever kind of individual, entrusted with responsibility in the public or private sector, who violates their official duties arising from statutes, whether civil servants, staff in the private sector, independent agencies and any other relationships of this kind, who is directed towards receiving any unearned advantage for him/herself and for others'.

2.2 Manifested forms of corruption, causes and consequences

Studies on the causes and consequences of corruption in the economy have no lengthy history. The few surveys made in the economy could speak only of the past decade. Corruption should be dealt with seriously, professionally, thoroughly and systematically. Transitional economic cycles are ideal opportunities for illicit and unfair enrichment, abuse of authority, power and other advantages for this purpose (Say, 2002). As noted by economists Mrkaić and Pezdir (2009): "Slovenia is not a success story, but a transitional defeat". The detection and prevalence of corruption in Slovenia attributable according to Pečar (2003) above all due to illegality in the transfer of property, privatisation and ownership transformation with no respect to the law, non-verification of property origins, hindering of supervisory functions, expansion of social inequity, irregularities in transactions in privatisation, development funds, investment funds and others, pre-planned bankruptcies in companies, establishment of by-pass and off-shore companies as well as the poorly-supervised outflow of Slovenian capital to foreign markets. After Mendez (2000) bribes may reduce 'queuing' and thus reduce excessive red tape. Mauro (1997) points out that the so-called 'speed money' in the bribery of public officials can stimulate them into better productivity due to 'extra motivation' whereby they carry out their work faster and more effectively. Gray (1998) states that if corruption weakens economic development, then East Asia must be an exception, because it seems that there, where corruption is plentiful, foreign investors are largely present and economic growth is at a premium. After Tanzi (2000), the impact of corruption on businesses is great. Salifu (2008) conducted a study into the extent of all relevant articles on corruption and economic crime in countries undergoing transition during the years 1964 - 2005 and found that countries have a poor control of corruption and allocate minimal resources for its detection. Corruption in the private sector is the most notable form of corruption in the economy, and appears to be in the form of abuse of commercial contracts and violations of business ethics in order to obtain economic advantages (Dobovšek, 2000).

3 Structure Research

3.1 Baseline study

In this study we have focused on corruption which is present mainly in the private sector, and indirectly between private and public sectors. The starting point for research is focused on corruption in the business of Slovenian micro-enterprises. We wish to know to what extent and in what form corruption is present in 2009 compared with 2005. We will compare the results obtained with three other studies conducted to date: The agency for public opinion, marketing and applied research called 'Ninamedia' carried out a study on the economic and business environment, business ethics and unofficial payments for small, medium and large enterprises in Slovenia in 2002. A general survey on the attitude to corruption was carried out in 2002 by the Centre for Public Opinion, Research and Mass Communication at the Faculty of Social Sciences, University of Ljubljana. In 2005 a study was carried out on the state of corruptness in financial operations in Slovenian micro-entrepreneurs (Tomašič, 2005). The structure research was based on a comparison of the empirical results of surveys from 2002 and 2005 with the present 2009 study. So far, the studies performed concerned corruption in public administration (Dobovšek, 2003) and corruption in the economy in general (Dobovšek, 2004). Analysis of corruption in the operations of micro-enterprises was not addressed. In the study we handled data obtained from surveys of 213 micro-enterprises[2]-limited liability companies and self-employed sole traders.

3.2 Working hypothesis, research objectives and intention

The perception of the presence of corruption and weakness of institutional anti-corruption mechanisms in the micro-business environment demands a responsible approach to solving some of the major forms of evidence, which are closely associated with corrupt actions:

- The climate for the growth of micro-enterprises in Slovenia is non-stimulating. Micro-entrepreneurs are dissatisfied with the business environment and the lack of entrepreneurial tradition can be felt.
- Mostly no evidence can be found for acts of corruption. Incorrect and unethical actions are very difficult to detect.
- Corruption is more noticeable in the operations of micro-companies rather than in larger enterprises.
- It is in the interest of all participants concerned that the corruptive acts remain strictly covert. The agreement often takes place 'face to face', or among a very small circle of people without any traces and any subsequent

2 Micro-enterprises: number of employees less than 10, financial income from 2 million EUR to 10 million EUR or total assets of up to 2 million EUR.

incriminating evidence. The business documents have the appearance of entirely normal business operations.
- The potential for promoting growth of micro-companies are not sufficiently developed, which under normal operating conditions would be propitious to the growth of investment, employment and a more honest way of doing business. Consequently, this would achieve a lower level of corrupt acts.
- Micro-enterprises usually pay bribes to ensure business between 5% - 10%, which amounts on average to 5% of their annual profits.
- Micro-entrepreneurs often justify and excuse their participation in corrupt acts as a form of "special taxation" and do not feel immoral.

On the basis of the above, we defined a working hypothesis, which assumes that the presence of corruption in the Slovenian micro-business environment has increased. The aim of the study is to determine whether the presence of corruption in the private sector in the operations of micro-enterprises has increased during the period 2005 – 2009. The purpose of the study is to show these results to public experts, give them technical assessment and prepare a basis for further research in analysing the causes of the situation in order to compel the production of established proposals for future control and limitation.

3.3 Research Methods and Survey Methodology

According to Sik (2000) and his study on how to measure corruption, the axiom proposed was that the level of corruption cannot be measured and that among the existing methods there are only 'poor and even poorer' options for measurement. That argument was joined by many experts in the field of measuring corruption. The result of this fact is that there is no universally accepted definition of corruption and due to its illegal nature, the phenomenon is still unknown and a significant proportion remains hidden.

3.3.1 Research methods

In the study we used an appropriate combination of research methods (Zelenika, 2005). By using inductive methods, causal induction and on the basis of the extensive empirical data collected, we came to the conclusions that are given in the final section of this study. The deductive method was used to set the basic hypothesis and its proof. We used methods of qualitative and quantitative analysis and synthesis. The answers of the respondents were obtained as a written survey and they were processed using descriptive statistical analysis techniques according to calculations of basic statistical indicators and frequency distribution. With synthesis methods we used knowledge, insight, information and data from hitherto known heterogeneous research from domestic and foreign authors, from available literature, resources, electronic sources and acquired data proved by this study. Descriptive methods were used to describe issues, objectives, goals, assumptions, structures, methods of formulation and decisions.

3.3.2 Methods of survey

To obtain empirical data, we used the method of survey. We covered the Slovenian business environment evenly and carried out surveys amongst 213 micro-entrepreneurs. Using the model N=213 we designed the framework for a representative sample. We ensured the respondents confidentiality and discretion, and the names of the micro-companies we will not disclose (Law on Personal Data Protection, 2007)[3].

4 Interpretation of tabular representations, comparison of impressions and data analysis with the verification of hypotheses

4.1 Tabular representations with comments

Data processing was carried out using SPSS software. We used data from the following research information: CJMMK[4] 2002, N=914, Ninamedia[5] 2002, N=300, Tomašič (2005), N=237 and our own study N=213. The collected empirical material was appropriately weighted. Thus, we reduced the impact of bias and error in the results. The weighting system is based on micro-enterprise equalisation according to the criteria established and spatial dispersion. For the sampling procedure (Vehovar and Kalton, 2001) and for weighting, we used methods for creating sample weights. The frequency distributions of responses are shown in a numerical and descriptive form with short comments for each individual table. All questions and criteria are presented in their original form. In line with the model of research, questions are classified into three groups.

The first group, Tables 1 to 4 (see Appendix), includes the results from the survey "Views on Corruption" (CJMMK, 2002) and our own study 'Micro-enterprises' during 2009. In this group there is a general verification of the fairness of adult citizens, and a comparison between the two studies.

The second group, Tables 5 to 8 (see Appendix), includes the results from the survey for small, medium and large companies in the MSVP study "Study on the Economic and

3 Zakon o varstvu osebnih podatkov. (Law on Personal Data Protection) (2007). Uradni List RS (Official Gazette of the Republic of Slovenia), No. 94, 16.10.2007, Ljubljana.

4 CJMMK: The Public Opinion and Mass Communication Research Centre, Faculty of Social Sciences, Institute for Social Sciences, University of Ljubljana.

5 Ninamedia: Agency which specialises in essential, statistical and other computer supported data analysis, market-, product- and customer behaviour research, especially active in public opinion and advanced market research.

Business Environment, Business Ethics and Unofficial Payments in Slovenia" (Ninamedia 2002) and our own study of micro-enterprises in 2009, with a comparison between these two studies.

The third group, Tables 9 to 20 (see Appendix), covers the results of the survey "Analysis of the Situation of Corruptness in the Financial Business of Slovenian Micro-Enterprises" (Tomašič 2005) and our own study 'Micro-Enterprises' of 2009, with a comparison between these two studies.

4.2 Analysis of empirical data obtained from the questionnaire and a comparison with the results from the 2005 survey

4.2.1 Survey results in 2009

Corruption is largely based on media reports and is a major problem (Table 1).

The problem of corruption is a major problem in Slovenia (Table 2).

The most important cause of corruption is ineffective law enforcement and too little punishment (Table 3).

The micro-entrepreneur plays a variety of roles in corrupt acts, as an active as well as a passive participant. Both donor and receiver of bribes are equally guilty (Table 4).

The situation of the Slovenian economy is rated as poor (Table 5).

Micro-enterprises usually pay a few extra unofficial payments in order to ensure business continuity or a larger business portion (Table 6).

More than half believe that corruption does not help the growth and development of their business (Table 7).

Corruption does not assist the growth and development of the Slovenian economic system (Table 8).

Three-quarters of respondents had already seen corrupt behaviour in the business environment (Table 9).

The percentage of those who believe that bribery is something normal as compared to the previous study, has increased substantially. On the other hand, the percentage of those with no specified opinion has halved, so that a good third of those surveyed believe exactly the opposite (Table 10).

The micro-entrepreneur cannot remain competitive by acting in a fair manner (Table 11), even though afraid of the consequences on the market (Table 12).

In the private sector there is a lot of corruption (Table 13), the entrepreneur is somewhat afraid that this will lead to long-term consequences that will be felt in the market (Table 14).

The statement that if corruption could be curbed by 20 per cent, then this would mean a half per cent increase in economic growth and a third per cent in investment, are of divided opinion (Table 15).

When it comes to bribery to obtain business, often the other party informs the micro-entrepreneur that it expects a payment in cash, gifts or services (Table 16).

Entrepreneurs are of divided opinion, that corruption has become a regular way of obtaining property (Table 17).

Micro-entrepreneurs make use of illegal methods of earning particularly by non-invoicing, which is de facto moonlighting and tax evasion (Table 18).

The elements of corrupt acts are well-known to micro-entrepreneurs (Table 19) and they are involved in these corrupt acts mainly due to their own existence and the existence of the company (Table 20).

4.2.2 Comparison of survey results in 2009 with those of 2005

The media continues to be the main source of information on the presence of corruption. The number of those whose opinion is based on the experiences of others has doubled (Table 1).

Corruption in Slovenia is still a large or very large problem (Table 2).

In the first study, respondents believed the reasons for the existence of corruption lay above all in understated penalties and ineffective law enforcement; in our study it was, however, due to long-established habits (Table 3).

Recipients of bribes or both recipient and those who give bribes have been given, up until now, the blame for corruption. Our study has now shown a change, as now the fault lies largely with both players (Table 4).

After the initial study almost half were convinced that the economy is neither good, nor bad. In our study two-thirds of entrepreneurs believe that the economic situation is very poor (Table 5).

A third of all respondents acknowledged that occasionally they had to pay an additional informal payment in order to arrange business. One quarter said that they had never ever done this. In the first study, less than half confirmed this (Table 6). The majority of respondents believe that corruption does not help the development or growth of their company. In the study, two-thirds of those surveyed confirmed this opinion. A comparison between the original and our study is similar (Table 7). Corruption is and is not part of the Slovenian economic system. The position between the two studies remains unchanged (Table 8).

After the initial study, more than half of micro-entrepreneurs surveyed knew cases of corruption in their own business environment, while in our survey three-quarters acknowledged this fact (Table 9).

The percentage of those who believe that bribery is a normal action has increased considerably (Table 10).

The entrepreneur is able to operate fairly and remain competitive only up to a certain extent. The percentage of those with similar opinions has increased by a good third (Table 11).

In the original study, half of the respondents answered that they were not afraid of their own dishonesty in gaining results, while a third were somewhat afraid. In our research the result was the reverse. To be dishonest was to a certain degree hazardous (Table 12).

The majority of entrepreneurs believe that there is a great deal of corruption in the private sector (Table 13).

To some extent unfair business will be penalised sooner or later in the market. Entrepreneurs with such a belief are twenty per cent more than in the original survey (Table 14).

In the previous study the interviewed entrepreneurs did not identify their opinions on this issue. Today less than half believe that curbing corruption will not affect the increase of economic growth and the increase in investment (Table 15).

What often happens when it comes to corruption by the micro-entrepreneur in order to get business? The answers to this question lie in the relations between the two parties as per the questions in Table 4, and essentially confirm their readiness for corrupt acts, where the blame lies both with the receiver and the donor of bribes. According to the previous survey, entrepreneurs answer that they know in advance how, in what form and how much will be needed to be given in a bribe. This position has now changed, as entrepreneurs believe that the other side first acknowledges that it expects payment in the form of cash, gifts, services, or that the micro-entrepreneur also offers this type of payment himself (Table 16).

In the previous study, half of the entrepreneurs felt that corruption in Slovenian business will not become a regular method of obtaining undue wealth. Today, a good half of entrepreneurs confirm the contrary. Corruption has increased in recent years (Table 17).

Non-invoicing is still one of the most common forms of financial deals and has increased over the years. Other elements of illegal and illicit indicators have not altered a great deal over the past five years (Table 18).

Micro-entrepreneurs are even more familiar with the elements of corruption such as fictitious companies, fraud, informal economy, nepotism, abuse of inside information, money laundering and tax evasion (Table 19).

Micro-entrepreneurs are even more compelled to participate in active and passive acts of corruption compared to a few years ago, due to their own existence and the existence of their company. This being the opinion of more than one third of those questioned. The rest do not agree or disagree to some extent with this claim (Table 20).

4.3 Verification of the hypothesis

In our survey we took into account the integrity of the approach and understanding of the complete enterprise context, space and human interaction. The results of the survey for the first half of 2009 confirmed the working hypothesis, which presumes that the presence of corruption in the Slovenian micro-business environment has increased as compared to 2005.

5 Conclusion

An analysis of the data obtained showed the different types of deception, such as forms of abuse, infringement of business habits and disregard for regulations and laws. According to this survey we have confirmed that corruption in the micro-business environment exists and is increasing in growth year by year. We expect the results of the research to contribute to progress and development in terms of theory and practise in solving current corrupt business situations in micro-enterprises, as well as in larger companies. In the future, at least another two surveys will definitely be needed. The first survey should address the causes of corrupt financial management. The second survey should touch the reasons for the elimination or proposals in order to cushion the impact. This survey did not have the purpose to round off or finish the work in this field, nor did we have the intention to make an end and close the door on this topic. Slovenia has no comprehensive or effective anti-corruption strategy for the economy and businesses. We sincerely hope and expect that the debate on this issue will continue.

Slovenian businessmen have three possible choices:

- to operate honestly, with full integrity and be prepared for the slow death of their company,
- to operate illicitly and submit to only one objective – profit at any price or
- to walk the narrow path between the two extremes.

The situation forces the entrepreneur to make a decision between the various levels of irregularity. A remedy for the correct choice does not exist and simply cannot be. There are no objective and subjective reasons for failure in the ruthless, competitive struggles of today. Those who are able, penetrating and resourceful have almost everything. Those less able, less resourceful and more honest are definitely struggling and are all the more on the periphery of business events. We are dealing with the real events of corruption in micro-enterprises. This is a kind of adjustment to a direct landing on corruptive practises. Corrupt practices in the business environment present circumstances which affect and influence so much, that the entrepreneur accepts this as an inevitable part of their business environment.

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Appendix: Summary of responses to survey questionnaire

Table 1: Question: Your opinion regarding corruption is based on:

	CJMMK 2002 [6]	Micro-enterprises 2009 [7]
	% (N=914)	% (N=213)
Media reports	30.4	33.1
Rumours	7.7	19.3
Experiences of others	14.3	23.3
Own, personal experiences	18.0	13.7
All of the above	27.4	6.7
Don't know	2.2	3.9
Total	100	100

6 CJMMK 2002: Results of the survey 'Opinions on corruption', which was carried out in 2002 by the Centre for the Research of Public Opinion and Communication, FDV Institute for Social Studies, University of Ljubljana.

7 Micro –enterprise 2009: Results of the survey 'Analysis of corruption in micro-enterprises', made during the first half of 2009.

Table 2: Question: How great a problem is corruption in Slovenia today?

	CJMMK 2002	Micro- enterprises 2009
	% (N=914)	% (N=213)
Very large	25.6	19.5
Large	27.1	41.1
Even	33.3	7.3
Small	5.2	13.1
Very small	1.7	2.7
Don't know	7.2	16.3
Total	100	100

Table 3: Question: What is the most important cause of corruption in Slovenia?

	CJMMK 2002	Micro-enterprises 2009
	% (N=914)	% (N=213)
Penalties are too low	25.0	17.6
Ineffective enforcement	19.8	17.2
Lack of laws	17.0	6.3
Established habits	10.9	25.1
No desire to fight against corruption	9.9	17.3
Complex administration procedures (red tape)	7.5	7,3
Other	3.8	9.2
Total	100	100

Table 4: Question: Who, in your opinion, is more at fault: those who offer bribes, or those who receive them?

	CJMMK 2002	Micro-enterprises 2009
	% (N=914)	% (N=213)
Donor	19.4	26.2
Receiver	38.1	29.2
Both	39.0	41.7
Don't know	3.5	2.9
Total	100	100

8 Small companies: number of employees less than 50, financial income from 10 million EUR to 50 million EUR, or total assets of up to 10 million EUR.

9 Medium-sized companies: number of employees less than 250, financial income from 50 million EUR to 250 million EUR, or total assets of up to 43 million EUR.

10 Large companies: number of employees greater than 250, financial income more than 250 million EUR, or total assets greater than 43 million EUR.

Table 5: Question: How would you assess the current situation in the Slovenian economy?

	Small companies [8]	Medium sized companies [9]	Large companies [10]	Total Ninamedia [11] 2002		Micro-enterprises 2009
	% (N)	% (N)	% (N)		%	% (N=213)
Very poor	3	2	2	7	2.3	2
Poor	30	20	14	64	21.3	66
Neither good nor bad	50	60	56	166	53.3	23
Good	15	17	27	59	19.7	7
Very good	-	-	-	-	-	1
Don't know	2	1	1	4	1.3	1
Total	100	100	100	300	100	100

Table 6: Question: Companies in my field of work often have to make some extra, unofficial payments in the form of cash, services or gifts so that business continues?

	Small companies	Medium sized companies	Large companies	Total Ninamedia 2002		Micro-Enterprises 2009
	% (N)	% (N)	% (N)	N	%	% (N=213)
Always	3	4	1	8	2.7	3
Quite often	9	3	6	18	6.0	9
Sometimes	15	11	8	34	11,3	31
Rarely	18	20	19	57	19.0	14
Never	38	40	51	129	43.,0	26
Don't know	17	22	15	54	18.0	17
Total	100	100	100	300	100	100

Table 7: Question: Do you believe that corruption can help towards the development and growth of your company?

	Small companies	Medium-sized companies	Large companies	Total Ninamedia 2002		Micro-enterprises 2009
	% (N)	% (N)	% (N)	N	%	% (N=213)
Yes	3	5	1	9	3.0	7
Yes, to a certain extent	34	26	24	84	28.0	27
No	59	61	73	193	64.3	57
Don't know	4	8	2	14	4.7	9
Total	100	100	100	300	100	100

11 Ninamedia 2002: Results of the survey on the economic and business environment, business ethics and unofficial payments within Slovenia, carried out by the agency Ninamedia in 2002.

*Table 8: Question: Do you believe that corruption is an unavoidable part of the Slovenian economic system***?**

	Small Companies	Medium-Sized companies	Large companies	Total Ninamedia 2002		Micro-Enterprises 2009
	% (N)	% (N)	% (N)	N	%	% (N=213)
Yes	51	45	49	145	48.3	51
No	37	43	43	123	41.0	42
Don't know	12	12	8	32	10.7	7
Total	100	100	100	300	100	100

Table 9: Question: Have you met with cases of corruption in your own company environment?

	Micro-enterprises 2005 [12]	Micro-Enterprises 2009
	% (N=237)	% (N=213)
Yes	54	74
No	46	25
Don't know	-	1
Total	100	100

Table 10: Question: Bribes in financial business in the private sector are a completely normal appearance, and the micro-enterprise wishing to operate normally must administer them?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
True	26	42
False	25	37
Don't know	49	21
Total	100	100

Table 11: Question: Can a micro-entrepreneur operate fairly and remain competitive?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Yes	22	24
Yes, up to a point	41	61
No	34	13
Don't know	3	2
Total	100	100

12 Micro-enterprises 2005: Results of the survey "Analysis of the state of corruption in financial operations of Slovenian micro-entrepreneurs (Tomašič 2005).

Table 12: Question: Are you afraid of your own dishonesty in business, if it brings you benefits?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Yes	6	16
Yes, to a certain extent	35	54
No	53	23
Don't know	6	7
Total	100	100

Table 13: Question: Is there a lot of corruption in the private sector?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Yes, I agree completely	7	28
Yes, I agree	72	55
No, I do not agree	21	17
Total	100	100

Table 14: Question: Do you believe that unfair dealings will be punished sooner or later on the market?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Yes	27	17
Yes, to a certain extent	40	51
No	27	25
Don't know	6	7
Total	100	100

Table 15: Question: Do you believe in the statement that if corruption in financial management is curbed by 20% in the Slovenian business area, then economic growth would increase by 0.5% and investment would rise by 0.3%?

	Micro-enterprises 2005	Micro-Enterprises 2009
	% (N=237)	% (N=213)
Yes	13	33
Yes, to a certain extent	14	17
No	27	41
Don't know	46	9
Total	100	100

Table 16: Question: What usually happens when the micro-entrepreneur has to engage in bribery in order to obtain the job?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
The other party shows that it expects a payment in the form of cash, gift, favours, etc.	24	37
It is already known in advance in what form and how much will be needed to be given.	33	17
Micro-entrepreneur offers such payment on his own initiative	19	39
Don't know, I cannot assess	24	7
Total	100	100

Table 17: Question: Do you believe that corruption in the Slovene business environment has become a regular way of obtaining undue property?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Yes	17	57
Yes, to a certain extent	15	27
No	52	12
Don't know	16	4
Total	100	100

Table 18: Question: Which illegal and unlawful indicators of the following below are most often used by businesses in financial management?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Non-issuing of invoices	11	17
Virtual conditions- discounts	13	8
Cancelled invoices	10	7
Inadequate capture arrival/departure.	8	9
False/Virtual contracts	3	5
Fictional expenditure	7	5
Falsifying account documents	3	4
Exceptional write-downs	4	2
Pseudo-loss	8	11
Fictitious obligations	9	3
Incorrectly recorded business transactions	3	7
Virtual business – fictional accounts	9	7
Concealment in stocktaking	8	13
None of the above	4	2
Total	100	100

Table 19: Question: Do you agree with the assessment that fictitious companies, fraud, grey economy, nepotism, abuse of inside information, money laundering and tax evasion are all integral elements of corrupt acts?

	Micro-Enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Yes, I agree completely	47	65
No, I do not agree	13	6
I agree to a certain extent	40	29
Total	100	100

Table 20: Question: Do you believe that the Slovenian micro-entrepreneur is often forced into participating in active and passive acts of corruption, mainly due to their personal existence and the existence of the company?

	Micro-enterprises 2005	Micro-enterprises 2009
	% (N=237)	% (N=213)
Yes	32	37
Yes, to a certain extent	34	21
No	21	35
Don’t know	13	7
Total	100	100