

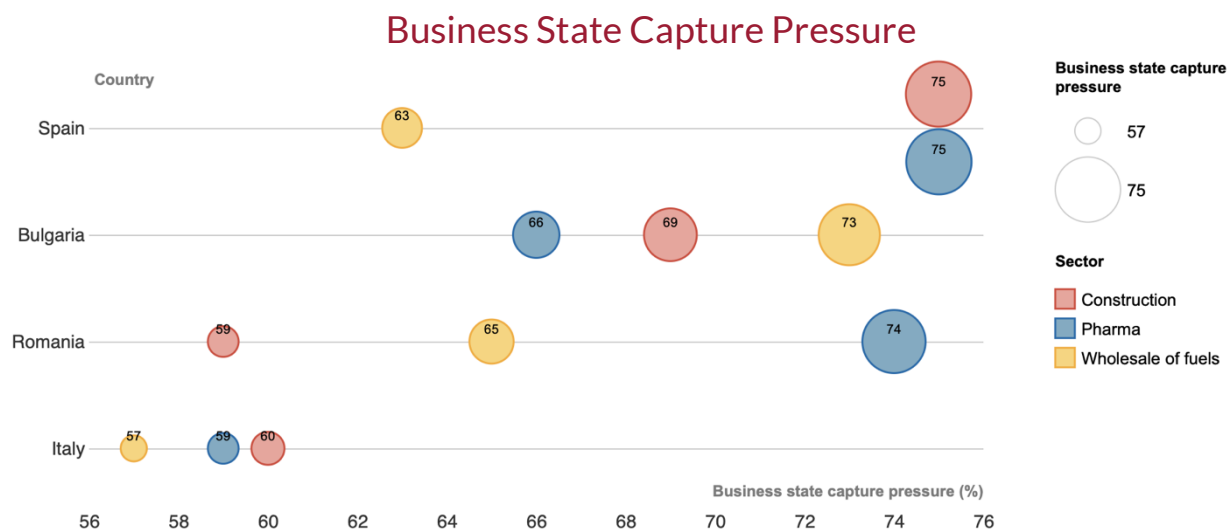
SceMaps identifies high state capture pressure from businesses in Bulgaria, Spain, Italy and Romania.

<https://scemaps.eu/>

- Responses from half the experts surveyed by SceMaps point to the presence of business capture pressure - one symptom of state capture - within the sectors analysed.

28/04/2021 - State capture is the practice of illegally exploiting governmental powers and the economies of democratic countries for the benefit of a few private individuals. Business state capture pressure is one symptom of such state capture. From public officials to academics and research journalists in the fuels, pharmaceuticals and construction sectors in Bulgaria, Spain, Italy and Romania, some 50% of the experts surveyed by SceMaps have highlighted this pressure. The results indicate potential systemic problems within the three sectors in the four different countries, according to the *State Capture Assessment Diagnostics (SCAD)* tool, which SceMaps has rolled out in these four countries.

Of note is the pharmaceuticals sector in Spain and Romania, according to three out of every four experts surveyed. The construction sector in Spain reaches the same extent (75%). In Bulgaria, however, such practices are seen to be more prevalent in the fuel sector (75%). Italy is the country with the lowest reported capture pressure of the four. The Italian construction sector is the field that, according to some 60% of respondents, is subject to the most pressure.

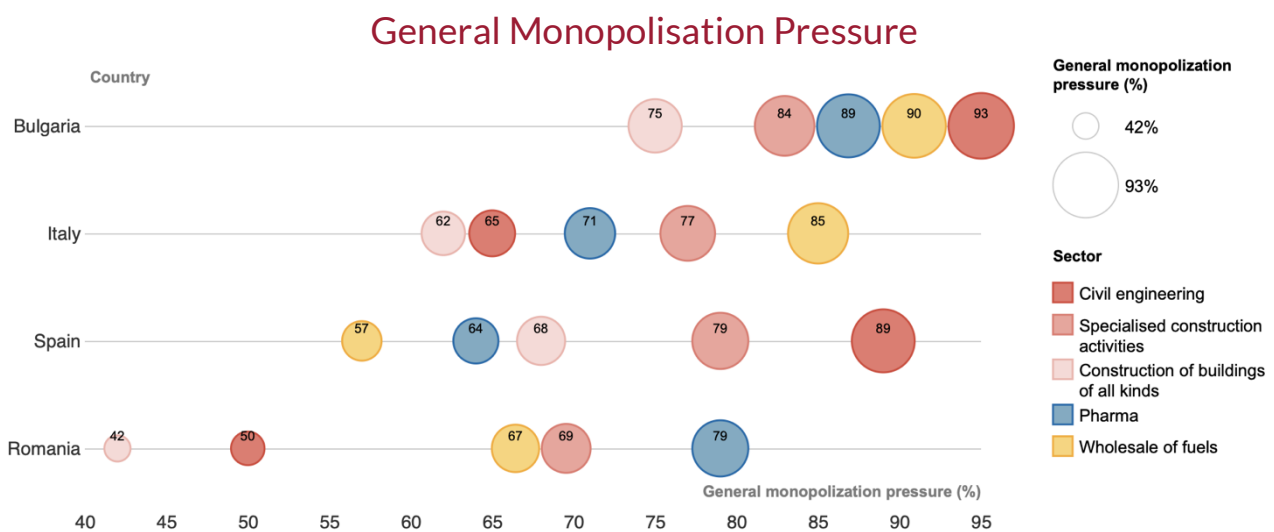


Source: SceMaps

Business state capture pressure is directly linked to three indicators: general monopolisation pressure, specific monopolisation pressure and the ineffectiveness of anti-trust laws.

Bulgaria, with the highest monopolisation pressure

Bulgaria stands out among the four countries for suffering the highest general monopolisation pressure, greater than 90% in the civil engineering and fossil fuels sectors, according to the professionals surveyed. This indicates a greater chance of monopolies, oligopolies or cartels in the sectors analysed.



Source: SceMaps

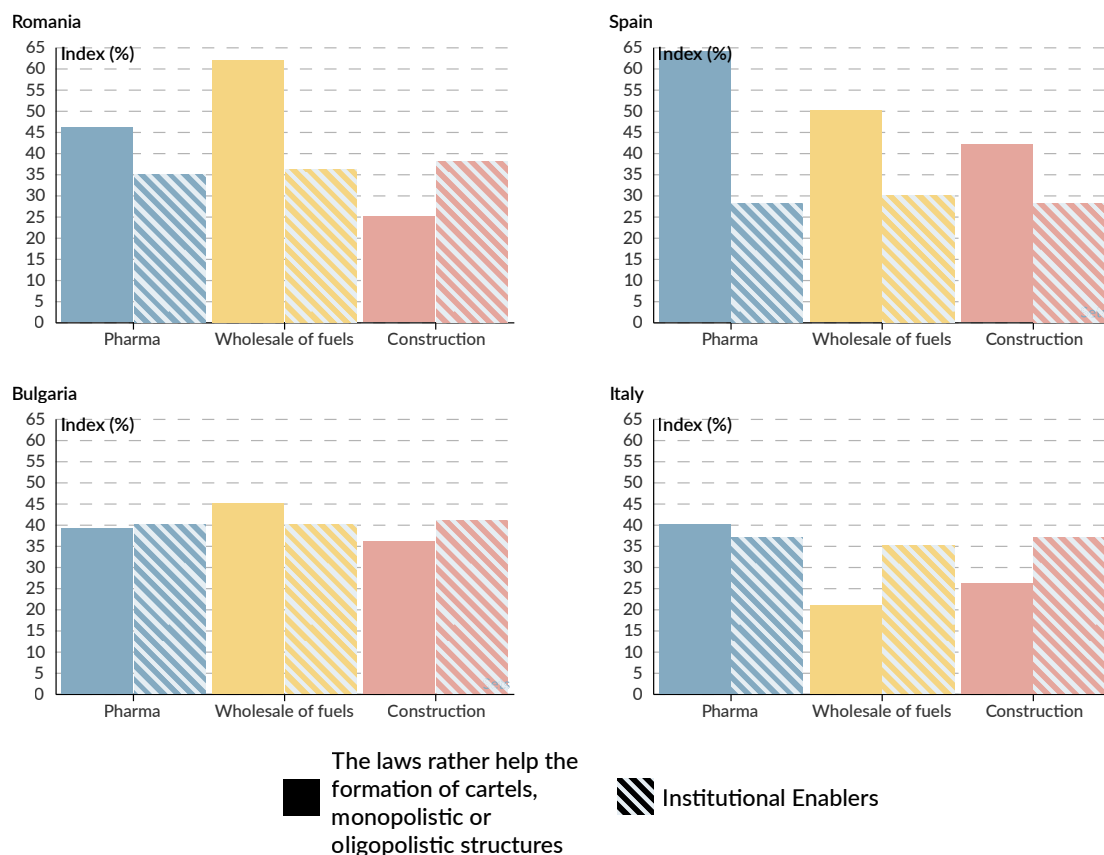
In Spain, as can be seen in the chart, the situation is particularly bad in the construction and civil engineering sectors, where there is an 89% risk of monopolisation. In Italy, conversely, exposure to a monopoly situation is focused on the fossil fuels sector, with some 85%. Romania is the country with the most positive situation, although 79% of the experts surveyed indicated symptoms of monopolisation within the pharmaceuticals sector.

Spain and Romania prioritise monopolistic companies

Spain and Romania both fail when it comes to legislating in favour of competition, according to the respondents. Thus, if we analyse how much influence companies have on the laws that governments make to prevent monopolisation, Spain comes out very poorly in the pharmaceuticals sector and Romania, in the fuels sector.

Focusing on an analysis of whether the authorities have been co-opted by businesses when it comes to decision-making, Bulgaria also comes out worst in the three sectors analysed, according to four out of every ten experts surveyed. At the other extreme is Spain, with the lowest rates in this regard. For a clearer view, the following infographic compares the percentage of people surveyed who consider that the law favours monopolisation against those who consider the legislating authorities to have been co-opted in their decision-making:

Experts who believe that laws favour monopolisation vs. Experts who believe that legislators act under pressure.



Source: SceMaps

These are the main results of an analysis of state capture conducted by the *State Capture Assessment Diagnostics on Economic Sectors Level (SCAD-ESL)*, by the SceMaps initiative. This tool has been rolled out in four countries within the European Union: Bulgaria, Italy, Romania and Spain, in three economic sectors vulnerable to state capture: the wholesale of fuels, the wholesale of pharmaceuticals, and construction.

SCAD-SLIT: the new SceMaps tools to detect state capture practices

State capture is a combination of several means of corruption with a single aim: to guarantee large-scale and long-term privileges to the captors by exploiting governmental power for private gain. The so-called 'captors' are those who put pressure on the state to capture it: individuals or businesses with a privileged status that enjoy benefits at the political and economic level.

To pinpoint and verify the existence of state capture practices, SceMaps has developed the *State Capture Assessment Diagnostics Sectoral Level Integrated Tool* (SCAD-SLIT). This tool combines three complementary methodologies to analyse, monitor and prevent State Capture at the sectoral level:

- *State Capture Assessment Diagnostics on Economic Sectors Level* (SCAD-ESL) analyses the symptoms of state capture and vulnerabilities at sectoral level, highlighting areas to be investigated in-depth.
- *State Capture Assessment Diagnostics* (MACPI) evaluates the implementation, application and scope of anti-corruption policies in public institutions with legislative, supervisory, regulatory, inspection and procurement duties within a specific high-risk economic sector, previously identified with the SCAD-ESL tool. This instrument offers a diagnostic tool to the management of the authority analysed, to improve its anti-corruption mechanisms.
- Analysis of the risk of corrupt practices in public procurement using *big data* and the assessment of 17 'red flags', integrating public procurement data, financial and ownership information and a media alert system.

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