Welcome to the eleventh issue of Anti-Corruption Research News. Here you will find recent insights and activities in anti-corruption research, synthesised for scholars, policy-makers and anti-corruption practitioners. This newsletter is part of the Anti-Corruption Research Network (ACRN), an initiative by Transparency International to build a knowledge community and information service for anti-corruption research.

The volume New Advances in Experimental Research on Corruption, edited by Danila Serra and Leonard Wantchekon, provides a valuable collection of survey pieces on some of the most relevant issues relating to corruption research. Due to the different backgrounds of the editors – one an economist doing lab-based experimental research on corruption and the other a political scientist conducting field-based experimental research on corruption - the volume relies on contributions from both economists and political scientists, doing research on corruption either in the lab or in the field.

The starting point of the volume was the awareness that while corruption studies relying on cross-country data have increased our understanding of the relationship between corruption and important country aggregates, the applicability of these findings to the design of anti-corruption policies is severely limited by measurement and identification problems. In the last decade, however, we have witnessed the emergence of an increasing number of studies able to address these problems through the use of experimental methods. As a result, our understanding of both how corruption occurs and how potentially corrupt individuals may respond to different sets of monetary and non-monetary incentives has significantly widened. This volume provides an overview of this recent literature; half of the chapters are devoted to laboratory studies and the remaining half is devoted to field studies.

Laboratory experiments: an overview

The use of laboratory experiments to investigate corrupt transactions dates back to the early 2000s, when the seminal works of Frank and Schulze and Abbink, Irlenbusch, and Renner first appeared. The literature is fast-growing and what the various studies have in common is their attempt to simulate scenarios conducive to corruption in a perfectly controlled environment, making it possible to identify the effects of various monetary and non-monetary incentives on individuals’ propensities to act corruptly.

By Danila Serra*
 Besides relying on a controlled environment and allowing for identification of causal effects, laboratory experiments have the advantage of providing a direct measure of individuals’ willingness to engage in corrupt acts under a given set of incentives. Furthermore, laboratory experiments make it possible to investigate possible determinants of corruption, such as intrinsic motivations, social norms, gender effects, and cultural determinants of corrupt behavior, which are especially difficult to manipulate or even measure in the field. Chapters 2 to 5 of the volume focus on insights generated by laboratory experimental studies of corruption.

In Chapter 2, Ananish Chaudhuri examines the insights provided by lab experiments in the area of corruption and gender, in particular, experiments focusing on the gender of potentially corrupt decision-makers. The evidence suggests that females are either equally or less willing to engage in corruption than males; there is very little evidence that women behave more corruptly than men. The author discusses possible reasons for gender differentials in corrupt behavior, such as risk aversion and preferences for reciprocation. Finally, Chaudhuri emphasises the need for further research on the relationship between gender differences in corrupt behavior and the cultural background of the experimental participants.

In Chapter 3, Sheheryar Banuri and Catherine Eckel tackle an important issue that is especially difficult to investigate: whether individuals’ propensities to act corruptly relate to the culture – i.e., shared norms, values and attitudes – prevailing in their home countries. The authors review results generated by studies conducting the same corruption experiment in two or more countries (or studies involving participants from different national backgrounds) characterised by different levels of corruption, as measured by the Transparency International’s Corruption Perception Index. The authors discuss possible channels through which culture might interact with corruption – for example, identical punishment for corrupt government officials yield different outcomes in different countries, and the type of corruption (e.g., nepotism vs. discrimination) which they find to be dependent on culture. They attempt to reconcile contrasting results obtained by different studies by highlighting the differences in the experimental designs employed.

In Chapter 4, Klaus Abbink and Danila Serra review lab-experimental findings concerning the effectiveness of different anti-corruption policies relying on specific monetary and non-monetary incentives. The authors present evidence of the effectiveness of policies imposing severe penalties on corrupt officials, increasing transparency in decision-making, increasing bureaucrats’ wages, assuring accountability of those given the task to monitor potentially corrupt individuals, allowing for whistle-blowing with leniency, establishing staff rotation in public offices, and prohibiting the use of intermediaries (or middlemen) for the provision of public services.

Finally, in Chapter 5, Olivier Armantier and Amadou Boly address a critical issue in corruption research based on laboratory experiments: the external validity of such research, i.e., the extent to which experimental results can be generalised to, and hence can be used to predict, individuals’ (un-)corrupt behavior outside the lab. Based on their analysis, Armantier and Boly draw encouraging conclusions on the applicability and validity – hence, the policy relevance – of results generated by laboratory experiments.

Field experiments: an overview

The second half of the volume – Chapters 6 to 9 – focuses on corruption research relying on field and natural experiments. Contrary to laboratory experiments, field experiments – also referred to as “randomised interventions” or “randomised control trials” – are implemented in naturally occurring settings and the participants, both in the treatment and the control group, do not know that they are part of an experimental study. Field experiments help researchers evaluate the effectiveness of specific interventions by randomly assigning units of

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“Understanding the behavioural foundations of the complex relationships that might lead to either corruption or lack thereof should be the starting point in any process aimed at designing effective anticorruption reforms.”

In Chapter 6, Sandra Sequeira provides a critical and useful review and categorisation of the different methodologies employed by field researchers to measure corruption. Sequeira distinguishes between: survey-based measures of corruption; estimates of corruption based on “mismatches” between different data sources; estimates generated by comparing official data with predictions from theoretical models and market equilibrium conditions; measures of corruption generated by direct observations of bribe payments.

In Chapter 7, Jorge Gallego and Leonard Wantchekon survey the experimental evidence relating to two important forms of corruption: clientelism, i.e. “the exchange of material goods and services for political support”, and vote-buying, i.e. “the exchange of cash for votes before an election”. In particular, based on results generated by studies conducted in Benin, Sao Tome and Principe, Nicaragua, Nigeria, and India, the authors are able to address important questions, including whether clientelism and vote-buying are effective tools in winning elections, whether they are used to different extents by incumbents and challengers, and how their use could be limited.

In Chapter 8, Matthew S. Winters, Paul Testa and Mark M. Fredrickson provide a critical survey of the experimental evidence concerning the role that access to information might play in the fight against corruption. The experimental studies on political corruption reveal that: 1) providing voters with information about corruption on the part of electoral candidates leads to lower voter turnout, and not necessarily to less votes for corrupt candidates; 2) providing voters with information about the importance to vote for “clean politicians” does not seem to induce changes in voters’ behavior; 3) providing voters with information about the importance of rejecting vote-buying seems effective in reducing vote-buying.

In Chapter 9, James Hollyer presents a critical assessment of the experimental and quasi-experimental evidence concerning the effectiveness of top-down and bottom-up anti-corruption interventions and discusses factors that may condition the success of both types of interventions.

The volume concludes with Johann G. Lambsdorff’s assessment of the role that behavioral and experimental economics might (and should) play in the design of novel anticorruption reforms. The primary message of this concluding chapter is that understanding the behavioral foundations of the complex relationships that might lead to either corruption or lack thereof should be the starting point in any process aimed at designing effective anticorruption reforms. Lambsdorff concludes that experimental research plays a crucial role in making such understanding possible.

References

MEASURING CORRUPTION

2012 Corruption Perceptions Index
Transparency International, 2012

The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory’s score indicates the perceived level of public sector corruption on a scale of 0 - 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean. A country’s rank indicates its position relative to other countries and territories included in the index. This year’s index includes 176 countries and territories with Denmark, Finland and New Zealand ranked as the least corrupt (score of 90) and Afghanistan, North Korea and Somalia ranked as the most corrupt (score of 8).

Two-thirds of the countries assessed this year received scores below 50. http://www.transparency.org/cpi2012/

Perceptions of Corruption and Ethical Conduct
Australia National University, 2012

This poll conducted by the Australia National University (ANU) examines potential corruption in the Australian public sector. It explores Australians’ perceptions of corruption against a backdrop of their confidence in a range of public institutions. It also explores perceptions of ethical behaviour of elected politicians. In this survey, 2,020 people were interviewed between 13 August and 9 September 2012, with a response rate of 43 percent. The results of the poll highlight an interesting contradiction – while bribery involving public officials are very low in Australia and people have very little personal experience of corruption, however, there is a public belief that corruption is increasing.
http://tinyurl.com/bodyye7

Defence Companies Anti-Corruption Index
Transparency International Defence and Security Programme, 2012

The first of its kind, the Defence Companies’ Anti-Corruption Index aims to provide an assessment of the extent and depth of the anti-corruption capabilities and programmes within 125 of the biggest defence companies across the globe. The study grades companies from A to F, depending on the level of public evidence of their anti-corruption systems and processes. The Index includes companies from all of the ten largest arms exporting nations - such as the USA, Russia, Germany, France, the UK and China – who between them are responsible for over 90 percent of the arms sales around the world. It finds that two thirds of defence companies do not provide adequate levels of transparency.
http://tinyurl.com/cfmyrh5

2012 Aid Transparency Index
Publish What You Fund, 2012

This second iteration of the aid transparency index assessed 72 donor organisations, including bilateral and multilateral agencies, selected climate finance funds, humanitarian agencies, development finance institutions and private foundations. The Index relied on 43 indicators of aid transparency, based on what is available on agencies’ websites. A tool is provided on the Publish What You Fund website which allows users to reweight the data in line with their prioritisation and assessment of the importance of different types of information. The results show that aid transparency is on the rise, though progress is modest. The average donor score is just over 41%, compared to 34% in 2011. DFID and the World Bank were found to be two of the most transparent donor organisations with scores of 91% and 88%, respectively. However, nearly a third of the donors, including some of the world’s largest donors still score in the “poor” category (score of 40% or below).
http://www.publishwhatyoufund.org/index/2012-index/

UNDERSTANDING CORRUPTION

Why Anti-Corruption Reforms Fail: Systemic Corruption as a Collective Action Problem

This paper asks one of the most important questions in anti-corruption research: why does corruption in countries plagued by systemic corruption prevail despite a large number of efforts to fight it? The response of the authors is that most existing anti-corruption programmes fail because they conceptualise corruption as a principal-agent problem, when in fact, in situations of systemic corruption, it is actually a collective action problem. Principal-agent problems arise when principals (the public) have different incentives and levels of information to agents, those they delegate tasks to (public officials). Using data from interviews with a wide range of actors in two countries that suffer from endemic corruption, Kenya and Uganda, they show how corruption is more accurately viewed as a collective action problem: although in the long-term everyone would benefit from a
“The pervasiveness of corruption catalysed the revolution in several ways: first, the absence of accountability mechanisms, second, the alliance between business and the ruling powers was predatory and hence became a source of deep resentment within the public and third, corruption had a spill over effect into wider society and became part of the social fabric.”

Sameh Fawzy, 2012

“[In] many emerging markets media freedom is limited, and large companies have too much power to allow negative news about themselves to be published in traditional media. In these countries most probably sensitive [and crucial] information can be published only in blogs.”

Ruben Enikolopov et al., 2012

Corruption catalysed
the revolution in several ways: first, the absence of accountability mechanisms, second, the alliance between business and the ruling powers was predatory and hence became a source of deep resentment within the public and third, corruption had a spill over effect into wider society and became part of the social fabric.”

Sameh Fawzy, 2012

http://tinyurl.com/dbt4n2x

Accumulative Bad Governance
S. Fawzy, 2012

In this paper Sameh Fawzy assesses the correlation between accumulative bad governance and the emergence of the popular revolutionary movement in Egypt. Fawzy’s analysis affirms that pervasive bad governance, with endemic corruption as its linchpin, are the immediate causes of the protests which broke out on the 25th of January 2011 in Egypt. The author identifies three major ways in which bad governance contributed to the fall of ousted president Mubarak’s regime: (1) it created the conditions that served to inspire public action against the ruler (2) it lead to the break-down of the core elements critical to regime stability including the bureaucratic and judiciary systems (3) it catalysed the middle-class who played a key role at agitating the uprising.

http://tinyurl.com/d5stbf9

Do Political Blogs Matter? Corruption in State-Controlled Companies, Blog Postings and DDOS Attacks
R. Enikolopov, M. Petrova & K. Sonin, 2012

This working paper probes to what extent net-activism can influence corruption behavior in non-democracies. The authors analyse the impact of anti-corruption blog posts on the stock prices of state-controlled firms in Russia. Their research uncovers a negative correlation between stock prices and blog posts both in the short and medium term. Moreover, they provide evidence that the relationship between stock prices and blog posts is causal, using an instrumental variable and placebo tests. This research is particularly relevant for restricted democracies and authoritarian regimes where the media fails to provide the necessary accountability mechanism for public policies and politicians.

http://tinyurl.com/blyrqw

Waging War on Corruption
F. Vogl, 2012

This book by one of the founders of Transparency International is an insider’s account of extraordinary battles against the abuse of public office by politicians and officials for their personal gain. It provides a compelling overview of the inception and evolution of the global anti-corruption problem and the tools and methods that are employed to counter corruption in various contexts. It ends with a roadmap of what actions need to be taken in order to win the fight against corruption.

http://tinyurl.com/bnyohz5

“Exploring the Construction of Transparency: An Analysis of Health Managers’ Narratives”
T. Vian, 2012

Many characteristics of the health sector such as information asymmetry, complex payment systems, and professional discretion, make it vulnerable to the abuse of power. Transparency is intended to mitigate these risks by providing clarity on the rules and results of health care delivery processes and by revealing interests and motivations of health care providers and policy-makers. But before a culture of transparency can take root in organisations, it is important to understand how people perceive transparency and enact it in their organisational roles. This ground-breaking study proposes a framework and research methods for exploring transparency in organisations. The study examines 21 stories about transparent behaviour and categorises them by type, such as “dissatisfied observer,” “reluctant discloser,” and illustrates aspects of transparency and perceived benefits and drawbacks.

http://tinyurl.com/cw9fa8d

FIGHTING CORRUPTION

Gateway: Mapping the Corruption Assessment Landscape
A. McDevitt, 2012

This paper reports on the results of a two-year stocktaking exercise to map the field of corruption assessments, undertaken as part of Transparency International’s GATEway project. Based on an analysis of more than 500 diagnostic tools, it presents some of the key trends and themes in corruption assessment work, and identifies important gaps which may need to be filled. Among other things, the report notes a growing trend away from multi-country awareness-raising tools towards more country-, sector- and context-specific work, coupled with an increasing focus on transparency, accountability and integrity in order to monitor progress in the fight against corruption. To advance the field of corruption assessment, the report recommends: (a) ensuring easier access to official government data, (b) better use of a broader range of data sources, (c) more predictable long-term donor support for ongoing monitoring of (anti-)corruption trends, and (d) more systematic exchange of lessons learned in the application of corruption assessment methods in different contexts.

http://tinyurl.com/bnyohz5
ANTI-CORRUPTION RESEARCH NEWS

HIGHLIGHTS IN ANTI-CORRUPTION RESEARCH

Corruption and Control: A Corruption Reduction Approach
A. Graycar & A. Sidebottom, 2012
Grounded in situational crime prevention and related criminological theory, this paper argues that opportunities in the immediate environment play a causal role in generating corruption. It proposes that corruption can be minimised by removing or reducing opportunities which are conducive to corrupt behaviour. In total, five cases are chosen as illustrative examples of how situational crime prevention might usefully be applied to corruption, focussing on the Type, Activities, Sectors and Places (TASP) that comprise corruption events.
http://tinyurl.com/bpw7xwo

Anti-Bribery Due Diligence for Transactions
Transparency International UK, 2012
Anti-bribery due diligence can help purchasers to manage their investment risk in transactions more effectively. However, it is often not undertaken, neglected, or allocated insufficient time and resources. This guidance is intended to provide a practical tool for companies on undertaking anti-bribery due diligence in the course of mergers, acquisitions and investment. It reflects the approach for corporate anti-bribery programmes set out in the TI Business Principles for Countering Bribery, which is an anti-bribery code widely recognised as an international benchmark for good practice.
http://tinyurl.com/czx6u5s

FEATURED CURRICULUM

ANTI-CORRUPTION STRATEGIES IN DEVELOPING COUNTRIES
The University of the West Indies
This undergraduate course examines corruption from a developing world perspective drawing from lessons and various scholarly perspectives. It incorporates the use of case studies, student debates, interactive lectures and other materials to enhance students’ understanding of the topic.

The overall intended learning outcomes are the following:

- Analyse the types of corruption.
- Interventions to combat corruption: International Conventions and Civil Society
  Students will be able to:
  - Describe how the international community and civil society have rallied to combat corruption
  - Identify and explain key features of the Inter-American Convention against Corruption and the United Nations Convention against Corruption
  - Examine and explain how civil society organizations have contributed to combating corruption
- Corruption, democracy and human rights
  After this module students will be able to identify and describe how acts of corruption foster inequalities and erode human rights.

Readings for the course include:
S. Ackerman, Corruption and Government: Causes, Consequences and Reform (Cambridge University Press, 1999)
C. Arndt & C. Oman, Uses and abuses of governance indicators, OECD Development Centre, 2006

For more information, please see:
http://corruptionresearchnetwork.org/courses

Make ACRN work for you and your students
Are you currently teaching or developing a course on corruption? Share your ideas and help corruption curriculum development in academic institutions around the world by featuring it on the ACRN website and newsletter.

Let your students know about ACRN by listing it as a resource in your course curriculum.

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http://corruptionresearchnetwork.org/courses
ANTICORRP: A major EU-wide, multidisciplinary research project on corruption

On 18 – 20 October 2012 the Hertie School of Governance hosted the 2nd meeting of the ANTICORRP project, funded by the European Commission’s Seventh Framework Programme (FP7). This meeting gathered project participants in the form of a workshop for the discussion of theoretical and methodological questions that will guide further research activities in the project.

The topics addressed in the workshop included a review of the latest theoretical developments in corruption research, issues of measurement and the development of new indicators, and the application of historic and ethnographic approaches to research on corruption. The discussions on these issues were complemented by presentations on historical case-studies.

http://anticorrp.eu/

Africa Integrity Indicators

The Africa Integrity Indicators is a new collaborative initiative between Global Integrity and the Mo Ibrahim Foundation which assesses key social, economic, political and anti-corruption mechanisms at the national level in over 50 African countries. The project will evaluate both legal frameworks and the practical implementation and enforcement of those frameworks across various categories, including safety and rule of law, sustainable economic opportunity, and human development.

A team of researchers, journalists and academics will compile the project through a double-blind peer review process. The project aims to build a community of research practitioners across the continent and to ensure that African experts who are rooted in the local context of each country generate governance data on Africa.

http://www.globalintegrity.org/indicators/africa-integrity-indicators

Jobs and Consultancies

- **Knowledge Coordinator: Anti-Corruption Tools and Practices**
  Transparency International, Germany

  The Knowledge Coordinator, Anti-Corruption Tools and Practices will work closely with colleagues within a small knowledge services team in Berlin to facilitate the scoping and analysis of relevant tools, approaches and practices across Transparency International and the broader global anti-corruption movement. The Knowledge Coordinator will focus on distilling lessons learned from among practitioners and projects, ensuring that lessons and professional insights are synthesized and shared in action-ready formats. Building on TI’s GATEway Corruption Assessment Toolbox (http://gateway.transparency.org), a primary responsibility of the Knowledge Coordinator is to analyse trends, identify knowledge gaps, and develop products which respond to needs in the area of anti-corruption tools and solutions. The deadline for applications is 20 January 2013.

  http://tinyurl.com/bjdfpfh

- **Campaigner, Oil Team**
  Global Witness, United Kingdom

  Global Witness is seeking an experienced campaigner to lead their Libya campaign to help build constituencies of support amongst civil society, business and government actors for strengthened transparency in Libya’s oil sector and amongst the international companies operating within it. This is an exciting opportunity for the right individual to shape a dynamic research, advocacy and campaigning programme. Applicant must have significant experience of campaigning for policy change across countries and regions, using a variety of strategies and tactics, be able to write case studies, briefing documents, policy documents and press releases to the highest professional standard for a variety of audiences and have experience of lobbying governments, intergovernmental organisations and companies, with demonstrated impact. The deadline for applications is 21 January 2013.

  http://www.globalwitnes.org/about-us/jobs/campaigner-oil-team

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http://www.globalintegrity.org/indicators/africa-integrity-indicators
ANTI-CORRUPTION RESEARCH NEWS

RESEARCH MARKETPLACE

• Consultant: Open Budgets Program
  The World Bank Institute, United States
  The World Bank Institute (WBI) Open Budgets Program is seeking a consultant to assist in its work with the Global Initiative for Fiscal Transparency (GIFT) and other aspects of WBI’s Open Budgets Program. The consultant should have knowledge of and experience with budget transparency/ participation programs and strong analytic, writing, and organizational skills. This consultancy will likely involve full- or part-time work from January to June 2013. For more information and to apply, please email a cover letter and resume to Nicola Smithers, Lead Specialist, Open Government Practice, World Bank Institute nsmithers@worldbank.org

Funding Opportunities

• Full PhD Fellowship in Political Science
  Central European University, Hungary
  Central European University (CEU), an English language graduate institution, invites applications for its US accredited PhD Program in Political Science. The Doctoral School offers five specializations: Comparative Politics, International Relations, Political Economy, Political Theory, and Public Policy. The PhD Program is one of the largest, most international and most competitive programs in Europe. Students from over 30 countries are supported by more than 35 faculty members. The doctoral students are actively involved in research networks in their field through participation in graduate conferences and major research projects. Deadline for applications is 24 January 2013. http://pds.ceu.hu/news/2012-10-16/full-phd-fellowship

Call for Papers

• 2nd Joint International Conference on Electronic Government and the Information Systems Perspective and Electronic Government Practice
  Prague, Czech Republic
  The international conference cycle EGOVIS focuses on information systems aspects of e-government. It brings together experts from academia, public administrations, and industry to discuss e-government information systems from different perspectives and disciplines, i.e., technology, policy and/or governance and public administration. Deadline for submissions is 8 February 2013. http://www.dexa.org/egovis%2Bedem2013

• Values, crisis and democracy: Conference organised by GESIS Leibniz-Institute for the Social Sciences
  Cologne, Germany
  The crisis that has affected the global economy during the last years is experienced in diverse ways in different countries. The economic decline has affected people’s involvement in political and social life, the relationships between citizens and public institution and the general public attitudes towards states and their role in redistributing resources within society. Is there any connection between the map of social values and the effects of economic crisis? This conference will examine this and related questions. Abstracts are due by 30 January 2013. http://tinyurl.com/byupcco

Events

• 11th Annual IBA Anti-Corruption Conference
  Paris, France, 12-13 June 2013
  This conference by the International Bar Association will examine topics such as: bribes and offsets in the defence industry, settlement and plea bargaining in anti-bribery cases, anti-corruption clauses in supply chain contracts, corruption in procurement and tender processes, and more. The conference is being organised with the support of the OECD. http://tinyurl.com/bdarvk3

• European Survey Research Association Conference
  Ljubljana, Slovenia, 15-19 July 2013
  The themes of this conference include: sampling and sample design, web surveys, weighting and imputation, question testing and piloting and data linkage. Researchers within five years of the completion of their doctorate, or within five years of starting a career in survey research, will be eligible to enter their paper for the ESRA Early-Career Researcher prize. http://www.europesurveyresearch.org/

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The ACRN web platform has opened up space for corruption researchers to blog on their research projects, highlights from recent conferences, and more.

If you would like to be a guest blogger with ACRN then please get in touch. (acrn_editor@transparency.org)