

IR 215: Corruption and Good Governance

Instructor: Olesya Tkacheva

Tuesday and Thursday, 4:50-6:05PM

Harkness Hall 115

Office Hours: Thursday, 2:00-3:00PM and by appointment

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Course description: Why does corruption flourish in some countries but not in others? Why do voters elect corrupt politicians? When do anti-corruption reforms succeed and when do they fail? Does the structure of corrupt networks differ in democratic and non-democratic countries? When and how can the Internet be used for combating corruption? This course lays out the foundation for answering these and many other important questions about government accountability by introducing students to the institutional approach to the study of corruption. The readings examine how incentives created by political institutions can lead to cross-country variation in corruption, and how such factors as culture, natural resources, free media and the Internet can impact the quality of governance. The course begins with the description of the alternative measures of corruption, followed by theoretical models of corruption. Empirical studies of the cross-country variation in corruption are examined next. The course concludes by discussing the successes and failures of anti-corruption reforms. Since the major part of the course is dedicated to large-n studies, some background in econometrics will be helpful, but not required. Students from any department are welcome to the class. Working in groups is strongly recommended.

Evaluation:

- Class participation and quizzes: 20%
Students are expected to complete assigned readings before the class and to participate in discussion. Simply coming to class and sitting quietly does not count as participation. Occasionally, there will be short quizzes at the beginning of the class based on the reading assigned for that day.
- In-class midterm (March 3, 2011): 40%
- In-class midterm (April 26, 2011): 40%

Readings:

All required readings are posted on the Course Tools in a corresponding for that week folder.

Introduction (Week 1: January 13)

No readings

Part I: Conceptualizing and Measuring Corruption (Week 2: January 18-20)

Donatella della Porta and Alberto Vannucci, "Topology of Corrupt Networks," in Junichi Kawata, ed., *Comparing Political Corruption and Clientelism* (Burlington, VT: Ashgate, 2006).

Rasma Karklins, "Typology of Post-Communist Corruption," *Problems of Post-Communism*, vol. 49, no. 4 (July/August 2002): 22-32.

Staffan Andersson and Paul M. Heywood, "The Politics of Perception: Use and Abuse of Transparency International's Approach to Measuring Corruption," *Political Studies*, vol. 57, no. 4 (December 2009): 746-767.

Mireille Razafindrakoto and Francois Roubaud, "Are International Databases on Corruption Reliable? A Comparison of Expert Opinion Surveys and Household Surveys in Sub-Saharan Africa," *World Development*, vol. 38, no. 8 (August 2010): 1057-69.

Daniel Kaufmann, Aart Kraay, and Massimo Mastruzzi, "The Worldwide Governance Indicators: Methodology and Analytical Issues," World Bank Policy Research Working Paper No. 5430 available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1682130##

Suggested:

Benjamin A. Olken, "Corruption Perceptions vs. Corruption Reality," *Journal of Public Economics*, vol. 93, no. 7-8 (August 2009): 950-64.

Langbein, Laura; Knack, Stephen, "The Worldwide Governance Indicators: Six, One, or None?" *Journal of Development Studies*, vol. 46, no. 2 (February 2010): 350-70.

Part II: Theoretical Models of Corruption (Weeks 3-4: January 25-February 3)

Donatella della Porta and Alberto Vanucci, *Corrupt Exchanges: Actors, Resources, and Mechanisms of Political Corruption* (New York, Aldine de Gruyter, 1999), Chapter 1.

David M. Kreps, *A Course in Microeconomic Theory* (Princeton: Princeton University Press, 1990), pp. 577-585.

Glenn R. Parker, *Self-Policing in Politics: The Political Economy of Reputational Controls on Politicians* (Princeton and Oxford: Princeton University Press, 2004), Chapters 2 and 3.

Oskar Kurer, "Why do Voters Support Corrupt Politicians?" in Arvind K. Jain, ed., *The Political Economy of Corruption* (London and New York: Routledge, 2001).

Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge: Cambridge University Press, 1999), Chapter 7.

Susan Rose-Ackerman, *Corruption: A Study in Political Economy* (New York: Academic Press, 1978), Chapters 2 and 5.

David Kang, *Crony Capitalism: Corruption and Development in South Korea and Philippines* (Cambridge: Cambridge University Press, 2002), Chapter 3.

Mancur Olson, *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships* (New York: Basic Books, 2000), Chapters 1 and 2.

Suggested:

Pranab Bardham, "Corruption and Development: A Review of Issues," *Journal of Economic Literature*, vol. 35, no.3 (September 1997): 1320-1346.

Part III: Corruption and Elections (Weeks 5-8: February 8-March 1)

A. Background (Week 5: February 8-10)

Gary King, *Unifying Political Methodology: The Likelihood Theory of Statistical Inference* (Ann Arbor: The University of Michigan Press, 1998), Introduction.

Thomas H. Wonnacott and Ronald J. Wonnacott, *Introductory Statistics for Business and Economics* (New York: John Wiley and Sons, 1990), Chapters 11 and 12.

B. Elections and Electoral Systems (Weeks 6-8: February 15-March 1)

John M. Carey and Matthew Soberg Shugart, "Incentives to Cultivate a Personal Vote: Rank Ordering of Electoral Formulas." *Electoral Studies* 14, no. 4 (April 1995): 417-439.

Miriam A Golden, "Electoral Connections: The Effects of the Personal Vote on Political Patronage, Bureaucracy and Legislation in Postwar Italy." *British Journal of Political Science* 33, no. 1 (January 2003): 189-212.

Eric Chang and Miriam A. Golden, "Electoral Systems, District Magnitude and Corruption," *British Journal of Political Science*, vol. 37 no. 1 (January 2007): 115-37.

Donatella della Porta and Alberto Vanucci, *Corrupt Exchanges: Actors, Resources, and Mechanisms of Political Corruption* (New York, Aldine de Gruyter, 1999), Chapter 4.

Jana Kunicová and Susan Rose-Ackerman, "Electoral Rules and Constitutional Structures as Constraints on Corruption," *British Journal of Political Science*, vol. 35, no. 4 (October 2005): 573-606.

Stefan Krause and Fabio Mendez, "Corruption and Elections: An Empirical Study for a Cross-Section of Countries," *Economics and Politics*, vol. 21, no. 2 (July 2009): 179-200.

Susan Welch and John R. Hibbing, "The Effects of Charges of Corruption on Voting Behavior in Congressional Elections, 1982-1990," *Journal of Politics*, vol. 59, no. 1 (February 1997): 226-239.

Alt and Lassen, "The Political Economy of Institutions and Corruption in American States," *Journal of Theoretical Politics*, vol. 15, no. 3 (2003): 341-65.

Suggested:

Marcus André Melo; Carlos Pereira, Carlos Mauricio Figueiredo, "Political and Institutional Checks on Corruption: Explaining the Performance of Brazilian Audit Institutions," *Comparative Political Studies*, vol. 42, no.9 (September 2009): 1217-1244.

Daniel W. Gingerich, "Ballot Structure, Political Corruption, and the Performance of Proportional Representation," *Journal of Theoretical Politics*, vol. 21, no. 4 (October 2009): 509-541.

Herbert Kitschelt and Steven Wilkinson, "Citizens-Politicians Linkages: Introduction," in Kitschelt and Steven Wilkinson, eds., *Patrons, Clients and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge: Cambridge University Press, 2006).

Midterm: March 3 (in class)

Part IV: Corruption in Non-Democracies (Week 9: March 15-17)

Eric Chang and Miriam A. Golden, "Sources of Corruption in Authoritarian Regimes," at https://www.msu.edu/~echang/Research/chang_golden_authoritarian_SSQ.pdf

Xia Li Lollar and Anne Wing Hamilton, "Patronage or Prebendalism?: The Mishu/Shouzhang Relationship and Corruption in Chinese Politics," *China Review*, vol. 10, no. 1 (Spring 2010): 157-82.

Wayne DiFranceisco and Zvi Gitelman, "Soviet Political Culture and Modes of Covert Influence," in Arnold Heidenheimer and Michael Johnston, eds., *Political Corruption: Concepts and Contexts* (New Brunswick: Transaction Publishers, 2002).

Jens Andvig, "Corruption in Russia and China Compared: Different Legacies of Central Planning," in Susan Rose-Ackerman, ed., *International Handbook on the Economics of Corruption* (Northampton: Edward Elgar Publishing, 2006).

Tomas Larsson, "Reform, Corruption, and Growth: Why Corruption is More Devastating in Russia than in China?" *Communist and Post-Communist Studies*, vol. 39, no. 2, (June 2006): 265-281.

Suggested:

Yan Sun, *Corruption and Market In Contemporary China* (Ithaca: Cornell University Press, 2004).

Alena V. Ledeneva, *How Russia Really Works: The Informal Practices That Shaped Post-Soviet Politics and Business* (Ithaca: Cornell University Press, 2006).

Michelle Man, "Political Corruption in Russia: An Evaluation of Russia's Anti-Corruption Strategies, 1991-2009," *POLIS*, vol. 2, (Winter 2009) at <http://www.polis.leeds.ac.uk/assets/files/students/student-journal/ma-winter-09/michelle-man-winter-09.pdf>

Gulnaz Sharafutdinova, "What Explains Corruption Perceptions? The Dark Side of Political Competition in Russia' Regions," *Comparative Politics*, vol. 42, no. 2 (January 2010): 147-166.

Part V: Other Determinants of Corruption (Weeks 10-11)

A. *Fragmentation of State* (Week 10: March 22-24)

Simon C. Fan, Chen Lin, Daniel Treisman, "Political Decentralization and Corruption: Evidence from around the World," *Journal of Public Economics*, vol. 93, no. 1-2 (February 2009): 14-34.

Lessmann Christian and Gunther Markwardt, "One Size Fits All? Decentralization, Corruption, and the Monitoring of Bureaucrats," *World Development*, vol. 38, no. 4 (April 2010): 631-46.

Josephine T. Andrews and Gabriella R. Montinola, "Veto Players and the Rule of Law in Emerging Democracies," *Comparative Political Studies*, vol. 37 no. 1 (February 2004): 55-87.

Nara Pavao, "Veto Players and Corruption," at <http://papers.isnie.org/paper/519.html>

Suggested:

Cecilia Testa, "Bicameralism and Corruption," *European Economic Review*, vol. 54, no. 2 (February 2010): 181-98.

B. *Culture, Ethnicity and Other Factors* (Week 11: March 29-31)

Samuel Huntington, "Corruption and Modernization," in Arnold J. Heidenheimer, Michael Johnston, and Victor T. LeVine, eds., *Political Corruption: A Handbook*

Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform* (Cambridge: Cambridge University Press, 1999), Chapter 6.

Abraham K. Waithima, "The Role of Ethnic Heterogeneity on Corruption: Experimental Evidence from Kenya," at http://nordicconference.org/wp-content/uploads/2010/11/Corruptionethnicity_Waithima.pdf

Daniel Treisman, "What Have We Learned About the Causes of Corruption From Ten Years of Cross-National Empirical Research?" *Annual Review of Political Science*, 2007

Suggested:

Raymond Fisman and Edward Miguel, *Economic Gangsters Corruption, Violence, and the Poverty of Nations* (Princeton: Princeton University Press, 2008), Chapter 4.

Part V: Anti-Corruption Reform (Weeks 12-15)

A. *Approaches to Reform* (Week 12: April 5-April 7)

Johann Graff Lambsdorff, *The Institutional Economics of Corruption and Reform: Theory, Evidence, and Policy* (Cambridge: Cambridge University Press, 2007), Chapters 6 and 10.

Michael Johnston, *Syndromes of Corruption: Wealth, Power, and Democracy* (Cambridge: Cambridge University Press, 2005), Chapters 3 and 8.

John S. T. Quan, "Singapore's Anti-Corruption Strategy: Is this form of Governance Transferable to Other Asian Countries?" in John Kidd and Frank-Jurgen Richter, eds., *Corruption and Governance in Asia* (New York: Palgrave MacMillan, 2003).

B. *Evaluating the Success of Reforms* (Week 13: April 12)

Franklin Steves and Alan Rousso, "The Effectiveness of Anti-corruption Programs: Preliminary Evidence from the Transition Countries", EBRD Working Paper

Cesi Cruz and Philip Keefer, "Programmatic Political Parties and Public Sector Reform," at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1642962

C. *The Role of the Old and New Media in Fighting Corruption* (Weeks 13-14: April 14-21)

Sheila S. Coronel, "Corruption and the Watchdog Role of the Media," in Pippa Norris, ed., *Public Sentinel: News Media and Governance Reform* (Washington DC: IBRD and the World Bank, 2010).

Rick Stapenhurst, "The Media's Role in Curbing Corruption," World Bank Working Paper at <http://www.u4.no/pdf/?file=/document/literature/Stapenhurst-2000-media's-role.pdf>.

Shyamal K. Chowdhury, "Do Democracy and Press Freedom Reduce Corruption?: Evidence from a Cross Country Study," Center for Development Research, Bonn University, Working Paper # 85 at <http://ageconsearch.umn.edu/bitstream/18769/1/dp040085.pdf>.

James Gamble III, "Internet Policy Markets to Prevent Legislative Corruption," in *Proceedings of the 3rd International Conference on e-Government*.

John C. Bertot, Paul T. Jaeger, Justin M. Grimes, "Using ICTs to Create a Culture of Transparency: E-government and Social Media as Openness and Anti-Corruption Tools for Societies," *Government Information Quarterly*, vol. 27, no.3 (July 2010): 264-271.

Thomas Barnebeck Andersen, "E-Government as an Anti-Corruption Strategy," *Information Economics and Policy*, vol. 21, no. 3 (August 2009): 201-210.

Mon-Chi Liou, Liu Meng-Chun; Yi-Pey Ou, "Can the Internet Reduce Corruption? A Cross-Country Study Based on Dynamic Panel Data Models," *Government Information Quarterly*, vol. 28, no.1 (January 2011): 47-53.

Midterm: April 26 (in class)