Abstract

This paper analyzes the impact of various factors on the extent of corruption and rent seeking in transition countries. It identifies five main areas of these factors: geographic and historical conditions, institutional framework, economic factors, organization of politics and bureaucracy and socio-cultural effects. All determinants included in these areas are further elaborated in a detailed way. Subsequently causes of corruption and rent seeking in the Czech Republic follow and are illustrated on an empirical dataset provided by the PricewaterhouseCoopers Company. Finally some recommendations of possible bureaucracy reforms and proposals which aim to improve concrete aspects of institutional framework are introduced whose object is a general elimination of corruption activities.