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Mechanisms of Corruption: Regional Perspectives and Potential Solutions

Conference Proceedings

3rd Interdisciplinary Corruption Research Forum
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editor

Marina Povitkina

with contributions from Hanna Seviarynets, Oksana Huss,
Aiysha Varraich, Nils Köbis, Sofia Wickberg
and Anna Schwickerath



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pre face

The third Interdisciplinary Corruption Research Forum took place 7-9 June 2018 at the Quality of Government Institute in Gothenburg, Sweden with the topic “Mechanisms of Corruption: Regional Perspectives and Potential Solutions”. The Forum hosted three types of workshops: 1) presentations of preliminary results for participants to promote finished research or nearly finished research on corruption; 2) presentations of work in progress for participants to gather feedback on the ongoing work on corruption; and 3) co-creation sessions aimed at starting new collaborations and research on corruption. The Forum gathered 70 participants from 37 countries, enabling exchange between junior scholars working on corruption from different disciplines. Special thanks to Riksbankens Jubileumfond and the Quality of Government Institute for providing financial support to the Forum and to Hanna Seviarynets, Oksana Huss, Aiysha Varraich, Nils Köbis, Sofia Wickberg and Anna Schwickerath, for their contributions to these conference proceedings.

Marina Povitkina,
on behalf of the Interdisciplinary Corruption Research Network (ICRN)

For further information on the network and the Forum, please visit: icrnetwork.org

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General overview of the Forum

Nils Köbis and Marina Povitkina

The third Interdisciplinary Corruption Research Forum took place on June 7-9, 2018, in Gothenburg, Sweden, at the Quality of Government Institute with the support from Riksbankens Jubileumsfond.

Seventy participants from 37 countries gathered to discuss the main topic of the Forum, “Mechanisms of Corruption: Regional Perspectives and Potential Solutions”. The Forum aimed to provide a platform for exchange between junior scholars from different disciplines working on corruption-related issues and practitioners, to foster initiation of joint research projects. Such exchanges help to understand, analyze and eventually help devise policies that reduce the complex and socially harmful phenomenon of corruption.

To this end, and to better serve the interests of the participants, the ICR Forum 2018 introduced new workshop formats: Promotion of results, work in progress and co-creation. The first format, the promotion workshops, provided a platform for presentations of completed research projects or projects near completion to disseminate knowledge about corruption. The goal of work in progress workshops was to present research in the making and to get detailed feedback from the audience. Last, but not least, co-creation sessions were held to facilitate collaboration ideas among participants, such as teaming up for a grant proposal, brainstorming on a shared conference panel, drafting the outline of a summer school, laying the foundation for a working group, workshop, etc.

18 workshops, 50 presentations, 37 countries

In total, the Forum accommodated 18 different workshop sessions with over 50 presentations. The panels for the presentation of preliminary results and work in progress covered the following topics:

- > “Digging up the roots” – Causes of corruption
- > “Fight the power” – Approaches to counter the mechanisms of corruption
- > “I know it when I see it” – Perceptions, meanings and understandings of corruption
- > “It’s in your head” – Psychological and normative mechanisms of corruption
- > “We don’t need no...” – Corruption in education
- > “It ain’t all about the money” – Non-monetary causes of corruption
- > A jaw without teeth? Transparency and accountability
- > Have we failed? – Contextualizing anti-corruption efforts
- > How the state controls – institutions and corruption
- > Measuring corrupt behavior – Qualitative, quantitative and mixed methods in measuring corruption
- > Political institutions and subnational variation of corruption
- > Re-examining the social – informal and social mechanisms of (anti-)corruption

The co-creation workshops were on the following themes:

- > Anti-corruption in/for education
- > Curbing corruption in the digital age
- > From anti-corruption to integrity
- > Gender and corruption
- > International organizations and the global dimension of anti-corruption
- > Promoting anti-corruption when corruption is the norm

Importantly, the topics of the panels and co-creation workshops reflect the research interests of the participants. They were developed in line with the themes suggested by the junior researchers on their applications to the Forum, reflecting the state of the art and current discussions in corruption research. The participants were able to partake in several workshops of their choice.

In addition, keynote speeches were delivered by established researchers and practitioners in the field: Victor Lapuente Gine (University of Gothenburg) “The Uncorrupted Leviathan”, Richard Messick (World Bank) “The Battle Against Corruption - Report from the Frontline”, Anna Persson (University of Gothenburg) with a talk titled “Why corruption persists - Insights from Sub-Saharan Africa” and Anastasia Piliavsky (University of Cambridge) with the talk titled “Understanding corruption in other cultures”. These shed light on current research within their respective research fields or experiences from the policy realms. The session’s importance lay in the opportunity for the audience to interact with the presenters during the Q&A session, where they could pose questions in an informal setting.

The final segment of the Forum, aimed at bridging the gap between investigative journalism and academia in the fight against corruption, was a panel debate on the overarching theme “How can academia and journalism cooperate in disseminating knowledge about corruption?” The panelists included the journalist Nils Hanson (Sveriges Television), Ilya Lozovsky (Editor in Chief of Organized Crime and Corruption Reporting Project), corruption consultant Richard Messick (World Bank), and anthropologist Anastasia Piliavsky (University of Cambridge). The Forum concluded with day-long excursion to the southern archipelago off the Swedish West coast, where participants were able to enjoy the stunning landscape, charming villages and a dip in the sea. The excursion provided an informal setting for junior scholars to be able to build their networks on a one-on-one basis spread throughout the day, instead of the typical hour-long networking sessions provided at academic conferences.

The event was organized by the ICRNetwork and generously funded by the Quality of Government (QoG) Institute at the University of Gothenburg and Riksbankens Jubileumsfond.

Findings in corruption research presented at the Forum

Hanna Seviarynets

This section summarizes the key findings of the finished papers presented at the Forum and policy implications suggested by the authors.

Corruption in education

Papers in this panel investigated the role of corruption in education systems.

The presentations highlighted that:

- > corruption affects the quality as well as the access and equity of education in Armenia;
- > corruption is a major deterrent to school enrolment rates in Nigeria;
- > since education is a major element through which skills and knowledge are acquired, curbing corruption in this sector is recommended so that human capital will be developed effectively in order to tackle corruption effectively in turn.

Based on the presentations by:

- > Emilia Vann Yaroson “The Impact of Corruption on human capital development”
- > Ani Hovhannisyan “The Problem of Corruption the Armenian Higher Education System”

Perceptions, meanings and understandings of corruption

The papers in this panel investigated the reasons why people decide to engage in cor-

ruption. The studies showed that:

- > before deciding on whether to engage in corruption, people search for information about possible corrupt behavior of their colleagues and peers in another organization who have the same position. Peers play an important role in decision-making for corrupt behavior. People tend to engage in unethical behavior in situations where unethical behavior goes unpunished;
- > corruption is intricately woven into political culture of post-Soviet society. Simple administrative measures cannot overcome fundamental value orientations within a society. Bribe offers are associated with imbalance within local-global, symbol-content, active-passive pairs of modalities;
- > in the Philippines, city and non-city residents disagree on what constitutes corruption, although they largely agree in condemning corrupt practices. Relative to city residents, the rural residents are more likely to hold benign views towards giving gifts to government officials or using fixers to facilitate government transactions. The reason for that, authors believe, is difference in education levels between urban and rural residents and that transactional politics are more acceptable due to overlapping social or economic relations among patron-politicians and client-voters.

Based on the presentations by:

- > Untung Manara “Decision-making of corrupt behavior”
- > Turkhan Sadigov “Citizen-initiated bribe offers in post-Soviet regions, examples from Azerbaijan”
- > Roxana Bratu “Figurative frames of corruption in the media”
- > Adrian Christian Castro and Joseph J. Capuno “Are gifts bribes and fixers facilitators? Exploring the urban-rural dimensions of attitudes towards corruption in the Philippines”

Causes of corruption

The papers presented in this panel investigated the potential causes of corruption in different geographical contexts. The main takeaways are:

- > an external factor, such as placement of the American airbase in Kyrgyzstan, became a source of rent-seeking opportunities for the ruling elites;
- > in Czech municipalities, political business networks provide extended opportunities for corruption. The mere presence of a politician on the board of a company enhances the company's financial performance and increases chances to get public procurement contracts and funding from EU structural funds;
- > corruption in the MENA region is an increasingly complex phenomenon that requires further in-depth analysis of the political, economic and social triggers in each particular country;
- > the higher the degree of presidentialism in a developing democracy, the more likely the state is to exhibit higher levels of corruption, due to the lack of judicial and legislative constraints on the executive.

Based on the presentations by:

- > Kemel Toktomushev "The nexus of weak states and organized criminal group"
- > Vit Simral "Political business networks in Czech municipalities"
- > Dina Elsayed "What are the causes of corruption in the MENA region countries?"
- > Christoffer Larsson "The effect of presidentialism and control on the executive on corruption levels"

Informal and social mechanisms of (anti-) corruption

Papers in this panel explored the mechanisms of corruption.

The findings highlighted that:

- > distinguishing between market corruption (impersonal bribery) and network (or parochial) corruption allows for a better understanding of the overall scale of corruption in post-Soviet states. The decline in bribery observed in post-socialist countries in the period from 2010 to 2016 was accompanied by rising network corruption, which should have appropriate policy implications;
- > Balkan states are formally more or less aligned with the EU anti-corruption provisions, but their implementation seems insufficient. Strengthening civil society is important to

improve public sector efficiency in the region;

- > laws can be seen as an effective anti-corruption measure if laws aim for the expressive function of law, as in contrast to deterrence and legitimacy functions. People seek social order and constantly reevaluate the context around them while laws are universal and relatively stable, and could thus be a guideline for social development.

Based on the presentations by:

- > Aleksey Oschepkov “Market and network corruption”
- > Kotomi Moriguchi “Implementing EU anti-corruption measures & promoting rule of law in EU accession countries - Lessons from the Balkans”
- > Daniel Carelli “The Law of Corruption. Exploring Potentials for State Transformation Using Insights from Italy”

Institutions and corruption

In the section “Institutions and corruption”, papers covered case studies from various regions and highlighted that:

- > one of the main factors that fueled the increase in human trafficking in Syria in 2015 was the legacy of the highly corrupt authoritarian regime in Syria. The lack of confidence in legal structures served as a motivation for illegal migration to Europe;
- > the resignation of Jacob Zuma in South Africa in 2014 signifies the success of sustained public pressure as an alternative to faltering official anti-corruption institutions;
- > public Expenditure Tracking Surveys (PETS) in Tanzania are yet to exploit the potential of curbing corruption in public services. This is due to the lack of awareness of the tool and its functions among the population and therefore the lack of inquiry from civil society, resulting in poor public expenditure reporting.

Based on the presentations by:

- > David Jancsics “Corruption on the US-Mexico Border: Qualitative Analysis of Official Documents”

- > Anisa Abeytia “Broken Promises: Historic Authoritative Rule and Selective Enforcement of International Law Fueling Surge in Human Trafficking, the case of Syria”
- > Thato Toebea “The People vs Corruption: Civil Society led mechanisms against corruption in South Africa”
- > Jason Nkyabonaki “The effectiveness of public expenditure tracking surveys to taming corruption in the public service in Tanzania”

Approaches to counter the mechanisms of corruption

Papers in this panel explored efforts to fight corruption and assessed their successes or failures. The main lessons drawn are:

- > the failures of the Global Anti-corruption Agenda in Sub-Saharan Africa can be attributed to the overwhelming influence of extant global development ideology on the agenda and disregard for local pre-existing efforts to address corruption;
- > the concept of anti-corruption leadership stems from the value of usefulness, willingness to help, and “very tough” character (the courage to act, change and accept risks and the drive to combat corruption). These values should be used among other competency instruments for recruitment in the public sector with the aim of reducing corruption;
- > the implementation of anti-corruption policies in South Korea has a positive effect on increasing the level of integrity in public organizations. This result counters the conventional argument that official policies fail to reduce corruption;
- > Accountability Lab launched the Integrity Idol initiative to ‘name and fame’ the do-gooders, instead of ‘naming and shaming’ the wrongdoers. The Lab expects the campaign to encourage more ethical behavior among civil servants and prevent citizens from seeing the government as an entirely corrupt structure.

Based on the presentations by:

- > Matthew Ayibakuro “When New is Old and More is not Enough: Discerning the Failures of the Global Anticorruption Agenda in Sub-Saharan Africa”

- > Dumilah Ayuningtyas “Integrity of Anti-corruption Leadership in the Health Sector”
- > Kyoung-Sun Min “Measuring the Impact of Anti-Corruption Policies on Corruption amongst Public Organizations in South Korea”
- > Stephanie Bandyk “Building Accountability through Naming and Faming Integrity Idols”
- > Elitza Katzarova “The Social Construction of Global Corruption: From Utopia to Neoliberalism”

Psychological and normative mechanisms of corruption

The papers on this panel studied corruption as a social norm, as well as investigated the reasons behind compliance and cheating. The main findings are:

- > collaboration may also promote cheating behavior while previous literature linked cheating mainly to competition;
- > explicit cues, such as hidden CCTV, were found to be able to decrease corrupt behavior and increase moral norms compliance;
- > designing successful interventions requires a thorough understanding of the social forces that perpetuate corrupt practices. After recognizing which social norms exert pressure for a given corrupt practice, practitioners should tailor the intervention to that pressure.

Based on the presentations by:

- > Galang Lufityanto “Does collaboration promote cheating?”
- > Meta Zahro Aurelia “When reputation is at stake, would people still corrupt? The psychological effect of CCTV and direct communication”
- > David Jackson “Social norms of corruption”

Lessons learned from the findings

- > successful anti-corruption policy should be based on in-depth analysis of local social, political and economic contexts, which includes close examination of the potential psychological and cultural mechanisms that perpetuate corrupt behavior in each particular society;
- > the role of civil society is crucial in curbing corruption, therefore sufficient investments should be directed at strengthening civil society. Also, awareness campaigns raising awareness among local populations should form part of any anti-corruption policy;
- > corruption in education is one of the main causes of the low level of education in developing countries, which in turn allows for persistent corruption due to the lack of social inquiry and weak civil society. Elimination of corruption in education leads to a decrease, long-term, of overall levels of corruption;
- > negative images of governments as thoroughly corrupt affects citizens' decisions to participate in corrupt practices, encouraging civil servants to continue corrupt behavior. Initiatives highlighting positive aspects of government, such as the name and fame initiative as well as the positive promotion of conscientious civil servants' profiles may prevent the vicious cycle.

Trends in corruption research

Marina Povitkina

with contributions from Sofia Wickberg
and Anna Schwickerath

Drawing from the sessions of work in progress and co-creation sessions, we elaborate new research questions permeating cutting-edge corruption research, and map trends in terms of themes and methods prevailing in corruption research.

The co-creation session “Curbing corruption in the digital age” addressed questions of e-government as a tool against fighting corruption, risks and challenges of open data and issues of data transparency. E-government includes utilization of information and communication technologies to improve public service delivery and therefore opens up potential for avoiding corrupt practices. The participants of the workshop discussed the following new avenues for research:

- > What are the risks and challenges of open data?
- > Can open data actually inform corruption?
- > With the improvement of monitoring, existing practices are mostly based on the negative logic that someone should expose corrupt behavior rather than promote positive examples of uncorrupt behavior. What are the motives and tools of promoting uncorrupt behavior among public sector employees?

In the co-creation session “Promoting anti-corruption when corruption is the norm” participants discussed the prospects of anti-corruption reforms in countries/contexts characterized by systemic corruption. The participants mapped out relevant actors that influence promotion of anti-corruption, strategies for inducing change, and tools for combatting corruption at different levels. In particular, the main research questions on anti-corruption reforms included:

- > What is the role of social media and trendsetters in fighting corruption?
- > To which extent can social media inform the public of the harm of corruption, corruption scandals and to help fight corruption?
- > Is it more efficient to be an individual trendsetter or a group of people in order to be efficient in shaping perceptions and attitudes through social media?
- > How much influence do trendsetters have?
- > The participants also discussed the necessity to conduct an experiment, which would study the circumstances under which trendsetters can change norms and secure this shift of norms over a long period of time.
- > What is the role of rules in changing norms and can rule enforcement bring change?

In the co-creation session “International organizations and the global dimension of Anti-corruption” participants discussed the effect of international interventions on corruption, particularly in the context of conflict. New research questions spurring from this session include:

- > How can international organizations fight corruption during peacekeeping missions?
- > Do peacekeeping missions have effects on corruption? If so, what is this effect?
- > How to tackle peacebuilders’ dilemma, when peacebuilders need to work with corrupt leaders but not to engage in practices?
- > Whose norms are being violated when peacebuilders engage in corruption? Are these norms of the organizations or the ones of the mission countries?
- > How to change perceptions of international organizations as corrupt in mission countries?
- > How high does the fight against corruption rank on international organizations’ agendas in the Western Balkans?
- > What can we learn from the successful UN missions? What made them successful?

The workshop “Anti-Corruption in/for education” was dedicated to the intricacies of corruption in education. The discussion in this workshop centred around the UNODC’s efforts following the Doha declaration to achieve its mandate goals by developing teaching modules that provide teaching staff around the world with an opportunity to teach about corruption. The questions that emerged during the discussion included:

- > How to foster the adoption of anti-corruption curricula in different contexts?

One challenge is the dissemination of modules developed by the UNODC. Maximizing impact requires knowledge dissemination and willingness to use the modules. The discussion touched on several concrete ways of how such distribution can be reached. One of the most promising pathways is building strong networks among (anti-) corruption academics and teaching staff, e.g. by organizing conferences and workshops.

> How to teach corruption in corrupt settings? The main topic of discussion here was the real-life challenges that teachers and professors face when teaching about corruption, in particular, when they teach in highly corrupt environments. Here, resistance can come from fellow teachers and professors or higher administrative ranks such as deans. Overcoming such resistance poses an immense challenge and one of the potential remedies proposed was peer support enabling collective action.

The co-creation workshop titled “From anti-corruption to integrity” aimed at generating ideas about how to shift academic research from its historical focus on corruption to the (re)emerging concept of (public) integrity. Anti-corruption is understood as a focus on the problem of corruption and policies that aim to prevent, reduce or sanction corrupt practices, mostly through rule, compliance and punishment. A focus on integrity requires to take a broader lens, beyond mere legality, since integrity is not understood only as the absence of corruption. From a practical perspective, integrity-enhancing policies usually focus on norms and values, and on the socialization to and internalization of those values. This research agenda could also be seen as an extension of existing research on New Public Management, as a new form of state transformation, posing new questions of legitimacy, public actions and boundaries between public and private spheres. There are multiple possible paths for future research on integrity, whether the researcher’s position is normative – with an underlying goal to shift the policy agenda – or not. New research questions emerging from the workshop are:

- > Is integrity an individual feature or is there such a thing as institutional integrity?
- > Is integrity binary or a matter of degrees – can one have a little integrity?
- > Would it matter to shift the rhetoric from corruption to integrity because “corruption talk” could be demotivating and bring citizens away from politics?

The co-creation session “Gender and Corruption” brought together junior scholars from the Forum, academics from the QoG Institute and practitioners from the Open Society

Foundation, who work on promoting more gender-conscious policy work in developing anti-corruption tools. The discussion revolved around the nexus of corruption, state capture and the impact that state capture has on women, as well as mechanisms behind this relationship. Specifically, the participants discussed how corruption limits women's access to power, goods and services, and how it affects their human rights, anchoring the discussion in existing literature. The aim of the workshop was for practitioners to gain feedback on policy work from academics, to ultimately develop tools for reducing the impact of corruption on women in their programs in Eastern Europe. With policy recommendations for change as its main goal, the following questions emerged:

- > What role do informal institutions play in gender?
- > What is it in relation to captured states?
- > Which institutions most affect women's interests?
- > What is women's ability to battle corruption? What level and type?
- > How does state capture across different institutions and sectors affect women?

Appendix A.

Abstracts of papers in Results Presentation panels

Session I. Panel 1: “We don’t need no...”
Corruption in Education

The Problem of Corruption in
the Armenian Higher Education System

Ani Hovhannisyan

The presented research discusses the problem of corruption in the education sector, particularly is focusing on the Armenian higher education system. Corruption is a widespread practice in Armenia. It occurs at different levels of the higher education system, and as result affects the quality as well as the access and equity of education. Corruption has a negative impact not only on the system as a whole but also affects individual values, attitudes and perceptions toward education, and life in general. Corrupt practices, namely bribery, nepotism and favoritism, and cheating and plagiarism performed by students are the focus of this investigation. All the above-mentioned forms of academic misconduct have been reported to be present and prevalent in Armenian higher education, but there is a lack of scientific research to investigate their characteristics and the factors that influence their occurrence. This research approaches the problem of educational corruption from a psychological perspective. The research has been conducted within a framework of the Theory of Planned Behavior (TPB) (I.Ajzen,1991). The theory gives an

opportunity to not only understand the psychology of academic misconduct, particularly the psychological factors that play a role and have a significant impact on both corrupt intentions and corrupt behavior but also to be able to predict these kinds of behaviors. The complex and sophisticated nature of educational corruption makes it difficult to use one single methodological approach to investigate it. Thus, a quantitatively driven mixed methods approach was employed, aiming to acquire a better and more comprehensive understanding of the underlying psychological factors of corrupt behavior.

The Impact of Corruption on human capital development

Emilia Vann Yaroson

Corruption has been documented as one of the most difficult hurdles in the development of institutions as it snares most developing economies in a vicious cycle of underdevelopment. More specifically is corruption within the human capital sector which is extremely detrimental to economic growth. The objective of this paper therefore is to examine the impact corruption has on human capital development. It tests the corruption - human capital nexus using multivariate regression for a period from 1996-2014. Secondary school enrolment and the Human Development Index are employed as proxies of human capital development while the Transparency International Corruption Perception Index is used as a measure of corruption. The study also controls for variables that may affect human capital development such as government expenditure on education, age dependency ratio, urbanisation and GDP per capita. The findings suggest that corruption is a major deterrent to human capital development in Nigeria when school enrolment rates are used as the dependent variable. However, corruption has no statistically significant impact on human capital development when mortality rates per 1,000 births are employed as a dependent variable. Since education is a major element through which skills and knowledge can be acquired, curbing corruption in this sector in the country is recommended so that human capital will be developed effectively in order to tackle corruption effectively in turn.

Session I. Panel 2: “I know it when I see it”

Perceptions, meanings and understandings of corruption

Decision-making of corrupt behavior

Untung Manara

Investigating individual-level factors of corruption, past research has mainly focused on demographics, personality, attitudes, or morality related variables. Until now, there are only very few studies focusing on the internal mechanism of corruption. The present qualitative study aims to describe the mechanism of decision making in the process of corrupt behaviour in a sample of Indonesian prisoners who have been convicted for corruption. Based on normative decision-making theory, this study wants to answer the following questions: What behaviours are regarded as corruption? What problems did convicts wish to solve within their decision making process when engaging in corrupt action? How did convicts search for and process the information before making a corrupt decision? And finally, what aspects did convicts consider when choosing corruption as a solution to a specific problem? To answer these questions, we conducted 38 semi-structured interviews with 27 males and 11 females being convicted of corruption and being imprisoned in Indonesia. The interview guide was developed based on a normative decision-making process: problem recognition, information search, evaluation, and choice or behaviour. Following a grounded theory approach, three steps of coding (initial coding, axial coding, and theoretical integration) were applied to analyse the data. Bribe and embezzlement were the most common corrupt behaviours of the participants. In the problem recognition process, the benefits of their corrupt behaviour were for the organisation they worked for, the general community, or for their personal gain. In the information search process, participants mainly compared their own situation to one of the colleagues in other organisations who had the same positions before making decisions to behave corruptly. In the evaluation process, corruption as common practice was the main reason why participants chose corrupt behavior. Theoretical and practical implications of these findings will be discussed.

Figurative frames of corruption in the media

Roxana Bratu

This presentation explores the symbolic dimension of corruption by looking at the metaphors employed to represent this phenomenon in the media across seven different European countries (France, Hungary, Italy, Latvia, Romania, Slovakia and UK) over ten years (2004-2014). It focuses on the tensions between transnational imaginary of corruption and local peculiarities showing that corruption is a complex phenomenon with unclear boundaries, represented with the use of metaphorical devices that not only illuminate, but also hide some of its attributes. The presentation identifies and analyses the metaphors of corruption by looking at its sources and target domains, thus revealing how such figurative language serves to frame the political topic of corruption.

Citizen-initiated bribe offers in post-Soviet regions, examples from Azerbaijan

Turkhan Sadigov

The presentation will cover a neglected side of corruption - citizen-initiated bribe offers in post-Soviet region, specifically in Azerbaijan. The main rationale for taking a citizen focus on corruption is to identify whether citizen choices support state-led anti-corruption initiatives. Drawing on a survey of 1002 respondents, the research shows that „tolerance of corruption“ is high among the population in Azerbaijan. Using novel psychological concept of modalities, the research identified that bribe offers among citizen are associated with localization and formal value orientations. This means that the research respondents pro-actively use bribes, and readily bend laws to own local interests. Moreover, bribe offers constitute around half of the entire variation in corruption in Azerbaijan. Therefore, a successful fight against corruption cannot be confined to the eradication of only bureaucratic bribe demand, but needs to take into account corruption choices of the population too. The implications of the research are relevant also to a wider society.

The employment of modality concept provides answers to such fundamental problems as:
1. the cause of Azerbaijani villagers' preference to invest in building mosques and cemeteries rather than schools and kindergartens.

Are gifts bribes and fixers facilitators?
Exploring the urban-rural dimensions of attitudes
towards corruption in the Philippines

Adrian Christian Castro
with Joseph J. Capuno

A persistent public issue in the Philippines, corruption is viewed as inimical to economic growth and development and a major reason for the people's distrust in government institutions despite the election of many Presidents with avowed promise to wipe out corrupt practices in public service. Using two rounds of a nationally-representative survey, we investigate Filipino attitudes towards corruption and views about corrupt practices. Tentatively, we find that Filipinos living inside or outside cities have similar condemnation of corruption. While city- and non-city-based Filipinos hold the same moral standards in castigating corruption in government, however, they differ in their views about which activity constitutes a corrupt practice. Relative to city residents, the non-city residents are more likely to hold benign views towards giving gifts to government officials or using fixers to facilitate government transactions. Put differently, city and non-city residents disagree on what is corrupt, although they largely agree in condemning a corrupt practice. To explain the divergent views, this paper will further explore two hypotheses. The first is that the difference is due to urban-rural dissimilarities in average educational achievements, since education is thought to develop the citizens' critical faculties and respect for objective evidence. We find evidence for this due to an observed smaller proportion of city population relative to non-city population who did not finish elementary education. The second hypothesis is the existence of a "rural social norm" of making transactional politics more acceptable due to overlapping social or economic relations among patron-politicians and client-voters. This is borne by some anecdotal evidence.

Session III. Panel 1: “Digging up the roots” Causes of corruption

The nexus of weak states and organised criminal groups

Kemel Toktomushev

Unlike the eponymous hero of the Kyrgyz epic, Manas, who united the Kyrgyz people, the American air base situated at Kyrgyzstan’s Manas International Airport became a source of fracture in Kyrgyz politics after its establishment in late 2001 to support the US-led war in Afghanistan. Whilst international attention focuses on the geopolitics of a so-called New Great Game over basing rights in Central Asia, a more significant political and economic struggle concerning the Manas Air Base is related to its fuel supplies. The air base became a source of rent for the ruling elites and an object of controversy between the government and opposition in two successful uprisings, which removed presidents Askar Akayev and Kurmanbek Bakiyev from power (in 2005 and 2010, respectively). The air base’s secret fuel contractors, with their unknown beneficiaries, offshore registration and low visibility, built close links to the regimes of the two ousted presidents. The lucrative and illicit contracts and subcontracts were purportedly used by both presidents and their entourages for personal enrichment and to strengthen their regimes but were ultimately a factor in their downfall. Drawing on the results of recent congressional and non-governmental investigations and interviews with representatives of the fuel-supply companies and members of the former regime, this work assesses the role of the US Manas Air Base in regime security and rent-seeking schemes during the Akayev and Bakiyev tenures. Thus, this article will contribute to the growing literature on rent-seeking in Eurasia’s hybrid regimes and the external dimensions of regime security.

Political business networks in Czech municipalities

Vit Simral

Systemic corruption is a common term amongst scholars and practitioners, yet there is sparse conceptual agreement and substantive analysis within the discourse. The present paper aims to broaden the conceptual scope of systemic corruption research through spatiotemporal analysis of network behaviour with breaches of impartiality from the Czech public procurement sector. The empirical approach statistically distinguishes the performance differentials of procurement awards amongst firms that exhibit the characteristics of political influence from those that do not. The paper looks at the question of value of political connections for Czech companies in the field of public procurement and EU funding schemes. The model proposed in the paper links together companies winning subsidies from the European Union and public tenders in the Czech Republic, representatives of these companies, and elected politicians in decision-making positions at the companies and in municipal administration. The paper shows that clusters of politicians-businessmen secure disproportionately represented large proportion of funding coming from EU structural funds and public procurement. The existing Czech legislation allows such business-political clusters not only to survive for significantly long periods of time, but it even aids them in strengthening the companies' advantageous position. The mere presence of a politician on the board of a company enhances the company's financial performance both in the short- as well as in the long-run. After stripping away explanatory factors for firm competence, the data reveals that firms with influence characteristics win substantially more and more often regardless of organizational size. The reoccurring patterns, independent of one specific time or place, suggests characteristics more suitable for the concept of systemic corruption.

What are the causes of corruption in the MENA region countries?

Dina Elsayed

In comparative politics, a lot of effort has been done to better classify and compare countries aiming to help in the analysis of certain political phenomenon in which several factors interact - such as corruption. This research builds on the literature on corruption, addressing the question of: What are the causes of corruption in the MENA region countries? To be able to tackle this question and analyze the causes of corruption in those countries in a cross-national comparative perspective, the comparative method

of the Most Similar Systems Design is employed through the Method of Difference in order to reach the relevant causes of corruption in each of the countries under study and cross-nationally. The research conducts a case-by-case analysis for the causes of corruption in 16 countries in the region and in a final stage address the question in a cross-national comparative perspective to stand upon the causes of corruption in the region trying to better comprehend and offer a deeper understanding of this understudied group of countries.

The effect of presidentialism and control on the executive on corruption levels

Christoffer Larsson

Researchers within the field of political science have been analyzing the effects of legislative-executive relations for several decades and both parliamentarism and presidentialism have their critics and proponents. However, this topic needs revisiting, especially after Sri Lanka and Turkey recently experienced a shift in legislative-executive relations. This thesis aims to examine the effect of presidentialism's interaction with lack of judicial and legislative control on the executive on control of corruption in developing democracies. The hypothesis claims that the higher the degree of presidentialism in a developing democracy, the more likely is the state to exhibit higher levels of corruption, due to the lack of judicial and legislative constraints on the executive. The hypothesis and the theory it is based on is tested quantitatively by employing an OLS multivariate regression analysis. Presidentialism was measured by taking the mean value of several VDem indicators describing presidential prerogatives. An interaction variable was composed of the presidentialism variable and the mean value of legislative and judicial control on the executive. Furthermore, six control variables were introduced to the multivariate regression. According to the results, the hypothesis had to be rejected, as presidentialism interacting with lack of judicial and legislative control on the executive is not correlated with higher levels of corruption at a level of significance. This result is important, as it shows that when employing a different measurement of presidentialism, taking a smaller sample size and adding an interaction effect can show a completely different result than that discussed in the literature review, which most often shows a positive correlation between presidentialism and levels of corruption.

Session III. Panel 2: “Re-Examining the social”
informal and social mechanisms of (anti-) corruption

The effect of presidentialism and control
on the executive on corruption levels

Aleksey Oshchepkov
with Maria Kravtsova

Economists tend to reduce all corruption to impersonal market-like transactions, ignoring the role of social ties in shaping corruption. In this paper, we show that this simplification substantially limits the understanding of corruption. We distinguish between market corruption (impersonal bribery) and network (or parochial) corruption that is conditional on social connectedness between bureaucrat and private agent and argue, both theoretically and empirically, that these types of corruption have rather different qualities. Using data from the Life in Transition Survey (LiTS) that covers all post-socialist countries we, first of all, show that the correlation between bribery and network corruption is weak, which implies that ignoring network corruption leads not only to the underestimation of the overall scale of corruption but also biases countries' corruption rankings. Secondly, in line with theoretical expectations, we find that network corruption is more persistent in time, less related to countries' contemporary socio-economic and institutional characteristics but has stronger historical roots than market corruption. Yet, network corruption, unlike bribery, is not able to 'grease the wheels' and not associated with political instability in the country. Last, but not the least, we show that decline in bribery which was observed in almost all post-socialist countries in the period from 2010 to 2016 was accompanied by rising network corruption in many of them, which should have important policy implications.

Implementing EU anti-corruption measures and promoting
rule of law in EU accession countries. Lessons from the Balkans

Kotomi Moriguchi

Rule of law is a European core value, and combating corruption has been increasingly in focus in post-2004 EU accession criteria, grounded in EU acquis chapters 23 & 24 and the CoE GRECO framework. With corruption understood as a long-lasting challenge in the Balkan region, and as significantly affecting the entire EU community, there is a question as to what extent EU initiatives have been effective, a question this study aims to help answer.

Examining challenges of implementing anti-corruption law in advanced candidate states Serbia and Montenegro, in comparison with geographically and historically related, already-acceded Slovenia (2004) and Croatia (2013), offers a productive field for analysis. Methodology includes archival source research, comparative normative legal and policy analysis, and dozens of stakeholder interviews with national law enforcement actors, NGOs, and supra-national monitoring bodies. Interim results show the contrast of law versus practice. Formally, these countries are more or less aligned with EU acquis legislative provisions, but implementation practices seem inadequate and insufficient. Whilst accession processes of candidate countries demonstrate progressive legislative changes, setting up proper institutions, etc., the progress reports seem over-focused on the formal, legislative aspects of conflicts of interest, whistle-blower protection, asset seizure etc., which can be seen as ‚window-dressing‘ when contrasted with quantitative track records of investigation and prosecution. The institutional is primary, the practical seems secondary. This study seeks then to uncover the principal factors which impede anti-corruption law being better implemented, and to begin to offer suggestions to improve the practical reality. In short, whereas good legislative and institutional policy is key and important, this does not achieve the EU-sought anti-corruption goals of itself. What is needed, as this study endeavours to begin supplying, are concrete measures strengthening civil society, to ensure the public sector does its job and thus makes good governance an implemented reality.

Corrupted citizens or corrupted minds? Discourses on corruption, complicity and collusion in India

Maheswar Satpathy

The paper is an outcome of discursive and auto-reflexive engagement over past few years by Youth Groups in Online Space (Social Media), and Discussion Forums namely

‘India against Corruption’. ‘India against corruption’ had its roots way back 2009, with free-flowing initial concerns, debates and discussions around rootedness of corruption. The youths of India identified the sole source of evil initially in the politicians who created grounds for contrusion of stakeholders who didn’t hesitate to find loopholes in the system, and subsequently leverage on the systemic follies. Since then, ‘India against Corruption’ has taken the shape of a social movement, invoking a sense of social responsibility in citizens who were earlier quite blind, and to certain extent apathetic to the harder realities of life, and how and whys of corruption in the country.

In this context, few key considerations necessitate our attention: i) How do the Youths in LMICs like India perceive, and conceptualize corruption and its rootedness; ii) What role does a conceptualization of corruption emanating from outside, and this external attribution (pushing the blame to outside agents) play in their identity formation; iii) Do the Youths of India see a trident of Corruption, Complicity and Collusion apparent, and potentially useful explaining the chaotic value transformations?; iv) What critical role do Diaspora Indians play in affecting the value transitions, and initiation, maintenance and nurturance of such social movements?; v) How do the Youths of India visualize future of nation, with themselves playing a strategic role in transforming their cultural contexts?

With these questions, and many more, the paper seeks to interrogate the evolving collective consciousness on ‘Corruption’ and its ‘Ontological dualities’ in a struggling context of India, and aims to present insights gathered via Narratives of engagement from Youth, who acted as key stakeholders in building the movement.

The law of corruption: Exploring potentials for state transformation using insights from Italy

Daniel Carelli

Formal laws are important for clear, predictable, and just government. However, a recent debate casts doubt on the influence of laws to curb corruption. Without a strong rule of law, an efficient bureaucracy, and trustworthy and legitimate politicians, legislation with sanctions will have a limited effect on changing behavior. Rather, given corruption as a collective action problem, it is the empirical and normative expectations of others beha-

behavior that occludes societies from breaking the vicious cycle. Against this backdrop, what is the role of legislation in the fight against corruption? I argue that more systematic examinations of anticorruption laws are needed before disregarding its potential to reduce corruption. A distinction between legal obedience by sanction (deterrence theory), by internalization (legitimacy theory), and by signaling (expressive theory) sheds light on the different roles of anticorruption laws. Especially the latter, which emphasize the power of laws to create norms, contains theoretical building blocks for examining the role of laws to reduce corruption. This is investigated by examining the variation of anticorruption legislation in thirty countries between 1970-2016, based on Varieties of Democracy's (V-Dem) indicator on political corruption, as well as a measure on anticorruption legislation compiled by myself. In addition, I illustrate the relationship with two case studies for locating causal mechanisms. The study contributes to the question of what role laws play in anticorruption, and how states can reach the transformative equilibrium from being characterized by the norm of corruption to the norm of impartiality.

Session IV. Panel 1: “Fight the Power”

Approaches to counter the mechanisms of corruption

When New is Old and More is not Enough: Discerning the Failures of the Global Anticorruption Agenda in Sub-Saharan Africa

Matthew Ayibakuro

At the Annual General meeting of the World Bank in 1996, its President James D. Wolfensohn, in an epoch-making speech, referred to the ‘cancer of corruption’ as a major barrier to sound and equitable development which had to be dealt with urgently. This was a departure from decades of Bank policy refraining from directly addressing corruption in accordance with its apolitical mandate. A year later, the Bank released its first major policy document on how to help countries combat corruption. This marked the official commencement of the current global anticorruption agenda, and was swiftly followed by similar policy emphasis on anticorruption by the IMF and other international development agencies. In the years since, a broad range of programmes and policies designed to address corruption have been implemented by these institutions in countries in sub-Saharan Africa. The results have however been negligible, despite a continuous expansion and reiteration of the anticorruption agenda in the region. / / Using the anticorruption regime in Nigeria as a case-study, this paper looks at the reasons for the failures of the anticorruption agenda in the region. Based on research conducted as part of the author’s doctoral thesis, the paper argues that the failures can be attributed to the overwhelming influence of extant global development ideology on the agenda and disregard for local pre-existing efforts to address corruption in countries before the commencement of the agenda in the 1990s. Hence the introduction of the new agenda has failed to address old problems encountered by such pre-existing efforts. It concludes that even though there is a growing recognition of these pitfalls, they are so entrenched in the agenda that change has been unduly slow.

Integrity of Anti-corruption Leadership

in the Health Sector

Dumilah Ayuningtyas

Health is very strategic and plays an important role in determining the welfare of the Indonesian population. The budget for health in the 2017 Revenue and Expenditure Budget (APBN) of Rp 104 trillion, even increased Rp 500 billion from the draft RAPBN 2017. The amount of budget in the health sector opens opportunities abused by relevant agencies and individuals. This study aims to analyze the concept and implementation of anticorruption leadership integrity in the health sector. The research is conducted with a qualitative approach to explore the views of stakeholders in the health sector and establish the thematic phenomena of content analysis of the interview results. The research finds similar concerns about the incidence of corruption in the health sector as well as other sectors, hence it becomes highly relevant to prepare leaders with the anticorruption leadership competence in the health sector. Reference rules for employee recruitment, appraisal and placement of health sector structural officials have not explicitly stated anti-corruption competence as part of the requirements that must be owned. The concept of anticorruption leadership stems from the value of usefulness, willingness to help, and „very tough“ character (the courage to act, change and accept risks so as to have persistence in persuasion and the drive to corruption). These values and norms should be clearly stated in the competency instruments, although their planting should take place early and be built on family values, religious education, schools, and peer-group environments. Specifically, the determination of a person to be a leader in the health sector must consider the competence of anticorruption comprehensively, among others, by assessing the assessment starting from the track record, peer assessment and supervisor. The next important thing is to operationalize the value of the integrity and competence of anticorruption to be more measurable and applicable.

Measuring the Impact of Anti-Corruption Policies on Corruption amongst Public Organizations in South Korea

Kyoung-sun Min

Many countries have struggled with corruption and adopted various anti-corruption policies. Do anti-corruption policies reduce corruption? The literature in this field develops anti-corruption measures, and yet the current literature stops short of evaluating the effectiveness of anti-corruption tools due to the lack of data. Using the Anti-Corruption Initiative Assessment data and the Integrity Assessment data, this paper empirically tests the effectiveness of anti-corruption policies on the level of integrity amongst public organizations in South Korea. Employing a fixed effects model and time-lagged regression enables this article to capture the impacts of anti-corruption policies. This paper finds that the implementation of anti-corruption policies has a positive effect on increasing the level of integrity in the public organizations. This result counters the conventional argument that we have failed to reduce corruption. At least, in South Korea, the success of anti-corruption policies is not elusive.

Building accountability through naming and faming integrity idols

Stephanie Bandyk

To date, the conversation around (anti-)corruption and compliance has largely focused on the negative: government scandals, corrupt officials, mismanagement of public funds, and bribery. In 2014, Accountability Lab launched a different approach at tackling corruption – not by shaming, but rather naming and faming those that were doing the right thing. Integrity Idol, the first campaign of its kind, aims to generate debate around the idea of integrity and demonstrate the importance of honesty, personal responsibility, and accountability as well as inspire a new generation to be more effective public servants. Beginning in Nepal in 2014, Integrity Idol has since spread to Liberia, Pakistan, Mali, Nigeria, Sri Lanka, and South Africa. Despite distinct respective country contexts, the campaign’s mission of raising and recognizing public servants who continue to act with integrity, despite the challenges, has engaged millions across the public sector, business, and civil society in a much-needed shift in dialogue and positively-focused anti-corruption movement. The Integrity Idol campaign targets the group-think participatory nature of corruption. When negative corruption news is the only narrative told in your community, perceptions that all government official are corrupt, that corruption is an inevitable way of life, remain entrenched. This perpetuates participation in corruption

among citizens, businesses, and public servants themselves - as there seems no better alternative. In carrying out this campaign for four years, now reaching seven countries, Accountability Lab discredits assumptions that all government officials are corrupt and has gathered quantitative and qualitative cross-regional evidence supporting a carrot-not-stick approach to mitigating corruption. In addition to sharing how Integrity Idol has changed perceptions and behavior, I also intend to touch on how the Lab has incubated various youth anti-corruption movements vis-à-vis its Accountability Incubator program: launching young “accountapreneurs” in fields including film, theatre, education, transportation, and law.

The social construction of global corruption: From Utopia to Neoliberalism

Elitza Katzarova

I would like to present the major findings of my book “The Social Construction of Global Corruption: From Utopia to Neoliberalism”. The book is about to be published in the Palgrave “Political Corruption and Governance Series” with Paul Heywood as editor. At the time of the conference, the full manuscript would be under review, and this would be the perfect time to receive further feedback from the conference participants on the overall argument of the book. My talk will aim to show that the book offers new ways of thinking about corruption. In my talk I will examine briefly the two distinct ways in which policy approaches and discourse on corruption developed in the UN and the OECD. One of these approaches extrapolated bribery as the main form of corrupt practices and advocated a single actor, limited scope offense, while the other approach tackled the broader structure of the global economic system and the increasing power of transnational corporations. One offered a ban on bribery—the other international regulation of transnational corporations. The talk will briefly trace how these two interpretations of corruption as bribery and corruption as undue power of special interests and big corporations emerged from different state sponsors and how these two versions of what business-state relations should look like evolved over two decades of pre-negotiation talks at the UN and the OECD (as well as other organizations) until the understanding of corruption as bribery prevailed in the mid-90s. The talk will conclude that the outcome of these debates has to a significant extent shaped the global economy as we know it today and that

the discussed issues still resonate powerfully with current debates about the power of global economic actors and corporations that are “too big to fail”.

Session IV. Panel 2: “How the state controls” Institutions and corruption

Broken Promises: Historic Authoritative Rule and Selective Enforcement of International Law Fueling Surge in Human Trafficking, the case of Syria

Anisa Abeytia

A hallmark of Western democracies is the effectiveness of functioning legal systems, but the inability of the European Union (EU) to coordinate and respond to the 2015 refugee crisis revealed the limitations of the western legal system. This study examines the role of the perceived selective application of the Geneva Conventions and the 1951 Convention on the Status of Refugees in the decision making process of Syrian refugees in adopting extra legal means to migrate to Europe. Quantitative and qualitative methodologies were utilized to provide a nuanced understanding of four dependent variables, 1) German and Scandinavian states offering asylum to Syrians without providing legal means of transportation, 2) experiences of Syrians living under an authoritative state where corruption and the legal system is often ineffectual and extra legal means are employed ubiquitously, 3) Syrian’s lack of confidence in the application of international law, and 4) Syrians deciding to remain in the region based on a belief the European states would not ensure their human rights, particularly religious freedoms. The qualitative portion of the research includes an interview with a Syrian human smuggler to provide a larger narrative to the background. The study findings indicates the surge in human trafficking seen in 2015 may have been fueled by, 1) Syrian refugees’ perception of a lack of efficacy in the application of international laws regarding migration and human rights and, 2) the legacy of authoritative rule in Syria and its repercussions on the decision making process of Syrian refugees.

The People vs Corruption: Civil Society led mechanisms against corruption in South Africa

Thato Toebea

On the 14th February 2018, the President of the republic of South Africa Jacob Zuma announced his resignation, caving in on a protracted clarion call from the people of South Africa to step down from office for mounting allegations of corruption against him. Since 2014, Zuma's relationship with the Guptas, a wealthy Indian family at the helm of this corruption has received stern and active reprehension from the civil society. To date, there are numerous instances reported on by the South African media on the abuse of public offices and state-owned enterprises to profit the Guptas. What is now widely referred to as "State capture" in South Africa has compromised various government institutions especially those mandated to monitor and fight corruption in South Africa. These institutions have failed or have been prevented from investigating or prosecuting allegations of state capture in the country. The paralysis of anti-corruption institutions against state capture in South Africa inspired alternative creative means outside normative state administrative processes from civil society organisations, churches, individuals, whistle blowers, social media campaigns, opposition parties etc, to intervene in the unravelling state capture. This idea of anti-corruption mechanisms led exclusively by civil society is under developed in the anti-corruption discourse, particularly in Africa. Generally, civil society is regarded as accessorial to official anti-corruption systems. The resignation of Jacob Zuma however signifies the success of sustained public pressure as an alternative to faltering government institutions and warrants further research into how civil society can coordinate itself as an independent anti-corruption mechanism.

The effectiveness of public expenditure tracking surveys to taming corruption in the public service in Tanzania

Jason Nkyabonaki

Tanzania government adopted the Public Expenditure Tracking Surveys (PETS) tool in 1999. It is a social accountability mechanism for communities to following up the public budget from the treasury till the final destination of expenditure. It is a tool assumed to best fit the weaknesses of the established government institutions in curbing corruption (APRM, 2009). PETS is regarded as tool that increases an interface between the supply

side and demand side of accountability (Svenson, 2004). Since, the adoption of the tool, corruption has continued to be among the most outcry problems facing the ordinary citizens particularly in utilizing public services. Hence, PETS tool is ought to increase an interface with the bureaucrats and politicians at whatever level of service. The study objective intends to measure the citizens` utilization of the tool to curb down corruption at service facilities. The methodology used is a social survey in which 200 respondents are randomly sampled whilst 12 respondents are purposively sampled due to their role in the districts of Mkuranga in Coast Region and Temeke in Dar es Salaam region. The findings have revealed that, the populace lack awareness on the functioning of the tool, bureaucrats and politicians collude to divert the public information on expenditure for public consumption, the influence of political, religion and tribalism promote corruption behavior in public services. The conclusion is that, Public Expenditure Tracking surveys are yet to exploit the potential of curbing down corruption acts in the public services. It is recommended that populace civic education resilience is important to change the mind set of regarding corruption control as a function of governmental organs which seem to be weak in mitigating the matter. Therefore, Tanzania public service would be corruption free if citizens understand their citizenship rights and duties in governance.

Session V. Panel 1: “It’s in your head”

Psychological and normative mechanisms of corruption

Does collaboration promote cheating?

Galang Lufityanto

Cheating has become ubiquitous in various facets of human life. While previous literatures linked cheating to competition, we argued that another type of social relationships, i.e. collaboration, could also promote cheating behavior. We designed an experimental paradigm using die-rolling paradigm targeted to examine whether competition, collaboration, or the combination of both caused participants to over-report (therefore cheating) the dice score for the sake of monetary reward given on each block. In Study 1, participants seated individually in a private booth were instructed to roll a dice 30 times and then to report it. This was done over 5 blocks –each of block accentuated single type of social relations or the combination of both. Participants inclined to over-report the score (i.e. significantly deviated from the baseline/honest score range –determined from a pilot study) in the collaborative blocks. Additional data showed that subjective perception toward competition and evaluation toward reward increased in the collaborative blocks relative to individual blocks despite the condition was otherwise kept constant across experimental blocks. Subsequently in Study 2, we shuffled the order of experimental blocks so that the collaborative blocks preceded the individual blocks. Cheating behaviour which had emerged in the collaborative blocks (thus replicating our Study 1 finding) was also observed in the individual blocks –an evidence that socially influenced behaviour may affect individual predisposition toward behaviour. In Study 3, we examined the pattern of cheating accross period of time in the collaborative block in which pseudo-partners overreported the dice score 90% (i.e. mutual cheating), 50%, and 10% of the total trials. We found that participants tended to over-report the score at the beginning of the trials but slowly decreased toward the end of trials proportionally with the pseudo-partners pattern of behaviour. Using more rigorous working paradigm, our finding illuminate how social relation affects cheating behaviour.

When reputation is at stake, would people still corrupt? The psychological effect of CCTV and direct communication

Meta Zahro Aurelia

OECD has clearly stated that transparency is one of the two most importance pillars of the modern procurement system (OECD, 2006). Transparency, by all means, will reduce the corruption likelihood, as it allows the work of everyone in an office to be verified. Transparency would prompt individuals to exert more self-control as no one wants to be caught committing fraud and lose their reputation afterwards. Reputation maintenance can be done by human even in such a shuttle behavior such as leaving the office door opened. Such shuttle cues, like the opened door, were found to be able to affect human behavior, including bystander behavior (Van Bommel, van Prooijen, Elffers, et. al, 2012), prosocial behavior (Manesi, Van Lange, Pollet, 2016), moral norms compliance (Bourrat, Baumard, McKay, 2011). The explicit existence of others significantly reduce the likelihood to corrupt, regardless the type of the social relationship between the agent and the other bystander (Kobis, van Prooijen, Righetti, Van Lange, manuscript under review). Could the existence of others indicated by the explicit cues, such as hidden camera, also attenuate corruption? Through the experiments tested within 232 Indonesian participants, we found a significant effect of the explicit cues via hidden camera upon the decrease of corruption. We are currently replicating the study within Dutch population, to see whether different level of corruption may induce the effect.

Social norms of corruption

David Jackson

Social norms represent the unwritten rules of society that define acceptable forms of behaviour (Bicchieri 2016). Social norms influence how politicians, public officials and ordinary citizens may respond to corruption or anticorruption (Blundo and Olivier de Sardan 2006). Anti-corruption policies that are not designed with social norms in mind may be frustrated (Hoffmann, L and Patel, R 2017). Considerations of social norms in development policy has increased in recent years. Health practitioners, for example, are

using a social norms approach to assess when certain medical practices will be accepted or not (Stephoe 2010). In the last few years, the anticorruption field has become more sensitive to the relevance of social norms. As yet, many of these contributions tend to focus on disparate aspects of the issue, a fragmentation that may be explained by the multi-disciplinary nature of this research axis. Case study contributions also rarely focus squarely on policy learning, while existing reviews tend not to provide practical guidance about how these insights can be incorporated into programming. In other words, while contributions have been successful in highlighting the issue, there has not been a coherent policy treatment of this research axis that draws on the various literatures and relates it to key policy challenges. Key policy insights have not been systematically extracted and packaged in a digestible manner. Through a critical literature review as well as critical analysis, U4 Issue Paper will seek to address this gap. The aim is to judiciously extract the most helpful insights, tools, concepts and frameworks that can be used by anticorruption practitioners to advance the design and implementation of programmes. The paper will address the question: What can anticorruption practitioners learn about the design and implementation of anticorruption/governance interventions from the different literatures that deal with social norms?

Appendix B.

Abstracts of papers in Work-in-Progress sessions

Session I. Work in Progress 3: “It ain’t all about the money”
Non-monetary causes of corruption

Sources of Endemic Corruption and How to Beat It:
an Analytic Narrative of Democratic Brazil

Matias Spektor

This paper develops a theory and a new narrative to account for the prevalence of endemic corruption in Brazil since transition to democracy in the late 1980s. Furthermore, we develop a reasoned argument as to why and how precisely an informal network of bureaucratic entrepreneurs within the state managed to build and sustain Lava Jato – the unprecedented anticorruption probe that is currently shaking Brazil’s political system – despite fierce resistance from the political establishment. Our theory centers on the rules of the political system and how they create incentives for presidents and legislators to collaborate in order to create opportunities for corruption. In this system, corruption is both a tool in the hand of presidents that must secure legislative majorities and a way for party leaders to guarantee private funds for expensive electoral campaigns. This understanding enables us to frame the issue of corruption in Brazil in ways that facilitate the theoretical and empirical exploration of concepts such as patronage, clientelism, state

capture and quality of government. Our narrative then re-tells the story of democratic Brazil from the late 1980s to this day as an illustration of the theory, and as the empirical basis upon which the theory can be further developed and specified. Our hope is to offer a novel account of the connections between corruption, anticorruption, and democratic politics that is based on the paradigmatic case of Brazil but can realistically improve the way we understand endemic corruption in other national contexts. We perform these tasks by drawing on the trove of newly available data released by the Lava Jato investigation, and on rich new material derived from three dozen in-depth interviews we are currently conducting in three countries with officials involved in the Lava Jato probe.

Society and Corruption: Lessons from the Post-Soviet Central Asia

Rustamjon Urinboyev

This paper explores the role of society's informal norms and 'non-monetary currencies' in the emergence, explanation, persistence and ubiquitousness of corruption. It probes into the ways how informal or illegal practices ('corruption' from a legal standpoint) not only mirror kleptocracy, individual greed or survival strategies, but also reflect society's informal norms and 'non-monetary currencies' such as respect, prestige, social status, solidarity, trust and kinship norms that constitute the basic social fabric (the 'living law') of society. By doing this, it will demonstrate that people engage in informal or illegal transactions not just to satisfy their economic needs but also to fulfil their family and kinship obligations, socialise and maintain membership in their community, avoid gossips and social sanctions, gain or preserve social status and reputation and get more moral and affective support from those around them. As such, I challenge the usefulness of economic-based attempts or (Western-centric) normative approaches to combat corruption in a given context as compared to other approaches that consider the role of informal norms and non-economic motivations. The central argument of the paper is that the measures and tools adopted to understand and combat corruption should go beyond a merely economic view and (Western-centric) normative approaches and that, to convince people to act within the realms of state law, a structure replacing not only economic opportunity but also reducing the gap between state law and society's informal norms and rules (the "living law") should be put into place. These questions will be explored in the post-Soviet

context, namely using the case of Uzbekistan that offers an internationally significant (yet under-researched) case given its position as one of the most corrupt countries in the world according to the Transparency International's (TI) Corruption Perceptions Index.

Rut Einarsdottir

The purpose of this paper is to explore the general impact that corruption in international trade has on gender equality. To measure this, data is derived from various studies over the past decades. No previous studies have been conducted directly on the gendered impact of corruption in international trade, although ample evidence is on the effects that corruption has on trade, and the impact that trade has on gender equality worldwide. The author therefore believes that this research will act as a bridge between the two research fields. Gravity model and profit maximization equation are used to show how corruption affects trade and from studies conducted by the United Nations and other institutes are used to prove the gendered impact of international trade. Looking into these areas suggests that where corruption is more prevalent in international trade, gender equality tends to be lower and women are worse affected by the corrupt practices. The findings provide evidence that corruption is hampering gender equality in various locations, and by tackling corruption the way to gender equality, that currently is estimated to be achieved by 2125, could be achieved at a faster pace. This study is the first qualitative study conducted measuring directly the gendered impact of corruption in international trade. This opens up a new field of studies and with that, hopefully contributing to the worldwide call for gender equality that is yet to be achieved, and more transparent societies.

David Jackson

In the Middle East, the practice of *wasta* – the use of social connections to acquire favours, jobs, or other resources – can be thought of as an informal governance system. Consider employment within public institutions: while the formal procedures may aim to ensure some merit-based criteria, *wasta* provides an alternative logic, skewering job allocation according to social connections. *Wasta*, therefore, can sustain 'un-meritocracy' and pose a fundamental challenge to efforts to create impersonal and universalistic ins-

tutions. Moreover, servicing *wasta* can promote forms of corruption, such as collusion, fraud, and bribe-taking. Yet, at the same time, *wasta* is a socially-embedded institution, rooted in identity, and, in the context of dysfunctional public institutions, an important source of resilience and social protection.

Baltabayev Anuar

Corruption is considered as one of the biggest hurdles faced by the Chinese government, as it has the effect of thwarting economic growth by perpetuating poverty and income inequality, and discouraging foreign investments into the country. However, unlike other countries, China is a special case because of the Chinese concept of *guanxi* that highlights the importance of maintaining relationships and networks. This system helps to better understand corruption in the Chinese context. The rules of *guanxi* are deeply embedded in Chinese society, making it very difficult to distinguish a legitimate *guanxi* practice from corruption. By understanding this system, it helps in locating ways how *guanxi* leads to corruption.

Session III. Work in Progress 3: “Have we failed?” Contextualizing Anti-Corruption Efforts

Denisse Rodriguez Olivari

There is a tendency to rely on conventional wisdom from more affluent parts of the world to fight against corruption. For instance, political and economic liberalisation are considered necessary to curb corruption. This region adopted the first anti-corruption convention in the world, and has complied with the neoliberal prescriptions from the international financial institutions. However, more than three decades since both phenomena occur simultaneously, and corruption is still perceived as a major problem in Latin America. In my doctoral dissertation – on which this paper is based on – I put forward the relevance of perceived corruption in order to analyse how anti-corruption efforts work in younger democracies. Drawing upon the Peruvian experience – which manage to prosecute the 7th most corrupt president according to Transparency International, and currently investigating the last 5 former heads of state – present contradictory effects on the fight against corruption. This country ticks all the boxes of governance and economic stability standards, yet the exemplary judicialisation of grand corruption might not reduce perceptions of corruption but rather augment them if not applied thoroughly. This case serves as a textbook example on how anti-corruption crusades can fail. This paper will focus on revisiting the literature and critically examining the theoretical and empirical underpinnings of the anti-corruption discourse. Understanding how individuals perceive the fight against corruption and its effects on both perceived and incidental corruption shed light on the effects of the universal applicability of policy prescriptions which will result in more context-sensitive, politically engaged anti-corruption initiatives.

Corruption prevention in Nigeria: An Empirical Review and Assessment

Femi Ajayi

There is widespread consensus on the disastrous consequences of corruption, evidenced

in many cross country studies (Lambsdorff 2007). This has called for action. For more than 20 years, anticorruption has been on the agenda of governments, companies and international organizations. As Africa's most populous country and as one of the world's fastest-growing economies, Nigeria is not immune to corruption challenges. Strengthening integrity and reducing corruption has been a priority for Nigeria for a number of years / Various reports on Nigeria have highlighted the reactive position of the Anti-corruption agencies (ACAs) towards fighting corruption and the fact that this been largely on law enforcement, while preventative mechanisms and public education and support have been underused and under-resourced. This is problematic given the sophisticated nature of corruption in Nigeria and the difficulty of detection. There is an obvious lack of strategies to prevent the underlying causes of corruption as well as of coordination among ACAs with complementary mandates on anti-corruption prevention. This paper will discuss the United Nations Convention Against Corruption (UNCAC) with emphasis on the chapter two which focuses on corruption prevention, and interrogate the prevention chapter of the recently adopted National Anti-corruption Strategy (NACS) by the Federal Government of Nigeria with the aim of reviewing the various mechanism of corruption prevention in the country's foremost ACAs. Research for the paper will be conducted through a "user-pull" assessment of three Nigerian ACAs, namely: the Code of Conduct Bureau (CCB), Economic and Financial Crimes Commission (EFCC), and the Independent Corrupt Practices (and Other Related Offences) Commission (ICPC).

International Law
South African-German Centre for
Transnational Criminal Justice Combating Corruption
and Illicit Financial Flows from Africa:
Legal Approaches and Challenges

Jorum Duri

The African Union has marked 2018 as anti-corruption year in Africa under the theme "Winning the Fight Against Corruption: A Sustainable Path to Africa's Transformation". This comes at a time when Africa is alarmingly losing at least US\$50 billion per year through illicit financial flows (IFFs), which are intimately linked to corruption. Corruption and IFFs are mutually reinforcing and they both affect millions of people, weaken eco-

nomies, and halt development in Africa. Political elites have managed to channel illicit proceeds of corruption to the developed world and in the process undermining the rule of law, judicial systems, financial intelligence centres and other law enforcement agencies in Africa. Therefore, the African Union needs to give urgent attention to combating illicit financial flows as part of its bid to fight corruption and pave way for sustainable economic growth in Africa. This paper adopts a desktop research methodology, taking a critical-analytical approach to the effectiveness of legal mechanisms in Africa aimed at curbing corruption and related illicit financial flows. The purpose of the research is to answer the question on why African countries have been failing to combat corruption and IFFs using the current legal approaches, and to offer possible solutions. Practical examples will be given on how and why particular African states are failing to combat corruption and IFFs. The paper will discuss regional mechanisms aimed at combating corruption and related IFFs in Africa such as the African Union Convention on Preventing and Combating Corruption. It will further discuss the importance of a regional legal framework specifically on preventing and combating IFFs from Africa. Lastly, the research will offer recommendations on how best can African countries improve mechanisms to combat corruption-fuelled illicit financial flows on the continent.

Mohammad Faisal

At the beginning of the 21st century, the anti-corruption regimes experience changes from the policy perspective. Followed by that change, new anti-corruption policy along with numbers of new institutional frameworks started the journey from the hope of an effective mechanism. But the faded hope emanated from the bad performance of those after one decade. By keeping in mind that corruption is a context-contingent issue, this paper intends to explore the influences of social context on the anticorruption policy formulation. In order to do so, this study adopts the context of Bangladesh as a case. To deal with a specific analytical question: How do corruption concern, perception, policies, and assumption shape anticorruption practice within the institutional framework of Bangladesh, this paper has investigated the long history for the anti-corruption policy of Bangladesh. As a structured analysis, this paper will adopt a structural framework to take back to its empirical dimension by contextually examining the emergence, role, and practices of anti-corruption. Based on content analysis of relevant policy documents and official reports and interviews (if needed) with anti-corruption experts and practitioners

in Bangladesh, this paper will critically examine the role of anti-corruption practices in the production of the contemporary political ethos. The research is based on qualitative approaches along with direct interaction with research subjects and documentary analysis. This paper argues that although anti-corruption mechanisms are prescribed by Washington Consensus, the political institutions of Bangladesh contextualize those prescriptions based on their interest, perspective, and reality. Basically, this paper examines the constructions and development of corruption concern and anti-corruption practice from an analytical perspective in Bangladesh.

The corruption-conflict nexus Mapping the theoretical and practitioners' discourse

Miranda Loli

While still being quite under-researched, in the last decade, the linkages between corruption and conflict have been receiving increased attention. Endemic corruption has been described in relation to the Arab Spring as one of the partial drivers of the uprisings (Cook 2012). In this view, corruption is not only a benchmark of a fragile state but also hinders long-lasting peace. This is a position mirrored by high ranking officials, who urge for making the fight against corruption “a first-order, national security priority” arguing that “corruption is a radicalizer because it destroys faith in legitimate authority” (Kerry 2016). Moreover, corruption is described as a destabilizing factor and ultimately a “driver of conflict” because of its detrimental effects on trust in government (USIP 2010, 7). When charges of corruption lead to massive demonstrations and protests aimed at overthrowing the government there is a danger of such uprisings leading to conflict. On the other hand, violent conflict can itself be a driver of corruption. In this sense, conflict and post-conflict environments provide enhanced possibilities for corruption, not only because of various illegal activities such as arms trade or smuggling, possibly remnants of civil war, play a role in increasing incentives for paying officials but also due to the opportunities of corruption in the aid allocation. In this contribution, I want to map out the linkages and the differences between the theoretical and practitioners' discourse on the corruption-conflict. While on the theoretical level, scholars are concerned with the securitization of development (Chitiyo 2011), at the practitioners level, the discourse on corruption centers around the ‘peacebuilders’ / dilemma’ in relation to corruption since

they may have to choose to cooperate or ‘make deals’ with the perpetrators of conflict in order to avoid new spurges of violence even if this means reproducing a corrupt system of governance (USIP 2010, 18). The general concern articulated in this discourse seems to be that expunging corruption too quickly can prompt the reemergence of violence. While the ‘greasing of the wheels’ argument has been abundantly refuted in the corruption literature, the relativity of this argument seems to have reentered the discussion in relation to the emergence of post-conflict peacebuilding.

Session IV. Work in Progress 3: “Measuring Corrupt Behavior”

Qualitative, quantitative and mixed methods

Fernanda Odila

Between 2003 and 2014, the number of civil servants working for the Brazilian federal government increased by 17.8% (from 485,980 to 572,434). In the same period, the number of disciplinary procedures that resulted in civil servants being punished with dismissals and pension loss more than doubled (from 268 to 548). Around 68% of those severe sanctions were for acts of corruption. This paper aims to provide a statistical profile of the substantial increase in severe and super-severe sanctions enforced against federal civil servants in Brazil, and to analyse the faster growth in the number of procedures resulting in severe punishments against those found guilty of corruption compared to other serious offences. Peers are supposed to investigate themselves and to recommend severe sanctions when a civil servant is found to have engaged in misconduct. Thus the focus here is on the agencies and agents responsible for conducting investigative and punitive procedures against bureaucrats accused of misconduct. Apart from looking at the most important features of the official statistics for punishments, this paper also approaches the incentives and main difficulties perceived by civil servants working in disciplinary units when it comes to enforcing ethical behaviour through punishments. In so doing, this paper aims to address why sanctions are not evenly distributed among units, and why they are not proportional in number to the size of the workforce allocated to each agency. Finally, based on descriptive statistics, along with semi-structured 24 interviews, the chapter will suggest five (ideal) types of inspectorate and their respective main characteristics, based on the principles of minimising systemic opportunities for misconduct and on maximising internal resources deployed in order to curb corruption – the factors most likely to have an impact on the variance and distribution of sanctions between agencies.

Norms, values and corruptive decisions
in leadership of rural municipality
Case study of two Estonian small island communities.

Maaja Matlik

Research project focuses on the role of local municipality, and how community norms and values are represented in management decisions. The aim is to analyze how effective are small islands' municipalities, how elected represent community members (their values and interests), and how residents perceive corruption cases on municipality level. By studying two Estonian small islands, power mechanisms and cooperation in communities are assessed through social perspectives. During Estonian Administrative Reform on 2017, small island communities used the possibility to stay independent municipalities. Even though idea of the reform was to merge small municipalities to create effective ones, small island communities now face problems like smaller resident number, lack of specialists and weaker control over municipality decisions. As smaller islands in Estonia are attractive holiday or second home areas, municipality should reevaluate its' residents needs and interests in consideration of more diverse community structure. Based on neutralization theories, it is assumed, that smaller communities share values that accept corruptive actions by municipality leaders. As community adeptness depends on social-economical, psychological and policy-economic factors, applying social control to behavior that majority considers as normality, is complicated. / Planned research argues that normalization of corruptive behavior in municipality should be researched on individual basis of each community participant, including the power relations he/she faces in everyday activities and the values connected to citizenship and state. The further purpose of this research is to explain influence of normalization and community structure in small island communities, that modify decisions made by municipality leaders. Empirical data for research is collected by semi-structured interviews conducted in two Estonian small island communities during May to October of 2018.

Kaciku Baljija

Development of a professional and effective public administration which functions in

accordance with highest standards of ethics and integrity constitutes an aspiration of modern societies. Yet, the reported experiences from various countries show that this remains a challenge for a considerable number of developing countries, in particular for Republic of Kosovo - the youngest state in the region of Western Balkans - which is seeking membership in the European Union. Modernization of public administration is the key reform requested amongst political criteria that Kosovo should fulfill as part of the EU integration process. Emerging as an independent country in 2008 with the support of international community of western democracies, Republic of Kosovo constitutes a plethora of reasons to be considered as a very complex and a controversial case of study for corruption in public administration. This research paper (work in progress) intends to provide a thorough study of ethics and integrity in public administration in Kosovo, by deconstructing the process of whistleblowing of corruption and wrongdoings among civil service in Republic of Kosovo. Study takes into examination and exploration a wide range of individual and organizational factors that encourage or prohibit whistleblowing behavior. Empirical research draws on a mixed methodology approach consisting of both qualitative and quantitative research methods.

Sofia Axelsson

By now, a substantial body of literature has demonstrated the negative effects of corruption on economic growth and social progress. Despite increasing efforts to disentangle the mechanisms of corruption, the abuse of public power and resources for private gains remains widespread, also in developed democracies. This has sparked an ongoing debate about the theoretical underpinnings of the concept of corruption, and, importantly, whether there actually exists a universal understanding of corruption amongst citizens across the world. Due to its shadowy nature, corruption is a difficult concept to measure and scholars have mostly relied on opinion data of experts or citizens to assess levels of corruption across countries and regions. From such data, we know that most people tend to disapprove of corruption and are fully aware of the negative impact corruption exerts on socio-economic development. Yet, individuals still engage in corrupt practices or support corrupt leaders and regimes. Although surveys most often promise anonymity for respondents, the actual survey setting is an act of observation. Survey questions aiming at capturing the existing forms of corruption may thus induce large social desirability biases, especially so in less democratic societies. How the concept of

corruption is used and understood outside the realm of surveys remains to be more thoroughly and systematically explored. Leveraging on recent advances in natural language processing, my project attempts to fill this gap by mapping the meaning and usage of the word corruption around the world. Using a distributional semantic lexicon that contains a large amount of geo-coded languages, I explore how corruption is used in online editorial and social data across a substantial number of countries. The novel study design allows me to disentangle, more specifically, what Internet users talk about when they talk about corruption, controlling also for additional institutional, cultural and linguistic factors.

Session IV. Work in Progress 4:
“A jaw without teeth?”
Transparency and Accountability

Do Not Talk Pay with Your Competitors

Johannes Odenkirchen

Collusion can be conceptualized as a form of corruption and has been called a “conspiracy against the public” since it needs reciprocal behavior of firms and harms a vast amount of consumers while only a few firms or managers benefit from it. We want to analyze how strategic delegation can facilitate collusion and the restriction of competition. We think of a setup with two firms in a market where the owners of a firm delegate an action to a single manager through a take-it-or-leave-it offer of a contract. These contracts can incentivize managers to choose the respective parameter they are in charge of to coordinate on an anti-competitive market outcome. Therefore owners can influence very well how the markets work which stress the importance of the organizational setup and the associated contracts for consumer protection. / We then want to show the effects of transparency in this regard. Theoretically, the impact of transparency can go two ways: perfect information about the counterpart’s contract can facilitate collusion and can solve a potential commitment problem. On the other hand, it enables owners to exploit the other firm and to play its best response. Further, transparency allows anti-trust authorities to watch the behavior and allows them to intervene if anti-competitive effects are foreseen. We will conduct a laboratory experiment to examine which contracts participants choose in such a situation and what effect we can observe if participants change their type of contract information from private to public.

Júlia Miralles de Imperial Pujol

The main idea of the research project is to evaluate the non-repressive anti-corruption policies, that means the policies based on prevention and control, that have been implemented in several Spanish local councils. Traditionally, the measures applied to fight

corruption were basically repressive (lead by the police and the judges). However, on the last years there has been a boost of preventive policies that are based on transparency and control of the public activity. For instance, the good practices codes or the obligation of some civil servants to disclose their assets. This new policy approach is so recent that there still exists a lack of research about its results and the factors that define the efficacy of these measures. For the above said, it seems necessary to address, now that we have empirical examples around the territory of Spain, the comparative analysis of what are the results of these policies and what are the causes of these results. This initial evaluation will contribute to assess if it would be necessary to implement certain corrections and modifications to get a better efficacy and efficiency of the mentioned policies.

Lucia Motolinia Carballo

Transparency is crucial for government accountability. Public service provision is often decentralized to local government agencies in federal systems. The quality of these services and local government accountability depends on the degree to which these agencies are monitored by civil society. We propose a randomized field experiment to test whether civilian monitoring increases transparency – the willingness of these agencies to provide information about their activities – across comparable, subnational, state-based agencies in Mexico. To measure transparency, we use novel Subnational Transparency Index (STI), estimated following Hollyer, Rosendorff and Vreeland (2013). The STI identifies 25 comparable agencies and 82 of their common transparency obligations in each of the 32 Mexican States. The index uses a Bayesian Item Response Theory Model to measure the agencies' collection and disclosure of data by relying on the presence and absence of reported data to the SIPOT (Transparency Portal). To ensure the treatment's focus on civilian monitoring, we seek to partner with a known Mexican non-partisan transparency non-government organization (Borde Politico) for its implementation. We argue that civil society monitoring has a direct effect on institutional quality and that access to information might play an important role in improving the delivery of public services and development.

Niklas Kossow

This paper looks at the use of information and communication technology (ICT) in the fight against corruption in Ukraine. Over the past years, several scholars have made strong arguments for the positive effect of internet and social media use in control of corruption. Combining quantitative analyses with anti-corruption theories, it was argued that e-government tools and open data can help to increase oversight and social accountability by removing direct contact points between citizens and government officials, and by making public service delivery more efficient (see, for instance, Shim & Eom, 2008).

Krystyna Khoklova

I am currently doing a PhD on quality in higher education in Eastern partnership countries, with a particular focus on transparency, integrity and corruption in higher education institutions. I am trying to analyse the state of affairs in the CIS countries as they do have many similarities, but mostly I am focusing on the case of Ukraine which is my country. I assume that quality is a major pillar in the whole system of education (including higher education) and to enable people to receive a proper education, it has to be fair, accessible to all and it has to respond to quality standards. In such countries as Ukraine, unfortunately higher education faces numerous challenges among which corruption, to my mind, is the most harsh and difficult issue to fight with. Therefore, in my work I aim to analyse the impact of corruption to quality standards of higher education and how it threatens the whole system of higher education in Ukraine through different angles such as plagiarism, nepotism, decision making process and integrity. This research network interests me a lot to participate in, as I hope that this can bring new grounds to find out another ways to analyse this serious topic.

Session V. Work in Progress 2: Political institutions and subnational variation of corruption

Eliska Drapalova

In 2012 in the Romanian city of Titu, a local politician and businessman were found guilty of trying to bribe voters with 5 tons of fried chicken in runoff elections. In another town Baia Mare, a former mayor was re-elected with an overwhelming majority of 70% while serving a prison sentence for corruption. In a country where over 600 mayors, ministers, and politicians are convicted of corruption, these events seem almost normal. However, empirical evidence shows a substantial variation of corruption practices and levels of corruption among cities. There are numerous cities with good quality of government, decent services and low corruption in close vicinity of cities with corruption and clientelistic politics. This variation presents an interesting puzzle that current corruption research fails to explain. Drawing on the most recent developments in the political economy and local administration, this project investigates the relationship between local business cooperation and (lack of) political competition as explanatory factors for this variation. I argue that strong business cooperation in interconnected associations and (lack of) mayor's political entrenchment are relevant for the level of corruption and the mix of corruption practices. In order to test this argument, the paper employs a mix method approach combining comparative case study of 4 cities in Romania with quantitative analysis of local government performance in almost 2000 Romanian municipalities. Romania is a country that despite administrative centralization and strong redistributive mechanisms has one of the highest rates of inequality and extraordinary variation in local government performance.

Does local government matter?
The relevance of government levels in shaping
subjective assessments about corruption in Latin America

Leticia Barbabela

A recurrent anti-corruption recommendation is the promotion of social accountability and greater transparency at the local level of government. Because corruption is endogenous it hampers the very capacity of the government to address it and also citizens willingness to promote social accountability. This is especially concerning in relation to countries tainted with what Mungiu-Pippidi (2006) calls competitive particularism. Subjective assessments about corruption (attitudes, perception, victimization) are shaped by individual characteristics, but also are affected by context. However the puzzle remains as to how relevant the local government is in affecting these assessments, with a lot of ambiguity going back to a two-decade old discussion about the consequences of political decentralization. There is evidence supporting the argument that individual level characteristics have a weaker effect in predicting perception of corruption in more corrupt countries, which may be a suggestion that contextual explanations might be stronger in these cases. By relying on micro level data recorded at the level of municipalities from Latinobarometro, from 1995 to 2013, I intend to explore to what extent these subjective assessments vary across different levels of a region where competitive particularism is the thought to be the rule: Latin America. Even though corruption is a highly political matter in this region, there is an interesting variation in terms of corruption levels across and within countries. The design I intend to follow is to use a measure of spread for these variables and use the level of aggregated individual observations in different levels (local, state, country) as the independent variables. This research will contribute to a better understanding of the interplay amongst subjective assessments about corruption and to regional differences in understandings of corruption.

Does federal assistance is a course or blessing
for corrupt subnational governments?
The case of sub-sovereign credit ratings in the United States

Maciej Sychowiec

Corrupt practices are considered to have negative impact on credit ratings. However, corruption may not affect credit ratings in the same all governments. Therefore, corruption has not universal character. The article focuses on federal states in the United States. In the existing literature on credit ratings, the relations between federal and subnational level are neglected. The common sense indicate that federal transfers should

undermine credit ratings of U.S. states. However, I argue that federal transfers sustain inflows to subnational revenues and credit ratings thereby receive the signal that federal government will take a responsibility for a misbehaved subnational unit. The results for period 2004-2014 show that corrupt states which have the higher level of federal transfers are more likely to receive better ratings.

Oleksandr Dluhopolskyi

Domestic scientific circles are increasingly discussing the possibility of ensuring the welfare of society in economic systems affected by the phenomenon of usurpation of power, neo-pseudo-corruption and rent-seeking behavior of economic agents. All these features of a typical oligarchic society are characteristic of modern Ukraine. In general, in the process of overcoming corruption practices and minimizing the impact of crony capitalism, the quality of institutions that are called to eliminate the manifestations of opportunistic behavior of subjects, regardless of their political, social or economic status in society is becoming most important. On the other hand, the ability of the society to build effective institutions to prevent the spread of oligarchic structures that neutralize the allocation effectiveness of the economy, which is formed on the basis of market interactions, largely depends on the attitude towards power and the propensity to hierarchy. It can be assumed that the greater the tolerance of hierarchical relations is laid down at the level of culture, the more the society will not oppose those forms of organization of economic processes and the formation of institutions that can be preserved by oligarchism. At the same time, this does not mean that the power distance is always a bad phenomenon, especially when it comes to subordination and labor ethics. Competitive pressure is an important prerequisite for the formation of market constraints for the transformation of hierarchical modalities of behavior into oligarchic structures that paralyze welfare development and ecologization of economy. This article is devoted to the study of this hypothesis. Cultural factors in the formation of hierarchical societies have a direct correlation in the economy, increasing the probability of domination of crony sectors. Together with the lack of democratic control over them and weak institutions, they can lead to oligarchization of the economy. A direct link between PDI and crony capitalist index is confirmed empirically. Also it is confirmed indirect link between environmentally related tax revenue and crony capitalist index. The value of tolerance to the hierarchy is significant while explaining institutional trajectory of country's develop-

ment. In the case where crony-sectors are hampering technological progress and inclusive growth, structural reforms can be complicated by the lack of a public request to overcome hierarchies. The rigor of such a system limits development, which means that the struggle with hierarchical oligarchic structures should not be at the level of cultivating alternative values, but at the level of blurring social and electoral crony-sector support. The fiscal incentives for entrepreneurship development, the promotion of start-ups, the quality of institutions, and investment in human capital and green industries are, albeit stereotyped, but necessary to overcome the negative enchantment of the link between oligarchism and tolerant hierarchy values.

Alex Petkov

I would like to present my doctoral dissertation, which examine the political corruption in the local governments in Bulgaria. In my research I particularly focus on the benefits that the implementation of corruption risk assessment approach offers for preventing and reducing political corruption on local level. This study is consistent with the growing international interest on the concepts of establishing corruption prevention strategies on evidence based corruption risk assessment. The research question of my thesis is: How the implementation of the corruption risk assessment method on organizational level within the Bulgarian municipalities could strengthen the fight against corruption in the local authorities? The first hypothesis behind this question is that in order to effectively prevent and fight corruption, we need to know how and where it happens. Therefore, implementation of corruption risk assessment is a necessary tool for improving the efficiency of the anti-corruption strategies and measures. It will allow targeting the real and not just perceived corruption problems and it will help the anti-corruption practitioners to gain better understanding on how to manage these problems. The second hypothesis that I aim to test in my research is that due to the specifications and the organizational framework of the Bulgarian municipalities the existence of corruption mainly depends on their political body. In other words, the political corruption is predominant among all other types of corruption within the local authorities in Bulgaria. The main goal of my study is to suggest and test a complex approach for corruption risk assessment, which will be able to identify the key corruption risks on local level in Bulgaria. For this purpose I aim to apply set of qualitative methods including on field experiments.

