

Anti-corruption: bridging the gap between research and policy-making

Paul Heywood outlines why anti-corruption efforts have so far been disappointing, and how a new British Academy/Department for International Development research programme is seeking to change that



Paul M. Heywood is Sir Francis Hill Professor of European Politics at the University of Nottingham, and Leader of the British Academy/Department for International Development Anti-Corruption Evidence Programme.

Recent months have seen a lot of attention focused on the issue of corruption. The release in April 2016 of the so-called 'Panama Papers', a leak of more than 11.5 million financial and legal records belonging to the law firm, Mossack Fonseca, exposed a global network of offshore shell companies that helped hide the proceeds of crime and corruption. Either by coincidence or design, the Panama Papers revelations emerged just weeks before the UK Prime Minister hosted a global summit in London on fighting corruption. Using the refrain of 'expose, punish and drive out corruption', the UK summit on 12 May brought together a coalition of the committed – including governments, businesses, civil society, law enforcement, sports committees and international organisations – to produce what was claimed to be the first ever global declaration against corruption. Inevitably, the Panama Papers revelations ensured that a key focus of reporting on the summit would be on action to tackle tax havens and to reveal beneficial ownership details.

A casual observer could therefore be forgiven for imagining that corruption had only recently emerged as an issue on the policy agenda, and that the UK summit represented the first concerted international attempt to address it. Indeed, the rhetoric around the summit suggested

just that, widely hailing it as launching the first ever global declaration against corruption¹ – even though, in practice, representatives from just 42 out of the 195 sovereign states recognised by the United Nations were present to support the summit communiqué and to provide their own country statements of proposed actions against corruption. That stands in marked contrast to the 140 signatories to the United Nations Convention Against Corruption (UNCAC), which came into force in December 2005.²

Indeed, there had been earlier attempts to develop a global response to the issue of corruption, with the OECD Anti-Bribery Convention,³ signed by all OECD member states plus seven others, entering into force in February 1999. International attempts to tackle corruption are hardly new. In fact, it could be argued that corruption has been at the forefront of global policy debates for at least 25 years – prompted initially by the US Foreign Corrupt Practices Act (FCPA) which was passed in the wake of the Watergate scandal, but assuming major significance following the collapse of communism and the assertion by the then president of the World Bank, James D. Wolfensohn, of the need to deal with the 'cancer of corruption'. In the introduction to a collection of essays I edited in 1997, my opening sentence read: 'As the twenti-

1. www.gov.uk/government/topical-events/anti-corruption-summit-london-2016

2. www.unodc.org/unodc/en/treaties/CAC/signatories.html

3. www.oecd.org/corruption/oecdantibriberyconvention.htm

4. P.M. Heywood, 'Political Corruption: Problems and Perspectives', in P.M. Heywood (ed.), *Political Corruption* (Oxford: Blackwell, 1997), p. 1.

eth-century comes to an end, one of the issues which has dominated its final decade – political corruption – shows little sign of diminishing in importance.⁴

So the obvious question is why, if so much attention has been focused on corruption for so long, did a UK summit need to address an issue that Wolfensohn's successor as president of the World Bank, Paul Wolfowitz, had described in 2006 as 'the greatest evil facing the world since communism'? Part of the answer is that, for all the international focus on corruption over the last quarter-century – including the UN and OECD initiatives, as well as concerted efforts by a global anti-corruption advocacy movement – the results have been deeply disappointing. There is little evidence to suggest that the extent or level of corruption has diminished in any significant way, and indeed the Panama Papers served starkly to underline its continued global reach. It could be argued, therefore, that international anti-corruption efforts over recent decades have been a huge policy failure.

In turn, then, a further question arises: why should that be so? The answer is complex, of course, but here I want to highlight three contributory factors: the way that corruption has been conceptualised; a focus on nation-states as the prime locus of corruption; and a tendency to use misleading measurements to assess its extent.

It is significant that corruption emerged as a core policy concern in the post-Cold War era, and was seen at the time primarily as a pathology of former Communist states as well as the developing world. Corruption, in this interpretation, was primarily driven by an over-sized state bureaucracy that was able to extract rents through a combination of discretionary power and a lack of accountability. However, such an assessment reflected a careless conceptualisation of the problem. Corruption has always existed; the fact that concerted international focus on the issue really began only in the early 1990s was closely tied to the presumption that liberal democracy was now the only game in town. In this scenario, privatisation and deregulation were the key policy prescriptions that would drive the post-Communist world towards the 'good governance' model that reigned in the West and would thereby control corruption.

The seeming self-evidence of the superiority of the Western model was reinforced by the first systematic attempts to measure corruption, itself an early example of the ongoing obsession with 'ranking the world' – that is, the use of global indicators to help shape global governance. In particular, Transparency International's Corruption Perceptions Index and the World Bank's Control of Corruption measure in its worldwide governance indicators, showed a compelling correlation between high levels of socio-political and economic development and low levels of corruption. Yet, in reality, such correlations



Prime Minister David Cameron at the Anti-Corruption Summit, London, May 2016. PHOTO: CABINET OFFICE (CC BY-NC-ND).

mask a much more complicated story. In particular, they rely on a reductionist and undifferentiated notion of corruption, understood as really being about bribepaying in the developing world – in short, corruption was primarily a problem found in other countries, not well-run democracies, even if Western businesses had to pay bribes to prosper. And it was this understanding of corruption being about bribes that exercised the international financial community and the policy-makers they sought to influence.

Corruption, of course, encompasses a vast array of different kinds of activity, only some of which involve bribery. They range from highly sophisticated transnational networks linked to criminal gangs

and drug trafficking involving billions of dollars, to small-scale local-level abuses involving few people and not necessarily even monetary exchanges. The former, crucially, is dependent on external collusion and facilitators; the latter is usually not. And without minimising the impact of 'petty' corruption on daily life, it is the plundering of state assets that really undermines good government and costs citizens (especially the most vulnerable). The idea that such a complex phenomenon can be captured through a single indicator is questionable, to say the least, and even if the various global measures may operate at a heuristic level to indicate broad trends, they are unable to offer any nuance or serve as a useful guide to action.

Second, and closely linked to that, attention has focused on nation-states – both as the unit of analysis for measuring corruption and as the site for the implementation of anti-corruption measures. Hence, various initiatives – from development aid measures to membership of the European Union – have increasingly been made conditional on state-level anti-corruption efforts, usually in the form of a national strategy, the creation of dedicated agencies, or other internationally endorsed measures. These have often entailed an implicit belief that there is a 'correct' way to tackle corruption, based on adopting a specific national governance model. In terms of such things as ensuring the rule of law, promoting ethical standards for public officials, having clear guidelines for investigation and prosecution and so forth, a national-level approach is perfectly appropriate and sensible.

However, as the Mossack-Fonseca leaks have comprehensively revealed, some of the most egregious types of corruption – the corruption that involves billions of dollars being stolen and diverted – relies precisely on transnational operations that are near impossible for individual states to address on their own. It is noteworthy that in the list of the top 10 countries where intermediaries operate (i.e. the facilitators and enablers who support the transnational flow of corrupt finance)⁵ are the United Kingdom, Switzerland, the United States of America, and Luxembourg. These countries do not figure as poor performers in the standard global rankings of corruption, although all four are in the



A Ugandan anti-corruption sign. PHOTO: WWW.FUTUREALTAS.COM

top 15 of the most financially secretive jurisdictions in the world according to the Tax Justice Network.⁶ That raises real questions as to what exactly we should be looking at when it comes to measuring corruption.

Third, academic researchers and the advocacy community have been unwittingly complicit in perpetuating this mismatch between the reality of how corruption functions and our efforts to combat it. Much of the huge outpouring of academic literature on corruption in the last two decades, particularly that by economists, has used an undifferentiated concept of corruption to serve as either a dependent or independent variable, seeking to explain a host of specific failings – and most especially why there is more or less corruption in country x as opposed to country y. In turn, responding to a dif-

ferent logic, the advocacy community has similarly tended to rely on undifferentiated aggregate indicators of corruption, both to make a political point about the need to combat it and to secure resources in order to do so. Moreover, neither body has been especially good at talking to the other, operating largely in what are effectively disconnected silos.

By talking in such generic terms, though, neither academics nor advocates are likely to make much headway. It makes about as much sense as having a health policy that simply entails ‘fighting disease’. It could be argued that we should stop focusing on corruption, writ large. Or at the very least, whenever the word is mentioned, we should ask: what kind of corruption is it, where is it taking place, who is involved, what are their motivations, who/what is needed to allow it to take place, what level does it operate at, what sectors are implicated, what are the key interdependencies, how does it relate to the broader social context? Without clear answers to these

kinds of question, it will remain difficult to develop interventions that have an impact on the lived reality of specific instances of actual corrupt practices, as opposed to generic observations about which places are more corrupt than others.

So, what will the British Academy/Department for International Development Anti-Corruption Evidence (BA/DFID ACE) Programme contribute to this overall picture? In designing the programme, we have tried to move beyond the kind of generic, broad brush approaches that have characterised much existing research; by the same token, there has been an explicit focus on engagement with practitioners. Not only were several members of the advocacy community involved in assessing the applications, but bidders were also required to outline exactly how they would interact with practitioners on the ground, most Obviously the DFID country officers in the priority countries that are the principal focus of the

5. <https://panamapapers.icij.org/graphs/>
6. www.financialsecrecyindex.com/introduction/fsi-2015-results

programme (Bangladesh, Ghana, Mozambique, Nigeria, Tanzania, Uganda and Zambia).

The eight projects funded under the BA/DFID ACE programme will seek to identify practical initiatives that can help developing countries tackle corruption and the negative impact it has on millions of people's lives. One example is described in the right-hand column. All the projects have a strong focus on identifying how the impact of anti-corruption interventions will be measured, for instance in relation to scale, change over time, causality and attribution to reform. Similarly, a comparative element to understanding what works in different countries, and contexts, is an important feature of this scheme. The research teams' work will range from analysing big data from major aid agencies to better assess the risks of corruption in aid allocation, to the development of actionable policy recommendations for the design of civil service systems, and a study into the role that informality plays in fuelling corruption and stifling anti-corruption policies.



This photograph illustrates a third attempt to construct the Mongu–Kalabo Road in Zambia, after two previous procurements had failed.

Taken together, the eight projects in the BA/DFID ACE Programme seek to move away from the kind of generic ‘one size fits all’ approach that has for so long bedevilled anti-corruption efforts. Rather than just providing more academic research on anti-corruption – of which there has been no shortage – one key innovative element is that the programme is explicitly designed to ensure a very close relationship between researchers and practitioners. Too often there has been a gap between academic analysis seeking to explain the how and why of corruption and the reality of activists trying to address it on the ground. We need to recognise not only that corruption is complex and multi-faceted, but also that to have any real impact on it requires sensitivity to the specific contexts in which it takes place, and especially what is politically possible. That means working closely with colleagues who are faced with actually implementing anti-corruption measures, which is why we placed such emphasis on engagement when selecting the projects that have been funded under the programme. Whilst we are under no illusion that we will discover any ‘magic bullets’, we do expect that the projects will make a positive contribution to identifying mechanisms that can help reduce corruption in specific sectors and specific locations. ■

Further information about the eight projects supported through the British Academy/Department for International Development Anti-Corruption Evidence Programme can be found via www.britishacademy.ac.uk/anticorruption

Options for reducing corruption in procurement: the case of the construction sector in Zambia

Corruption is widespread in the construction sector in Zambia. Corruption has direct consequences on economic and governance factors, and inhibits equitable service delivery and the provision of infrastructure such as schools, hospitals and roads. This prevents socio-economic development and negatively affects quality of life.

When the President addressed the nation on 25 May 2015, he lamented that ‘corruption is among the key challenges that Zambia must confront with urgency.’ The country has in the recent past been investing 25 per cent of its budget on infrastructure development, making the study of this sector a high priority.

A study supported through the British Academy/DFID programme will look at corruption in the construction sector in Zambia. The project will seek to establish the extent, types and key drivers of corruption in construction, and to identify gaps in the legal and institutional frameworks that regulate the industry. It will also document national, regional and global best practices, in order to produce evidence-based findings of what works in tackling corruption in the construction sector and develop options for helping to address the issues in Zambia.

The project will be conducted in Zambia, and comparative data will be collected in Tanzania and Rwanda. An interdisciplinary team of six social scientists and three engineers, led by Professor Mundia Muya of the University of Zambia, will look at case studies over a two-year period.

The project will produce training manuals and reference materials for government and civil society organisations, and also seek to raise public awareness of anti-corruption efforts via a stakeholders’ forum.