

**Towards more transparent higher education systems<sup>1</sup>**  
(Institutional aspects of corruption in Slovak and Hungarian higher education)  
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***Abstract***

The paper concentrates on the analysis of institutional determinants of corruption in Hungarian and Slovak higher education. In the context of alternative theoretical approaches to corruption, institutional settings of Slovak and Hungarian higher education systems are explained and students' corruption perceptions are studied. Corruption is shown to be a problem in higher education systems of both countries, being perceived less frequent in Hungarian higher education, which is related to differences in institutional settings of both systems. Institutional reform increasing the transparency of the higher education system, creation of a quasi market, strengthening of control mechanisms, decrease of social tolerance towards corruption are suggested as possible solutions.

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Corruption exists all over the world. The extent of corruption in different countries and spheres of the society also varies. Corruption is frequently connected with the activities taking place in the public sector and understood as behaviour of a public servant, which involves a deviation from his or her formal duties for personal gain to him/herself or to other private persons. Perhaps the most frequently used definition of corruption is that of the World Bank, when corruption is perceived as “the abuse of public power for private benefit” (Abed et al., 2002, p. 25). However, it is not limited to public administration but occurs also in other areas in which public sector plays a vital role. We agree with the view of Lapalombara (1994) that corruption does not have to be necessarily connected with the exchange of cash or other material gains but can also be based on personal loyalty or relations.

Negative consequences of corruption vary. Corruption in public sector leads to decisions, which do not have to correspond to public interests, and therefore it reduces the efficiency in the society. Corruption may also increase transaction costs for

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individuals and firms in their interaction with the public sector bureaucracy. It may result in higher public spending and its changed structure, e.g. favouring public investment or procurement. Corruption in public procurement may also increase prices, i.e. taxpayers receive less for their money. It also increases investment risk in the country, since it raises question about the rule of the law. In the corrupt environment people lose trust in public institutions. Corruption can create a perverse incentive structure that provides incorrect signals in the environment with asymmetric information. It introduces inequality among individuals favouring those who are able to bribe. It also redistributes resources to those, who are in the decision-making position over valued resources and are willing to use it in somebody's favour. Corruption distorts the role of the government in the area of contract enforcement and protection of property rights. It may reduce the trust of citizens in the democracy and market economy.

Quantitative measurement of corruption is difficult due to its hidden character. There are two basic possibilities to approach this problem: the use of statistical data based on the revealed cases of corruption; or the utilization of perception methods. Transparency International Corruption Perception Index - for example – is used since the beginning of 90-ties to measure the perceived level of corruption in more than hundred countries all over the world. It is based on the score between 0 and 10, with its lower values representing a more corrupt country.

In our paper; we concentrate on the analysis of institutional aspects of corruption in higher education sectors of two Central European countries, Hungary and Slovakia. Corruption is perceived as one of the important problems in both countries and education is one of the sectors, which are frequently mentioned with respect to corruption. Our paper intends to look at institutional aspects of corruption

in higher education of both countries and to relate them to students' perception of corruption in the system. The paper is structured as follows. The next section contains a short overview of literature dealing with different approaches to corruption and to corruption in higher education. In the following section, the legal framework for the provision of higher education in Slovakia and Hungary is discussed with respect to those aspects of higher education studies, which are most frequently considered to be exposed to non-transparent practices. Subsequent section provides empirical perceptions on the existence of corruption in higher education of both countries. Finally, we conclude the paper.

### **1. Literature Review**

Literature tackles corruption from several perspectives. A legal explanation is based on the insufficient regulation of problem areas by the legal system. The increase of punishment is frequently perceived as a way to deal with the phenomenon. However, this approach also stresses that frequently not the differences in legal framework but the lack of law enforcement leads to differing levels of corruption in different countries. In such cases, the reduction of corruption is related to the ability of the state to enforce laws (Lapalombara, 1994).

Public administration perspective stresses the role of low salaries of civil servants compared to similar positions in the business sector and explains public sector corruption as a kind of make up for this difference. In some interpretations, corruption is even perceived as a positive phenomenon, as the "grease" smoothing the performance of rigid bureaucracies. Corruption is explained to be more widespread in those countries, where it is culturally more acceptable and thus even by outsiders it is

considered a standard to follow in doing transactions or deals in the environment more open to corruption.

Studies of corruption by economists have largely focused on macroeconomic, cultural and institutional determinants of corruption, its macroeconomic consequences and impact on the economy. The ways to limit corrupt behaviour have also been discussed. Becker (1968) and Becker and Stigler (1974) demonstrate the basic idea how price theory can be used to understand illegal action and law enforcement. Rent seeking literature opened a new path to understanding bureaucratic decision-making, consequences and constraints it imposes on the competition and creation of entry barriers. Buchanan, Tollison and Tullock (1980) provided an early analysis of rent-seeking behaviour, which is relevant for understanding motives and emergence of corruption. Subsequently Murphy, Shleifer and Vishny (1991) argued that in corrupt societies most able individuals will be diverted from socially productive activities toward rent-seeking ones, which makes corruption very damaging for societies. In their theoretical model (1993) they view bribes in bureaucratic corruption as a private tax on capital investment and point out that the existence of corruption in the provision of public services as education or health care increases their price for consumers and thus limits access to these services. Along this line of reasoning we may consider the use of corrupt practices in the enrolment into a university and in the evaluation of students also as a tax on human capital investment.

Rose-Ackerman (1978) analyzed corruption as a form of transaction equating the supply and demand for publicly provided services and concluded that corruption may be explained by the existence of discretion and the lack of competition. To limit it bureaucrats should not have near-monopoly authority over specific issues. In her opinion, the law enforcement should be supplemented by policies, which would

reduce benefits of engaging in corrupt behaviour and encourage competition on the market.

Clarke and Xu (2002) showed that the lack of competition creates more room for bribery and that the greater the capacity constraint, the more corruption may take place. They also find the state ownership to contribute to the increased corruption. Although they use the example of utilities in 21 transition economies of Eastern Europe and Central Asia, their propositions could be applied also to higher education. They argue that private ownership and increased competition accompanied with the effort to reduce corruption by appropriate policies contribute to limiting the corruption in individual sectors. Empirical analysis across countries done by Ades and Di Tella (1999) also indicated that countries with lower competition encountered higher level of corruption and they argue for policies aimed at making markets more competitive as a way to control corruption.

Mauro (1998) pointed to the negative correlation between corruption and investment and economic growth. Corrupt regimes tend to invest less into human capital, since a government spending on education provides less advantageous opportunities for government officials taking bribes than capital-intensive public investments. From this perspective, lower public expenditures on education might also be perceived as an indicator of the spread of corrupt practices in a public sector. In his 2002 paper Mauro explained the persistence of corruption by the lack of incentives to fight it, although all parties involved would be better off without it. He suggested comprehensive and ambitious reforms and an outside intervention as the ways to break the vicious cycle of corruption.

Hellman, Jones, and Kaufmann (2000) analyzed the „capture economy“ as a form of corruption in the context of transition countries. In the capture economy,

public servants are able to capture benefits at large social costs. In their paper, they stress the need to shift the focus of reforms towards the ways firms interact with the state and provide an argument for liberalization, transparency and economic competition.

Keefer and Knack (1995) studied the impact of government institutions on the development and they show that the quality of their functioning is at least as relevant for explaining economic growth as other variables. Their empirical analysis (2004) has documented young democracies to be significantly more corrupt than older ones and to exhibit almost the same level of corruption as non-democracies.

From among studies devoted to corruption in education, Gupta, Davoodi, and Tiongson (2002) in their analysis of interactions between corruption and education point to the negative impact of corruption on primary school drop out rates and consider the entry of the private sector into provision of public services as a way to reduce the monopoly power of public providers to charge bribes. On the other hand, Shleifer (1998) pointed out that private ownership could also have adverse effects in education. Profit motive may, for example, induce a replacement of more expensive (better) teachers with less effective ones. Therefore, where quality matters, a private ownership can be problematic. Nevertheless, he also provides an argument in favor of private schooling, since under public ownership, there is only a weak incentive to reduce costs and innovate. These two inefficiencies are essential at higher education level.

The analysis of corrupt practices in transition countries of Central and Eastern Europe has recently received growing attention not only from individual researchers, but also from international organizations. Steves and Rousso (2003) provided an overview of anti-corruption programs applied in most transition economies and their

impact on the reduction of different types of corruption. Apart from other issues, they draw attention to the impact of anti-corruption legislation on corruption perceptions in the society, which they find to be larger than the reduction of corruption itself. Kaufmann and Siegelbaum (1997) studied the existence of corruption in the privatization process during the transition. From among papers dealing with corruption in different public sector services, Rose-Ackerman (2001) in her paper studying the developments in transition economies suggested that the fundamental reason for corruption in health care and university education is the scarcity of high quality services and the failure to ration scarcity by payment of legal prices. Abed and Davoodi (2002) pointed out that perceptions of corruption have been negatively correlated with the progress of economic reforms in transition countries. They considered structural and institutional reforms as a possible determinant of corruption. Cabelkova and Hanousek (2004) in their study of corruption perceptions in the Ukraine showed that they are significantly positively associated with the willingness of the population to give bribes, which they find to be influenced by beliefs of people about the spread of corruption in the society and in the specific institution. Consequently, they suggested that governments tried to influence corruption perceptions as a way to combat corruption.

In transition economies, several papers have been published describing high level of corruption in higher education in some republics of the former Soviet Union.<sup>2</sup> Although to smaller extent, corruption is frequently perceived to exist also in higher education systems of transition economies of Central Europe. One of the attempts to

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<sup>2</sup> See Janshia (2005) for the discussion of corruption in higher education in Georgia and Reeves (2004) for the account on Kyrgyz higher education system.

For the study of corruption in Serbian higher education see: <http://www.vajdasagportal.com/portal/modules.php?name=News&file=print&side=...> Estimates of corruption in Russian higher education are provided at [http://www.radio.hu/print\\_wrapper.php?cikk\\_id=102630](http://www.radio.hu/print_wrapper.php?cikk_id=102630)

look into the corruption perceptions in Slovak higher education was the survey conducted among university graduates in high demand fields (Čaplánová, 2003), which indicated high beliefs of respondents in the existence of corruption in different aspects of student interactions with service providers.

## **2. Institutional and Legal Framework of Higher Education in Slovakia and Hungary**

- *Main characteristics of the Slovak and Hungarian higher education systems*

Since the beginning of 90-ties higher education systems in Slovakia and Hungary have undergone substantial changes, which can be linked to changes of political and economic systems in both countries. They have been accompanied by the increased enrolments into higher education and the increased number of higher education institutions and their faculties. However, the progress of reforms in both countries has not been identical and neither have the ways of their implementation.

In Slovakia, the majority of increased enrolments has been achieved by the increased number of public higher education institutions and their faculties. The process of institutional diversification of higher education with respect to the development of institutions providing lower (bachelor) degree programs and also the ownership structure of higher education has been progressing only slowly. Currently higher education services are provided mostly in the comprehensive university type of public higher education institutions, although there are also several universities, which provide specialized higher education (e.g. in economics and business, or agriculture). Except for a few part-time programs, tuition fee is not charged at public higher education institutions in both full-time and part-time form and on all three degree levels of studies.

In Hungary, the increases in enrolments were accompanied by a larger diversification of institutional structure of higher education and the establishment of new private and church universities and colleges. Apart from state universities and colleges there was a number of church-owned and private universities and colleges established during the 90-ties. The system of tuition places was introduced at state higher education institutions to supplement government subsidized students.

Increasing enrolments in both countries and increased number of higher education institutions accompanied by increased institutional diversity, which was more pronounced in Hungary, strengthened the competition in the system and may be expected to be factors decreasing the size of excess demand for higher education services and thus limiting incentives to use non-transparent practices in enrolment into higher education. Continuing higher number of applicants than the number of available places (mainly in public institutions) indicates that it has not been fully eliminated.

- *Governance of higher education institutions*

In Slovakia the law on higher education introduced at the beginning of 90-ties was the first attempt to recognize universities as self-governing institutions. According to the current legislation the self-governance of a public university is related to key aspects of its functioning and organization. If the university is divided into faculties, then it delegates responsibilities to them. The degree of independence of private universities is, due to their character, higher. The competences of students in self-government bodies of universities are not widely and clearly defined. All students are members of the academic community of the university, which elects its representatives into the academic senate, where students are assigned one third of the

seats. The Student Council of Higher Education Institutions represents students and should serve as their voice, without having executive competences. The decisions on basic structural, operational and financial aspects of functioning of a public university are in hands of its self-governing bodies and the regulation allows the views of staff of a given institution to dominate if they act as a homogenous group. Thus self-governing bodies of universities and their management have competences needed, if they decide, to create and sustain the status quo corresponding to their interests and interests of the prevailing part of its members. The supervision of higher education institutions by the Ministry of Education and other state institutions is mainly indirect, based on financial subsidies and the establishment of the legislative framework. The Ministry of Education controls if the conduct of higher education institutions is in accordance with generally binding legal regulations and supervises financial management of public universities. The independence of universities is further strengthened by the structure of the Accreditation Commission as an advisory body of the Ministry of Education. Since 2/3rds of its members come from higher education institutions, it allows formulating proposals, which are in accordance with the interests of the existing academic institutions.

According to the Hungarian Higher Education Act Hungarian higher education institutions represent professionally independent self-governing legal entities divided into two main types – universities and colleges. Higher education institutions decide themselves on their organizational structure. The government decision is based on the opinion of the Hungarian Accreditation Committee and on the proposal of the Higher Education and Research Council. The Hungarian Accreditation Committee is responsible for the quality assurance, the Higher Education and Research Council serves as a proposal-making, decision-preparing and

opinion-giving body of the Minister of Education and assists the performance of tasks connected with higher education and research. University and college councils decide on the organization and operation of their higher education institution. Students' self-governments operate at Hungarian higher education institutions and their competencies are quite widely defined (e.g. to send representatives to institution and faculty councils and to other governing bodies; to participate in the work of admission committees; to propose the introduction of optional subjects and seminars; to propose the invitation of outside teaching staff; to participate in the management of the study, stipends, and support affairs of students). There is a national body representing students (the National Conference of Student Self-governments), with the representative having a voice but not vote in the Hungarian Accreditation Committee.

Looking at the regulation of the governance of public and state higher education institutions in Hungary and Slovakia, we might conclude that existing regulation allows for more competencies of the state with respect to overseeing public higher education institutions in Hungary than in Slovakia. Hungarian regulation also provides wider competencies and influence to student bodies with respect to monitoring and influencing the academic life and curriculum than in case of the Slovak higher education. The Slovak law on higher education emphasizes the role of the rector in the institutional governance; on the other hand, in Hungarian legislation the role of an institutional council is put forward. The emphasis on the collective decision-making may add to the increased transparency in institutional governance.

- *Regulation of the enrolment process*

At public higher education in both countries the entry is restricted and the enrolment process includes entrance examinations as its substantial element.

In Slovakia, universities set their own enrolment requirements within the generally set rules and decide on the number of students enrolled into a given study program. If more than the specified number of candidates meet enrolment requirements, the candidates showing the best abilities for the study are enrolled, tested in a way set by the higher education institution. In case of public higher education institutions, the dean decides on the enrolment into study programs organized by the faculty. In a specific case, the rector can change his decision on non-enrolment. In case of private higher education institutions the decision on the enrolment is made by a body specified in its internal regulations. There must be a possibility to appeal against the issued decision on enrolment by an applicant.

Similarly to Slovakia the enrolment into Hungarian higher education is based on the successful accomplishment of education of lower degree. The necessity to pass entrance examinations and other additional requirements may be set by higher education institutions. The higher education institution has to publish the entrance examination requirements at least two years before their introduction and other conditions at least one year before their introduction (which is a much longer period than in Slovakia, where it is 4 months). Education institutions not financed by the state set their own enrolment requirements. The National Higher Education Admission Office ensures the co-ordination of tasks related to the admission procedures.

Under existing regulation in both countries, corruption and possible use of non-transparent practices in enrolment process might be related to several situations: questions used in tests may not be kept confidential and some candidates may have access to exam questions beforehand; all candidates may not be equally informed on the content and form of entrance examinations; candidates may be helped by persons

monitoring the tests or responsible for their conduct; there may be a possibility that test results are manipulated; students, who were not accepted and have appealed, may be enrolled on later date without having met formal criteria. However, a crucial point in this respect is the existence of the incentive to use non-transparent practices, which is related to the scarcity of higher education services in the specific type and field.

- *Assessment of students*

Students' assessment during and at the end of studies may also be exposed to the utilization of non-transparent practices. According to the existing regulation both in Slovakia and Hungary the assessment is based on the credit system.

In Slovakia internal rules of the university set its exact form. Thus, it is in hands of self-governing bodies of the university to decide on the form of students' evaluation, which is then performed by individual teachers. Examination rules allow a student to appeal and to be re-examined by another examiner or in front of the examination committee. Passing of state examination(s) is stipulated as a condition for an accomplishment of higher education studies. State exams must be passed in front of the examination committee, which consists of at least 4 members and are open to public. The content and structure of state exams are decided by self-governing bodies of the university.

According to the Hungarian regulation the assessment of students is determined by the higher education institution itself. In accordance with the regulation, a student may appeal to the institution head within fifteen days from the delivery of results of his assessment. Against a second stage decision no further appeal is possible. There cannot be any legal action taken against the assessment of a student. In Hungarian system final state examination is taken in front of an

examination committee, which consists as a minimum of a chairman and two members.

In this section, we concentrated on general framework of higher educational and existing regulations which could facilitate the use of corruption in some aspects of the provision of higher education services in both countries.<sup>3</sup> These aspects are discussed from the perspective of students' perceptions in the following section of the paper.

### **3. Perception of corruption in Slovak and Hungarian higher education systems**

In Slovakia corruption is considered one of key problems, although recently there has been persistent improvement with respect to the corruption perceptions in the country. (The Corruption Perception Index, computed by the Transparency International, has been improving for Slovakia since 1998; in 2005 it reached the value of 4.3.) Education is perceived to be an area exposed to corruption, although its perceptions have also decreased. According to the survey conducted in Spring 2006 corruption perceptions in education decreased to 27 percent compared to 35 percent in 2004 (Focus, 2006). Reasons for corrupt behaviour in education are most frequently related to enrolment into schools or to the ensurance of better performance during studies. Corruption is perceived to exist where there is excess demand for study at schools of some profile, specialization, or at schools having recognition. Sičáková-Beblavá and Zemanovičová (2004) also point out that corruption occurs in education

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<sup>3</sup> We realize that there are other aspects, which can be subject to corruption, among them e.g. the accreditation of higher education institutions and their programs, promotion of staff at institutions, distribution of resources among departments. However, the discussion on these problems exceeds the scope of this paper.

also as a custom, or a form of gratefulness. High perceptions of corruption in Slovak higher education were supported also by our previous research (Čaplánová, 2003).

There have been several documented cases of corruption and the utilization of non-transparent practices related to the enrolment process and students' evaluation during their studies in Slovakia. Among them the investigation based on the claim of two academics of the Trenčín University of A. Dubček, according to which that the results of tests in mathematics were manipulated so as given applicants reached sufficient scores to be enrolled (SME, 30.09.2003). Also an associate professor of the Slovak Agricultural University in Nitra was sentenced for accepting the bribe from a student for passing an exam without being examined (Národná obroda, 20.02.2003). In 2001 the dean of the Faculty of Management of the Comenius University in Bratislava was accused to increase the scores of two applicants so as they could be accepted for the study at the faculty (SME, 13.06.2002). Also it has been documented that the Comenius University received an offer of a sponsorship contribution, if it changed the decision on the non-acceptance for the study of given applicants. The rector of the university approached the prosecution to investigate if it cannot be considered as the act of bribery (PRAVDA, 12.08.1999). The Comenius University was also informed that an employee of the university was supposed to prepare for entrance examinations altogether 28 applicants for the study having access to the enrolment tests. The information originated from a participant of this training, who as he claimed, paid about 1,000 USD for the tutorials (PRAVDA, 14.07.1999). In Summer 2005, police began an investigation because some students used miniature headphone and speakers at the entrance examinations to the Law School of Comenius University in Bratislava ([http://www.radio.hu/print\\_wrapper.php?cikk\\_id=142258](http://www.radio.hu/print_wrapper.php?cikk_id=142258)).

Compared to Slovakia Hungary has scored better in the Transparency International Corruption Perception Index with the value of the index for 2005 at 5.0. Education is also relatively frequently related to the existence of corruption, although we were able to identify lower number of publicized cases of corruption than in Slovakia. In 2005 in Debrecen police found evidence against a university professor, who took bribe for improving grades for exams or thesis work. According to the news the professor at the Faculty of Agricultural Studies was paid money for giving students the best grade without examining them ([http://www.blikk.hu/Nyomtat\\_cikk.php?cikk=23943](http://www.blikk.hu/Nyomtat_cikk.php?cikk=23943)). Another corruption scandal took place in the late 1980s when a professor of the Law School of Eötvös University in Budapest had received bribe in order to arrange the enrolment of students.

To provide more insight into corruption perceptions in both countries we conducted a two-stage survey.<sup>4</sup> In Slovakia the empirical study was done on the sample of students of the University of Economics in Bratislava, which is the main public university with respect to the number of students enrolled for educating students in economics and management in Slovakia. To capture the differences in perception of corruption between different institutional forms of higher education we included a sample of students from the accredited private higher education institution for business studies, the Higher School of Management in Trenčín. The profile of studies at both institutions can be perceived as comparable. Second and third year students were involved into the survey. First phase of the survey took place in May-June 2004, the second one in the same period of the year 2005. There were 165 respondents in the sample, out of them 31 from the private university.

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<sup>4</sup> The questionnaire is available from authors.

In Hungary we have done the survey among the students at the main public university for business and economics studies in Hungary, Corvinus University, Budapest. Also in Hungary the survey was conducted in two time periods. During the first phase in Spring 2004 68 first and second year students were surveyed. The second phase carried out in Spring 2005 included 29 respondents of the Corvinus University. At the same time the survey was conducted among students of the bachelor program in business studies provided by the Corvinus University in Komarno, Slovakia, educating students of the Hungarian nationality in Slovakia. The program became part of the curriculum at a newly established Selye University and a part of the Slovak public higher education system in 2004/2005. During the first phase, there were 95 respondents from Komarno; during the second phase 55 respondents. The data for both sub-samples was analyzed also separately to grasp possible differences in their perceptions, which maybe due to different institutional and regulatory settings students in both cities (countries) face.

#### *Graph 1*

Graph 1 shows the belief in the spread of corruption on the whole sample of respondents. Graph 2 points out to differences in these perceptions between Slovak and Hungarian higher education, showing that beliefs in corrupt behaviour are much more spread among students in Slovak and Hungarian programs in Slovakia.

#### *Graph 2*

With respect to the spread of corruption in the enrolment process and during regular exams, as shown in table 1, for all categories Slovak respondents again perceive more corruption than those in the Hungarian sample. The analysis has revealed that students in private higher education thought that there was almost no corruption in the enrolment process into their study program. This result is not

unexpected, since there is not an excess demand for this type of education. However, private higher education students perceived corruption in regular exams to exist at their institution, which may indicate that at this stage, students may have incentives to use non-transparent techniques as a substitute for repetitive registration and additional tuition payment.

*Table 1*

Opposite to the popular belief that oral examination is most open to the utilization of corrupt practices, the Slovak and Hungarian respondents did not confirm this belief. Slovak respondents frequently do not find any difference among different forms of exam with respect to their openness to corruption, the largest group of Hungarian respondents considers a written exam as most sensitive to corruption. The details of responses to this question are summarized in table 2.

*Table 2*

Among different kinds of corruption, respondents most frequently perceived monetary compensation and family and friendly relations as forms of corruption encountered in the Slovak higher education system with the reversed order for the Hungarian respondents. However, almost one fifth of Hungarian respondents claimed not to encounter any kind of corruption in higher education.

*Table 3*

When asked about the form of corrupt behaviour encountered in students' evaluations, next to higher frequency of individual forms of unfair behaviour observed in the Slovak sample it is striking that more than a half of Slovak respondents encountered with the access of individual students to exam questions before the exam, and almost a half of them with the situation when individual students did not have to attend an exam at all.

*Table 4*

The analysis of legislative and institutional framework led us to include into the second phase of the survey the question related to students' satisfaction with their competencies in the decision-making process at their university. As expected on the basis of the analysis of regulatory framework, Slovak students expressed lower degree of satisfaction with their competencies as Hungarian ones.

*Table 5*

In the second phase of the survey we also asked respondents about the number of people, who used corrupt practices in higher education, they actually knew. In the sample of 77 Slovak respondents answering this question the median were 2 people being known to use corruption practices, the mean value being 4. For 55 Hungarian respondents, who answered this question, the median was 0 and the mean 1. Thus, Hungarian respondents claimed to have less actual experience with corruption than Slovak ones.

#### **4. Concluding remarks**

The insufficient or unclear definition of rules or the lack of their enforcement creates the environment for the spread of corruption. If the market forces are not allowed to function and the demand and supply in their mutual interaction cannot set the equilibrium price, but the price is kept below the equilibrium level, the resulting excess demand provides incentives to look for alternative ways to obtain access to scarce goods or services. If efficient control mechanisms are not established, the probability to be caught and punished is low and social niveau is acceptable (i.e. corruption is socially tolerated), one of the alternatives used might be the utilization of corrupt practices. Incentives to use corruption may be contributed by unclear and

insufficient definition of rules and lack of their legal enforcement. Non-existing or weak control mechanisms and the concentration of decision-making powers by an individual raise further doubts about the transparency of ongoing processes.

Our discussion has shown many of these conditions hold in the Slovak and to some extent in Hungarian higher education system. The way to eliminate corruption may lead through the encouragement of the competition among universities; the treatment of provision of higher education services as a quasi market. In Slovak higher education, the transparency of processes open to corruption should be increased through the public access to information. These measures and the strengthening of internal and external control mechanisms (e.g. by students, government agencies, university bodies) limiting the independence of interest groups should contribute to a more transparent higher education system.

The persistence of oral examinations in the system (including final state examinations) and the continuing emphasis on the final exams in students' assessment during studies may be factors decreasing the transparency in students' assessment. They exist in both analyzed higher education systems. The evaluation of a student by a single teacher, in spite of a formal possibility to appeal and subsequently to be re-examined, can have a similar impact.

Lower perception and experience with corruption in Hungarian higher education may be explained also by clearer and "narrower" regulation of processes, which are potentially most open to the utilization of non-transparent practices and more saturated demand for higher education services. More broadly defined role of students' self-government at higher education may also contribute to the explanation of the revealed differences between both systems.

The fact that in May 2004 both countries became members of the European Union may contribute to fastening the diffusion of norms (including social) to the new member states. It may bring also decreased social tolerance towards corruption. The pressure from EU authorities should lead to better regulation. At the same time, the increased options to study in other EU member countries decrease the excess demand for higher education services and thus incentives to use non-transparent practices especially at enrolment into higher education. Free labour mobility in the EU can be expected to create further pressure on higher education of new member countries to provide education comparable to European standards including the level of their transparency.

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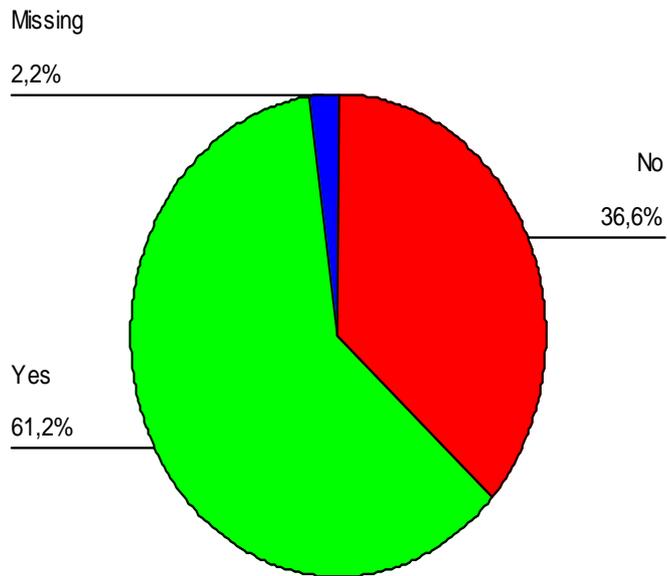
**Table 1**  
**Corruption as a problem in higher education**

	Slovak higher education						Hungarian higher education					
	Private higher education		Public higher Education		Public + private higher education		Hungarian higher education in Slovakia		Hungarian higher education in Hungary		Overall Hungarian higher education	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Corruption as a problem in HE	29	94	101	77	130	80	92	63	31	33	123	51
Total number of respondents	31	-	132	-	163	-	147	-	95	-	242	-

Source: survey data, 2004, 2005

**Graph 1**

Corruption  
as a problem in higher education

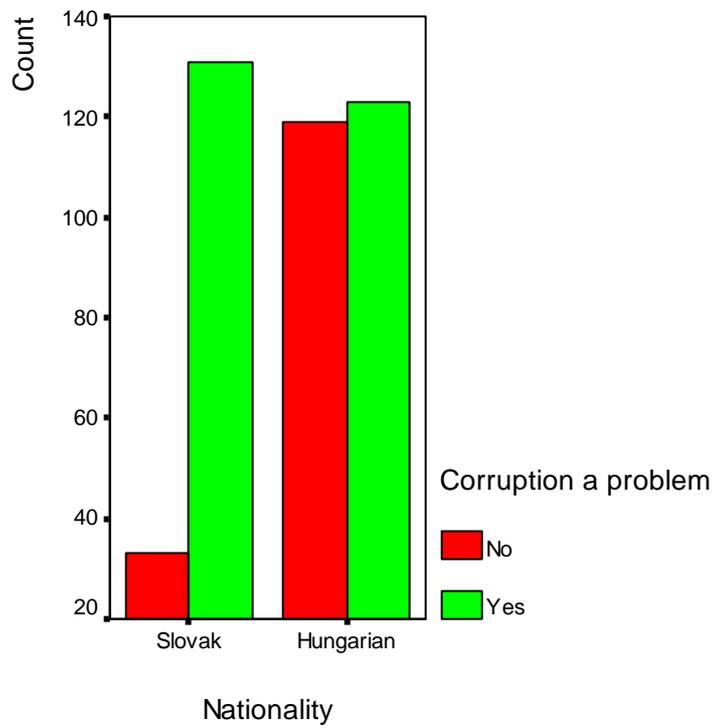


Source: Survey data 2004, 2005

## Graph 2

### Corruption as a problem in higher education

(perceptions based on the nationality of respondents)



Source: Survey data 2004, 2005

**Table 1**  
**Views on the spread of corruption in Slovak higher education**  
**(Estimated percentage of students using corrupt methods)**

		<b>Slovak higher education (%)</b>	<b>Hungarian higher education (%)</b>
<b>Corruption in HE in general</b>	<b>In HE in</b>	27	21
<b>in enrolment</b>	<b>In student's own program</b>	13	12
<b>Corruption in regular exams</b>	<b>In HE in</b>	30	19
	<b>In student's own program</b>	18	11

Source: Survey data 2004, 2005

**Table 2**  
**The form of exam most open to corrupt practices**

	<b>Slovak higher education</b>		<b>Hungarian higher education</b>	
	<b>Number of answers</b>	<b>Percentage share of responses</b>	<b>Number of answers</b>	<b>Percentage share of responses</b>
<b>Written exam</b>	44	27	87	35
<b>Oral exam</b>	42	25	75	30
<b>Combined exam</b>	14	8	30	8
<b>No difference</b>	64	39	57	23
<b>No answer</b>	1	1	9	4
<b>Total</b>	165	100	95	100

Source: Survey data 2004, 2005

**Table 3**  
**Forms of corruption practices encountered in higher education**

	<b>Slovak higher education</b>		<b>Hungarian higher education</b>	
	<b>Number of answers</b>	<b>Percentage share of responses</b>	<b>Number of answers</b>	<b>Percentage share of responses</b>
<b>Monetary compensation</b>	132	80	59	31
<b>Gifts in kind</b>	87	53	26	15
<b>Family and friendly connections</b>	130	79	69	33
<b>None</b>	6	4	38	22

Source: Survey data 2004, 2005

**Table 4**  
**Non-transparent practices encountered in evaluations**

	Slovak higher education		Hungarian higher education	
	Number of responses	Percentage share of responses	Number of responses	Percentage share of responses
<b>Intentional unjust correction of written exam</b>	102	63	76	41
<b>Intentional biased evaluation of oral exam</b>	71	43	86	34
<b>Access of individual students to exam questions before the exam</b>	97	59	35	14
<b>Individual students do not have to attend the exam</b>	77	47	23	9
<b>Other<sup>1</sup></b>	9	5	1	1
<b>None</b>	5	3	15	6

Source: Survey data 2004, 2005

Note: <sup>1</sup>: Following explanations were provided:

- At the oral exam the mood of a teacher and sympathies play frequently the role?
- Personal antipathies;
- A student cheats with the knowledge of an examiner;
- Friendly relationship and monetary compensation;

**Table 5**  
**Students' satisfaction with their competencies in the decision making process at their university**

	<b>Slovak higher education</b>		<b>Hungarian higher education</b>	
	<b>Number of responses</b>	<b>Percentage share of responses</b>	<b>Number of responses</b>	<b>Percentage share of responses</b>
<b>Optimal</b>	3	4	11	13
<b>Satisfactory</b>	14	18	30	35
<b>Not satisfactory</b>	53	68	38	45
<b>None</b>	8	10	1	1
<b>No answer</b>	0	0	5	6

Source: Survey data 2005

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