

# Informal practices and efficiency in public procurement

## Online Appendix

**Table A1:** Comparison of the sample and the population in Russia and Slovakia

Parameters	Population, %	Sample, %
<b>Russia</b>		
Individual entrepreneur	15,8	16,1
<b>Subnational districts</b>		
Far Eastern district	6,1	4,1
Volga district	17,6	18,0
North-Western district	12,5	14,4
North Caucasus	3,5	1,7
Siberia	13,2	11,2
Urals	9,1	9,4
Central district	29,4	33,7
Southern district	7,7	7,6
<b>Slovakia</b>		
Company with limited liability	53,3	77,4
<b>Subnational districts</b>		
Bratislava	18,3	32,6
Trnava	7,3	6,3
Trencin	8,2	8,7
Nitra	11,7	8,0
Zilina	12,6	15,6
Banska_Bystrica	16,2	9,6
Presov	11,1	10,2
Kosice	14,6	9,0

**Table A2:** Survey questions.

1.	<p>We often hear during our meetings with suppliers that many procurers are predetermined to award contracts to particular suppliers. Proceeding from your professional contacts with your colleagues, what, in your estimation, was the approximate share of procurers that followed such strategy in 2018–2019?</p> <ul style="list-style-type: none"><li>- 0–10%</li><li>- 11–20%</li><li>- 21–30%</li><li>- 31–40%</li><li>- 41–50%</li><li>- 51–60%</li><li>- 61–70%</li><li>- 71–80%</li><li>- 81–90%</li><li>- 91–100%</li></ul>
2.	<p>In your opinion, what are the most significant reasons for procurers using the strategy of concluding contracts (agreements) with predetermined suppliers? Please choose not more than THREE options:</p> <ul style="list-style-type: none"><li>- Desire to ensure the guaranteed execution of the contract</li><li>- Desire to ensure the quality of supplied goods/works/services</li><li>- Lack of competition among other honest suppliers of the required goods/works/services</li><li>- Desire to avoid price dumping</li><li>- Instructions/recommendations from higher authorities</li><li>- Informal relations with suppliers</li><li>- Imperfection of existing approaches to requirements, criteria, bid evaluation</li><li>- Other</li></ul>
3.	<p>What do you think are the purposes of optimal public procurement regulation? Please choose not more than TWO options:</p> <ul style="list-style-type: none"><li>- Efficiency of procurement for a particular procurer</li><li>- Regional development</li><li>- National economic development</li><li>- National social development</li><li>- State policy priorities</li><li>- National security</li><li>- Anti-corruption efforts</li><li>- Other</li></ul>

**Table A3:** Typology of suppliers depending on the combination of reasons for choosing the “predetermined choice” practice strategy of contracting with predetermined suppliers (percentage of respondents), excluding (the category “up to 10,000 EUR” (- the total volume of public contracts on average per year in 2018–2019 is excluded).

Strategy	Combination of reasons	Russia	Slovakia
Strategy A – “justifying”	Desire to ensure the guaranteed execution of the contract and the quality delivery without informal relations	42.6	30.7
Strategy B – “realistic”	Desire to ensure the guaranteed execution of the contract and the quality delivery as well as informal relations	31.2	35.2
Strategy C – “accusatory”	Only informal relations without desire to ensure the guaranteed execution of the contract and the quality delivery	26.1	34.1
	Total respondents:	788	264

**Table A4:** Typology of suppliers depending on the combination of reasons for choosing the “predetermined choice” practice (percentage of respondents) based on a complete database of suppliers in Slovakia, divided by experience in public procurement.

Strategy	Russia	Slovakia			
		All	1–5 years	6–10 years	>11 years
Strategy A – “justifying”	42.6	28.3	28.5	31.3	25.6
Strategy B – “realistic”	31.2	36.4	35.3	33.0	40.3
Strategy C – “accusatory”	26.1	35.3	36.2	35.7	34.1
Total respondents:	788	360	116	115	129

**Table A5:** Descriptive statistics.

Variable	Description	Russia		Slovakia	
		Mean	Std. dev.	Mean	Std. dev.
Importance of anti-corruption measures	1 = Supplier selects the importance of anti-corruption measures as one of the main purposes of procurement regulation; 0 = No	0.53	0.50	0.56	0.49
Experience in procurer organizations	1 = Yes; 0 = No	0.24	0.43	0.29	0.45
Experience in other supplier organizations	1 = Yes; 0 = No	0.49	0.50	0.81	0.39
The share of public procurement	1 = More than 10%; 0 = 0–10% (reference category)	0.82	0.38	0.47	0.49

contracts in total revenue					
Size	1 = Small, medium, and large; 0 = Micro enterprise	0.35	0.47	0.33	0.47
Sector (areas of activity)	Construction	0.17	0.38	0.22	0.42
	Trade	0.32	0.47	0.32	0.47
	Industry	0.09	0.28	0.15	0.35
	Other (reference category)	0.42	0.49	0.31	0.46
Location	Russia (Moscow and Moscow region); Slovakia(Banskobystrický)	0.23	0.42	0.09	0.29
	Russia (Central (without Moscow and the Moscow region) (reference category); Slovakia (Bratislavský)	0.12	0.32	0.33	0.47
	Russia (Northwestern); Slovakia (Žilinský)	0.14	0.35	0.16	0.36
	Russia (South and North Caucasus); Slovakia (Košický)	0.09	0.29	0.09	0.29
	Russia (Volga region); Slovakia (Nitriansky)	0.18	0.38	0.08	0.27
	Russia (Ural region); Slovakia (Prešovský)	0.09	0.28	0.10	0.30
	Russia (Siberian and Far Eastern); Slovakia (Trenčiansky)	0.15	0.36	0.09	0.28
	Slovakia (Trnavský kray)	-	-	0.06	0.24
Gender	1 = Male; 0 = Female	0.60	0.49	0.72	0.45
Age	Up to 40 years old (reference category)	0.43	0.49	0.37	0.48
	41–50 years old	0.32	0.47	0.35	0.48
	Over 50 years old	0.25	0.43	0.28	0.45
Senior position	1 = Department head/Deputy CEO or Division Head; 0 = Specialist (Manager)	0.79	0.41	0.79	0.40
Procurement experience	In years	9.40	5.82	9.96	7.07