



Fighting Corruption in a Developing Democracy

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Corruption slows development, undermines democracy, and further marginalizes the most disadvantaged citizens. Understanding the causes and consequences of corruption in developing democracies is critical to ensuring healthier trends in these countries. Based on a series of studies with government officials in Malawi, one of the ten poorest countries in the world, this brief addresses who is involved in corrupt activities and why, as well as the responses by corrupt officials to anti-corruption interventions, and who is targeted by corrupt activities.

Deterring Corruption

The theory of deterrence argues that punishing crimes can prevent future offenses. If crimes go undetected or unpunished, malefactors can enjoy all the benefits without fear of the costs – leading many rational people to engage in criminal behavior more often. Three aspects of sanctions are important to the fight against corruption: certainty of detection, severity of punishment, and swiftness in sentencing offenders. If governments can bolster any of these factors, they can increase the costs of corruption and thereby deter corrupt acts.

Testing these ideas in an experiment conducted among Malawian government officials after a large-scale corruption scandal, my research collaborators and I found that:

- Swift punishment is the most important deterrent – perhaps because slow punishments allow corrupt officials to enjoy prolonged payoffs and prompt would-be offenders to conclude that benefits exceed costs.
- Increasing detection of corruption reduces corrupt activities, no matter the likelihood of subsequent investigation and punishment. Improving detection can include formal actions such as audits as well as taking steps to boost public awareness and reports of infractions.
- Contrary to deterrence theory but in line with several earlier studies, we find that increasing the severity of punishment does not prevent (and may instead increase) corruption. Why? Possibly, threats of imprisonment, fines, or other penalties encourage officials to shorten their time horizons and grab as much as they can while they hold government posts.

These factors are certainly intertwined. For example, more frequent audits will have little effect if offenders who are caught are not quickly punished. As deterrence theory predicts, though, the incidence of corruption is affected by would-be offenders' expectations about punishment.

How Anti-Corruption Efforts Can Increase New Kinds of Infractions

Anti-corruption interventions are intended to reduce the overall level of corruption. But what if, instead, they simply prompt would-be offenders to turn to new forms of malfeasance? Exactly this kind of substitution is what our research found among government officials in Malawi. Considering hypothetical anti-corruption interventions revealed several patterns:

- Anti-corruption interventions indeed mitigate easily detected offenses, but they may increase the prevalence of less detectable misdeeds. For example, officials might respond to increased formal audits by taking more bribes that audits cannot detect.

- Interventions that encourage participation by citizens – for example, reporting hotlines to an Anti-Corruption Bureau – reduce offenses affecting citizens directly, but increase indirect corruption. For example, taking bribes in exchange for government services may decline, but falsifying receipts to inflate reimbursements may increase.

Reformers designing anti-corruption interventions must be mindful of possible substitution effects that can counteract a large share of the reductions in corrupt behavior early programs accomplish. The overall effort may involve two steps forward, one step back. However, persistent anti-corruption interventions can force officials into a “corruption corner” over time, limiting their options to inefficient forms of corruption that are not easy to detect but also not very profitable. Beyond persistent “whack a mole” efforts, policymakers can also address the root causes of corruption – such as low and inconsistent public salaries.

How Corrupt Demands are Affected by Wealth and Power

Not all citizens are equally subject to corrupt acts such as demands for bribes. Worldwide, the wealthy and powerful pay more, probably because they have greater access to government officials and services. The poor and powerless are supposed to be protected by democratic institutions but often are preyed upon by officials with discretion about whom to target.

To disentangle effects of wealth and power, we conducted an undercover experiment among Malawian traffic police. Trained research confederates posing as either rich or poor, and either politically powerful or not, drove through traffic police roadblocks with a missing insurance disc on their windshield. At each roadblock, the confederate was either stopped or not. If stopped, he paid the full fine and was released; or won release without paying; or paid a bribe to the official.

What did the study find? Drivers signaling poverty turned out to be more likely to be stopped by the traffic police, indicating that wealth insulates citizens from corrupt demands when no information about political connections is available. However, once stopped by the traffic police, the politically powerful poor were the least subject to bribe demands. Although the model generated by our data predicts that the rich and politically connected pay a bribe 90 percent of the time, the poor and connected pay in only 76 percent of the time. One explanation is that requesting bribes from the wealthy has the potential for a higher payoff, outweighing the higher risks when politically well-connected people are asked to pay.

By definition, however, if corrupt officials view requesting bribes from the rich and powerful as more dangerous than making such demands on the poor and powerless, citizens are not equally protected. Overall, our findings suggest that low-level corruption can be reduced by empowering disadvantaged groups to take steps against corrupt demands (or at least to appear to be able to do so). But empowering reforms such as hot lines must be combined with improved detection and speedier punishments. And continued vigilance is necessary to head off new forms of corruption.

This brief was drafted with the help of Douglas Dubrowski.

Read more in Amanda Robinson and Brigitte Seim, “Who is Targeted in Corruption? Disentangling the Effects of Wealth and Power on Exposure to Bribery” *Quarterly Journal of Political Science* (Forthcoming).