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SOCIAL CAPITAL IN POLAND COMPARED TO OTHER MEMBERS STATES – THE ANALYSIS OF THE PHENOMENON AT A MACRO-LEVEL

ABSTRACT. The present article refers to chosen of social capital at a macro-level of analysis. The main aim is to identify the condition of this capital in the period under analysis. The following issues were subject to investigation: reliability of formal institutions in the opinion of citizens, civic activity, range of democracy and transparency of decision-making in a given state. Theoretical-empirical analysis of social capital was conducted on the basis of available statistical data. The article put emphasis on conclusions about Poland compared to other Member States. These conclusions were referred to changes in economic situation of a country measured on the basis of GDP per capita (presented in the last section of the present paper). The period under examination was determined by Poland's membership in the EU and covered the years 2004-2007.

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Introduction

A great deal of research shows that social capital may affect economic phenomena both on a micro and macro scale. On a micro scale, this resource may – as stressed by the World Bank's experts – is favourable to improvement in job performance and effectiveness in enterprises. On a macro scale, it may create more active societies – as shown by Fukuyama.

The capital in question is defined as non-formal values and ethical norms regulating social behaviour, facilitating the cooperation between people for the sake of common interests, and facilitating the functioning of groups and organizations (Fukuyama 1997, 2000, World Bank, Paldam 2000). *Social Capital* is created on a certain cultural plane and refers to relations between particular individuals, i.e. social networks and norms of reciprocity that support joint actions and show the attitude that people as citizens have toward society. Being the manifestation of social capital, norms of reciprocity give rise to social – interpersonal trust and confidence in public institutions (Putnam 2000, 2003). Civic society developed on the basis of this capital facilitates economic development (Fukuyama 1999).

When individuals are not eager or able to establish spontaneous grass-roots cooperation, structures characterized by excessive centralization of economic power in the

hands of a state are created, competitiveness of a country on world markets is limited, and its position in capitalist division of labour is weaker (Fukuyama 1997). Level of economic development may be treated as a final effect of *Social Capital* or as one of its functions.

Social capital is analyzed at the following three levels (Hjollund, Svendsen 2005):

- **micro** level – referring to individuals, households and communities; this resource is perceived as a grass-roots measure for solving current problems faced by individuals; what is being analyzed are relations, attitudes, norms of behaviour and values cherished by people when in relations with one another, with their families, neighbours;
- **mezo** level – referring to institutions and organizations; takes the functioning of social institutions into account, institutions on the basis of which larger network communities may come into existence; the effectiveness of these institutions and their functioning is subject to analysis here.
- **macro** level – referring to the assessment of states and economies, and to social and political environment; what is analyzed at this level are formal institutional structures (e.g. political, legal, judicial systems) determining the influence of social capital on social stability and economic situation of a particular state.

The present paper focuses on chosen manifestations of social capital at a macro-level of analysis. The main objective was to identify the condition of this capital in the period under examination. The following issues were subject to investigation: reliability of formal institutions in the opinion of citizens, civic activity, range of democracy and transparency of decision-making in a given state.

Theoretical-empirical analysis of social capital was conducted on the basis of available statistical data. The article put an emphasis on conclusions about Poland compared to other Member States. These conclusions were referred to changes in economic situation of a country measured on the basis of GDP *per capita* (presented in the last section of the present paper). The period under examination was determined by Poland's membership in the EU and covered the years 2004-2007.

Confidence in public institutions

On the assumption that confidence itself is a social capital, it should be, however, stated that confidence is a condition necessary to activate social involvement and make individuals take joint actions. The climate of confidence facilitates the creation of social capital as a resource which is either private or public good. It is beyond any doubt that historical-cultural factors (affecting values cherished, views and norms regulating social behaviour) determine the confidence that citizens have in public institutions.

The greater the tendency toward confidence, the better the "ground" for a potential development of social capital. If people do not trust one another, they are less eager to take collective actions for all their sakes. On such an assumption, the confidence that Polish people had in the EU institutions – European Commission, European Parliament and Council of Europe – was analyzed in comparison with "confidence index" reported in other Member States in the period 2004-2006.

As shown in Table 1, it was European Parliament in which the greatest confidence was placed within the period under analysis (over 50% of EU citizens). The second place was taken by Council of Europe, whereas the third position – European Commission. The highest percentage of people placing confidence in the aforementioned institutions was recorded in Belgium, Ireland, Greece, Luxembourg, Portugal, Romania (which – at that time – has not joined the EU yet), Slovenia and Slovakia.

Other states that can also be included in this group (particularly taken confidence in European Commission into account) are Italy, Cyprus, Hungary and Malta. The confidence that citizens from these states placed in EU institutions was well above the EU-25 average.

Table 1. Percentage of citizens having confidence in the EU institutions[1] – Poland compared to other EU Member States in the period 2004-2006

Item number	State	Percentage of citizens having confidence in:								
		European Commission			European Parliament			Council of Europe		
		2004	2005	2006	2004	2005	2006	2004	2005	2006
1.	EU (25 states)	45	40	42	57	51	52	52	46	48
2.	Belgium	59	50	56	70	62	67	68	61	68
3.	Bulgaria[2]	45	42	46	57	55	55	50	48	51
4.	Czech Republic	37	50	56	60	56	62	51	53	59
5.	Denmark	55	51	41	60	58	62	53	51	55
6.	Germany	39	40	39	55	53	52	44	43	42
7.	Estonia	50	42	56	62	49	59	58	48	59
8.	Ireland	51	47	50	70	60	66	66	60	60
9.	Greece	57	56	69	66	62	70	61	58	68
10.	Spain	55	43	44	64	52	51	57	48	49
11.	France	43	38	41	59	49	50	54	44	47
12.	Italy	55	50	46	63	61	56	60	57	52
13.	Cyprus	56	56	55	64	60	57	59	57	55
14.	Latvia	34	37	42	45	44	47	41	42	46
15.	Lithuania	56	46	52	66	55	60	62	51	59
16.	Luxembourg	62	53	55	71	68	63	67	63	63
17.	Hungary	59	54	55	68	62	65	64	58	60
18.	Malta	53	54	56	58	63	59	59	60	57
19.	Holland	48	40	43	63	53	58	57	51	54
20.	Austria	41	36	41	56	49	50	49	43	45
21.	**Poland**	**40**	**40**	**52**	**51**	**49**	**59**	**51**	**46**	**58**
22.	Portugal	53	59	56	64	67	61	61	65	60
23.	Romania[2]	38	57	57	65	68	64	59	62	62
24.	Slovenia	54	53	68	66	61	73	64	56	73
25.	Slovakia	49	55	63	70	65	71	61	57	66
26.	Finland	53	44	48	63	52	56	58	48	54
27.	Sweden	46	25	36	55	48	58	47	42	53
28.	Great Britain	26	18	19	39	27	25	39	26	25

[1] – measured as a share of positive opinions (expressed by people declaring they tend to have confidence) about the institutions given; other options to choose from: „I tend not to have confidence", „I do not know" and no answer. The survey was carried out each year in autumn. Confidence was not defined precisely, there was a kind of space for individual interpretation (to be made by respondents).

[2] – Bulgaria and Romania were also taken into account although they had not joined the EU in the period analyzed yet.

Source: own compilation based on European Commission, Eurobarometer Survey, Eurostat 2008, http://epp.eurostat.ec.europa.eu (dated May 2, 2008).

Poland was not among these countries. Social confidence in EU institutions was increasing together with our membership in the EU, though in some states this confidence was subject to decrease.

Yet, Poland exceeded the EU average "confidence index" only in 2006. Although Polish people were not among those who placed the greatest confidence in EU institutions, they "outdistanced" Latvian, Austrian, Swedish, British and French people, and with reference to Council of Europe – also German people.

Nevertheless, the tendency itself displayed by citizens toward placing confidence in public institutions, developed on a certain social-cultural ground, does not create social capital though it provides favourable conditions for its development. Undoubtedly, this tendency is connected with the reliability of institutions in the opinion of individuals. The way citizens assess the functioning of formal institutions shapes the potential for civic activity, i.e. conditions for a certain kind of relation that allow cooperation, joint actions and involvement from individuals to serve common interests.

In order to see how citizens perceive the reliability of public authorities, the analysis covers possibilities and willingness shown by individuals to contact them – quoting the example of using the Internet to do so. The effectiveness of public administration organs was assessed with the use of index showing the availability of e-government on-line service. The extent to which citizens used the aforementioned service was determined by means of 'using' index. Finally, CI (contact index) allowed to measure citizens' involvement in contacts with public authorities compared to possibilities that citizens from particular states were offered (cf. Table 2). The higher the index, the greater the citizens' involvement in contacts with formal institutions.

As it appears from data shown in Table, in 2006 the highest indexes showing the availability of on-line service were recorded in the following Member States: Austria (83%), Estonia (79%), Malta (75%), Sweden (74%) and Great Britain (71%). In 2006 the citizens of Czech Republic and Greece (availability index 30%), Luxembourg (25%), Poland and Slovakia (only 1/5 of service was available on-line) and Latvia (10%) had the slightest chance to use this form of contacting public authorities. In 2007 Austria (100%), Malta (95%), Great Britain (89%) and Sweden (75%) kept their leading positions as states with the highest availability of e-government service. Portugal and Slovenia (90%) joined this group, i.e. the availability of the aforementioned on-line service had improved there. As for EU-27, Poland occupied the last but one position again (index showing the access to e-government service amounted to 25%) and outdistanced only Bulgaria (15%).

The other newly admitted Member State – Romania – could boast about index amounting to 35%. In the period under analysis, possibility of contacting public authorities via the Internet improved by over 10% in the majority of Member States. Unfortunately, this did not refer to Poland where the index increased only by 5 percentage points.

Table 2 shows the analysis of index measuring the tendency and willingness[1] displayed by citizens to contact public authorities via the Internet (through gaining information available on the websites of these authorities, downloading forms and sending them filled in via the Internet). The EU average index showing the extent to which people used the aforementioned on-line service dropped by ½ compared to availability index. However, it was different from a state to state. In 2006 Swedish and Dutch (52%), Finnish (47%), Luxembourg (46%) and Danish (43%) citizens were the most active in using the Internet for contacting public institutions. By contrast, people from Cyprus, Lithuania and Poland (13% in each case), Greece (9%), Bulgaria (8%) and Romania (3%) were the least active in using the aforementioned form.

[1] Undoubtedly, closely related to abilities as well.

Table 2. Availability of the Internet and using it for contacting public authorities in Poland compared to the European Union in the period 2006-2007

No	State	Availability of the Internet and using it for contacting public authorities					
		2006			2007		
		Availability[1]	Using[2]	CI[3]	Availability[1]	Using[2]	CI[3]
1.	EU (25 states)	51	26	0.51	59[4]	30[4]	0.51
2.	Belgium	47 *(14)*	30 *(7)*	0.64	60 *(10)*	23 *(15)*	0.38
3.	Bulgaria	-	8 *(16)*	-	15 *(18)*	6 *(23)*	0.40
4.	Czech Republic	30 *(17)*	17 *(12)*	0.57	55 *(11)*	16 *(20)*	0.29
5.	Denmark	63 *(7)*	43 *(4)*	0.68	63 *(9)*	58 *(1)*	0.92
6.	Germany	47 *(14)*	32 *(6)*	0.68	74 *(6)*	43 *(6)*	0.58
7.	Estonia	79 *(2)*	29 *(8)*	0.37	70 *(7)*	30 *(10)*	0.43
8.	Ireland	50 *(13)*	26 *(9)*	0.52	50 *(12)*	32 *(9)*	0.64
9.	Greece	30 *(17)*	9 *(15)*	0.30	45 *(13)*	12 *(22)*	0.27
10.	Spain	55 *(11)*	25 *(10)*	0.45	70 *(7)*	26 *(12)*	0.37
11.	France	65 *(6)*	26 *(9)*	0.40	70 *(7)*	41 *(7)*	0.59
12.	Italy	58 *(10)*	16 *(13)*	0.28	70 *(7)*	17 *(19)*	0.24
13.	Cyprus	35 *(16)*	13 *(14)*	0.37	45 *(13)*	20 *(16)*	0.44
14.	Latvia	10 *(20)*	25 *(10)*	2.50	30 *(16)*	18 *(18)*	0.60
15.	Lithuania	40 *(15)*	13 *(14)*	0.33	35 *(15)*	18 *(18)*	0.51
16.	Luxembourg	25 *(18)*	46 *(3)*	1.84	40 *(14)*	52 *(4)*	1.30
17.	Hungary	50 *(13)*	17 *(12)*	0.34	50 *(12)*	25 *(13)*	0.50
18.	Malta	75 *(3)*	17 *(12)*	0.23	95 *(2)*	25 *(13)*	0.26
19.	Holland	53 *(12)*	52 *(1)*	0.98	63 *(9)*	55 *(2)*	0.87
20.	Austria	83 *(1)*	33 *(5)*	0.40	100 *(1)*	27 *(11)*	0.27
21.	**Poland**	**20 *(19)***	**13[5] *(14)***	**0.65**	**25 *(17)***	**15 *(21)***	**0.60**
22.	Portugal	60 *(9)*	17 *(12)*	0.28	90 *(3)*	19 *(17)*	0.21
23.	Romania	-	3 *(17)*	-	35 *(15)*	5 *(24)*	0.14
24.	Slovenia	65 *(6)*	30 *(7)*	0.46	90 *(3)*	30 *(9)*	0.33
25.	Slovakia	20 *(19)*	32 *(6)*	1.60	35 *(15)*	24 *(14)*	0.69
26.	Finland	61 *(8)*	47 *(2)*	0.77	67 *(8)*	50 *(5)*	0.75
27.	Sweden	74 *(4)*	52[5] *(1)*	0.70	75 *(5)*	53 *(3)*	0.71
28.	Great Britain	71 *(5)*	24[5] *(11)*	0.33	89 *(4)*	38 *(8)*	0.43

[1] – availability of e-government on-line service – index refers to the availability of service among 20 basic, fully available on-line services in the case of which full e-support is plausible; e.g. if in a given country 13 out of 20 basic services were defined as 100% available on-line, whereas one of these services was not actually available, index amounted to 13/19, i.e. 68,4%; positions occupied by particular EU Member States have been given in brackets;

[2] – index measures the percentage of people using e-government service (among people aged 16-74) who, during last three months before the survey, used the Internet for contacting public authorities (while taking one or several of the following actions: collecting information available on the websites of public authorities, downloading ready forms and sending them filled in via the Internet); position occupied by a given Member State has been given in brackets;

[3] – contact index –contact between citizens and public authorities measured on the basis of relationship between the percentage of people using the Internet for communicating with public authorities and the availability of e-government on-line service (in %);

[4] – 27 EU Member State

[5] – due to the lack of data for the year 2006, index from the year 2005 was given.

Source: own compilation based on Eurostat 2008, http://epp.eurostat.ec.europa.eu (dated May 2, 2008).

As shown in Table 2, in 2007 the following fives states occupied top positions taken the extent to which citizens used on-line service for contacting public authorities into account: Denmark ('using' index 58%), Holland (55%), Sweden (53%), Luxembourg (52%) and Finland (50%). In these countries – just as in the majority of Member States – tendency toward using the Internet for contacting formal institutions increased. However, a slight decrease was reported in Bulgaria, Czech Republic, and a considerable one in Belgium, Austria, Latvia and Slovakia. In Slovenia the extent to which citizens used the Internet for contacting public authorities was not subject to any change. Poland occupied 21st position (15% of people using on-line service) with index twice as low compared to the EU average. Only Greece (12%), Bulgaria (6%) and Romania (5%) were outdistanced by Poland.

Contact index was determined on the basis of index showing the availability of on-line service and index measuring the extent to which this service was used for contacting public authorities. Conditions that public authorities provide their citizens with – as far as modern forms of contact are concerned – create a new (extra) ground for these contacts. If such opportunities exist and are rarely taken by individuals, one can speak a decrease in civic activity. The slighter the interest in the way that formal institutions function, the slighter the influence that citizens have on this functioning, the smaller the store of social capital as a political good – the poorer the quality of ties, contacts and relations in public dimension. Low contact index illustrates such an involvement (slight compared to possibilities) from individuals in shaping "public sphere" in which they act together to further common interests.

As suggested by data shown in Table 2, in 2006 the lowest indexes were recorded in Greece (0.3), Italy and Portugal (0.28) as well as in Malta (0.23). On the contrary, the highest ones were reported in Latvia (0.25), Luxembourg (1.84) and Slovakia (1.6). In the last mentioned states indexes exceeded 1, which implied that citizens were very active compared to limited availability of on-line service provided by public authorities. High indexes – together with a great availability of the aforementioned service – were reported in Holland (0.98), Finland (0.77) and Sweden (0.7), which reflected considerable interest in public affairs and hence involvement from citizens as well. With reference to the remaining Member States, Denmark, Germany, Belgium and Poland reached 0.6. Interest in the functioning of formal institutions satisfied with the use of the Internet was quite intense in Poland in comparison with possibilities of such a contact.

In 2007 possibility of contacting public authorities via the Internet became greater in all the Member States. At the same time, changes in the extent to which citizens from particular states used this service were not very abrupt. It was then that indexes below 0.3 were recorded in Czech Republic (0.29), Greece and Austria (0.27), Malta (0.26), Italy (0.24), Portugal (0.21) and Romania (0.14). Thus, Czech Republic, Austria and Romania joined the states with the slightest involvement from citizens in on-line contacts with public authorities. Taken the highest indexes into account, Luxembourg, Denmark, Holland, Finland, Sweden and Slovakia occupied top positions again. Another in a row were Poland, Latvia (0.6) and Ireland (0.64). In Germany, the index was relatively high (0.58), whereas in Belgium it dropped to 0.38. It is worth noticing that in the aforementioned states (Poland as well) involvement from citizens in on-line contacts with public authorities was increasing at a lower rate compared to the availability of this service (except for Denmark, Sweden and Ireland where the index was higher in 2007 than a year before). This state of affairs was reflected in the fact that indexes were lower than in the previous year.

Civic activity and range of democracy

The more democratic the societies, the greater the possibilities but also willingness displayed by citizens to take joint actions. The democratic character of society is determined

on the one hand, by conditions for democracy development – voting rights, political culture, conforming to certain norms and values related to respecting human dignity – and on the other hand, civic activity resulting from willingness displayed by individuals to create their living conditions not only in a private dimension but also in community and public dimensions, resulting from willingness to cooperate, and from noticing benefits accruing from ensuring general well-being.

Below, in Table 3, civic activity as well as range of democracy in Member States were subjects to analysis. Bulgaria and Romania were not taken into account in elections to the European Parliament as at that time they had not joined the EU yet.

As shown in Table 3, citizens from the following countries were the most active in voting in the elections to the European Parliament: Belgium (90.8% of people voting), Luxembourg (90%), Malta (82.4%), Italy (73.1%), Cyprus (71.2%) and Greece (63.4%).

It is beyond any doubt that in Belgium, Luxembourg, Greece and Italy, it was political tradition regulated legally and present in the awareness of citizens that contributed to such a high voter turnout. In Poland only over 1/5 of citizens voted in the aforementioned elections, due to which it took the last but one place among Member States, just before Slovakia where only 17% of eligible voters took part in the elections.

Citizens' involvement in national parliamentary elections was a bit different as a larger number of eligible voters took part in them (also shown in Table 3). The highest voter turnout was reported in Malta (over 95%) and then in Belgium (over 90%), Luxembourg and Cyprus (on average, c.a. 90%), Denmark, Italy, Austria and Sweden (over 80%), Germany (about 80%), Latvia and Holland (c.a. 70-80%). In all the remaining Member States – except for Poland and Romania (taken the elections in 2004 into account) – more than 50% of eligible voters took part in the elections. Therefore, voter turnout in national parliamentary elections was the lowest in Poland, and – compared to other EU citizens – Polish people were not convinced that democratic institutions were capable of creating their living conditions.

Data on voter turnout was supplemented by democracy index which – apart from civic activity – also included the range of voting rights as well as the assessment of the government functioning and political culture. As data presented in the last column of Table 3 suggests, in 2006 Sweden, Holland, Denmark, Finland, Luxembourg and Ireland (index amounting to more than 9.0) were the most democratic Member States. Poland occupied 25th position with democracy index 7.3, and outdistanced only Bulgaria (7.1) and Romania (7.06).

According to the concept developed by Fukuyama, confidence together with norms of reciprocity, loyalty, reliability and responsibility create social capital that enables individuals to cooperate and establish strong ties (Fukuyama 1997). Low civic activity and low democracy index in Poland – compared to other Member States – proved that Polish "public sphere" was characterized by fragile trust, slight willingness to cooperate and take joint responsibility for shaping public welfare.

Table 3. Civic activity[1] and range of democracy – Poland compared to other EU Member States

Item number	State	Percentage of people voting in the elections to the European Parliament – 2004	Percentage of people voting in national parliamentary elections[2]		Democracy index[3] – 2006
1.	EU (25 states)	45.6	70.1 *(2001)*	69.9 *(2006)*	-
2.	Belgium	90.8 *(1)*	90.6 *(1999)*	94 *(2003)*	8.15 *(13)*
3.	Bulgaria	-	66.6 *(2001)*	55.8 *(2005)*	7.10 *(26)*
4.	Czech Republic	28.3 *(21)*	57.9 *(2002)*	64.5 *(2006))*	8.17 *(11)*
5.	Denmark	47.9 *(9)*	87.1 *(2001)*	84.5 *(2005)*	9.52 *(3)*
6.	Germany	43.0 *(11)*	79.1 *(2002)*	77.7 *(2005)*	8.82 *(7)*
7.	Estonia	26.9 *(22)*	57.4 *(1999)*	57.9 *(2003)*	7.74 *(18)*
8.	Ireland	59.7 *(7)*	66.1 *(1997)*	62.6 *(2002)*	9.01 *(6)*
9.	Greece	63.4 *(6)*	75 *(2000)*	76.6 *(2004)*	8.13 *(14)*
10.	Spain	45.1 *(10)*	68.7 *(2000)*	75.7 *(2004)*	8.34 *(10)*
11.	France	42.8 *(12)*	68 *(1997)*	60.3 *(2002)*	8.07 *(16)*
12.	Italy	73.1 *(4)*	81.4 *(2001)*	83.6 *(2006)*	7.73 (*19)*
13.	Cyprus	71.2 *(5)*	91.8 *(2001)*	89 *(2006)*	7.60 *(20)*
14.	Latvia	41.3 *(14)*	71.9 *(1998)*	71.2 *(2002)*	7.37 *(24)*
15.	Lithuania	48.4 *(8)*	58.2 *(2000)*	46.1 *(2004)*	7.43 *(22)*
16.	Luxembourg	90.0 *(2)*	86.5 *(1999)*	91.7 *(2004)*	9.10 *(5)*
17.	Hungary	38.5 (*19)*	73.5 *(2002)*	64.4 *(2006)*	7.53 *(21)*
18.	Malta	82.4 *(3)*	95.4 *(1998)*	95.7 *(2003)*	8.39 *(9)*
19.	Holland	39.3 *(16)*	73.2 *(1998)*	80 *(2003)*	9.66 *(2)*
20.	Austria	42.4 *(13)*	80.4 *(1999)*	84.3 *(2002)*	8.69 *(8)*
21.	**Poland**	**20.9 *(23)***	**46.2 *(2001)***	**40.6 *(2005)***	**7.30 *(25)***
22.	Portugal	38.8 *(18)*	62.8 *(2002)*	64.3 *(2005)*	8.16 *(12)*
23.	Romania	-	65.3 *(2000)*	58.5 *(2004)*	7.06 *(27)*
24.	Slovenia	28.3 *(21)*	70.4 *(2000)*	60.6 *(2004)*	7.96 *(17)*
25.	Slovakia	17.0 *(24)*	70.1 *(2002)*	54.7 *(2006)*	7.40 *(23)*
26.	Finland	41.1 *(15)*	65.3 *(1999)*	66.7 *(2003)*	9.25 *(4)*
27.	Sweden	37.8 *(20)*	81.4 *(1998)*	80.1 *(2002)*	9.88 *(1)*
28.	Great Britain	38.9 *(17)*	59.4 *(2001)*	61.4 *(2005)*	8.08 *(15)*

[1] – index measures the share of people voting in the total of eligible voters; the percentage of voting also included those who gave in empty or incorrectly filled in ballot papers; In Belgium, Luxembourg and Greece voting is obligatory. In Italy voting is a civic duty. The EU average was estimated by Eurostat on the basis of trends noticed in each Member State; positions occupied by particular EU Member States has been given in brackets;

[2] – due to different dates of parliamentary elections in particular Member States, years in which elections took place had been given in brackets – two last dates for each state;

[3] – developed by British weekly „The Economist" (2006); it is based on the assessment of voting rights, the functioning of government, civic activity and political culture; 10 – maximum value; position of a particular Member State has been given in brackets;

Source: own compilation based on: International Institute for Democracy and Electoral Assistance, Eurostat 2008, http://epp.eurostat.ec.europa.eu (dated May 5, 2008), http://www.polityka.pl/_gAllery/86/56/86566/Panstwo.pdf (dated May 15, 2008).

Transparency of decision-making in a state – corruption perception

By claiming that a great store of social capital is favourable to greater economic activity, entrepreneurship or the existence of a developed private sector, it has been assumed (cf., among other publications, Fukuyama 1997) that the point here is the so-called "good quality" of this capital. At the same time, many authors stressed that *Social Capital* also has its "dark sides" (Putnam 2000, Fukuyama 1997, 1999, Field 2003, Kostro 2005). "Poor quality" of this capital stems from tendency toward releasing negative external effects produced by the functioning of groups. Then cooperation between individuals contributes to the creation of behaviour that suppresses the existence positive values and phenomena (leading to e.g. lack of openness to change, reluctance to start economic activity, act creatively, entrepreneurship, economy or anti-social behaviour violating public safety, breaking the norms commonly accepted in society). Poor quality of social capital may break the entrepreneurial spirit and weaken spontaneous, grass-roots cooperation, as well as create economic structure characterized by excessive centralization of economic power in the hands of state.

In order to complete the picture of social capital in Poland – compared to EU Member States – its "dark" aspects had to be explored as well. Therefore, corruption perception in particular Member States was analyzed. The way corruption is perceived reflects the transparency of decision-making in a given state and determines how effective formal institutions function as well as defines norms regulating this functioning. The lower the corruption perceptions index (CPI) is, the slighter the potential of social capital of a "good quality" can be expected in certain communities, and the slighter the emphasis is put on loyalty, honesty, reliability and norms of reciprocity (as values that have a character of public welfare) in mutual relations.

Table 4 shows CPI values for Member States in the period 2004-2007. The highest indexes –indicating that there is no or petty corruption – were reported in the following countries: Denmark, Finland and Sweden (over 9), Holland, Austria, Great Britain, Luxembourg (more than 8) and Germany (c.a. 8).

By contrast, the most serious corruption was reported in Romania (CPI fluctuated around 3.0, and in 2007 rose to 3.7) and Poland (CPI about 3.5, whereas in 2007 – 4.2). Low position occupied in the classification referring to corruption perception suggests that public institutions function in a wrong way. Poland took the last place in the EU taken the transparency of decision-making in a state into account, not only compared to EU-15 but also to newly admitted (before 2007) Member States.

\Once Bulgaria and Romania had joined the EU, Poland "managed" to go up, occupied 25^{th} position and hence outdistanced both countries (at that time, CPI amounted to 4.1 in Bulgaria and 3.7 in Romania). As it appears from rankings by Transparency International (taking not only Member States into consideration), corruption is growing in the poorest countries. This refers also to Member States (and hence Poland as well) where large-scale impoverishment and inequality are major social issues.

Table 4. Transparency of decision-making in particular states – corruption perception: Poland compared to other EU Member States in the period 2004-2007

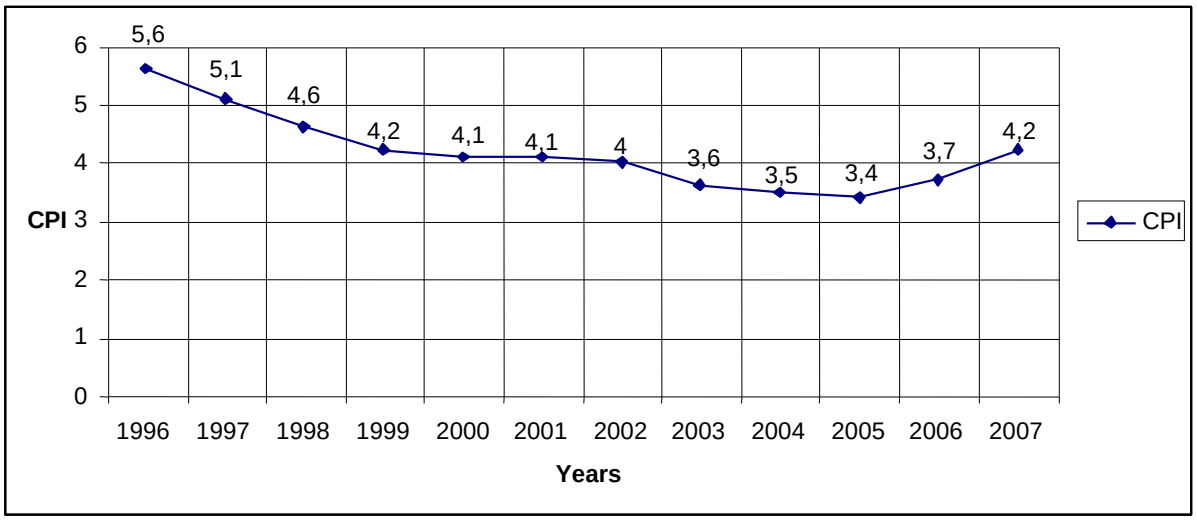
Item number	State	Corruption Perceptions Index[1]			
		2004	2005	2006	2007
1.	EU (25 states)	6.6	6.7	6.7	-
2.	Belgium	7.5	7.4	7.3	7.1
3.	Bulgaria	4.1	4.0	4.0	4.1
4.	Czech Republic	4.2	4.3	4.8	5.2
5.	Denmark	9.5	9.5	9.5	9.4
6.	Germany	8.2	8.2	8.0	7.8
7.	Estonia	6.0	6.4	6.7	6.5
8.	Ireland	7.5	7.4	7.4	7.5
9.	Greece	4.3	4.3	4.4	4.6
10.	Spain	7.1	7.0	6.8	6.7
11.	France	7.1	7.5	7.4	7.3
12.	Italy	4.8	5.0	4.9	5.2
13.	Cyprus	5.4	5.7	5.6	5.3
14.	Latvia	4.0	4.2	4.7	4.8
15.	Lithuania	4.6	4.8	4.8	4.8
16.	Luxembourg	8.4	8.5	8.6	8.4
17.	Hungary	4.8	5.0	5.2	5.3
18.	Malta	6.8	6.6	6.4	5.8
19.	Holland	8.7	8.6	8.7	9.0
20.	Austria	8.4	8.7	8.6	8.1
21.	**Poland**	**3.5**	**3.4**	**3.7**	**4.2**
22.	Portugal	6.3	6.5	6.6	6.5
23.	Romania	2.9	3.0	3.1	3.7
24.	Slovenia	6.0	6.1	6.4	6.6
25.	Slovakia	4.0	4.3	4.7	4.9
26.	Finland	9.7	9.6	9.6	9.4
27.	Sweden	9.2	9.2	9.2	9.3
28.	Great Britain	8.6	8.6	8.6	8.4

[1] – index developed on the basis of analyses made by experts and surveys conducted among entrepreneurs who assessed to what extent corruption was common in particular states; 10 is a maximum value and implies that there is no corruption, 0 – very massive corruption;

Source: own compilation based on data derived from Transparency International, http://www.transparency.pl (dated May 4, 2008).

Chart 1 shows Corruption Perceptions Index in the period 1996-2007, i.e. in the full period when Poland was subject to this classification. From the very beginning of the period, the perception of corruption in Poland, and hence transparency of decision-making as well, were subject to consistent and constant deterioration. It was only in 2006 that this unfavourable tendency was overcome and index increased by 0.3 percentage point in comparison with the previous year and amounted to 3.7. It was then that some hope of improving the effectiveness of public institutions functioning aroused, which was proven by the index reached in 2007. CPI amounted to 4.2 then, i.e. just as in 1999.

Chart 1: Corruption Perceptions Index (CPI) in Poland in the period 1996-2007



Source: own compilation based on data derived from Transparency International, http://www.transparency.pl (dated May 4, 2008).

Conclusions

As it has already been stated in introduction, social capital is an attribute of society that provides greater social stability and economic coordination, and facilitates achieving greater effectiveness and productivity. Level of economic development can be treated as a final effect of this capital. Taken the above into account, the collation presenting gross domestic product in Poland compared to other Member States in the period 2003-2006 was a point of reference for the hitherto made discussion. For the sake of the present paper, the author used GDP *per capita* in current market prices.

The point of reference was the average GDP for 27 Member States (which meant that Bulgaria and Romania were also taken into account though at that time they had not joined the EU yet). GDP *per capita* shown in Table 5 illustrates both economic situation of each state – in comparison with other Member States – as well as economic activity and the standard of living of its citizens (both directly related to economic situation).

As suggested by Table 5, in the period 2003-2006 the greatest economic activity was recorded in the following Member States: Luxembourg (GDP *per capita* over 250), Ireland (GDP *per capita* over 140), Holland and Austria (c.a. 130), Denmark and Belgium (over 120), Sweden and Great Britain (GDP *per capita* about 120), Finland, Germany and France (more than 110).

It was in Italy and Spain that economic activity was a bit greater than the EU average. GDP per capita amounting to over 90 was recorded in Greece and Cyprus, and nearly 90 – in Slovenia. In Czech Republic, Malta and Portugal the index under analysis fluctuated between 70 and 80. In Estonia, Hungary and Slovakia it amounted to about 60 and more – in these states the level of economic activity was higher that in Poland. Finally, Poland occupied 25th position among 27 Member States with GDP *per capita* amounting to over 50, and hence outdistanced only Bulgaria and Romania.

In the period 2003-2004 economic activity in Poland measured with the use of GDP *per capita* was similar to economic activity in Lithuania and Latvia. However, in 2006 (and also in 2005 for Latvia) both achieved better results than Poland. In order to reach the EU average, the Poles would have to "double" their economic involvement.

Table 5. GDP *per capita* in current market prices in EU Member States in the period 2003-2006 (EU-27 = 100)[1]

Item number	State	GDP *per capita* in current market prices in EU Member States			
		2003	2004	2005	2006
1.	EU (27 states)	100	100	100	100
2.	Belgium	124	124	124	123
3.	Bulgaria	33	34	35	37
4.	Czech Republic	74	76	77	79
5.	Denmark	125	124	126	127
6.	Germany	117	116	115	114
7.	Estonia	55	57	63	68
8.	Ireland	141	142	144	143
9.	Greece	92	93	95	97
10.	Spain	101	101	103	102
11.	France	112	112	114	113
12.	Italy	111	108	105	104
13.	Cyprus	89	92	94	93
14.	Latvia	44	45	50	56
15.	Lithuania	49	51	54	58
16.	Luxembourg	248	253	263	279
17.	Hungary	64	64	65	65
18.	Malta	79	76	76	76
19.	Holland	130	130	132	132
20.	Austria	129	129	129	129
21.	**Poland**	**49**	**51**	**51**	**53**
22.	Portugal	77	75	75	74
23.	Romania	31	34	34	38
24.	Slovenia	82	85	87	89
25.	Slovakia	56	57	60	64
26.	Finland	114	116	114	116
27.	Sweden	120	120	119	120
28.	Great Britain	120	122	120	119

[1] – Bulgaria and Romania were also taken into account

Source: own compilation based on Eurostat Yearbook http://epp.eurostat.ec.europa.eu (dated May 5, 2008)

Summing up the analysis carried out in the present paper, the following conclusions may be drawn:

- Tendency toward placing confidence in formal institutions seems to be a socio-cultural characteristic: data showed that this tendency was subject to the following regularity: if citizens of a given state had confidence in one of institutions mentioned (European Commission, European Parliament or Council of Europe) higher that the EU average, their confidence in the remaining two institutions was also greater than the average. Having the above regularity in mind, the highest percentage of citizens placing confidence in the aforementioned institutions was recorded in Belgium, Ireland, Greece, Luxembourg, Portugal, Romania, Slovenia and Slovakia. Italy, Cyprus, Hungary and Malta should also be included in this group as confidence placed by citizens of these states was considerably higher than the EU-25 average. Polish people had confidence at a

"medium" level – Latvian, Austrian, Swedish, British and French people were more distrustful than the Poles, and in relation to Council of Europe – also German people;

- Public authorities in Austria, Estonia, Malta, Sweden, Great Britain, Portugal and Slovenia were the most effective taken the availability of e-government on-line service into consideration; Romanian, Lithuanian, Latvian, Polish and Bulgarian citizens had the most limited possibilities of using this form of contacting public authorities; Danish, Dutch, Swedish, Luxembourg and Finnish citizens were the most active in using the aforementioned service in the period under analysis; Polish, Greek, Bulgarian and Romanian people used the Internet for contacting public authorities twice as rarely; on the contrary, Latvian, Luxembourg, Slovak, Dutch, Finnish, Swedish and Danish citizens displayed the greatest involvement in on-line contacts with formal institutions compared to opportunities provided by public authorities in the scope of modern forms of contact. Poland (together with Ireland and Germany) occupied position similar to these states. Therefore, taken opportunities provided by offices (bureaus) into account, Polish people displayed a considerable activity. According to Fukuyama (Fukuyama 1997), although state has a limited influence on shaping social capital[2], it can create conditions for the development of this resource – favourable to more intense public involvement; thus, in accordance with the above, the potential of Polish society for confidence and involvement in public affairs should be developed through the system of education promoting certain abilities, norms and rules of behaviour and removing barriers (such as no formal adaptation of institutions for such contacts);
- Belgian, Luxembourg, Maltese, Italian, Cypriot, Greek as well as Austrian, Swedish, German, Latvian and Dutch citizens were involved in public affairs to the largest extent (which was verified quoting the example of voter turnout in national parliamentary elections and the elections to the European Parliament). Voter turnout in Poland was the lowest among all Member States, and Polish people were the least (among other EU citizens) convinced that democratic institutions could create their living conditions. Low democracy index – compared to other Member States – recorded in Poland suggested that there was a low real confidence in "public sphere" and slight willingness to cooperate and take joint responsibility for shaping public welfare. The analysis implied that in the majority of states whose citizens tended to place confidence in public institutions to a greater extent, people were more eager to involve in public affairs and democracy was well developed. Hence, greater emphasis should be put on promoting desired values through socialization actions taken as a part of educational system;
- It was in Denmark, Finland, Sweden, Holland, Austria, Great Britain, Luxembourg and Germany that the greatest transparency of decision-making (measured with the use of corruption perceptions index) was reported. On the contrary, massive corruption was reported in Poland, Bulgaria and Romania, which proved that there were many irregularities in the functioning of public institutions there (which could partly account for the fact that Polish people did not place confidence in public authorities). In order to provide a greater transparency of decision-making in a country, the process of "bringing" institutions "closer" to citizens should be intensified and carried out through adjusting Polish standards to the EU requirements;
- Tendency itself toward greater – compared to the EU average – confidence in public institutions did not entail higher GDP *per capita* in particular states; Austrian, Swedish, British, French and German people placed not so great confidence in European Parliament, European Commission and Council of Europe as the Poles, and yet higher standard of living was reported in these states, which resulted from better economic

[2] State cannot force people to be more trustful or active.

situation; however, other relationship was developed in the majority of aforementioned Member States, namely relationship between the dynamics of confidence and the dynamics of economic activity. Public confidence – based on the way that reliability and effectiveness of EU institutions are perceived – was positively related to economic activity. In Bulgaria, Czech Republic, Estonia, Greece, Latvia as well as Poland, Romania, Slovenia and Slovakia, GDP *per capita* was subject to increase, and at the same time citizens of these countries placed greater confidence in the EU institutions; taken Member States into account, this regularity was not proven only in Lithuania and Luxembourg – economic situation was improving there although confidence in the EU institutions was decreasing;

- There was a positive relationship between the range of democracy and economic situation in a given state; the lower the democracy index, the slighter the economic activity and the lower standard of living measured with the use of GDP *per capita*; thus, possibility of enjoying civil liberties was related to economic activity displayed by individuals; low – compared to the EU – democracy index recorded in Poland "called for" more intensive civic education addressed to Polish people together with the development of political culture, making the functioning of democratically elected government and public institutions more transparent and effective, which should be reflected in greater economic activity;
- The analysis also shows that there is an inverse proportional relationship between corruption perception in particular states and economic situation as well as their citizens' standard of living. Low transparency of decision-making in Poland was related to lower (compared to the majority of Member States) level of economic development. Therefore, greater emphasis ought to be put on obeying positive norms and values in the functioning of formal institutions in public life – state may directly favour the creation of social capital via providing public goods, i.e. effective legal and judicial systems and high-quality education.

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