



UNODC

United Nations Office on Drugs and Crime



Global Resource for Anti-Corruption
Education and Youth Empowerment



Knowledge tools for academics and professionals

Module Series on Anti-Corruption

Module 1

What Is Corruption and Why Should We Care?



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WHAT IS CORRUPTION AND WHY SHOULD WE CARE?



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Background information

The UNODC Module Series on Anti-Corruption offers 14 Modules focusing on a range of core anti-corruption issues. This includes corruption's varied definitions and devastating effects, responses to corruption, and linkages between corruption and different topics such as good governance, comparative politics, whistle-blowing, justice systems, human rights, gender, education, citizen participation, peace and security.

The Modules are designed for use by both academic institutions and professional academies across the world. They are built to help lecturers and trainers deliver anti-corruption education, including those who are not dedicated anti-corruption lecturers and trainers but would like to incorporate these components into their courses. Lecturers are encouraged to customize the Modules before integrating them into their classes and courses. The Modules include discussions of relevant issues, suggestions for class activities and exercises, recommended class structures, student assessments, reading lists (with an emphasis on open access materials), PowerPoint slides, video materials and other teaching tools. Each Module provides an outline for a three-hour class, as well as includes guidelines on how to develop it into a full course.

The Modules focus on universal values and problems and can easily be adapted to different local and cultural contexts, including a variety of degree programmes as they are multi-disciplinary. The Modules seek to enhance trainees and students' ethical awareness and commitment to acting with integrity and equip them with the necessary skills to apply and spread these norms in life, work and society. To increase their effectiveness, the Modules cover both theoretical and practical perspectives, and use interactive teaching methods such as experiential learning and group-based work. These methods keep students and trainees engaged and help them develop critical thinking, problem solving, and communication skills, all of which are important for ethics education.

The topics of the Modules were chosen following consultations with academics who participated in a meeting of experts convened by UNODC, in Vienna in March 2017. The experts emphasized the need for increased anti-corruption education globally and advised on core areas to be addressed through the Modules. They considered it paramount that the Modules prepare university students and trainees for value driven effective action, keep students engaged, lend themselves to adaptation to different regional and disciplinary contexts, and allow lecturers to incorporate them as anti-corruption components within existing university courses and disciplines.

To achieve these objectives, the experts recommended that the Modules have a range of characteristics, ultimately being able to:

- » Connect theory to practice
- » Emphasize the importance of integrity and ethics to everyday life
- » Encourage critical thinking
- » Stress not only the importance of making ethical decisions but also demonstrate how to implement the decisions
- » Use innovative interactive teaching methods
- » Balance general ethics with applied ethics
- » Draw on good practices from practitioners
- » Link integrity and ethics to other global issues and the SDGs
- » Adopt a multi-disciplinary and multi-level approach
- » Focus on global ethics and universal values while leaving room for diverse regional and cultural perspectives
- » Employ non-technical and clear terminology
- » Be user-friendly

Drawing on these recommendations, UNODC worked for over a year with more than 70+ academic experts from over 30 countries to develop the 14 University Modules on Anti-Corruption. Each Module was drafted by a core team of academics and UNODC experts, and then peer-reviewed by a larger group of academics from different disciplines and regions to ensure a multi-disciplinary and universal coverage. The Modules passed through a meticulous clearance process at the UNODC headquarters before finally being edited and published on its website as open-source materials. In addition, it was agreed that the content of the Modules would be regularly updated to ensure that they are in line with contemporary studies and correspond to current needs of educators.

The present knowledge tool has been developed by the UNODC Corruption and Economic Crime Branch (CEB), as part of the Education for Justice initiative under the Global Programme for the Implementation of the Doha Declaration.

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Introduction

As one of the earliest concerns of moral and political discourse – from classical antiquity up to the latest global treaty sponsored by the United Nations – corruption has long blighted human affairs. Its definitions range from moral/religious to economic, political and legal. Its effects are wide-ranging: corruption has been found to distort human judgment, warp the organizational cultures of business and government institutions, undermine economic and political development, increase poverty, compromise human rights, corrode the integrity of economic and political systems, cause extreme inequalities, destroy public confidence in government and markets, and undercut environmental protection and climate change policies. This Module provides an overview of the varied definitions and devastating effects of corruption. It reviews different understandings of corruption, and analyses various approaches to measuring corruption. In conveying the “big picture”, this Module explains why corruption is a fundamental problem for all nations and all people – perhaps even one of the greatest challenges of the twenty-first century. A variety of perspectives and exercises are employed to build the confidence and capacity of students to engage with this fascinating and urgent area of inquiry, and to enable young leaders to design and generate solutions that address both root causes and systemic challenges. At a core level, the Module illuminates how corruption is intimately connected to issues of integrity and ethics, such as those explored in more detail in the UNODC Module Series on Integrity and Ethics¹



Learning outcomes

- Understand why the definition of corruption varies across social and historical contexts and why there is no agreed upon universal definition
- Describe the relationship between corruption and pressing global problems
- Identify and assess different approaches to measuring corruption
- Assess own initial orientation to corruption and critically examine it in light of a variety of readings and exercises
- Reflect on personal anti-corruption goals

¹ Available at <https://grace.unodc.org/>

Key Issues

Most people are familiar with the term “corruption” and have a general idea of what it means. People often associate the term with greed, dishonesty, secrecy and crime, all of which are examples of unethical behaviour (for a related discussion on unethical behaviour see Modules 6, 7 and 8 from the UNODC Module Series on Integrity and Ethics). They also rightly associate the term with concrete acts, such as bribery by businessmen and grand theft of public funds by politicians. Few people, however, advance beyond that point in their understanding of corruption. While examples of corruption from scandals and journalistic exposés are commonly referenced, a broad understanding of the term proves elusive. Experts disagree over the adequacy of the common definition, “use of public power for private gain”. Something similar can be said about assessments of the cruciality of corruption. There is a strong consensus among researchers, journalists, political leaders and citizens in general that corruption is a significant problem, but the reasons people give for this proposition vary widely. As with defining corruption and explaining its significance, measuring corruption within and across nations is also fraught with difficulty. There are various available measurements of corruption resulting in a number of country ranking indices, each with their own challenges (see discussion below). The Module provides an overview of: 1) the baseline definition of corruption in plain words, law, and policy discourse; 2) the effects of corruption; 3) the deeper meanings of corruption; and 4) different approaches to measuring corruption.

> **Corruption: a baseline definition**

Despite the many definitions and contextual uses of corruption, most dictionaries and legal systems agree about its basic meaning. The Oxford² and Merriam-Webster³ dictionaries begin, respectively, with “[d]ishonest or fraudulent conduct by those in power” and “dishonest or illegal behaviour especially by powerful people”. Moving in unison, they then proceed to deeper notions. First comes a transformation from purity to debasement – for example, “a departure from the original or from what is pure or correct”⁴. Second, and relatedly, comes the archaic meaning of “decay”, “putrefaction” and “decomposition”.

The Latin words “*corruptiō*” and “*corrumpere*” are even clearer on what this transformational process of decay signals, as they are often associated with the words “destroy” or “destruction” in English. Hence, deep down, corruption refers to the sort of decay that leads to destruction. This meaning was clear enough in major historical episodes related to corruption, such as the Protestant Reformation’s claims about the Catholic Church, particularly its sale of indulgences (i.e. to reduce punishment for sin), and historians’ explanations for the decline of the Roman Empire. Take this summation of Ramsay MacMullen’s definitive work on the fall of Rome:

² Available at <https://en.oxforddictionaries.com/definition/corruption>

³ Available at www.merriam-webster.com/dictionary/corruption

⁴ Ibid.

Bribery and abuses always occurred, of course. But by the fourth and fifth centuries they had become the norm: no longer abuses of a system, but an alternative system in itself. The cash nexus overrode all other ties. Everything was bought and sold: public office ... access to authority on every level, and particularly the emperor. The traditional web of obligations became a marketplace of power, ruled only by naked self-interest. Government's operation was permanently, massively distorted (MacMullen, 1990).

Corruption, therefore, ranges in its manifestations from bribery and fraud to socio-political transformations of the greatest magnitude. Corruption, however, does not always lead to collapse. At times, corruption may be better conceived as a suboptimal way of getting things done when ethically superior ways are perceived as being unavailable, flawed, or too costly. Short of collapse, corruption can lead to a tenacious pattern of unethical behaviour that is sustained and replicated over many years. This multiplicity of understandings suggests that corruption is a polyvalent concept. Naturally, it covers a variety of actions by a variety of actors in a variety of contexts. More importantly, from a definitional standpoint, different observers will characterize the same instance of corruption in different ways according to a variety of factors, including their values, assumptions, goals, cultures and skill sets. Accepting that there are different understandings of corruption and rising to this challenge can help us cultivate an integrated and multidisciplinary understanding of corruption. At the same time, it is important to ask: what kind of conduct could be causally associated with everything from dishonesty to the downfall of an empire or a political system?

The law is perhaps the best place to look for concrete definitions of corrupt actions. However, different legal standards also vary in their approach and implementation. Legal standards are known for their technical and complex formulations, and for their susceptibility to multiple interpretations at the hands of lawyers and judges. Domestic criminal laws articulate a reasonably concrete understanding of corrupt conduct, make that understanding binding on everyone in the national territory, and can impose punishment on offenders (for a discussion of national anti-corruption laws, see Module 13 of the UNODC Module Series on Anti-Corruption). International conventions have taken this further, reflecting a consensus view on what constitutes corrupt behaviour (these conventions are discussed further in Module 12 of the UNODC Module Series on Anti-Corruption). One might think that such a consensus would be elusive, given the variety of histories, cultures and legal systems in the world. But there is in fact a consensus view, expressed by the almost global acceptance of the United Nations Convention against Corruption⁵ (UNCAC) – as of November 2021, as many as 189 State parties have joined the Convention. Reviews of their progress in implementing the Convention suggest near universal criminalization of certain acts of corruption that are defined in the Convention.

Interestingly, UNCAC does not define corruption as such. It rather defines specific acts of corruption, and urges States parties to criminalize these acts in their jurisdictions. This decision is in part the outcome of the difficulty of defining corruption. It also derives from the fact that corruption ranges from a single instance of bribery of a low-ranking customs official to the transformation of a democracy into a kleptocracy (i.e. government by corrupt leaders who exploit people and natural resources in order to extend their personal wealth and political power).

⁵ Available from the corruption section of the United Nations Office on Drugs and Crime website (www.unodc.org).

This has parallels with other international instruments that address global crimes, such as organized crime and terrorism, where the international community did not agree on a definition of the overarching concept but approached this matter by defining specific acts (for a discussion on international instruments that address organized crime and terrorism see the UNODC Module Series on Organized Crime and Counter-Terrorism⁶).

- The illegal actions defined by UNCAC as corruption offences include:
- Bribery in the public and private sectors (articles 15, 16 and 21)
- Embezzlement in the public and private sectors (articles 17 and 22)
- Trading in influence (article 18)
- Abuse of functions (article 19)
- Illicit enrichment (article 20)
- Money-laundering (article 23)
- Concealment (article 24) and Obstruction of justice (article 25) related to the offences listed above

The precise legal articulation of these crimes is complex. For example, UNCAC article 15 defines bribery as “[t]he promise, offering or giving, to a public official, directly or indirectly, of an undue advantage, for the official himself or herself or another person or entity, in order that the official act or refrain from acting in the exercise of his or her official duties”. UNCAC article 21 applies the same operative language to private sector actors. While this definition can be difficult to digest, the essence of the crime – money or anything else of value exchanged for benefits from political or economic actors – is not difficult to understand. Nor is it difficult to understand the effect of the crime – circumventing lawful procedures by auctioning off political or economic power to the highest bidder. The same goes for embezzlement and misappropriation of property. Beyond the complex legal definition, the bottom line is that someone entrusted with something valuable (such as property, funds or investments) has taken it for him- or herself or routed it to some third party at the expense of others. It is, essentially, a combination of betrayal and theft. UNCAC article 19 defines the offence of abuse of functions. This offence could apply to situations such as patronage (the use of State resources to reward individuals for their electoral support); nepotism (preferential treatment of relatives); cronyism (awarding jobs and other advantages to friends or trusted colleagues); and sextortion (the demand for sexual favours as a form of payment) – all of which undermine independent or democratically representative decision-making, and fair and competitive processes in the formation or staffing of governments. Like the crimes of bribery and embezzlement, these forms of corruption are highly destructive of transparency, accountability and the rule of law. That is not only their effect; it is also their object and purpose. For a further discussion of the crimes defined by UNCAC and the corollary obligations of States that are party to the Convention, see Module 12 of the UNODC Module Series on Anti-Corruption.

While it is useful to have a clearly defined list of corruption crimes, it seems that the study of corruption may also benefit from a more general definition of corruption. For instance, the World Bank⁷ (1997) defines corruption as the “use of public office for private gain”. This definition of corruption focuses on corruption in the public sector or corruption that involves public officials, civil servants or politicians.

⁶ Available at www.unodc.org/e4j

⁷ Available at <http://documents.worldbank.org>

Yet, the private sector is not necessarily excluded, because it often interacts with the public sector, particularly through being awarded contracts. Indeed, persons in private industries often bribe public sector actors and corruption generally occurs where private wealth and public power overlap (Rose-Ackerman and Palifka, 2016). At the same time, the definition of corruption above may exclude cases where the person accepting a bribe works in the private sector (this is sometimes called “private sector corruption” or “private corruption”).

Moving away from the public-office-centred definition, the Organisation for Economic Co-operation and Development⁸ (OECD) considers corruption as “the abuse of a public or private office for personal gain” and the non-governmental organization (NGO) Transparency International (TI) defines it as “the abuse of entrusted power for private gain”. The reference to “private office” and “entrusted power”, as opposed to just “public office” or “public power”, represent important advances because they cover types of corruption that do not exclusively involve politicians, bureaucrats or public power. For example, investors and boards of directors can entrust power to a company’s Chief Executive Officer or Chief Financial Officer, and when such a figure accepts a bribe, embezzles funds, demands sexual favours, or makes harmful decisions based on a conflict of interest, corruption has occurred. It should not matter whether the power that they have abused was technically public or not.

Moreover, the line between public and private has become increasingly blurred over the last forty years. On the one hand, state-owned enterprises (SOEs) play a significant role in the economy, involving the State in business activities, while on the other hand the trend of privatization, deregulation and government austerity has swept the globe. Are privately owned and run prisons, security forces, universities, medical facilities, news corporations, retirement homes or parking enforcement companies really just exercising private power? Are SOEs exercising private or public power? Abuse of “entrusted power” covers all cases of corruption, regardless of whether the person accepting a bribe or engaging in embezzlement works in the public or private sector. It even covers corruption in the private religious sphere – for example, embezzlement of funds from a place of worship by someone entrusted with authority. Turning to the corruption offences defined by UNCAC, while bribery and embezzlement are defined as applying to both the public and private sectors, offences such as trading in influence and abuse of functions apply only when “public officials” are involved. However, UNCAC broadly defines “public official” as including any person who performs a public function. Thus, trading in influence or abuse of functions are offences that can be committed by persons working in SOEs or private companies that provide services with a public nature.

The literature on defining corruption sometimes refers to the concepts of petty corruption, grand corruption and state capture, although UNCAC does not differentiate among these categories of corruption. “Petty corruption” refers to isolated instances of corruption that do not involve the upper echelons of government leadership or economic power structures. This is often contrasted with large-scale corruption or “grand corruption”. Once corruption permeates leadership structures, it can lead to more institutionalized forms such as “state capture”, in which social elites (usually economic elites nowadays) co-opt the government for their own purposes against those of the public. In general, a state capture situation arises “where legislation, formally developed and properly passed by the legislature or parliament, grants benefits in a corrupt manner” (Graycar, 2015, p. 88).

⁸ Available at www.oecd.org/corruption/anti-bribery/39532693.pdf

The term was initially linked to business elites taking advantage of state resources for private gain. Hellman and Kaufmann (2001) defined state capture as “the efforts of firms to shape the laws, policies, and regulations of the state to their own advantage by providing illicit private gains to public officials”. Powerful interests from the private sector can influence (or bribe) officials and parliaments to write legislation, for example, giving companies legal access to the exploitation of natural resources. State capture can occur regardless of a country's regime-type, but is more likely to happen in transitional economies where States are in the process of (re-)building institutions. Nevertheless, state capture can also occur in well-developed and mature democracies, especially in cases involving lobbyists that work on behalf of companies or industry associations. When such lobbyists, explains Graycar, “seek to have legislation written to favour their activities or to disadvantage competitors, questions are raised about whether this is part of the democratic process of representation of interests, or whether decisions and regulations is [sic] bought” (Graycar, 2015, p. 89).

Scholars who focused on corruption in central and eastern European countries drew attention to the fact that a State can be captured by political elites for their own private gain (Mungiu-Pippidi, 2006; Innes, 2013). Similarly, Fazekas and Toth (2016, p. 320) understand state capture as “a distinct network structure in which corrupt actors cluster around parts of the state allowing them to act collectively in pursuance of their private goals to the detriment of the public good”. Levitsky and Ziblatt (2018, p. 78) use the analogy of football referees to explain how political elites capture state institutions. The referees - like state institutions - must work in an independent and neutral manner to ensure that all players play fair and respect the rules of the game. However, if some players (in this case, political elites) collude with the referees, they can easily cheat during the game. If this collusion continues in a long-term, the players can even rewrite the rules of the game to secure their advantage and keep winning future games. The same logic applies for state institutions, which, like the referees in the analogy, can become controlled by political elites and no longer serve the public interest. Although in theory the State can be captured by businesses or by political parties, there is in practice no clear boundary between these two forms of state captures. It is noted in this context that Wallis (2006, p. 25) distinguishes between systematic corruption, when politics corrupts economics, and venal corruption, when economics captures politics.

> **Effects of corruption**

The effects of corruption are wide-ranging. Some of these effects are fairly obvious, while others require explanation. They include:

Undermining the Sustainable Development Goals

Corruption hampers the attainment of the United Nations Sustainable Development Goals (SDGs)⁹. The SDGs are comprehensive and their susceptibility to be undermined by corruption is unsurprising: it is entirely conceivable that “a better and more sustainable future for all” often runs counter to the interests of a few and can be derailed through many forms of corruption. Under conditions of diminished State capacity, nations fail to eradicate poverty, address hunger, secure good health care and high quality education for their citizens, guarantee gender equality and other human rights, reduce inequality, and so on.

⁹ Available at www.un.org/sustainabledevelopment/sustainable-development-goals/

Of particular relevance is Goal 16¹⁰ of the SDGs (or SDG 16), which is titled “Peace, Justice and Strong Institutions” and aims to “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”. Given the strong causal link between corruption and institutions that are ineffective, unaccountable and exclusive, three targets of SDG 16 – namely 16.4, 16.5 and 16.6 – specifically call for reducing all forms of corruption, strengthening the recovery and return of stolen assets, and developing transparent institutions. At the same time, corruption limits the realization of all SDGs in many respects, as the vast sums that are lost to corruption could have been used to improve living standards by increasing access to housing, health, education and water. For example, the African Union estimates that 25% of Africa’s gross domestic product (GDP) is lost to corruption (UNODC, 2015). Aidt (2010) examines the relationship between corruption and sustainable development and finds that there is a negative correlation between corruption and growth, and that corruption can put a country on an unsustainable path in which its capital base is eroded. In addition, the relationship between corruption and sustainable development has repeatedly been emphasized by resolutions adopted by the Conference of the States Parties¹¹ to UNCAC. It thus requires the global community to see corruption as an obstacle to the realization of the SDGs and to step up anti-corruption efforts if we truly desire to achieve the SDGs. The Appendix includes an SDG table that briefly explains how corruption relates to each of the 17 SDGs. For each SDG, the table also indicates which of the UNODC Module Series on Anti-Corruption address the relationship between corruption and the specific SDG.

Economic loss and inefficiency

Although obtaining exact figures on the economic costs of corruption is difficult, a 2016 report from the International Monetary Fund¹² (IMF) estimated the cost of bribery alone to be between \$1.5 to \$2 trillion per year. This represents a total economic loss of approximately 2% of global GDP. And yet it does not take into account the economic cost of all other forms of corruption. Regarding fraud, money-laundering and tax evasion, for example, the thousands of leaked documents known as the Mossack Fonseca Papers¹³ (commonly referred to as the Panama Papers) exposed the vast economic implications of offshore entities for many nations and for economic inequality in general. Finally, beyond deadweight economic loss, there is economic inefficiency to consider. When jobs (or contracts) are given to people (or companies) who offer bribes or share a personal connection, this occurs to the detriment of competition. The result is that more qualified candidates and firms are turned down. The more widespread such practices are, the more inefficient the economy becomes. Corruption in developing countries may cause underdevelopment. This can occur when international economic and humanitarian initiatives are derailed as funds disbursed from loans and aid are embezzled or handed out to inferior contractors who have won their bids through corrupt means (kickbacks, bribery, nepotism, etc.). Furthermore, investment in physical capital and human capital is reduced as resources are diverted from their most beneficial use.

¹⁰ For more information see www.un.org/sustainabledevelopment/peace-justice/

¹¹ For more information see www.unodc.org/unodc/en/corruption/COSP/conference-of-the-states-parties.html

¹² Available at www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2016/12/31/Corruption-Costs-and-Mitigating-Strategies-43888

¹³ Available at <https://panamapapers.sueddeutsche.de/articles/56febff0a1bb8d3c3495adf4/>

Poverty and inequality

Corruption is generally not the weapon of the weak. In Nigeria, an (in)famous bribery case, involving the international oil company Shell, deprived Nigerian people of over \$1.1 billion¹⁴ as the money went to corrupt officials instead of to the national budget (Global Witness, 2017). Meanwhile, according to the World Bank (2019), more than 50% of the population of the oil-rich country live in extreme poverty. This example shows that as political and economic systems are enlisted in the service of corrupt actors, wealth is redistributed to the least needy sources. Mechanisms such as political representation and economic efficiency are both compromised by self-dealing and secret exchanges. Under conditions of corruption, funding for education, health care, poverty relief, and elections and political parties' operating expenses can become a source of personal enrichment for party officials, bureaucrats and contractors. Social programmes and the redistributive potential of political systems suffer accordingly. A key result of all the instances named above is a state of unequal opportunity in which advantages arise only for those within a corrupt network.

Personal loss, intimidation and inconvenience

When people experience corruption, it is rarely a positive experience. A bribe must be paid to receive medical attention, obtain a building permit, pick up a package, or enjoy phone services. A judge rules against a party, not based on the facts of the case, but because the opponent paid a bribe, knows a power broker, or comes from the same racial or ethnic background. A person is beaten, detained or subject to a higher fine because he or she refuses to pay a bribe solicited by a police officer. Retirement funds are lost to fraudsters or tied up in a money-laundering scheme. While the victims of corruption suffer personal loss, intimidation and inconvenience, those who perpetrate corrupt acts and schemes tend to experience personal gain, a sense of superiority and greater convenience – pending enforcement of the law, that is.

Public and private sector dysfunctionality

The cumulative effect of individual corrupt acts is dysfunctionality. Whether offered by the public or private sectors, the quality of goods and services decrease, and the process of obtaining them becomes more expensive, time consuming and unfair. If bribes can successfully be offered to police, doctors, and civil servants, then those who are most successful at extracting these funds get ahead to the detriment of more honest colleagues and competitors who may perform better on merit. Moreover, corporations lose the incentive to offer better services and products if they can undermine competitors through obtaining political favours. State-owned enterprises and industries are structured to enrich government officials instead of pursuing innovation and efficiencies. This can lead to the loss of intrinsic motivation within organizations. Workers and managers are demoralized. People begin to doubt the value of hard work and innovation.

¹⁴ Available at www.globalwitness.org/en/campaigns/oil-gas-and-mining/shell-knew/

Failures in infrastructure

When a bridge collapsed in Genoa in August 2018¹⁵, killing at least 39 people, there were many possible causes to consider. Corruption was not the most obvious one, but subsequent investigations have found that a Mafia-controlled construction company appears to have used “weakened cement” in the building process. It is widely known that the construction industry is a valuable source of profits and a channel for money-laundering operations by the Mafia (additional information on organized crime can be found in the UNODC Module Series on Organized Crime). Oversight and competition are both undermined in industries and firms plagued by organized corruption. Relatedly, a 2017 report by Mexicans Against Corruption and Impunity¹⁶ blames corruption for the collapse of over 40 buildings during the September 2017 earthquake in Mexico City. Land-use and permit laws appear to have been bypassed, ostensibly through bribery, cronyism and influence trading, leading to the presence of fundamentally unsafe buildings around the capital.

Rigged economic and political systems

What is described as dysfunctional above is actually functional and profitable for corrupt actors. Whether falling under the label of political cronyism, crony capitalism, political party cartels, oligarchy, plutocracy and even kleptocracy, widespread patterns of private and public corruption construct social systems that are rigged in the private interest. Citizens with strong ethical principles (and citizens who lack significant funds, connections, favours to dispense, “hard power” over others such as guns or private enforcers) lose representation, influence and power.

Impunity and partial justice

When corruption pervades the justice system, people can no longer count on prosecutors and judges to do their jobs. The powerful may escape justice. And citizens, especially those with few resources or few powerful allies, may be unfairly accused of crimes, deprived of due process, and wrongly imprisoned. Resources on preventing corruption and strengthening integrity in the judiciary are available on the website of the UNODC Global Judicial Integrity Network¹⁷.

Rising illiberal populism

A 2017 TI report¹⁸ and several scholarly publications make the point that increasing authoritarianism is partly fuelled by corruption¹⁹. In a nutshell, corruption increases inequality, decreases popular accountability and political responsiveness, and thus produces rising frustration and hardship among citizens, who are then more likely to accept (or even demand) hard-handed and illiberal tactics. Those tactics shift the blame for economic insecurity and political decline onto immigrants or other minority groups, and onto economic and political elites, who must, the theory goes, be dealt with swiftly and decisively. The rule of law and liberal values of tolerance and human dignity then become obstacles to needed change. For a more general discussion of values, see Module 2 of the UNODC Module Series on Integrity and Ethics.

¹⁵ Available at www.nzherald.co.nz/world/news/article.cfm?c_id=2&objectid=12108804

¹⁶ Available at <https://mexiconewsdaily.com/news/buildings-fell-during-earthquake-due-to-corruption/>

¹⁷ Available at www.unodc.org/ji/en/resdb/

¹⁸ More information available at www.transparency.org/news

¹⁹ See, e.g., blog post from 2017 by Balisacan <https://globalanticorruptionblog.com>

Organized crime and terrorism

Nefarious elements in society thrive as proceeds can be laundered, funding disguised, and judicial officials and politicians corrupted through bribes (including gifts, favours and other benefits). Levels of violence, illegal drugs, prostitution, sexual slavery, kidnapping and intimidation rise accordingly. The causal arrow goes in both directions. Not only does organized crime cause corruption, but opportunities for corruption left open by a weak, negligent or incapable State can also lead to organized crime. For a further discussion about the corruption–organized crime nexus, see Module 11 of the UNODC Module Series on Anti-Corruption and Module 4 of the UNODC Module Series on Organized Crime.

Diminished state capacity

Even if citizens were to adamantly demand that the problems listed above be addressed, corruption undermines the power of politics. For example, to the extent that bribery, trading in influence and state capture are widespread, political systems become incapable of addressing social problems whose resolution would threaten vested interests. Naturally, this is never acknowledged as such from within – state incapacity may manifest in a great many distracting and misleading ways, such as wedge issues, political party restructuring, the emergence of scandals and overwhelming outside issues that detract from structural problems, and so on. Under conditions of state capture, political arbitrage can be expected to occur in a highly strategic fashion. Issues will be played off against each other in order to frustrate systemic reforms. Moreover, as Della Porta and Vannucci (2005) argue, corruption compromises the ethos of public service and changes political culture so as to render meaningful, public-spirited reforms virtually unthinkable.

Increasing polarization and unrest

When corruption, in particular state capture, becomes the norm, this can lead to polarization among citizens: those in support of corrupt regimes (because of kickbacks and handouts) versus those opposed to them. In the presence of diametrically opposed groups in society, compromise and reasoned discussion diminish. Policy is judged not on the basis of ideology or a project's inherent merits, but on who the policy proponents are and what benefits competing networks can reap.

Climate change and damage to biodiversity

Corruption derails anti-climate change funding and initiatives, defeats forest conservation and sustainable forest management programmes, and fuels wildlife and fishery crimes (for more information, see the UNODC Module Series on Wildlife, Forest and Fisheries Crime). These and other adverse effects of corruption on climate change and the environment are underscored in a TI report²⁰ from 2011 and additional TI publications. On a broader level, the book *This Changes Everything*²¹ by Naomi Klein (2014) details how state capture by monied interests has derailed legislative efforts to address climate change in the United States. Her analysis applies to many countries around the world, given the power of the fossil fuels and automotive industries over governments – elected and unelected – across the globe. The perilous impact of corruption on the fisheries sector is discussed in detail in the publication *Rotten Fish*²² (UNODC, 2019), while the report *Authorized to Steal*²³ (CIEL, 2019) reveals how corruption enables criminal networks to illegally harvest timber in Peru.

²⁰ Available at www.transparency.org/whatwedo/publication/global_corruption_report_climate_change

²¹ Available at <https://thischangeseverything.org/>

²² Available at www.unodc.org/documents/Rotten_Fish.pdf

²³ Available at www.ciel.org/reports/authorized-to-steal/

Human rights violations

The observation that corrupt rulers tend to view civil liberties as obstacles to the consolidation of power can be traced back to many historical sources, including the collection of eighteenth century essays on corruption and tyranny known as Cato's Letters. Most recently of all, perhaps, the United Nations Office of the High Commission for Human Rights (OHCHR) has noted significant connections between corruption and human rights violations²⁴. Not only do those who report and oppose corruption end up on the receiving end of assassinations and human rights violations of many kinds, but also corruption itself decreases State capacity to address violations of civil and political rights and to make the necessary provisions to guarantee such rights, including socioeconomic rights, which often require complex initiatives on the part of governments. OHCHR calls corruption “a structural obstacle to the enjoyment of human rights” and has detailed many intersections between these two areas. For a further discussion and academic references on the corruption–human rights nexus, see Module 7 of the UNODC Module Series on Anti-Corruption.

Armed conflict and atrocity crimes

The diminished State capacity and development, brought about by corruption, can lead to insecurity and even armed conflict (see, e.g., World Bank, 2011; World Bank, 2017). Indeed, corruption has been recognized as a destabilizing factor and ultimately a “driver of conflict” (USIP, 2010, p. 7). Although the causal link between corruption and atrocity crimes (including genocide, war crimes and crimes against humanity) may be hard to prove, transitional justice mechanisms have identified corruption as a root cause of conflict and atrocity. See, for example the Sierra Leone Truth and Reconciliation Commission Report²⁵ (2004, chap. 2, para. 13) and the Liberian Truth and Reconciliation Commission Consolidated Final Report²⁶ (2009, vol. II, pp. 16–17). In post-Arab Spring Tunisia, corruption was recognized as a root cause of the conflict even before the transitional justice mechanism operated. Thus, Tunisia's Law on Transitional Justice²⁷ from 2013 and the Truth and Dignity Commission (Instance Vérité et Dignité or IVD) that was created by the law were intended to establish accountability for the country's legacy of rampant corruption and human rights violations and to help reform the institutions that engaged in such crimes. Another relevant example is a 2018 report²⁸ from the Open Society Justice Initiative, which offers evidence linking corruption to crimes against humanity in Mexico. For a further discussion and academic references about the corruption–conflict nexus, see Module 11 of the UNODC Module Series on Anti-Corruption.

Public frustration and cynicism

People lose trust in leaders, in social systems (public institutions) and sometimes even in society and ethics itself when they sense that corruption is widespread and corrupt actors are not being held accountable. When political non-accountability increases, such perceptions persist for protracted periods and political participation diminishes.

²⁴ Available at www.ohchr.org/EN/Issues/CorruptionAndHR/Pages/CorruptionAndHRIndex.aspx

²⁵ Available at www.sierraleonetr.com

²⁶ Available at <https://web.archive.org/web/20170515033212/http://trcofliberia.org/>

²⁷ Available at www.ilo.org/dyn/natlex/docs/SERIAL/95319/112171/F-313159060/TUN-95319.pdf

²⁸ Available at www.opensocietyfoundations.org/sites/default/files/corruption-that-kills-en-20180502.pdf

Moreover, public frustration and the sense that corruption is widespread can in turn pave the way for citizens themselves to take part in corrupt transactions, as discussed in a blog post on the Taxi Driver Paradox²⁹. In other words, social norms could encourage corrupt behaviour as people tend to think that “if everybody is doing it, I might as well do it too.” (Köbis, 2018). Failure to meet public expectations for zero-tolerance of corruption may have deleterious consequences for the legitimacy of State institutions and the very utility of formal norms that citizens and firms are expected to follow, possibly resulting in higher public tolerance of un-civic and free-riding behaviour.

The effects of corruption mentioned above can be categorized along the following lines: economic, political, moral or psychological, humanitarian, ecological, security-related, and so on. To help us gain a better understanding of corruption, the following section discusses some of the deeper meanings of corruption.

> Deeper meanings of corruption

By taking stock of many different understandings of corruption, we can develop an integrated awareness and a fuller understanding of the phenomenon. In what follows, some useful understandings of corruption are discussed.

Moral character and civic virtue

One basic way in which corruption has been understood is as a trait of character or a vice. This encompasses character traits, such as greed, disloyalty, squandering, envy and self-indulgence. These may be personal vices affecting professional performance in public office. These vices may acquire wider public and political relevance when they have corrosive or distorting effects which influence social institutions or the social order (for an overview, see Miller, 2004). Consider this exchange between the Ancient Greek philosopher Socrates and one of his interlocutors, Adeimantus, found in Plato's Republic (381 BC):

Socrates: Surely, when wealth and the wealthy are honoured in the city, virtue and the good men are less honourable.

Adeimantus: Plainly.

Socrates: Surely, what happens to be honoured is practiced, and what is without honour is neglected.

Laying the bases for modern-day concerns over plutocratic and kleptocratic rule, the Ancient Greeks used the word “oligarchy” to refer to a system of rule by the few for the purpose of moneymaking (Kuhner, 2016, p. 2464). A key connotation of such terminology is that of a transformation from a relatively fair set of political practices to an unjust and impure one.

²⁹ Available at <https://globalanticorruptionblog.com/2018/06/20/guest-post-the-taxi-driver-paradox-or-how-descriptive-social-norms-shape-corrupt-behavior/>

Surveying the various Greek words commonly translated as “corruption”, Arlene Saxonhouse (2004, p. 31) notes that “[a]ll imply the loss of some integrity, the loss of form, and suggest the process of change that such loss entails”. In that objective, value-free sense, corruption describes the deterioration of one thing and its replacement with another thing; but that dynamic process need not necessarily be negative or undesirable. Socrates, while steadfastly convinced of the logic and value of his reasoning, was accused of corrupting the youth of Athens. To find that his teachings were an assault on his students’ virtue, a particular notion of virtue must be posited, which is necessarily subjective. As Saxonhouse (2004, p. 35) notes, Athenians understood virtue to be a function of fidelity to their own traditions and customs. Socrates sealed his own fate by admitting to contradicting that version of virtue by teaching the importance of the soul over the importance of the body, reputation or wealth. The case of Socrates exemplifies how, depending on the circumstances, what is deemed as “corruption” could be well justified. Did Mahatma Gandhi corrupt his countrymen by turning them against British imperialism? The analysis hinges on whether the values or social system being undermined and transformed were right to begin with – if they were wrong, there is surely a clear argument for challenging them. This is analogous to cases of civil disobedience.

Another relevant text to consider is a famous essay on civil disobedience by the nineteenth-century American Henry David Thoreau. Thoreau went to jail for refusing to pay taxes during the Mexican–American War, convinced – rightly it would seem – that his tax dollars would have gone to support the United States government’s campaign to expand slavery. In this case, breaking the law was the most ethical thing to do and Thoreau felt obligated to follow the dictates of his own conscience over the requirements of the law. Similarly, the “corruption” of the youth by Socrates in reality instilled in them superior critical thinking skills and a normatively appealing attention to their own souls, rather than concentrating on riches, bodily urges and reputation.

Substantively speaking, classical views of corruption tended to associate corruption with the idea of loss of integrity or deviance from the proper purposes. Prominently in the work of Machiavelli, the emphasis is on corruption as the decline of civic virtue at the hands of self-interest and greed, meaning the triumph of private interest over the public good. The concern over civic virtues was taken up by the “republican revisionism” or “civic humanism” of such mid- to late twentieth century writers as Bernard Bailyn, Gordon Wood and J.A. Pocock (for a discussion of these approaches, see Burt, 2004, p. 103–107). More recently, however, Thompson (1995) and Lessig (2018) have developed an “institutionalist” view of political corruption. While corruption can occur on an individual level, involving problematic personal gains in breach of personal morality or professional ethics, corruption can also acquire an institutional dimension when the institutions themselves are structured in a way that makes them deviate from their original purpose. A paradigmatic example is private financing of political campaigns in the United States. As explained by Ceva and Ferretti (2017, p. 3):

In the USA, candidates that run for elections are allowed to receive financial support from such a diverse set of private sources as ordinary citizens, private corporations, and either cultural or religious groups. It may thus happen that, once elected, a politician who has received financial support from, say, a private company pushes forward some regulation that aims at reducing the fiscal pressure in the area where this company operates.

Thus, even if candidates do not act illegally on the individual level, it is clear that the practice of private donation is susceptible to political corruption. It can thus be argued that the institution of democratic elections is corrupt since “[t]he institutionalised practice of receiving private funds for electoral campaigns makes the institution of democratic elections depend on ... the arbitrary influence of financial powers” (Ceva and Ferretti, 2017, p. 3). The institutionalist approach accordingly suggests that in the study of corruption we should focus on the “bad barrel” (distorting institutional practices and mechanisms) rather than concentrating on the “bad apples” (individual misbehaviour).

Surveying a host of historical sources, Underkuffler (2013) notes that corruption involves “self-involvement, self-indulgence, and the loosening and discarding of the restraints of social bonds”. Beyond its effect on individual character and morality, Underkuffler ties corruption to “corrosive, distorting, and decomposing forces” that undermine the social order. For example, she writes that “[t]he corrupt politician does not simply threaten particular individuals ... his existence threatens the entire governmental system of reliance, trust, and the rule of law of which he is a part” (Underkuffler, 2013, p. 6). Here, the moral understanding of corruption intersects with a political understanding.

Political

Political corruption refers generally to the corruption of public institutions and public officials. Some cases of political corruption affect the electoral process, including vote-buying, and election-rigging, but there are also more subtle forms of improper influence, such as the already mentioned private financing of electoral campaigns. For example, a United States Agency for International Development (USAID) global report concluded that “[p]ayback of campaign debts in the form of political favours breeds a type of corruption that is commonly encountered around the world” (USAID, 2003, p. 7). In the same vein, Susan Rose-Ackerman (2010a) adopts a “democratic legitimacy” approach to corruption. Under this conception, corruption “substitutes the criterion of willingness-to-pay for criteria based on desert, need, efficiency, and other values”. Karl-Heinz Nassmacher’s (2009) definition of corruption is based on the same basic assumption: that economic criteria for allocating resources (ability and willingness to pay) should be kept separate from democratic criteria for political outcomes (votes, arguments on the merits, public opinion, etc.). He defines corruption as “the clandestine exchange between two markets, the political or administrative market and the economic or social market” (Nassmacher, 2009, p. 21). In their empirical study of corruption among candidates for political office in India, Banerjee and Pande (2009) found a high correlation between political corruption and “voter ethnicization” (voter preference for the party representing their ethnic group). Johnston (2005) describes how such exchanges can become a syndrome of corruption he calls “influence market corruption”. This pattern of corruption “revolves around the use of wealth to seek influence within strong political and administrative institutions – often, with politicians putting their own access out for rent”. For a further discussion of this topic, see Module 3 of the UNODC Module Series on Anti-Corruption.

Once influence markets are widespread and powerful, they fundamentally alter the political system, as indicated by Nassmacher’s distinction between democracy and plutocracy: “Whereas democracy is a political system based on equal participation by the multitude, plutocracy is a system dominated by the riches of an affluent minority” (Nassmacher, 2009, p. 239). This embodies a situation in which corrupt actors obtain political power and then proceed to change the rules of the game to benefit themselves and disadvantage their economic and political opponents.

Addressing the risk of influence markets in the financing of political campaigns, political parties and political advertisements, a number of high courts – including the United States Supreme Court, the Supreme Court of Canada, the European Court of Human Rights, and the Supreme Federal Court of Brazil – have debated the constitutionality of political finance regulations and expressed concern over the political power of wealth. One example is a United States Supreme Court decision from 2003 that addressed the constitutionality of a federal law (the McCain-Feingold campaign finance law) which regulates political party finance. After considering the evidence, the Supreme Court found that “there is substantial evidence ... that large soft-money contributions to national political parties give rise to corruption and the appearance of corruption”. It accordingly upheld the contested federal law. See *McConnell v. Federal Election Commission*, 540 U.S. 93 (2003). Excerpts of the decision are available in this New York Times article *The Trojan Horse Affair*³⁰. It is recalled in this context that according to the institutionalist view of political corruption, institutions themselves are corrupt when they are structured in a way that makes them deviate from their original purpose (see discussion in previous point above).

In his work on corruption in democracy, Mark Warren (2004) refocuses the attention from legalistic conceptions of corruption as violations of established rules to corruption in the processes of contestation through which common purposes, norms, and rules are created. Corruption in a democracy usually indicates a deficit of democracy and a violation of the rules of inclusion and political equality.

Economic

Nobel laureate Gary Becker’s 1968 understanding of criminal activity gives students a different worldview to contemplate: “A person commits an offense if the expected utility to him exceeds the utility he could get by using his time and other resources at other activities. Some people become ‘criminals’, therefore, not because their basic motivation differs from that of other persons, but because their benefits and costs differ” (Della Porta and Vannucci, 2005, p. 2). The economic focus shifts attention to such considerations of costs and benefits, with costs being a function of the odds of being caught and the severity of penalties inflicted.

From a cost–benefit standpoint or a libertarian perspective, bribery, facilitation payments and trading in influence may be seen as justifiable attempts to evade (or at least navigate) inefficient and burdensome regulations. For example, Arnone and Borlini (2014) describe research going back to the 1960s suggesting that corruption could “grease the wheels of commerce, thus reducing transaction costs and lowering the cost of capital.” From this point of view, bribes could be seen as diminishing the social and economic costs of regulations “by directing scarce resources toward higher bidders” (Arnone and Borlini, 2014, p. 15). Economic justifications for corruption can be derived from these lines of reasoning.

Another economic perspective emphasizes the role of “moral costs” in the overall cost–benefit equation facing rational actors poised to commit corrupt acts. Here economics meets morality as internalized beliefs compromised by corrupt conduct are factored into each actor’s cost–benefit analysis in the form of decreased utility, e.g. by feeling guilty.

³⁰ Available at www.nytimes.com/interactive/2022/podcasts/trojan-horse-affair.html?channel=display&areas=banner&campaign=TrojanHorse

Thus, although corrupt individuals may benefit from bribes, they suffer the moral cost of compromising personal, organizational or political value systems, the observance of which enhanced their psychological or social well-being (Della Porta and Vannucci, 2005, p. 2). Both authors warn, however, that as corruption becomes more widespread, its moral costs decrease as members of the political and business classes are socialized into corruption.

Others, including Rose-Ackerman and Stiglitz, have also elaborated upon the economic dimensions of corruption. Stiglitz (2002), for example, has assailed privatization and the “market fundamentalism” at the heart of economic globalization, stating: “Perhaps the most serious concern with privatization, as it has so often been practiced, is corruption.” He claims that “the rigged privatization process was designed to maximize the amount government ministers could appropriate for themselves not the amount that would accrue to the government’s treasury, let alone the overall efficiency of the economy” (Stiglitz, 2002, p. 58). Rose-Ackerman’s approach, elaborated upon between 1978 and 2010, focuses on individual incentives and the need for redesigning institutions in order to affect the costs and benefits involved in corrupt behaviour³¹ Other parts of the economic literature on corruption address the negative externalities of corruption and the experimental evidence for the underlying motivations of corruption (Wantchekon and Serra, 2012).

Cultural

In the literature on corruption, culture has been defined in terms of “the dominant beliefs, attitudes, and behaviour in a given society” (Holmes, 2015, p. 4). Some scholars who are especially attentive to cultural variations consider Western anti-corruption norms to be ethnocentric and even a source of cultural imperialism. Their key claim is that payments, gifts and favours play a legitimate role in the social fabric of many cultures, even when they are assailed in Western societies as corrupt. While there is certainly some truth to cultural understandings of corruption, it is important to be vigilant of their use (or co-option) by self-serving actors as justifications for elites or outside interests to impose their will upon the people or upon local cultures. Rose-Ackerman and Palifka (2016) note that some cultural anthropologists “refuse to label transactions as corrupt if they are based on affective ties, or they claim that, even if formally illegal, the practices are socially acceptable, economically beneficial, and compensate for the imperfections of government and of electoral institutions”. The baseline values would centre on personal relationships, family or ethnic loyalty, reciprocity, and trust. Impersonal economic and political norms and professionalized bureaucracies have not fully spread around the world – and where they have spread, they have not been implemented with the same degree of success. This line of argument resembles in many ways moral relativism claims and the challenge they pose to universal values. For a further discussion on universal values that transcend particular national, cultural and religious traditions, see Module 2 of the UNODC Module Series on Integrity and Ethics. It is noted in this context that culture is not only state-based; it can be regional and sub-regional as well as organizational. For a discussion on organizational culture and its impact on ethics and anti-corruption, see Module 7 of the UNODC Module Series on Integrity and Ethics.

³¹ Available at www.ssoar.info/ssoar/bitstream/handle/document/36878/ssoar-2010-rose-ackerman-The_institutional_economics_of_corruption.pdf?sequence=1

> Measuring corruption

Although not the main focus of this Module, the subject of measuring corruption is closely related to the discussions so far. Attempts to measure corruption are intended to reveal the nature and impact of corruption, and are necessary for developing anti-corruption responses. Measurements of corruption can be used to identify trends and illustrate the scale and scope of particular types of corruption. They can help policymakers, analysts and scholars to develop tools to reduce corruption effectively. For a further discussion on the importance of measuring corruption, see *National Anti-Corruption Strategies: A Practical Guide for Development and Implementation* (UNODC, 2015, chapter II)³².

While measuring corruption is essential, it is also a challenging task. As discussed below, there are different methods for measuring corruption and each has its own merits and drawbacks. Furthermore, each method is designed to detect certain things and ignore others. To appreciate the strengths and weaknesses of measurement methodologies, one must ask what exactly each methodology is claiming to measure and how its parameters are phrased and constructed? The latter part of the question goes to what each index or ranking is actually measuring, as opposed to what it claims to measure. Before discussing the pros and cons of different measurement methods, we must have an idea of what these methodologies are. There is a growing body of academic literature that compares and critiques the different approaches to measuring corruption (see, e.g., Holmes, 2015; Graycar and Prenzler, 2013; Schwickerath, Varraich and Lee-Smith, 2017). As a basic framework, Holmes (2015) divides the various types of measurements into three categories: official statistics, perception surveys, and experience-based surveys.

The different approaches to measuring corruption are discussed in detail in the *Manual on Corruption Surveys*³³ (UNODC, UNDP and UNODC-INEGI, 2018, pp. 20-29). The Manual was developed to provide guidance on monitoring progress towards achieving target 16.5 of the SDGs, which calls on States to “[s]ubstantially reduce corruption and bribery in all their forms”. The Manual stresses that experience-based and contextualized country-based measurement methods are far more precise than indirect or composite methods, or those that attempt to produce international rankings. The Manual classifies the various approaches to corruption measurement into direct and indirect methods as follows:

- Direct methods of measuring corruption aim at collecting evidence-based information on corruption through statistical and standardized procedures. They measure actual experiences of corruption, rather than perceptions of corruption, and can include official data (such as reported cases of corruption, conviction figures, electoral scrutiny findings) and experience-based sample surveys (which collect data on the experience of representative samples of a given population).

³² Available at www.unodc.org

³³ Ibid.

- Indirect methods of measuring corruption do not gauge the actual occurrence of corruption, but are rather based on perceived levels of corruption. They are often used because actual occurrences of corruption are difficult to measure. Indirect methods can be based on expert assessments (where selected experts are asked to assess corruption trends and patterns in a given country or group of countries) or other types of surveys that focus on perceived levels of corruption rather than on actual levels. They are sometimes composite measurements or “surveys of surveys” combining a variety of statistical data into a single indicator.

The indirect methods are usually based on subjective opinions and perceptions of levels of corruption among citizens, business representatives, civil servants or other stakeholders in a given country. While perception surveys can be useful tools to advocate internationally for the fight against corruption, they cannot be used as a proxy for actual levels of corruption. After all, people’s opinions are affected by many factors, and their views on corruption may not be primarily informed by actual experience of corruption (Johnston, 2002; Olken, 2009). As shown by Byrne, Arnold and Nagano, “[w]hen perception-based and experience-based surveys have been compared, vast discrepancies have been found between people’s perceptions and people’s actual experience of the extent of corruption in a given country” (2010, p. 20). Another critique to the perception-based methods is that they can be influenced by the work of anti-corruption bodies. Active anti-corruption agencies may reduce corruption in reality, even though the headlines they generate about new corruption cases may drive perception-based indicators upwards. Moreover, despite their lack of accuracy, the media around the annual release of perception-based measurements can chase away investors and donors and thus have a detrimental effect on a country’s economic development and capacity to fight poverty (this is further discussed in Byrne, Arnold and Nagano, 2010, pp. 19-20).

Composite indices could, in principle, derive from experience-based indicators. However, most of them use expert assessments and perception surveys as their primary sources of data. Therefore, the Manual on Corruption Surveys warns about their weaknesses in terms of validity and relevance as they are “based on a number of subjective assumptions, such as the selection of variables or sources and the determination of the algorithm used to combine heterogeneous data” (UNODC, UNDP and UNODC-INEGI, 2018, p. 21). The most widely known perception-based composite index is the Corruption Perceptions Index (CPI) of Transparency International (TI)³⁴, which lists countries along a continuum of perceived levels of corruption. It is a composite index of 13 other indices from 12 organizations. Its use of data from other expert assessments and perception surveys raises questions about biases in its methodology (Donchev and Ujhelyi, 2014; Knack, 2007). The CPI has also received criticism owing to its exclusion of ordinary citizens and victims of corruption from its pool of respondents (Graycar and Prenzler, 2013, p. 15). Moreover, some of the expert assessments on which it relies are based on interviews with stakeholders that are not from the state in question, such as a European businessman being asked about corruption in an African country. More detailed discussions on these and additional critiques of the CPI are available in Thompson and Shah (2005) and in the Manual on Corruption Surveys (UNODC, UNDP and UNODC-INEGI, 2018). It is noted that TI also developed a corruption survey that combines perception-based and experience-based questions regarding the prevalence of bribery, namely the Global Corruption Barometer³⁵, which has also received criticism.

³⁴ More information available at www.transparency.org

³⁵ Ibid.

An interesting type of composite index, which relies on proxy indicators such as judicial independence and freedom of the press, is the Index of Public Integrity (IPI)³⁶. The IPI aims to give an objective and comprehensive picture of the state of control of corruption in over a hundred countries. The index is based on evaluating a set of six components (judicial independence, administrative burden, trade openness, budget transparency, e-citizenship and freedom of the press) that help to clarify the institutional framework which empowers public integrity. While this index is not based on perceptions, it provides more of a risk assessment than a measure of the actual level of corruption.

Additional examples of composite indices that rely on proxy indicators are the Control of Corruption Indicator³⁷ of the World Bank Governance Indicators³⁸, the Bertelsmann Stiftung's Sustainable Government Indicators³⁹, and consulting firms' corruption scores such as PRS Group's International Country Risk Guide⁴⁰.

The idea of country ranking has also been challenged. Certain countries, such as New Zealand and Singapore, often score best on such rankings. Similarly, there is a fair degree of repetition in terms of the countries ranked as most corrupt – typically the poorest and those most affected by conflict and natural disasters. Yet, such rankings could be misleading because they do not provide a full picture. For example, they ignore the fact that the biggest bribe payers in the countries at the bottom of those indices are often multinational companies coming from the top ranked countries. As of July 2019, statistics show that 8 of the top 10 cases⁴¹ that resulted in settlements and fines under the USA's Foreign Corrupt Practices Act (FCPA) involved companies based in the least corrupt countries according to the CPI (Cassin, 2019). With respect to the vast majority of countries occupying the middle ground between these two extremes, methodology can make a significant difference as to a country's relative standing. Country rankings therefore raise important questions: What explains different levels and different types of corruption in countries across the world? Is it a function of political systems, culture, size and homogeneity of the population, history and stage of development, legal systems (or anti-corruption legal frameworks in particular), economic systems, natural resources, or some combination thereof, or some other set of factors? Should countries be considered corrupt if their citizens or legal entities engage in corrupt practices abroad? Depending on the diagnosis, what would the solutions to corruption be?

Turning to the direct methods, such as official data and experience-based sample surveys, the Manual on Corruption Surveys considers them as “the most reliable approach to producing the detailed information on corruption necessary for policymaking purposes (e.g., identifying corruption-prone areas, procedures or positions at risk, or monitoring trends over time)”. The Manual cautions, however, against relying exclusively on official data regarding reported cases, as many victims do not report corruption. Official data may capture something other than corruption, such as how efficient the judicial system is, and, at best, give a minimum idea of corruption in the country at hand. Instead, the Manual recommends using surveys that collect data on the experience of representative samples of a given population. The Manual furthermore offers a methodology for measuring the prevalence of bribery through experience-based sample surveys.

³⁶ Available at <https://integrity-index.org/>

³⁷ More information available at www.worldbank.org

³⁸ Ibid.

³⁹ Available at www.sgi-network.org/2018/

⁴⁰ Available at www.prsgroup.com/explore-our-products/international-country-risk-guide/

⁴¹ Available at www.fcpablog.com/blog/2018/6/7/socgen-replaces-total-sa-on-the-top-ten-list.html

The experience-based surveys attempt to measure actual personal experience of corruption by, for example, asking citizens or businesses if they have paid a bribe or were involved in other forms of corruption. Such a method is useful for overcoming under-reporting problems of official statistics and allows comparability of data and disaggregation of information for different population groups. At the same time, while a potentially rich source of information, sample surveys focused on bribery are not well calibrated to discover grand corruption or embezzlement. Few citizens come into contact with high-level officials and those who participate in corrupt schemes with such officials are unlikely to report them, even anonymously.

Conducted in the 1990s, the first sample surveys on corruption mainly targeted the perception of corrupt behaviours, but were eventually broadened to include the measurement of the experience of bribery. The International Crime Victims Survey⁴², one of the best-known sample surveys measuring direct experience of crime in different countries, includes a focus on measuring bribery experiences among the population. The World Bank's Enterprise Surveys⁴³ and Business Environment and Enterprise Performance Survey⁴⁴ (BEEPS) are considered the largest firm-level survey data on experiences of bribery. Another development was the inclusion of Governance Modules⁴⁵ in the 1-2-3 Surveys targeted at citizens of West African capitals and Andean countries' surveys.

To the measurement methods above, we can add the more recent experimental approaches to measuring corruption, which have gained popularity both in the field and in the lab. Creative designs in field studies have allowed assessing corruption, for example, by observing missing public expenditures (Olken, 2007). Zooming in on the behaviour of individuals, lab research has used a wide array of corruption games that model features of corrupt behaviour (Wantchekon and Serra, 2012). The decisions by participants engaging in these games have enabled causal insights into the micro-drivers of corruption (Köbis and others, 2019). It is also worth considering Internet- and social media-based measurements. While not a survey, Internet and social media platforms have been used to allow people to report on their experiences with corruption. In India, I Paid a Bribe.com⁴⁶ allows for self-reporting of bribes paid and information about the bribe. On April 2019, the site contained 177,384 reports from 1,073 cities around India. The site is a statistical treasure trove and provides extensive reports on everyday corruption for researchers and the public.

Other methods of measuring corruption include public expenditure tracking surveys (Messick, 2015); focus groups involving dialogues between ordinary people; the Delphi method⁴⁷ featuring opinions from researchers and experts; interviews of police officers, journalists, judges, and anti-corruption NGOs; content analysis of newspaper articles or NGO reports over a particular time span; statistical analysis of actual cases of corruption; and the proxy approach, which measures not corruption but the efforts being undertaken to combat it as an indication of how seriously political elites and active citizens take corruption.

⁴² Available at <https://wp.unil.ch/icvs/>

⁴³ Available at www.enterprisesurveys.org/

⁴⁴ Available at <https://ebrd-beeps.com/methodology/>

⁴⁵ Available at <http://en-dial.ird.fr/content/view/full/52830>

⁴⁶ See www.ipaidabribe.com/#gsc.tab=0

⁴⁷ Available at www.investopedia.com/terms/d/delphi-method.asp

The auditing of governments and corporations is another method for measuring corruption (for a related discussion see this short clip on corruption measurements based on audits⁴⁸ (11 minutes). Additional surveys that are worth mentioning are the Global Competitiveness Index⁴⁹ of the World Economic Forum, Latinobarometro⁵⁰, Eurobarometer⁵¹, Afrobarometer⁵², and World Values Survey⁵³. These surveys are broader in scope but include questions about corruption, enabling rich analysis of the relationship of corruption to other variables, such as attitudes toward democracy (see, e.g., Canache and Allison, 2005).

Each type of measurement has its own limitations. Corruption is, by its nature, a secretive activity that is often not in the self-interest of participants to report. Thus, self-reporting may not be honest, even in an anonymous format, because those involved may prefer to avoid drawing attention to and attracting scrutiny of their areas of corrupt activity. The amount of corruption that is uncovered by journalists and law enforcement agencies may not bear any stable relationship to the total amount of corruption in existence. Documented cases could represent the proverbial tip of the iceberg or a healthy percentage of the total sum, depending on the sophistication of the actors involved and the strength of the monitoring and enforcement efforts in play in the jurisdiction in question. Such data can even lead to misrepresentation about who is corrupt – for example, politically motivated allegations with no factual grounding published in state-controlled media and tried by judges for hire. Allegations of corruption may be a way for unsuccessful parties to save face and avoid responsibility for failure. They may also be politically charged in the sense of opposition parties and dissatisfied citizens having a natural human motivation to discredit adversaries, suspect the worst about those who oppose them or who have simply failed to take them into account. Moreover, as noted above, the perceptions of ordinary citizens, government officials and economic actors need not be especially accurate either. Finally, measurements of corruption are particularly sensitive to the definitions of corruption employed. For example, if political corruption is narrowly defined as a quid pro quo, involving the exchange of a tangible item of value for a particular political action or omission, the level of corruption in effect would be clearly lower than if corruption was defined more broadly in terms of trading in influence, undue influence of party and campaign donors, or the dependence of parties and candidates on such donors.

One lesson that emerges from diverse efforts to measure corruption is that those who read such content must make every effort to employ their critical thinking skills. Another lesson is that experience-based corruption measurements provide more valuable information than the perception-based tools. They provide systematic and comprehensive evidence which we may use as a basis for further investigation or policymaking purposes. A third lesson is that considering a variety of corruption measurements instead of just one or two certainly provides a better basis for approximating the truth. Finally, given the negative impact of corruption on most of humanity's concerns, it is also important to contemplate what lies at the opposite end of the spectrum. What positive goals are bound up in the struggle against corruption? Of particular relevance are notions of integrity (including personal, political, economic and organizational integrity), virtue, justice, peace, prosperity, citizen empowerment and satisfaction, and, ultimately, human flourishing.

⁴⁸ Available at https://youtu.be/_zHfRqKvHvc

⁴⁹ Available at www.weforum.org/reports/the-global-competitiveness-report-2017-2018

⁵⁰ Available at www.latinobarometro.org/lat.jsp

⁵¹ Available at www.gesis.org/eurobarometer-data-service/home/

⁵² Available at www.afrobarometer.org/

⁵³ Available at www.worldvaluessurvey.org/wvs.jsp

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Exercises

This section contains suggestions for in-class and pre-class educational exercises, while a post-class assignment for assessing student understanding of the Module is suggested in a separate section.

The exercises in this section are most appropriate for classes of up to 50 students, where students can be easily organized into small groups in which they discuss cases or conduct activities before group representatives provide feedback to the entire class. Although it is possible to have the same small group structure in large classes comprising a few hundred students, it is more challenging and the lecturer might wish to adapt facilitation techniques to ensure sufficient time for group discussions as well as providing feedback to the entire class. The easiest way to deal with the requirement for small group discussion in a large class is to ask students to discuss the issues with the four or five students sitting closest to them. Given time limitations, not all groups will be able to provide feedback in each exercise. It is recommended that the lecturer makes random selections and tries to ensure that all groups get the opportunity to provide feedback at least once during the session. If time permits, the lecturer could facilitate a discussion in plenary after each group has provided feedback.

All exercises in this section are appropriate for both graduate and undergraduate students. However, as students' prior knowledge and exposure to these issues vary widely, decisions about the appropriateness of exercises should be based on their educational and social context. The lecturer is encouraged to relate and connect each exercise to the key issues of the Module.

It is recommended that lecturers begin building a conducive and sympathetic environment at the start of class and before conducting the very first exercise. This can be done by breaking the ice in a supportive way, by respectfully examining students' starting orientations to corruption, and by demonstrating genuine interest in their perspectives. Once students come to see the lecturer as respectful, genuinely interested in their orientation to the material, and consistent in policing any snide or unsupportive comments by class members, that safe environment will enable effective learning and development.

> **Exercise 1: My story**

Ask the students to take five minutes in silence to reflect upon a simple question: How has corruption affected you or someone you know? Once you have decided on an anecdote to share, please jot down on paper three things: first, the basics of what you wish to share with the class; second, how your real-life example of corruption affected you or your acquaintance; and third, upon reflection, what is corrupt or corrupting about the example you have described.

Lecturer guidelines

This exercise can be conducted after the initial lecture and discussion about how to define corruption in general. Because this exercise gives students a chance to reflect on how corruption has affected them or someone they know, its most natural place lies right before the conversation about corruption's effects. The last part of the instructions is important, because students sometimes forget what they wanted to say after hearing compelling stories from other class members.

Beyond the potential for students' anecdotes to inspire others and "raise the stakes" in terms of painting corruption as something that affects people personally everywhere, this exercise ought to help the lecturer begin a conversation about corruption's different types of impact. Most of the students' anecdotes will be personal of course (not systemic), but if any such anecdote (such as being extorted by police officers or paying small bribes to government officials in order to go about one's life or business plans) can provide the basis for a discussion of systemic effects, because it is rare to hear of an isolated incident regarding corruption. Most incidents are actually reflections of structural realities affecting many people and organizations. In any case, the lecturer should begin to relate each anecdote to a particular category of effects, as listed in the section "Effects of corruption". Beyond relating the personal to the systemic, the lecturer should endeavour to ask students follow-up questions about how the example of corruption they gave made them feel and how it affected them. This often takes some gentle nudging and, certainly, a "safe environment" for sharing personal stories.

> **Exercise 2: "I am corruption" –where do you stand?**

After introducing the topics of the Module, walk into the middle of the room and announce: "I am corruption. Now, on the basis of me being the actual embodiment of corruption, I want you all to get up from your seats and arrange yourselves accordingly. Please proceed to whatever part of the room you wish. And then please stay put and remain silent."

Students will likely hesitate and give each other sideways glances. If they do not react to the instructions as stated above, the lecturer may wish to clarify as follows: "We are conducting an experiment here. You must imagine right now that I am corruption - that corruption is here, now, right where I am standing. On this basis, you must position yourselves wherever you want in the room." Give students a minute or two to position themselves, remind them not to move once they have found their place, and then once everyone has stopped moving, begin the following two-step debrief.

The first step is to ask the class as a whole: "Why have you chosen this particular place in the room?" Usually several hands go up, but if not, the lecturer may simply call on students at random. It is important

to reframe students' responses and ask "is that right?" to give them a chance to fully formulate and confirm their reasons for standing or sitting where they are, and for other members of the class to better process those reasons and begin reflecting on their own. In a class of 15 students or less, it is possible to have an exchange with each student, most of whom will only require 5-30 seconds to give their responses. Students who are called only later, once others have shared their answers, will tend to take less time to give their responses, many simply echoing others who came before.

After exploring several responses to the above question, the second step of the debrief is to ask a number of students to relate their position in the room to their definition of corruption. For example, "Mr./Ms., you mentioned that you are standing far away from corruption in order to escape or keep a safe distance. Why? What are you implying that corruption means or is?" "Mr./Ms., you stated that your close proximity to corruption reflects an interest in courageously standing up to it. But what do you understand it to be? Why is it important to stand up to it?" "Mr./Ms., you chose a position that allows you to critically observe corruption. Why is that important to do? What do you understand corruption to be? Why must it be observed or monitored?"

Lecturer guidelines

This exercise works best in a seminar room where students can easily leave their seats, move around and rearrange themselves as needed. It is designed to allow students to discover their pre-existing orientation to the topic of corruption, as well as their intrinsic, possibly unconscious definitions of corruption. For this exercise to bear fruit, lecturers must not reveal its purpose until the very end.

The first step of the debrief serves the purpose of discovering students' initial orientations to corruption. For example, students standing close to the lecturer may be poised to "tackle" corruption or apprehend offenders. Others close by may simply want to observe the phenomenon in great detail. Those far away, especially those positioned close to doors or windows may be poised to flee or escape corruption. Alternatively, others who are far away may report an interest in gaining a critical distance from corruption and observing it from a more objective or wider vantage point. Those in the middle may be seeking a balance between courage and safety, a sort of middle ground from which to address corruption or observe corruption relatively close up without compromising their safety or objectivity. It is important that the lecturer writes down or commits to memory the gist of students' responses, because the next step in the debrief depends on that. The second step of the debrief will allow students to explore and articulate their own understanding of corruption and its effects.

➤ **Exercise 3: The rise of the super rich**

The lecturer can present to the students a 15-minute TED talk by Chrystia Freeland⁵⁴ on the rise of the super-rich (2013). The video discusses the rise of a new class of plutocrats who are extremely powerful because of their wealth, and it illustrates how crony capitalism promotes favourable laws and outcomes for the wealthy. Following the TED talk, ask each student to write a “minute paper” describing their understanding of the relationship between corruption and wealth. Collect the papers and ask a few students to read their description and use this to facilitate a class discussion.

Lecturer guidelines

This exercise will help students understand the relationship between corruption and wealth, as well as some of corruption's more subtle forms such as cronyism and nepotism. This is a quick, simple but engaging exercise meant to promote critical thinking and class discussion. In case of shortage of time, the lecturer can ask the students to watch the TED talk at home before class, and carry out the rest of the exercise in class.

➤ **Exercise 4: Defining corruption, individually and by consensus**

Ask students to take five minutes to write down on a piece of blank paper a general definition of corruption - a single definition that conveys the entire concept. Once those five minutes are up, either ask students to read and explain the definitions they noted, or to shuffle the anonymous pieces of paper and hand them out to the class at random, asking each class member to read and argue the pros and cons of the definition they received. The lecturer can push back against and gently critique each definition, exposing its limitations and assumptions. The lecturer may wish to then give the students a chance to defend or revise their definition.

Alternatively, asks the students to break up into groups of 3-5. One student must be chosen as a rapporteur to capture the group's final consensus and read it to the class. The instructions are simple: “Please take 10 minutes to work together to arrive at a definition of corruption by consensus. Write down that definition and prepare to explain to the class your reasons for choosing it. If no consensus can be reached, please write down the reasons why this was the case and what different definitions were proposed but rejected by the group.”

Whether the students worked individually or in groups, the lecturer should take notes on each person's or group's definition. On a flipchart, white board or blackboard visible to the entire class, the lecturer should capture key language from a sample of definitions offered by class members. It is appropriate to ask the class how each definition is different from the others, but the discussion works best if conducted by the lecturer.

Lecturer guidelines

This exercise should ideally be conducted towards the end of class as a way of incorporating all the insights gained therein. The lecturer could remind students of their initial orientations towards

⁵⁴ Available at www.ted.com/talks/chrystia_freeland_the_rise_of_the_new_global_super_rich?language=en

corruption, their personal anecdotes, corruption's effects, and a few specific definitions of corruption, such as "the abuse of entrusted power for private gain," "capture by evil," and a list of legal offences, as well as reminding students of the various types of definitions, such as economic, moral, ethnographic, political, and legal. The purpose of this exercise is to expose students to the difficulty of writing and choosing a general definition of corruption - a difficulty that exists even if one is simply choosing a definition to endorse personally, but which is heightened considerably in the group context of consensus-building. This struggle will cause students to critically reflect on corruption's multidimensional, politicized, and subjective nature. And it is hugely helpful in incentivizing the students to critically engage with (and therefore integrate and learn from) the readings addressing the definition and effects of corruption.

One way to facilitate the discussion is to write down several juxtapositions or spectrums that apply to definitions of corruption, such as:

- individual versus systemic
- cultural versus universal
- moral versus economic
- legal shell theory versus normative
- private versus public, and petty versus grand
- deontological versus instrumental or results-based

The lecturer can then work, ideally with collaboration from the students, to situate each definition within these axes, typologies, dichotomies, juxtapositions, or spectrums. If some definition offered by a student does not correspond to any of these, that would be truly remarkable!

Lecturers may wish to emphasize how many of these concepts are not mutually exclusive, and how corruption is a multidimensional, interdisciplinary phenomenon. The moral of the story may be, however, that as multifaceted as corruption may be, there may well be a "right definition" (or better and worse definitions) as a function of the purpose to which each corresponds. The right legal definition could hardly be "capture by evil," for how could that be applied by judges short of conducting a witch trial or spiritual examination? The right moral definition can hardly be bribery, extortion, money-laundering and so on, for those categories respond to types of actions, not the ethics, trade-offs, and values linked to the behaviour in question. The right economic definition can hardly be the undermining of self-governance or representation. There are multiple definitions of corruption because societies, organizations, and individuals come to corruption with different concerns and goals in mind. As illustrated in the subsequent Modules on Anti-Corruption, our starting points - whether those of good governance, politics, public sector, private sector, detection and investigation, human rights, gender, education, citizen participation, peace and security, international anti-corruption initiatives, national anti-corruption frameworks, and the transition from a focus on anti-corruption compliance to a focus on building integrity - all invoke different concepts and reasoning in addressing different concerns.

In discussing the meanings of corruption, lecturers may wish to push back against the dramatic, high minded account of corruption as total collapse or destruction. As part of the task of cultivating critical thinking, it is important to ask whether corruption always leads to collapse or destruction and whether what came before the corruption in question was really a state of legitimate and effective government. At times, corruption may be better conceived as a suboptimal way of getting things done when ethically superior ways are perceived of as being unavailable, flawed, or too costly.

Possible class structure

This section contains recommendations for a teaching sequence and timing intended to achieve learning outcomes through a three-hour class. The lecturer may wish to disregard or shorten some of the segments below to give more time to other elements, including introduction, icebreakers, conclusion or short breaks. The structure could also be adapted for shorter or longer classes, given that the class durations vary across countries.

Introduction and Defining Corruption (60 minutes)

- Welcome the students and give a five-minute overview of the class topics and structure.
- Facilitate a discussion about the relevance of corruption to political, economic, legal, ethical, and historical concerns.
- Conduct Exercise 1 ("My story") or Exercise 2 ("I am corruption").
- Discuss the various definitions of corruption while drawing on the students' perspectives expressed in the exercises.
- From students' personal stories about how corruption has affected them or someone they know, begin to write out a typology of effects on the blackboard, and relate those effects to those discussed in the Module.

Corruption's Causes and Effects (45 minutes)

- Conduct Exercise 3 (TED talk "The rise of the super rich")
- Use the TED talk to promote a class conversation about why and how the wealthy use corruption to protect or increase their wealth. Combine with information learned from Exercises 1 and 2 to illustrate that corruption relates to needs, wants, greed, power and abuse.

Different Understandings and Approaches to Corruption (45 minutes)

- Having examined the list of crimes that corruption entails, the general definition, and corruption's effects, it is time to turn to how different disciplines understand the overall phenomenon.
- The lecturer should ask students which approach to corruption they prefer out of the ones they read about (in articles such as Susan Rose-Ackerman's "Corruption: Greed, Culture, and the State"; Cristine Lagarde's "Addressing corruption – openly"; or Robert Klitgaard's "Addressing Corruption Together").
- From this discussion of different approaches, the lecturer could highlight on the chalkboard or in a PowerPoint presentation the great variety of approaches and their basic terms.
- Finally, the lecturer could turn to Exercise 4 in which, based on the various definitions, effects, and understandings examined thus far, students finally record their own, well-informed sense of how corruption ought to be defined and understood.

Measuring Corruption (30 minutes)

- Although measuring corruption is probably not the overall focus of a class based on Module 1, all the material discussed above certainly sets the stage. To measure corruption, you must begin with a definition and a set of parameters for picking up on the things you have defined. This is a basic observation from which a fruitful class dialogue about different measurements could unfold.

- The lecturer could lay out the basic catalogue of measurements, talk students through their basic features, and then ask students what, really, is being measured, the pros and cons of each, and so on. The lecturer may wish to give students an overview about what explains why certain countries are ranked at the top and other countries are ranked at the bottom of certain corruption indices. Possible explanations can centre on the different political systems, cultural explanations of corruption (cultures of “fair play” and impersonal rules versus cultures of informal relationships and nepotism), resource-based theories (the “resource curse” in Iraq, for example), legal and institutional theories (pre-existing rule of law, well defined anti-corruption norms, plus independent anti-corruption institutions with enforcement powers).

Core reading

This section provides a list of (mostly) open access materials that the lecturer could ask the students to read before taking a class based on this Module.

Fukuyama, Francis (2016). What is Corruption? In *Against Corruption: A Collection of Essays*, UK Government Policy Paper.

» Available from: www.gov.uk/government/publications/against-corruption-a-collection-of-essays/against-corruption-a-collection-of-essays

Klitgaard, Robert, Ronald McLean-Abaroa and H. L. Parris (2000). *Corrupt Cities, A Practical Guide to Cure and Prevention*. Washington, DC: ICS Press-World Bank Institute.

» Available from: <http://documents.worldbank.org/curated/en/709171468743399124/Corrupt-cities-a-practical-guide-to-cure-and-prevention>

Klitgaard, Robert (2015). *Addressing corruption together*. OECD Symposium on Anti-Corruption Development Assistance: Good Practices among Providers of Development Co-operation Background Paper. Paris: Organisation for Economic Co-operation and Development.

» Available from: www.oecd.org/dac/conflict-fragility-resilience/publications/FINAL_Addressing_corruption_together.pdf

Lagarde, Christine (2016). *Addressing corruption – openly*. In *Against Corruption: A Collection of Essays*, UK Government Policy Paper.

» Available from: www.gov.uk/government/publications/against-corruption-a-collection-of-essays/against-corruption-a-collection-of-essays

Miller, Seumas (2018). *Corruption*. In *Stanford Encyclopedia of Philosophy*, Edward N. Zalta, ed. Stanford University. E-book.

» Available from: <https://plato.stanford.edu/entries/corruption/>

Rose-Ackerman, Susan (2010a). *Corruption: Greed, Culture, and the State*. *Yale Law Journal*, vol. 120 (November).

» Available from: www.yalelawjournal.org/forum/corruption-greed-culture-and-the-state

Rose-Ackerman, Susan (2010b). *The Institutional Economics of Corruption*. In *The Good Cause: Theoretical Perspectives on Corruption*, Gjalte de Graaf and others, eds. Verlag Barbara Budrich.

» Available from: www.ssoar.info/ssoar/bitstream/handle/document/36878/ssoar-2010-rose-ackerman-The_institutional_economics_of_corruption.pdf?sequence=1

Svensson, Jakob (2005). *Eight Questions about Corruption*. *Journal of Economic Perspectives*, vol. 19, no. 3 (September), p.p. 19-42.

» Available from: [http://www1.worldbank.org/publicsector/anticorrupt/Svensson_Eight_Questions_About_Corruption_\(JEP_Vol_19_No_3_2005\).pdf](http://www1.worldbank.org/publicsector/anticorrupt/Svensson_Eight_Questions_About_Corruption_(JEP_Vol_19_No_3_2005).pdf)

United Nations Office on Drugs and Crime (UNODC), United Nations Development Programme (UNDP) and the UNODC-INEGI Center of Excellence in Statistical Information on Government, Crime, Victimization and Justice (2018). *Manual on Corruption Surveys: Methodological guidelines on the measurement of bribery and other forms of corruption through sample surveys*. Vienna.

» Available from: www.unodc.org/documents/data-and-analysis/Crime-statistics/CorruptionManual_2018_web.pdf

Advanced reading

The following readings are recommended for students interested in exploring the topics of this Module in more detail, and for lecturers teaching the Module:

Brown, Clare (2018). *The Sarawak Report: The Inside Story of the 1MDB Exposé*. Lost World Press.

Bullough, Oliver (2018). *Moneyland: Why Thieves and Crooks Now Rule The World and How to Take It Back*. Profile Books .

Della Porta, Donatella, and Alberto Vannucci (2005). *Corruption as a Normative System*. International Conference on Corruption Control in Political Life and the Quality of Democracy: A Comparative Perspective Europe – Latin America.

» Available from: <http://home.iscte-iul.pt/~ansmd/CC-DellaPorta.pdf>

Heinrich, Finn (2017). *Corruption and Inequality: How Populists Mislead People*. Transparency International, 25 January.

» Available from: www.transparency.org/news/feature/corruption_and_inequality_how_populists_mislead_people

Holmes, Leslie (2015). *Corruption: A Very Short Introduction*. Oxford University Press.

Hough, Dan (2017). *Analysing Corruption: An Introduction*. Columbia University Press.

Kassa, Saba, Jacopo Costa, and Claudia Baez Camargo (2019). *Corruption and wildlife trafficking: exploring drivers, facilitators and networks behind illegal wildlife trade in East Africa*. Working Paper Series, No. 30. Basel, Switzerland: Basel Institute of Governance.

» Available from: www.baselgovernance.org/publications/working-paper-30-corruption-and-wildlife-trafficking-exploring-drivers-facilitators

Key, John (2016). *New Zealand: A Culture of Fair Play*. In *Against Corruption: A Collection of Essays*. UK Government Policy Paper.

» Available from: www.gov.uk/government/publications/against-corruption-a-collection-of-essays/against-corruption-a-collection-of-essays

Klitgaard, Robert (1988). *Controlling Corruption*. University of California Press.

Montero, David (2018). *Kickback: Exposing the Global Corporate Bribery Network*. Viking.

Okonko-Iweala, Ngozi (2018). *Fighting Corruption is Dangerous: The Story Behind the Headlines*. The MIT Press.

Stephenson, Matthew (2019). *A Reminder: Year-to-Year CPI Comparisons for Individual Countries are Meaningless, Misleading, and Should Be Avoided*. The Global Anti-Corruption Blog.

» Available from: <https://globalanticorruptionblog.com/2019/01/29/a-reminder-year-to-year-cpi-comparisons-for-individual-countries-are-meaningless-misleading-and-should-be-avoided/>

Rose-Ackerman, Susan and Bonnie J. Palifka (2016). *Corruption and Government: Causes, Consequences, and Reform*, second edition. Cambridge: Cambridge University Press.

Rothstein, Bo (2011). *The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective*. University of Chicago Press.

Underkuffler, Laura S. (2013). *Captured by Evil: The Idea of Corruption in Law*. New Haven: Yale University Press.

United Nations (2004). *The United Nations Convention against Corruption*. New York.

» Available from: www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf

United Nations Office on Drugs and Crime (2015). *National Anti-Corruption Strategies: A Practical Guide for Development and Implementation*. Vienna.

» Available from: www.unodc.org/documents/corruption/Publications/2015/National_Anti-Corruption_Strategies_-_A_Practical_Guide_for_Development_and_Implementation_E.pdf

Visual Capitalist (2019). *Visualizing Corruption Around the World*, 1 February. Wright, Tom (2018). *Billion Dollar Whale: The Man Who Fooled Wall Street, Hollywood, and the World*. Hachette Books.

» Available from: www.visualcapitalist.com/visualizing-corruption-around-the-world/



Student assessment

This section provides a suggestion for a post-class assignment for the purpose of assessing student understanding of the Module. Suggestions for pre-class or in-class assignments are provided in the Exercises section.

The following brief essay assignment is recommended: Write a research essay of 1,500 words addressing a real-world example of corruption. The essay should document the behaviour that the corrupt conduct entailed, discuss the definition (or definitions) of corruption that fit the selected case best, describe the effects the corrupt conduct has had or is likely to have had, and employ at least two different approaches (economic, moral, legal, etc.) to analyse the situation. Students may summarize some combination of the economic, political, legal, or moral approach to understanding the corrupt conduct, for example, or focus - if justified - on some other aspect instead. Examples of corruption are commonplace in newspapers in most countries around the world, but if appropriate students could also be encouraged to interview people affected by a corruption scandal. Either way, students may choose a major scandal or a less known case. The point is for them to apply what Module 1 teaches in terms of the definition of corruption, its different types of effects, and the different disciplinary approaches to understanding it.

As an alternative, another format of student assessment may include assigning students to record a TED-talk-style video in which they are asked to discuss the following statements:

- Perception-based indices of corruption are outdated and inadequate for some countries.
- One of the main limitations of the United Nations Convention against Corruption (UNCAC) is that it does not criminalize patronage, cronyism, and nepotism.
- There are no major differences between different forms of corruption (i.e., bribery, embezzlement, trading in influence, abuse of functions, illicit enrichment).

Additional teaching tools

This section includes links to relevant teaching aides such as video material and case studies, that could help the lecturer teach the issues covered by the Module. Lecturers can adapt the slides and other resources to their needs.

> Video material:

The Struggle against Corruption (2018). United Nations Office on Drugs and Crime (23 min). This short film from UNODC brings together UN experts and academics to look at how corruption has manifested itself throughout history, what the implications have been, and how we can work together to counter this crime.

» Available from: www.youtube.com/watch?v=2NG-w-l4fqI&t=5s

Black Money (2009). PBS Learning Media (57 min). In this video, investigative journalist Lowell Bergman examines the shadowy world of international bribery.

» Available from: www.pbs.org/video/frontline-black-money/

Enron, The Smartest Guys in the Room (2005). Alex Gibney (1h 50min). This is a documentary about the Enron corporation, its faulty and corrupt business practices, and how they led to its fall.

» Available from: www.youtube.com/watch?v=_0vRuHn9Mml

Dark Money (2018). Kimberly Reed (1h 39min). This is a political thriller, examining the influence of untraceable corporate money on elections and elected officials in the United States.

» Available from: www.darkmoneyfilm.com/

What Is Corruption? (2017). Bonnie J. Palifka (14 min). This video explains some definitions and provides examples of corruption.

» Available from: www.youtube.com/watch?v=blMyKAjQ2Io&feature=youtu.be

The Rise of the Super Rich (2013). Chrystia Freeland (15 min). This TED talk on the rise of the super rich discusses the rise of a new class of plutocrats who are extremely powerful because they are extremely wealthy and how wealth promotes crony capitalism which controls the creation of favourable laws and outcomes for themselves.

» Available from: www.ted.com/talks/chrystia_freeland_the_rise_of_the_new_global_super_rich?language=en

> Websites:

The Safra Center for Ethics at Harvard University offers an online database on Institutional Corruption containing many open access articles and journals.

» Available from: <https://ethics.harvard.edu/lab>

> Other material:

KickBack: The Global Anti-Corruption Podcast. This podcast features regular interviews with leading experts in the anti-corruption field, from academia, politics, activism, journalism, etc. The podcast aims to enhance serious debate and discussion about important issues in the field from a variety of different perspectives. Given the length of each episode (average: 45 min), the lecturer may use it as a pre-class assignment.

- » Available from: www.icrnetwork.org/what-we-do/kickback-global-anticorruption-podcast/

Guidelines to develop a stand-alone course

This Module provides an outline for a three-hour class, but there is potential to develop its topics further into a stand-alone course. The scope and structure of such a course will be determined by the specific needs of each context, but a possible structure is presented here as a suggestion

| Session | Topic | Brief description |
|---------|--|---|
| 1 | Introduction | Explain course contents and requirements, conduct Exercise 1, and debrief |
| 2 | What is corruption? | Examine the crimes listed in the United Nations Convention against Corruption (UNCAC) and general definitions |
| 3 | The intuitive effects of corruption | Conduct Exercise 2 and discuss what are listed as the "obvious or intuitive effects of corruption" in this Module |
| 4 | The surprising effects of corruption | Discuss the less obvious effects of corruption listed in this Module |
| 5 | Understandings of corruption (1): History, morality, and culture | Discuss the historical, moral, and cultural approaches to corruption |
| 6 | Understandings of corruption (2): Politics, economics, and law | Discuss the political, economic, and legal approaches to corruption |
| 7 | Measuring corruption | After exploring an example of a corruption ranking, raise the question, "What explains the differing levels of corruption seen across the world?" |
| 8 | Explaining corruption | Examine competing explanatory theories, including those focused on: history and culture, economic systems, and political and legal systems (the descriptive theories in sessions 5 and 6 also have explanatory components, which are examined here). Why are some countries often seen as being relatively corruption-free, while others are generally in the middle or lower end of corruption rankings? |

| Session | Topic | Brief description |
|----------------|--|---|
| 9 | Responding to corruption: theory and civil society | The lecturer examines the prescriptive implications of the various theories explored in sessions 5-8 in addition to anti-corruption initiatives sponsored by NGOs |
| 10 | National responses to corruption: legal reforms | In addition to changes to substantive laws and institutions, the lecturer might wish to elaborate on how social movements have put pressure on governments to take such actions |
| 11 | Regional and global responses to corruption | This final part of the course would focus on a sample of regional initiatives and UNCAC |
| 12 | Conclusion | |

Appendix:

How corruption affects the Sustainable Development Goals (SDGs)⁵⁵

| Goal | How corruption affects the Goal: examples | Module* |
|--------------------------------|--|---------|
| 1. No poverty | Corruption reduces the amount of aid that reaches the poor. The poor lose a larger percentage of their income to bribery and extortion than other groups. | 1, 11 |
| 2. Zero hunger | Because corruption impedes investment and the development of infrastructure, and kleptocracy concentrates a country's wealth, resulting in famine and malnourishment. | 1, 11 |
| 3. Good health and well-being | In more corrupt countries, hospitals lack the necessary medicines due to embezzlement or overpriced purchase agreements; access to beds or care is based on willingness to pay, even in countries with ostensibly free health care. | 1, 11 |
| 4. Quality education | Corrupt administrators charge illicit "registration fees" or "maintenance fees" for access to "free" public education, excluding families unable to pay. Teachers are hired based on their political connections or bribery, so the quality of education is lower than it should be. Funds are embezzled, so even dedicated teachers lack the necessary resources, materials and infrastructure. | 9 |
| 5. Gender equality | Women are disproportionately victims of sextortion. Gender relations in some countries exclude women from corrupt networks (and, therefore, from the resources offered by those networks). | 8, 11 |
| 6. Clean water and sanitation | Firms bribe inspectors to allow them to dump chemicals illegally rather than dispose of them safely. Firms and farms bribe or lobby lawmakers to write pollution-friendly laws. Organized crime groups sometimes "win" sanitation contracts. | 1, 11 |
| 7. Affordable and clean energy | Oil and coal lobbies engage in bribery or exchange of favours to fight programmes designed to promote alternative energies. | 1 |

⁵⁵ Available at <https://sustainabledevelopment.un.org/?menu=1300>

| Goal | How corruption affects the Goal: examples | Module* |
|---|---|----------|
| 8. Decent work and economic growth | <p>Especially in resource-rich countries, embezzlement or kleptocracy results in rich countries with poor communities (“Nigerian disease”⁵⁶) because no effort is made to generate quality jobs. Populist policies keep kleptocrats in power and transnational firms enjoy access to resources with little or no commitment to provide decent work for local workers.</p> <p>Corruption also facilitates money-laundering, and vice versa. In financial/tax havens or secrecy jurisdictions, the inflow of vast amounts of hard currency appreciates the local currency, suppressing other types of exports. (This phenomenon is common in single-export countries and referred to as “Dutch disease”; Williams, 2011)</p> | 2 |
| 9. Industry innovation and infrastructure | <p>Corruption (kickbacks or conflicts of interest) leads the government to subsidize the wrong industries and undertake unnecessary infrastructure projects, rather than the ones that would support increases in productivity.</p> | 2, 11 |
| 10. Reduced inequalities | <p>There is a vicious circle between corruption and inequality: less equal societies are more corrupt and more corruption causes more inequality (You & Khagram, 2005).</p> | 1, 2, 11 |
| 11. Sustainable Cities and Communities | <p>Bribery by the petroleum and coal industries undermines programmes to promote clean energy. The petroleum industry alone generates billions of dollars in bribes and embezzlement in many countries, so there are few incentives to abandon petroleum (McPherson & MacSearraigh, 2007).</p> | 1 |
| 12. Responsible Consumption and Production | <p>Corruption distorts market forces, so that the wrong kinds and quantities of goods and services are produced and consumed. In some cases, corruption guarantees monopolies where competition would promote more responsible production.</p> | 2 |

⁵⁶ Available at <https://blogs.worldbank.org/psd/dutch-disease-vs-nigerian-disease>

| Goal | How corruption affects the Goal: examples | Module* |
|--|---|-------------------------|
| 13. Climate action | Corruption allows firms and individuals to pollute in excess of legal limits, and to exploit resources (such as trees and mines) beyond the sustainable limit. | 1 |
| 14. Life below water | Corruption contributes to overfishing, destruction of habitat, and dumping chemicals or other materials into the sea. | 1 |
| 15. Life on land | Illegal logging destroys habitat. Illegal dumping of chemicals damages ecosystems. | 1, 11 |
| 16. Peace, Justice, and Strong Institutions | Corruption undermines justice systems and the legitimacy of government; it enables and fuels organized crime and terrorism; and allows violations of human rights to go unpunished. | 2, 6, 7 & 11 |
| 17. Partnerships for the Goals | Countries must work together to combat corruption and promote integrity and good governance, as also laid out in the United Nations Convention against Corruption (UNCAC). | 14 |

*Corresponding Module of the UNODC Module Series on Anti-Corruption



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