

## State Capture Matters:

### *Considerations and empirics toward a worldwide measure*

Daniel Kaufmann <sup>1</sup>

#### **Abstract.**

The concept of state capture challenges conventional notions about corruption, their measures, and its longstanding definition as the abuse of public office for private gain. In advancing the notion of state capture a quarter of a century ago, our initial focus was on powerful non-state actors that unduly influenced or “captured” the state, and our initial measures relied on surveys of economies in transition. Building on that foundation and developments since then, this article first reviews the evolution of the notion of state capture and the empirical work that has taken place. Then, filling up a longstanding gap, research towards a worldwide index of state capture is presented and a measure is constructed. This first attempt at a global State Capture Index that measures the evolution of state capture in 172 countries for almost three decades highlights large differences across countries and over time. The results point to a relatively higher prevalence of state capture compared with traditional corruption measures in advanced economies, as well as telling differences between state capture and corruption across regions and many countries. The conceptual and empirical differences have implications for reformulating the study of corruption and state capture, placing more emphasis on the importance of undue influencing benefitting the few at the expense of society. Such actions may be strictly legal according to the prevailing laws, yet unethical and very costly. Further, a unified empirical framework, as proposed here, measuring the extent of state capture in both democratic and autocratic countries, thus allowing for non-state as well as state actors to be the ‘captors’, may shed light on whether state capture in democracies increases the risk of descent into autocracy.

Key words: state capture, corruption, oligarchy, governance, institutions, World Bank, democratic transition, democracy, autocracy, State Capture Index

---

<sup>1</sup> Sr. Fellow, Results for Development. A similar version of this article is appearing as a chapter in the volume edited by Prof. Susan Rose-Ackerman entitled “Public Sector Performance, Corruption and State Capture in a Globalized World” (2024). I thank Saba Yifredew for invaluable research assistance in this project, including in the extensive data work, in the preparation of charts, and in supporting the literature review. I am thankful for the insightful comments and suggestions by Liz David-Barrett, Pablo de Greiff, Eduardo Engel, and Susan Rose-Ackerman. She also provided inspiration and encouragement throughout the project. I also benefitted from the feedback of participants at the Conference in Honor of Susan Rose-Ackerman, held at Yale University on August 26–27, 2022 as well as by suggestions of participants of the State Capture workstream convened by the Center for Human Rights & Global Justice, New York University School of Law, as well as the participants of the State Capture workshop at IACA held in May 2023. The material and intellectual support by the governance group (and its Governance Action Hub) at Results for Development (R4D) for this line of work, led by Mario Picon, is much appreciated as well.

With the Soviet planned economy in decline, by 1991 President Mikhail Gorbachev embarked on 'glasnost' (opening up) and 'perestroika' (restructuring). This twin set of policies led to a request for technical assistance from the IMF and the World Bank. The World Bank set up a technical assistance unit for the Soviet Union. I was the first staff to join. We headed to Moscow. During one long work spell, we ventured out of the hotel and went to Red Square, facing the Kremlin. It was a frigid Christmas Day, 1991.

We witnessed an historical development: the Soviet flag was being lowered, replaced by the flag of the Russian Federation. Gorbachev then resigned and turned over his presidential powers to Boris Yeltsin, who became the first president of the Russian Federation.

By the next day, the Soviet Union formally ceased to exist when the presidents of Ukraine, Belarus, and Russia, the founding members of the Soviet Union, met to dissolve it formally. Ukraine's independence was approved de jure and recognized by the international community. A historical transition had been set in motion.

Soon thereafter, I headed to Kyiv, Ukraine, as the first head of the World Bank mission to the newly independent country. As an economist, working for a development bank, the expectation was that my exclusive focus would be on traditional economic matters, anticipated to be critical during the early stages of the transition. These included mammoth macro-economic challenges, which, mindful of the inadequacy of the conventional economic notion of "stagflation" for Ukraine at the time, I characterized at the time as "hyper-depression" – the combination of hyper-inflation and a sharp fall in economic activity.

There were other challenges as well. Emblematic of the legacy of the Soviet planned economy, the notion of 'the market' was in its infancy, at best. For starters, as World Bank staff, we needed to find an office and a residence. But there was no real estate market yet. An appointment was required with a senior official instead, in the Ministry of Real Estate – one of over 70 soviet-legacy ministries, akin to accounting units.

Our meeting was brief. It did not go well at all. The senior ministry official had brought his lawyer to our meeting and presented me with a brief document they had readied for an anticipated quick signature. In it, I was supposed to commit to deposit tens of thousands of dollars in a private account in Vienna in exchange for his agreement to provide offices to rent to the World Bank, as well as residential accommodation. With my interpreter, who ascertained that nothing was being lost in translation, and that I was effectively being asked to commit to paying a bribe, we abruptly left the meeting. Not long after, we made a formal complaint to the office of the prime minister. The episode was a rude reminder that traditional economic tools on their own were not going to take us very far. I was wedded to the power of evidence.

With the nudging of a young reformist minister of the economy in Ukraine, who was also concerned about corruption, and the collaboration of colleagues and local surveyors, we organized a set of periodic surveys of firms in Ukraine and Russia to assess the climate for business and delve into the issue of corruption. Such surveys provided us with a list of "bribe fees" for both countries for a plethora of public government services, such as obtaining various permits, a phone line, a loan, and the like.

The substantial prevalence and extent of established payoffs across the spectrum – on average the amounts were about twice as high in Russia compared to the Ukraine – whether linked to trade, financial or other regulations, suggested a systemic issue. The bribe I had been asked for was not an isolated incident. Yet in traditional economic circles, attention to corruption was either seen as fringe in our field of inquiry – economics -- and frowned upon as 'soft' in some quarters, devoid of the analytical rigor and empirical testing of traditional economic topics.

In fact, in the early stages of our work I did get an official reprimand from the World Bank's chief legal counsel for undertaking initiatives linked to anti-corruption, a topic which at the time was regarded as off-limits by the institution. This is because the World Bank statutes were being interpreted then as if corruption were purely an internal political matter and thus unrelated to its economic development mandate.

My prior was that corruption did matter – including for economic development writ large. This prompted me to persist with the empirical work. As I scoured the literature for rigorous writings on the topic. Among others, I found the legal-economic writings of an eminent academic, Professor Susan Rose-Ackerman. It gave me a crucial intellectual lifeline and strengthened my conviction that my faraway quest may not be quixotic.

Well beyond her influence on my intellectual enrichment, Susan's pioneering work on corruption has left an impressive legacy, reflected in her writings over many decades, and those of generations of students and scholars whom she taught and influenced. Among her specific contributions to the field that influenced me was the application of a principal-agent framework to the study of corruption, the role of institutions in corruption outcomes, and the unbundling of the generic notion of corruption into "grand" vs. "petty" corruption. As important, her multidisciplinary approach, particularly traversing law, economics, and public policy, as well as her global perspective in studying the corruption phenomenon in both industrialized and emerging economies, also left an indelible mark.<sup>2</sup>

Professor Rose-Ackerman's notion of grand corruption, referring to high-level corruption involving the political and government leaders, and its major cost to society, had increasing resonance as I got to know better the reality of Russia and Ukraine. With a twist: by then Russia, Ukraine, and other post-Soviet states were on a troubling path toward oligarchic corruption, where increasingly powerful members of the private elite were exerting undue influence on politicians and governments that were transitioning to democracy.

It was in this transitional economy context that I met Joel Hellman, an expert on Russia working then at the European Bank for Reconstruction and Development (EBRD). We posited that in economies in transition, focusing largely on public sector-led administrative forms of corruption, simply missed the point. Instead, we shared the view that powerful non-state actors played a lead role in unduly influencing the state. Convinced that evidence-based research was critical to test this hypothesis and to further advance the field, we embarked on a joint World Bank/EBRD survey of economies in transition for all former socialist countries from central and eastern Europe and the former Soviet Union (CEE/FSU). Some findings are discussed in the literature review here and were associated with our early writings developing and analyzing state capture starting a quarter of a century ago.

The rest of this article builds on that basis by summarizing the evolution of the notion of state capture and some of its historical antecedents, reviewing the literature, and advancing a global measure of state capture. Following the introductory background, we review empirical efforts to measure this phenomenon. I suggest that, in contrast to conventional notions of corruption, state capture has not been subject to systematic global cross-country measurement, even though some regional and country-specific measures have in fact been gathered at points in time.

---

<sup>2</sup> Far from doing full justice to her many pathbreaking writings on the subject, among others, see Rose-Ackerman, S. (1978); Rose-Ackerman, S. (2001); Rose-Ackerman, S. (2008); Rose-Ackerman, S. (2010), and Rose-Ackerman, S., & B. J. Palifka. (1999).

Subsequently, and mindful of challenges and the need for caution in embarking on a global measure of state capture, I present an approach to develop such a global proxy, based on a simple framework and a select set of existing global data sources. The construction of such an index based on this simple methodology and the sources results in a global State Capture Index for 172 countries, spanning over a quarter century.

The approach taken, as well as the results, suggest that such a global measure over time may offer value added, pointing to insights that emerge from a comparison between the State Capture Index and a conventional measure of corruption. I conclude with salient considerations and implications for the study of state capture ahead.

### **On the notion of state capture and its antecedents**

***State capture in (early) transition.*** We proposed a particular variant at the intersection of grand corruption and the undue power of influential non-state actors, which we labeled state capture (Hellman, Jones, and Kaufmann, 2000). At the time state capture was regarded as a phenomenon where powerful non-state actors were able to shape the societal (public) rules of the game for their private benefit, in contrast to conventional and largely transactional notions of administrative or bureaucratic corruption, where actors manipulate the implementation of the given rules of the game for their benefit.

Under the prevailing traditional view, firms tended to be seen as operating within a given set of rules and thus were seen as ‘takers’ of the business environment provided by state regulations. Under the state capture lens, powerful business leaders could be major ‘shapers’ of the business environment.

A further deviation from traditional and legalistic notions of corruption was in the embracing of a framing of state capture which often may take place via legal means; not necessarily illegally. In large measure, this could take place by ‘construction’, or design, because relevant laws, not serving the public interest, may have been shaped by captors in the first place for their own private benefit. (Kaufmann and Vicente, 2011).

There is a difference ‘in kind’, rather than merely of ‘degree’, between shaping the rules of the game – state capture –, versus simply taking them as given, and then getting around them for one’s own transactional benefit – administrative corruption. The difference has major potential implications: the societal cost of the former may easily be orders of magnitude higher than that of the latter. The vast body of empirical work utilizing existing measures of corruption indicates that the cost to society of administrative corruption is already large. The societal cost of state capture may be massive where such shaping of the rules of the game by the elite for their benefit prevails.

***Fast forward.*** Over the past two decades, many scholars have contributed significantly to the evolution of the study of state capture. The details on the full scope and richness of the evolution of the field and the literature, which can be found in various dimensions, among others, in David-Barrett (2023), David-Barrett, Kaufmann and Ceballos (2023), and De Greiff et al. (2023), is beyond the scope of this article.

As a brief synthesis, not doing justice to its rich variants, among others the study of state capture has entailed several noteworthy developments over recent decades.

First, the concept has expanded to encompass more fields of inquiry, and the growing treatment of the phenomenon by many political scientists and others in the social sciences, well beyond the field of economics. Hence, even if politics and political science did feature in the early writings, granular political dimensions have been studied by a growing cadre of political scientists.

Second, and related, there has been an expansion in the scope of actors engaging in capture. Increasingly scholars, particularly in political science, have allowed state actors to be regarded as captors as well, contrasting our initial work whose focus was on non-state actors, especially (but not only) powerful private firms. The study of state actors engaging in capture meant that both state leaders and/or politicians, as well as political parties, were also regarded as captors.

Third, over time there was a more detailed unbundling of all the potential ‘objects of capture’, the so-called ‘captees’, comprising institutions, policies, regulations, and laws, as well as an added emphasis on understanding the processes resulting in capture.

Fourth, the evolution of work on state capture over the years led to studies well beyond the initial focus on empirical research limited to a group of transition economies. In addition to the expansion in geographical coverage and application of the notion of state capture beyond transition economies, this also includes detailed scholarly research at the organizational and subnational level within specific countries.

Further, there has been an expansion into the applied policy field, where commissions of experts have been convened to write about policy responses<sup>3</sup> to state capture, including prevention strategies, and where country leaders and policymakers have also become increasingly involved.<sup>4</sup>

Illustrating these expansions as applied to practical policy debates, a state capture framework – rather than a traditional corruption lens – has been used to investigate a major national corruption scandal in South Africa, involving the Gupta family and ex-President Jacob Zuma.<sup>5</sup> Further, Brazil’s Lava Jato scandal embroiling the Odebrecht private construction empire and Petrobras, the National Oil Company, was such a compelling and complex case of a corrupt network with state capture elements which also captured the public’s imagination and was turned into a popular political TV drama series describing how capture worked in practice, called ‘O Mecanismo’ (The Mechanism).<sup>6</sup>

Complementing the conceptual evolution of the state capture notion, including in its expanding scope, there have also been significant empirical contributions to the field. These are reviewed below, covering different

---

<sup>3</sup> A recent example is the State Capture workstream – which include academics and practitioners from around the world – of the Prevention Project, led by the Center for Human Rights & Global Justice at New York University School of Law, and its report *State Capture as Enabling Condition for Human Rights Violations* (De Greiff and Knapp 2024).

<sup>4</sup> Tellingly, the judiciary leadership of South Africa, in investigating former President Jakob Zuma, adopted the framework of state capture, moving away from a traditional approach to corruption. In so doing, for their proceedings and hearings, they requested expert submissions on the subject antecedents and evidence from other countries. See our submission in Hellman and Kaufmann (2018). More generally and in-depth about the politics of state capture in South Africa, see Chipkin, et al. (2018). Further, the leadership of international financial institutions, such as the Inter-American Development Bank and the International Monetary Fund have requested external input into this phenomenon, given that it was regarded as increasingly ‘macro-critical’. Many academics around the world have also become increasingly inclined to write policy-oriented books, articles, and blogs on state capture risks in particular countries. For the United States, see, for instance, Johnson and Kwak (2011) focusing on the regulatory capture by elite Wall Street bankers, in ‘13 Bankers: The Wall Street Takeover and the Next Financial Meltdown’. On the UK, see David-Barrett (2022), as well as Innes’ (2021) blog on the subject.

<sup>5</sup> <https://www.statecapture.org.za/>

<sup>6</sup> [https://en.wikipedia.org/wiki/The\\_Mechanism\\_\(TV\\_series\)](https://en.wikipedia.org/wiki/The_Mechanism_(TV_series))

approaches to measuring state capture or its proxies, particularly at the country, subnational, and even organizational levels. Illustrating the growing relevance and interest in measuring state capture, the International Anti-Corruption Academy recently convened a group of experts on the topic, where various approaches to measurement were showcased, and a summary report was published.<sup>7</sup>

***Fast rewind.*** Although our writings with Hellman over two decades ago may have played a role in advancing the notion of ‘state capture’, this development did not take place in a vacuum or without antecedents. To the contrary.

Path-breaking work on the related notion of regulatory capture had taken place decades earlier thanks to the seminal work of George Stigler, a Nobel Prize economist, who authored the influential paper on “The Theory of Economic Regulation” in 1971.<sup>8</sup> A few years earlier Mancur Olson, in his book *The Logic of Collective Action* (1965), argued that special interest groups and elites can manipulate state institutions for their benefit. And earlier still, outside the field of economics, Gabriel Kolko addressed the influence of corporate interests on regulatory agencies in the United States, presaging the notion of regulatory capture.<sup>9</sup>

Back in history, instances of a concept like state capture can be traced back to ancient Rome, where influential individuals and factions often sought to influence and control the Roman Senate and other government bodies for their own interests. The Roman historian Sallust, in his work *The Jugurthine War*, described how the Roman Republic faced corruption and the manipulation of political institutions by powerful individuals during the Jugurthine War (c. 112–105 BC).

Even further back in time, a case can be made that the tale of the ancient nobility of the Greek region of Attica, the Eupatridae, was a case of capture, morphing from a monopolized version to a more ‘competitive’ (elite) type, around 700 BC. The Eupatridae, meaning ‘offspring of noble fathers’ or ‘the well-born’, exerted exclusive influence and power, both in administration and in justice, during the time of limitation of the monarchy. Yet the rule of law changes introduced by Draco and subsequently the major ‘democracy’ reforms (by ancient standards) adopted by Solon, circa 600 BC, opened voice, influence and offices to any citizen with a certain amount of landed property. This introduced a form of ‘competitive capture’, effectively eliminating the monopolistic political influence by the Eupatridae because wealthy citizens of other classes obtained access as well.<sup>10</sup>

Completing a full circle of sorts and recalling that the powerful ‘captors’ that we witnessed a few decades ago in post-Soviet Russia and Ukraine were quickly labeled as ‘oligarchs’, it is noteworthy that the notion of oligarchy derives from Ancient Greek, *Oligarkhía*, meaning ‘rule by few’. It was in fact no other than Aristotle, around 350 BC, who pioneered the use of the term as meaning ‘rule by the rich’, contrasting it with aristocracy, arguing that oligarchy was a perverted form of aristocracy. Tellingly, Winters (2011) cites Aristotle as writing that “oligarchy is when men of property have the government in their hands ... wherever men rule

---

<sup>7</sup> [www.iaca.int/measuring-corruption/measuring-state-capture/](http://www.iaca.int/measuring-corruption/measuring-state-capture/)

<sup>8</sup> It is noteworthy that Sigler’s his Nobel Prize in Economics, awarded in 1982 “for his seminal studies of industrial structures, functioning of markets, and causes and effects of public regulation”, was the first Nobel awarded to an economist whose primary appointment was in a business school.

<sup>9</sup> Kolko (1963).

<sup>10</sup> Chisholm (1911).

by reason of their wealth, whether they be few or many, that is an oligarchy, and where the poor rule, that is a democracy".<sup>11</sup>

In sum, although the exact term 'state capture' may be a modern creation, similar notions and practices have existed for centuries, referring to the shaping and manipulation of national laws, regulations, policies, and institutions by the powerful for their own benefit at the expense of the public good. At a basic level, given what we know about the human condition, and the simple fact that humans have historically engaged in capturing as well as in forming the state, it can be argued that state capture may well be as old as the state.

### **Reviewing the empirical literature**

There have been many studies aiming to measure state capture or related notions using a variety of approaches. Fiebelkorn (2019) and David-Barrett, Kaufmann, and Ceballos (2023) provide overviews of efforts at the micro and national levels, as well as cross-country initiatives and also of potential data sources for future efforts. Here, we complement such treatments by focusing on selected studies at the country level, especially those involving multiple countries, as they are particularly relevant for an initiative to generate a worldwide State Capture Index.

As reviewed by Fiebelkorn, the 1999 Business Environment and Enterprise Performance Survey (BEEPS) was designed to assess the quality of governance across 21 countries in central and eastern Europe and the former Soviet Union from a firm-level perspective. As mentioned, the BEEPS survey<sup>12</sup> that we put together was first carried out in 1999 under the auspices of the World Bank and the EBRD. Among other governance phenomena, the survey directly measured firm-level experiences with state capture in post-socialist economies and led to several research papers by us and by others.

Among the various forms of 'grand corruption' that we incorporated into the BEEPS to assess state capture were the sale of Parliamentary votes on laws to private interests; the sale of Presidential decrees to private interests; the mishandling of funds by the Central Bank; the sale of court decisions, and the contributions paid by private interests to political parties and election campaigns. Based on these responses by firms in economies in transition, we constructed at the time indices to measure the extent of state capture at different levels of government, deriving from them a composite index of state capture, calculated as the average proportion of firms reporting the prevalence of various manifestations of state capture.

The analysis of state capture across the region in transition revealed significant variation. By the late 1990s, former soviet countries such as Russia, Ukraine, and Azerbaijan exhibited very high levels of state capture; countries in central/eastern Europe, such as those in the Baltics, had largely avoided such a trap and were transitioning to competitive markets and a democratic polity. The research also sheds light on the large costs of capture, with non-influential firms in captured economies growing and investing at about one-half the rate of competitive firms in non-captured countries. Further, the evidence suggested that countries that had

---

<sup>11</sup> Winters (2011).

<sup>12</sup> The sample of firms in each country was designed to be as representative as possible of the population of firms in a country and subject to various minimum quotas from each country. Firms were randomly sampled from business directories and respondents were asked similar questions to allow for cross-country comparisons. The BEEPS had features to ensure higher reliability and greater depth in assessing these challenges. Survey questions were based on the direct experience of firms rather than subjective comparisons across countries. Where possible, the survey offers numerical cardinal estimates of the phenomena at hand. (Fiebelkorn, 2019).

embarked on a transition with a more competitive polity and markets at the time, exhibited lower degrees of state capture, as reported by firms, though this association obviously does not prove causality.

Subsequently, utilizing the 2002 version of the BEEPS survey, we empirically explored a correlate notion and potential determinant of state capture, namely ‘inequality of influence’, for which we constructed an empirical proxy based on the responses by firms that we labelled crony bias. The measure served as a proxy for the extent to which firm managers reported that there were other actors with more clout than their own collective voice on shaping the basic rules of their business environment, specifically drawing on responses on the relative influence of firms in shaping of laws, rules, and regulations (Kaufmann and Hellman, 2004).<sup>13</sup>

The extent of crony bias perceived by a firm is the difference between the firm’s characterization of the influence of individuals or firms with close, personal ties to political leaders and the influence of its own business or trade association on recently enacted laws, rules, and regulations affecting their business. The firm level crony bias scores were aggregated to construct country-level aggregates for the inequality of influence.<sup>14</sup>

Another noteworthy source of data for a few years in the early 2000s was the Enterprise Opinion Survey of the World Economic Forum’s (WEF) Global Competitiveness Report (GCR), where this author collaborated with the WEF to develop the survey instrument and performing data analysis. At the time, several questions on corruption and state capture were included in the survey (Kaufmann, 2003; Kaufmann and Vicente, 2011). The WEF survey for the GCR had a much larger country sample than the BEEPS, surveying at the time over 7,000 firms in over a hundred countries, allowing us to develop basic proxies of state capture and undue influence (including ‘crony bias’) for many countries. Yet, in the WEF survey the questions to firms on state capture were few, and they were eventually discontinued in later years as the survey was shortened.<sup>15</sup>

A different strand of empirical measurement focused on collecting data to measure the extent of political connections by private firms. Faccio (2004) assembled a database of over 20,000 publicly traded firms in 47

---

<sup>13</sup> The specific question posed was “How much influence do you think the following groups actually had on recently enacted national laws, rules and regulations that have a substantial impact on your business?” Firms assessed their own influence and in direct succession were asked to compare the influence of a large set of other actors including: your domestic competitors, foreign firms, your business association, other business associations, dominant firms or conglomerates in key sectors of the economy (other than yours), labor unions, organized crime, regional or local government, military, international development agencies or foreign governments, and individuals or firms with close personal ties to political leaders.

<sup>14</sup> Illustrating the use of the BEEPS survey to further research state capture, Bartlett (2021), among others, investigates the economics of state capture by analyzing the impact of political connections on business performance in Southeast Europe. For this work a subsequent round of the BEEPS survey was used, focusing on nine countries. The BEEPS survey has also been used by other authors to investigate the association between state capture and other governance phenomena, as in Bagashka (2014), who studies the effects of veto players on state capture and bureaucratic corruption in post-communist countries.

<sup>15</sup> Based on this survey enterprise data by the WEF, and as a variant of the study of state capture, in Kaufmann and Vicente’s “Legal Corruption” (2011), we presented a political economy model that integrated both corruption and the legal system attempting to explain patterns of legal and illegal corruption across a large group of countries. Separately, as part of the Governance and Anticorruption diagnostic tool we developed and deployed in countries while at the World Bank, the empirical surveys included questions on different sources of capture in various countries in Latin America (Kaufmann, Recanatini and Biletsky, 2002).



countries. A company was defined as politically connected<sup>16</sup> if at least one of its top officers (such as its CEO, chairman, president, VP), or a large shareholder was a head of state (i.e., president, king, or prime minister), a government minister or a member of the national parliament as of 1997. Faccio and co-authors find that politically connected firms are more likely to be bailed out than their nonconnected peers. Among bailed-out firms, those that are politically connected exhibit significantly poorer operating performance than their non-connected peers at the time of the bailout and over the following two years.

Using part of Faccio's data, Faccio, Masulis and McConnell (2006) explore how political connections influence the allocation of capital resulting from financial assistance to connected companies in economic distress. To investigate this, they studied 450 politically connected firms in 35 countries over the six-year period 1997–2002. Subsequently, Faccio (2010) analyzed how connected firms differed from non-connected firms across a wide range of countries, finding that connected firms have higher leverage, pay lower taxes, and have stronger market power, yet exhibit poorer accounting performance.

The World Bank has also had its own enterprise surveys, which take place in dozens of countries over a multi-year period, covering thousands of firms in dozens of countries. Such surveys have also included questions about the extent to which the political influence of firms in shaping national policies affects their business. Among others, such data has been used by Desai & Olofsgård (2008) to study cronyism,<sup>17</sup> and by Hallward-Driemeier and Pritchett (2015), studying how firms do business in the developing world.

A recent empirical initiative in the field, also covering several countries, is the State Capture Assessment Diagnostics (SCAD), carried out by the Centre for the Study of Democracy in Bulgaria (Stoyanov et al, 2019). The SCAD assesses the existence of state capture at the national, sectoral, and organizational levels, and consists of two main components: (i) Business State Capture Pressure, which assesses monopolization pressure and evaluates the effectiveness of antimonopoly laws, and (ii) State Capture Enablers, assessing national-level institutional and environmental factors, such as media capture, administrative corruption, and the integrity, and impartiality of public institutions as well as the effectiveness of their anti-corruption policies.

Under SCAD, Data are collected through an online and anonymous survey of experts, and it also utilizes existing aggregate indicators, such as the Indices on Press Freedom and Rule of Law. It was piloted in five EU countries: Bulgaria, Romania, Spain, Italy, and the Czech Republic and further applied in the Western Balkans. The results indicate that Bulgaria is facing particularly high vulnerabilities in terms of business pressure and institutional enablers, closely followed by Romania.

Other scholars have also developed measures of political influence and connections for specific countries. Decades ago, Fisman (2001) used an innovative approach to measure political connections. He used rumors about the health of Indonesia's ailing President Suharto in his final years in office to infer the value of connections. Fisman identified episodes during which there were adverse rumors about Suharto's health and compared the returns of firms with differing degrees of political exposure, finding that the value of well-connected firms suffered, suggesting that a large percentage of a well-connected firms' value appeared to derive from political connections.

---

<sup>16</sup> Claessens, Djankov & Lang (2000).

<sup>17</sup> Further empirical studies on crony capitalism have taken place, as in the Middle East compilation by Diwan et al, eds (2019)

Indirectly, and more generically, some earlier papers had dealt with related empirical attempts to assess the benefits of political connectedness, starting with Anne Krueger's (1974) work focused on aggregate (rather than firm-specific) rent-seeking behavior and efficiency losses resulting from restrictive trade policies. Subsequently, for the U.S., political scientist Brian Roberts (1990) probed more directly, yet narrowly, into the valuation of a particular political connection by examining the effect of Senator Henry Jackson's unexpected death on his various constituent interests as well as the constituent interests of his successor on the U.S. Senate Armed Services Committee.

Subsequently Blanes I Vidal et al. (2012) empirically studied the phenomena of revolving door lobbyists in the United States, which can be viewed as intermediate agents (and enablers) of state capture. Papadimitri, Pasiouras, Pescetto and Wohlschlegel (2021) use data from U.S. commercial banks over the period 2000–2015 and show that their measure of political influence reduces a bank's probability of receiving a formal regulatory enforcement action. Similarly, Khwaja and Mian (2005) show that political firms borrow 45 percent more and have 50 percent higher default rates at government banks. Braham, de Peretti and Belkacem (2022) study the specific impact of political patronage on banks, having created a measure of political connections specific to the Middle East and North Africa (MENA) region.

In a rigorous in-depth empirical study for one vast country with multiple regions, namely Russia, Slinko, Zhuravskaya and Yakovlev (2005) evaluated the effects of special interests on the performance of firms with and without political influence. In that study, to measure firms' political power and a proxy for capture for each one of Russia's regions, Slinko et al. employed a unique micro-level panel dataset on Russian regional laws and regulations that treat firms preferentially between 1992–2000. Firm-level political power was measured as the share of regional preferential treatments for a firm in the total number of preferential treatments for the five enterprises that received the largest number of preferential treatments that year.

Similarly, regional capture in Russia was measured in their study by the concentration of preferential treatments for the five enterprises that received the largest number of preferential treatments holding the total number of preferential treatments constant. Their study finds that political power generates substantial performance gains to firms both in the long and the short run, while capture hurts firms that hold no political power. At the regional level, capture negatively affects small business growth, the tax capacity of the state, and the share of social public expenditure.<sup>18</sup>

Focused on the United States, McCann et al. (2021) use state-level data on campaign finance, lobbying, industry size, ethics, and transparency to measure the degree to which the fifty-state executive, legislative, and judicial branches are at risk of capture by the dominant industries in the state. They compile 58 indicators that serve as indirect proxies of state capture between 2010 and 2020 from a variety of sources and describe the institutional features and processes that correspond to state capture in four categories: influence, obligation, and power; infiltration; weak ethics constraints; and transparency and visibility.

Studying aspects of state capture in Tunisia, Rijkers, Freund and Nucifora (2017) examined the relationship between entry regulation and the business interests of former President Ben Ali's family using firm-level data. Data on 220 firms owned by Ben Ali's family and confiscated in the aftermath of the Tunisian revolution were identified and paired with administrative tax data that contain information on gross output and profits,

---

<sup>18</sup> It is noteworthy that this study allowed some examination of state capture during President Putin's first and second terms, which were marked by a significant shift in the relationship between the business and the state.

allowing for the identification of the relationship between investment policies and the business interests of Tunisia's politicians during the last decade and a half of Ben Ali's tenure. Their findings pointed to the existence of capture, which benefited Ben Ali clan-owned businesses.

Taking a different approach to state capture, and focusing on Hungary, Fazekas and Tóth (2016) developed an analytical framework for gauging state capture based on micro-level contractual networks in public procurement. They construct a Corruption Risk Index in government contracting focusing on the behavior of individual organizations, specifically measuring the likelihood of corruption occurring in a tender, based on micro-level red flags, such as tight tender submission deadlines. The data draws from Hungarian public procurement announcements from 2009–2012, covering multiple organizations and procurement brokers. Those densely connected clusters of high-corruption-risk organizations are denoted by the authors as the domain of state capture. More recently Fazekas et al (2023) have applied a similar framework in Bulgaria.<sup>19</sup>

### **Toward a global index of state capture**

***Rationale for advancing a global measure of state capture.*** The literature review pointed to multiple empirical efforts to measure state capture and closely related phenomena over the past quarter century. Most initiatives have either focused on a particular country or a few countries. Likewise, most – but not all – empirical initiatives have also been relatively narrow in terms of state capture themes, homing in on aspects, such as political connections by firms or irregularities in procurement.

The narrower focus does enable one to probe in more depth the aspect of capture under study, yet it doesn't shed light on other aspects of capture likely to prevail as well, since state capture is an interconnected and encompassing phenomenon. Further, a specialized in-depth investigation is usually, at best, country-specific at a specific moment in time and, therefore, not compatible with very broad country coverage (or periodic monitoring over time). Regarding efforts to include larger country coverage, the BEEPS surveys we undertook decades ago did cover all the former socialist countries in central and eastern Europe and the former Soviet Union. Yet, that initiative was strictly regional in nature with a limited set of relevant questions related to state capture.

The subsequent initiative of which I was a part empirically assessed state capture, crony bias, and legal corruption in a larger set of countries, relying on the WEF-administered surveys, covering nearly one-half of the world's countries. But as mentioned, it only allowed for a very small number of generic questions, and these questions were included in surveys only for a few years two decades ago.

In sum, there has not been a measure of state capture with broad coverage in space, time, and themes, and which could be periodically updated over time.

Of course, prior to embarking on an effort to construct a global index, it is important to ask whether state capture – and measuring it – really matters. This is particularly relevant given the plethora of available measures of traditional notions of corruption, which may be seen as serving as a good enough proxy.

---

<sup>19</sup> And yet another rather different approach to empirically assess capture, via a proxy, is taken by Andersen et al (2022), by estimating the extent to which incremental foreign aid to a country is associated with concurrent spikes in capital flight to financial centers abroad. Further, there are multiple rigorous studies that empirically explore other manifestations of misgovernance, such as patronage in Ghana (Brierley 2021) and Kruse et al (2021) on standards and political connections.

Part of the answer in the affirmative lies in understanding the notion of state capture, as well as its outsized potential costs. It relates to the undue influence of vested interests in shaping the rules of the game – and not merely efforts to get around the transactional implementation of existing rules associated with conventional notions of corruption. Hence, the societal cost is likely to be orders of magnitude higher than for conventional forms of corruption. Such outsized costs inflicted by state capture on society extend far beyond the economic realm, shaping of the rules of the game and institutions to benefit the powerful few: society also ‘pays a heavy price’ as rule of law, security, human rights, democracy, and accountability are undermined, and as society becomes increasingly unequal and divided.

Yet it could still be argued that the existing measures of corruption may provide a decent proxy for state capture, obviating the need for a new global measure. At the empirical level, this tenet should be subject to testing, which can only be done with comparable datasets on corruption and state capture. At the conceptual level, this line of thought can be challenged by the fact that state capture can encompass manifestations of mis-governance which are legal and may not be characterized as strictly corrupt, as well as the inverse: the myriad manifestations of corruption, whether petty or administrative, which do not constitute state capture.<sup>20</sup>

Further, conventional measures of corruption, by measuring traditional and easily measurable activities, such as reports of conventional bribery, are unlikely to prove good proxies for more complex forms of abusing power for personal benefit at the expense of the public good. Consequently, these more complex and subtler types of unethical practices, which may prevail in countries with more sophisticated institutions, may be underestimated by the emphasis on measurement-friendly illegal and administrative forms of corruption.

Thus, having a measure of state capture may help shed light on the extent and implications of such possible biases and differences between both types of measures, providing insights and shedding light on the added value of a stand-alone measure of state capture.

***Basic tenets in creating a State Capture Index.*** The proposed approach, described below, while simple, is relatively broad in scope along three key dimensions, namely in space, time, and themes. In other words, the approach covers most of the the world’s countries, it follows their trajectory over almost three decades, and it utilizes a relatively broad interpretation of state capture, while also assessing distinct dimensions of capture. Specifically, we cover 172 countries, for which there is sufficient data, over the 1996–2022 period, and construct an index based on three major components, in turn informed by 19 different relevant variables, drawn from various sources.

The three main components that constitute the State Capture Index cover three key realms, namely the rule of law – including the legal-judiciary dimension –, policy and polity – including the economic policy and political dimensions, and the (capture) enabling environment – including the extent of acute inequality as well as vulnerabilities in key dimensions of national governance. The first two realms are informed by a variety of carefully selected specific variables from the very large and robust dataset, Varieties of Democracy (V-Dem)<sup>21</sup>,

---

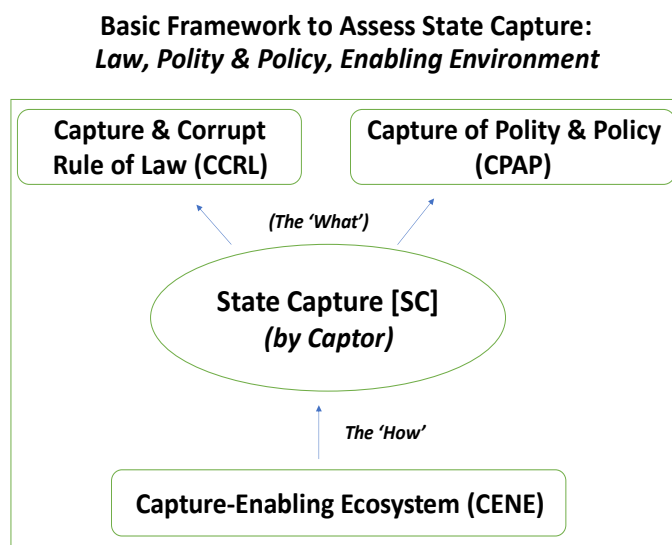
<sup>20</sup> Indeed, as suggested, state capture is a broader and potentially more pernicious phenomenon than traditional forms of corruption and bribery. The latter tend to be transactional and focus on illegal payments and the diversion of funds associated with implementation of the rules of the game. This is in sharp contrast to state capture, which refers to the shaping of the rules of the game to benefit the few exerting undue influence at the expense of the citizenry. And state capture can take place without engaging in strictly illegal activities, since the laws may have been shaped and distorted so to protect the capturing elite.

<sup>21</sup> For access to V-Dem methodology and codebook, see Coppedge et al (2023a, 2023b, respectively).

which we use to assess the specific capture of the law, polity, and policy, or specifically, capture of the rule of law, in the first component, and of political access, public goods and policymaking, in the second. The third realm, the enabling environment, is informed by national-level proxies from the Worldwide Governance Indicators (WGI)<sup>22</sup> for national governance, and from the World Inequality Dataset (WID) for inequality.

This basic framework to empirically assess state capture (SC) is depicted in the diagrammatic Figure 1.

**Figure 1:**



### Constructing the index

The State Capture Index (SCI) is constructed for 172 countries over the period 1996–2022. For some countries, some data was missing for some periods, so missing data were interpolated and extrapolated utilizing near periods. With the completed dataset, for each input indicator, we calculated three-year averages starting in 1996, totaling nine periods. These averages were then normalized and converted to range from 0 (low capture) to 100 (high), and percentile ranks were calculated for each component.

Specifically, the three main components of the Index and the variables informing each component used to construct the aggregate SCI, were as follows:

#### 1: CCRL – Corrupt and Captured Rule of Law:

$$(1) \text{ CCRL} = [\text{Legislature corruption} + \text{Judicial corruption} + \text{High Court Lack of Independence} + \text{Executive Bribery and Corrupt Exchanges} + \text{Media corruption}] / 5$$

This component is informed by five indicators from V-Dem, including corrupt legislature, judiciary, media, high-level executive, and absence of high court independence. The average scores of the five indicators were then converted into percentile ranks.

<sup>22</sup> For details on the WGI methodology, see Kaufmann, D., A. Kraay, & M. Mastruzzi. (2010), and for access to the data and related resources, at [www.govindicators.org](http://www.govindicators.org)

## 2: CPAP -- Captured Political Access and Policy

$$(2) \text{ CPAP} = [\text{Power distributed by Socioeconomic position} + (\text{Disclosure of Campaign donation} + \text{Election vote buying}) / 2 + \text{Particularistic vs Public good} + (\text{Reasoned justification} + \text{Range of consult}) / 2] / 4$$

The six variables informing the CPAP component were also drawn from V-Dem dataset<sup>23</sup>, and percentile ranks were computed.

## 3: CENE -- Capture (or capturing) Enabling Environment

$$(3) \text{ CENE} = [\% \text{ rank average WGI (VA + RQ + RL + CC)} + \% \text{ rank average (WIDY + WIDW)}] / 2$$

WGI: Worldwide Governance Indicators, VA its Voice & Accountability indicator; RQ its Regulatory Quality indicator, RL its Rule of law indicator, and CC its Control of Corruption indicator.<sup>24</sup>

WID: World Inequality Dataset.<sup>25</sup> WIDY: average of share of income by the top 0.1% and the top 1%; WIDW average of share of wealth by the top 0.1% and the top 1%.

The (composite) State Capture Index was calculated as the simple average of the percentile ranks of the three components:

$$(4) \text{ SCI} = [\% \text{rank of CRL} + \% \text{rank of CPAP} + \% \text{CENE}] / 3$$

All SCI components, variables, their sources, and country coverage are presented in Table 1 below.

---

<sup>23</sup> Power distributed by socioeconomic position is a measure of political equality. It is concerned with the political effects of income and wealth inequality. Disclosure of campaign donations and electoral vote buying are concerned with the transparency and quality of elections. Particularistic vs. public goods, reasoned justification, and range of consult gauge the nature of deliberation and discourse in political communication. These gauge the extent and the nature to which political elites give public justifications, profile the nature of spending in the country as being clientelistic vs. public goods, and a measure of the range of consultation at elite level. Further, as mentioned in the text, there are missing values for some periods for in some V-Dem variables, which were subject to interpolation and extrapolation. Specifically, if the missing data is for 8 years or less in a row in mid-periods, interpolation from the previous and subsequent years was performed, while if the missing values were by the tails, extrapolation took place for up to 4 years of missing values. For the few cases of longer periods of missing values, aggregation at the subcomponent level took place via the other variables in the subcomponent.

<sup>24</sup> After computing the 3-year period averages for each country, the four components of the WGI, namely Voice and Accountability (VA), Regulatory Quality (RQ), Rule of Law (RL) and Control of Corruption (CC) were normalized to range from 0 to 100. These scores were reversed to range from good (0) to bad (100). These four components were then averaged and converted to percentile ranks to form the WGI part of CENE. Further, note that in computing some of the components, as shown in equations 2 and 3, some of the constituent variables were first subject to aggregation and averaging at the subcomponent level, in instances when the disaggregated variables referred to a very similar aspect of capture (e.g. elections; governance indicators; inequality). By so doing we avoid unduly overweighting an aspect of capture resulting from the larger number of individual variables available to inform such component.

<sup>25</sup> For technical details and data on the WID, see their World Inequality Report 2022, in Bajard et al (December 2021).

Table 1

SCI: Components, Variables, Sources &amp; Country Coverage\*

SCI Component and Sources	Components and Variables	No. of countries at source
<b>1. CCRL</b>	<b>Captured &amp; Corrupt Rule of Law</b>	
Source: V-Dem	1a. Legislature corruption	176
	1b. High level Judiciary corruption	176
	1c. High Court lack of Independence	176
	1d. Top/High level Corruption in Executive	176
	1e. Media corruption	176
<b>2. CPAP</b>	<b>Captured Political Access and Public Goods</b>	
Source: V-Dem	2a. Power distributed by Socioeconomic position	176
	2b. Disclosure of Campaign Finance	176
	2c. Election Vote buying	176
	2d. 'Captured' (particularistic) 'Public Goods'	176
	2e. Policy Reform Justification by Political Elite	176
	2f. Range of Consultation	176
<b>3. CENE</b>	<b>Capture Enabling Environment</b>	
Source: WGI	3a. Lack of Voice & Accountability	208
	3b. Lack of Rule of Law	211
	3c. Lack of Regulatory quality	211
	3d. Extent of Corruption	211
Source: WID	3f. Top 1% income distribution	172
	3g. Top 1% wealth distribution	170
	3h. Top 0.1% income distribution	172
	3d. Top 0.1% wealth distribution	170

\* While the number of countries covered by each original data source naturally varies, the number of countries covered by the state capture index is 172, which includes all countries for which the variables informing the index were available. Among the few exceptions were the cases of Belarus and Kosovo, which only lacked data on wealth distribution, yet from the same source (WID) it did have data on income distribution (and for all other variables from other sources). For these countries the income distribution scores were used for the inequality calculations from WID. See also footnote 23 for the treatment in cases of some missing values for some years in a variable.

## Empirical results

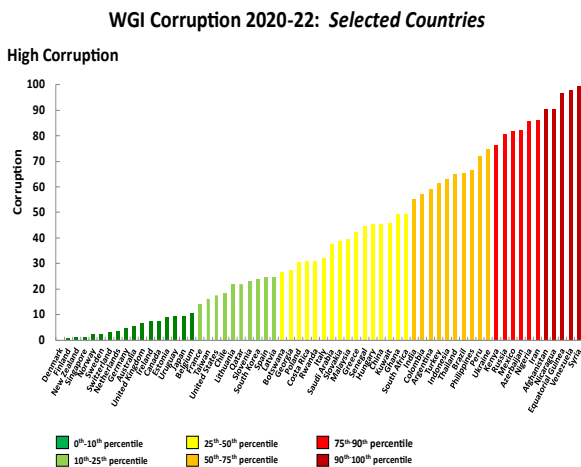
The full dataset emerging from constructing the SCI utilizing the various data sources, variables and aggregation method outlined above, covering the 1996–2022 period, can be accessed at <https://r4d.org/resources/state-capture-index>.

The index data comprises nine averaged three-year periods during the 27-year time span. In addition to the composite SCI itself, it also includes the results for each of its constituent components. Summary results are depicted in charts in the remainder of this article, with selected insights emerging from such results.

First, by reviewing the new dataset, we investigate the question whether the SCI measures end up being materially different from traditional corruption measures or, instead, are similar enough to question the notion that an empirical SCI measure may provide significant value added. Indeed, even if there are a priori conceptual differences between both notions, it could have been the case that for all practical purposes existing corruption indices prove to be good enough proxies of state capture if statistically they turn out to be virtually indistinguishable.

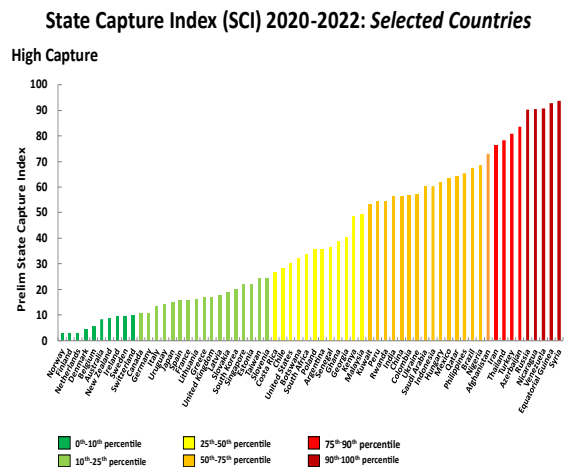
We review and compare the data for both indicators, corruption, and state capture, for the latest average three-year period available, 2020–2022, using the same 0–100 (percentile rank) scale, where 0 is absence of corruption/state capture; 100 is its maximum. At first sight, a visual comparison between both measures for the same set of roughly 70 countries, via the Control of Corruption indicator from the WGI (Figure 2) and the State Capture Index (SCI, in Figure 3), suggests a very similar pattern. Yet, such comparison is an optical illusion because a similar pattern arises from the construction of these charts, which are automatically ordered from lowest to highest corruption/capture score.

Figure 2:



Source of WGI data: [www.govindicators.org](http://www.govindicators.org). For comparison with SCI, the source data has been converted into a 0 -100 scale using the smaller SCI country sample (172 countries), and it has been inverted (100 highest value for corruption)

Figure 3:



Full dataset available at <https://r4d.org/resources/state-capture-index>.

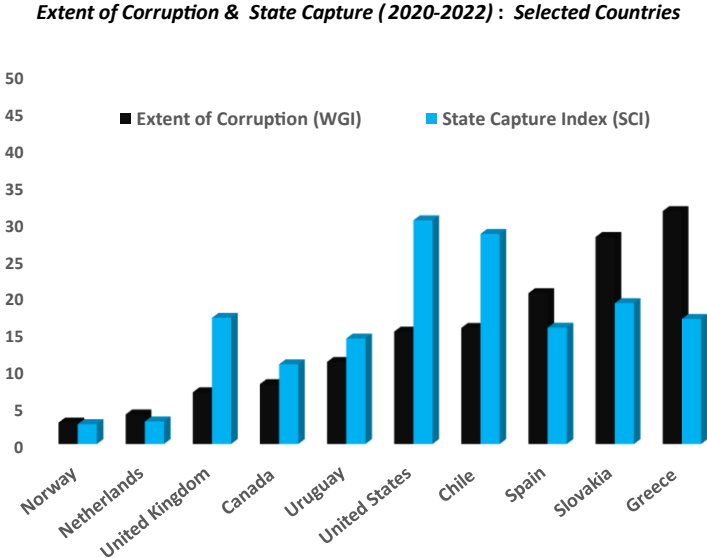
The relevant question instead is whether the rank ordering is very similar or materially different between both measures. For many countries the percentile rank is rather similar across both measures. Yet there are major non-trivial differences. Focusing on the most recent period, 2020–2022, for 78 countries (45 percent) out of all 172 in the sample there is a difference of at least 10 percentile point ranks between both measures (in either direction), and for 42 countries (26 percent of the full sample) the difference between both measures exceeds 15 percentile ranks.



Illustrating some of these differences, Figure 4 below simultaneously depicts both measures for a select group of OECD countries.<sup>26</sup> Some countries that have traditionally been assessed as having very low corruption levels, such as the Nordic countries and the Netherlands, also score similarly low in terms of degree of state capture, according to the SCI. In countries, such as Canada and Uruguay, with relatively low levels of corruption, the degree of state capture is slightly higher, yet not high.

In countries, such as Slovakia and Greece, the middling degree of state capture contrasts with a substantially higher level of traditionally measured corruption. In stark contrast, in countries like the United States and Chile, with relatively low-to-middling levels of corruption, the degree of state capture is measured to be substantially higher, relatively speaking.

**Figure 4:**



Observing substantial deviations between indices of corruption and of state capture for many countries elicits the question of whether there are important differences for important groups of countries. Exploring whether there are differences for high-income countries compared with medium and lower-income countries is particularly relevant. Global corruption indicators have been in existence for about three decades. As a ‘poll of polls’ – based on multiple single source measures – such efforts started with the Transparency International (TI) Corruption Perception Index (CPI) in 1995, followed by the corruption control measure (as one of six governance indicators) in the WGI. For decades, a persistent question was whether these traditional measures of corruption may underestimate the extent of the governance challenge in high-income countries, which overall rate relatively highly in these traditional measures, with some notable exceptions.

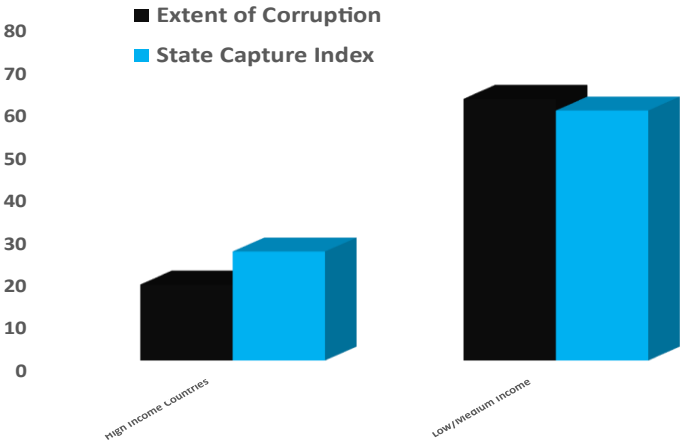
Tellingly, as seen in Figure 5 below, the gap between the scores of high-income countries (left) and the group of emerging/developing countries (right) shrinks when measuring state capture. This is not surprising, because both the notion and the measurement of state capture embrace manifestations of mis-governance

<sup>26</sup> These are not randomly selected countries, but instead meant to illustrate some notable differences, as well as some similarities, among industrialized countries.

which, while highly damaging, can be legal, and seemingly more nuanced than outright bribery or stolen public funds. The latter and coarser forms of corruption tend to feature prominently in the existing measures of corruption, partly due to legacy, partly because it is easier to elicit survey responses, and thus measure. By contrast, undue influence in shaping the rules of the game, particularly if done legally (or ‘extra-legally’, in ‘gray areas’), which are harder to measure, may be the strategy of choice for elite captors in some wealthier countries, benefitting themselves at the expense of the public good.

**Figure 5:**

**Extent of (traditional) Corruption (WGI) vs. State Capture Index (SCI) for High Income and Low/Medium Income Countries (2020-22 period)**



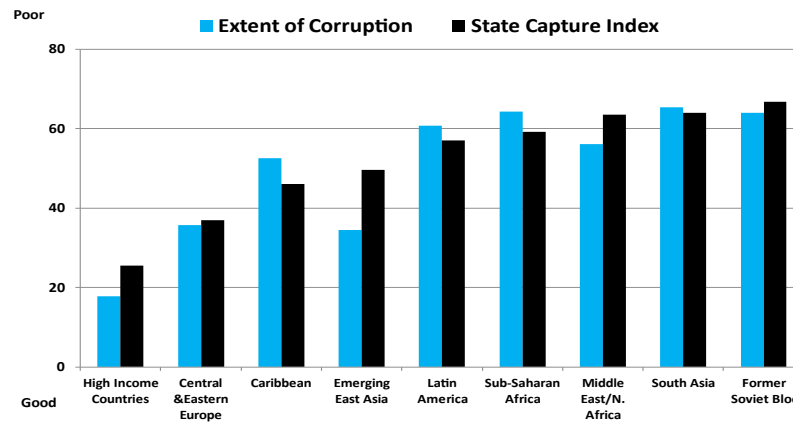
It is also worth noting that the state capture score for high-income countries depicted in Figure 5 is an average across all industrialized countries. As we observed in the previous figure showcasing individual countries, there is substantial variance, implying that the extent of state capture itself and the gap between it and corresponding lower levels of traditional corruption can be very high for many countries, while lower, or reversed, for some others.

In many industrialized countries and some emerging economies where rule of law institutions are evolving, non-state actors may calculate that, given the higher risk of engaging in overtly illegal activities, it pays to ensure that the laws are shaped in such a way that their actions may not be strictly illegal according to current norms. Thus, they may invest in, as well as engage in, influencing polity, policy. and law, deviating from accepted ethical norms, to benefit privately at the expense of public welfare, yet at the same time avoiding legal jeopardy.

Unbundling the group average for all low- and medium-income countries into its regional groupings reveals significant variation across regions. Although, on average, high-income countries exhibit (relatively) higher degrees of capture on average than of traditional corruption, the reality is mixed across low-/medium-income countries. As depicted in Figure 6, the (relative) extent of corruption is even higher than of the (still high) level of state capture in Latin America and the Caribbean as well as in Sub-Saharan Africa and – barely – South Asia. Conversely, the relative extent of state capture appears to be substantially larger than of traditional corruption in Emerging East Asia and somewhat larger in the Middle East and in the former Soviet countries (and slightly so in Central/Eastern Europe).

Figure 6:

Extent of (traditional) Corruption (WGI) vs. State Capture Index (SCI): Regions



Beyond the differences between traditional measures of corruption and state capture for countries and regions around the world, the variation across regions in the extent of state capture is also noteworthy. On average, former soviet countries, South Asia, and the Middle East exhibit very high levels of capture, while the next tier – albeit still a degree of capture – comprising Sub-Saharan Africa and Latin America is a notch down, with Emerging East Asia and the Caribbean one notch further down – relatively high capture –, and then Central/Eastern Europe exhibiting somewhat lower levels of capture.

Naturally, there is substantial variance within each group of countries as well, even if they share geography or income grouping, as we saw in the earlier Figure 4, which depicted several industrialized countries. Consequently, regional and income group averages ought to be interpreted with caution.

### *State capture regimes.*

Observing the fraught path of the post-Soviet transition toward democracy during the early 1990s, at the time we advanced a notion of state capture focused exclusively on non-state actors as the captor of the rules of the game, and within these the focus tended to be on powerful private actors, such as the so-called oligarchs and powerful enterprises that had been recently privatized (whether de jure or de facto).

As mentioned earlier, in recent decades, scholarship evolved toward a more encompassing notion of state capture embracing a much wider set of potential captors, and allowing for state actors also to be regarded as captors within a state capture lens. By so doing, autocratic leaders could be regarded as the key captor in their countries. In a sense, the early notion of state capture as the ‘capture of the state’ (by non-state actors) was expanded to allow for ‘capture by the state’ (by its leader and/or other state organs).

Since an aim in this contribution is to provide an initial worldwide empirical measure of state capture, I refrain from any comprehensive treatment of the pros and cons of embracing a much-expanded notion of state capture. Instead, for measurement purposes, I err on the side of inclusion, suggesting that, with the proper interpretative care --taking into account differences in political regimes--, it is also possible to arrive at a state capture proxy for non-democratic settings.

The importance of differentiating across regimes cannot be overstated, since capture of the state is not the same as capture by the state. This is particularly relevant for any formulation of policy and institutional initiatives to address capture. Two countries may exhibit similarly high levels of state capture, yet if one country is a democracy and the other is not, with their divergent power dynamics and interplay between non-state and state actors, the implications for analysis and policy would also differ.

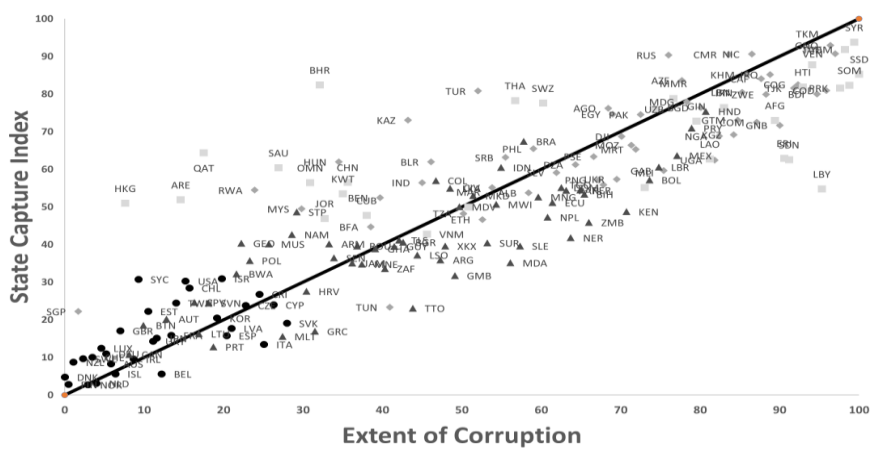
Concretely, for empirical purposes of the proposed SCI here, countries were included in the empirical assessment of state capture irrespective of their ‘democracy’ status and no differentiation was made in the construction and measurement of the index. The same variables and criteria were utilized for all 172 countries. At the same time, while presenting the full dataset for all countries, for purposes of further inquiry, we identify the type of political regime for each country, following the classification of political regimes by V-Dem’s Regimes of the World (RoW), so to be clear what type of regime the country is under.

Showcasing all countries in the state capture index in a single chart, yet visually differentiating democracies from autocracies, Figure 7 depicts all rated countries, showing the scores for traditional corruption (according to the WGI measure, in the horizontal axis) and that for the state capture (SCI, vertical axis). Further, following the political regimes classification by V-Dem’s Regimes of the World (RoW), the black dots represent (both the liberal and electoral) democratic countries, while the gray triangles depict (both the electoral and closed) autocratic countries.

The bundling of the types of democracies as well as the two types of autocracies into the simple distinction between democracies and autocracies simplifies the depiction of political regimes in the figure 7 below, and roughly dovetails with the distinction we have made between capture of the state and capture by the state. Showcasing the extent of (traditionally measured) corruption on the horizontal axis, and state capture on the vertical axis in Figure 7 permits visualizing the extent to which their relative measures empirically differ by observing how far they are from the 45-degree diagonal line, in either direction. Although many countries fall close to the diagonal line, many others do not. This backstops the illustration made for a select group of advanced countries in Figure 4. State capture is different than corruption.

Figure 7:

### State Capture vs Extent of (traditional) Corruption: 2020-22



Countries classified into different political regimes as per V-Dem’s Regimes of the World (Row). The black dots represent the liberal democratic countries. The dark gray triangles are the electoral democratic countries. The gray diamonds are the electoral autocratic countries. The grey squares are the closed autocratic countries.

Furthermore, by concentrating on each political regime group of countries, the plot gram also suggests the dispersion in the extent of capture both within democracies (black) and autocracies (gray). While there is a tendency for autocracies to be highly captured – arguably at least partly by construction, democratic countries exhibit highly varying degrees of state capture. In fact, it is noteworthy that even among many democratic, higher-income countries, as depicted earlier in Figure 4, the extent of state capture varies significantly.

The disaggregation of state capture by regime type – democracy or autocracy, in particular – may also be warranted due to the likely existence of important dynamics linking capture with the evolution of varieties of democracy (or lack thereof) over time. A hypothesis worth exploring empirically is whether democratic countries subject to a higher (and growing) extent of state capture are more likely to traverse away from democratic institutions toward more autocratic ones. In fact, given such possible dynamics over time, the classification of a country depicted for the current period snapshot in Figure 7 may not necessarily have been the same at an early period.

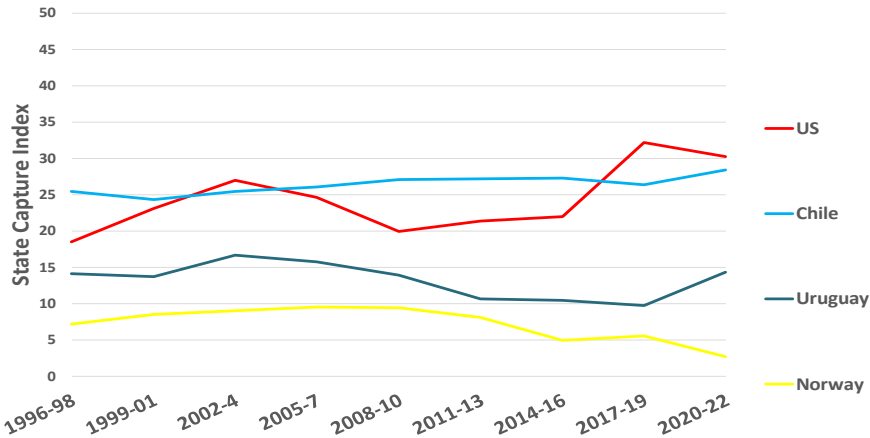
***Evolutions of state capture: Illustrative empirics***

Significant differences in the extent of state capture across space obviously do not guarantee major differences within countries across time since it may take considerable time for national institutions and rules of the game to evolve. Yet, it is of interest that over the time span of our dataset there are substantial changes for many countries, while there is relative stability for others.

In fact, we find that in 61 countries (35 percent of the sample) the SCI has changed by at least ten points in either direction between the first and last periods under study. Further, many of the evolutions, when they take place, are not necessarily unidirectional; reversals also take place. Therefore, beyond the 61 countries that exhibit a large change between the first and last period, there are others that experienced large changes in the extent of state capture over the period of study in both directions due to reversals. Thus, the observed difference between the initial and last period may not be large, despite major shifts over a quarter century.

**Figure 8:**

**Evolution of State Capture, selected countries: 1996-2022**



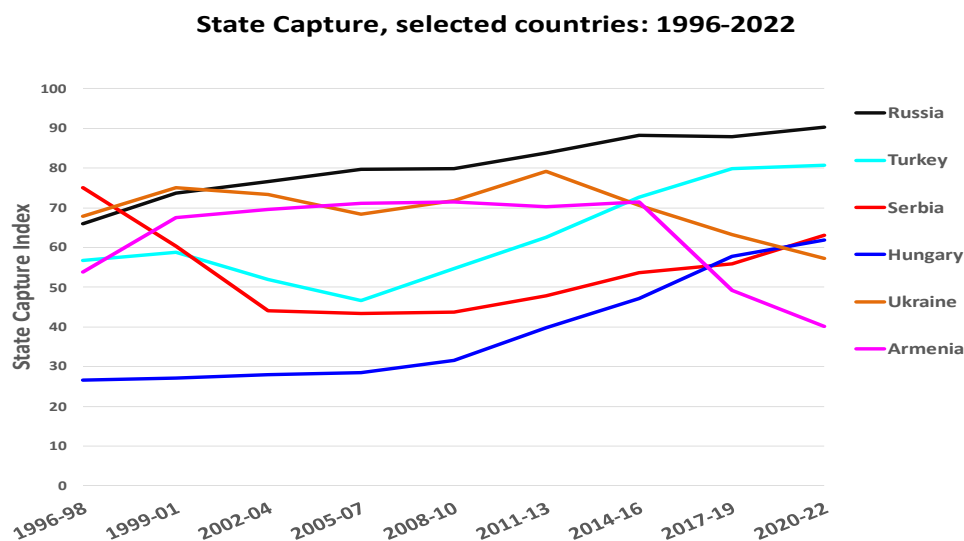
Showcasing some notable dynamics, the United States, Chile, and Uruguay, three countries in the Americas, are illustrated in Figure 8 above. Norway, with very low capture, is also included, as a benchmark of sorts. The United States has experienced a substantial increase in the measured extent of state capture since 1996, albeit not strictly linear nor with a steadily increasing slope, the differences over time arguably likely linked at least in part to the government in power in each period. In this respect, the sharp upturn during the recent Trump presidency that started in 2017 is noteworthy, followed by an incipient reversal in more recent years, following the end of his tenure.

Uruguay, an emerging economy, starting at low levels of state capture in the 1990s, exhibits some decline over most of the period of study, ending at a substantially lower level than the mighty U.S. Chile has remained stable throughout the period in terms of state capture (at a much higher percentile rank relative to its corruption levels), having started at a higher level than the U.S. in the 1990s. Yet, the rise in state capture in the U.S. means that the latter caught up with Chile.

Moving to post-socialist economies and others in Eurasia, it is not surprising that the extent of state capture is rather high in many of them; it wasn't accidental that when they entered transition decades ago, we focused on them in our early work on state capture. The varying dynamics over time within each country are noteworthy. As illustrated in Figure 9, countries such as Hungary and Russia exhibited substantial increases in the extent of state capture over the past few decades. Turkey also exhibits a sharp increase in recent decades, after an initial improvement of sorts in the earlier period.

By contrast, Ukraine, starting at a very high level like Russia in the mid-1990s, and still increasing and remaining high in subsequent periods, has seen its levels of state capture decline over the past decade or so. Armenia, even more acutely than Ukraine, exemplifies the existence of non-linear dynamics over time within a country, in this case featuring a positive reversal as well: following a sharp increase in state capture in earlier periods, it undergoes a substantial decline during the latter period. Contrasting the marked 'positive' reversal of Armenia (inverted V-shape), we observe the 'negative' (V-shape) reversal of Serbia during the full period – improvement in the extent of state capture in the earlier period, followed by a deterioration thereafter.

**Figure 9:**



These within-country shifting dynamics over time, including sharp reversals, challenge notions of path dependency, since the evidence suggests that there is no inexorable pre-determined path toward or away from state capture. This, in turn, backstops the importance of having empirical tools to monitor the extent of state capture in each country over time.

### **Concluding considerations and looking ahead**

Inspiration for trying to measure governance phenomena in general, and state capture in particular, dates back to a century and half ago when Lord Kelvin (a.k.a. William Thompson), the inventor of the Celsius temperature scale, is said to have said ‘if you cannot measure it, then it is not science’ as well as ‘if you cannot measure it, then you cannot improve it’. Still, it will be up to students, scholars, and practitioners to eventually determine whether a worldwide State Capture Index as proposed here, and variants thereof, can be useful and provide value added compared with existing empirical initiatives.

The review of the existing literature and data initiatives provided here suggested that there has been an empirical gap, particularly regarding initiatives to continuously monitor and measure state capture globally. The approach presented suggests a path towards a periodic and global State Capture Index, comparable across countries and over time.

Given that this is an initial effort toward such a global index, as well as the general nature of the available data for governance and institutions, interpretative caution is in order. Scanning and studying a plethora of sources and variables available in the field of governance and institutions, careful identification and selection of sources and specific variables within each selected source took place. In doing so, we were mindful of their potential to assess a state capture-linked phenomena and considered the extent of data availability over time and space for each candidate indicator. Yet, legitimate debate and consideration lie ahead regarding other potential sources and variables that one could integrate into the project. Likewise, the relatively simple approach to the implicit weights given to each variable and component could be subject to further review and sensitivity analysis.<sup>27</sup>

Further, as mentioned, any index construction in the governance field and in the social sciences is subject to margins of error, and the index presented here is no exception. In fact, phenomena such as state capture, or corruption or governance more broadly, are intrinsically (directly) unobservable from a statistical standpoint. This negates the possibility of ever reaching perfect measurement accuracy and necessitating reliance on proxies. This is what we have also attempted to do here, as in other related initiatives in the field.

This implies that interpretative caution regarding the empirical results and scores is in order. Typically, small differences over time or space of, say, less than 5–8 points on scales of 0–100 are not material. Yet, at the same time, after taking such imprecision into consideration, inferences can be made with care, particularly where differences are large. This suggests that, even exercising caution, the data can be useful – given the prevalence of large changes and differences over time and across countries.

---

<sup>27</sup> Noting that variations in weights among included variables matters much less than any potential candidate variable that may have been excluded altogether, which by construction gets zero weight.

Exercising such caution, we did find that the data do provide relevant insights, including on the relatively higher prevalence of state capture compared with traditional measures of corruption in many advanced economies, as well as non-trivial differences between both phenomena across regions of the world. At the same time, we found significant differences in the extent of state capture across countries, even within the same region and within countries over time, with positive as well as negative evolutions, as well as reversals midway. This points to the potential relevance of having measurement tools at hand, such as the one proposed here, to monitor countries and to make comparisons across space and time.

Specifically, this type of global measurement initiative presents an opportunity to raise flags at a relatively early stage, potentially helping to avert a descent into full-fledged state capture. Identifying countries on a path to state capture, but not fully captured yet, may lead to timely strategies and actions reversing such trends, preventing fuller capture. In governance, as in other fields, prevention typically enjoys a much higher payoff and is more feasible than attempts at belated remedial action once the damage has been inflicted and the rot becomes entrenched. Hence, it may be especially valuable to focus on prevention in countries with ‘middling’ levels of capture, and particularly so if the capture trend is clearly pointing in the wrong direction.

Nonetheless, a global index of the type presented here is no substitute for more granular, in-depth, in-country diagnostic work. To the contrary, both the more aggregate/ ‘macro’ view, and the ‘micro’ view, ought to be seen as complementary with each other. The aggregate approach has limits regarding the specific and concrete policy and institutional steps required to mitigate capture at the national or subnational levels, and the focused disaggregate approach may miss the broader trend and important aspects of capture.

Regarding the potential usefulness of utilizing the SCI going forward, there are multiple research avenues, Here the focus is on a selected few. First, going back full circle to a couple of decades ago, when research pointed to a very large and strong causal effect of improved governance on country income per capita, while at the same time finding no evidence for such reverse effect. Indeed, contrary to widely held notions, we found that higher income per capita did not guarantee improved governance.

At the time, we speculated that a possible reason was that higher incomes occurred in two distinct settings, with potentially offsetting governance results: competitive countries growing robustly on the one hand, and countries obtaining largely rents from natural resources (or foreign aid), on the other, which were more prone to capture. In captured settings, incomes may be higher for some time benefitting the few, yet governance may be deteriorating, in contrast with competitive countries growing more equitably.<sup>28</sup> Further research exploring the different income and development dynamics between captured and non-captured countries may offer further insights on the links between governance, incomes, and development outcomes.

Relatedly, the growth of interest in the state capture field is taking place at the same time as there is increasing concern and focus on inequality. The a priori links between the inequality of political and economic influence, state capture, and income inequality are evident. Research featuring data on state capture could shed further light on these links.

---

<sup>28</sup> Kaufmann and Kraay (2002).



Furthermore, the framework advanced in this chapter, backstopped by suggestive empirical results, points to important differences between corruption and state capture, and raises the question of what's next in the study of the notion of state capture and which framework may offer promise.

Let me suggest two alternative paths. The first would no longer study state capture as if it were merely a subset of corruption (and within it, a subset of 'grand corruption'). The emphasis would be on where accepted ethical and social norms may indeed be violated and manipulated by powerful actors so that state capture takes place, even though the actions may not be strictly illegal according to the prevailing (and possibly captured) legal norms.

Under this scenario, there may be some overlap between corruption and state capture, yet there would also be many activities that unduly benefit elites at the expense of society, but which are not corrupt in the legal sense. Conversely, under this scenario, there would also be many transactions that may be regarded as corrupt which do not constitute state capture. Further, political economy approaches and tools would help deepen the understanding of drivers of state capture, such as the extent of inequality in political influence.

Rather than clearly separating the study of corruption from that of state capture, the alternative would explicitly consider broadening the scope of what constitutes corruption, fully embracing the fundamentals of state capture and its distinctive features and consequences. This path would entail placing corruption more firmly under an ethical/social norms lens, rather than under a strictly legal, transactional (e.g. bribery) or administrative framework, and then would also explicitly consider the range of activities that may turn out to be legal yet clearly unethical and highly pernicious to societal well-being.

Importantly, this path of further integration between state capture and corruption would also imply the need to consider a re-interpretation, if not a reformulation, of the traditional definition of corruption. The prevailing notion of corruption as 'abuse of public office for private gain' has traditionally been seen as focusing on illegal activities ('abuse') by public officials ('public office') to enrich themselves ('private gain'). Although high-level politicians could be interpreted as those able to abuse 'public office', its lack of explicitness belittles the central role of the political elite in state capture and has tended to perpetuate the focus on bureaucrats and civil servants. More glaringly, the accepted definition of corruption tends to ignore the central role played by non-state actors in state capture, such as powerful private actors. And it does not address the question of whether the rules of the game are being shaped (or subverted) for the benefit of the elite, resulting in a high cost to society.

In short, as an antithesis to a traditional notion of corruption, one could posit as an alternative definition, challenging the traditional, as 'the privatization of public policy, polity and law', benefiting the powerful few at the expense of society. Such a reformulation could encapsulate the essence of state capture, contrasting it with traditional notions of corruption.

Another set of conceptual issues that warrant further work, and which may benefit from the framework advanced here, refers to the definitional debate around state capture itself, and particularly regarding the inclusion of state actors as captors as well, which broadens the scope of state capture to include not just capture of the state, but also capture by the state. As mentioned, fully embracing such a definitional extension means that the boundaries of state capture would need to be clearly established. This is because a limitless broadening of the scope of state capture would fail Popper's falsifiability test, due to the inability to determine the 'empty set', namely 'what is not state capture'. This, in turn, would weaken the notion of state capture.

Further, and beyond the basic definitional debate, embracing such an expanded understanding of state capture would also necessitate an explicit differentiation between various regimes, notably between democracies and autocracies. This is because different institutional outcomes and policy responses would emerge, depending on which state capture regime afflicts the country.

Finally, a unified empirical framework to measure state capture worldwide, as we have advanced here, which explicitly accounts for regime differences, could help shed light on transitions within countries over time from one regime to another and advance our understanding as to whether increasing levels of state capture in fragile or transition democracies, or even in other democratic settings, increase the risk of eventual descent into autocracy.

In ending, we go back full circle to where we started on that frigid Christmas Day facing the Kremlin, as the Soviet Union ceased to exist, pondering in awe what it all meant, and what it augured. Then, over three decades ago, we started our work as Russia and other countries in the region were attempting to establish fledgling democracies. It is poignant to recap the words of Russia's current leader as he was starting his reign almost a quarter century ago:

***“I only want to draw your attention straightaway to the fact that you have yourselves formed this very state, to a large extent through political and quasi-political structures under your control. So perhaps what one should do least of all is blame the mirror.”***

– Vladimir Putin, in a meeting with Russia's business leaders, in July 2000 <sup>29</sup>

Here we are today, on the other side of the mirror.

---

<sup>29</sup> Reported by Hoffman, D., on July 28, 2000, in the Washington Post.

## References.

- Andersen, J. J., N. Johannesen, & B. Rijkers (2022). Elite capture of foreign aid: Evidence from offshore bank accounts. *Journal of Political Economy*, 130(2), 388-425. [https://www.journals.uchicago.edu/doi/abs/10.1086/717455?casa\\_token=1YQZVI21-G4AAAAA:qssVr-UD2ovkZTXLGwYH3DffGMhfcWOgQq1x\\_B18Ggf2XQ\\_KHrBcnOOmxdm6YIqbC\\_He54DA-7eXhw](https://www.journals.uchicago.edu/doi/abs/10.1086/717455?casa_token=1YQZVI21-G4AAAAA:qssVr-UD2ovkZTXLGwYH3DffGMhfcWOgQq1x_B18Ggf2XQ_KHrBcnOOmxdm6YIqbC_He54DA-7eXhw)
- Bagashka, T. (2014). Unpacking corruption: The effect of veto players on state capture and bureaucratic corruption. *Political Research Quarterly*, 67(1), 165-180. <https://doi.org/10.1177%2F1065912913492584>
- Bajard, Felix, & Lucas Chancel Rowaida Moshrif. (2021). World Inequality Report 2022 Technical Notes for Figures and Tables. <https://wir2022.wid.world/www-site/uploads/2021/12/WIR2022-Technical-Note-Figures-Tables-1.pdf>
- Bartlett, W. (2021). The performance of politically connected firms in South East Europe: State capture or business capture? LEQS Paper No. 171, LSE.
- Blanes i Vidal, J., M. Draca, & C. Fons-Rosen. (2012). Revolving door lobbyists. *American Economic Review*, 102(7), 3731–3748.
- Braham, R., C. Peretti, & L. Belkacem. (2022). On the measurement and extent of banks' political connection in the Middle East and North Africa Region. *Comparative Economic Studies*, Palgrave.
- Brierley, Sarah. 2021. "Combining Patronage and Merit in Public Sector Recruitment." *The Journal of Politics* 83 (1): 182–97. <https://doi.org/10.1086/708240>.
- Chipkin, I., M. Swilling, H. Bhorat, M. Buthelezi, S. Duma, H. Friedenstein, & L. Mondli. (2018). *Shadow State: The Politics of State Capture*. Johannesburg: Wits University Press.
- Chisholm, Hugh, ed. (1911). "Eupatridae". *Encyclopædia Britannica*. Vol. 9 (11th ed.). Cambridge University Press.
- Claessens, S., S. Djankov, & L. H. P. Lang. (2000). The separation of ownership and control in East Asian Corporations. *Journal of Financial Economics*, 58pp. 81–112
- Coppedge, Michael, John Gerring, Carl Henrik Knutsen, Staffan I. Lindberg, Jan Teorell, et al. (2023). V-Dem Methodology v13. *Varieties of Democracy (V-Dem) Project*. [https://www.v-dem.net/documents/26/methodology\\_v13.pdf](https://www.v-dem.net/documents/26/methodology_v13.pdf)
- Coppedge, Michael, John Gerring, Carl Henrik Knutsen, Staffan I. Lindberg, Jan Teorell, et al. (2023). V-Dem Codebook v12. *Varieties of Democracy (V-Dem) Project*. <https://www.v-dem.net/static/website/img/refs/codebookv12.pdf>
- Dávid-Barrett, Elizabeth, D. Kaufmann, & J.C. Ceballos (2023) "Measuring State Capture", in *Insights Briefs Series No. 8*, IACA, Laxenburg. <https://www.iaca.int/measuring-corruption/measuring-state-capture/>
- Dávid-Barrett, Elizabeth. (2023). "State Capture and Development: A Conceptual Framework." *Journal of International Relations and Development*, March. <https://doi.org/10.1057/s41268-023-00290-6>.
- Dávid-Barrett, Elizabeth (2022) "Is the UK sliding into state capture?", *Renewal*, Volume 30 Number 2, pp. 88-95, U.K. <https://journals.lwbooks.co.uk/renewal/vol-30-issue-2/abstract-9561/>
- De Greiff, P., M. Knapp, et al (2023) "State Capture as Enabling Condition for Human Rights Violations". Center for Human Rights & Global Justice, New York University School of Law. Forthcoming.

- Desai, R. M., & A. Olofsgård (2008). Do politically connected firms undermine their own competitiveness? Evidence from Developing Countries (January 2008). *Brookings Global Economy and Development Working Paper*, (18). [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1100114](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1100114)
- Diwan, I., A. Malik, & I. Atiyas (eds.). (2019). *Crony capitalism in the Middle East: business and politics from liberalization to the Arab Spring*. Oxford University Press.  
<https://oxford.universitypressscholarship.com/view/10.1093/oso/9780198799870.001.0001/oso-9780198799870>
- Faccio, M., R.W. Masulis, & J.J. McConnell (2006). Political connections and corporate bailouts. *The journal of Finance*, 61(6), 2597-2635. <https://doi.org/10.1111/j.1540-6261.2006.01000.x>
- Fisman, Raymond. (2001). "Estimating the Value of Political Connections." *American Economic Review*, 91 (4): 1095-1102.
- Fazekas, M., & I. J. Tóth. (2016). From corruption to state capture: A new analytical framework with empirical applications from Hungary. *Political Research Quarterly*, 69(2), 320–334.
- Fazekas, Mihaly, Viktoriia Poltoratskaia, & Bence Tóth. (2023). Corruption Risks and State Capture in Bulgarian Public Procurement. *Policy Research Working Papers*. The World Bank. <https://doi.org/10.1596/1813-9450-10444>.
- Fiebelkorn, A. (2019). State capture analysis: How to quantitatively analyze the regulatory abuse by business-state relationships. World Bank Discussion Paper.
- Fisman, Raymond. (2001). Estimating the value of political connections. *American Economic Review*, 91(4), 1095–1102.
- Hallward-Driemeier, M., & L. Pritchett. (2015). How business is done in the developing world: Deals versus rules. *Journal of Economic Perspectives*, 29(3), 121–140.
- Hellman, J. S., & Kaufmann, D. (2004). The inequality of influence. In *Building a trustworthy state in post-socialist transition* (pp. 100-118). *Palgrave Macmillan*, New York.  
[https://link.springer.com/chapter/10.1057/9781403981103\\_6](https://link.springer.com/chapter/10.1057/9781403981103_6)
- Hellman, J., G. Jones, & D. Kaufmann, D. (2000). Seize the state, seize the day: state capture and influence in transition economies. *World Bank Working Paper*, and (2003) *Journal of Comparative Economics*, 31(4), 751-773.  
<https://doi.org/10.1016/j.jce.2003.09.006>
- Hellman, J.S., G. Jones, D. Kaufmann, & M. Schankerman. (2000) Measuring governance, corruption, and state capture: How firms and bureaucrats shape the business environment in transition economies (Vol. 2312). *World Bank publications*. <https://openknowledge.worldbank.org/handle/10986/18832>
- Hoffman, D. (2000). Putin aims to assure tycoons: Russian disavows pressure by police. *Washington Post*, July 28.
- Innes, Abby (2021). "Corporate State Capture in the UK" <https://blogs.lse.ac.uk/politicsandpolicy/corporate-state-capture/>, LSE blog, London
- Johnson, Simon, & James Kwak (2011). *"13 Bankers: The Wall Street Takeover and the Next Financial Meltdown"*. Knopf Doubleday
- Kaufmann D., (2003). 'Governance Redux: The Empirical Challenge.' *Chapter in World Economic Forum Global Competitiveness Report 2003-04* [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=541322](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=541322)

- Kaufmann, D., A. Kraay, & M. Mastruzzi (2010), "[The Worldwide Governance Indicators: Methodology and Analytical Issues](#)". *World Bank Policy Research Working Paper No. 5430*.
- Kaufmann, D. & Aart Kraay (2002). "Growth Without Governance", *Economia*  
[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=316861](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=316861)
- Kaufmann, D., F. Recanatini and S. Biletsky (2002). "Assessing governance: Diagnostic tools and applied methods for capacity building and action learning" Mimeo, The World Bank  
<http://www.worldbank.org/wbi/governance>
- Kaufmann, D., and P. Vicente (2011). "Legal Corruption", *Economics and Politics*  
<https://doi.org/10.1111/j.1468-0343.2010.00377.x>
- Khwaja, A. I., & A. Mian (2005). Do lenders favor politically connected firms? Rent provision in an emerging financial market. *The Quarterly Journal of Economics*, 120(4), 1371-1411.  
<https://doi.org/10.1162/003355305775097524>
- Kolko, G., (1963). "The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916" New York, NY: The Free Press.
- Krueger, Anne O. (1974) "The Political Economy of the Rent-Seeking Society." *American Economic Review*
- Kruse, H. W., Martínez-Zarzoso, I., & L. Baghdadi (2021). Standards and political connections: Evidence from Tunisia. *Journal of Development Economics*, 153, 102731.  
<https://www.sciencedirect.com/science/article/pii/S0304387821001036>
- McCann, P. J. C., D.M. Spencer & A. K. Wood (2021). Measuring State Capture. *Wisconsin Law Review*, 1141.
- Papadimitri, P., F. Pasiouras, G. Pescetto, & A. Wohlschlegel (2021). Does political influence distort banking regulation? Evidence from the US. *Journal Of Financial Stability*, 53, 100835.  
<https://doi.org/10.1016/j.jfs.2020.100835>
- Rijkers, B., C. Freund, & A. Nucifora (2017). All in the family: State capture in Tunisia. *Journal of Development Economics*, 124, 41-59. <https://www.sciencedirect.com/science/article/pii/S0304387816300608>
- Roberts, Brian E. (1990) "A Dead Senator Tells No Lies: Seniority and the Distribution of Federal Benefits." *American Journal of Political Science*
- Rose-Ackerman, S. (1978). The political economy of corruption. *Corruption and the global economy*, 31(60), 54. *Academic Press*. <https://doi.org/10.1016/B978-0-12-596350-3.50005-3>
- Rose-Ackerman, S. (2001). Trust and honesty in post-socialist societies. *Kyklos*, 54(2-3), 415-443.  
<https://onlinelibrary.wiley.com/doi/10.1111/1467-6435.00161>
- Rose-Ackerman, S. (2008). Corruption and post-conflict peacebuilding. *Ohio NUL Rev.*, 34, 405.  
[https://openyls.law.yale.edu/bitstream/handle/20.500.13051/4976/Corruption\\_and\\_Post\\_Conflict\\_Peace\\_Building.pdf?sequence=2&isAllowed=y](https://openyls.law.yale.edu/bitstream/handle/20.500.13051/4976/Corruption_and_Post_Conflict_Peace_Building.pdf?sequence=2&isAllowed=y)
- Rose-Ackerman, S. (2010). The Institutional Economics of Corruption. In G. de Graaf, P. von Maravić, & P. Wagenaar (eds.), *The Good Cause: Theoretical Perspectives on Corruption* (1st ed., pp. 47–63). Verlag Barbara Budrich. <http://www.jstor.org/stable/j.ctvbj7k5p.8>

Rose-Ackerman, S., ed. (2024) "Public Sector Performance, Corruption and State Capture in a Globalized World" (2024), Routledge, England.

Rose-Ackerman, S., & B. J. Palifka (1999). *Corruption and government: Causes, consequences, and reform*. Cambridge university press. <https://www.cambridge.org/core/books/corruption-and-government/94925B501D79FA0357060F5489DE2F1F>

Slinko, I., E. Yakovlev, & E. Zhuravskaya (2005). Laws for sale: evidence from Russia. *American Law and Economics Review*, 7(1), 284-318. <https://academic.oup.com/aler/article/7/1/284/118107?login=true>

Stoyanov, Alexander, Alexander Gerganov, & Todor Yalamov. (2019). "State Capture Assessment Diagnostics." *Center for the Study of Democracy*. <https://csd.bg/publications/publication/state-capture-assessment-diagnostics/>

Stoyanov, Alexander, & Alexander Gerganov. (2019). "State Capture: From Theory to Piloting a Measurement Methodology". <https://unwe-yearbook.org/en/journalissues/article/10158>

Winters, Jeffrey A. (2011). *Oligarchy*. Northwestern University, Illinois: Cambridge University Press  
Worldwide Governance Indicators ([www.govindicators.org](http://www.govindicators.org)).

Yakovlev, E., & E. Zhuravskaya (2009). State capture: from Yeltsin to Putin. In *Corruption, development, and institutional design* (pp. 24-36). *Palgrave Macmillan*, London.  
[https://link.springer.com/chapter/10.1057/9780230242173\\_2](https://link.springer.com/chapter/10.1057/9780230242173_2)

\*\*\*