

Data, Transparency and Anti-corruption

1 Introduction

SDG 16 calls for states to “reduce corruption and bribery in all their forms” and to “Develop effective, accountable and transparent institutions at all levels.” There is no magic bullet for achieving these goals. We suggest a diversified set of strategies and initiatives that promote better measurement of corruption and also seek to change the incentives of persons engaged in corruption in the public sphere.

2 The Key Questions

1. Per capita income predicts 60-70 percent of the cross-country variation in (perceptually measured) corruption. **Which countries are much more corrupt than their level of economic development predicts, thereby giving them the most room to be “nudged” to make progress quickly?**
2. Democratic political institutions are unsuccessful in reducing corruption in poor and middle-income countries. **What interventions will be most effective in supplementing competitive elections to reduce corruption?**
3. Providing voters information about corruption with the expectation that this will empower voters to reject corrupt policies and politicians has often proven unsuccessful. **What are the distinguishing features of successful and less successful informational interventions?**
4. Where corruption is persistent, widespread and chronic, it is organized into hierarchies that link politicians and civil servants of multiple levels. Lower level officials pass a portion of bribes extorted from the public and/or from businesses up to higher-level officials. **Which type of actor is most susceptible to anti-corruption interventions to break up these collusive arrangements?**
5. Closing off one opportunity for corruption often results in strategic displacement. **How can displacement effects be anticipated and then identified and remediated so that “solutions” do not simply produce new problems?**
6. Legal remedies for anti-corruption efforts are often stymied by overworked and inefficient judicial systems. **Would more and better resources to the courts make corruption enforcement more predictable, and thereby contribute to a reduction of overall levels?**

3 Interventions and outcomes in existing research

Challenge: Reducing corruption and improving transparency					
Study	Country/Year	Question	Who/What	Intervention	Outcome
Adida et al (2015)	Benin, 2015	Does information to voters improve vote choice; are public delivery methods of information more effective than private?	255 villages	Provides civic information using different channels of communication	Implemented around the 2015 legislative elections; results still unknown
Banerjee et al (2014)	Uttar Pradesh, India, 2010	Do voters prefer candidates of their own caste even if criminal or corrupt?	5,000 voters	Vignette experiment varying candidate characteristics	Voters prefer honest to criminal and corrupt candidates, even when the criminal is aligned with the voter's caste
Bobonis, et al (2012)	Puerto Rico, 1987-2005	Does the disclosure of information about corrupt activities induce a sustained reduction in corruption?	All municipalities, 1987-2005	Assembled and analysed data on randomized audits of municipal expenditures	Corruption is lower in municipalities audited before an election. However, these municipalities do not exhibit decreased levels of corruption in subsequent audits. Audits do not have sustained anti-corruption effects.
Callen and Long (2015)	Afghanistan (2010)	Does the use of monitoring technology deter electoral fraud?	471 Polling Centers	A letter informing electoral officials that results forms would be photographed to document discrepancies in vote aggregation.	Announcement reduces electoral discrepancies and vote shares for politically powerful candidates as well as candidates connected to the administrators who oversee vote counting.
Chong et al (2015)	Mexico (2009)	Does information about incumbent corruption lead to higher political participation and increased support for challengers?	2, 360 voting precincts in 12 municipalities in Jalisco, Morelos, and Tabasco states.	Precinct-level randomization of distribution of flyers providing audit data on Mayors' use of infrastructure funds.	Precincts in which corruption information is shared with voters experience decreases in voter turnout, decreases in identification with incumbent party, and vote losses for both incumbents and challengers.
Ferraz and	Brazil	Do audits that	Municipalities	Natural experiment,	Mayors with at least two

Finan (2008)	(2003-2004)	reveal corruption lead voters to hold elected politicians accountable?	with mayors eligible for re-election in 2004.	where treatment is the random selection of Brazilian municipalities for audits of federally transferred funds	corruption violations (as revealed in the audit) are significantly less likely to get re-elected (17 percentage points); effect stronger in areas with better local media.
Golden et al (2015)	Ghana, 2012	Do election observers reduce or displace election fraud?	2,000 polling stations	Random placement of domestic election observers	Unexpected finding that polling stations without election observers experienced twice the rate of malfunctions of biometric verification machines as those with observers. Malfunction of machines appears associated with greater election fraud.
Hyde (2007)	Armenia (2003)	Do international observers reduce electoral fraud?	1,763 polling places across two rounds of presidential voting	Natural experiment in which international election observers were arbitrarily assigned to the complete list of polling stations.	International observers led to a reduction in vote share for incumbent presidential candidate.
Humphreys and Weinstein (2012)	Uganda, 2006-11	Does providing information to voters about politician performance improve it?	All 319 MPs, with random dissemination of scorecards to a subset of constituencies	Randomized dissemination of parliamentary scorecards	Very small impact; most voters unaware of information campaign, and politicians did little to try to get good grades on the scorecards
Ichino and Schündeln (2014)	Ghana, 2008	Do election observers reduce or displace voter registration fraud?	89 Electoral areas	1-2 hour random observation of registration process	Observation deters irregularities but also results in some spillovers to nearby electoral areas without observers
Muralidharan et al (2014)	Andhra Pradesh, India, 2010-12	Do biometrically-authenticated payment systems of government benefits reduce corruption?	158 sub-districts covering 19 million people	Randomization of rollout of Smartcards over two years	Significant reduction in "leakage" of funds and considerable public enthusiasm for new system
Olken (2007)	Indonesia (2003-2004)	Do government audits reduce corruption?	600 Indonesian village road projects	Two over-lapping treatments: (1) audits by central government audit agency (2) increasing grassroots monitoring	Audits lead to decreased missing expenditures but to more family members of project officials being hired (substitution of corruption for nepotism).
Reinikka and Svensson	Uganda (1996-2002)	Can a newspaper	Schools entitled to	Compares before/after outcomes for treated	Prior to the experiment, schools received only

(2011)		campaign that provides parents with information to monitor local officials' handling of a large education grant program reduce corruption?	receive capitation grants from the central government	schools that had access to news reports; compares treated to control schools.	24% of yearly capitation grants. This increased to 80% attributable to the campaign.
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4 Directions for future research

We identify four priorities for research in this area.

1. **Information:** Information appears to be effective in deterring corruption only in limited circumstances and is often ineffective. Building on existing studies, one could investigate whether information to voters is more effective when: (a) It clearly identifies the culprit(s); (b) Culprits are local level public officials (short chains of responsibility); (c) Voters are directly harmed by corruption; and (d) Voters are aware they are entitled to the diverted resources.
2. **Coordination:** In high corruption environments, corruption, although normatively disliked by overwhelming majorities of voters, operates to establish social expectations and conventions from which individuals find it difficult to withdraw. It would be fruitful to assess whether the *public* dissemination of information about corruption to voters is more effective than using private channels.
3. **Displacement:** Anti-corruption interventions generate new strategic work-arounds by practitioners. We recommend building on existing research to accurately measure spillovers in order to assess whether the mere activity of evading new instruments of detection reduces aggregate levels of corruption. There could be strong gains here from iterated projects that study outcomes over time in multiple domains: the initial corrupt domain, the effect of an anti-corruption intervention in the initial domain, the effect in the spillover domain, and the effect at a later moment in time in both the original and spillover domains. The question is then whether the *net* effect of interventions is to reduce corruption, after taking spillover into account.
4. **Technology:** Technological solutions to corruption offer promise. Technology is a particularly common answer to monitoring problems within hierarchies. Any technology is subject to sabotage, however. There is need for continued investigation of the effectiveness of technological solutions as well as the opportunities for evasion they present. Is technology effective to monitor lower level officials when higher-level political authorities are themselves complicit in fraud and corruption? Overall, when are new technologies cost effective and when does the cost for their introduction and maintenance outweigh the benefits they carry?

5 Essential References

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