

Non-technical summary of

**90% OFF THE BOOKS: CORRUPTION AND THE INFORMAL
ECONOMY OF ALCOHOL IN ROMANIA**

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- This paper examines the corruption that emerged in the production of alcohol in Romania. It highlights the tax evasion practices, as well as the struggles between different actors on the alcohol market.
- The methodology used in this study is qualitative, based on structured interviews with employees of two large scale alcohol producers from two counties from Romania, as well as fiscal authorities and regulators.
- The findings indicate that the firm that managed to capture the state and to impose its version of what is “legal,” “illegal,” was very successful in the long run to institutionalize its interests. The firm that did not lobby at the central level and did not define the other as illegal was eliminated from the market.
- As policy recommendations, we urge the Government and especially the European Union to listen to a plurality of voices and existing interests in the economy of alcohol in Romania.
- We also indicate that distinctions such “legal” – “illegal,” “formal” – “informal” should be regarded with suspicion, as long as firms that captured the state manage to impose their version of reality.

Keywords: corruption, informal economy, Romania, alcohol, state capture.