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The perception of corruption as a conflict between citizenship and enterprise in a competitive environment among Hungarian and British teachers

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Corruption exists everywhere, in all countries of the world, although economic theories do not discuss corruption extensively; this may be a consequence of the fact that where economic theories were born – in the Anglo-Saxon countries - the level of corruption is relatively low (Hámori, 2004). Kaufmann and Siegelbaum (1997) define the concept as 'abuse of official power in order to acquire private gain' (in Hámori, 2004). According to Rose-Ackermann (1975) corruption has three main characteristics:

(a) a participant in the economy obtains money or other rewards in an illegal way
(b) the bribed person (agent) acts for the sake of another person or institution against the interest of the person or institution (owner) he/she represents
(c) the person to be bribed has power deriving either from the insufficient functioning of the market or from his institutional position.

These definitions point to a conflict of interest that can be related to citizenship i.e. there is a conflict between the private (the individual agent) and the public interest (the state/society). The individual representative of the public interest is empowered mainly because he acts in a competitive environment with scarce or limited resources where competitors want to get ahead and may do so by corrupt means. Agents also compete with each other for more empowered positions, which offer possibilities for more corrupt behaviour. In such cases a competitive process becomes completely distorted and has nothing to do with fairness, equal opportunities, meritocracy etc.

Social capital is defined as an attribute of a society, as a quality of relationships enabling individuals to cooperate and act collectively. Within this framework, social capital is based on a high degree of interpersonal trust and trust in public and political institutions which grows out of the belief that most exchanges are transparent and safe. In this context, social capital has the properties of a public good facilitating the achievement of higher levels of efficiency and productivity (Mateju, 2003). Social capital can also be seen as a private good related to networks based on reciprocity, where it is defined as an attribute of an individual, a person's potential to activate and effectively mobilise networks of social connections based on mutually beneficial exchanges. In this context, social capital has the properties of a private good accumulated and used to achieve primarily private (or group) goals. This form of social capital may hinder the effective functioning of market mechanisms, undermining transparency and trustworthiness (Mateju, 2003).

It is certainly detrimental to the concept of citizenship and the socialisation of citizenship if exchanges in economic and political life are not transparent and simultaneously social connections start to function as private social capital.

Hungary and the UK

According to the International Social Survey Programme's latest survey, carried out it in 27 countries, British respondents had a significantly higher level of trust (0.1044 – being the 10th) than Hungarian respondents (-0.7631, the least among all participating countries). This indicates that trust as social capital is more available in England than in Hungary. This may be related to the latest Perception of Corruption Index (Transparency International, 2003) showing that the United Kingdom is in eleventh place in the world, in terms of its corruption rate, out of 136 listed countries (rank 8.7 out of 10), while Hungary is in the 40th (rank of 4.8). Countries with a score of higher than 9, with very low levels of perceived corruption, are rich countries such as Finland, Iceland and Denmark. Karsai and Papanek (2001) found a 0.86 correlation between GDP and the Corruption Perception Index: the richer a society is, the less corruption is present. Therefore the difference between Hungary and Great Britain is in accordance with their different levels of GDP.

As described above, societal reality can influence the perception of citizenship and enterprise. The aim of this paper is to gain a better understanding of how Hungarian and British primary and secondary school teachers perceive situations that

1. imply the functioning of social networks as social capitals
2. involve the possibility of corruption.

This analysis is only a part of a larger study on the different perceptions of citizenship and enterprise in Hungary and the UK. In the larger research we found that Hungarian and English teachers perceived citizenship in a different way: Hungarian teachers referred to questions of morality and immorality much more frequently, while English teachers referred more often to the importance of community activity as an attribute of a good citizen (Fülöp, Berkics, Davies, Hutchings, Ross, 2002). In another, more recent study teachers were asked to free-associate to the words enterprise and citizenship. Among the free associations related to enterprise Hungarian teachers mentioned corruption and the Mafia, while English teachers did not mention them at all (see Ross, Read, Fulop, Pergar-Kuscer etc., 2004 in this volume).

Participants

The subjects were 40 primary and secondary school teachers in each country, 20 in the capital and 20 in a smaller city. The mean age was very similar: 41.4 years and 40.0 years for Hungarians and English respectively. There were the same numbers of female and male participants in each country (27 female and 13 male).

Method

We began our study by posing five hypothetical dilemmas that citizens may be faced with. After reading the dilemmas teachers were asked to respond to them before we embarked upon a more general discussion of citizenship and enterprise education. This paper focuses only on reponses to two of the dilemmas that clearly address the issues above.

The dilemmas portrayed situations requiring a decision in a competitive setting, but in two different ways. In the first dilemma the respondent was in a situation of power, and a relative competes for something the respondent has. In the second dilemma the respondent is a competitor, but another person has power over her/him. In the first situation the respondent is the person who might be bribed, while in the second they have to decide whether to bribe somebody else. In addition, both dilemmas concern morality and pragmatism, and both are related to social capital - social networks and trust.

Results

Dilemma 1

- *You are a very busy person who owns a business employing 1500 people. The level of unemployment in your local area is high. You have a vacancy for a computer operator. You know that there are well-qualified people who would apply for the job if you advertised. You are wondering however, if you should go to the trouble and expense of advertising and interviewing given that a member of your family may want the job. Your relative is not well qualified.*
  Do you advertise the job? Why/why not?

Table1: Dilemma 1

	England		Hungary	
	Capital	Province	Capital	Province
would advertise the job	19	15	17	19
would employ the family member	1	5	3	1

Dilemma 2

- *You have slowly built up a small computer software business. You and your colleagues have devoted a lot of time and effort to the development of a particular software package that you hope to be able to sell to a larger company. However you know that several other firms have tendered for the new contract. You have had a number of very positive meetings with the representative of this large company and you feel confident*

about the outcome. Then you are told that if you pay a 'registration fee' to the representative of the large company the contract will definitely be yours.
Do you pay the 'registration fee' or not? Why/why not?

Table 2: Dilemma 2

	England		Hungary	
	Capital	Province	Capital	Province
pay the registration fee	2	9	4	8
don't pay the fee	17	9	15	11
other action / don't know	1	2	1	1

We realised that the number of teachers who said they would or would not employ a relative, or who would or would not pay the registration fee, does not necessarily give any indication of how they would behave in real life. We were not only interested in their yes/no answer but also in the way they conceptualised their answers: by investigating this we gained information about the way in which, in an interview situation, they construct the law, notions of social justice, and themselves as teachers and citizens.

If we compare the answers given to the two different dilemmas we see that there is a different proportion of normative and non-normative answers. When the respondents were themselves in a powerful situation, they gave many more normative answers, emphasising obeying the law and the important principles of society, while when in the dependent situation (second dilemma), more than a quarter of the teachers in both country said they would be willing to bribe in order to win the tender. Interestingly, in both countries more teachers living in the provincial city responded in a non-normative way.

Our initial expectation that Hungarian teachers would give more non-normative answers than the English was not borne out: the difference between the two societies in terms of everyday corruption and levels of trust was not reflected at the 'behavioural' level of the answers. However, after analysing the explanations teachers gave about their decisions we were noted interesting cultural similarities and differences between their representations and constructions of the situations.

In case of the first dilemma, we found (Table 3) that both English and Hungarian teachers were highly pragmatic - they emphasised that the good operation of a business cold not be sacrificed for the sake of one family member and that if you run a business you want that business to be successful and therefore you need to employ a competent person. However, when Hungarian and English teachers spoke about competence in this situation the English almost all said that they wanted 'the best' possible person for the job and that is why advertising is good (principle of open competition and meritocracy). Hungarian teachers simply said that that they wanted a qualified person rather than a non-qualified one. The notion of competition as a way to find the best is not self-evident in the Hungarian teachers' minds.

Table 3: The most frequent answers to Dilemma 1

Answers	English	Hungarian
Business interest	18	16
Competence/meritocracy	28	21
Equal opportunities/law	24	4
Fairness	10	5
Family members can also apply	12	5
Responsibility for the company employees	8	4
Nepotism/corruption	4	13
Social disillusionment/cynicism	2	38

There is a striking difference between the number of teachers in the two groups mentioning the principle and law of equal opportunities (England: 24; Hungary: 4) and fairness (England: 10; Hungary: 5) and the entering of the relative to the competitive arena with other applicants on an equal basis (England: 12; Hungary: 5). It seems from these results that that English teachers had a more elaborate idea of transparent competitive processes based on clear criteria of evaluation (merits) and about their significance in a democratic society.

In contrast, more Hungarian teachers labelled the dilemma as an example of corruption or nepotism than English (Hungary: 13; England: 4) and almost all of them (Hungary: 38!) said that generally this kind of dilemma is not solved in a transparent way in Hungarian society - company leaders do employ unqualified relatives, and the seemingly open and democratic application process is just a surface that hides the truth, namely that there is an applicant who gets the job via social networks.

Table 4: The most frequent answers to Dilemma 2

Answers	England	Hungary
Interpretation of the dilemma: corruption	16	18
Immoral	21	40
Lose/Gain Business	13	10
Cost/reward analysis (time devoted, money paid and gained, importance of deal)	9	5
Responsibility towards employees	21	26
Meritocracy (the better will win)	8	3
Democracy/equal opportunities	6	3
Trust (losing trust in the company, not trusting the company to gain the deal)	13	3
Corruption as a social reality	5	38

In the second dilemma we again see some similarities and differences in the perception and understanding of English and Hungarian teachers. Almost equal numbers of teachers identify the dilemma as a case of corruption, but Hungarian teachers go further - they all said that the dilemma describes an immoral situation. Both groups' main concern was what happens to the employees if the contract was lost: social responsibility seems to be an equally important principle for both groups. The pragmatic way of

thinking appeared more often among the English teachers, who evaluated what could be gained and lost, how much has been invested already in terms of time, energy and money, and compared to this how high a bribe they would have to pay.

This dilemma evoked fewer ideas related to meritocracy (the better or best should win), democracy and equal opportunities, but it was again the English teachers who mentioned these aspects somewhat more (England: 14; Hungary: 6). The notion of trust also appeared more often in the English teachers' discourse: they said they would lose trust in the large company and would not feel comfortable working with them, or that they would not be confident that they would get the contract in spite of paying the bribe (England: 13; Hungary: 3). This is a paradox, for although the overall levels of trust were lower in Hungary than in England, it was the English who spoke about losing trust. This might be explained by assuming that they had trust at the beginning, so there was something to be lost. For Hungarian teachers, this social capital hardly exists and so cannot be lost. This latter finding is in accordance with the striking disillusionment the Hungarin teachers expressed while addressing this dilemma: 38 out of 40 (England: 5) spontaneously referred to general Hungarian business circumstances where there was no question that everybody would be willing to pay the 'registration fee'. They saw Hungarian business life as a 'dog-eat-dog' world where the participants either swim or sink. Most of the teachers who opted for not paying the regsitration fee added that having made that decision, they would be unable to survive in such circumstances.

Conclusion

From this rather limited study we conclude that both English and Hungarian teachers have some potential to respond in a corrupt way in certain situations. However, the way a person decides in response to difficult dilemmas is partly dependent on the values and principles that guide him/her and on the perception of the degree to which these principles are shared in the social environment. In terms of democratic ideas, equal opportunity issues related to transparent social exchanges and competitive processes, the English teachers have clearer view, partly due to their socialisation in a society a history of democracy and a capitalist market economy. Hungarian teachers, generally disillusioned about common social practice, morality and guiding values in their society, are less protected when confronted with similar dilemmas. Moreover, the two societies provide disproportionate numbers of opportunities and situations for citizens to face these dilemmas. In response to these repeated social 'primes', people develop different, corresponding psychological feelings and these are what this analysis of our data aimed to reveal.

Teachers are the institutional socialising agents of young people. It is therefore particularly important to discover the intellectually and professionally extent of their thinking about social questions related to democratic citizenship.

In a previous study we compared how Hungarian and English secondary school students perceived the role of competition in their own society (Fülöp, 2002). Our results showed that, while in both countries students see competition to be intensive and important, this is perceived as mainly positive in Great Britain and as mainly negative in Hungary. The

most frequently described negative consequence of competition was immorality. According to Hungarian students, in this new democracy and market economy there are no well-established rules to control competition. Immorality rarely appeared among the English answers. If we compare how our teacher respondents and how young people in their respective countries conceptualise competition, democratic citizenship and the business world, we see a remarkable similarity.

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