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State Capture Assessment Diagnostics at Sectoral Level

Training manual

The R2G4P project, coordinated by the Center for the Study of Democracy, Bulgaria benefits from a € 1.5 million grant from Iceland, Liechtenstein and Norway through the EEA and Norway Grants Fund for Regional Cooperation. The aim of the project is to implement shared anti-corruption and good governance solutions in Southeast Europe through innovative practices and public-private partnerships.

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Introduction

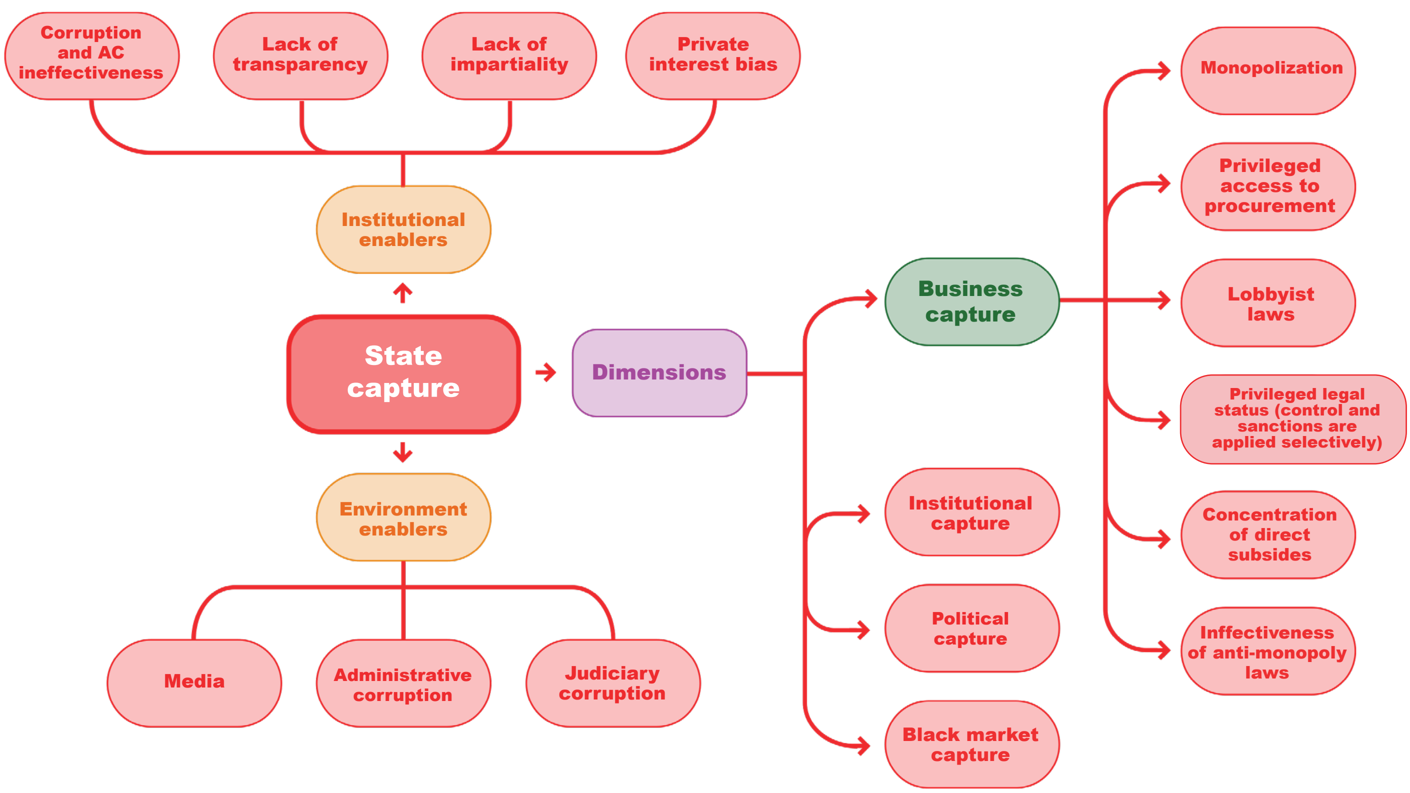
State capture is a combination of different forms of corruption which have a single objective: to secure wholesale (by default) and long-term privileges to captors by exploiting the power of governments for private benefit.[1]

Since state capture is a deeply hidden phenomenon, most of the evidence for its presence is highly anecdotal and qualitative in nature (separate ad-hoc cases). Reliable quantitative estimates are few and the ones that exist focus on vulnerabilities and symptoms of state capture rather than direct measurement of the phenomenon which is considered impossible.

However, the key characteristic of state capture is the public traces it leaves behind. Because it needs to affect public policy so as to bend it to its will, it is bound to leave public traces which can be discovered by suitable pattern-finding methods.

While state capture is essentially a hidden phenomenon and cannot be assessed or measured directly, state capture assessments focus on its specific features: dimensions, enablers, drivers, effects and outcomes. Evaluation of these specific features provides a notion of the different kinds of pressure that gradually push a state towards full captivity. The quantitative assessment of state capture pressure provides easily understandable indicators, which in turn reveal potential sectoral or institutional vulnerabilities, as well as the overall potential

Figure 1. Theoretical model of state capture and its dimensions and enablers



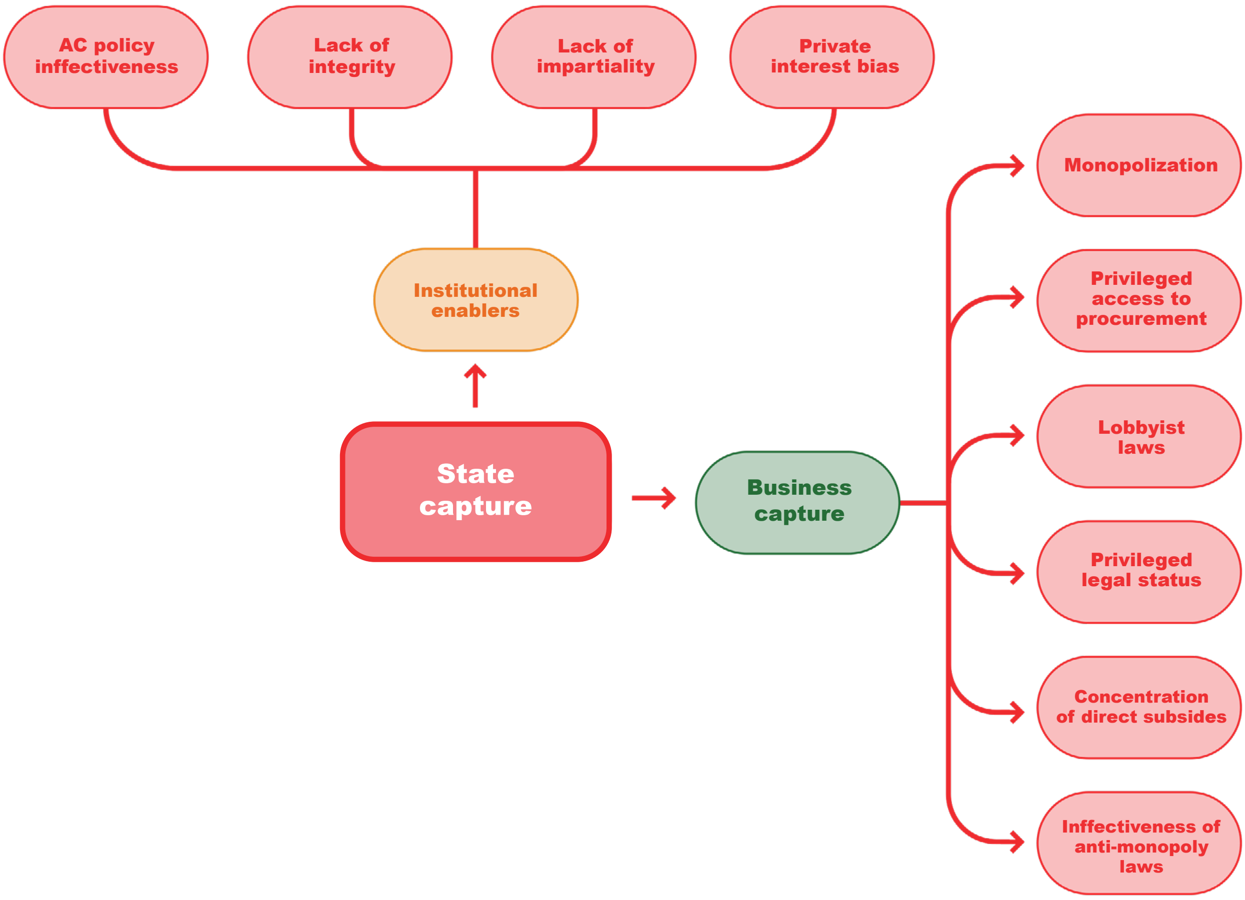
Source: Stoyanov, A, A. Gerganov & T. Yalamov (2019) State Capture Assessment Diagnostics, Center for the Study of Democracy, Sofia, pp. 174.

1 As developed by: Stoyanov, A, A. Gerganov & T. Yalamov, (2019). State Capture Assessment Diagnostics, Center for the Study of Democracy, Sofia, pp. 174.

susceptibility of a country to state capture.
State Capture can be assessed at the national level which provides helpful insight into the general context and possible vulnerable areas in a country. The methodology for State Capture Assessment Diagnostics (SCAD) at the national level is described elsewhere.[2]
The methodological approach of this toolkit towards assessing state capture focuses exclusively on business capture and is based on a simplified model which features two level-one indicators of state capture: institutional enablers and business capture pressure (Figure 2). The model interpretation is straightforward: state capture processes could be assumed if the values of the indicators linked to phenomena symptomatic of state capture (like monopolisation, illegal lobbying, etc.) are high and/or unfavourable. Furthermore, indicators (and respectively the processes they measure) tend to reinforce one another. Dynamically, unfavourable statuses in one dimension (level-one concept)can negatively impact values in the other dimensions.

2 Ibid

Figure 2. Observed State Capture dimensions and indicators



SCAD ESL is developed specifically for the assessment of some of the less available dimensions and enablers of state capture. It employs a large sample expert survey which provides assessment scores for two important groups of indicators:

- The first group focuses on public organisations regulating and/or controlling the market. These organisations are assessed in terms of integrity, impartiality, tendency to serve the public or on the contrary – demonstrating private bias, and the effectiveness of their anti-corruption policies. Organisations relevant to the assessed economic sector are listed in the questionnaire and experts indicate their level of familiarity with each organisation and then they assess only the organisation with which they are familiar.
- The second group focuses on the assessment of the economic sector. Experts are initially asked if they have reasons to suspect the existence of a monopoly/oligopoly/cartel in the sector (see question S1 in Appendix 1). If a sector is assessed as monopolised by an expert, additional questions regarding the potential risks in this sector are asked. Finally, experts assess the quality of rules and regulations in the sector in the context of their anti-monopoly effectiveness.

Key steps and expected results

The main six main steps in implementing the SCAD ESL instrument are summarized bellow:

Figure 3. SCAD ESL: Key Steps

Step 1 Mapping report uses desktop research to outline the main players in the audited economic sector: public organisations which act as regulators; controlling/sanctioning authorities or large buyers; relevant branch and NGO organisations which have expert knowledge about the sector and; big companies (both public and private) holding large shares of the market and/or receiving often procurement contracts. The desktop research lists all different actors and provides information about their functions and relations. The output of this step is a mapping report which provides the background information needed for the following steps which could be complemented by a review of the media on sector-related articles.

Step 2 Selectors of respondents and sector-relevant organisations draws upon the mapping report to compile a list of relevant public organisations to be assessed in the following experts survey and a comprehensive list of experts (both public officials and external experts) who should be invited to take part in the assessment. The expertise of the respondents is based on self-assessment scores and the survey relies on a very large sample of experts which allows the juxtaposition of scores provided by different groups of experts. The key vulnerability areas are those where the opinions of all the experts converge.

Step 3 SCAD ESL survey is conducted as an anonymous online survey among a large pool of experts (preferably over 50). Rather than selecting a sample of experts based on subjective criteria, the survey's goal is to achieve full coverage and exhaustive sampling of all the available experts on the topic. This approach to sampling aims at negating individual biases and, while laborious, it guarantees maximum objectivity of the computed indicator scores.

Step 4 Computation of the state capture indicators is the data processing step whereby indicator scores from the SCAD ESL expert survey are computed together with complementary indicators used as weights and links with the other instruments.

Step 5 Analysis of the results and integration with the other instruments is the analytical step where the indicator scores are interpreted and vulnerabilities are outlined. This step also links the results to the findings from the other two instruments in a comprehensive assessment of the sector.

How to interpret the indicators:

Lack of Impartiality - often serves private interests; would never sanction certain people/firms; its rules of operation are often violated;

Lack of Integrity - activities are not transparent; not accountable for its actions; no checks and balances;

General sector monopolisation - suspected existence of a monopoly/oligopoly/cartel in the sector;

Ineffectiveness of anti-monopoly laws - perceptions that laws help the monopolisation of the sector rather than protect against it;

Specific monopolisation pressure - perceptions that a small number of companies win too many public tenders, laws provide an illegitimate competitive advantage, sanctions are applied selectively, or there is a concentration of grants and subsidies in the sector.

Key steps – a detailed guide

Step 1. Mapping report

The main goal of this first step is to outline the main actors in the sector, to provide background information for compiling the SCAD ESL questionnaire and select respondents. The mapping report is based on desk research. The main tasks of this step are outlined below:

- Gather background information about the sector.
- List the main public organisations that are responsible for regulating the sector, as well as those responsible for control and sanctions. Within this step, a short outline of their functions and relations to other actors should also be provided.
- List NGOs and branch organisations.
- List the main companies in the sector based on market share and procurement contracts.
- Provide a short and to the point review of potential state capture-related incidents, including allegations from reputable media outlets.
- Provide information about different registries relevant to the sector such as, local procurement registries, registries of subsidies, lists of approved products/ companies (e.g., lists of medicines which are covered by the national healthcare plan; list of approved fuel storage facilities; other similar registries and lists, relevant to the sector)
- Provide additional quantitative information, if applicable and potentially useful for quantitative analyses.
- Further qualitative information, if applicable, can provide insight into the mechanisms of state capture. However, it ought to be short, to the point and based on reputable sources.

Example: A template for the mapping report is provided in Appendix 5.

Checklist of WHAT TO DO and WHAT NOT TO DO

What to do

List all public organisations relevant to the sector

Provide links to the organisations' web pages

Briefly outline the main activities of these organisations and why they are relevant to the sector

List other players: branch organisations, big companies in the sector, etc.

List public registers relevant to the sectors

Provide sources when referring to facts or allegations

What to not do

Don't try to do a qualitative analysis

Don't make descriptions too long

Don't forget organisations which are relevant to all economic sectors (e.g., Customs or Tax authorities)

Step 2. Selection of respondents and sector-relevant organisations

Selection of respondents

Unlike typical instruments relying on experts' assessments, the SCAD ESL survey uses a large pool of both external experts and acting public officials who can participate in the assessment process with only one restriction – they have to be familiar with some of the regulatory and control bodies in the sector. Different views and opinions are represented through the large sample size and the high-pressure areas are those where the different experts' opinions converge. Discrepancies between public officials and external experts would actually contribute to yet another informative level of analysis, rather than decreasing the quality of the results. The two main groups of experts are outlined below:

Public officials: public officials are people currently working at the managerial or expert levels from public administration, judiciary, prosecution, etc.

External experts:
- NGO employees with expertise on corruption, conflict of interest, market competitiveness, etc.
- Academia representatives with expertise on cor ruption, conflict of interest, market competitiveness, etc.
- Ex-public officials who are familiar with at least some of the public organisations included in the survey.
- Heads of large businesses who are familiar with at least some of the public organisations included in the survey.

Use the mapping report to select respondents. Try to select a balanced group of respondents that includes all types listed above. Check your organisation's contacts for additional experts you could add to the list. Ask your contacts to recommend more experts.

Selection of organisations

The selection of organisations is a harmonized process in order to ensure cross-country comparability:

- The organisation is an agency which possesses control functions throughout the sector.
- The organisation has some degree of regulative influence on the sector.
- The organisation is a big client of goods/services from the sector.

A table form (Table 1. below) is filled in with all relevant cells marked to show the relations between organisations and all their various sectoral functions (e.g. regulation, control, big client). The table is complemented with a more detailed explanation for each organisation. Examples of filled-in tables for Romania, Italy, and Spain are available in Appendix 2.

Table 1. Types of influences of selected public organisations on the assessed economic sector

	Sector name		
Institution name	**Regulation**	**Control**	**Big client**
Public organization 1			X
Public organization 2	X	X	
.....		X	

Step 3. SCAD ESL survey

Once the list of public organisations is compiled, the survey is programmed online (questionnaire available in Appendix 1) and experts are invited to fill it in. The survey should be implemented using specialized software which can automatically filter unnecessary questions based on the respondent's answers (e.g., Limesurvey, SurveyMonkey or similar).

Checklist of WHAT TO DO and WHAT NOT TO DO

What to do

- Test carefully the online implementation of the survey for mistakes
- Monitor the progress during the fieldwork and take actions if the progress is too slow
- Use an anonymous survey to guarantee honest answers
- Have at least one reminder, but preferably two (to send out to prospective respondents)

What to not do

- Don not be content with a low response rate, go back to step two and add more experts to the list
- Do not use mass mailing unless you are sure it will not be treated as spam
- At least one point of contact with the listed experts should be over the phone, preferably one of the reminders

Step 4. Computation of the state capture indicators

The SCAD ESL includes three levels of indicator operationalisation (Table 2.) and combines data obtained from the assessment instrument, as well as data from external sources.

Table 2. Measured concepts, indicators and sources of information of SCAD ESL

Level one concept	**Business state capture pressure**	**Level three indicators**[3]
Level two indicators	General sector monopolisation	Assessed overall level of monopolisation of the sector
	Ineffectiveness of antimonopoly laws	Laws regulating the sector help/hinder/not related to the formation of monopolistic, oligopolistic or cartel structures
	Specific monopolisation pressure	A specific company or a small number of companies win too many public tenders
		Laws provide illegitimate competitive advantage
		Selective application of control and/or sanctions
		Concentration of public funds in the sector (euro funds, direct subsidies, etc.)
Level one concept	**Institutional enablers**	**Level three indicators**
Level two indicators	Lack of Integrity	Activities are not transparent
		Not accountable for its actions
		No checks and balances
	Lack of Impartiality	Often serves private interests
		Often serves private interests Would never sanction certain people/firms
		Its rules of operation are violated often
	Private Interest Bias	
	Ineffectiveness of Anti-corruption Policies	Estimated External Corruption Pressure
		Estimated Pressure from Above
		Estimated Involvement in Corruption

3 Indicators and questions are formulated negatively in order to make interpretation of values easier – the higher the value, the more unfavorable the status of the respective capture aspect is.

Business state capture pressure

Business capture indicators have been constructed to reflect those elements of the business sector environment which would have unfavourable statuses if capture processes exist or are evolving (in varying degrees). The existence or absence of these elements would prove the existence or absence of state capture processes.

Businesses are the most common captor, forming the business dimension of state capture. To achieve a privileged status would mean that a given business entity (company) has managed to influence lawmakers to adopt **favourable legislation** which enhances its market position (biased legislation). More concretely, this would mean that the government does not interfere in cases of established market concentration of different forms. For example, this would mean that the business is able to impose a price structure for its products or services that favours a specific company or group of companies or that the company tends to dominate the procurement market in a specific sector.

The business capture dimension is defined by a classical state capture scenario: the so-called “captors” are business entities that use different forms of corruption in order to:

- influence lawmakers to adopt favourable legislation which enhances its market position (biased legislation);
- prevent the relevant government agencies from interfering in cases of established market concentration of different forms;
- achieve a long-term dominant position in the procurement market in its sector not through innovation and competition but through wholesale corruption deals (usually very high-level corruption)
- accumulate illegitimate government help through concentration of direct subsidies or other forms of direct help from the government

Business captors could use some or all of the mechanisms listed above to achieve and retain a dominant position in one or more key economic sectors. Successful business capture eventually leads to a high market concentration of potentially privileged local players which are not prominent internationally nor are they innovative and efficient companies that could achieve their dominant position through regular market mechanisms.

Antitrust laws and state regulations are supposed to prevent monopolisation and promote competition; however, these laws and regulations are typically fictitious and ineffective in a business capture environment. They can even be used as tools to facilitate the goals of captors.

The business capture dimension is measured as a combination of high monopolisation pressure and ineffective antimonopoly laws. Monopolisation pressure is the primary indicator, however, there are some scenarios where it could be argued that high market concentration results from valid market mechanisms. Hence, the effectiveness of antimonopoly laws is also estimated. A scenario with high monopolisation pressure and ineffective antimonopoly laws would strongly suggest business capture.

The effectiveness of the anti-monopoly laws should include practical results, not just legal framework analysis which is somewhat common in law assessment. State capture sometimes can exist within a perfect legal framework. Indeed, such ‘perfect legal frameworks’ could be even used by captors to their business advantage. Therefore, the instrument measuring this component should recognise the difference between applicability, implementation (formal and real) and effectiveness of a policy/law and should therefore also be able to estimate all of these adequately.

The business state capture pressure indicators are based on the following questions in the SCAD ESL questionnaire:

Level three indicator name	Related question from the questionnaire (Appendix 1)
General sector monopolisation	S1
Ineffectiveness of antimonopoly laws	S3
Specific monopolisation pressure	S2

General sector monopolisation is based on question S1 (see this and all subsequent questions in Appendix 1) and represents the percentage of experts who believe there is any reason to suspect the existence of a monopoly/oligopoly/cartel in the sector.

The ineffectiveness of antimonopoly laws is based on question S3. This question asks whether the laws regulating the assessed sector hinder the formation of monopolies/oligopolies/cartels in the sector or help the monopolisation of the sector. Ineffectiveness of antimonopoly laws is computed as the percentage of experts who believe that the laws for the sector rather help the monopolisation of the sector.

The third component **"Specific monopolisation pressure"** is computed as the percentage of all experts who think that the sector suffers from at least one of the four specific problems listed in question S2: (1) a specific company or a small number of companies that win too many public tenders, (2) laws provide illegitimate competitive advantage, (3) control and/or sanctions are applied selectively which helps particular companies, and (4) a high concentration of grants and subsidies in the sector (euro funds, direct subsidies, etc.). While natural monopolies do exist and monopolisation can be considered a naturally occurring phenomenon despite the efforts of anti-trust authorities, the "specific monopolisation pressure" indicator focuses on arguably non-market mechanisms which provide illegitimate competitive advantage and, when occurring systemically, are a strong signifier of state capture in the sector.
The final level-one indicator of **business state capture pressure** is computed according to the following formula which reflects the importance of the specific monopolisation pressure indicator:

Business state capture pressure = (Specific monopolisation pressure*2 + General sector monopolisation + Ineffectiveness of Antimonopoly laws) /4

Institutional enablers

The Institutional enablers' indicators are based on the following questions from the SCAD ESL questionnaire (Appendix 1).

Level three indicator name	Related question from the questionnaire (Appendix 1)
Estimated External Corruption Pressure	Q8
Estimated Pressure from Above	Q10
Estimated Involvement in Corruption	Q41
Often serves private interests	Q42
Would never sanction certain people/firms	Q43
Its rules of operation are violated often	Q44
Activities are not transparent	Q45a
Not accountable for its actions	Q45b
No checks and balances	Q45c
Private Interest Bias (a level 2 indicator which doesn't have sub-indicators)	Q57c

The ineffectiveness of Anti-corruption policies. The indicator is computed as the simple average of three level-three indicators:

- The **average** percentage from all public organisations of answers "high" and "medium" external pressure (**Estimated External Corruption Pressure**) to question Q8;
- The average percentage of answers "very likely" or "rather likely" (for a superior to exert pressure from above) to question Q10 (**Estimated Pressure from Above**)
- The percentage of experts who answer Q41 with the sentiment that the corresponding organisation would "rather increase corruption with their activity" (**Estimated Involvement in Corruption**).

Each of the indicators is first computed at the sectoral level as the average percentage of the corresponding answer for all public organisations listed in the survey. Then the "Ineffectiveness of Anti-corruption policies" is computed based on the average of these three indicators.

Lack of Impartiality follows the same algorithm and is the average of the following three indicators:

- The **average** percentage from all public organisations of answers "It happens often" to question Q42. "In your opinion, are there cases when the listed organisations protect private interests in violation to their formal rules of operation?" (Indicator **Often serves private interests**);
- The average percentage of answers "There are some companies/individuals" or "There are many companies/individuals like this" to question Q43 "In your opinion, are there companies or individuals that this institution would never sanction?" (**Would never sanction certain people/firms**)
- The average percentage of answers "They are often violated" to question Q44 "In your opinion, how often are the laws or rules governing the operations (regulating the activity) of each of the listed organisations violated?" (**Its rules of operation are violated often**).

Again, each of the indicators is first computed at the sectoral level as the **average** percentage of the corresponding answer for all public organisations listed in the survey. The "Lack of Impartiality" is the average of the three indicators.

Lack of Integrity follows the very same logic and is the average of the following three indicators:

- The average percentage from all public organisations of answers "No" to question Q45a. "Its activity is transparent" (indicator **Activities are not transparent**);
- The average percentage of answers "No" to question Q45b "It is accountable for its actions (activity)" (**Not accountable for its actions**)
- The average percentage of answers "No" to question Q45c "There are other public organisations that could exercise effective control over its activities" (**No checks and balances**).

Once again each of the indicators is first computed at the sectoral level as the **average** percentage of the corresponding answer for all public organisations listed in the survey. The "Lack of Integrity" is the average of the three level-3 indicators.

Finally, the indicator "Private interest bias" is based on the percentage share of respondents who answer that "[t]he control and the imposition of sanctions are done selectively, and the choice of whom to control/sanction follows private interests" to question Q57C: "In your opinion, how effective is the control and punitive activity of the following organisations?" Again, this percentage is gathered for all public organisations listed in the survey and then an average is computed from all organisations, giving the score for **Private Interest Bias**.

The **weighted average** of Ineffectiveness of Anti-corruption Policies, Lack of Impartiality, Lack of Integrity, and Private Interest Bias provides the score for **Institutional Enablers**. These weights are empirically derived from experts' assessments of the importance of each of the public organisations for regulating, controlling, and (more generally) influencing market processes in a given economic sector within a particular country (see question Q61 in Appendix 1).

The weighting scale is from 3: "Very important" to 0: "Not important at all" and weights for each organization are the mean values from the experts' answers to the question.

Step 5. Analysis of the results and integration with the other instruments

This group of indicators characterise the institutional environment in which businesses in a specific sector operate, with respect to the ability of the environment to ensure the neutrality of the administration and equal opportunities for each economic actor. These factors affect all actors in a sector and therefore their values should be measured at the **sectoral level**. This would mean that assessments refer to public organisations which have an operational mandate to regulate businesses in a specific sector. Some organisations, however, regulate all sectors and business (e.g., tax administration, customs, etc.)

The enablers of state capture denote institutions and processes that produce an environment that is favourable to state capture. These elements of the environment cannot be directly linked to state capture as a whole or to specific state capture forms but enhance or reinforce most state capture mechanisms. Unfavourable values/status of these processes make the organisations vulnerable to different corruption influences and create favourable conditions for the realisation of state capture mechanisms. In this respect, the expectation for the empirical findings is that high business capture pressure would be correlate with the characteristics of an unfavourable institutional environment.

Direct capture enabling statuses/situations in organisations explored include:

- Effectiveness of anti-corruption policies in the organisations;
- Integrity of the organisations;
- Impartiality in the decision-making processes (to specific interest and/or cases) in the organisation;
- Existence (or lack of) bias towards private interests.

How to interpret the rankings:

- Areas where vulnerability indicators are higher than 50 require immediate policy interventions, as they might produce negative spill over effects in other areas in the future if these levels persist over time.
- Although scores below 30 suggest that the vulnerability threats are manageable, these still deserve policy attention.

Annex 1. SCAD ESL questionnaire

/programming instructions in brackets/

Part 1. General information

Q1. Are you:

1 .A public official working currently in the admnistration
2. Employed or owner in the private sector, academia, civil society or NGO, investigative journalist, etc.

Q60. How familiar are you with each of the following economic sectors?

(Please, for each of the following sectors choose the answer which best describes how familiar you are with it. One answer per each row.)

/Random order of presentation of sectors/

	Very familiar with this sector	Somewhat familiar with the sector	Not so familiar with the sector	Not familiar at all
A. Wholesale of solid, liquid and gaseous fuels*	1	2	3	4
B. Wholesale of pharmaceutical and medical goods **	1	2	3	4
C. Construction ***	1	2	3	4

* Includes wholesale of solid and liquid fuels (e.g. coal, fuel wood, crude petroleum and oil, diesel, gasoline, liquefied petroleum gases, propane, etc.), lubricating oils and greases, and other refined petroleum products.

** This sector does not include manufacture of pharmaceutical products.

*** Includes construction of buildings, civil engineering (e.g. construction of roads, railways, utility projects, etc.), and specialised construction activities (e.g. demolition and site preparation; electrical, plumbing and other activities on site).

[To be added for each country: List of public organizations (PO) with regulatory and control functions or relevant in other ways (e.g. large investors) with respect to these three sectors:

- Wholesale of solid, liquid and gaseous fuels.
- Wholesale of pharmaceutical and medical goods.
- Construction.]

[Insert the list for your country here

1. Public organization 1
2. Public organization 2
3. ….]

Part 2. Public organizations

Q7. Now, you will see several questions about different public organizations, state agencies, and control bodies in [country]. Please indicate how familiar you are with each of them.
(One answer per each row)

[Insert PO List below (rows)]	Very familiar with this sector	Somewhat familiar with the sector	Not so familiar with the sector	Not familiar at all
[1. Public organization 1]	1	2	3	4
[2. Public organization 2]	1	2	3	4
[3. …]	1	2	3	4

[Ask Part 2 (Q8 – Q57C) only for the public organizations with codes between 1 and 3 in Q7.]
Q8. Would you say that the external pressure for corruption transactions (bribes, lobbying, etc.) for the following public organizations is: high, medium, low or no pressure at all?

External pressure means people outside the organization (regardless whether citizens, members of other institutions, etc.) offering bribes or/and asking for favours.
(One answer per each row)

[Insert PO List below (rows)]	High pressure	Medium pressure	Low pressure	No pressure at all
[1. Public organization 1]	4	3	2	1
[2. Public organization 2]	4	3	2	1
[3. …]	4	3	2	1

Q10. How likely would it be for a superior to order his/her staff members to perform unauthorised activities in the following public organizations?
(One answer per each row)

[Insert PO List below (rows)]	Very likely	Rather likely	Rather unlikely	Not likely at all
[1. Public organization 1]	4	3	2	1
[2. Public organization 2]	4	3	2	1
[3. …]	4	3	2	1

Q41. In your opinion, how do the following public organizations affect corruption risk and cases of corruption in [country] with their activity?
(One answer per each row)

[Insert PO List below (rows)]	They rather reduce corruption	Do not affect corruption levels	They rather increase corruption
[1. Public organization 1]	2	3	4
[2. Public organization 2]	2	3	4
[3. …]	2	3	4

Q42. In your opinion, are there cases when the listed organizations protect private interests in or without violation to their formal rules of operation?
(One answer per each row)

[Insert PO List below (rows)]	No such cases exist	There are individual cases	It happens often
[1. Public organization 1]	1	2	3
[2. Public organization 2]	1	2	3
[3. …]	1	2	3

Q43. In your opinion, are there companies or individuals that these institutions would never sanction?
(One answer per each row)

[Insert PO List below (rows)]	No such companies/ individuals exist	There are some companies/ individuals	There are many companies/ individuals like this	Not applicable
[1. Public organization 1]	1	2	3	9
[2. Public organization 2]	1	2	3	9
[3. …]	1	2	3	9

Q44. In your opinion, how often are the laws or rules governing the operations (regulating the activity) of each of the listed organizations violated?
(One answer per each row)

[Insert PO List below (rows)]	They are never violated	They are sometimes violated	They are often violated	Not applicable
[1. Public organization 1]	1	2	3	9
[2. Public organization 2]	1	2	3	9
[3. …]	1	2	3	9

Q45A. Please indicate for each of the listed public organizations whether its activity is transparent;
Q45B. Please indicate for each of the listed public organizations whether it is accountable for its actions;
Q45C. Please indicate for each of the listed public organizations whether there are other public organizations that could exercise effective control over its activities.
(One answer per each row)

[Insert PO List below (rows)]	A. Its activity is transparent	B. It is accountable for its actions (activity)	C. There are other public organizations that could exercise effective control over its activities
[1. Public organization 1]	Yes/No	Yes/No	Yes/No
[2. Public organization 2]	Yes/No	Yes/No	Yes/No
[3. …]	Yes/No	Yes/No	Yes/No

Q57C In your opinion, how effective is the control and/or punitive activity of the following organizations?
(One answer per each row)

[Insert PO List below (rows)]	They carry out effective control and/ or impose sanctions	Their control and/or sanctions are sporadic and rare	They don't actually carry out any control and/or impose any sanctions	The control and/ or the sanctions are done selectively, and the choice of whom to control / sanction follows private interests	Not applicable
[1. Public organization 1]	1	2	3	4	9
[2. Public organization 2]	1	2	3	4	9
[3. …]	1	2	3	4	9

[Ask Q61A only to respondents familiar with the sector (answers 1-3 to Q60A)]

Q61A. How important is each of the organizations below for regulating, controlling, and for the overall influencing of market processes in the economic sector “Wholesale of solid, liquid and gaseous fuels” ?
(One answer per each row)

[Ask only for organizations the respondent is familiar with (marked from 1 to 3 in Q7)]
[Random order of presentation of organizations]

[Insert PO List below (rows)]	Very important	Somewhat important	Not so important	Not important at all
[1. Public organization 1]	1	2	3	4
[2. Public organization 2]	1	2	3	4
[3. …]	1	2	3	4

[Ask Q61B only to respondents familiar with the sector (answers 1-3 to Q60B)]

Q61B. How important is each of the organizations below for regulating, controlling, and for the overall influencing of market processes in the economic sector “Wholesale of pharmaceutical goods”?
(One answer per each row)

[Ask only for organizations the respondent is familiar with (marked from 1 to 3 in Q7)]
[Random order of presentation of organizations]

[Insert PO List below (rows)]	Very important	Somewhat important	Not so important	Not important at all
[1. Public organization 1]	1	2	3	4
[2. Public organization 2]	1	2	3	4
[3. …]	1	2	3	4

[Ask Q61C only to respondents familiar with the sector (answers 1-3 to Q60C)]

Q61C. How important is each of the organizations below for regulating, controlling, and for the overall influencing of market processes in the economic sector "Construction"?
(One answer per each row)

[Ask only for organizations the respondent is familiar with (marked from 1 to 3 in Q7)]
[Random order of presentation of organizations]

[Insert PO List below (rows)]	Very important	Somewhat important	Not so important	Not important at all
[1. Public organization 1]	1	2	3	4
[2. Public organization 2]	1	2	3	4
[3. …]	1	2	3	4

Part 3. Economic sectors

[Ask S1A only to respondents familiar with the sector (answers 1-3 to Q60A) else go to S1B]
S1A. In your opinion, is there any reason to suspect the existence of a monopoly / oligopoly / cartel in “Wholesale of solid, liquid and gaseous fuels” in [country]?
(One answer only)
1. There are strong indications for monopoly/oligopoly/cartel in this sector.
2. There are some indications for monopoly/oligopoly/cartel in this sector.
3. There is no indication whatsoever for monopoly/oligopoly/cartel in the sector.
[If answer 1-2 ask next question]
S4A. What would you say is the situation in “Wholesale of solid, liquid and gaseous fuels” in [country]?
(One answer only)
1. Monopoly
2. Oligopoly.
3. Cartel.
4. Not sure

S5A. Do you think that the following indicators **could** be linked with the existence of an illegitimate (not developed naturally monopoly / oligopoly / cartel in “**Wholesale of solid, liquid and gaseous fuels**”?

	This indicator is very linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is somewhat linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is not so linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is not linked at all to monopoly/ oligopoly/ cartel in this sector in [country]
Tenders are won by very few companies / ultimate owners.	1	2	3	9
Tenders are often won by very new, unknown companies.	1	2	3	9
Tenders are often won by offshore companies.	1	2	3	9
Largest companies in the sector are often mentioned negatively in the media in the context of corruption (administrative corruption, high corruption, nepotism) and other scandals.	1	2	3	9

Largest companies in the sector have very few employees for the turnover.	1	2	3	9
One company or few companies have a very large percentage of the turnover in the sector.	1	2	3	9
One company or few companies have a large percentage of sector-specific permits (like building permits in construction, approved drugs in pharmaceuticals, registered excise warehouses in wholesale of fuels, etc.).	1	2	3	9
One or few companies tend to win very often tenders issued by a single contractor organisation (e.g. particular ministry, municipality, etc.)	1	2	3	9
Number of additional documents (e.g. Annexes to the contract) after the tender contract is signed	1	2	3	9
A single company participates very often in wining consortia	1	2	3	9

[Ask S1B only to respondents familiar with the sector (answers 1-3 to Q60B) else go to S1C]
S1B. In your opinion, is there any reason to suspect the existence of a monopoly / oligopoly / cartel in “Wholesale of pharmaceutical goods” in [country]?
(One answer only)
1. There are strong indications for monopoly/oligopoly/cartel in this sector.
2. There are some indications for monopoly/oligopoly/cartel in this sector.

3. There is no indication whatsoever for monopoly/oligopoly/cartel in the sector.

[If answer 1-2 ask next question]

S4B. What would you say is the situation in “Wholesale of pharmaceutical goods” in [country]?

(One answer only)

1. Monopoly
2. Oligopoly.
3. Cartel.
4. Not sure

S5B. Do you think that the following indicators **could** be linked with the existence of an illegitimate (not developed naturally monopoly / oligopoly / cartel in “**Wholesale of pharmaceutical goods**”?

	This indicator is very linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is rather linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is somewhat linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is not linked to monopoly/ oligopoly/ cartel in this sector in [country]
Tenders are won by very few companies / ultimate owners.	1	2	3	9
Tenders are often won by very new, unknown companies.	1	2	3	9
Tenders are often won by offshore companies.	1	2	3	9
Largest companies in the sector are often mentioned negatively in the media in the context of corruption (administrative corruption, high corruption, nepotism) and other scandals	1	2	3	9

Largest companies in the sector have very few employees for the turnover	1	2	3	9
Few companies or one company have a very large percentage of the turnover in the sector	1	2	3	9
One company or few companies have a large percentage of sector-specific permits (like building permits in construction, approved drugs in pharmaceuticals, registered excise warehouses in wholesale of fuels, etc.)	1	2	3	9
One or few companies tend to win very often tenders issued by a single contractor organisation (e.g. particular ministry, municipality, etc.)	1	2	3	9
Number of additional documents (e.g. Annexes to the contract) after the tender contract is signed	1	2	3	9
A single company participates very often in wining consortia	1	2	3	9

[Ask S1C only to respondents familiar with the sector (answers 1-3 to Q60C) else go to S2]

S1C. In your opinion, is there any reason to suspect the existence of a monopoly / oligopoly / cartel in the following sub-sectors of “Construction” in [country]?
(One answer per each row)

	There are strong indications for monopoly/ oligopoly/ cartel in this sector.	There are some indications for monopoly/ oligopoly/ cartel in this sector.	There is no indication whatsoever for monopoly/ oligopoly/ cartel in the sector.
Construction of buildings of all kinds	Yes/No	Yes/No	Yes/No
Civil engineering	Yes/No	Yes/No	Yes/No
Specialised construction activities	Yes/No	Yes/No	Yes/No

[If answer 1-2 ask next question]
S4C. What would you say is the situation in the following sub-sectors in [country]?
(One answer per each row)

	Monopoly	Oligopoly	Cartel	Not sure
Construction of buildings of all kinds	Yes/No	Yes/No	Yes/No	Yes/No
Civil engineering	Yes/No	Yes/No	Yes/No	Yes/No
Specialised construction activities	Yes/No	Yes/No	Yes/No	Yes/No

S5C. Do you think that the following indicators **could** be linked with the existence of an illegitimate (not developed naturally monopoly / oligopoly / cartel in "**Construction**"?

	This indicator is very linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is rather linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is somewhat linked to monopoly/ oligopoly/ cartel in this sector in [country]	This indicator is not linked to monopoly/ oligopoly/ cartel in this sector in [country]
Tenders are won by very few companies / ultimate owners.	1	2	3	9
Tenders are often won by very new, unknown companies.	1	2	3	9
Tenders are often won by offshore companies.	1	2	3	9
Largest companies in the sector are often mentioned negatively in the media in the context of corruption (administrative corruption, high corruption, nepotism) and other scandals	1	2	3	9
Largest companies in the sector have very few employees for the turnover	1	2	3	9
Few companies or one company have a very large percentage of the turnover in the sector	1	2	3	9

One company or few companies have a large percentage of sector-specific permits (like building permits in construction, approved drugs in pharmaceuticals, registered excise warehouses in wholesale of fuels, etc.)	1	2	3	9
One or few companies tend to win very often tenders issued by a single contractor organisation (e.g. particular ministry, municipality, etc.)	1	2	3	9
Number of additional documents (e.g. Annexes to the contract) after the tender contract is signed	1	2	3	9
A single company participates very often in wining consortia	1	2	3	9

[S2 is asked only for the sectors selected in Q60C (answers 1-3)]
S2. Please indicate for each of the following economic sectors whether there are any of the problems listed by columns:

	A specific company or a small number of companies win too many public tenders	Laws provide illegitimate competitive advantage	Control and/or sanctions are applied selectively which helps particular companies	Concentration of grants and subsidies in the sector (euro funds, direct subsidies, etc.)	Other
Wholesale of solid, liquid and gaseous fuels	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Wholesale of pharmaceutical goods	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Construction	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

S3. In your opinion, the laws regulating the following sectors rather help or rather hinder the formation of monopolistic, oligopolistic or cartel structures in the sector?
One answer per each row
[S3 is asked only for the sectors selected in Q60C (answers 1-3)]

	The laws rather help the formation of monopolistic, oligopolistic or cartel structures	The laws rather hinder the formation of monopolistic, oligopolistic or cartel structures	The laws are not relevant to the formation of monopolistic, oligopolistic or cartel structures
Wholesale of solid, liquid and gaseous fuels	1	2	3
Wholesale of pharmaceutical goods	1	2	3
Construction	1	2	3

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