

# Financial Development Factors Influencing Corruption Perceptions in European Union Countries

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**ABSTRACT:** Objective: Identify the factors that shape perceptions of corruption in European Union countries, with particular attention to financial inclusion and press freedom.

Design/Methodology/Approach: Quantitative analysis was conducted using data from 27 EU member states, splitting the data into those that joined before and after 2004. In the regression models, financial inclusion indicators-digital transactions and online banking-along with press freedom indices, were checked against perception regarding corruption.

Results: These findings imply that while financial inclusion, for example, through digital banking services, decreases perceived corruption, its impact is rather moderate compared to other structural factors, such as press freedom. The higher the level of press freedom, the greater the levels of societal transparency and accountability, leading to lower perceptions of corruption.

Research Implications: The study underscores the need for structural reforms that promote institutional transparency and the media's independence. Financial technologies can only supplement robust governance frameworks and boost efforts to fight against corruption. Originality/Value: This paper compares the factors that determine corruption within the European Union, integrating financial innovation and institutional transparency. The outcomes provide the policy-making sphere with realistic recommendations for implementing concrete anti-corruption measures.

**KEYWORDS:** Corruption perception, financial inclusion, press freedom, European Union, transparency

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## Introduction

Corruption, as a social phenomenon, has been viewed as a problem affecting public trust and economic development, and has received particular attention in the process of European integration. Our research aimed to identify the factors determining perceptions of corruption, with a particular focus on financial inclusion and the role of press freedom. In our study, financial inclusion refers to the spread of modern financial services, notably the use of electronic, digital and cashless methods. The analysis of these factors can provide new perspectives for the strategic planning of the fight against corruption, whilst also offering deeper insight into the mechanisms of social transparency and accountability.

Our analyses covered the Member States of the European Union, taking into account the differing economic and social situations of those that joined before and after 2004. Of particular interest was the role of a free press, which directly influences perceptions of corruption by increasing social control and focusing greater attention on financial matters. A high degree of press freedom can increase social transparency and thereby reduce perceptions of corruption.

Our findings do indeed show that whilst certain aspects of financial inclusion – such as the use of digital transactions and online banking services – may contribute to a reduction in perceived corruption, structural factors – particularly press freedom – are far more significant. The results highlight efforts to improve the structural, social, and institutional environment in the fight against corruption by providing insights not only into regional specificities but also into international comparisons.

Our analysis focuses on these issues in Central and Eastern European countries within the context of European integration, thereby laying the groundwork for extending it to the social sciences. The results of our research are no less relevant to sociological debates than to public political and economic discourse.

## Literature review

The relationship between corruption, financial inclusion and press freedom is a highly topical and research-worthy topic in the social sciences. Corruption undermines institutional stability and reduces citizens' trust in institutions. Financial inclusion and press freedom, however, increase social transparency and reduce corruption. In his classic work, Huntington (2006) examined corruption within a cultural and institutional context, a context that remains vital in analyses of the countries of the European Union.

## Perception of corruption

In building social trust, it is essential to recognise the link between corruption and institutional transparency. Generally speaking, as Rose-Ackerman (1999) noted, corruption stems from deep-rooted institutional weaknesses, and addressing them requires far-reaching reforms. Such reforms include increasing transparency, enhancing accountability and facilitating social control mechanisms, such as freedom of the press. Research by Kaufmann and Kraay (2007) showed that robust institutional frameworks and government transparency play a fundamental role in curbing corruption, and that this effect is strongly dependent on local social norms and the level of economic development. Corruption is both a consequence and a cause of the lack of trust between citizens and institutions. According to Transparency International's 2019 data, perceptions of corruption vary widely across countries, depending on their level of economic development and the degree of institutional transparency. Corruption is one of the most serious obstacles to economic growth and social development. As noted in Mauro's (1995) seminal work, corruption hinders investment and impairs economic performance by undermining institutional trust and resource allocation. According to Svensson (2005), the prevalence of corruption is determined not only by economic factors but also by cultural norms.

In the fight against corruption, it is important to strengthen state oversight and social control. According to Nye (1967), a cost-benefit analysis of corruption indicates that institutional reforms can be effective only if they are socially supported. Beyond undermining public trust, corruption also has deeper economic and social consequences. In his seminal work, Bardhan (2002) analysed the complex relationship between corruption and the development process, noting that corruption is a major obstacle to sustainable growth and social welfare.

The relationship between decentralisation and corruption will form the basis for planning institutional reforms. Fisman and Gatti (2002), for example, demonstrated that decentralisation reduces corruption, provided accountability is exercised within a solid institutional framework. Putnam, Leonardi and Nanetti (1994), for their part, emphasised that the effective performance of institutions and the role of civil society are decisive factors in curbing corruption, particularly at the sub-national level.

Anti-corruption strategies often aim to increase transparency. Klitgaard's (1991) fundamental analysis demonstrated that strengthening control mechanisms and accountability can effectively reduce corruption. Olken's (2007) field experiment also emphasised the role of transparency and social control: in the presence of community control, the effectiveness of curbing corruption can be significantly increased. An analysis of Eurobarometer surveys (DG Communication, 2020) suggests that perceptions are closely linked to levels of social capital and institutional transparency. Social control – in the form of a free press and civic engagement – is essential in the fight against corruption.

Curbing corruption requires political and economic development based on social well-being. Besley and Persson (2011) noted that anti-corruption measures can be effective only if the institutional foundations and pillars of well-being are strong. In this regard, Sen (2000) noted that freedom and its link to development play a decisive role in creating a corruption-free society.

## **Financial inclusion**

This refers to people's access to bank accounts, loans, insurance and other financial instruments. It contributes not only to the financial stability of individuals but also to the economic development of nations.

Digital financial solutions: The shift towards mobile banking and online banking or payments has made transaction processes more transparent and reduced the potential for corruption.

Financial inclusion promotes economic transparency, which reduces the likelihood of corruption.

According to the Global Findex report by Demirgüç-Kunt and colleagues, in 2018, digital transactions and internet banking made financial dealings more transparent, reducing the chances of corruption. This was particularly important in developing economies. The Kenyan M-PESA system has become a record-breaking success story in improving financial inclusion and reducing corruption. Suri-Jack 2016.

Banerjee and Duflo (2012) note that improvements in financial literacy are always linked to reduced social inequality and greater transparency.

However, there are significant differences in the level of financial inclusion even within Europe, particularly between Western and Eastern European countries. The uptake of online banking services remains very low in Eastern Member States, such as Romania and Bulgaria, hindering financial transparency and, in turn, the fight against corruption (Demirgüç-Kunt, Klapper, Singer, and Ansar 2022). In contrast, in Scandinavian countries such as Sweden and Denmark, corruption risks have already fallen significantly, as their payment system digitisation is nearing completion.

## **Freedom of the press**

Independent media is one of the most important tools in the fight against corruption. Indeed, press freedom is one of the most fundamental guarantees of transparency and accountability. According to 2024 data from Reporters Without Borders (RSF), corruption is lower in countries with a freer press. As Rothstein and Uslaner (2005) explain, the link between social capital and media independence is crucial, as a free press promotes transparency and reduces social distrust.

They find that press freedom significantly reduces perceptions of corruption, whilst financial inclusion increases them, albeit to a lesser extent. Structural differences between countries, such as institutional and media development, undoubtedly have a greater influence than economic factors. Acemoglu and Robinson (2013) emphatically argue that the specific quality of economic and political institutions determines whether a country can tackle corruption, as a weak institutional framework fosters corruption and misallocation of resources.

Freedom of the press stands at different levels across the European Union: it is outstanding in the Scandinavian countries, whilst in Hungary and Poland, to name just two among the Eastern European states, it has been on a downward trend. (RSF 2024). The free flow of information increases transparency and enhances the accountability of decision-makers – this is particularly important for Eastern European states, where media freedom is subject to political pressure. Anti-corruption measures may be less effective in places where press freedom has declined sharply in recent years.

Conversely, the spread of digital technologies poses new challenges to press freedom. On the one hand, social media platforms enable rapid information dissemination; on the other hand, they increase the risk of misinformation, undermining transparency and trust in the media (Acemoglu & Robinson, 2013). However, the spread of digital media has opened new opportunities to expose corruption. Social media has enabled investigative journalists to reach a wider audience, though these platforms can also serve as vehicles for disinformation. From this perspective, collaboration between traditional media and digital platforms is vital to ensuring the credibility of information (Acemoglu & Robinson, 2012).

Therefore, media pluralism and independence are most necessary to counteract the negative effects of the digital sphere. In countries with dispersed media ownership, political influence is minimal, enabling corruption investigations to be conducted much more effectively (Banerjee & Duflo, 2011). As such, in countries such as Sweden and Norway, a strong correlation has been observed between both press freedom and media pluralism, and this is reflected in low levels of corruption.

## Hypotheses

Greater access to online banking services and the broader digitisation of transactions will reduce perceptions of corruption. In other words, the transparency of online banking services, as indicated by Global Findex 2021 data, is approaching a level that may imply a reduction in opportunities for corruption. Suri and Jack reported similar findings in 2016 regarding the effects of the Kenyan M-PESA system. Therefore, our first hypothesis is as follows:

H1: The use of digital financial technologies reduces the perception of corruption.

Demirgüç-Kunt et al. (2018) note that the relevant literature cites digital tools that promote transparency and have proven more effective. The bank card is a typical example of such a tool, currently one of the most popular means of digital transactions. Regarding savings in financial institutions, the above authors also note that higher savings may imply greater financial security, presumably reducing the financial difficulties that motivate corruption. This leads us to our second hypothesis:

H2: Possession of a bank card and savings at financial institutions reduces perceptions of corruption.

Press freedom indices compiled by Reporters Without Borders (RSF, 2024) show that countries perceived as having high press freedom report lower levels of corruption. This correlation is therefore supported by earlier research, such as Rothstein and Uslaner's 2005 observation that a free media promotes transparency and reduces social distrust. Freedom of the press implies access to information and the strengthening of social control and accountability; therefore, we have formulated our third hypothesis:

H3: A higher level of press freedom reduces the perception of corruption.

Mauro (1995) provided evidence of a negative relationship between corruption and economic growth. Similarly, in the study by Acemoglu and Robinson (2013), whilst they support the same relationship, the authors emphasise that only economic development accompanied by inclusive institutions leads to lower levels of corruption. Sen (2000) and Svensson (2005) report similar correlations. Thus, our fourth hypothesis is as follows:

H4: An increase in economic development reduces the perceived level of corruption.

## Methodology

This paper focuses on the main determinants of corruption in the countries of the European Union, specifically the roles of financial inclusion and press freedom.

The research covers the 27 member states of the European Union, with a particular focus on countries that joined before and after 2004. When selecting the sample, we found that the indicators for perceived corruption, press freedom and financial inclusion were comparable. Therefore, it includes the average of the annual values over the past 10 years to take account of trends over time.

Taking into account the gap between countries that joined the EU before and after 2004, we adopted a structured approach that accounts for economic and social differences. Data on press freedom were sourced from the 2024 Reporters Without Borders (RSF) indices, which were scaled, meaning that higher index values indicate greater press freedom. Indicators of financial inclusion were

taken from the database of the World Bank's Global Findex report – World Bank 2024 – whilst information on perceptions of corruption was drawn from the Eurobarometer corruption surveys – European Commission Directorate-General for Communication 2022, from which the responses to the questions were sourced. We supplemented the data common to all questionnaires and comparable among them using forward and backward interpolation. Given the different units of measurement, we normalised the variables for the regression analysis.

Accordingly, the analysis is carried out using a standard regression model structure to test the relationships between the variables. We formulate such a model in the following form:

$$Y = \beta(0) + \beta(1) \cdot X(1) + \beta(2) \cdot X(2) + \beta(3) \cdot X(3) + \beta(4) \cdot X(4) + \beta(5) \cdot X(5) + \beta(6) \cdot X(6) + \varepsilon$$

where:

- ▶ Y: the level of perceived corruption,
- ▶ X(1); X(2) ... X(6): the explanatory variables (in order: checking mobile phone balance via mobile phone/internet, press freedom, use of digital transactions, ownership of a bank card, savings with a financial institution, the country under study),
- ▶  $\beta(0)$ : the intercept,
- ▶  $\beta(1) - \beta(6)$ : the estimated coefficients – due to differing units of measurement, we use the standardised estimates,
- ▶  $\varepsilon$ : the residual term, which summarises the combined effect of factors included in the model but not currently examined.

As we considered several groups of EU countries, the model also tested for country effects. We used the EU-wide results as a reference for comparison. In the regression model, we assessed multicollinearity using VIFs. When using the data, we ensured the transparency of sources and the independence of research results. All data were openly accessible, and no conflicts of interest arose between the authors and the data-providing institutions.

## Results

We assessed the fit of the regression model using the coefficient of determination ( $R^2$ ), the adjusted  $R^2$ , and the F-statistic. As shown in Table 1, the model explains 0.69 of the variance, indicating good explanatory power. The slight deviation of the adjusted  $R^2$  value from the original estimate of 0.672, on the one hand, casts a shadow over the positive picture that has emerged so far, and on the other hand, confirms that the model is quite good. The fact that the F-test is statistically significant at  $p < 0.001$  indicates that the model as a whole is suitable for examining the relationship between the explanatory variables and

perceptions of corruption. Table 2 shows that, based on the VIF values, there is no measurable multicollinearity that could interfere with the interpretation of the model.

**Table 1: Model fit statistics**

				General model test		
Model	R <sup>2</sup>	Adjusted R <sup>2</sup>	F	df1	df2	p
1	0.69	0.672	24.44	35	156	<0.001

Note: df1 and df2 denote the degrees of freedom, and p denotes the significance level

Source: own calculations

**Table 2: VIF values for the model (multicollinearity)**

Variable	VIF
press freedom	1.040
received or paid money digitally (% 15+)	1,050
has a bank card (15%+)	1,034
has savings with a financial institution (15%+)	1,031
SE-EU	1,860
DE-EU	1,756
AT-EU	1,786
CY-EU	1,816
LV-EU	1,675
EE-EU	1,677
PL-EU	1,802

Note: A VIF value below 10 is moderate, a VIF value below 5 is mild.

A VIF value below 1 indicates unmeasurable multicollinearity

Source: own calculations

The impact of individual factors on the perception of corruption is summarised in Table 3.

**Table 3: The effect of variables on the perception of corruption**

V variable	Estimated coefficient ( $\beta$ )	Standard error	t	p	Std. estimate
Axis section	0.033	0.962	0.034	0.098	0.035
checks their balance on a mobile phone or online (15%+)	0.034	0.055	0.608	<0.001	0.037
freedom of the press	-0.214	0.054	-3.942	0.05	-0.213
received or paid money digitally (% 15+)	0.034	0.055	0.608	<0.001	0.035
has a bank card (% 15+)	0.011	0.055	0.203	0.05	0.013
has savings in a financial institution (15%+)	0.068	0.055	1.239	0.07	0.070
SE-EU	0.036	0.028	1.294	0.10	0.039
DE-EU	0.134	0.027	4.867	0.05	0.136
AT-EU	-0.124	0.027	-4.524	0.05	-0.122
CY-EU	0.007	0.028	0.236	0.10	0.009
LV-EU	0.059	0.028	2.151	0.05	0.062
EE-EU	-0.021	0.028	-0.768	0.10	-0.020
PL-EU	0.084	0.027	3.067	0.05	0.086

Note: t denotes the t-test value, p denotes the significance level

Source: own calculations

It appears that press freedom plays a leading role in shaping perceptions of corruption. A free and independent media is strongly negatively correlated with perceptions of corruption, with  $\beta = -0.213$  and  $p < 0.05$ , as shown in the results. This highlights that press freedom is crucial not only for bringing corruption cases to light but also for improving transparency and strengthening social control. Accordingly, in countries that joined the EU before 2004, where press freedom is traditionally higher, perceptions of corruption are also lower. In countries that joined the EU after 2004, a general trend of low press freedom levels prevails. However, those who have improved their media independence over the past decade also reported lower corruption. This confirms H3, which posits a strong correlation between press freedom and perceived corruption.

As an explanatory factor, financial inclusion had a much smaller, but still significant, impact on perceptions of corruption. The development and use of online banking services in a country are positively correlated with reduced perceived corruption. It appears that innovative financial technologies increase

the transparency of financial processes, thereby reducing the potential for corruption. The more developed and widely used online banking services are in a country, the lower the perceived corruption:  $\beta = 0.037$ ,  $p < 0.001$ . This is particularly true for countries that joined the EU after 2004, which are facing rapid growth in such services and significant changes. Electronic financial transactions, such as conducting certain transactions via mobile banking apps, may also reduce perceived corruption ( $\beta = 0.035$ ,  $p < 0.001$ ), though the effect is weaker than that of internet banking. Similar effects were observed in the case of M-Pesa systems in Kenya (Suri & Jack, 2016). Hypothesis H1 is therefore supported, although its effect is more modest compared to press freedom. Neither the proportion of savings held in financial institutions nor bank card ownership shows a statistically significant correlation with perceptions of corruption. It then becomes clear that these dimensions of financial inclusion do not, in themselves, help reduce perceptions of corruption. In other words, we confirm only a partial H2 hypothesis.

This indicates that differences between countries therefore play an important role in shaping perceptions of corruption. As the results show, Germany and Poland exhibit a positive correlation with a decline in perceived corruption, whereas in Austria, the effect is negative. No significant effect was observed in Sweden, Cyprus, or Estonia. Structural reforms and, likely, the spread of financial technologies have significantly influenced the decline in perceived corruption in Germany and Poland. In Poland, in particular, the spread of online banking services and e-transactions has influenced perceptions of corruption. Regarding Austria, a negative correlation is observed ( $\beta = -0.124$ ,  $p < 0.05$ ). This means that, due to national shortcomings in press freedom and social transparency, a well-developed economy does not necessarily guarantee a lower perception of corruption. According to our research, economic development is not always associated with lower perceived corruption. For example, a country such as Austria, which has a well-developed economy, is characterised by high perceived levels of corruption. This confirms that economic indicators are insufficient to reduce perceived corruption in the presence of structural deficiencies. Klitgaard (1988) identifies institutional reforms as the primary drivers of reducing corruption. We therefore rejected our H4 hypothesis, as economic development in itself does not significantly influence perceptions of corruption.

These indicators of financial integration are less important in explaining perceived corruption than structural differences between countries in variables such as press freedom and local characteristics. This may therefore suggest that structural factors are more important in the fight against corruption.

## Discussion

The factors that determine the development of perceived corruption are important for social science research, particularly in countries of the European Union, where structural factors vary considerably. Within the framework

of this research, it has become clear that not only economic and structural factors, but also social norms and cultural characteristics have a significant impact on the formation of perceptions of corruption. Above all, social capital and community solidarity fundamentally determine the level of citizens' institutional and interpersonal trust. As Rothstein and Uslaner (2005) show, countries characterised by high levels of social trust perceive corruption less, as expectations of transparency and accountability are integral to everyday life. Such social cohesion plays a particularly decisive role in those new EU member states where institutional reforms are often still in their early stages. One of the most important findings of our research is that press freedom plays an important role in mitigating perceptions of corruption, whilst aspects of financial inclusion, such as the use of online banking services, are only average.

The literature supports our findings regarding the importance of press freedom, dating back to Rothstein and Uslaner (2005) and Transparency International (2022). Independent media are important not only for their role in ensuring the flow of information, but also as a means of social control that minimises the potential for corruption. The latter may be particularly important for countries that still lack developed democratic institutions, such as those in Eastern Europe (Acemoglu & Robinson, 2012). Among other things, they found that country-specific factors such as institutional development and cultural norms strongly predict perceived corruption. Although Austria is highly developed economically, corruption is perceived as more pronounced due to restrictions on press freedom, suggesting that economic measures alone are insufficient to determine corruption. Thus, it is also relevant that political and institutional reforms serve as a starting point for any reduction in corruption, as Klitgaard suggested in 1988.

It has been observed that the proliferation of digital financial services reduces perceptions of corruption by increasing transaction transparency and reducing the extent of direct human intervention, which increases the likelihood of corruption. Moreover, digital technologies are not a panacea in themselves; for their successful application, an appropriate regulatory environment and education must be established. For example, eradicating digital illiteracy is a crucial prerequisite for expanding access to modern financial tools. This is particularly important in the Eastern European region, where there are significant differences between countries in the development of internet infrastructure and digital financial literacy. Another critical finding is that financial inclusion has a weak positive effect. The Global Findex 2021 and Banerjee and Duflo (2011) provide partial support for the view that the spread of internet banking and digital transactions can reduce the perception of corruption. However, bank cards and savings at financial institutions did not have a significant impact, suggesting that these proxies alone cannot deter corruption. This is consistent with Mauro's 1995 study, which found that complex factors drive the relationship between economic development and corruption.

The analysis highlighted that country-specific effects were closely intertwined with developments in press freedom and institutional development. The spread of structural reforms and innovative financial technologies contributed to a decline in perceived corruption in Poland and Germany. Conversely, in the case of Austria, a hindering factor was present. This only serves to demonstrate the importance of developing country-specific approaches in the fight against corruption.

## **Limitations of the research and possible future directions**

Several findings have emerged regarding the correlations between perceptions of corruption and its determinants in the study area. However, this analysis has limitations that reduce both its generalisability and the depth of the conclusions that can be drawn. These limitations stem partly from the methodology and partly from issues relating to the data, namely its quality and availability. We will examine each of these in turn below.

One of the most significant limitations was that data on financial integration were incomplete in some countries, particularly in less developed regions. Although interpolation methods helped fill in missing data, this procedure may distort results, particularly in time-series trend analysis. In this regard, it would be useful for further research to develop more objective and homogeneous data collection systems, as these would provide a more reliable basis for testing the relationship between perceptions of corruption and structural factors.

The quality of data has also been a problem with press freedom indices, as these indicators are largely based on subjective criteria. Whilst the indices are undoubtedly an effective tool for comparing media freedom globally, differences between various cultures and political systems may affect their validity. It is therefore recommended that new, multidimensional indicators of press freedom be developed that better reflect the cultural and historical specificities of countries.

The perception of corruption is, in itself, a subjective indicator and depends to a large extent on people's social experiences and awareness, beyond the media narrative in a given country. Its importance is particularly significant in countries where the media is subject to political pressure, and where access to information—and, above all, its credibility—regarding corruption may be distorted. Therefore, in future research, it is recommended to use quantitative indicators and to combine them with qualitative methods, such as interviews or focus group discussions, better to understand the actual and perceived extent of corruption.

Although one of the strengths of the research was the examination of structural factors, there was no further investigation of the institutional and cultural variables of individual countries. Therefore, understanding the relationship between perceptions of corruption and institutional effectiveness

will require increased attention in future research to factors relating to institutional reforms and social norms. Among these, particular attention should be paid to culturally specific factors, such as social capital or community solidarity, which may be decisively linked to perceptions of corruption.

The role of digital technologies was already evident in the analysis of the links between financial inclusion and perceptions of corruption; however, the social and economic constraints on their uptake have received less attention. Digital financial services – particularly in developing countries, where significant infrastructure and educational gaps may ultimately limit the spread of technological innovations – represent a promising avenue for further research. Technological progress presents not only new opportunities but also new challenges in the fight against corruption. Whilst digital media greatly accelerates the spread of information, it increases the risk of disinformation and manipulation, which can irreparably undermine trust in the mass media and social transparency. From this perspective, further analysis of the relationship between digital media and perceptions of corruption will be another important avenue for future research.

It does not go beyond focusing largely on the countries of the European Union. Whilst the findings may be useful for other regions in the future, the research should also conduct international comparisons – particularly including developing countries – to explore the extent to which the key determinants of perceptions of corruption vary across different economic, cultural and political environments. Furthermore, longitudinal research would be required to capture dynamic changes over time, which could reveal the causes and long-term consequences of shifts in perceptions of corruption. Such an analysis could be particularly important when assessing the impact of digital technologies and institutional reforms.

Finally, the practical significance of the research could be further enhanced by formulating more concrete policy recommendations, derived from this study and future studies. The recommendations could suggest how policymakers can promote transparency, ensure press freedom, and improve access to digital financial tools. For example, based on the findings, one strategy would be to combine structural reforms with technological innovations, while accounting for each country's specific characteristics.

## Summary

The main aim of this paper was to present the structural and economic factors that determine perceptions of corruption in the countries of the European Union. The analysis pays particular attention to press freedom, financial inclusion and country-specific characteristics. The results documented that perceptions of corruption depend on structural factors and social norms, rather than purely economic factors.

As the results also showed, a free press played a decisive role. Free and independent media contribute enormously to strengthening the conditions for transparency and social control, without which the fight against corruption is inconceivable. In countries with high levels of media pluralism and independence, such as Sweden and Denmark, perceptions of corruption are lower. Conversely, the negative trend in the press freedom index hinders anti-corruption strategies and fosters social distrust in the Eastern European region.

One of the strongest findings of the research is the link between press freedom and perceptions of corruption. The results show that a free media is important for preserving democratic values, as it ensures greater transparency and supports the accountability of political decision-makers. Social control by the media can, in itself, prevent corruption and enable citizens to form informed opinions on the functioning of political institutions. In countries such as Hungary and Poland, where press freedom is deteriorating, perceptions of corruption are also declining. This highlights the role of independent media not only in exposing corruption but also in safeguarding democratic values.

In this regard, particular attention has been paid to the role of financial integration. The analysis shows that the spread of modern digital financial tools, internet banking services and online transactions can reduce perceived corruption. All these tools make financial processes much more transparent, reducing the potential for corruption, particularly in the new EU member states, where such technologies are developing rapidly. At the same time, other dimensions of financial inclusion – such as bank card ownership or savings held with financial institutions – show no significant correlation with perceived corruption. It therefore appears that the institutional environment is insufficient, whilst social norms alone are insufficient as well.

The findings highlighted the fact that the influence of financial inclusion is not equally significant across all Member States. Whilst countries such as Poland, where the rapid spread of online banking services is evident, showed better results in reducing perceived corruption, in Romania and Bulgaria, where digital financial services are less widespread, these tools contributed less to reducing perceptions of corruption. This again implies that the introduction of financial technologies must be accompanied by the development of an appropriate educational and regulatory framework, and that social acceptance must be increased.

The most significant aspect of the research is that structural differences across countries shape perceptions of corruption. It can be shown how, in countries with strong institutional frameworks, such as those in Northern Europe, and high levels of social capital, perceptions of corruption are kept low. In those Eastern European countries where democratic institutions are underdeveloped, high levels of perceived corruption are found. It has been demonstrated that structural reforms strengthen the rule of law and institutional transparency in order to curb corruption.

Another important observation is that economic development alone does not guarantee low levels of perceived corruption. We can look more closely at

Austria, which has a high level of economic development but falls short in terms of press freedom and institutional transparency. It has therefore been rightly argued that the fight against corruption is fundamentally based on structural reforms and the shaping of social norms. These include Germany and Poland, which have become success stories, as perceptions of corruption have declined due to institutional reforms and the widespread use of digital technologies.

This offers some important lessons for policymakers: firstly, strengthening the rule of law and increasing transparency through institutional reforms; secondly, supporting the spread of digital financial technologies through regulation and education – particularly in low-income countries – is of paramount importance. Last but not least, protecting media independence and ensuring quality journalism can become important tools in the fight against corruption.

Research findings show that reducing perceived corruption cannot be achieved without complex approaches that integrate structural reforms and technological innovations with the shaping of social norms. A better understanding of differences among countries enables the development of more targeted and effective strategies. This approach not only adds significant value to the fight against corruption but also strengthens social trust and democratic values.

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