

Quantitative Assessment of State Capture in Italy, Spain, Bulgaria, Romania, and Czech Republic

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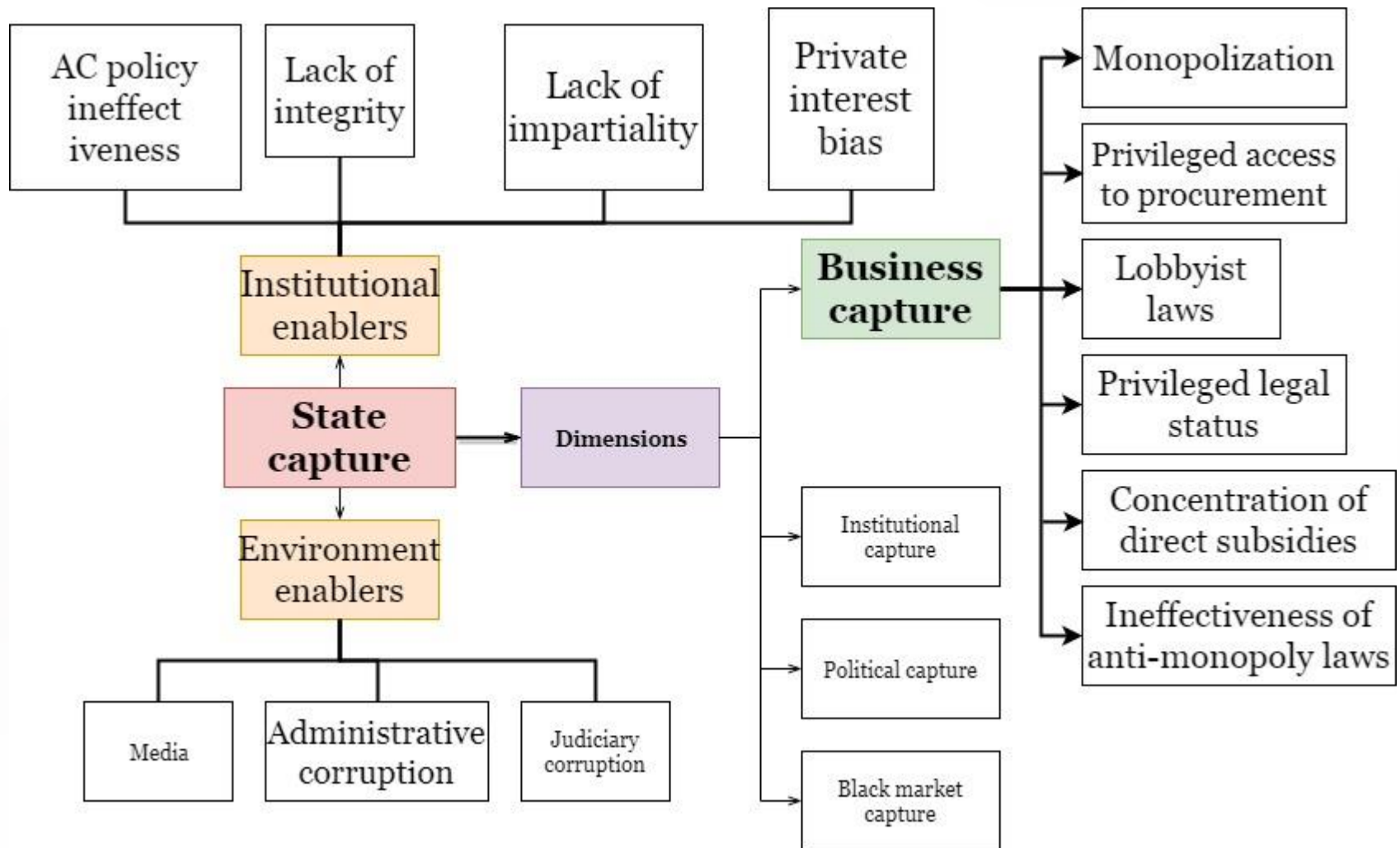
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State Capture: definition

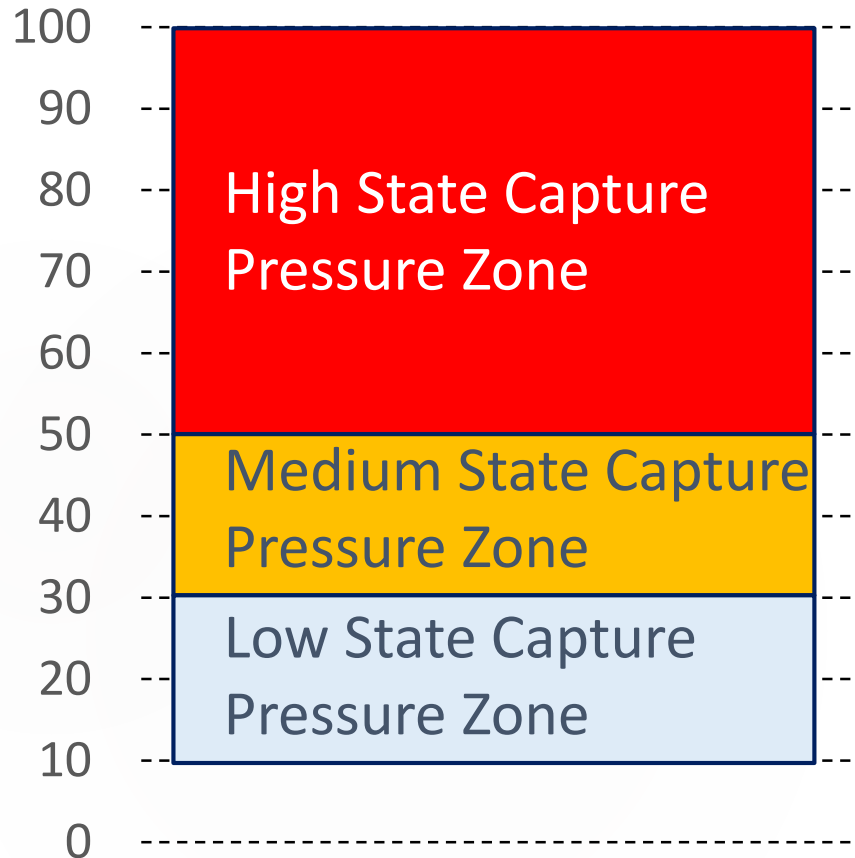
- **State capture is a combination of different forms of corruption which have a single objective: to secure wholesale (by default) and long-term privileges to captors by exploiting the power of government for private benefit.**
- **“Captor”** is an actor with privileged status enjoying undue advantages in economic and/or political terms.
- State Capture is achieved through a combination of bad governance (institutional enablers and institutional capture), business capture (monopolization of key sectors) and environmental enablers (media capture, judiciary capture and administrative corruption).

State Capture: model



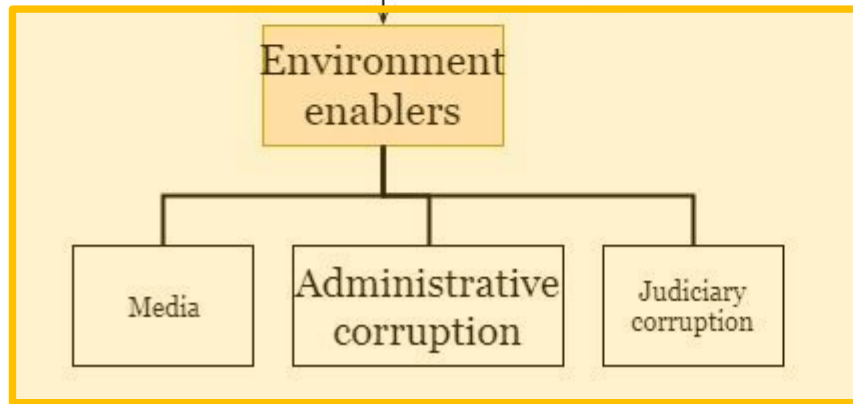
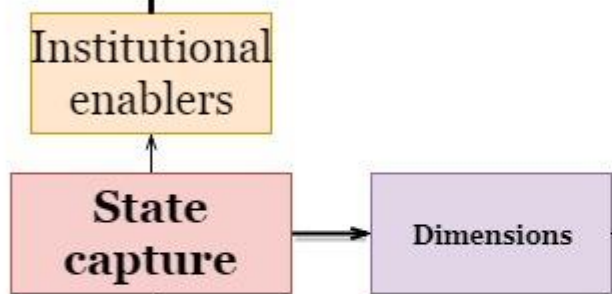
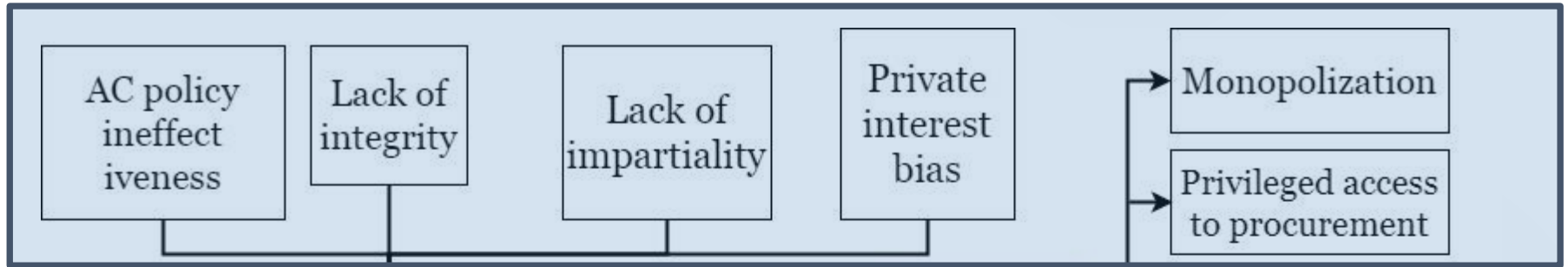
State Capture: methodology

- **0 to 100 scale**

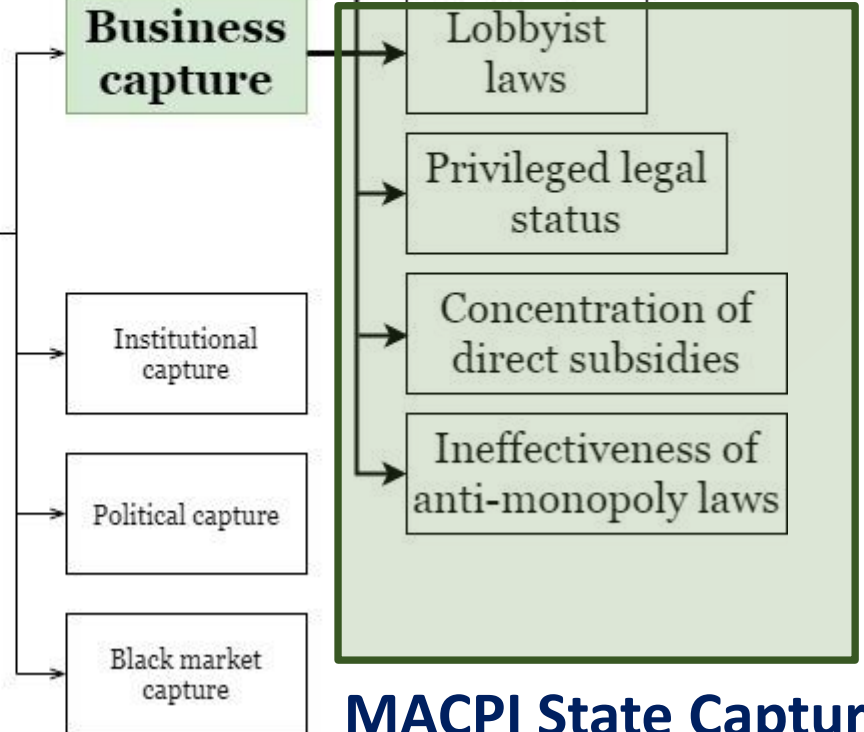


- **State Capture Pressure**
 - Assessment of state capture vulnerability
- **MACPI State Capture**
 - CSD's innovative tool
 - 50+ experts per country
 - Assessments instead of perceptions
 - Company data (Big data)
- **Aggregated indicators**
 - 3 media indicators
 - Rule of law
 - Eurobarometer

MACPI State Capture: National Level

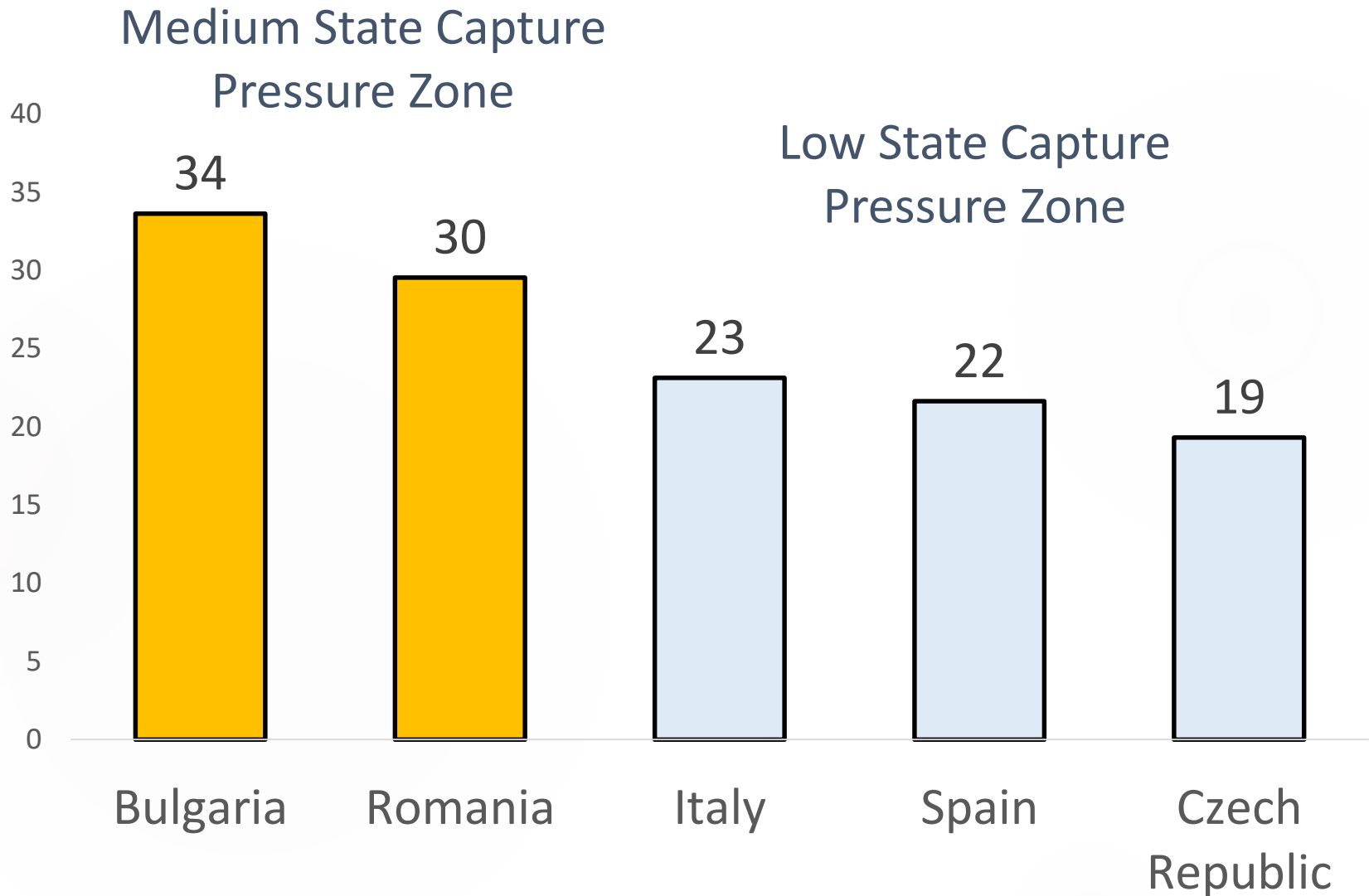


Aggregated indicators



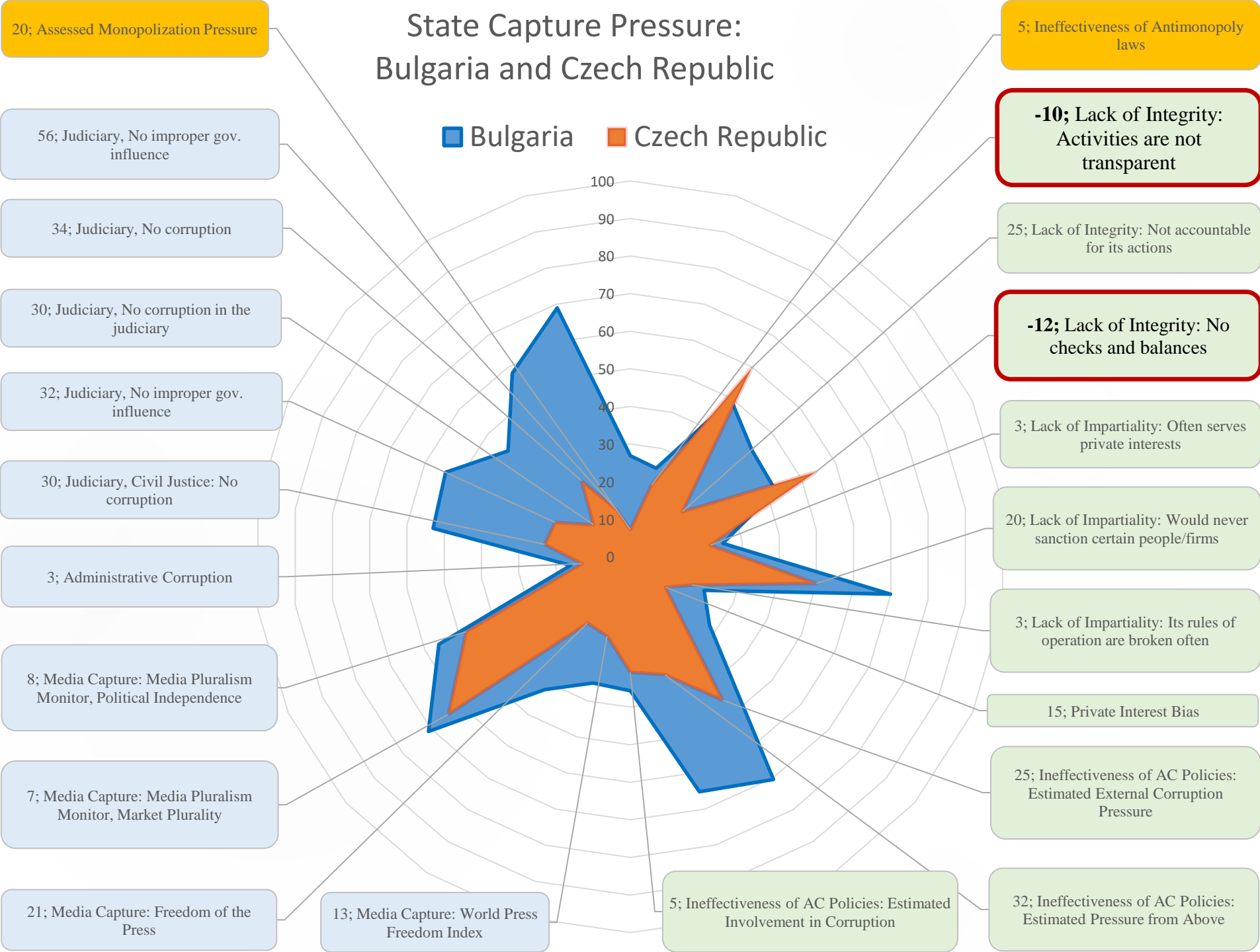
MACPI State Capture: Sectoral Level

State Capture Pressure in 5 EU Countries



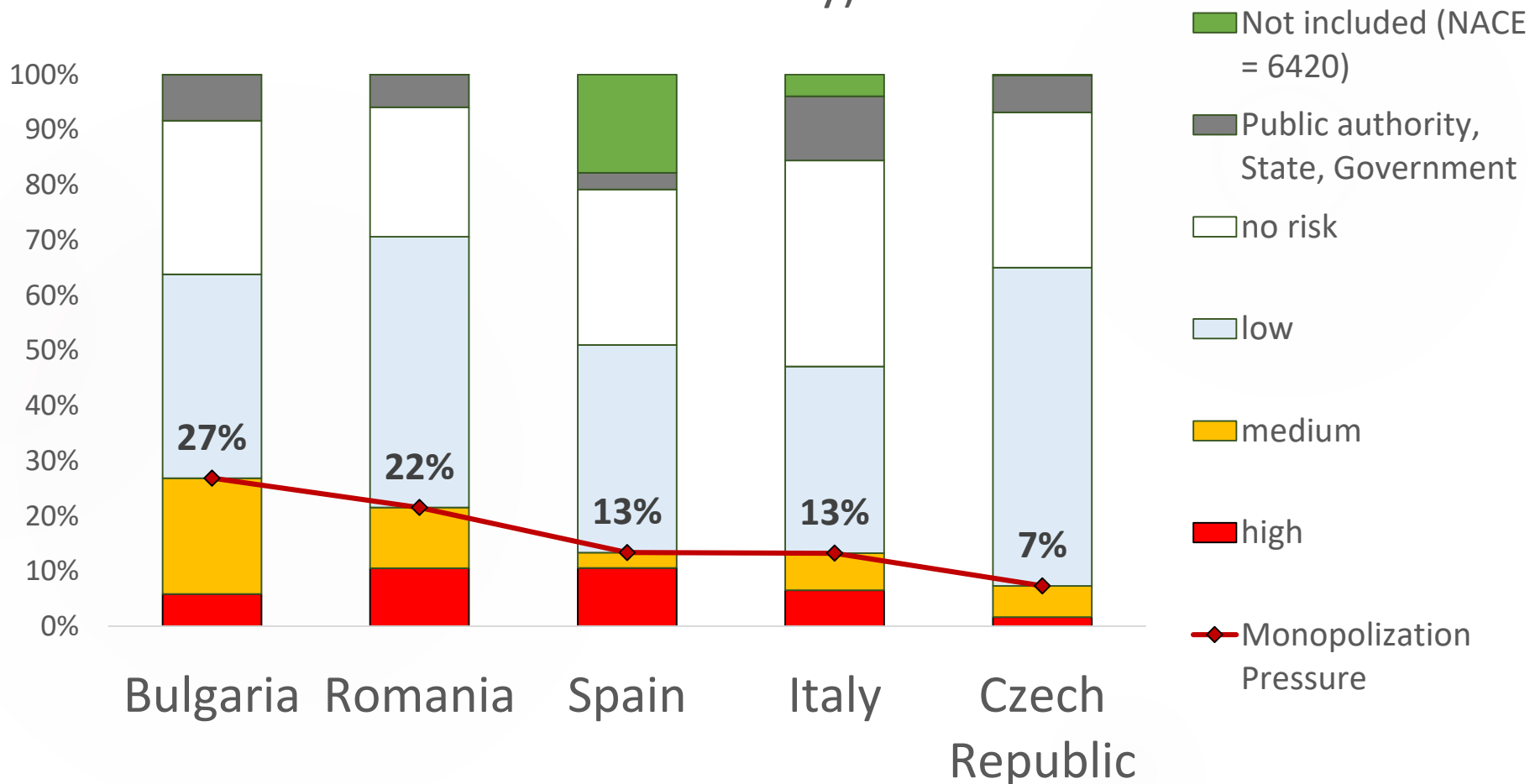
State Capture Pressure: Bulgaria and Czech Republic

■ Bulgaria ■ Czech Republic



State Capture Pressure in 5 EU Countries

Assessed Monopolization and company turnover in the corresponding sectors (% of the total turnover of the country)



Sectors with high and medium monopolization pressure in more than 1 of the 5 countries

NACE Rev. 2 Code	NACE Rev. 2 Sector Name	Bulgaria	Romania	Spain	Italy	Czech Republic
35	Electricity, gas, steam and air conditioning supply	43%	52%	73%	69%	39%
61	Telecommunications	48%	54%	33%	67%	73%
4646	Wholesale of pharmaceutical goods	70%	56%	29%	56%	33%
F	CONSTRUCTION	45%	44%	53%	36%	24%
4671	Wholesale of solid, liquid and gaseous fuels and related products	85%	23%	47%	50%	20%
49	Land transport and transport via pipelines	17%	58%	18%	38%	22%
92	Gambling and betting activities	40%	21%	24%	48%	22%
4673	Wholesale of wood, construction materials and sanitary equipment	37%	42%	2%	5%	8%

Sectors with high and medium monopolization pressure in 1 of the 5 countries

- **Bulgaria**

- Wholesale of grain, unmanufactured tobacco, seeds and animal feeds (47%)
- Wholesale of waste and scrap (38%)
- Manufacture of tobacco products (35%)
- Wholesale of tobacco products (33%)
- Retail sale in non-specialized stores with food, beverages or tobacco predominating (32%)
- Manufacture of coke and refined petroleum products (32%)

- **Romania**

- Retail sale of automotive fuel in specialised stores (46%)
- Computer programming, consultancy and related activities (33%)

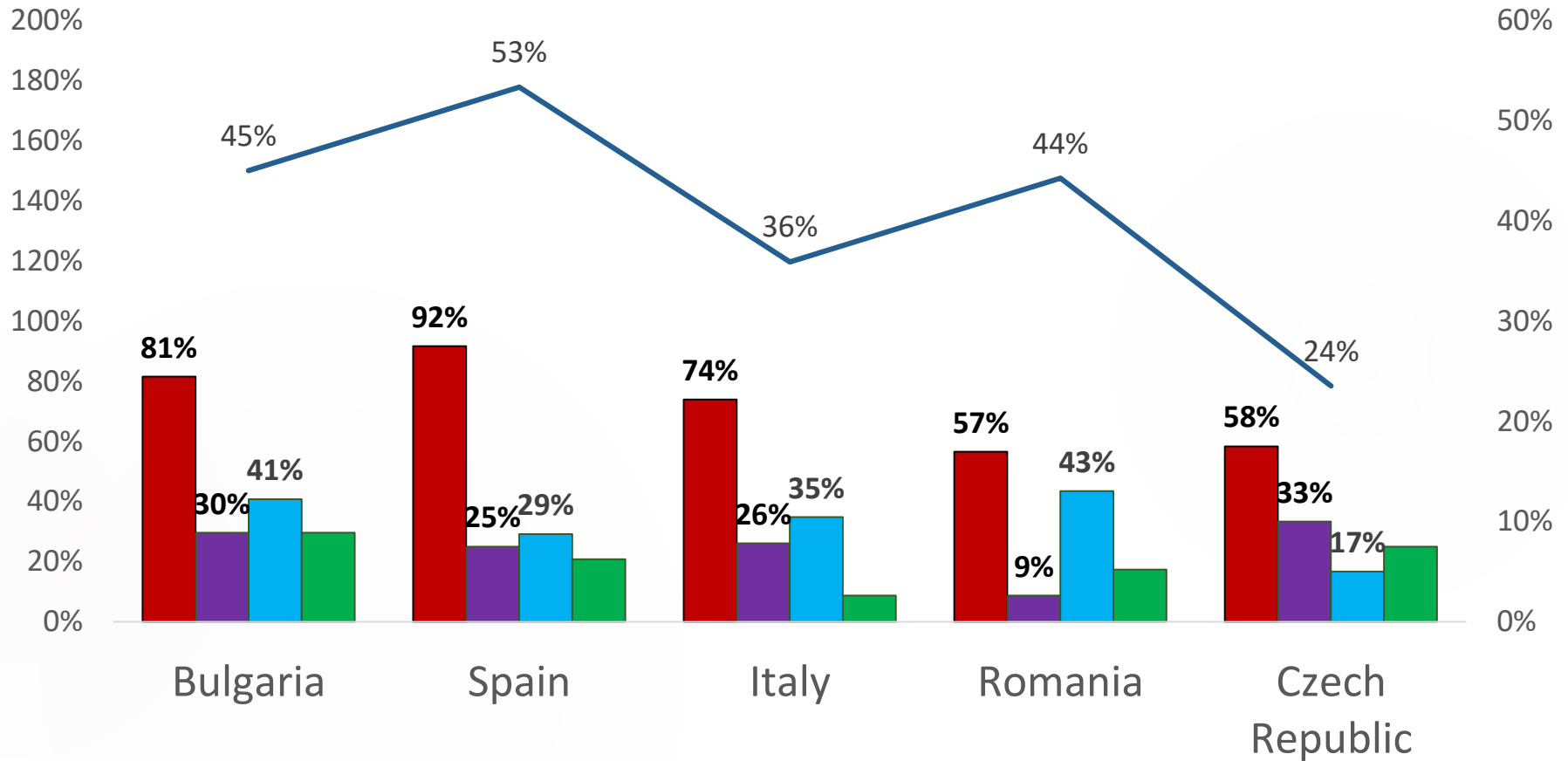
- **Spain**

- Financial service activities, except insurance and pension funding (67%)

- **Italy**

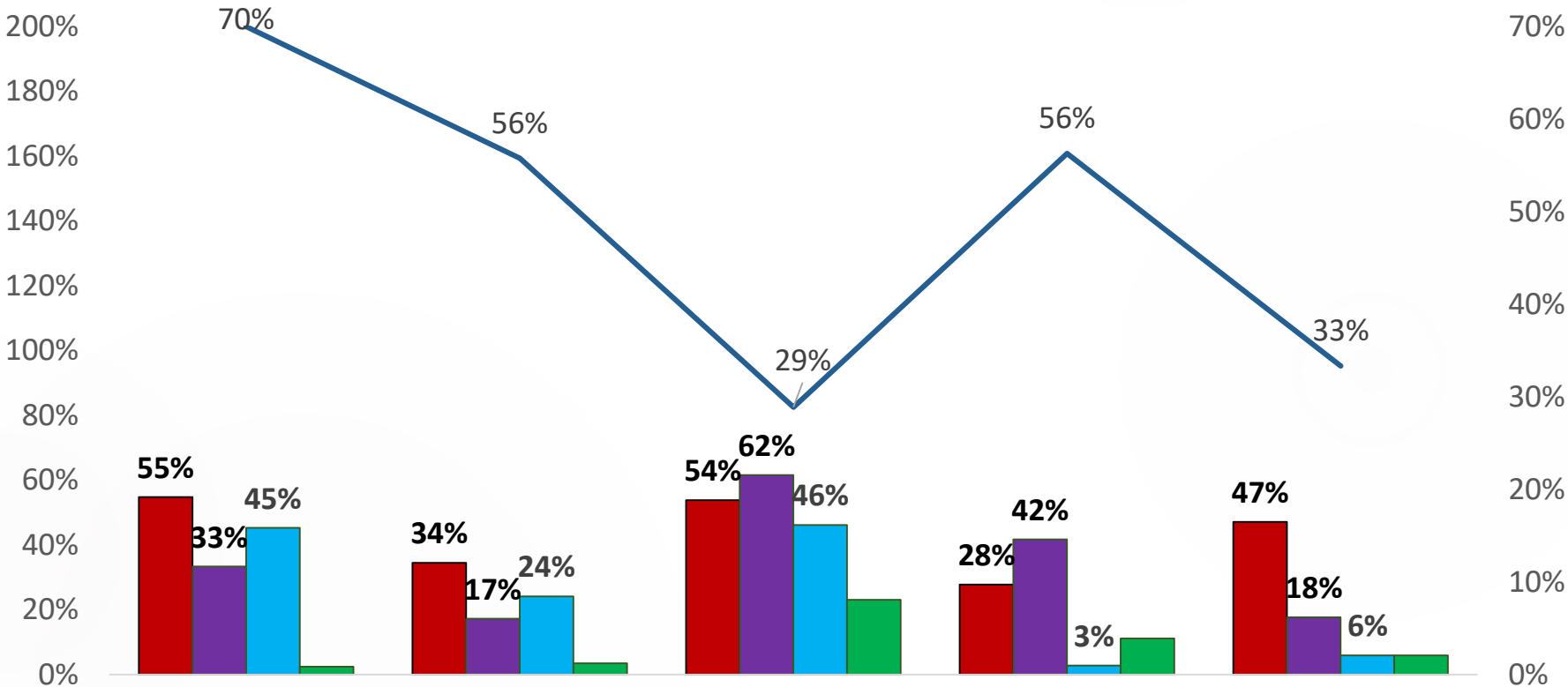
- Water collection, treatment and supply (34%)
- Manufacture of pharmaceutical preparations (33%)

Sector F: Construction



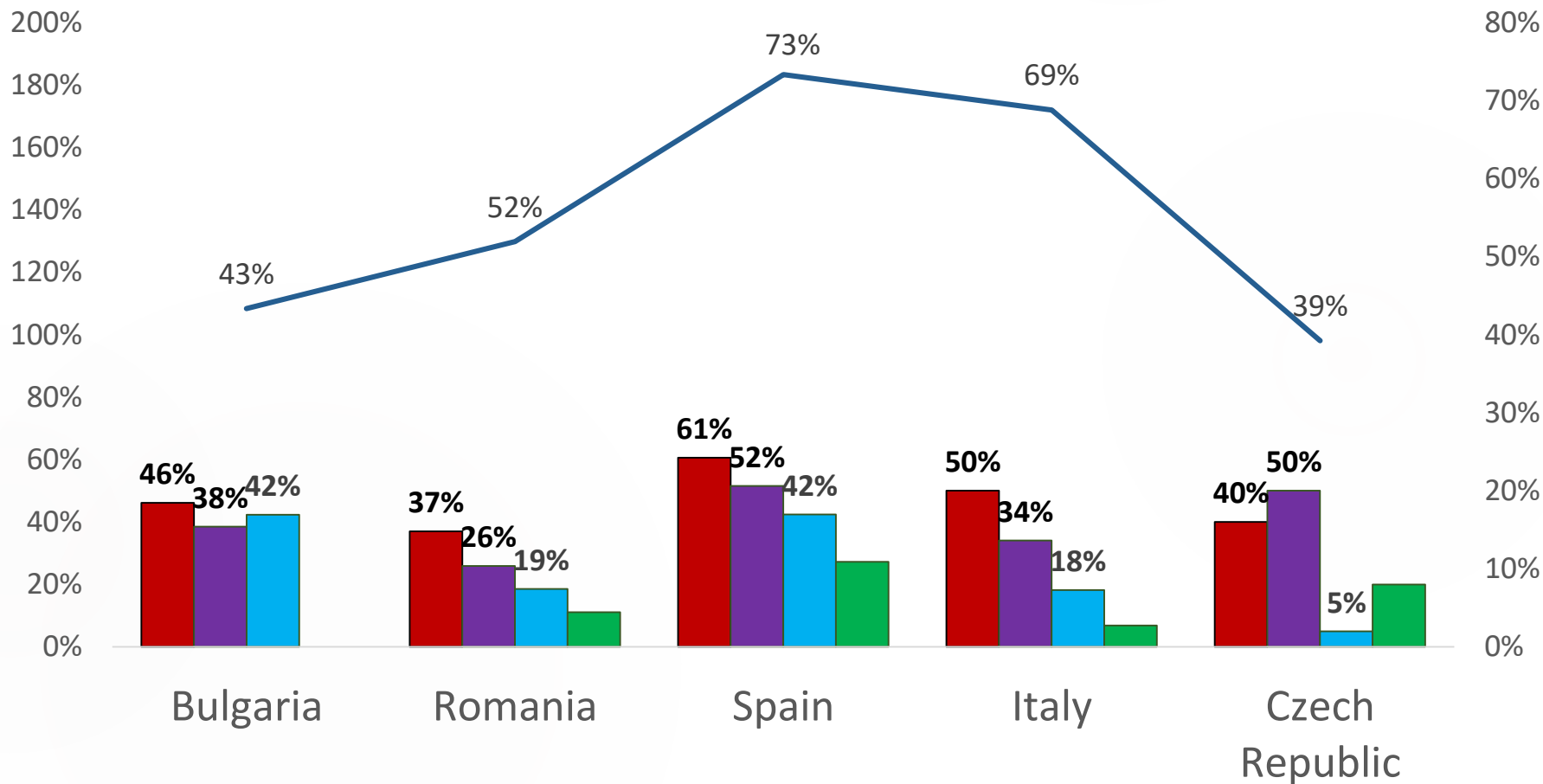
- A specific company or a small number of companies win too many public tenders
- Laws that provide illegitimate competitive advantage
- Control and/or sanctions are applied selectively which helps particular companies
- Concentration of grants in the sector (euro funds, direct subsidies, etc.)
- Monopolization Pressure

Sector 4646: Wholesale of pharmaceutical goods



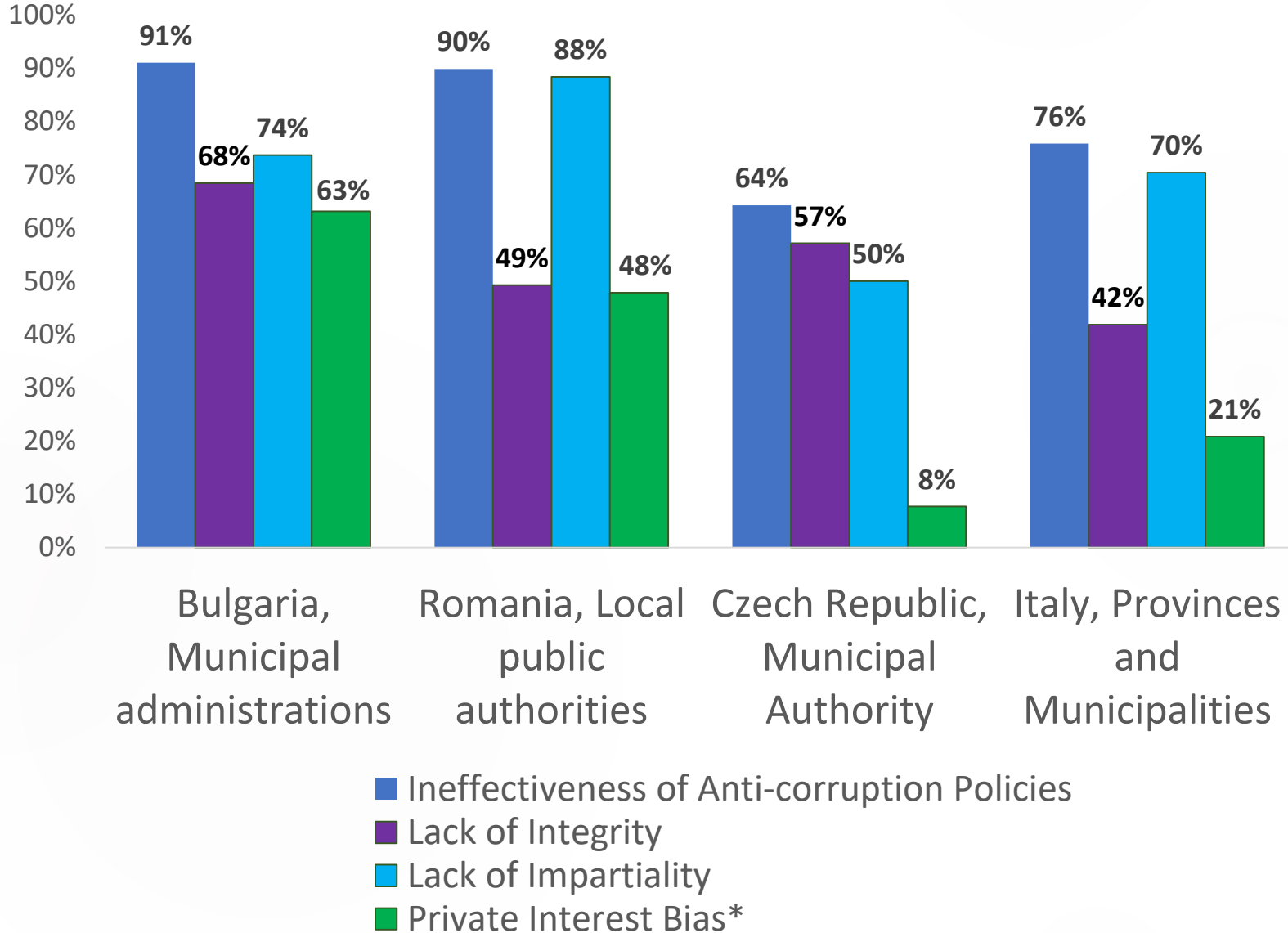
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Sector 35: Electricity, gas, steam and air conditioning supply



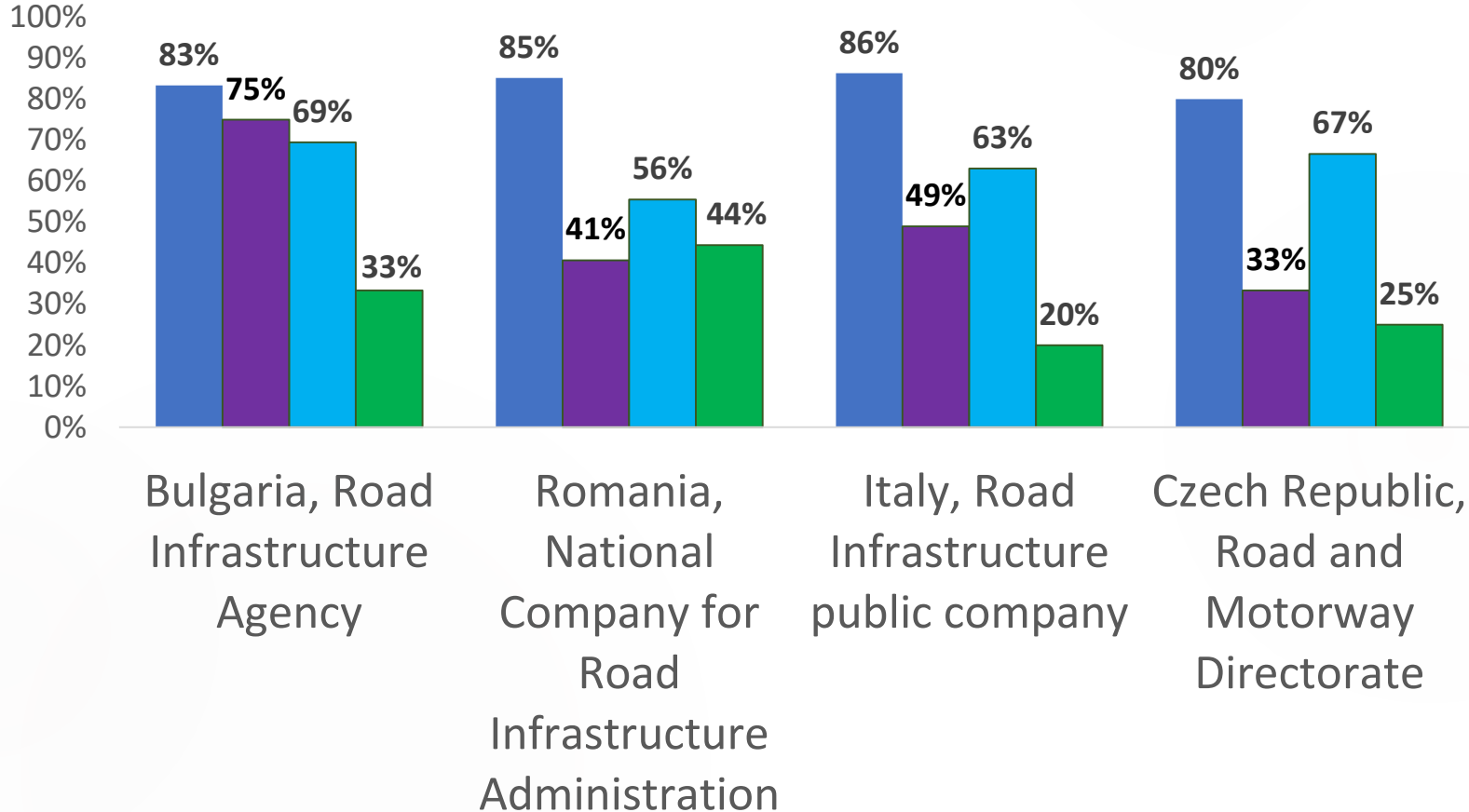
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Municipal Administration



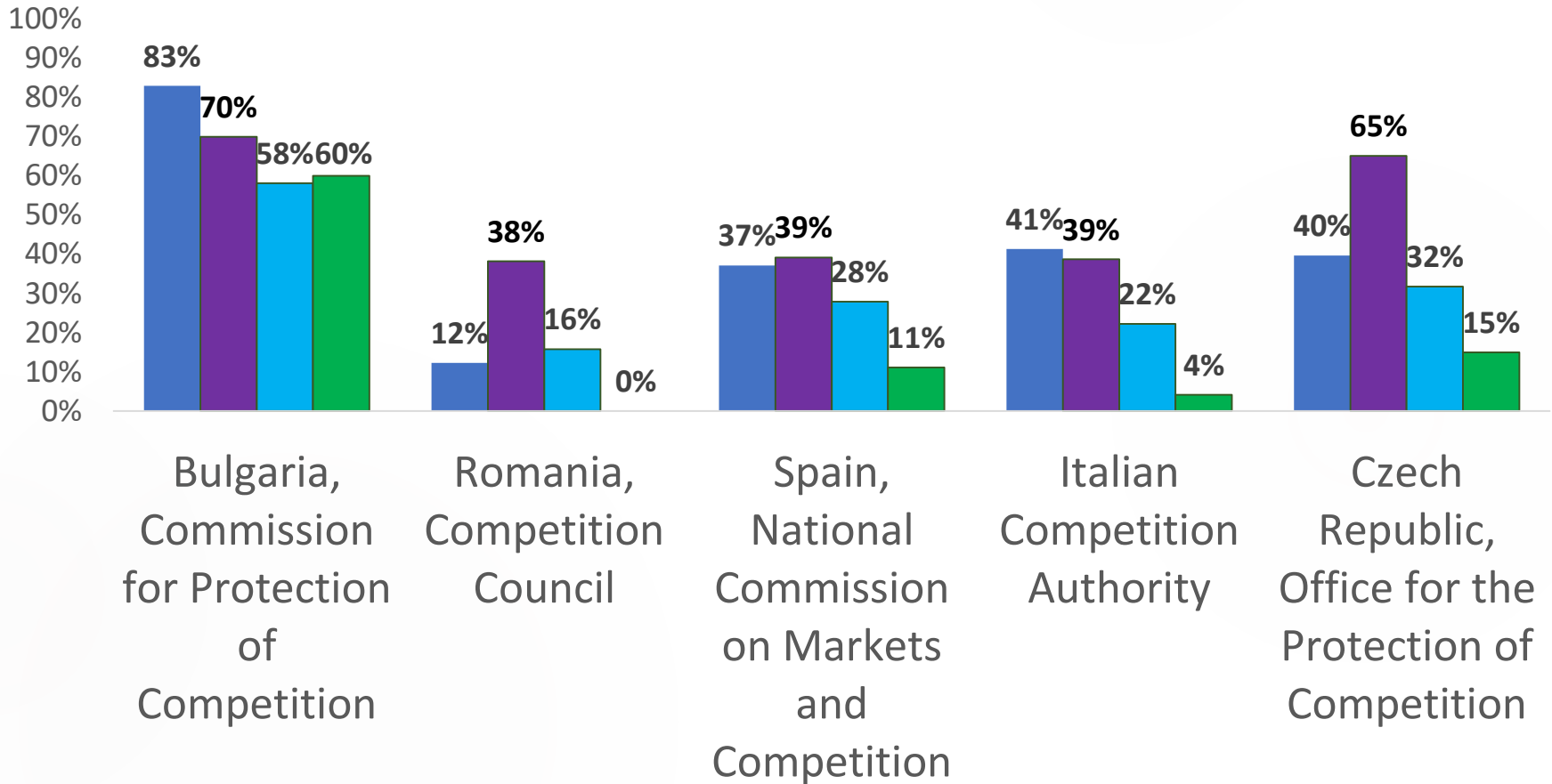
* Control and sanctions are enforced partially, serving private interests

Road Infrastructure Agency



- Ineffectiveness of Anti-corruption Policies
- Lack of Integrity
- Lack of Impartiality
- Private Interest Bias

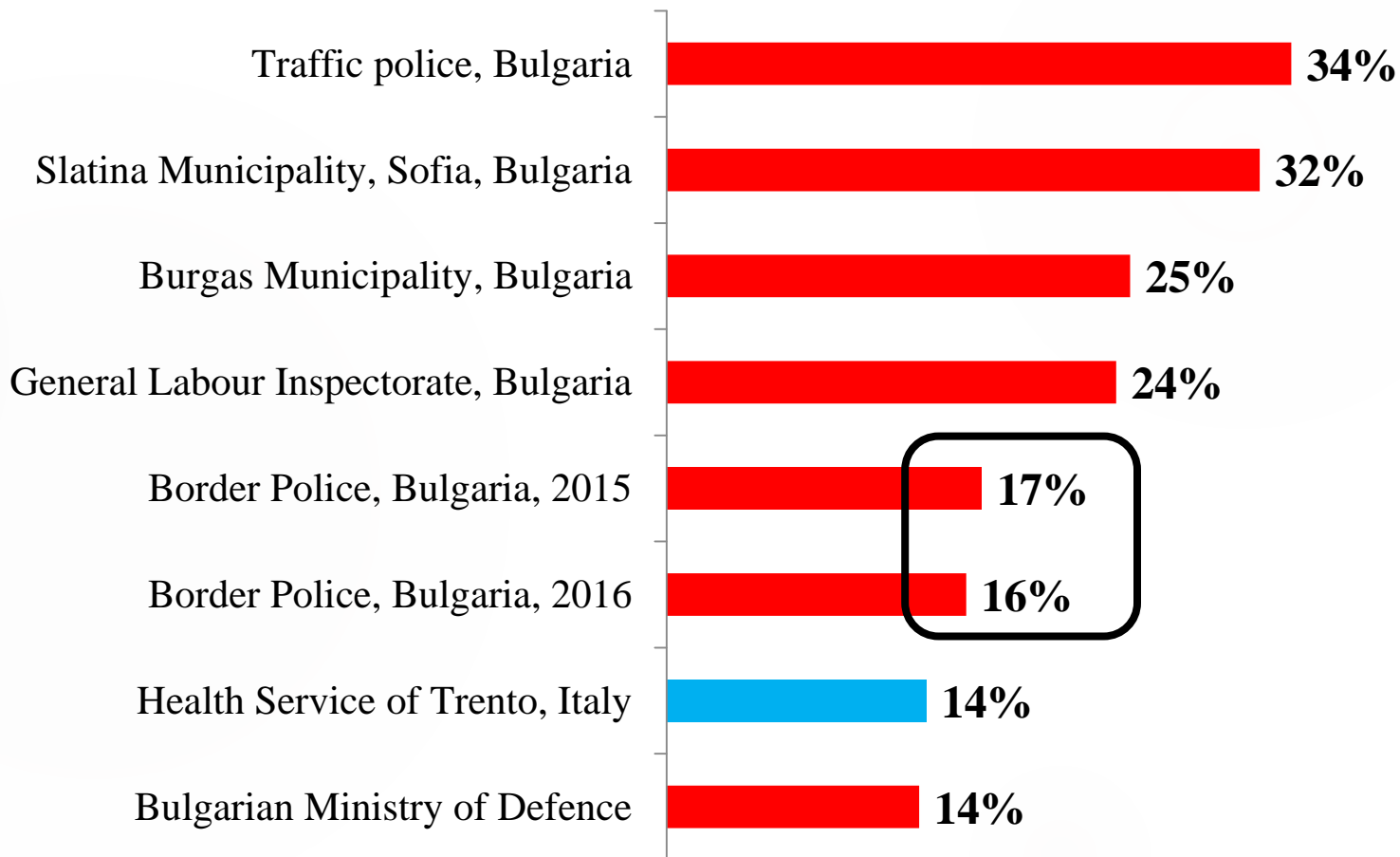
Protection of Competition Authority



- Ineffectiveness of Anti-corruption Policies
- Lack of Integrity
- Lack of Impartiality
- Private Interest Bias

Institutional level corruption and anti-corruption scan (MACPI Institutions)

Reported by officials in the scanned public organizations (MACPI)



Thank you