



CENTER FOR  
THE STUDY OF  
DEMOCRACY

## MAPPING ANTI-CORRUPTION ENFORCEMENT INSTRUMENTS

Policy Brief No. 51, May 2015

### I. CORRUPTION AND ANTI-CORRUPTION PREPAREDNESS

Over the past decade or so, the global political preoccupation with corruption has been matched by extensive research and the design of various ways of measuring its level in society. The resulting abundance of measurement and monitoring instruments have allowed a better understanding of its dynamics and have informed the design of some anti-corruption policies. The current stage of anti-corruption thinking, therefore, opens the opportunity for at least two additional paths of exploration: a **critical review of existing measurement and monitoring tools** and an **examination of possible gaps** in these tools. The results of the review of measurement tools have informed the design of a *Monitoring Anti-corruption Policy Implementation* (MACPI) tool which is intended to evaluate the anti-corruption preparedness of public organisations by identifying areas of corruption vulnerability. The findings indicate that while the enforcement of anti-corruption policies has been prioritised by international institutions and national governments, the tools for evaluating this enforcement have not been developed.

### II. LEVELS OF ANALYSIS OF CORRUPTION

Most corruption research has been focused on the society level. This focus has achieved central importance for a variety of conceptual and practical reasons. Society-level analyses have been promoted

#### KEY POINTS

- While the enforcement of anti-corruption policies has been prioritised by international institutions and national governments, **adequate tools for evaluating this enforcement have not been developed.**
- Key term in evaluating public institutions is their **corruption vulnerability**. It is defined as the presence of interest for corruption exchanges of any type by agents or clients of a public organisation. Corruption vulnerability would be high, if benefits for both sides are high relative to potential losses in case the transaction is disclosed or in case the transaction is not performed at all.
- **Anti-corruption preparedness** of public organisations can be evaluated through a procedure involving 1) identification of all interactions with the public; 2) assessment of the existing corruption vulnerability for each activity of the organization; 3) identification of existing anti-corruption policies; 4) linking of policies to corruption vulnerabilities.
- **The indicators for an accurate assessment of each anti-corruption policy** are implementability, actual implementation and effectiveness. The evaluation needs to be based on inputs from both public officials and clients of the evaluated organization.
- The main purpose of the **mapping of anti-corruption enforcement instruments is the development of a *Monitoring Anti-corruption Policy Implementation* (MACPI) tool** which is intended to evaluate the anti-corruption preparedness of public organisations by identifying areas of corruption vulnerability.

by the Corruption Perceptions Index (CPI) of Transparency International. The CPI has been followed conceptually by measurement systems developed by the World Bank and other institutions. Despite all criticisms of these measurement systems, society level analyses of corruption have proved useful for donor and international organisations in the pursuit of better targeting of assistance programmes and construction of appropriate development aid conditionalities.

Society level measurements of corruption typically capture different forms of bribery through experience or perception based indicators. It may be argued that experience based measures are superior and/or more accurate than perception based measures. Furthermore, corruption is a multifaceted phenomenon that cannot and should not be reduced to bribery. Therefore, it should be logical to assume that **measurement should be based on an operationalised concept of corruption.**

These observations form the starting point for defining the landscape of monitoring the enforcement of anti-corruption policies. All final corruption transactions occur in the interactions between public officials, as representatives of public organisations, on the one hand, and citizens and businesses, on the other. These interactions are the primary target of anti-corruption policies and therefore, the primary focus of anti-corruption enforcement monitoring should be interactions between citizens and public organisations and not society as a whole.

### III. THE PRINCIPAL-AGENT MODEL

A descriptive model that enhances the analysis of corruption behaviour is the so-called principal-agent model. It includes several assumptions:

- **Corruption occurs in the interactions (exchanges) between two actors:** public organisations and citizens/ businesses. At least one of the actors is a collective unit (the public organisation), which consists of at least two individual actors: principal and agent. While the principal is “the holder” of public power, the agent is entrusted with this power by the principal.
- Due behaviour of public officials (the agents) is prescribed by the rules of the public organisation. Corruption in this context is defined as **noncompliance with rules (violation), which is aimed at and/or results in private benefits for the official.** As the behaviour of officials is essentially the use of entrusted public power, corruption is the abuse of this power and also the breach of trust in the relation between the principal and the agent in favour of the client.
- Corruption acts have two principal characteristics which make them difficult to observe and categorise: they are **hidden and involve mimicry.** If/when a corruption act is exposed, officials almost always make an attempt to interpret their noncompliance with rules as a mistake, poor performance, lack of competence, etc., in order to hide that the noncompliance was deliberate for private gain.
- Corruption can become a **multilevel principal-agent interaction** in which the corrupt official is at the higher level, while lower level officials commit corrupt acts following orders of their superiors. The breach of trust in such a scheme is not with the formal principal (the higher level of government) but rather against the public interest. Mimicry at this level is more complicated and most often high-level principals attempt to interpret corrupt acts as their specific understanding of the public good.
- A corruption transaction can be described as an **exchange of resources.** The resource of the agent is discretionary power and it is exchanged for the resource of the client – the benefit or gain that the agent receives

(money, favours gifts, etc.). In a hierarchical system of public organisations, the exchange relations are more complicated. The superior principal exchanges his power over subordinates principals for private benefit. Relations between principals form an additional layer of power relations and exchange of resources between principals: either the “final” gain could be split or principals could engage in more complex relations like nepotism, favouritism, clientelism, etc.

- **The main driver of corruption exchanges is interest.** For the agent the interest is defined by the possible gain or benefit. For the client the interest lies in the deliberate noncompliance with rules by the official. In hierarchies of organisations corruption pressure directed towards agents could come both “from below” (clients) and “from above” (principal, superiors). Similarly, pressure directed towards clients could be generated by agents (or principals), who manipulate the rules of public organisations in a way that the interest of clients to get involved in corruption increases.

### Form and Content of the Corruption Exchange

Corruption exchanges of resources could consist of two principal components: form and content.

**Form** is the bribery aspect of corruption, i.e. the receipt of private gain by agents. If the form of corruption is defined as exchange of resources, this component of the corruption act could better fit the numerous types of corruption exchanges that have been documented in different settings. Exchange of resources refers to a wider range of possible benefits: private goods, money, services, control over one’s own

actions, control over the outcome of events and others.

The **content** of the corruption exchange refers to the type of deliberate noncompliance with rules performed by the agent. Recent developments have shown the need for a more in-depth analysis of dimensions of content. An interesting and empirically useful idea in this respect is about corruption being an “umbrella concept” encompassing certain social interactions, which have their own specific content in addition to corruption.<sup>1</sup>

### Corruption Exchanges and Anti-corruption Policies

From the point of view of monitoring the enforcement of anti-corruption policies, the structuring of the content of corruption exchanges facilitates the construction of indicators of noncompliance and respectively areas of corruption vulnerability and anti-corruption policies.

#### *Areas of anti-corruption policies*

The principal anti-corruption policy is the set of rules, regulations and laws which define the functions and the operations of a public organisation. Within this set of rules there is always a subgroup of rules and procedures that is aimed at monitoring compliance of agents with the established rules. Most often compliance is monitored by superiors or by the principal. In the context of corruption analysis the important division of noncompliance is differentiating between deliberate and non-deliberate noncompliance. Deliberate non-compliance is the area of corruption behaviour. However, for deliberate noncompliance to be categorised as corruption, the element of private benefit needs to be added: **in an organisational context corruption could be defined as deliberate**

<sup>1</sup> See Varraich, A. (2014). *Corruption: An Umbrella Concept*, Working Paper Series 2014:05, Gothenburg: Quality of Government Institute;

Rothstein, B. (Ed.). (2014). *Social, Legal, Anthropological and Political Approaches to the Theory of Corruption*. Quality of Government Institute.

**noncompliance with rules and organisational standards which results in private benefit for the respective official.**

Monitoring policy enforcement is an assessment/evaluation task which includes several main components grouped into two subcomponents: definition and evaluation of anti-corruption policies.

**The definition of anti-corruption policies includes:**

- Identification and description of policies;
- Definition of the elements of the policy: formal rules, executing agent, officials who are subject to the policy, mode of implementation, system of control, system of sanctions.

It should be noted that corruption transactions are usually linked to specific activities. It would therefore be necessary to:

- Compile a list of activities the public organisation performs (by statute) in order to serve its public function;
- Evaluate the potential corruption vulnerability for each activity;
- Identify the existing anti-corruption policies;
- Link existing policies to the corruption vulnerability they are targeting.

This procedure allows the **evaluation of anti-corruption preparedness of public organisations** by identifying areas of corruption vulnerability and cross referencing each corruption vulnerability with the respective anti-corruption policy.

An important concept that needs to be defined for the evaluation process is corruption vulnerability. It could be defined as the presence of interest for corruption exchanges of any type by agents or clients of a public organisation. Corruption vulnerability would be high, if benefits for both sides are high relative to potential losses in case the transaction is disclosed or in case the transaction is not performed at all.

**The evaluation of anti-corruption policies includes:**

- evaluating the level of implementation of policies;

- evaluating effectiveness of policies (goal/result);
- evaluating efficiency (cost/result).

The main indicators that would provide an accurate assessment of each policy would be:

**Implementability.** In this respect an anti-corruption policy should meet several criteria:

- Design: policy has well-described, complete and clear procedure and algorithm of implementation;
- Adequacy: it is practically possible (easy) to follow the procedures;
- Familiarity: the employees (the officials) are familiar with it;
- Meaningfulness: the employees consider the procedures to be “making sense”;
- Control: the managers exercise regular and effective control;
- Sanctions: there are sanctions for noncompliance with rules and regulations.

**Implementation.** Given the above definitions of a well-defined policy, could be considered enforced, if there are records of control and sanctions. Such records would be evidence that the mechanism of the policy is in operation.

**Effectiveness.** Arguably the most important function of an anti-corruption policy is its contribution for mitigating specific corruption vulnerabilities and/or reducing instances of corrupt behaviour. In general, there would be two ways to evaluate effectiveness: evaluation of the policy by organization officials and evaluation by clients of the public organisation.

#### **IV. CORRUPTION MONITORING AND MEASUREMENT METHODOLOGIES**

Methods and methodologies applied at the international and European level have been summarised in two groups: 1) methodologies used to measure corruption; and 2) methodologies used for

comparative evaluations of anti-corruption policies.

The following methodologies have been identified:

Monitoring systems	Organisation	Description
<b>1. METHODOLOGIES MEASURING CORRUPTION</b>		
<b>Corruption Monitoring System (CMS)</b>	Center for the Study of Democracy	The CMS is an analytical instrument for monitoring and measuring the incidence and dynamics of corruption. Corruption is broken down into four dimensions with related indexes: <ul style="list-style-type: none"> <li>• Attitudes toward corruption</li> <li>• Corrupt practices</li> <li>• Assessments of corruption victimisation</li> <li>• Assessment of the prospects of (anti)corruption</li> </ul>
<b>Special Eurobarometer No. 374 – Corruption</b>	European Commission, DG Home	Eurobarometer 2012 was a survey carried out to measure European people’s perception about corruption both in their own country and within European institutions. It covered the general population’s perceptions of: <ul style="list-style-type: none"> <li>• extent of corruption in EU member states;</li> <li>• levels of government facing the biggest problem with corruption;</li> <li>• corruption as part of business culture;</li> <li>• how corruption had changed in the preceding 3 years;</li> <li>• awareness of corruption related problems</li> </ul>
<b>Special Eurobarometer No. 325 – Attitudes of Europeans Towards Corruption</b>	European Commission, DG Home	Eurobarometer 2009 was a survey carried out to measure European people’s perception about corruption both in their own country and within European institutions and people’s personal experience with corruption. It dealt with the respondents’ perceptions of corruption in their country and within EU institutions; the levels of government had the biggest problem with corruption; whether the punishments given were sufficient to deter corruption; causes of corruption, etc.
<b>Special Eurobarometer No. 291 – the Attitudes of Europeans Towards Corruption</b>	European Commission, DG Home	Eurobarometer 2008 was a survey carried out to analyse the opinion of European Union citizens about corruption. It dealt with corruption as a major national problem; national institutions in which corruption exists; categories of people likely to be corrupted; respondents been confronted with corruption; presence of successful prosecutions to deter corruption; presence of corruption in the institutions of the European Union; institutions responsible for preventing/fighting corruption.
<b>Special Eurobarometer No. 245 – Opinion on organised, cross</b>	European Commission, DG Home	Eurobarometer 2006 was a survey carried out to analyse the opinion of European Union citizens about corruption. It dealt with corruption as a major national problem; national institutions in which corruption exists; categories of people likely to be corrupted; personal experience of corruption; presence of enough successful

<b>-border crime and corruption</b>		prosecutions to deter corruption; the links between corruption and organised crime.
<b>Corruption Perceptions Index (CPI)</b>	Transparency International (TI)	The Corruption Perceptions Index (CPI) scores and ranks countries/territories based on how corrupt a country's public sector is perceived to be. It is a composite index, a combination of surveys and assessments of corruption collected by a variety of reputable institutions.
<b>Bribe Payers Index (BPI)</b>	Transparency International (TI)	The Bribe Payers Index (BPI) is a tool capturing the supply side of international bribery, specifically focusing on bribes paid by the private sectors. The 2011 Bribe Payers Index was the fifth edition of the index, ranking 28 of the world's largest economies according to the likelihood of firms from these countries to bribe when doing business abroad.
<b>Global Corruption Barometer</b>	Transparency International (TI)	The Global Corruption Barometer represents the largest world-wide public opinion survey on corruption. It addresses people's direct experiences with bribery and details their views on corruption in the main institutions in their countries, also providing insights into how willing and ready people are to act to stop corruption.
<b>The Business Environment and Enterprise Performance Survey (BEEPS) 2008 – 2009</b>	EBRD and World Bank	The BEEPS examines the quality of the business environment as determined by a wide range of interactions between firms and the state, and facilitates research and serves as an input into policy dialogue with countries in Central and Eastern Europe. In particular, it is aimed at obtaining feedback from enterprises in EBRD countries of operation on the state of the private sector as well as to help in building a panel of enterprise data that allow to track changes in the business environment over time.
<b>Worldwide Governance Indicators (WGI)</b>	World Bank	The Worldwide Governance Indicators (WGI) are a research dataset summarising the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, nongovernmental organisations, international organisations and private sector firms.
<b>Rule of Law Index (RLI)</b>	World Justice Project	RLI is a quantitative tool that offers a detailed and comprehensive picture of the extent to which countries adhere to the rule of law in practice, from the perspective of ordinary people who are directly affected by the degree of the rule of law in their country. It provides data regarding a variety of dimensions of the rule of law, enabling the assessment of a nation's adherence to the rule of law in practice,

MAPPING ANTI-CORRUPTION ENFORCEMENT INSTRUMENTS

		identify a nation's strengths and weaknesses in comparison to similarly situated countries, and track changes over time.
<b>Executive Opinion Survey</b>	World Economic Forum	The Executive Opinion Survey is the major component of the Global Competitiveness Report and captures valuable information on a broad range of factors that are critical for a country's competitiveness and sustainable development, and for which data sources are scarce or non-existent on a global scale.
<b>Nations in Transit</b>	Freedom House	Nations in Transit 2012 is a rating tool provided on the basis of experts' opinions. It measures progress and setbacks that countries from Central Europe to Central Asia encounter in the democratisation process.
<b>Opacity Index</b>	Milken Institute	The Opacity Index is an aggregate index that aims to measure opacity defined as the degree to which global companies lack clear, accurate, easily discernible and widely accepted practices governing the relationships among businesses, investors and governments, which form the basis of most small scale, high frequency risks.
<b>Ibrahim Index of African Governance (IIAG)</b>	Mo Ibrahim Foundation	The IIAG represents the most comprehensive collection of quantitative data on governance in Africa. Compiled in partnership with experts from a number of the continent's institutions, it provides an annual assessment of governance in every African country.
<b>International Country Risk Guide (ICRG)</b>	The PRS Group	The ICRG monitors 140 developed, emerging and frontiers markets, rating a range of risks to international businesses and financial institutions.

**2. METHODOLOGIES FOCUSING ON ANTI-CORRUPTION**

<b>Group of States Against Corruption (GRECO)</b>	Council of Europe	GRECO is an international anti-corruption institution, whose aim is to improve the capacity of its members to fight against corruption by monitoring their compliance with the Council of Europe anti-corruption standards, through a dynamic process of mutual evaluation.
<b>OECD Working Group on Bribery</b>	Organisation for Economic Co-operation and Development (OECD)	Established in 1994, the OECD Working Group on Bribery in International Business Transactions is responsible for monitoring the implementation and enforcement of the OECD Anti-Bribery Convention, the 2009 Recommendation on Further Combating Bribery of Foreign Bribery in International Business Transactions (2009 Anti-Bribery Recommendation) and related instruments.