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A review of donor agency approaches to anti-corruption

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Abstract

This literature review examines donor approaches to anti-corruption using available policy, project, and academic material. This first entails a discussion of the main conceptual issues such as the definitions of, and theoretical approaches to, corruption. This is then complemented by a discussion of implementation issues - through the comparison of different bilateral and multilateral donor approaches to corruption and an analysis of lessons learned from past experience. The paper concludes by highlighting areas for further work.

A Review of Donor Agency Approaches to Anti-Corruption[*]

Francis Hutchinson

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Introduction

Due to its controversial nature and implications for the national sovereignty of stakeholder countries, aid agencies have traditionally been reluctant to tackle the issue of corruption. However, growing awareness of, and empirical evidence on, the importance of a country's overall policy framework for successful aid outcomes (Burnside and Dollar, 1997) is pushing donors to develop policies to deal with issues of governance and corruption.

Although some economists have argued that particular forms of corruption can be good for economic development[1], there is a growing consensus that it has negative long-term economic effects. According to the World Bank, corruption increases transaction costs and leads to 'inefficient economic outcomes' – through reducing investment, diverting human capital to rent-seeking activities, and reducing the state's ability to generate revenue (World Bank 1998: 1). Corruption also has harmful social effects. By driving up prices for basic social services, particularly in the health, education, and justice sectors, corruption disproportionately affects the poor. Consequently, it can greatly increase levels of inequality, with potentially destabilizing effects for society as a whole.

While there are many theories about the relationship between corruption and economic development, one of the few robust empirical findings is that poorer countries suffer from higher levels of corruption (Andvig et al 2001: 1). In an aid climate where donors strive to reach the 'poorest of the poor', agencies are – unlike firms – obliged to work in contexts characterized by high levels of corruption.

As such, corruption and wider governance issues are moving into the mainstream and growing numbers of agencies are incorporating anti-corruption guidelines and projects in their work. As more is learned about corruption, initiatives to combat it are changing in important ways. According to Klitgaard, the beginning of the anti-corruption movement was characterized by campaigns to raise awareness. The second moved towards studying how and where corruption manifests itself. The third and current phase is now centered on establishing effective implementation mechanisms, particularly in contexts characterized by high levels of corruption (2000: 1).

It is therefore timely to look at past donor experiences to see what can be learned about effective approaches to anti-corruption. While the bulk of work on corruption is academic in nature, there is a body of policy and project-related material that permits lessons to be drawn. In order to provide an overview of these issues, this literature review will be divided into three sections. The first will look at different definitions and theoretical approaches to corruption. The second will discuss donor approaches and lessons learned from past initiatives. The third and final section will conclude by discussing areas where more work is needed.

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[1] See Leff (1964) and Huntington (1968).

The Conceptualization of Corruption

Definitions

Corruption manifests itself in multiple ways and has distinct meanings in different cultural and historical contexts. As such, it has a variety of definitions whose suitability depends on the specific issue being addressed.

The most frequently used definition is the World Bank's, which classifies corruption as the 'abuse of public power for private gain' (World Bank 1997: 6). This definition is concise and operationally useful for many anti-corruption projects, as it focuses on the relationship between the state and society and is broad enough to encompass most forms of corruption. However, it is important to note that this definition is state-centric. Corruption can also occur in the private sector and civil society, with many of the same negative implications.

Following the state-focused approach to the concept, corruption has various manifestations[2]. It usually refers to situations where 'an official entrusted with carrying out a task by the public engages in some sort of malfeasance for private enrichment' (Bardhan 1997: 1321). Although different in form, these manifestations are not necessarily mutually exclusive and quite often coexist. The most common forms are: bribery, embezzlement, fraud, extortion, and favouritism/nepotism. Perhaps the most useful visualization of the different forms of corruption is provided by the United Nations Office of Drug Control and Crime Prevention (UNODCCP) (Fig. 1).

Corruption can also be categorized in various ways, according to its scale, its location, or its prevalence, for example[3]. A common distinction is made between 'petty' and 'grand' corruption (NORAD 2000: 8), or between 'bureaucratic' and 'political' corruption (Morgan 1998: 15). Petty or bureaucratic corruption refers to low-ranking public officials using their position to generate money for themselves through unofficial charges and bribes. Grand or political corruption refers to higher-level bureaucrats and politicians using their positions and influence to earn money. This form of corruption often emerges as embezzlement or bribes in the bidding and implementation of large-scale government projects, including those funded by aid or concessional loans.

Others make a distinction between 'state capture' and 'administrative corruption' (World Bank 2000). Administrative corruption is similar to petty corruption mentioned above, as it looks at the conscious distortion in the implementation of laws for the 'private gain of public officials'. However, state capture goes much further than this, referring to individuals, groups, or enterprises 'extracting rent' from the state, and actually changing a country's 'basic legal and regulatory framework' (2000: 2)[4]. Both administrative corruption and state capture can occur at all levels of government. What distinguishes them is not who establishes the relationship, but rather the political implications of each type of corruption.
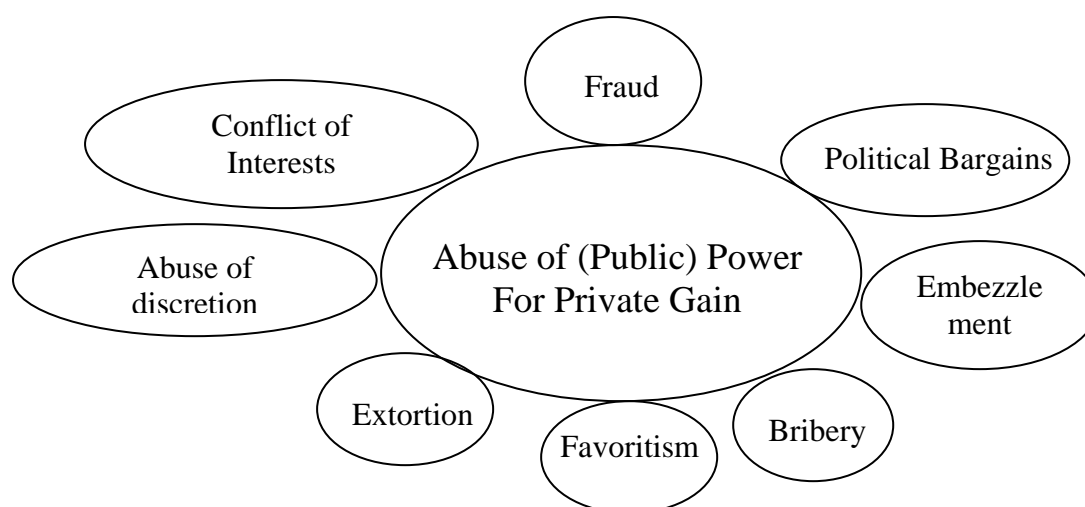
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[2] For a discussion of the different forms of corruption, see Amunsden 2000.
[3] For a good classification of the different types of corruption, see Alatas 1990.
[4] A classic example of state capture would be Zaire under Mobutu, see Evans, 1995: 46.

Fig 1.   **Forms of Corruption**

Source: UNODCCP (2002: 3)

Some also find it useful to distinguish between 'isolated' and 'systemic' corruption. In contexts where corruption is an isolated occurrence, most institutions and individuals within them support the formal legal framework. Conversely, in situations where it is systemic, bribery and other forms of corruption are prevalent in the interface between the public and private sector. There is an 'equilibrium trap' where incentives are strong for individuals and institutions to accept the status quo (World Bank 1997: 10).

Far from being an academic exercise, having a clear definition of what constitutes corruption in a given context will affect how it is approached. According to Andvig et al, having a narrow definition of corruption is more useful in contexts where corruption is limited to a particular segment of the economy or set of institutions. In circumstances where corruption is more prevalent, however, it is more useful to use broader or more 'open-ended' definitions that will enable corrupt networks that cut across institutions to be detected (2001: 5).

Theoretical Approaches

As with definitions, different theoretical approaches influence how agencies evaluate corruption and formulate potential methods to combat it. The issue is not whether one approach is inherently better, but rather the suitability of the approach to the situation at hand. The most prevalent and influential approach to corruption in the aid sector has been from the economic perspective. That said, in recent years, political science and anthropological perspectives have begun to be used as analytical frameworks to place public institutions and their officials within a wider context.

Economic approaches to corruption focus on incentives and disincentives that influence public officials' behavior and their propensity to accept bribes or abuse their position. In essence, they look at the economic rationale behind corrupt practices, and 'model the corrupt employee as a rational actor who decides whether to engage in corrupt activity by balancing the potential benefits against potential costs and consequences' (Morgan 1998: 12). Thus, much anti-corruption work inspired by this

framework has focused on public sector management issues that alter the incentives, penalties, and possibilities of detection for particular actions. However, this approach, while having merit, only looks at instances of corruption in a very defined setting.

It is thus useful to complement this perspective with other approaches. Political science perspectives aim to look 'beyond the visible signs of corruption to the broader setting in which it occurs' (World Bank 1997: 25). However, much of the political science work on corruption subsumes it to debates on the nature of different types of states and their propensity for democratization[5].

That said, variants of 'New Institutionalism' are more directly relevant for analyzing corruption. Looking at how institutions shape and influence events enables a more complete understanding of the context within which public officials work. Furthermore, it also broadens the scope of enquiry to include individuals and groups outside the public sector, and in turn seeks to understand how they perceive and react to different forms of corruption.

Rational choice institutionalism incorporates economic concepts in its analysis of how institutions shape an 'individual's calculations for engaging in socially optimal or suboptimal behavior' (Dininio 2002: 3). Historical institutionalism uses a similar framework, but rather than assuming the individual's analysis of costs and benefits is 'rational and self-interested', argues that the individual's perception of what is desirable and 'rational' is also shaped by the institutional context. Both of these perspectives have been influential in encouraging aid agencies to go beyond working exclusively with government agencies to enforce existing legislation to looking at other issues such as education and prevention in the wider community (Dininio 2002: 4).

The anthropological approach argues that the common definition of corruption assumes that there is always a clear division between the public and private sphere. However, this definition, which is based on Weber's ideal type of bureaucracy, is not always applicable to non-Western contexts. From an anthropological point of view, this definition is too restrictive as it does not fully capture how people in a particular context determine what is a corrupt practice and what is not. As Sissener states 'people's own assessments of courses of action do not ar[i]se from a set of culturally universal, invariable norms that helps to decide if certain actions are to be classified as "corrupt" or not. Rather, what is seen as corruption varies from one context to another. Given such variations, explorations of how the actors themselves evaluate social practices are required' (2001: 2).

To this end, anthropology has an array of 'methodological tools and analytical approaches' geared to discerning individual perspectives of a given phenomenon. Through embedding analysis of phenomena like corruption in their wider social contexts, anthropological approaches are better able to understand what constitutes corruption in a particular context and what social structures act to perpetuate it.

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[5] See Doig and Theobald (2000), Hope (2000), and Friedrich (1989).

Implementation Issues

Donor Approaches

This section will look at a cross-section of aid agencies and their approaches to anti-corruption work. Most agencies have policy frameworks to monitor their own operations and project implementation. These policies generally aim to: reduce the risk of embezzlement, prevent corruption in procurement, stop diversion of funds from specified rubrics, and avoid strengthening corrupt elites through misplaced funding (NORAD 2000: 8).

However, this section will look at donor agencies approaches to anti-corruption in stakeholder countries. The emphasis is on placed on pinpointing similarities and differences in approaches rather than cataloguing initiatives and projects. For a comprehensive listing of different anti-corruption activities, readers are invited to consult UNODC (2004) and Transparency International (2000).

United States Agency for International Development (USAID)

USAID lays out its approach to the issue in its 'Handbook on Fighting Corruption'. The Handbook aims to provide a 'framework' for understanding how corruption manifests itself in a particular setting. The framework consists of two pillars. The first pillar refers to 'institutional reforms' that aim to change the context within which public officials carry out their work. The Handbook alleges that 'corruption arises where public officials have wide authority, little accountability, and perverse incentives' (1999: 7). As such, USAID recommends a variety of initiatives targeted at each of these characteristics.

Regarding authority, USAID recommends reducing the government's role in the economy through policies such as privatization, liberalization, and measures such as competitive procurement and fostering competition between public agencies. Increased accountability can be achieved through fostering greater transparency and oversight of government operations, coupled with strengthened sanctions. Potential measures include freedom of information legislation, required employee financial disclosures, anti-corruption agencies, and audit offices, among others. Improving or realigning incentives refers to measures to promote ethical behavior and increase the professionalism of the public service through training, increasing compensation levels and introducing performance-based incentives (USAID 1999: 8-13).

The second pillar refers to 'societal reforms'. USAID recognizes that corruption also has 'socially-embedded incentives' as well as economic ones. As such, societal reforms are aimed at changing attitudes and political will towards corruption, and mobilizing public opinion to enable long-term anti-corruption initiatives. A key aspect of this involves gathering new information about the nature, expense, and causality behind corruption in order to stimulate demand for change. This encompasses initiatives such as surveys, public relations campaigns, civil society organizations, investigative journalism, and international pressure (USAID 1999: 14-15).

USAID does not propose that anti-corruption strategies include all the measures enumerated above. Rather, each strategy should fit the country context, based on a thorough analysis of corruption in the country. Such an analysis would consist of: 'an

assessment of the extent, forms, and causes of corruption for the country as a whole and for specific government institutions' (1999: 15). This would be complemented by an analysis of the political context, including the extent of political will and potential supporters and opponents.

USAID issued a new Anticorruption Strategy in January 2005. The new Strategy, while keeping the same framework, attempts to extend it somewhat. The Strategy paper argues that project experience has demonstrated the importance of the political context for successful anti-corruption work, stating 'in an environment of endemic corruption, anticorruption efforts must eventually confront grand corruption, or they risk rearranging corruption rather than reducing it' (2005: 13).

As such, the 2005 Strategy keeps the emphasis on institutional reforms and socially-embedded incentives but complements it with increased attention to the workings of the political system. Thus, it utilizes a 'more comprehensive, systemic approach that puts increased emphasis on grand corruption, underlines the larger political and economic dynamics that animate corruption, and extends our understanding of the nature and impact of political will' (2005: 14).

United Kingdom Department for International Development (DFID)

DFID's Anti-corruption Strategy (1999) argues that there are three ways of tackling corruption. The first is reducing opportunities for corruption to occur. This encompasses all measures that reduce state discretion, such as increasing the transparency and public scrutiny of decision-making processes, or liberalization and privatization (accompanied by adequate preparation and strengthening of the legal framework).

The second is to change the incentive structure for public officials. This includes ensuring public employees have a 'living wage', and improving the management of public institutions through measures such as merit-based recruitment.

The third is to strengthen the constraints on corrupt behaviour. This encompasses improving the transparency of procurement and payroll systems, formalizing audit procedures, updating anti-corruption legislation, creating or strengthening anti-corruption agencies, and increasing parliamentary or civil society oversight of the conduct of public officials.

In addition to anti-corruption initiatives, DFID also has activities in three other areas. The first relates to the elimination of bribery in international business and trade. Following the OECD Convention on the Bribery of Foreign Officials, measures include: dis-allowing tax deductions for bribes paid to foreign public officials; requiring companies to keep good accounting records, strengthen internal controls, and submit to external audits; and barring non-complying firms from bidding for public contracts. The second relates to combating money laundering through measures such as strengthened legislation, asset-freezing, and requiring financial institutions to carry out thorough background checks of their customers. The third involves measures to safeguard donor assistance against corruption through concerted cross-country adoption of uniform procurement procedures, random audits of tenders,

improved transparency of donor initiatives in stakeholder countries, and codes of conduct.

DFID (1999: 12-24)

United Nations Office on Drugs and Crime (UNODC)

The UNODC promotes awareness and ratification of the 2003 UN Convention against Corruption, which by early 2004 had been signed by some 106 countries (UNODC Corruption website, accessed 16/02/2005). In addition, through its Global Program against Corruption, the Office provides technical assistance upon request, carries out research, disseminates best practices, develops initiatives to strengthen judicial integrity, and seeks to improve inter-agency coordination in the anti-corruption field (UNODC 2001: 21).

The Office promotes an integrated approach to combating corruption, which rests on six pillars. They are: 1) democratic reform 2) strengthening civil society through ensuring access to information and promoting oversight of government functions 3) fostering the rule of law 4) ensuring an adequate balance of the independence and accountability of public offices 5) strategic partnerships at the national and international level to advocate and support the implementation of anticorruption policies and initiatives 6) strategic national and international partnerships to develop new strategies for combating corruption.

UNODC places a great deal of emphasis on the process involved in attacking corruption, arguing that 'such an approach must be evidence-based, non partisan, and transparent as well as inclusive, integrated, comprehensive and impact oriented' (2001: 17).

United Nations Development Program (UNDP)

UNDP lays out its approach to combating corruption in its 2004 policy paper, titled 'Anticorruption: Practice Note'. The agency treats corruption as a governance issue, stating that it is a 'failure of institutions and a lack of capacity to manage society by means of a framework of social, judicial, political and economic checks and balances' (2004: 2). UNDP uses an expanded institutionalist framework to conceptualize corruption, where 'Integrity' and 'Transparency' are grouped with 'Accountability' as indicative of a country's wider governance situation. The equation is as follows:

Corruption = (Monopoly and Discretion) – (Accountability + Integrity + Transparency)[6].

Based on its experience with past projects, UNDP advocates a holistic approach to tackling governance and corruption issues. It has a 'Five-Pronged' strategy that can be adapted to specific country contexts, depending on 'the established needs, agreed upon priorities, available resources and timing of the anti-corruption programme' (2004: 9). The prongs and the measures they refer to are:

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[6] The original equation, developed by Klitgaard (1988), is Corruption = Monopoly + Discretion – Accountability. USAID's approach is closer to this framework, as it concentrates more specifically on public officials, through focusing on their monopoly of power, discretion, and accountability.

Prevention: simplifying procedures and legislation; increasing the professionalism of the public service; strengthening oversight mechanisms; and changing attitudes about corruption.

Enforcement: increasing vigilance through the strengthening of oversight mechanisms (police, anti-corruption agencies, complaints mechanisms) and creating disincentives for corrupt behavior (penalties, extradition).

Public Participation and Coalition Building: gauging public perception of corruption issues; encouraging freedom of the press; strengthening civil society.

Strengthening National Integrity Institutions: creating or strengthening oversight bodies such as independent commissions on corruption, auditors, public procurement supervisory bodies.

Working with the International Community: sharing good practice and implementing international and regional treaties.

UNDP (2004: 8-13)

Organisation for Economic Cooperation and Development (OECD)

The OECD focuses on a different aspect of anti-corruption. Rather than focusing on the demand side it targets the supply side, seeking to reduce the ability of governments and companies to bribe foreign officials. The OECD promoted the ratification of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in 1997. This was the first global convention formulated to combat corruption in international business deals. To date, it has been ratified by all OECD countries in addition to five non-member countries. A Working Group monitors signatory countries' progress[7].

The OECD also works with the private sector, providing guidelines to multinational enterprises on measures to deal with corruption and ensure good corporate governance (2000: 1). In addition, the OECD carries out work on money laundering, and through the Financial Action Task Force on Money Laundering, focuses on illegal transactions to launder the proceeds from bribery, corruption, and other associated offences.

This work is bolstered by OECD's participation in various regional anti-corruption initiatives. These are geared at helping countries combat corruption through promoting best practice on good governance and anti-corruption initiatives as well as encouraging mutual or self-evaluation of policies. One such initiative is the ADB/OECD Anti-Corruption Initiative for the Asia-Pacific. To date, 23 countries in the region have signed its Action Plan, which is a legal, non-binding agreement that aims to bolster anti-corruption measures in the public sector, private sector and civil society.

ADB/OECD Anti-Corruption Initiative for the Asia-Pacific website (accessed 21/02/05)

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[7] However, there have been problems with the Convention's implementation, particularly regarding export credit agencies based in OECD countries. For more details see The Cornerhouse (2003: 16-22).

Asian Development Bank (ADB)

The Asian Development Bank puts forth its approach to anti-corruption in its policy document 'Anti-corruption: Our Framework, Strategies, and Policies'. The ADB emphasizes efforts to increase the efficiency of markets and the caliber of public sector institutions. The emphasis is on prevention of corruption, rather than the criminalization of offenders. Progress is more viable through long-term 'economic, legal, and institutional reforms' (1998: 20). However, the ADB's approach focuses exclusively on the economic aspect of corruption, seeking to avoid 'interference' in client countries. To this end, the ADB's anti-corruption strategy has the three following objectives:

Supporting competitive markets and efficient and transparent public administration: this involves reducing or eliminating market distortions and opportunities for corruption by firms or public officials. This is accomplished through measures such as privatization, liberalization, and the evaluation of existing regulatory frameworks. These policies are also complemented by civil service reform measures such as improving employment conditions, increasing oversight mechanisms, and increasing transparency.

Supporting anticorruption initiatives on a case-by-case basis and improving the quality of dialogue on governance issues: the ADB will evaluate requests from member countries to support specific anti-corruption initiatives. Assistance will be evaluated contingent on: the request coming from the member country's government; the initiative's consistency with wider ADB operational strategies and current projects; and the initiative's link to the ABD's areas of expertise.
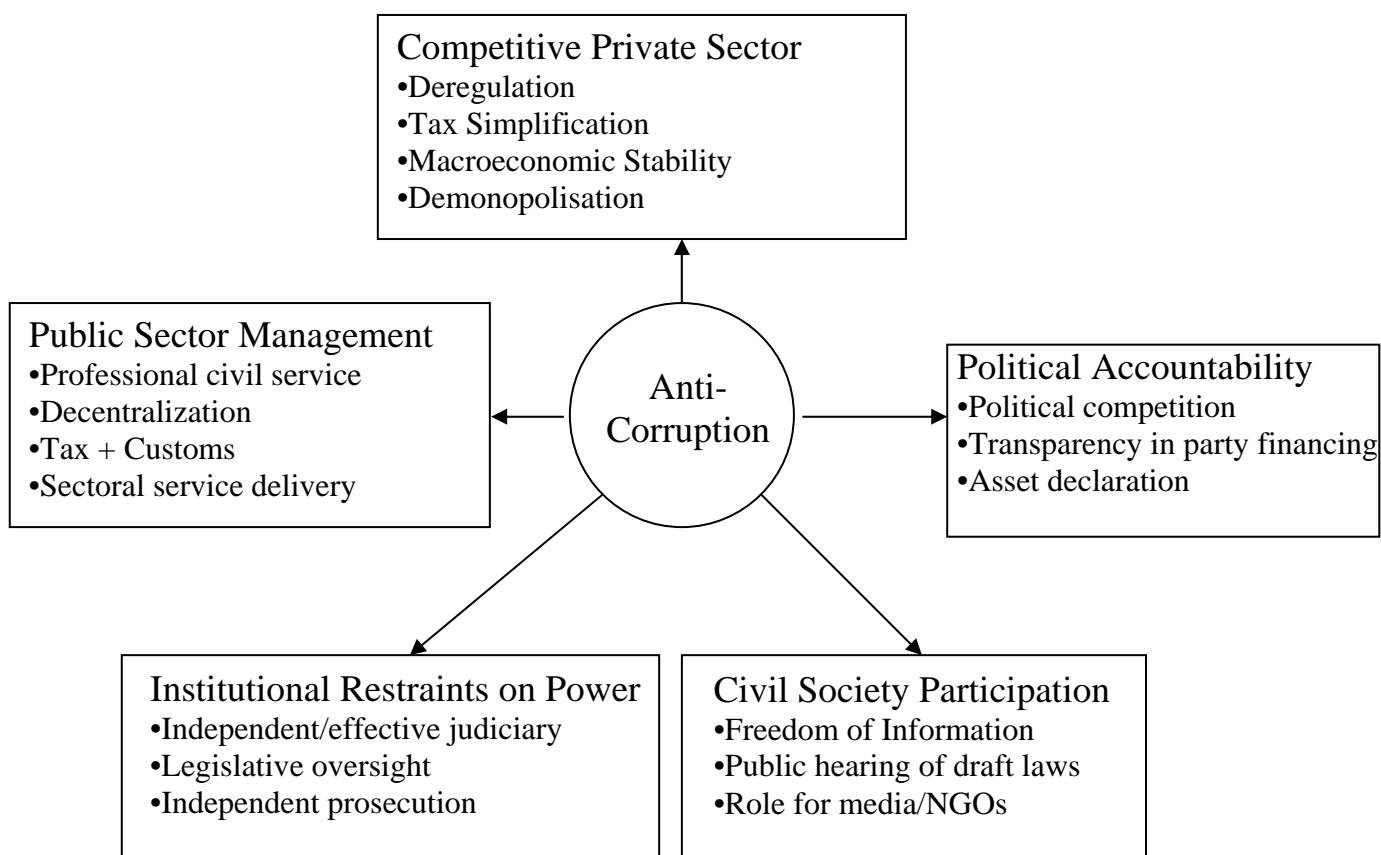
Ensuring ADB projects and staff adhere to professional ethic standards: this entails more 'robust' internal measures to ensure and increase the professional integrity of ADB initiatives. This includes: ensuring the integrity of the ABD's lending and technical assistance; increasing the monitoring and management of loans and grants; upgrading procurement policies; re-writing the Code of Conduct and establishing internal reporting procedures; and ensuring staff awareness of anticorruption measures and protocols.

ADB (1998: 20-27)

World Bank

The World Bank's priority is to foster economic development and alleviate poverty in client countries. For the Bank, dealing with corruption and wider governance issues is seen to be central to this effort, due to the corrosive effects that corruption and 'dysfunctional public sector institutions' have. Thus, the institution's anti-corruption strategy is multi-pronged and focuses on 'underlying economic and institutional reform' (2000: 21). The emphasis is to move beyond a focus on public institutions and their administration and look at 'broader structural relationships' that include: the political context, state-civil society relationships, and state-private sector relationships (Fig 2).

Fig. 2   **The World Bank Anti-Corruption Strategy**

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                    ┌─────────────────────────────────┐
                    │ Competitive Private Sector      │
                    │ •Deregulation                   │
                    │ •Tax Simplification             │
                    │ •Macroeconomic Stability        │
                    │ •Demonopolisation               │
                    └─────────────────────────────────┘
                                  ↑
┌──────────────────────────────┐     ┌────────────────────────────────────┐
│ Public Sector Management     │    ╱   ╲   │ Political Accountability           │
│ •Professional civil service  │  (  Anti-  )│ •Political competition             │
│ •Decentralization            │←─(Corruption)→│ •Transparency in party financing │
│ •Tax + Customs               │   ╲       ╱  │ •Asset declaration                 │
│ •Sectoral service delivery   │     ╱  ╲      └────────────────────────────────────┘
└──────────────────────────────┘    ↙    ↘
       ┌──────────────────────────────────┐  ┌──────────────────────────────┐
       │ Institutional Restraints on Power│  │ Civil Society Participation  │
       │ •Independent/effective judiciary │  │ •Freedom of Information       │
       │ •Legislative oversight           │  │ •Public hearing of draft laws │
       │ •Independent prosecution         │  │ •Role for media/NGOs          │
       └──────────────────────────────────┘  └──────────────────────────────┘
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Source: World Bank Anti-Corruption website (accessed 19/01/05)

The different prongs are:

Political Accountability: Changing the incentives for public officials to behave ethically can be achieved through decreasing their discretion and increasing the accountability and transparency of their tasks. This is done through measures such as: fostering greater political competition between political parties; supervising the finances of political parties; strengthening rules and legal instruments to ensure ethical behavior; and increasing public scrutiny of government.

Civil Society Participation: Civil society organizations (CSOs) carry out the important function of 'mediating' between the state and the public, and can be pivotal in combating corruption. However, while it is vital to foster the participation of CSOs, it is also important to ensure that they are subjected to public scrutiny to ensure adequate levels of accountability and transparency.

Competitive Private Sector: Powerful elites can 'capture' the state and subvert responsible policy making. Key policies such as liberalization, fostering competition, carrying out regulatory reform, and promoting good corporate governance can act as powerful constraints on the ability of such groups to capture the state.

Institutional Restraints on Power: The structure and 'institutional design' of the state can influence whether and how corruption emerges. Measures to promote the separation of powers and ensure oversight can help decrease opportunities for the abuse of power. These include: fostering an independent and effective judiciary, passing anti-corruption legislation, and ensuring effective auditing, among other things.

Transparency International

Transparency International is one of the most active civil society organizations at the forefront of efforts to combat corruption. Its approach to corruption, termed the National Integrity System (NIS), has played a very important role in shaping perceptions of the nature of corruption and methods to combat it.

According to Doig and McIvor, the NIS is used as a 'comprehensive and holistic approach to combating corruption'. While recognizing that countries have different historical, political, social, and economic contexts, they contend that there are similarities in how corruption can be approached and lessons learned in one context can be transferred. Transparency International proposes the National Integrity system as a comprehensive method of combating corruption. It is a framework that can be used to identify loci of corruption, pinpoint key institutions, and formulate responses (2003: 327).

Fig. 3 **The Pillars of Integrity**
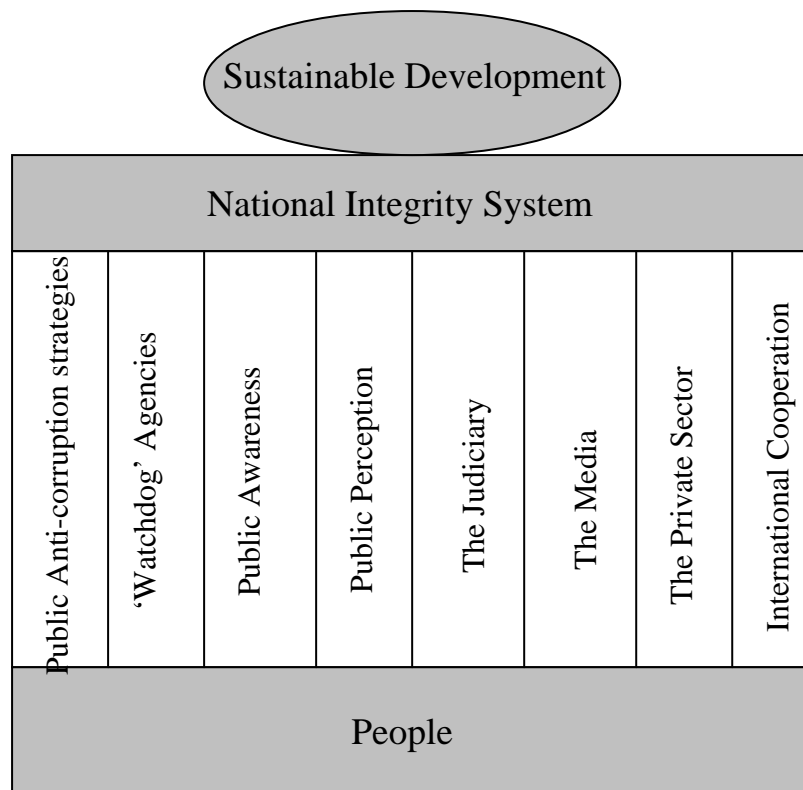
Source: Langseth, Stapenhurst, and Pope (1997: 11)

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Corruption is perceived of as a systemic phenomenon that can be addressed by reducing opportunities for corruption and increasing disincentives for corrupt behavior. The NIS is aimed at preventing corruption through changing social systems and institutions rather than punishing individuals (1997: 9). The National Integrity System is comprised of eight 'pillars' (Fig 3). They are: public awareness, public anti-corruption strategies, public participation, 'watchdog' agencies, the judiciary, the media, the private sector, and international cooperation (2003: 317)'. The pillars are interdependent, in that weaker pillars will increase pressure on others to uphold the integrity system. The challenge is to assess the relative strengths and weaknesses of each of the pillars and involve the government, civil society, and wider aid community in an overall program of institutional strengthening (1997: 10).

Lessons Learned

This next section will provide an overview of the lessons learned from the documentation reviewed. The findings have been confined, where possible, to discussions relating to real projects or specific contexts rather than simple normative statements. This task was made all the more difficult by the complexity inherent in gauging the effectiveness of anti-corruption projects. For convenience, the lessons learned have been grouped into two sections. The first deals with how corruption is conceptualized and the second with considerations regarding implementation.

Conceptualization issues

The nature of the lessons learned indicates that donor agencies operate under a significant number of preconceived notions about corruption, its manifestations, and methods of combating it.

One of the most frequently cited lessons is that rather than specific initiatives pinpointed at a select number of institutions, anti-corruption initiatives must be long-term and comprehensive in order to be effective (UNDP 2004: 6, DAC 2003: 7, World Bank 2000: 1, USAID 2005: 12). This is perhaps most eloquently summed up by Tanzi, who states 'the greatest mistake that can be made is to rely on a strategy that depends excessively on actions in a single area, such as increasing the salaries of the public sector employees; or increasing penalties…and expect results quickly' (1998: 30).

Similarly, practitioners stress the importance of avoiding standard solutions to corruption issues. UNDP argues that there are no established 'models' to combat corruption. While knowledge of 'best practice' can be useful and provide guidance, this is not necessarily applicable in all circumstances (2004: 6). While some agencies such as Transparency International promote the use of over-arching frameworks to capture different manifestations of corruption, they also stress the individuality and specificity of each country (Doig and McIvor 2003: 317).

Practitioners also argue that more effort needs to be placed on gaining knowledge of the target country in order to contextualise analyses of corruption. UNDP (2004: 8) argues for the importance of adequately assessing the social, political, cultural, and economic context of a country in order to fully understand how corruption manifests itself in a particular situation.

Haarhuis and Leeuw, in their evaluation of World Bank anti-corruption work, argue that while the theoretical arguments for many anti-corruption measures are sound (decentralization, wage increases for public officials, stiffer penalties etc.), the empirical grounding is 'case-specific' and actually very inconclusive (2004: 553, Appendix 1). In addition, many initiatives such as fostering civil society participation and privatizing state bodies can and do have unforeseen consequences. Therefore, the actual specificities of the stakeholder country need to be thoroughly evaluated before a particular course of action is recommended.

Furthermore, anti-corruption initiatives need to widen their scope to include other actors. UNODCCP argues that 'traditionally, the focus of donor attention has been on the Executive branch of government, particularly the programs and activities belonging to government ministries'. This perspective has excluded other branches of government, the private sector, civil society, or the wider public as partners and possible change agents (UNODCCP 1999a: 9). UNDOCCP states that most anti-corruption initiatives involve those who are paid to fight corruption, rather than those who experience it directly. The World Bank concurs, stating that this perspective limits strategies to 'standardized technical solutions' that are then 'incomplete and overly uniform' (2000: 1).

In addition to working with other sectors, there is a need to extend the analysis of corruption beyond a limited set of institutions. Andvig et al. make the point that in many developing countries, authority and power are 'wielded through informal political and market networks' (2001: 23). More effort needs to be dedicated to understanding the mechanisms through which power is accumulated and used, because state capture may be only one component of a strategy to amass wealth. Anti-corruption initiatives that focus only on visible state structures will simply displace corrupt networks to other institutions. Similarly, the World Bank argues that while a good deal is known about the causes and consequences of corruption, comparatively little is known about why it persists (2000: 1).

Possessing deeper understanding of how and where corruption manifests itself permits a greater degree of flexibility in designing projects. There are a variety of 'entry points' or related topics that enable the corruption agenda to be addressed. For example, in a highly conflictual context, corruption issues can be tackled under the wider umbrella of governance. Or conversely, where a particular type of corruption may be of public concern, initiatives can first address this issue as a way of capitalizing on public awareness - before then moving on to other issues (DAC 2003: 33).

The extent of corruption also determines the adequacy of a particular initiative. UNDP states that countries where corruption is isolated allow considerable scope for 'creative programming' (2004: ii). Conversely, in areas where corruption is deeply rooted, more concerted action may be needed to 'confront states where governments have shown little political will to implement anticorruption reform and where anticorruption assistance has stalled due to a pervasively corrupt surrounding environment' (Tisne and Smilov 2004: 63).

However, even though adequate emphasis may be placed on placing corruption within its wider context, many initiatives place undue emphasis on the 'criminalisation' of corrupt practices and the prosecution of perpetrators. UNODCCP argues that not enough work is done with the victims of corruption (2002: 11). NORAD contends that the focus on the illegality of particular practices comes at the expense of other types of initiatives such as those aimed at prevention and education (2000: 20). This emphasis is unsuited to many developing countries facing serious resource constraints, as legal processes can be lengthy and expensive.

<u>Implementation Issues</u>

Fostering Civil Society Organizations

Many anti-corruption initiatives have a component oriented at fostering widespread political participation and strengthening civil society groups. At one level, this tactic can be very fruitful. CSOs, where they exist, can contribute to awareness-raising campaigns, carry out diagnostic surveys, uncover abuses, and provide political leadership, among other things. In addition, CSOs do not always have confrontational relationships with government institutions, and can sometimes form unexpected alliances with the private sector or state bodies (DAC 2003: 35).

However, civil society organizations are also part of wider social networks that can limit their effectiveness. Jenkins and Goetz (1999) analyze anti-corruption movements in India. They question the ability of civil society groups – particularly those 'fostered' by the state – to press for greater governmental accountability. The authors argue that many such organizations are not fully independent from the state and are thus 'compromised' – unable to militate effectively for greater transparency. Furthermore, many such movements once created or nurtured, often develop in unexpected ways. The DAC supports this, saying civil society organizations and NGOS 'are not without their own governance and management problems' (2003: 36).

Forming Broad Anti-Corruption Coalitions

Other strategies aim to go beyond civil society organizations and create broad-based coalitions for reform. However, this approach is based on a variety of assumptions, including: social pressure influences state institutions; donors and stakeholders have a shared understanding of corruption and the desirable measures to combat it; and awareness of corruption and its prevalence will motivate citizens to fight it (Tisne and Smilov 2004: 18).

However, these assumptions must be questioned. Haarhuis and Leeuw argue that raising awareness about levels of corruption in a particular situation will not necessarily result in concrete changes. As they state, 'there is no automatic progression from awareness of an unjust situation towards bringing it to an end' (2004: 550). Morgan makes the observation that programmatic interventions to combat corruption are fundamentally different from initiatives to foster political commitment to combat it (1998: 5). The DAC supports this, stating 'Participatory approaches do not directly fight corruption. However, they are one of a number of tools needed to create an enabling environment' (2003: 37).

Tisne and Smilov, in their analysis of anti-corruption movements in Eastern Europe, find that initiatives cannot assume that diverse sections of society will be mobilized by wide-ranging anti-corruption campaigns. They state 'the broad all-purpose serving shape of coalitions suited the conceptualization of corruption as promoted by the donor community: a broad overarching developmental problem with causes and consequences spanning a range of different reform areas, but was ill-suited to creating lasting public movements for change' (2004: 35). The authors found that public support of broad initiatives waned after an initial period. Tisne and Smilov also found that while anti-corruption coalitions strove to include a broad cross-section of civil society, this did not automatically mean that they would be seen as independent from the government (2004: 29).

Furthermore, Tisne and Smilov indicate the need for a deeper understanding of how to successfully manage the political aspect of creating and sustaining coalitions. Rather than assuming that 'Corruption' is sufficient to bring all sections of society on board, they indicate the necessity of developing more sophisticated campaigns focusing on specific objectives for particular constituencies (2004: 28). In addition, the authors indicate the need for a more careful management of public sentiment both in terms of avoiding fatigue and ensuring the results of particular initiatives are realistic. The authors found that earlier campaigns had been too ambitious and wide-ranging. The ensuing failure of these projects to have a visible and real impact on corruption in these countries resulted in high levels of cynicism and fatigue (2004: 65-67). UNODCCP supports this, stating that awareness raising and enforcement initiatives must be well-balanced to avoid cynicism and the perception that corruption is widespread and unchecked (2002: 5).

Institutional Reform

Tisne and Smilov also review the assumptions underlying initiatives aimed at promoting institutional reform. They argue that projects of this nature attempt to change the incentive structure facing public servants with the longer-term aim of reducing corruption. However, by solely focusing on the determinants of individual behavior within the institution, this assumes that corruption is not a product of the wider context within which these institutions are placed.

The authors found that the most successful institutional reform projects were those targeted at the lowest echelons of government, namely those that have frequent contact with the public. The creation of new offices dedicated to dealing with the public, such as 'one-stop shops' were very well received (2004: 57). Through improving the transparency of government interactions, they reduced petty corruption and improved trust between citizens and public officials.

However, the focus on projects on particular institutions proved problematic. As they state 'even projects that were well-conceived, well-run and aided by good coordination between donors could still be overwhelmed by the underlying political structures that shape the countries' administration' (2004: 59). This is supported by UNDP, who stresses the long-term political dimension to successful anti-corruption campaigns (2004: 8-9).

Monitoring and Evaluation

One of the most frequently cited lessons learned was regarding the monitoring and evaluation of anti-corruption projects. Surveys of anti-corruption projects found that evaluation was geared to quantifiable indicators relating to project implementation (legislation enacted, number of publicity campaigns, etc.) rather than indicators related to the impact on corruption such as a decline in complaints to the police or Ombudsman (Tisne and Smilov 2004: 27).

Conversely, greater citizen involvement in the measurement of corruption has been found to be particularly effective. Used properly, the information gathered from surveys can be used to mobilize local communities to push for greater accountability from public institutions (UNODCCP 1999a: 19, World Bank 2000b: 2). Methods such as Service Delivery Surveys (SDSs), pioneered by CIET International, have proven particularly effective. Originally developed to track diseases, this methodology has now been effectively utilized to gauge the prevalence and severity of corruption in many countries. Household members and service providers are surveyed by trained local people throughout a country or region in order to gather information about the quality of service from different government institutions. This quantitative information is complemented by qualitative information gained from focus group and key informant interviews. This quantity of information permits a more nuanced analysis of what government ministries and which parts of the country suffer the most from corruption (UNODCCP 1999a: 19-22).

Conclusion

Anti-corruption is becoming an integral part of donor policy frameworks. This is because evidence on the long-term negative impact of corruption is increasing, and the importance of client countries' overall policies for sustainable aid outcomes is also being recognized. However, while donor practices are evolving, this survey of past experiences reveals a need for more work in a number of areas.

First, the sophistication of the 'lessons learned' in most donor evaluations is rather limited. The majority of successful initiatives depend on a great deal of context-specific factors. However, they are taken out of context when evaluated, which leads to general conclusions like 'civil society is important' that have lost their relevance and applicability. Secondly, the lack of contextual awareness leads evaluators to seek to universalize the applicability of these lessons. While certain policies may be transferable, others, particularly those with political implications, are clearly not.

Second, awareness of the political aspect of anti-corruption initiatives needs to be strengthened. This is particularly evident in two areas. The first relates to political mobilization strategies used to garner support for anti-corruption movements. Evidence shows that these strategies need to be more nuanced and targeted to specific types of corruption, rather than a vague over-arching concept of 'corruption'. Furthermore, these initiatives need to have longer time horizons, balancing periods of heightened awareness with periods of rest, to avoid cynicism and fatigue. Second, more work needs to be done to determine how and in what circumstances high-level political will can be harnessed usefully to support anti-corruption initiatives. This entails looking at the structure and nature of political parties, the type of political

dialogue, and how current political priorities lend themselves to introducing corruption-related issues.

Third, more work needs to be done on methods of evaluating progress in combating corruption. To date, evaluations are too centered on the initiative being implemented, rather than the particular instance of corruption that is being targeted. This can cause the effectiveness of particular initiatives to be overestimated, as attention is directed to accessible indicators such as the creation of new legislation or new institutions. Thus, monitoring must seek to embed projects within the wider social context and use different indicators. Some options are, as the next point will elaborate, community-based.

Fourth, while anti-corruption discourse often makes mention of community participation, the emphasis is placed on including stakeholders in the implementation of initiatives. New research shows that communities can play a vital role in measuring corruption. Community-based diagnostic surveys can play a key role in generating valuable and detailed information that can improve project formulation. This information can permit the prevalence of corruption to be mapped and regions or ministries characterized by higher levels of corruption to be signaled. These surveys are also useful for tracking the prevalence of corruption over time, which can then be used effectively to judge the progress and effectiveness of particular institutions.

Fifth, the analysis of corruption needs to be expanded into new sectors. To date, research and projects have concentrated on sectors where corruption is particularly visible. This includes infrastructure, customs, and taxation. However, corruption, while less overt, is also prevalent in sectors such as health and education. The profusion of unofficial fees and charges has very serious implications for equity. A more community-based approach may well reveal that tackling corruption in these sectors may provide interesting 'entry-points' for a more encompassing public debate on corruption.

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http://www1.worldbank.org/publicsector/anticorrupt/strategies.htm.

Web-based Resources

Useful websites that readers may wish to consult include the following:

World Bank, Public Sector Governance > Anti-corruption -
http://www1.worldbank.org/publicsector/anticorrupt/index.cfm

World Bank Institute
http://www.worldbank.org/wbi/governance/index.html

United Nations Office on Drugs and Crime, Global Programme Against Corruption
http://www.unodc.org/unodc/en/corruption.html

ANCORR Web – http://www1.oecd.org/daf/nocorruptionweb/

Utstein Anti-corruption Resource Centre – http://www.u4.no/index2.cfm

Coris - http://www.corisweb.org/

Transparency International – www.transparency.org

Christian Michelsen Institute (CMI) - http://www.cmi.no/area4.cfm