

Intensity of Competition, Corruption Risks & Direct Social Loss

István János Tóth

*: CRCB, istvanjanos.toth@crcb.eu

18 September 2017
consultation with the EP Committee of Budgetary Control (CONT)
European Parliament Information Office for Hungary
Budapest

2017.09.19.

CRCB

- Non-profit, non-partisan organisation
- From 2013
- Supporters: EU, OSI, World Bank, OTKA, Hungarian government, ngo-s, Hungarian citizens & companies, voluntary workers
- Main topics:
 - Analysis the corruption risks, price distortion & intensity of competition at EU level
 - Corruption risks and in Hungarian public procurement
 - Analysis of corrupt system and kleptocratic state in Hungary with hard data
 - Analysis of the quality of legislation with hard data

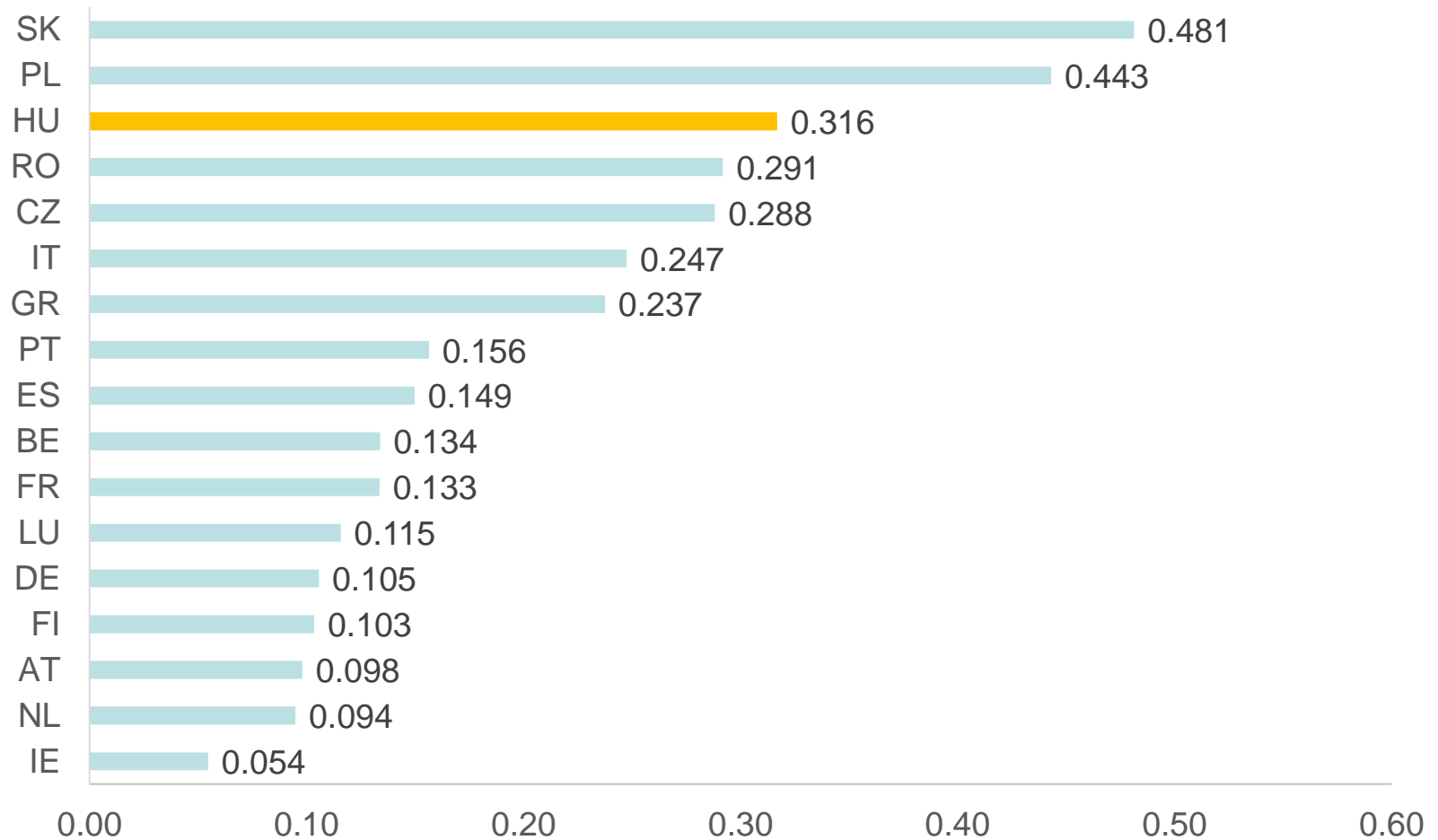
Mean messages

2017.09.19.

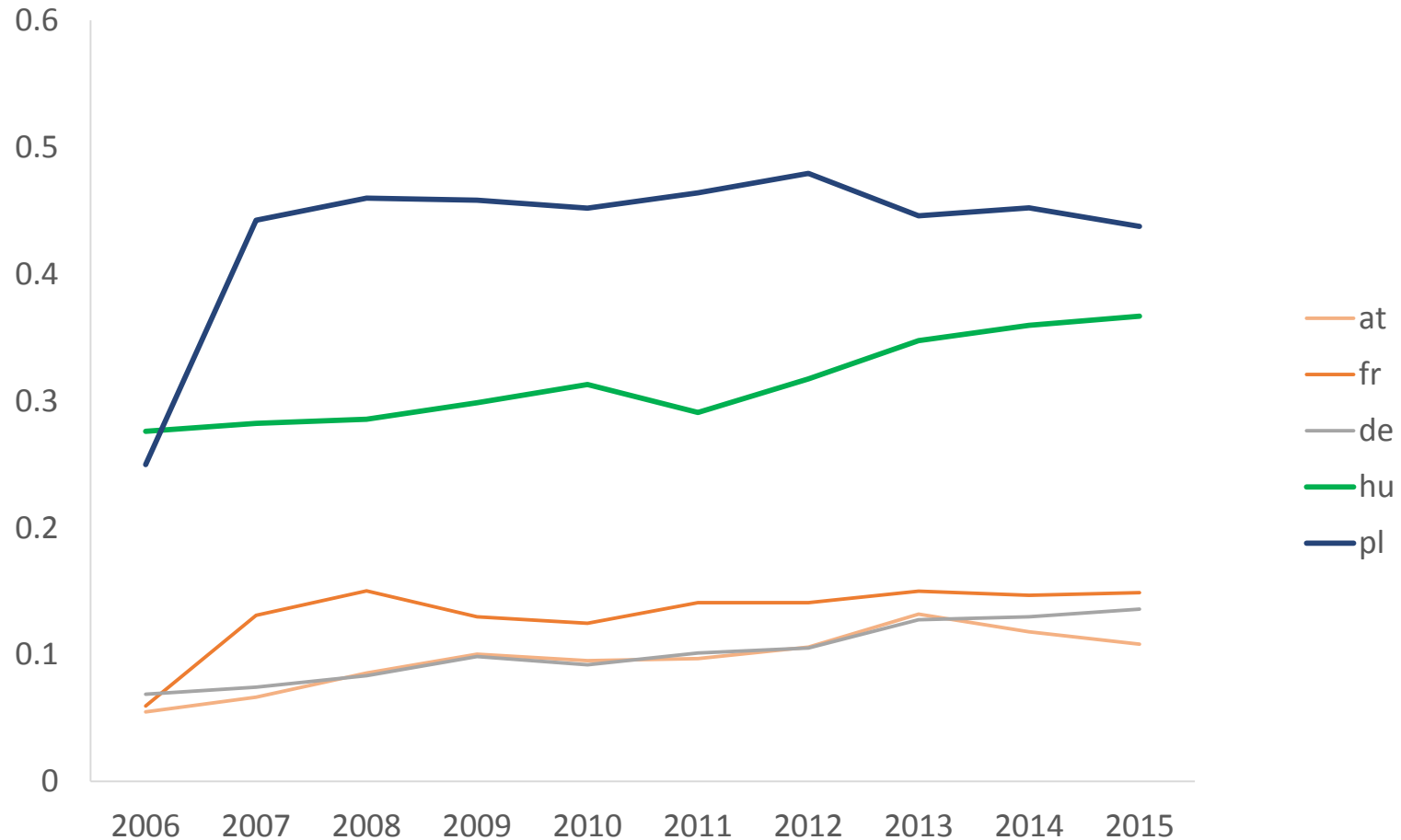
- In the period of 2009-2016 the Hungarian public procurement is characterised by
 - High corruption risks
 - Low intensity of competition
 - The high level of price distortion (overpricing)

- There is growing risk of using EU funds to build an economic system with high level of political favoritism and cronyism

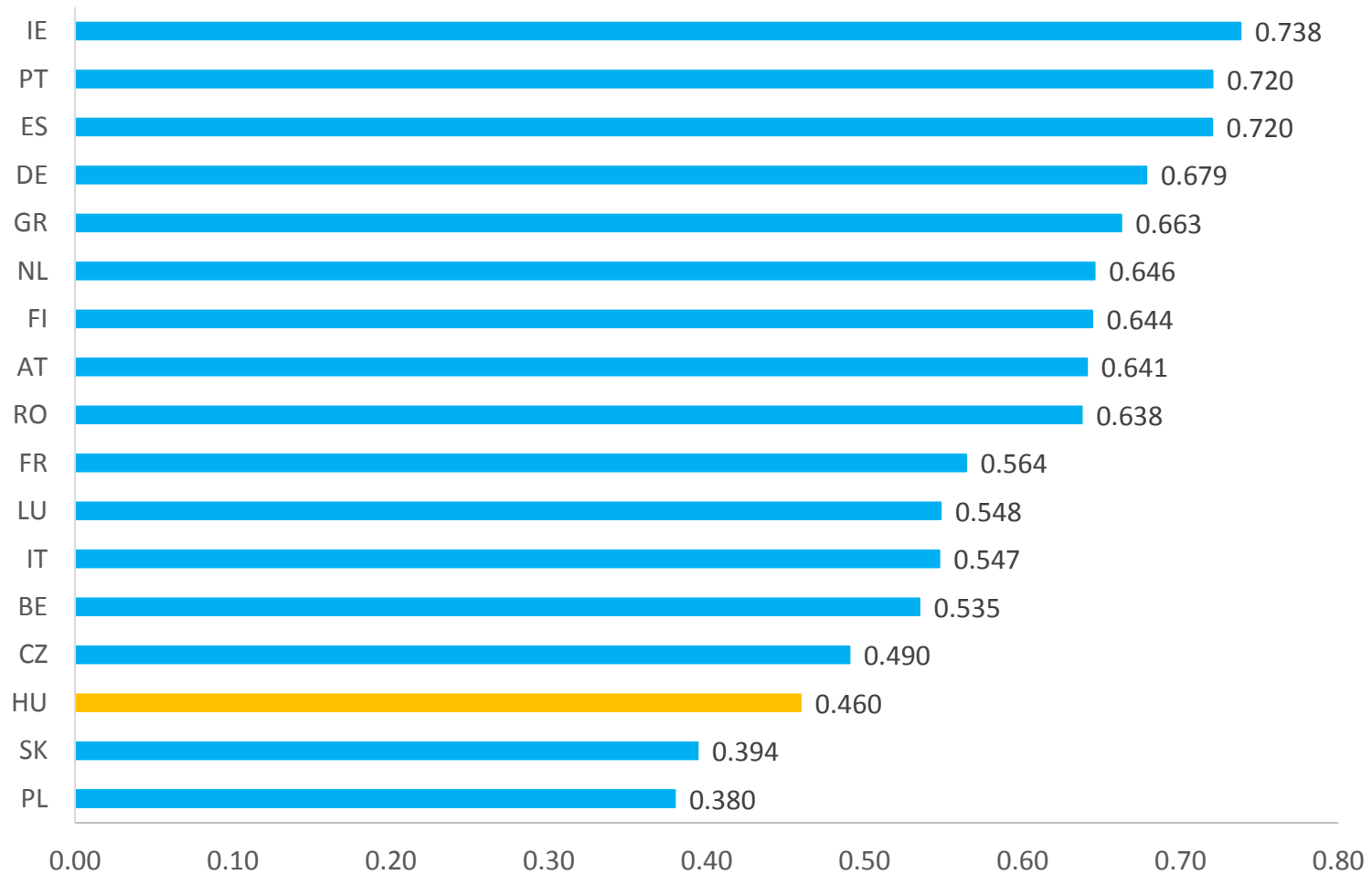
Corruption Risks (SB) in selected EU countries, 2006-15, N = 2,268,357



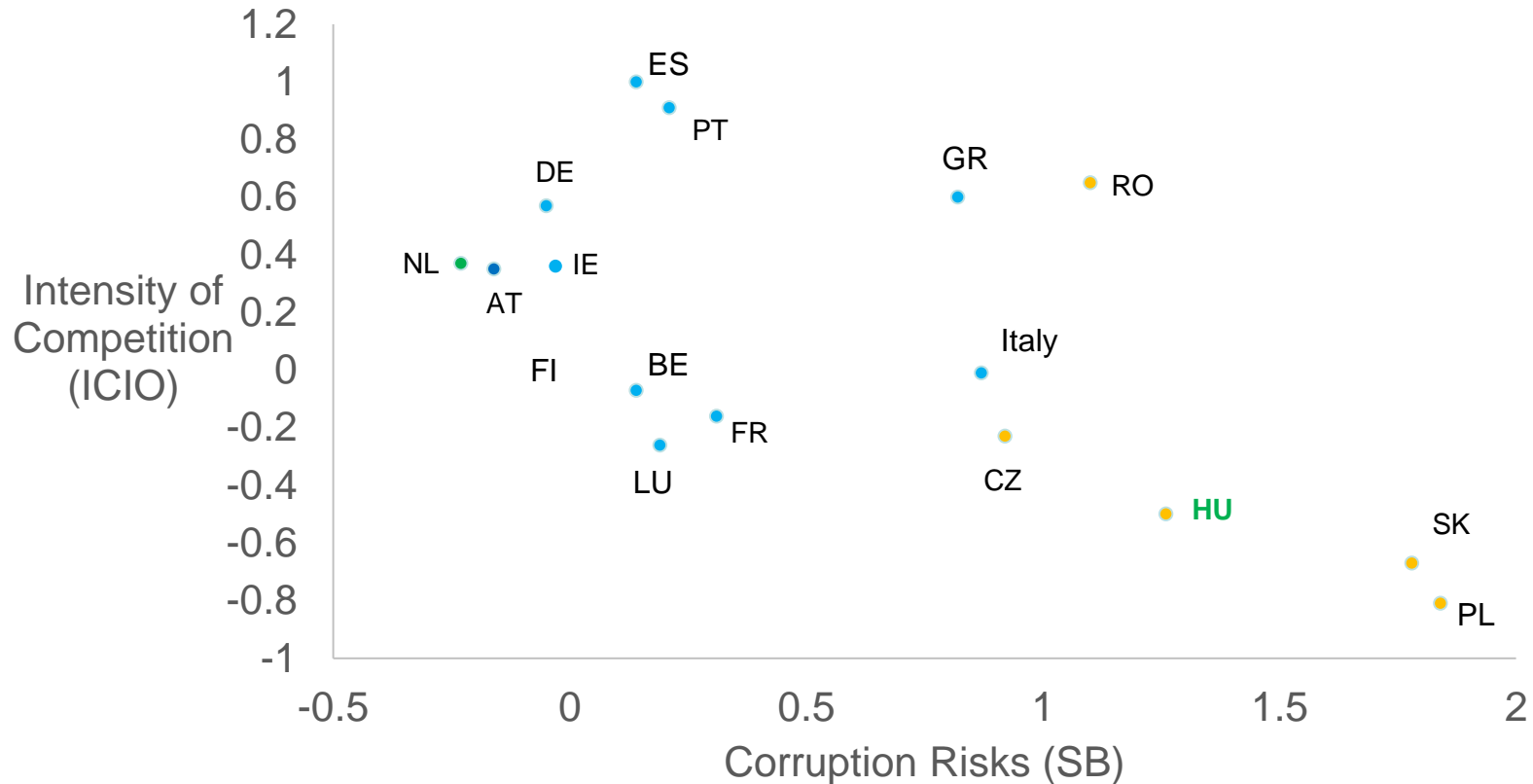
Corruption Risks (SB) in selected EU countries, 2006-15, N = 2,268,357



Intensity of Competition (ICIO) in selected EU Countries, 2006-15, N = 1,623,384



Corruption Risks & Intensity of Competition in selected EU Counties, 2006-15

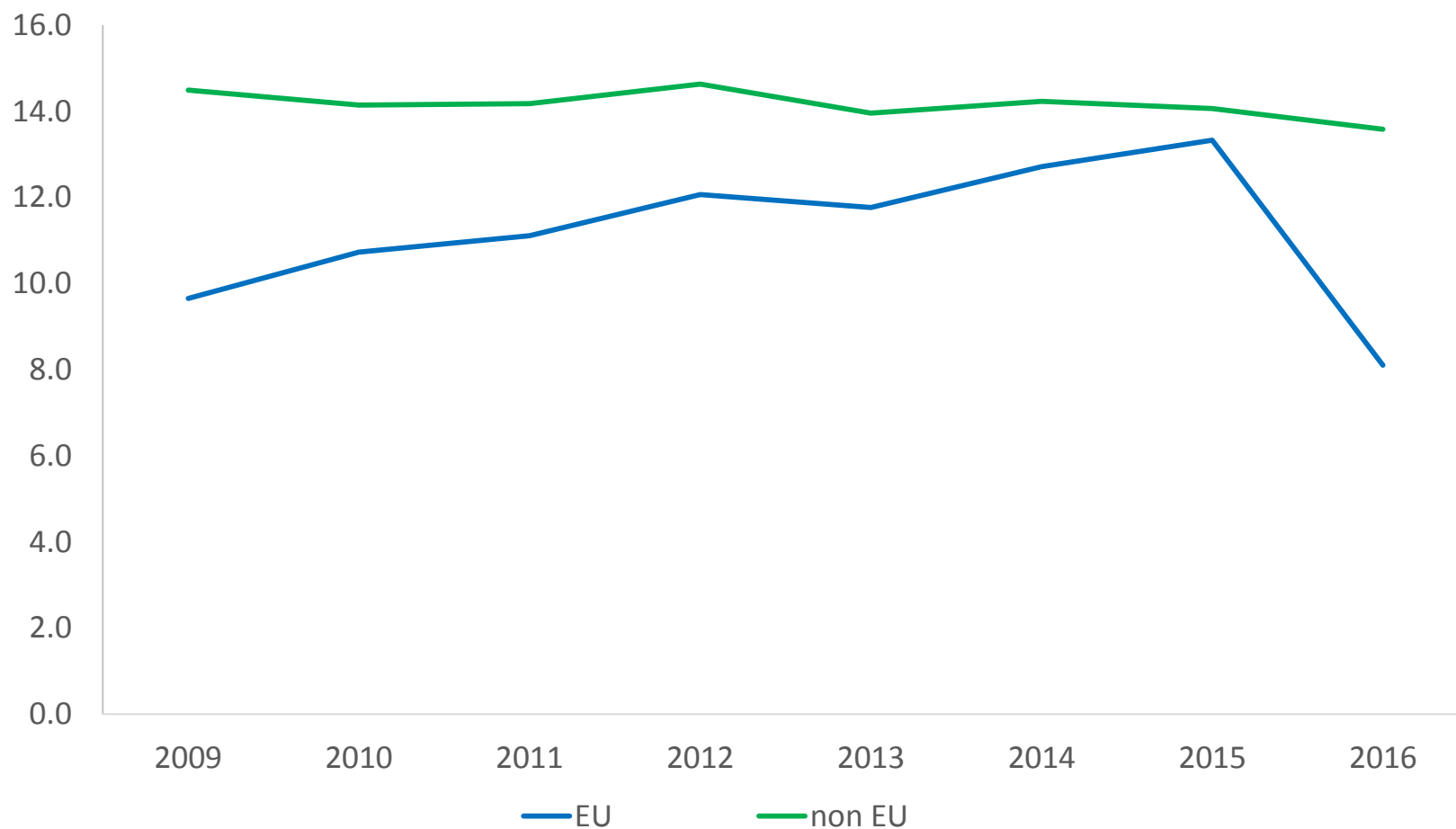


Source: CRCB;

Note: controlled by sector, year, eufund, Inncv, reference country is Finland

2017.09.19.

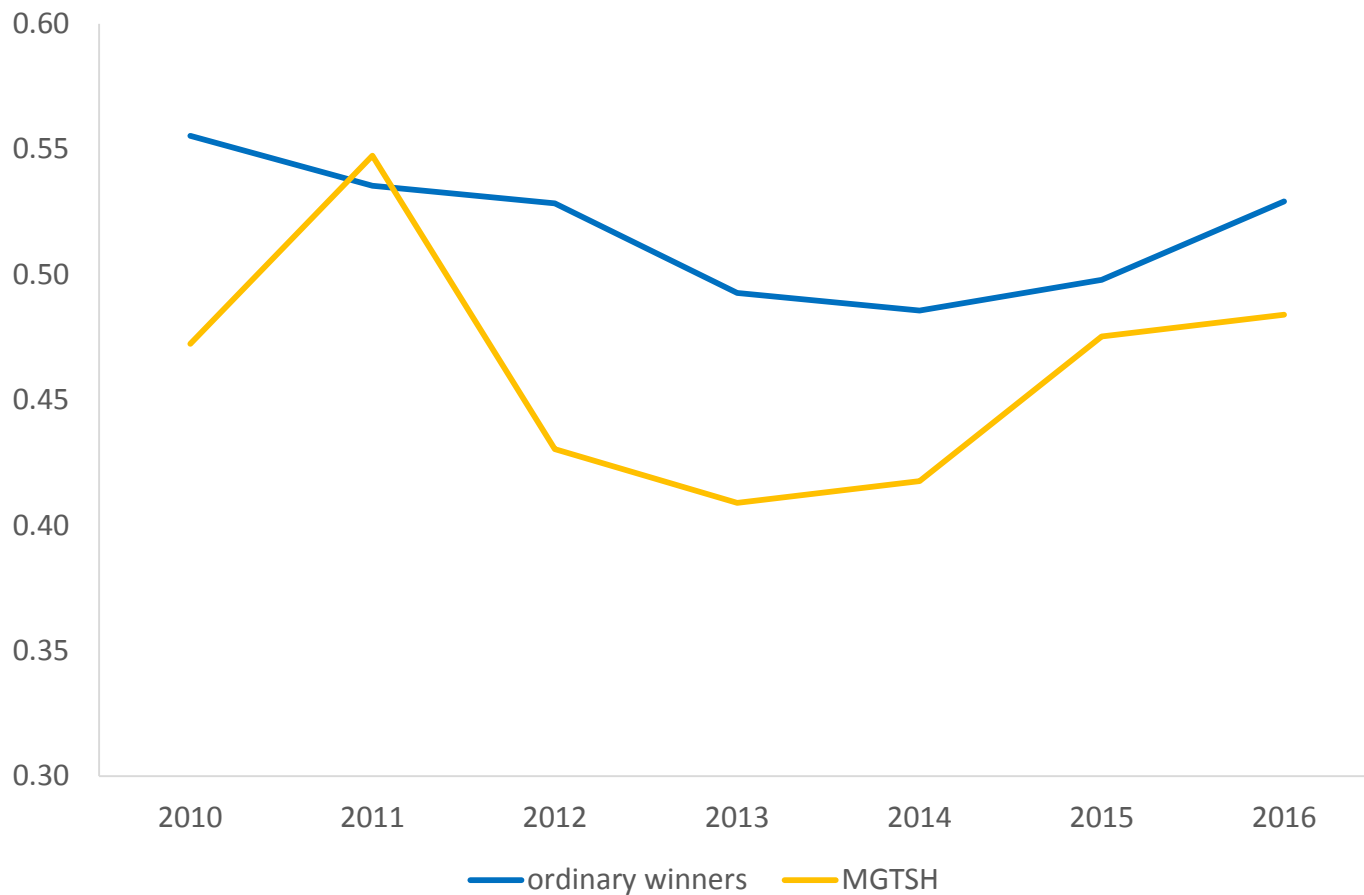
Estimated Direct Social Loss in Hungarian PP by EU funding, 2009-16, %, N = 138,262



Source: CRCB

2017.09.19.

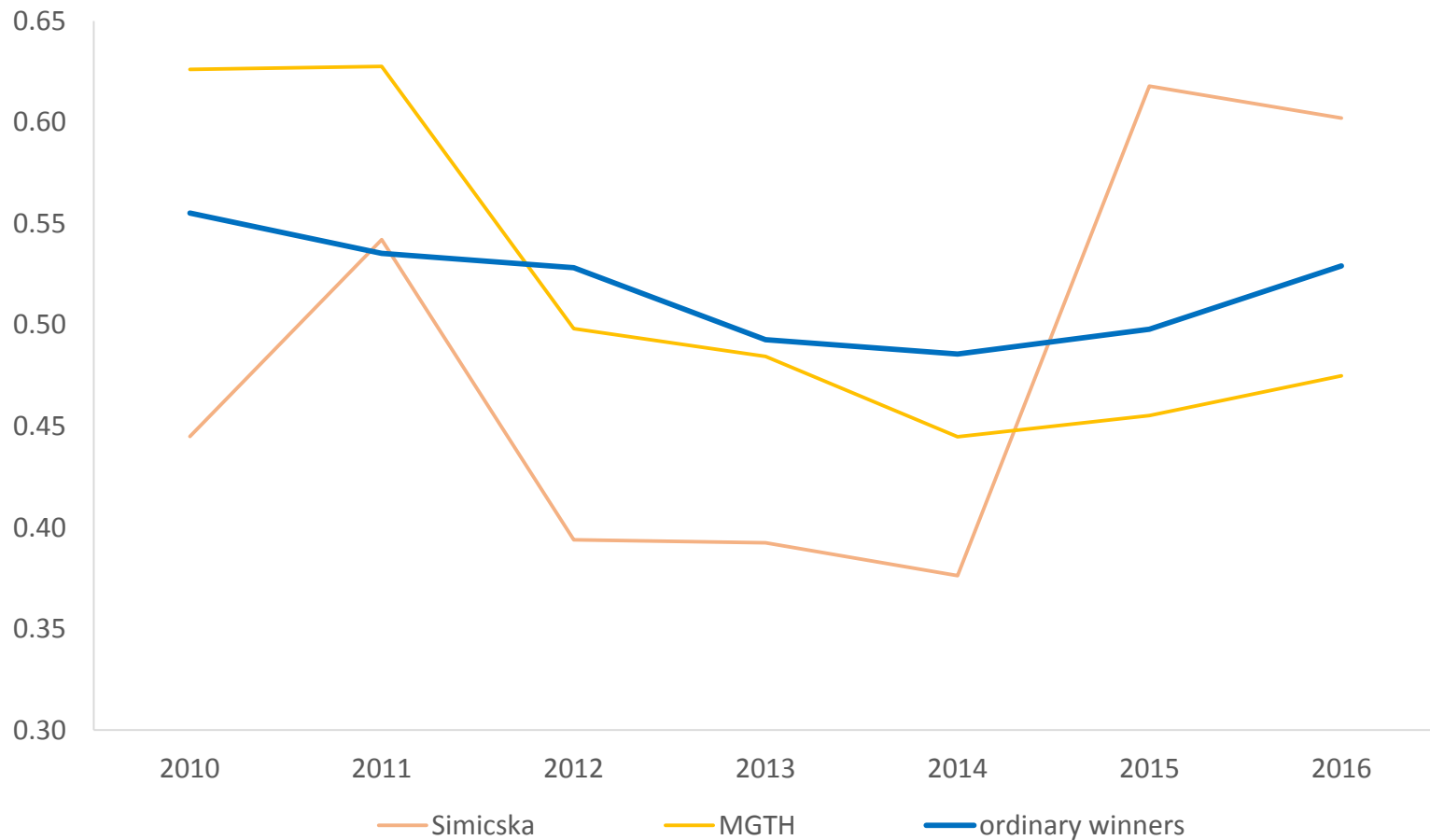
Intensity of competition in Hungarian PP in tenders won by the MGTSH group, 2010-16, N = 89,472



Source: CRCB

2017.09.19.

Intensity of Competition in Hungarian PP in selected groups of winner companies, 2010-16, N = 89,472



Source: CRCB
2017.09.19.

Thank you for your attention!

Corruption Research Center Budapest

www.crcb.eu