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What Do We Talk About When We Talk About Corruption?

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Abstract

Corruption is one of the most discussed concepts in the world. Usages escalate from bribery through untoward business-government connections on up to culture and human nature. Measures at the national level include amalgamations of perceptions and of “experience.” Since corruption conveys shame and blame, concepts and measures are especially controversial. This paper shows how definitions can be induced from examples and framed in terms of political economy models. It examines the coherence, reliability, and predictive power of measures of corruption. Although this paper deals with corruption, it may serve as a methodological warm-up exercise for other important topics in the social sciences, from democracy to mental health, from sustainability to poverty, where we need to clarify what we are talking about.

Table of Contents

ABSTRACT	1
TABLE OF CONTENTS	2
INTRODUCTION	3
DEFINITIONS	4
BEGINNING WITH EXAMPLES.....	4
FROM EXAMPLES TO CONCEPTS.....	5
CONCEPTUAL ESCALATION	7
MEASURES	9
"EXPERIENCE" AND "PERCEPTION"	9
1. <i>Stigma</i>	10
2. <i>Doing Better and Feeling Worse</i>	11
3. <i>People Are Talking About Different Things</i>	12
ARE MEASURES OF CORRUPTION COHERENT?.....	12
ARE MEASURES OF CORRUPTION VALID PREDICTORS?	17
BEYOND NATIONAL AVERAGES.....	19
<i>Examples of High-Impact Measures</i>	20
<i>Beyond Complaints to Systems</i>	22
CONCLUSIONS ABOUT MEASURES.....	23
IMPLICATIONS	25
REFERENCES	27

Introduction

In late 2011, a BBC survey of citizens of 23 countries around the world identified corruption as “the topic most frequently discussed by the public,” ahead of poverty, unemployment, and rising costs.¹ Anthropological fieldwork concurs. “Stories about corruption dominate political and symbolic discourse in Nigeria. Everyday practices of corruption and the narratives they generate are primary vehicles through which Nigerians imagine and create the relationships between state and society” (Smith 2007: 5-6). An anthropologist working in northern India “was struck by how frequently the theme of corruption cropped up in the everyday conversations of villagers. Most of the stories the men told each other in the evening, when the day’s work was done and small groups had gathered at habitual places to shoot the breeze, had to do with corruption...” (Gupta 1995: 375). And it is not just gossipy chatter: according to a 2013 poll of 70,000 people in 69 countries, corruption is deemed the world’s number one problem (Holmes 2015: xii).

Political leaders from Mexico to Vietnam have called corruption a “cancer”—a metaphor also used by David Cameron in his May 2016 Anti-Corruption Summit. In 2014, Chinese President Xi Jinping told a closed-door meeting of the Politburo that he is disregarding “life, death and reputation” to combat corruption (Zhai 2014). Bhutan is rated as one of the least corrupt of the developing countries, yet in 2014 King Jigme Khesar Namgyel Wangchuck focused his National Day Speech on the topic. “The highest probable risk to development that I foresee is corruption,” he said (King of Bhutan 2014).

Discourse about corruption is not confined to poor countries or nations in transition. In 2013, a survey of 27 members of the European Community plus Croatia revealed startling perceptions of corruption. More than three-quarters of respondents (76 percent) said corruption is widespread in their country, from Greece (99 percent) to Denmark (25 percent). More than half believed that “bribery and the abuse of power for personal gain are widespread” among political parties (59 percent) and politicians (56 percent). A sizeable minority said corruption is widespread in private companies (38 percent), banks and financial institutions (36 percent), and health care (33 percent) (Eurobarometer 2014).

In the United States, anger about corruption has been connected to the rise of Donald Trump. In January 2016, the chairman and CEO of Gallup, Jim Clifton, noted

The perception that there’s widespread corruption in the national government could be a symptom of citizen disengagement and anger. Or it could be a cause—we don’t know. But it’s very possible this is a big, dark cloud that hangs over this country’s progress. And it might be fueling the rise of an unlikely, non-traditional leading Republican candidate for the presidency, Donald Trump.

¹ <http://www.globescan.com/news-and-analysis/press-releases/press-releases-2011/94-press-releases-2011/126-unemployment-rises-as-qmost-talked-aboutq-problem-global-poll.html>

Clifton noted that in September 2015, a remarkable 75 percent of Americans affirmed that “corruption is widespread throughout the government in this country.”

“Not incompetence,” Clifton emphasized, “but corruption.”

Really? What’s going on here? What are people talking about when they talk so widely and wildly about “corruption”?

Definitions

Unfortunately, as is often the case with important abstractions in the social and human sciences, conceptual consensus is elusive. Kurer (2014:30) begins a chapter on “Definitions of Corruption” this way: “It has been widely deplored that no generally accepted definition of corruption has emerged. However, to expect everybody to agree on its precise nature is as unrealistic as a consensus on the exact attributes of democracy. Thus, the purpose of this chapter cannot be to find the definition of corruption.” Brooks et al (2013: 11) conclude that corruption should “be viewed as a complex and multifaceted phenomenon, with a multiplicity of causes and effects, as it exhibits many different forms and functions in very diverse contexts, ranging from a single act that transgresses a law or laws, to being a way of life for an individual, group of people, and/or societal order, which is morally acceptable.” See also Vargas-Hernández 2009, Miller 2011, Morris 2011, Rothstein 2014, and Bussell 2015.

BEGINNING WITH EXAMPLES

To help ground a conceptual inquiry, it is helpful to begin with examples.

- A senior general takes “very huge” bribes regarding military procurement and personnel promotions.²
- Procurement for infrastructure is ostensibly competitive, but actually there is a parallel system in which unqualified firms can bribe to be qualified; losers in the competition can bribe to be winners; and after contracts are awarded, there are often renegotiations that raise the price, dividing the increase between contractors and public officials. Because of corruption, the costs can be 30 percent higher than they should be, and the quality worse (Andrés et al. 2008; Klitgaard 2012).
- Health systems for the poor involve practices such as having to pay for an eligibility card even if you are eligible—and being able to bribe for a card if you are ineligible (Klitgaard 2000).
- A tax system features bribery (a lower tax in exchange for a bribe), extortion (pay me or I’ll assess you more), theft, counterfeiting (certificates for cigarettes and alcohol), and personnel fraud (positions are bought) (Klitgaard 1988).

² http://news.xinhuanet.com/english/2016-07/25/c_135539067.htm

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- A cartel in the National Examination Council leaks exam papers to some school principals and police officers in exchange for bribes—and violently punishes Council members who resist.³
- The traffic police routinely extort bribes from motorists, even those who are obeying the law. “You were speeding; please pay me or we’ll go to the police station” (Alam et al. 2012).
- Three senior customs officials extort more than \$8 million from a company by threatening them with a penalty of ten times as much.⁴

Ishrat Husain, the former head of the State Bank of Pakistan, asked rhetorically what the evidence is that corruption exists in Pakistan. His answer:

Inflated contracts, understated or unpaid customs duty, evaded income tax, exaggerated prices paid for land acquisition by public agencies, lower rents for leasing mining, oil and gas rights, illegal connections of electricity and natural gas, apprehension of wrong persons in criminal cases and their release after accepting bribes, weak prosecution of cases, granting of licenses and permits in returns for favors, acquittal of criminals by the lower judiciary, grant of loans by nationalized commercial banks to un-creditworthy persons are some blatant manifestations of the widespread institutionalized corruption in the society (Husain 2012: 22).

Acts like these are illegal in every country of the world. Their extent varies over time and place. Although some cultural variables explain variations in various measures of corruption, no culture or religion endorses bribery or extortion.⁵ Anthropological studies in Bangladesh, Ghana and the Philippines show that peasants understand well the difference between a gift and a bribe – and they loathe the latter (Klitgaard 1988: 8-9, 62-64).

FROM EXAMPLES TO CONCEPTS

These acts have some common features. They involve “an inducement improperly influencing the performance of a public function meant to be gratuitously exercised,” which is John T. Noonan’s rendition of “the core of the concept of a bribe” (Noonan 1984: xi). Each act illustrates the misuse of office for illicit ends—understanding that across contexts

³ <https://tuko.co.ke/112242-five-officials-knec-running-cartel-responsible-exam-leaks.html>

⁴ <http://www.adaderana.lk/news/32707/three-customs-officials-nabbed-while-accepting-largest-ever-bribe-of-rs-125m>

⁵ For example, the Malaysian sociologist Syed Hussein Alatas (1968) argued strenuously against the Western idea that non-Westerners accept corruption for cultural reasons. His book provides copious evidence of concern about corruption in Muslim and Chinese cultural traditions.

“misuse,” “office,” and “illicit” vary.⁶ Across contexts, corruption is where a market enters where a society says it shouldn’t.⁷

Political economy models help us abstract across cases and contexts:

- A public servant (or agent) is supposed to be interacting with the citizen (or client) in the name of a public interest (or principal). Corruption is where the agent uses his power to take an illicit private benefit such as a bribe.
- For both the giver and the taker of a bribe, corruption is a crime of calculation, not of passion.⁸ Both sides of this corrupt transaction face trade-offs that involve such parameters as the probability of being detected, the probability of being punished if detected, the punishment, and the amount of the bribe. The bribe amount will in turn depend on the market conditions for the good or service—how much citizens save by getting it or getting more of it, what alternatives are available and their value, and so forth. Corruption will be lower when officials have less monopoly power and less discretion (for example, the rules of the game are clear and well-known). Corruption will be lower when there is more accountability, harsher punishments, higher wages that would be foregone if an official is corrupt, caught, and punished, and higher “moral costs” (Rose-Ackerman 1978; Klitgaard 1988, 2015).
- When corruption becomes widespread, something akin to a tragedy of the commons ensues. Like players in an n-person Prisoners’ Dilemma, bribe payers may face dominant strategies to do something not in the public interest, indeed something that is inconsistent with their ethics. Institutionalized corruption is when “Good people, trapped in a corrupt structure, become corrupted as they do their best within the given economic, legal, institutional structure” (Light 2013: 3). In Nigeria,

People frequently condemn corruption and its consequences as immoral and social ruinous, yet they also participate in seemingly contradictory behaviors that enable, encourage, and even glorify corruption... In many instances, ordinary Nigerians see themselves as complicit in corruption, and

⁶ The UN Convention Against Corruption (art. 19) defines “the abuse of functions” as “the performance of or failure to perform an act, in violation of laws, by a public official in the discharge of his or her functions, for the purpose of obtaining an undue advantage for himself or herself or for another person or entity ... when committed intentionally.”

⁷ For example, a society may decide that a good or service should be allocated by popular vote, not by market forces. Or by “merit,” so that a championship or scientific prize should not be bought and sold. Or by seniority or need or random allotment. Corruption introduces instead an illicit, private market (Rose-Ackerman 1978: 1-2)

⁸ “Someone will ask, ‘Will it pay?’ If it will, one will steal. If it won’t pay, one won’t steal. It should be too expensive to steal. This is why corruption is happening on a grand scale.” Auditor General of Uganda John Muwanga, May 31, 2013, quoted in Human Rights Watch 2013: 1.

indeed it is this awareness of collective responsibility for corruption that fuels hopes for change, even as it paradoxically perpetuates cynicism and a sense of intractability (Smith 2007: 5, 6).

From these ideas, several predictions ensue. First, the costs of systemic corruption are not equal to the monetary amount of the bribes paid, which various sources have (dubiously) estimated at a trillion dollars a year in developing countries.⁹ Corruption distorts incentives and policies. Bribes can enable public bads worth far more than the size of the bribes. For example, relatively small bribes to officers in the Indian Soil Conservation departments led to non-enforcement of measures to prevent erosion, which in turn led to the erosion of top soil, “India’s most precious resource; each inch of top soil takes roughly 1,000 years to form” (Wade 1985).

Second, in general bribery undercuts the provision of services, leading to fewer and worse and misallocated services (Evans and Heller 2015). The King of Bhutan (2014) stressed this corrosive consequence:

When the corrupt are not held to account, those who observe due diligence, work hard and professionally are most likely to be discouraged. We mustn’t allow the latter to lose morale by rewarding everyone indiscriminately, irrespective of his or her performance. That is why corruption must be curtailed and, more than ever before, extraordinary service must be recognized and rewarded.

Third, widespread corruption undercuts trust and therefore investment, participation, and wellbeing. “Since social trust is an important intrinsic value (personal happiness, optimism about the future) and also has a political value (support for fair institutions, minority rights, tolerance, etc.) and an economic value (its positive relation to individual earnings and aggregate economic growth), it may be that dysfunctional government institutions are the worst social ill of all” (Rothstein, 2011: 162).

Finally, this logic suggests solutions. The principal-agent-client analogy leads to a framework for policy analysis (Klitgaard 1988, chs. 2-3). The Prisoners’ Dilemma analogy leads to fruitful applications of the theory of collective action (Olson 1971; Klitgaard 2000; Poteete, Janssen & Ostrom 2010; Pieth ed. 2012) and models of “change when change is hard” (Heath and Heath 2010).

CONCEPTUAL ESCALATION

In academic discourse and common usage, the term “corruption” expands beyond the examples and discussion above.¹⁰

⁹ <https://www.one.org/international/policy/trillion-dollar-scandal/>

¹⁰ The Latin root of “to corrupt” (*corrumpo*) means to pervert or deprave, to rot or contaminate, and to spoil, including spoiling a virgin. Ancient metaphors included the turning of the head of the judge, as when with blindfold removed she looks sideways to the bribe-paying party and tips her scales. Noonan’s magisterial book *Bribes* (1984) spends

For example, a robust tradition in the humanities equates the commercialization of art with the corruption of Art (Hyde 2007).

More broadly, “A different kind of corruption in the private sector is corporate short-termism... This undermines planning and leadership for long-term growth. Heavy use of stock options and other rewards for short-term performance leads executives to a kind of institutional corruption...” (Light 2013: 12). Or escalating further, anything not aligned with an institution’s main mission is corrupt: “Lessig suggests a test: ask oneself whether an institution could justify a given behavior in light of its primary mission. If not, then allowing the behavior is *prima facie* evidence of institutional corruption” (Light 2013: 17).

Another escalation: gifts are really bribes. Both are transactions with an assumed reciprocity or *quid pro quo*. Marcel Mauss (1967[1925]) has been interpreted as positing this equation (for a critique of this interpretation, see Noonan 1984: 687-690, 695-699).

And of course power corrupts, etc. According to ancient skeptics as well as modern theorists of public choice, politicians should not be viewed as statesmen nor public officials as public servants, rather as people seeking their own interests. Some argue that when legislators raise money for their elections, it is institutionalized corruption (Lessig 2011).

In many popular discussions of corruption, discussions escalate from the condemnation of specific acts of bribery to general condemnations of corrupt human nature. Sin is what inevitably corrupts us, says the Christian doctrine of original sin; and this doctrine has had repercussions far afield. James Boyce (2015) shows that secular thinkers as different as Adam Smith, Charles Darwin, Friedrich Nietzsche, and Sigmund Freud propagated ideas that resonate with “original sin.”

In Pope Francis’s view, “corruption is a greater ill than sin.”

The scandalous concentration of global wealth is made possible by the connivance of public leaders with the powers that be... Corruption is a greater ill than sin. More than forgiveness, this ill must be treated. Corruption has become natural, to the point of becoming a personal and social statement tied to customs, common practice in commercial and financial transactions, in public contracting, in every negotiation that involves agents of the State (Pope Francis 2014).

Clearly, then, people may mean many things when they talk about corruption. One of those things is the classic concept of bribery. Its essence is an illicit payment to an official to act against the public interest. But in popular discourse especially, many people mean by corruption that business has too much influence on politics. In Europe, “the most widely held belief is that links between business and politics are too close” (European Commission 2012). Among likely U.S. voters in 2014, 76 percent declared that the wealthiest individuals

over 800 pages reviewing concepts and practices of bribery from the Code of Hammurabi to the Lockheed Affair.

and companies have too much influence over elections.¹¹ In the United States, the left and the right agree:

The liberal position is that Washington has been corrupted by crony capitalism, that the system is grinding the faces of ordinary working Americans ... and that the answer is more Washington. The conservative position is that Washington has been corrupted by crony capitalism, that the system is grinding the faces of ordinary working Americans ... and that the answer is to squeeze Social Security and cut taxes for the rich (Crook 2016).

Measures

Can measures help us understand what people are talking about when they talk about corruption? In his magisterial book *Bribes*, John T. Noonan, Jr., noted that we should trust neither what people say about corruption nor seemingly objective measures such as the number of news stories about corruption or the number of corruption cases prosecuted (Noonan 1984: xiii). Consider Argentina before and after the fall of the generals in 1983. Before, tight controls on the press and limitations on prosecutors. After, a much freer press and more empowered prosecutors. Measures based on press reports and prosecutions would suggest more corruption afterwards, even though most experts and Argentinians assert there was more corruption before. China under President Xi Jinping may be experiencing a similar problem. The crackdown on corruption has led to more articles in the press and more prosecutions—and a worsening of China’s ranking on Transparency International’s Corruption Perceptions Index.

“EXPERIENCE” AND “PERCEPTION”

Measures show wide gaps between the corruption people say they have personally experienced and their overall perceptions of corruption in their countries. In the United States, 7 percent of citizens say that people in their households were asked to pay a bribe in the previous 12 months (Hardoon and Heinrich 2013: 10, 34). At the same time, 75 percent of Americans perceive their government to be corrupt, and 55 percent perceive that public officials and civil servants are corrupt. Many fewer citizens say they *experience* bribery than *perceive* it.

This disparity between perception and experience is evident globally. In 2011, 74 percent of citizens of the European Union perceived corruption as “a major problem” in their country—about the same as in previous years. But only 8 percent of respondents said they had been asked to pay a bribe in the preceding 12 months (European Commission 2012). In Russia in the mid-2000s, 86 percent of citizens perceived most public officials as corrupt

11

http://www.rasmussenreports.com/public_content/politics/general_politics/may_2014/bigger_problem_in_politics_48_say_media_bias_44_campaign_cash

while 23 percent said their household had paid a bribe in the past two years (Rose and Mishler 2007).

What might explain the gap between experience and perception?

1. *Stigma*

In general, survey researchers warn that questions about perceptions (general beliefs) can lead to quite different answers from questions about experiences (behavior) (Kelsey et al. 1996). This is particularly so when the behavior in question is associated by some people with shame, stigma, or possible punishment. For example:

- Self-reports of drinking alcoholic beverages are correlated about 0.7 with measures of sales of alcoholic beverages; but the sum of alcohol self-reported is only about half the alcohol actually consumed based on sales figures (Ely et al. N.d).¹²
- Roughly 25 percent of nonvoters in the United States report having voted immediately after an election (Bertrand and Mullainathan 2001: 68).
- Rates of self-reported heterosexual activity by women are so much lower than by men that under- and/or over-reporting is likely.¹³
- Only about half of those who test positive for marijuana, cocaine, and opiates report having used the drugs.¹⁴

In the case of corruption, questions can be asked about other people or other businesses, not the respondent. One might use the percent that answer prior questions to estimate the “reticence” to respond about having paid a bribe (Karalashvili, Kraay, and Murrell 2016).¹⁵

¹² In a study in Spain, self-reports sum to less than 30 percent of sales; in a Norwegian study, the figure was 87 percent.

¹³ One U.S. government survey reported that men had a median of seven female sex partners and women had a median of four male sex partners. In 2005, Norman Brown and colleagues polled 2,065 heterosexual, U.S. non-virgins with a median age in their late 40s. The average number of sexual partners the women reported was 8.6. The average number the men reported was 31.9. “The men in this survey,” Brown commented, “were producing egregiously elevated responses.” Swanbrow 2006. The possibility of prostitutes or foreign visits cannot explain the huge male-female differences, researchers say. “Because a partner is required, it is impossible for men to engage in heterosexual intercourse more often than their female counterparts. In light of these illogicalities, it is reasonable to speculate that some of the sex differences in self-reports of sexuality are not due to actual sex differences in behavior, but rather to differences in reporting as a function of differential normative expectations for men and women” (Alexander and Fisher 2003: 27).

¹⁴ For example, “Of the 17.3 percent testing positive for marijuana, 9.3 percent report use in the past 3 days and 8.1 percent do not” (Harrison 1997: 21-22).

¹⁵ “We estimate that the rate at which questions on bribes are answered reticently runs from a low of 27 percent in Bangladesh to a high of 64 percent in India. Not surprisingly

People could be reticent differentially, depending on features of their societies. For example, about 17 percent of people across all countries reported having paid a bribe. Countries rated in the bottom 20 percent of press freedom had a 10-percentage-point lower rate of self-reported bribery, other things equal (Treisman 2015).

2. *Doing Better and Feeling Worse*

Another general phenomenon, at least in the United States, is rating one's own experience much better than one's perceptions of the national situation. In 1977, in a brilliant essay entitled "Doing Better and Feeling Worse," Aaron Wildavsky pointed out that:

When people are polled, they are liable, depending on what they are asked, to say that they are getting good care but that there is a crisis in the medical-care system. Three-quarters to four-fifths of the population, depending on the survey, are satisfied with their doctors and the care they give; but one-third to two thirds think the system that produces those results is in bad shape. Opinions about the family doctor, of course, are formed from personal experience. "The system," on the other hand, is an abstract entity—and here people may well imitate the attitudes of those interested and vocal elites who insist the system is in crisis (Wildavsky 1977: 105).

This gap persists between experience and perceptions. In a 2013 Gallup poll, 69 percent of Americans said their health care was good or excellent. But only 32 percent said the same about national health care quality.¹⁶

Other areas of public life reveal a similar phenomenon. For more than 40 years, Americans have consistently given high grades to schools that are close to them and low grades to schools far away. In 2015, 72 percent of Americans gave metaphorical grades of A or B to the school their oldest child attends. But only 21 percent awarded an A or B to "public schools, nationally" (Richardson 2015: 24). In 2016, 63 percent of U.S. adults said the average working person in the U.S. has less job security now than they did 20 or 30 years ago. "Yet most workers are confident that their own jobs are secure: 88% say they are not too or not at all likely to lose their jobs in the next 12 months" (Brown 2016).

People's perceptions of government as an abstraction tend to be more negative than their perceptions of local government leaders or services. Before the 2014 mid-term elections, Congress had an approval rating in the neighborhood of 13 to 15 percent. Nonetheless, 95 percent of incumbents were re-elected (Berlatsky 2016). This gap is known as Fenno's Paradox, after Richard F. Fenno, Jr. (1978), who first pointed out the disparity between low Congressional approval and high incumbency retention. "My experience with my member of

these rates of reticence cause corruption to be significantly underestimated in all countries" (4).

¹⁶ <http://www.gallup.com/poll/165998/americans-views-healthcare-quality-cost-coverage.aspx>

Congress is positive,” people seem to be saying, “but my perception of Congress as a whole is negative.”¹⁷

3. *People Are Talking About Different Things*

When people are asked about their experiences, they are thinking of bribes. When asked about their perceptions of corruption, they are talking about inappropriate influence of business, labor, or religious institutions on government.

ARE MEASURES OF CORRUPTION COHERENT?

Consider the Corruption Perceptions Index (CPI), which is a composite measure based on twelve different data sources from eleven different institutions that capture perceptions of corruption within the previous two years. The CPI is scaled to measure “freedom from corruption,” so higher scores are better.

Statisticians have detailed the qualities of a good composite measure (OECD/EC JRC 2008; Saisana, Saltelli, and Tarantola 2005), and some of these same scholars have examined the Corruption Perceptions Index.

The JRC analysis suggests that the new methodology for the Corruption Perceptions Index (CPI), besides being appealing for reasons of transparency and replicability, it is also conceptually and statistically coherent and with a balanced structure (i.e., the CPI is not dominated by any of the individual sources). Despite the high associations between the sources, the information offered by the CPI is shown to be non redundant (Saisana and Saltelli 2012a: 21).

But some researchers have argued that the gap between experience and perceptions implies that perceptions are unreal and that statistics based on them are invalid. The gap between the two measures is worth exploring and trying to explain. But at the country level, the two measures are highly correlated when appropriately transformed.¹⁸

Across countries, the correlation between the log of the percent that admit to paying a bribe and the Corruption Perceptions Index turns out to be -0.81. Similar findings hold for other

¹⁷ Congress members provide their constituents with many services, such as helping with grievances. Congress members estimate they spend 17 percent of their time in Washington and 32 percent of their time in their districts on “constituent services” (Congressional Management Foundation and Society for Human Resource Management 2013). To the extent that people sort themselves ideologically, one’s local Congress member is more likely to be aligned with one’s views than the average Congress member (Banzhaf and Walsh 2008). I am grateful to Melissa Mahoney for discussion on these points.

¹⁸ The bribe-paying (experience) measure is highly skewed, meaning that correlation coefficients and linear regressions can be misleading (Kowalski 1972). Bishara and Hittner (2012: 399) conclude, “With most sample sizes ($n \geq 20$), Type I and Type II error rates were minimized by transforming the data to a normal shape prior to assessing the Pearson correlation.”

research on measures of experience and perception: the correlations are above 0.8 when the variables are transformed to reduce skewness. When one takes logs of the multi-year measures in Treisman (2015), the correlation between experience and perception is 0.84 (see Figures 1a and 1b).

Figure 1a. Experience and Perceptions

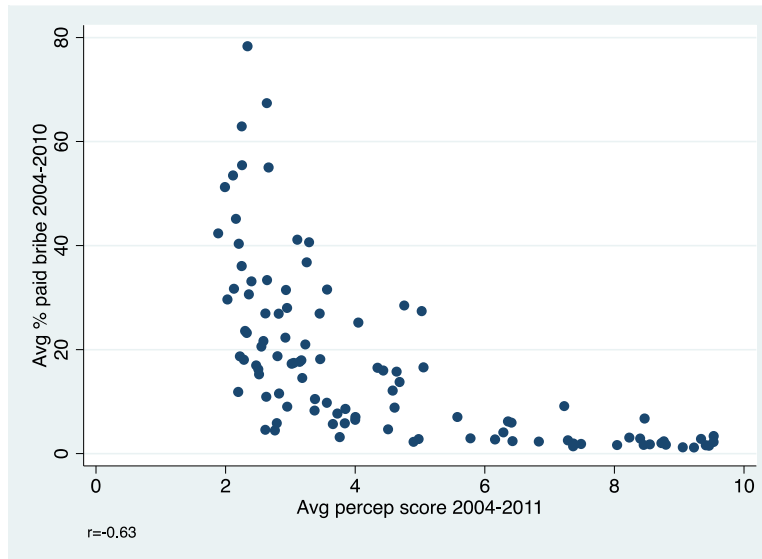
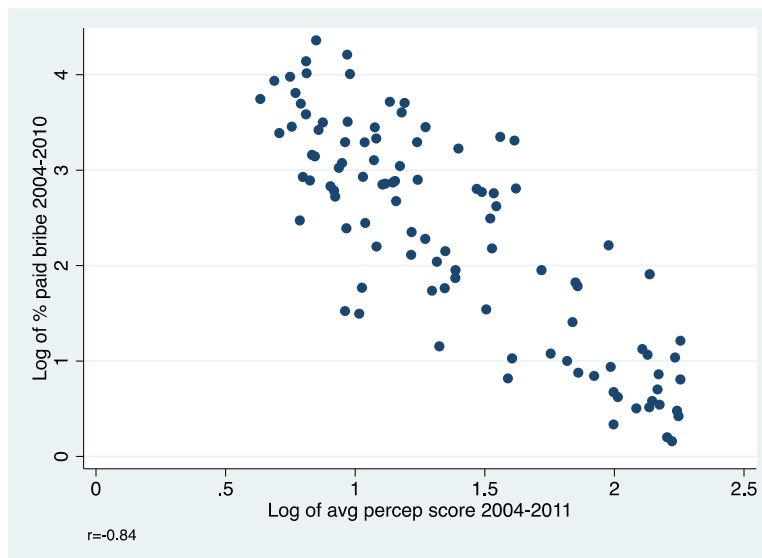


Figure 1b Logs of Experience and Perceptions



Note: Author's calculations. Thanks to Daniel Treisman for sharing his data on multiyear averages.

Similar results hold for the data in Donchev and Ujhelyi (2013). In a sample of 43 countries in 2000, an average of 10.4 percent of respondents to the International Crime Victims Survey answered yes to this question: “During [the past year] has any government official, for instance a customs officer, police officer or inspector in your own country, asked you or expected you to pay a bribe for his services?” The authors found a correlation of 0.77 between the percent yes and the World Bank’s measure of corruption perceptions (Table 1, p. 33). Figures in the paper show the nonlinearity of this relationship (p. 41).

In 2010 and 2013, Nicholas Charron surveyed over 85,000 respondents in 212 regions within 24 countries in Europe, which he calls “the largest multi-country governance survey aimed at capturing both national and sub-national/regional variation” (Charron 2016: 8). He concludes that “the consistency between actual reported corruption, as well as citizen and expert perceptions of corruption, is remarkably high” (Charron 2016: 1).

Finally, all three experience variables used by Gutmann, Padovano and Voigt (2015) are highly skewed. After taking logs, all three correlations with the Corruption Perceptions Index exceed 0.8.

Researchers have developed many other measures and proxies related to corruption. Besides asking individuals about their experiences or perceptions, investigators have used numbers of prosecutions, news stories, and tweets. Judgments within and across countries have been solicited from business people, professors, and other “experts.” Other research looks at the flip side of corruption, for example perceptions of impartiality, government efficiency, the rule of law, and the independence of civil servants or judges. One study created a seemingly objective measure based on how long it takes for a mistakenly addressed letter to be returned to sender. Still other researchers have created scales based on the existence and/or implementation of various laws, rules, rights, and institutions in a country. Finally, a number of composite indices exist, which try to combine the various measures. A for-profit organization has created a composite measure of governance, one element of which is the risk of corruption. One of the World Bank’s six composite indicators of good governance is called Absence of Corruption.

Across cultures and countries, these many measures of corruption and good governance turn out to be highly correlated. For example, the bivariate correlations among the Corruption Perceptions Index, the World Bank’s Rule of Law Index, and its Absence of Corruption measure all exceed 0.90. The CPI is correlated 0.91 with a composite of three quality-of-government indicators of the PRS Group’s *International Country Risk Guide* (ICRG).¹⁹ The CPI is also highly correlated with answers to two questions in the World Economic Forum’s Global Competitiveness Index (GCI): Irregular payments and bribes ($r=0.90$) and Diversion of public funds ($r=0.86$).

A number of researchers have recently developed new measures of corruption and the quality of governance. Remarkably, even though many of the authors developed the measures out of dissatisfaction with “corruption perceptions,” their new measures also turn out to correlate highly with the CPI.

¹⁹ <http://www.prggroup.com/about-us/our-two-methodologies/icrg>

Impartiality

Bo Rothstein and Jan Teorell (2012) criticized existing measures of corruption and governance as theoretically ungrounded. In response, they developed a new measure of “impartiality” in government. After a multi-year data collection effort, their measure turns out to correlate over 0.86 with measures such as the CPI and the various World Bank Worldwide Governance Indicators.

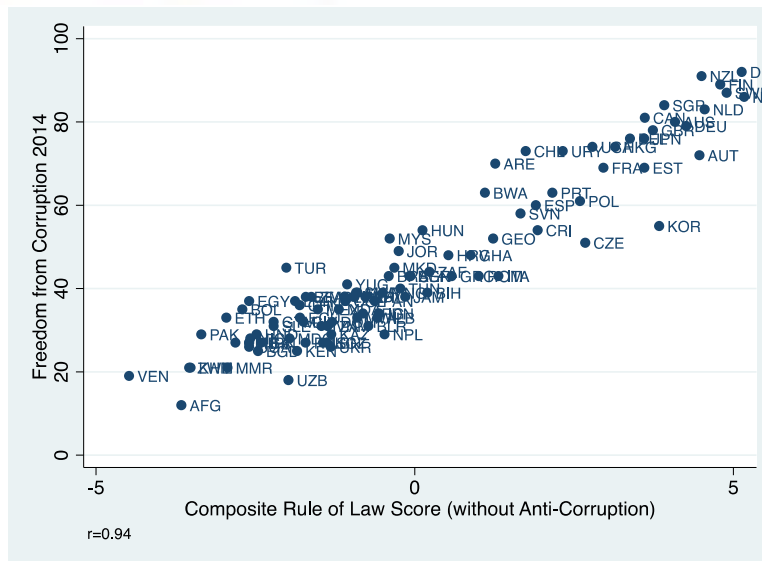
Rule of Law

The World Justice Project (WJP) decomposed “the rule of law” into eight dimensions: absence of corruption, constraints on government powers, open government, fundamental rights, order and security, regulatory enforcement, civil justice, and criminal justice (World Justice Project 2015). These eight were in turn disaggregated into 47 “sub-factors.” The WJP carried out two surveys in countries around the world, one of the public and another of local legal experts. The most recent iteration surveyed over 100,000 respondents and 2400 in 102 countries.

The WJP’s absence of corruption measure turns out to be correlated 0.95 with the Corruption Perceptions Index. What is more, the WJP’s dimensions of the rule of law are highly intercorrelated, despite their conceptual differences and wide variety of measures. An outside “statistical audit” of an earlier year’s results that the WJP’s dimensions “share a single latent factor that captures 81 percent of the total variance. This latter result could be used as a statistical justification for aggregating further the nine [the previous version included informal justice—RK] dimensions into a single index by using a weighted arithmetic average.” But the WJP does not wish to provide an aggregated measure: “This is not currently done, as the WJP team aims to shed more light to the dimensions of the rule of law as opposed to an overall index” (Saisana and Saltelli, 2012b: 2).

Using the latest WJP data, I created two composite rule of law indices using principal components. One of the indices uses all eight of the WJP’s dimensions; the other uses seven dimensions, leaving out anti-corruption. These two composite WJP indices are correlated 0.999. The WJP composite without the anti-corruption dimension turns out to be correlated 0.94 with the Corruption Perceptions Index (see Figure 2).

Figure 2 The Corruption Perceptions Index and the Rule of Law Composite Are Closely Related



Public Administration Corruption Index

Laarni Escresa and Lucio Picci (2017) painstakingly created another new measure of corruption across countries. Their Public Administration Corruption Index (PACI) is based on the geographic distribution of public officials involved in cross-border corruption. The index examines 816 cross-border corruption cases pursued between 1998 and 2012 by courts in Germany and the United States with 122 foreign countries. The log of the authors' preferred version of the PACI turns out to be correlated more than -0.85 with both the CPI and the World Bank's Control of Corruption Index.

Index of Public Integrity

In May 2016, a new Index of Public Integrity (IPI) was released for 105 countries. It combines expert judgments and objective indicators across six categories: judicial independence, "administrative burden," trade openness, budget transparency, "e-citizenship," and freedom of the press. The resulting IPI turns out to be correlated 0.89 with the 2014 CPI (Mungiu-Pippidi and Dadašov 2016: 17).

Business Bribery Risk

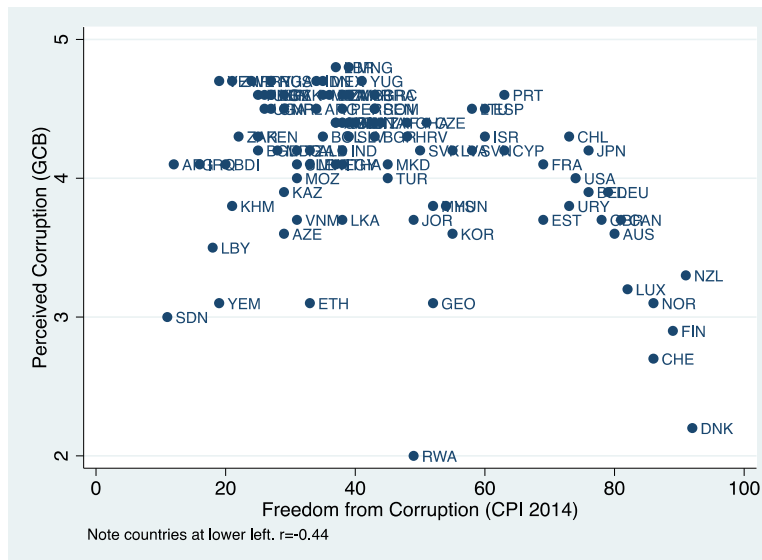
In collaboration with the RAND Corporation, the U.S.-based company TRACE International developed measures of "business bribery risk" in 199 countries.²⁰ The overall country risk score is a combined and weighted score of four domains—Business Interactions with the Government, Anti-bribery Laws and Enforcement, Government and Civil Service Transparency and Capacity for Civil Society Oversight, including the role of the media—as well as nine subdomains. I calculate the overall risk score is correlated -0.84 with the CPI.

²⁰ <http://www.traceinternational.org/trace-matrix>

Exceptions

Not all measures are so closely connected. For example, the Global Corruption Barometer's Corruption Perceptions measure seems badly behaved in the statistical sense. Figure 3 shows this variable and the Corruption Perceptions Index. Note the strange pattern and the many apparent outliers. The correlations between this GCB measure and the other measures of corruption are significantly lower ($r=0.44$).

Figure 3 A Relationship That Demands Further Exploration



At the national level, many (but not all) indicators of corruption and good government are tightly enough related that, as a first approximation, we might say they are measuring the same underlying concept.

ARE MEASURES OF CORRUPTION VALID PREDICTORS?

What is being measured is one question. *So what* is another. Do the highly intercorrelated measures of “corruption” have significant and important quantitative relationships with other variables? Do these relationships follow what we might expect from theory?

Abundant research displays the correlations of many variables with corruption (Holmberg and Rothstein 2014). Eugen Dimant (2013) looked across academic disciplines to assemble the many empirically studied “determinants” of corruption: he found variables in 41 economic, legal, and social categories. Statistical assertions about corruption’s consequences are sometimes made: for example, lower corruption leads to higher growth, less poverty, lower infant mortality, better health care, more access to safe water, and better chances for peace (for example, Holmberg, Rothstein, and Nasiritousi 2009).

As most of these scholars recognize, causation is difficult to establish. As in other areas of quantitative work across countries, estimation is constrained by relatively small N (few countries), relatively large K (the number of plausible predictor variables), limited data

(long time series are unavailable on many important variables, including corruption itself), and possible bidirectional causality (GDP growth leads to lower corruption, as well as or instead of lower corruption leading to GDP growth).

New lines of research suggest relationships between levels of and changes in corruption and self-reported happiness.

In a path-breaking paper, David Benjamin and his colleagues (2014) assembled 136 different attributes of wellbeing suggested in the psychological literature. The authors asked individuals to make tradeoffs among pairs of these attributes. Among all the public policies, the most important contributor to people's wellbeing was "freedom from corruption, injustice, and abuse of power in your country."

National-level data are consistent with the proposition that higher levels of corruption correspond to lower levels of self-reported happiness. Take a metric of happiness based on the World Values Survey. Across all countries, the average level of happiness in a country is correlated 0.69 with the Corruption Perceptions Index. Countries in Latin America are significantly happier. The correlation among countries in Latin America and the Caribbean is 0.40. The correlation among the rest of the countries is 0.78. A different measure of happiness, from the World Database of Happiness (2016) maintained by a pioneer in research on wellbeing, Ruut Veenhoven, is correlated 0.57 with the CPI (0.70 excluding Latin America and the Caribbean).

Perhaps the most interesting evidence about corruption and wellbeing comes from John Helliwell, one of the editors of the *World Happiness Report*. In late 2014, he and several colleagues published a panel analysis of 157 countries using a variety of estimation techniques:

The new results are able to show not just that people are more satisfied with their lives in countries having better governance quality, but also that actual changes in governance quality since 2005 have led to large changes in the quality of life. This provides much stronger evidence that governance quality can be changed, and that these changes have much larger effects than those flowing simply through a more productive economy. For example, the ten most-improved countries, in terms of delivery quality changes between 2005 and 2012, when compared to the ten countries with most worsened [sic] delivery quality, are estimated to have thereby increased average life evaluations by as much as would be produced by a 40 percent increase in per capita incomes. When we explain changes in average life evaluations over the 2005 to 2012 period, just as much was explained by changes in governance quality as by changes in GDP, even though some of the well-being benefits of better governance are delivered through increases in economic efficiency and hence GDP per capita. Our new results thus confirm that quality of governance affects lives via many channels beyond those captured by GDP per capita, and also that important improvements can be achieved within policy-relevant time horizons (Helliwell et al. 2014: 4).

These three different sources are consistent with the hypothesis that as corruption goes up, aggregate measures of citizens' happiness go down.

BEYOND NATIONAL AVERAGES

After appraising a measure's internal statistical qualities, its correlations with similar measures, and its relationships with other variables of theoretical and practical importance, we turn to a question that is at once broader and more detailed. Why do we want a national measure of corruption, and how should such a measure be used?

Consider measures of education or health or poverty. One could and should examine their internal make-up. One could and should assess their correlations with other variables. And then one could ask, why do we want national measures of these things, and how might they be useful? At the national level, they could be useful to track progress, make predictions, and assess the effects of policies or preconditions. And yet no one would say that a single, aggregated measure of education or health or poverty is sufficient for a country. No one would say that the country level is the only level of interest—or even the main one: consider for example other geographic levels (Standard Metropolitan Statistical Area [SMSA], county, state...), demographic categories, and experience with various “treatments” or policies. No one would say that the raw score is the only one of interest, especially if one is trying to assess the value-added of a particular SMSA, county, etc. or a particular treatment or policy.

So it is with measures of corruption. We can measure by region and locality, by industry, and by function. We can imagine using residuals where we statistically control for other variables such as education levels, demographics, government budgets, and so forth.

And we will wish to go beyond averages. With regard to income, we go beyond the mean to examine the distribution, measured in various ways. We ask about the percentages of people are above some threshold, such as a poverty line that is linked with transfer payments, or a middle-income line that determines eligibility for tuition relief, or an upper-income line that may trigger higher levels of taxation.

A moment's reflection reveals that there is no one “right” level of analysis; the choice depends on the decision context. One can imagine a benefit-cost analysis of employing an incomplete, imperfect measure, depending on the choices one faces, the likely consequences, and the costs of the information (Raiffa 1968).

In the case of corruption, national measures may have limited value. They might be used to allocate aid, as in the U.S. Millennium Challenge Account. But formal models show how quickly the allocation decision goes beyond what a country's corruption measure could or should determine (Klitgaard, Fedderke, and Akramov 2005). National averages on the CPI might help companies see where to invest, but it is more likely that companies have finer-grained information by industry, government sector, specific location in the country, type of investment, and so forth.

National-level measures can help a country “locate” itself, by which I mean identify its strengths and weaknesses compared with other countries—including perceptions of various aspects of corruption. In particular, it helps leaders get past defensive responses (“this is just an issue for moralists and has little impact on development”) to rethink for their country what “corruption” means and how important various manifestations may be.

Examples of High-Impact Measures

In practice, national-level measures have limited practical applicability for making policy, monitoring progress, and implementing reforms. Finer measures of corruption—and related ideas of customer satisfaction with public services²¹—can play powerful roles. The point is not that “corruption” is too vague a concept or that no single measure can capture it. Rather, even partial and inexact measures can be injected into the relationships between government agencies and citizens in ways that can promote efficiency, effectiveness, and civic dignity—and reduce corruption. Consider four examples.

India

In Bengaluru, India, in the 1990s, a new civil society organization called the Public Affairs Centre created a report card for each government agency. One ingredient was quick feedback from citizens leaving the agency: how was the service you received, and were you asked for a bribe? Two other ingredients came from interviews with high-level clients of each agency (such as companies and citizens groups) and from unobtrusive, objective measures of responsiveness (such as how long it took for an agency employee to answer a phone call). The report cards kindled protests by agency heads, who claimed they should not be compared with other agencies with such different missions, resources, and clients. But when S.M. Krishna created a public-private-citizen Bangalore Agenda Task Force (BATF), the report card represented independent information that agencies and businesses could use to track progress—including the control of corruption and abuse of power. The results, According to a Government of India report a decade later, “The BATF in collaboration with multiple government and civic agencies has revolutionized public services in Bangalore” (Paul 2012: ch. 7).

Peru

In Peru, a civil-society organization called Ciudadanos al Día developed its own scorecard. Using a private polling firm, individual citizens were asked when leaving a city agency, public hospital, or federal agency two quick questions. How was the quality of service you received? Were you asked to pay a bribe? The results were computed periodically, and the news media enthusiastically published the resulting rankings—and the controversies they generated, particularly from the leaders of cities, hospitals, and agencies that ranked near the bottom. Ciudadanos al Día went further. Working with television, it organized an annual prize ceremony. After technical committee had decided on several finalists in each category, a blue-ribbon panel of famous Peruvians (actors, authors, sports heroes, honest public leaders of the past) chose one winner in each category and announced the winner, Oscar-style, to great suspense on prime time TV.²² Ciudadanos al Día then studied what these and other successful public institutions were doing, by functional area. It compiled more than 800 “good practices” and published them, including on line. Finally, Ciudadanos al Día

²¹ As we have seen, measures of corruption and of government efficiency are highly correlated.

²² <http://www.premiobpg.pe/es/>

would help cities or agencies desiring improvement with specialized surveys of particular functions and tailor-made training using the good practices.²³

Pakistan

In Punjab, a Pakistani province with the population of Germany, the Proactive Governance Model took advantage of the prevalence of cell phones, even among poor citizens. When citizens received a public service, they provided their cell numbers. Soon they received a text message from a central office in Lahore. How was your service? Did you have to pay a bribe? The results were compiled. A sample of citizens received a follow-up text message from the Chief Minister, asking for their suggestions to improve public services. Various offices were identified as providing excellent service. They were rewarded, and their success was studied: how did those offices do it? Over 8000 cases of corruption were uncovered. Cell phones were also used to fight teacher absenteeism. Each day, teachers had to send a selfie of themselves and their students to the Ministry of Education. A similar idea was employed with agricultural extension agents, who often shirked their duties, saying they had made a farm visit when they hadn't. Now they had to take a selfie with the farmer and send it to headquarters. Later, farmers were asked about the quality of service provided and whether or not a bribe had been requested. Punjab's social audit system became the template for similar innovations in other provinces and federal agencies in Pakistan.²⁴

The Philippines

A final example also uses citizen feedback to fight corruption and improve service delivery: the Performance Governance System.²⁵ The Institute for Solidarity in Asia, based in Manila, developed this public-sector analogue to the Balanced Scorecard, a business tool developed in the 1990s to help companies go beyond narrow, short-term metrics. The ISA began working in 2004 with seven reform-minded mayors in the Philippines. The mayors agreed to convene local people, including city officials but also people from business and civil society, to create a distinctive and specific vision statement, a mission, and a strategy map summarizing key initiatives and metrics. Fast forward to today, and cities, federal agencies including the military and the police, and state-owned enterprises have bought into this system. ISA publicizes the progress of these institutions through various phases of the PGS. The results have been remarkable in terms of re-election, investment, improvement in public services, and reduced corruption.²⁶

²³ See <http://www.ciudadanosaldia.org>; also based on author's fieldwork in Peru.

²⁴ See Callen and Hasanain (2011) and Masud (2015); also based on the author's fieldwork in Pakistan.

²⁵ <http://isacenter.org/programs/pgs/>

²⁶ See <http://isacenter.org>; also based on author's fieldwork in the Philippines and Mahoney and Klitgaard 2016.

Beyond Complaints to Systems

The Independent Commission against Corruption (ICAC) in Hong Kong, considered a success story in the fight against corruption, created new channels for people to report corruption. Citizens will report extortion, especially if they can do so safely. But the ICAC found that up to half the corruption complaints received were malicious or mischievous. A solution was “triangulation”—looking for places where multiple complaints coincided (Klitgaard 1988: ch. 4). But even here, people who want to cause trouble can do so, besmirching even the non-corrupt. Trolls can disrupt web-based complaint data as well.

One way to go beyond individual complaints is to ask for people’s help in diagnosing corrupt systems. Lawyers understand the workings of corruption in legal systems. Accountants know the illicit games played with audits. Business people understand how corrupt systems of procurement and contracting work.

This knowledge can be culled in many ways. In surveys, people can be asked *where* they perceive corruption to be occurring. In confidential interviews, insiders can be asked *how* a corrupt system works. For example, a study of a procurement system may lay out the various steps: prequalification of bidders, technical criteria and their weights, the judging of the various bids, the process for post-award changes and the payment of the contract. Each of these steps may be subject to corruption. Interviewees are asked, in effect, “Here is how things are supposed to work in prequalification. In your experience, what problems tend to emerge? How prevalent do you guess these problems are? What distortions are created?”

The results of many such interviews can then be the basis for a diagnostic of a procurement system. The diagnostic can be shared with the interviewees for comments and corrections. The final version can be shared with many parties, including the government, and be used to plan remedial actions. A year later, the interviews and surveys can be repeated to assess progress and identify new remedial actions if necessary. This process has proved valuable in procurement, road building programs, police, tax collection, courts of the first instance, health, and rural education (especially textbook programs and school construction) (Klitgaard 2015).

Surprisingly perhaps, public servants involved in corrupt systems are often willing and able to analyze where those systems are vulnerable to corruption – as long as the focus is on corrupt systems and not on condemning isolated individuals (Klitgaard 1988; Klitgaard, MacLean-Abaroa, and Parris 2000).

Another useful tool also focuses on systems rather than specific acts or actors. “Vulnerability assessments” examine processes for their susceptibility to corruption. For example, where in the process does one see a combination of monopoly power, wide discretion, and weak accountability (Davidsen et al. 2011)? A vulnerability assessment does not ask about people’s corruption experiences nor their perceptions, but instead explores the corruption-enabling proclivities of structures and incentives.

A variety of other measures have been used to assess corruption: performance monitoring (Olken 2007), proxy indicators,²⁷ and others. There are many methods for gathering information about various kinds and locations of corruption, about their possible causes, about the severity and incidence of their consequences (looking not just at bribe sizes but at the distortions of policies and incentives), and eventually about the possible costs, risks, and effectiveness of ways to reduce corruption.

All of these are a long way from a national measure of “corruption.” A long way from perceptions of too-close ties between big business and government. These measures go beyond worries about comparisons across and stigmatizing of entire nations or even continents, about the importation of alien values, about a few people in Berlin or Washington asking each other, “So, how is Myanmar doing?”

CONCLUSIONS ABOUT MEASURES

Measuring corruption is perilous. Even when corruption is systemic, most corrupt acts are secretive and stigmatizing. Most people will not readily admit to them. Even supposedly hard data, such as media stories or cases prosecuted, will be systematically biased in societies where the press and the prosecutors are stifled. John T. Noonan, Jr., notes:

These major reasons for mistake—the rarity of proof of actual bribery; the abundance of accusations; the misleading impressions given by legal activity in this regard; prejudices of many kinds; the fallacy of the perfectly corrupt man; and the reductionism that eliminates conventions and looks only at function—mean that broad generalizations about the amount of bribery in a society must be made with caution and with caveats and without great confidence in their reliability (1984: xiv).

Around the world, people’s reported experiences with bribery are much lower than their perceptions of corruption in their country. This divergence has been a source of interest, as scholars try to understand what might explain the divergence.

First, one likely source of the divergence is found in many areas of behavior where stigma is present: people underreport their activities that may cause embarrassment or shame.

Second, a divergence between one’s local experience and one’s national perception turns out to characterize many areas of public life, such as health care, education, and evaluations of legislators.

Third, people are probably talking about different things: bribery vs. dishonesty and untoward business-government relations. Consider the case of Peru. In 2013, 70 percent of citizens said government employees are not honest and 79 percent thought “corruption has gained ground in the country.” Yet only 3 percent said they were asked to pay bribes. Beatriz Boza, who headed the organization that sponsored the survey, speculated that what Peruvians mean by corruption is not limited to bribery.

²⁷ <http://www.u4.no/articles/the-proxy-workshop/>

When a public entity offers a service monopolistically and is the only entity that can make the changes to offer the service in better conditions, not to do so is to use inadequately the power that this institution has received to offer the service. And this improper use of power is perceived by citizens as evidence of dishonesty. It is dishonest for a public servant to have accepted a job that he does not know how to fulfill or does not want to fulfill. And this dishonesty on the part of the public servant, in the mind of the citizen who is not thinking of a legal or penal concept, is an act of corruption (Boza 2013; my translation).

Finally, when appropriate statistical transformations are made to skewed distributions, national averages for perceptions and experiences turn out to be correlated more than 0.8. Perceptions and experiences are different, but at the national level they track each other.

Indeed, we discovered that most national measures of corruption are also highly correlated ($r > 0.8$). Remarkably, when critics of perceptions-based measures of corruption devise their own alternatives, often at great expense, their new indicators are also highly correlated with measures such as the Corruption Perceptions Index.

- A measure of “impartiality” in government (Rothstein and Teorell 2012): $r = 0.86$
- A composite measure of “rule of law” based on indices created by the World Justice Project (2015): $r = 0.94$.
- A Public Administration Corruption Index based on cross-border corruption cases tried in Germany and the United States (Escresa and Picci 2017): $r = 0.85$.
- An Index of Public Integrity that combines expert judgments and objective indicators across six categories (Mungiu-Pippidi and Dadašov 2016): $r = 0.89$.

Whatever the “realities” of corruption might be at the national level, perceptions may matter. Maybe such measures usefully track a concept “being put to work”:

Anthropology, it has been said, did not advance until it turned from the study of witchcraft to the study of accusations of witchcraft... Where accusations abound—where sermons on the sin are copious, there prosecutions proliferate, where laws multiply—the idea of bribery is being put to work... The reality of a concept in the society is indicated by its invocation, even though the extent to which the idea affects official conduct cannot be closely calculated (Noonan 1984: xiv).

Maybe the perceptions are connected to happiness. We considered three new pieces of evidence, each of which suggests that higher levels of perceived corruption lead to lower levels of citizens’ self-reported wellbeing:

- pairwise tradeoffs by individuals among 136 dimensions of wellbeing;
- correlations at the national level; and
- a panel study across countries from 2005 to 2012.

If higher perceived corruption leads to more unhappiness, does this have further consequences? Corruption perceptions have been linked with citizen unhappiness and

anger and thence to the rise of authoritarian populism. Perceptions of corruption have been connected with uprisings around the world. In early 2014, Kasit Piromya, the former foreign minister of Thailand, said his country exemplified an international trend:

What has been happening in Thailand during the past ten years is similar to Turkey, Tunisia, Egypt, Russia, Ukraine, Venezuela, etc., namely elected governments have become illiberal, abusive; using the argument of the majority voice to overcome and ignore the concept of check and balance, rule of law, independent media and judiciary.

People from all walks of life have come out against this majoritarianism and call for drastic reform, for a more participatory and accountable democracy. Next elections should take place after the reform. The reform process needs a transitional government. (Tunisia is having a technocratic one; Egypt has a military; Italy has had technocrat governments).

In the event, Thailand did not get a “transitional government”—rather, a military coup in May 2014 that Prime Minister General Prayut Chan-ocha justified in part as a necessary step to launch a war against “corruption [that] has been deep-rooted in Thai society” (Thai PBS 2014). Even when a country has democratic elections, perceptions of corruption can undermine political legitimacy and stability.

Some use may be made of national measures. Data help locate one’s country along various dimensions. Data also limit concept escalation: these measures deal with perceptions of bribery, misallocation of public resources, and so forth, but not with a supposed breakdown of morality.

We saw examples of decentralized information about corruption (and other government outcomes) being used to involve citizens and business people and drive effective government reform. Relatively new technologies such as the cell phone are enabling creative feedback loops from the victims of corruption to oversight agencies (and to each other). Some countries are moving from complaints to systems analysis, where the private sector and civil society help diagnose corrupt systems. After such diagnoses one might foresee even more effective public-private-citizen collaboration in reforming corrupt systems (Klitgaard 2012).

Implications

Corruption is a shaky concept, and measures are contestable and inexact. Moralisms lurk, often unhelpfully. Welcome to the real world, where in so many domains concepts and measures are unsettled at best. Consider the quality of health care, educational progress, indices of women’s status, climate change, and poverty. In each area we encounter controversial concepts. We have imperfect measures based on expert judgments and popular perceptions as well as people’s “experiences.” We discover incentives to misreport, exaggerate, or soft pedal, sometimes to protect a particular government, sometimes a vested interest. As certain countries, cultures, or economic systems broadly construed do better and worse, new reasons arise to advocate or disparage particular concepts and

measures. In every case we have discussions over the proper level of measurement (global, national, local...), the proper control variables (by level of development, industry, education...), and the proper uses (to allocate resources, monitor and reward progress, create competition...). In each case, when we try to figure out what works where, we face theory uncertainty, measurement uncertainty, and modelling (or econometric) uncertainty, coupled with samples of countries (ministries, cities, projects...) that are too small to enable us to explore potentially important interaction effects.

And yet, we may be able to make progress nonetheless.

1. We should consider how current discussions are guided by certain concepts of the problem. Look for places where discourse seems stuck. Can a reframing of the concept help unstick the dialogue? In the case of corruption, when policymakers reframe corruption as an economic crime of calculation, it helps discussions move beyond shame and resentment, beyond the escalation of corruption to all commerce, all government, our culture, or all of humankind. It frees them to ponder how corrupt equilibriums might be disrupted and how institutions might recalibrate incentives and information flows to channel self-interest in more socially useful directions.
2. We should examine many measures. Note how comparisons across many dimensions can help scholars and policymakers locate the issues and sometimes the priorities. Be aware that citizens' personal experiences often diverge from their general perceptions, whatever the magnitude of the correlations between measures of both. Note that national measures of raw scores have uses and misuses; employing them does not preclude subscales, geographic or functional subcategories, scores controlling for other factors, and so forth.
3. In many cases, a theory of change can be explored by examining "bright spots." Look for examples of success (true, failures too can be instructive). Where have countries (or other units of analysis) seen improvements in the problem? What was their setting, and what did they do? How do these stories connect with the concepts and with the theories of change embedded in them? Did various measures of the problems and desired consequences move accordingly? Bright spots can be shared in ways that invite local adaptation and creativity, instead of stipulating "best practices" (Heath and Heath 2010; Klitgaard 2015).
4. We should not, therefore, be overwhelmed by disagreements about concepts and measures, by differences in survey answers between personal experiences and general perceptions, or by differences in perceived trends and "real" trends.
5. We should not arrest our efforts to do better simply because we cannot create a full model of the many variables that may affect the outcomes we care about. Studies of corruption suggest that we can learn from imperfect data, success stories, and theory in ways that enable us to be more creative and practical problem-solvers.

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