WHAT WE TALK ABOUT WHEN WE TALK ABOUT CORRUPTION

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ABSTRACT

Corruption is one of the most discussed concepts in the world, but neither scholars nor citizens seem to agree on what they are talking about. Usages escalate from bribery through untoward business-government connections, up to corrupt cultures and even corrupt human nature. Examples can help circumscribe discourse and develop useful models. Quantitative measures, though inevitably incomplete and imperfect, can also help us make sure we are talking about the same things. Perhaps surprisingly, national measures of corruption perceptions turn out to be coherent, reliable, and predictive. But for public administration, measures below the national level prove more valuable in catalyzing better conversations and enabling evidence-based reforms. Several examples are provided.

Many of these points apply to other areas of public administration where concepts are contestable and measures imperfect, and thus may serve as a more general, methodological warm-up exercise.

EVIDENCE FOR PRACTICE

- Regarding corruption as in many other areas of public life, concepts are contested and often inflated. We can help public dialogue by rooting concepts in examples and developing analytical frameworks.

- Because concepts do not yield ready measures, these must be generated via proxies such as perceptions, unobtrusive indicators, and correlated variables. Inevitably, measures will be partial, imprecise, and possibly biased.

- *How* partial, imprecise, and biased may be assessed statistically. A widely used national measure of perception of corruption turns out to be (a) highly correlated with other measures of governance, (b) highly correlated with theoretically salient precursors, and (c) highly correlated with important consequences.

- Nonetheless, because of the plethora of explanatory variables, shortfalls in data, and small N, we cannot use national data to crank out a benefit-cost analysis of national anti-corruption policies.

- There is good news: below the national level, a variety of techniques yield valuable information in a participatory and credible way that has led to productive reforms.

Around the world, citizens and policymakers talk a lot about corruption. In a 2011 survey covering 23 countries, corruption was "the topic most frequently discussed by the public," ahead of poverty, unemployment, and rising costs.[1] Anthropological fieldwork concurs. "Stories about corruption dominate political and symbolic discourse in Nigeria. Everyday practices of corruption and the narratives they generate are primary vehicles through which Nigerians imagine and create the relationships between state and society" (Smith 2007, 5-6). In northern India, an anthropologist "was struck by how frequently the theme of corruption cropped up in the everyday conversations of villagers. Most of the stories the men told each other in the evening, when the day's work was done and small groups had gathered at habitual places to shoot the breeze, had to do with corruption." (Gupta 1995, 375). In a 2013 poll of 70,000 people in 69 countries, corruption was deemed the world's number one problem (Holmes 2015, xii). Discourse about corruption is not confined to poor countries or nations in transition. In 2013, a survey of 27 members of the European Community plus Croatia revealed startling perceptions of corruption. More than three-quarters of respondents (76 percent) said corruption is widespread in their country, ranging from Greece (99 percent) to Denmark (25 percent). Over half believed that "bribery and the abuse of power for personal gain are widespread" among political parties (59 percent) and politicians (56 percent). A sizeable minority said corruption is widespread in private companies (38 percent), banks and financial institutions (36 percent), and health care (33 percent) (Eurobarometer 2014).

In the United States, anger about corruption has been connected to the rise of Donald Trump. In January 2016, the chairman and CEO of Gallup, Jim Clifton, noted

> The perception that there's widespread corruption in the national government could be a symptom of citizen disengagement and anger. Or it could be a cause—we don't know. But it's very possible this is a big, dark cloud that hangs over this country's progress. And it might be fueling the rise of an unlikely, non-traditional leading Republican candidate for the presidency, Donald Trump.

Clifton noted that in September 2015, a remarkable 75 percent of Americans said that "corruption is widespread throughout the government in this country."

"Not incompetence," Clifton emphasized, "but corruption" (Clifton 2016).

Really? What's going on here? What are people talking about when they talk about "corruption"?

Scholarly consensus is elusive. Oskar Kurer (2014, 30) begins a chapter on "Definitions of Corruption" this way: "It has been widely deplored that no generally accepted definition of corruption has emerged. However, to expect everybody to agree on its precise nature is as unrealistic as a consensus on the exact attributes of democracy. Thus, the purpose of this chapter cannot be to find the definition of corruption." Graham Brooks and colleagues (2013, 11) conclude that corruption should "be viewed as a complex and multifaceted phenomenon, with a multiplicity of causes and effects, as it exhibits many different forms and functions in very diverse contexts, ranging from a single act that transgresses a law or laws, to being a way of life for an individual, group of people, and/or societal order, which is morally acceptable." (See also Miller 2011, Morris 2011, Rothstein 2014, and Bussell, 2015.)

The term "corruption" can escalate readily. For example:

- Lewis Hyde (2007) brings together and augments longstanding views that the commercialization of art entails the corruption of Art.

- Lawrence Lessig advises to "ask oneself whether an institution could justify a given behavior in light of its primary mission. If not, then allowing the behavior is *prima facie* evidence of institutional corruption" (Light 2013, 17).

- In anthropology, gifts have been conflated with bribes: both are transactions with a quid pro quo (Mauss (1967 [1925]).

- In epigrams about politics and public administration, power necessarily corrupts (and absolute power…). To ancient skeptics and modern theorists of public choice, politicians are not statesmen and public officials are not public servants. They are just people seeking their own interests. Some argue that when legislators raise money for their elections, it is institutionalized corruption (Lessig 2011).

- Entire cultures are sometimes derided as corrupt. In Uganda, Emmanuel Mwaka Lutukomoi, the Resident Deputy Commissioner of Lira, declares: "We live in a rotten country, rotten districts, rotten offices, with rotten people. Corruption has invaded all public institutions… We have lost the moral sense of shame" (Okot 2016: 2). The Brazilian journalist Juliana Bublitz asked experts, "Many Brazilians believe that corruption is part of our culture and that without a big cultural change, we will not be

able to fight corruption. Do you agree?" The subtitle of her published article included this even stronger question: "A trapaça está enraizada no nosso DNA?" ("Is cheating rooted in our DNA?") (Bublitz 2016). In the United States:

> The liberal position is that Washington has been corrupted by crony capitalism, that the system is grinding the faces of ordinary working Americans … and that the answer is more Washington. The conservative position is that Washington has been corrupted by crony capitalism, that the system is grinding the faces of ordinary working Americans … and that the answer is to squeeze Social Security and cut taxes for the rich (Crook 2016).

- Beyond any particular country or culture, corruption has been linked with human nature itself. James Bryce (2015) shows how the Christian doctrine of original sin resonates in secular thinkers as different as Adam Smith, Charles Darwin, Friedrich Nietzsche, and Sigmund Freud. According to Pope Francis, "The scandalous concentration of global wealth is made possible by the connivance of public leaders with the powers that be… Corruption is a greater ill than sin" (Pope Francis 2014).

Clearly, people mean many things when they talk about corruption.

FROM EXAMPLES TO MODELS

To help ground inquiry and practice, it is helpful to begin with examples.

- A senior general takes huge bribes to direct military procurement and personnel promotions.

- A health system for the poor requires paying for a free eligibility card even if one is eligible—and being able to bribe for a card if one is ineligible.

- A tax system features widespread bribery (a lower tax in exchange for a bribe), extortion (pay me or I'll assess you more), and personnel fraud (positions are purchased).

- A cartel in the National Examination Council leaks exam papers to certain school principals in exchange for bribes—and violently punishes Council members who resist.

- The traffic police routinely extort bribes from motorists, even when drivers are obeying the law.

- Three senior customs officials extort $8 million from a company by threatening them with a penalty of ten times as much.

Such actions are illegal in every country of the world. Although some cultural variables explain variations in various measures of corruption, no culture or religion endorses bribery or extortion. For example, the Malaysian sociologist Syed Hussein Alatas (1968) argued strenuously against the Western idea that non-Westerners accept corruption for cultural reasons. His book provides copious evidence of concern about corruption in Muslim and Chinese cultural traditions. Ethnographic studies in the Philippines, Ghana, and Bangladesh find that peasants understand well the difference between a gift and a bribe – and they hate bribery (Klitgaard 1988, 8-9, 62-64).

FROM EXAMPLES TO CONCEPTS

These examples above have some common features. They involve "an inducement improperly influencing the performance of a public function meant to be gratuitously exercised," which John T. Noonan, Jr., says is "the core of the concept of a bribe" (Noonan, 1984, xi). Each act illustrates the misuse of office for illicit ends—understanding that across contexts "misuse," "office," and "illicit" vary. Across contexts, corruption is where a market enters where a society says it shouldn't.

Political economy models help us abstract across cases and contexts:

- A public servant (or agent) is supposed to be interacting with the citizen (or client) in the name of a public interest (or principal). Corruption is where the agent uses his power to take an illicit private benefit such as a bribe.

- For both the giver and the taker of a bribe, corruption is a crime of calculation, not of passion. Both sides of this corrupt transaction face trade-offs that involve such parameters as the probability of being detected, the probability of being punished if detected, the punishment, and the amount of the bribe. The bribe amount will in turn depend on the market conditions for the good or service—how much citizens save by getting it or getting more of it, what alternatives are available and their value, and so forth. Corruption will be lower when officials have less monopoly power and less discretion (for example, the rules of the game are clear and well-known). Corruption will be lower when there is more accountability; harsher punishments; higher wages that will be foregone if an official is corrupt, caught, and punished; and higher "moral costs" (Rose-Ackerman 1978; Klitgaard 1988 and 2015).

- Like players in an n-person Prisoners' Dilemma, bribe payers may face dominant strategies to do something not in the public interest, indeed something that is inconsistent with their ethics. Institutionalized corruption is when "Good people, trapped in a corrupt structure, become corrupted as they do their best within the given economic, legal, institutional structure" (Light 2013, 3). In Nigeria,

> People frequently condemn corruption and its consequences as immoral and social ruinous, yet they also participate in seemingly contradictory behaviors that enable, encourage, and even glorify corruption… In many instances, ordinary Nigerians see themselves as complicit in corruption, and indeed it is this awareness of collective responsibility for corruption that fuels hopes for change, even as it paradoxically perpetuates cynicism and a sense of intractability (Smith 2007, 5, 6).

From these ideas, several predictions ensue. First, corruption's costs are not equal to the bribes paid. Corruption can distort incentives and policies. Bribes can enable public bads worth far more than the size of the bribes. For example, small bribes to officers in the Indian Soil Conservation departments led to the non-enforcement of measures to prevent erosion, which led to the erosion of top soil, "India's most precious resource; each inch of top soil takes roughly 1,000 years to form" (Wade 1985, 494).

Second, bribery usually leads to fewer and worse public services (Evans and Heller 2015). Ishrat Husain asked rhetorically how one knows that corruption exists in Pakistan. He cited some effects:

> Inflated contracts, understated or unpaid customs duty, evaded income tax, exaggerated prices paid for land acquisition by public agencies, lower rents for leasing mining, oil and gas rights, illegal connections of electricity and natural gas, apprehension of wrong persons in criminal cases and their release after accepting bribes, weak prosecution of cases, granting of licenses and permits in returns for favors, acquittal of criminals by the lower judiciary, grant of loans by nationalized commercial banks to un-creditworthy persons are some blatant manifestations of the widespread institutionalized corruption in the society (Husain 2012, 22).

Third, corruption dissolves trust. "Since social trust is an important intrinsic value (personal happiness, optimism about the future) and also has a political value (support for fair institutions, minority rights, tolerance, etc.) and an economic value (its positive relation to individual

earnings and aggregate economic growth), it may be that dysfunctional government institutions are the worst social ill of all" (Rothstein 2011, 162).

Finally, the models suggest practical approaches. The principal-agent-client analogy leads to a framework for policy analysis (Klitgaard 1988, chs. 2-3). The Prisoners' Dilemma analogy leads to fruitful applications of the theory of collective action (Olson 1971; Poteete, Janssen and Ostrom 2010; Pieth ed. 2012) and of models of "change when change is hard" (Heath and Heath 2010).

MEASURES

Corruption is a latent variable, meaning it cannot be touched and weighed. Measures must therefore be indirect: self-reports that may be tarnished by self-interest, perceptions that are always partial and inexact (and sometimes biased), unobtrusive indicators that may or may not be reliable and valid, and proxies derived from statistical associations. Measures of corruption are controversial because of their ethical freight and possible high-stakes uses and misuses, and yet people talk about them. For example, the annual release of Transparency International's Corruption Perceptions Index (CPI) is an occasion for op eds around the world. "It's just perceptions; it's culturally biased," cry some. "This shows that our corrupt politicians and business people keep us poor," say others. As with other measures in public life, we can advance dialogue and practice by assessing (1) the statistical qualities of inevitably imperfect measures—their coherence, reliability, and validity—and (2) their possible uses and misuses.

PERCEPTIONS AND EXPERIENCES

In his magisterial book *Bribes*, John T. Noonan, Jr., recommended that we should trust neither what people say about corruption nor seemingly objective measures such as the number of news stories about corruption or the number of corruption cases prosecuted (Noonan 1984, xiii). In practice, there are wide gaps between the corruption people say they have personally experienced and their overall perceptions of corruption in their countries. For example, in the European Union in 2011, 8 percent of respondents said they had been asked to pay a bribe in the preceding 12 months, but 74 percent perceived corruption to be "a major problem" in their country (European Commission 2012). In Russia in the mid-2000s, 23 percent said their household had paid a bribe in the past two years but 86 percent of citizens perceived most public officials to be corrupt (Rose and Mishler 2007). In the United States, 7 percent of citizens say that people in

their households were asked to pay a bribe in the previous year; but 75 percent of Americans perceive their government to be corrupt, and 55 percent perceive that public officials and civil servants are corrupt (Hardoon and Heinrich 2013, 10, 34).

Two questions arise: What might explain the gap between experience and perception? And does the divergence imply that perceptions-based measures are invalid?

EXPLAINING DIFFERENCES IN PERCEPTIONS VS. EXPERIENCES

1. Stigma

In survey research questions about perceptions (or general beliefs) can lead to quite different answers from questions about experiences (or behavior) (Kelsey *et al.* 1996). This is particularly so when the behavior is associated with stigma or punishment. For example:

- Self-reports of drinking alcohol are correlated about 0.7 with sales of alcoholic beverages; but self-reported consumption is only about half the alcohol consumed based on sales figures (Ely, Hardy, Longford, and Wadsworth n.d).
- Roughly 25 percent of nonvoters in the United States report having voted (Bertrand and Mullainathan 2001: 68).
- Women's rates of self-reported heterosexual activity in the United States are so much than men's that gender-biased reporting is likely (Swanbrow 2006, Alexander and Fisher 2003).

In the case of corruption, one might use the percent that answer prior questions to estimate the "reticence" to respond about having paid a bribe (Karalashvili, Kraay, and Murrell 2016). Reticence depends on the country. Countries rated in the bottom 20 percent of press freedom had a 10-percentage-point lower rate of self-reported bribery, other things equal (Treisman 2015).

2. Doing Better and Feeling Worse

In 1977, in a brilliant essay entitled "Doing Better and Feeling Worse," Aaron Wildavsky pointed out that:

> When people are polled, they are liable, depending on what they are asked, to say that they are getting good care but that there is a crisis in the medical-care system. Three-quarters to four-fifths of the population, depending on the survey, are satisfied with their doctors and the care they give; but one-third to two thirds think the system that produces those results is in bad shape. Opinions about the family doctor, of course, are formed from personal experience. "The system," on the

> other hand, is an abstract entity—and here people may well imitate the attitudes of those interested and vocal elites who insist the system is in crisis (Wildavsky 1977, 105).

In 2013, 69 percent of Americans said their health care was good or excellent. But only 32 percent said the same about national health care.[2]

Other areas reveal a similar phenomenon. In 2015, 72 percent of Americans gave metaphorical grades of A or B to the school their oldest child attends. But only 21 percent awarded an A or B to "public schools, nationally" (Richardson 2015, 24). In 2016, 63 percent of U.S. adults said the average working person has less job security. "Yet most workers are confident that their own jobs are secure: 88% say they are not too or not at all likely to lose their jobs in the next 12 months" (Brown 2016).

People's perceptions of government are more negative than their perceptions of local government leaders or services. Before the 2014 mid-term elections, Congress had an approval rating in the neighborhood of 13 to 15 percent. Nonetheless, 95 percent of incumbents were re-elected (Berlatsky 2016). This gap is known as Fenno's Paradox, after Richard F. Fenno, Jr. (1978). Something similar may explain the gap between personal experiences of bribery and perceptions of the country's corruption.

3. People Are Talking About Different Things

When people are asked about their experiences, they think of bribes. When asked about their perceptions, they think of what they think is an excessive influence of business on politics. In Europe, "the most widely held belief is that links between business and politics are too close" (European Commission 2012). Among likely U.S. voters in 2014, 76 percent declared that the wealthiest individuals and companies have too much influence over elections.[3]

IMPLICATIONS OF THE GAP BETWEEN PERCEPTIONS AND EXPERIENCES

Indicators may differ in magnitudes and yet track each other. Various measures may be highly correlated, even to the point that we may use one as a proxy for the other. So it is with at least some national measures of experience and perceptions with corruption, if appropriate statistical transformations are applied.

Daniel Treisman (2015) argues that across countries the correlation between experiences and perceptions of corruption is so low (0.63) that the perceptions measures should be eschewed in favor of the experience measures. This is misleading. Measures of experience are often highly skewed, and in such cases simple correlations can be easily misinterpreted (Kowalski 1972).

After taking logarithms of the multi-year measures in Treisman (2015), the correlation between experience and perception rises to 0.84 (see figures 1a and 1b).[4]

[Figures 1a and 1b here]

Nicholas Charron (2016) surveyed over 85,000 respondents in 212 regions within 24 countries in Europe. He concluded that "the consistency between actual reported corruption, as well as citizen and expert perceptions of corruption, is remarkably high" (Charron 2016, 1).

STATISTICAL ASSESSMENT OF MEASURES

Let us focus on one widely used measure, Transparency International's Corruption Perceptions Index. The CPI is a composite measure based on twelve different data sources from eleven different institutions that capture perceptions of corruption within the previous two years. The CPI is scaled to measure "freedom from corruption," so higher scores are better. Statisticians have detailed the qualities of a good composite measure (OECD/EC JRC 2008; Saisana, Saltelli, and Tarantola 2005). Some of these same scholars have examined the Corruption Perceptions Index.

> The JRC analysis suggests that the new methodology for the Corruption Perceptions Index (CPI), besides being appealing for reasons of transparency and replicability, it is also conceptually and statistically coherent and with a balanced structure (i.e., the CPI is not dominated by any of the individual sources). Despite the high associations between the sources, the information offered by the CPI is shown to be non redundant (Saisana and Saltelli 2012a, 21).

Many other measures of corruption and good governance turn out to be highly correlated with the CPI. The following are based on the author's calculations:

- The bivariate correlations among the CPI, the World Bank's Rule of Law Index, and its Absence of Corruption measure all exceed 0.90.
- The World Bank's index of government effectiveness is correlated 0.94 with the CPI.
- The CPI is correlated 0.91 with a composite of three quality-of-government indicators of the PRS Group's *International Country Risk Guide* (ICRG).
- The CPI is also highly correlated with answers to two questions in the World Economic Forum's Global Competitiveness Index (GCI): Irregular payments and bribes (r=0.90) and Diversion of public funds (r=0.86).

- Bo Rothstein and Jan Teorell (2012) developed a new measure of "impartiality" in government. After a multi-year data collection effort, their measure turns out to correlate over 0.86 with measures such as the CPI and the various World Bank Worldwide Governance Indicators.

- The World Justice Project (WJP) decomposed "the rule of law" into eight dimensions: absence of corruption, constraints on government powers, open government, fundamental rights, order and security, regulatory enforcement, civil justice, and criminal justice (World Justice Project 2015). The WJP surveyed over 100,000 citizens and 2400 "experts" in 102 countries. The WJP's absence of corruption measure is correlated 0.95 with the Corruption Perceptions Index; a principal component of the other seven WJP variables is correlated 0.94 with the CPI (see Fig. 2).[5]

[Figure 2 here]

- In 2016, an Index of Public Integrity (IPI) was released for 105 countries. It combines expert judgments and objective indicators across six categories: judicial independence, "administrative burden," trade openness, budget transparency, "e-citizenship," and freedom of the press. The IPI turns out to be correlated 0.89 with the CPI (Mungiu-Pippidi and Dadašov 2016, 17).

- Laarni Escresa and Lucio Picci (2017) painstakingly created a Public Administration Corruption Index (PACI) is based on 816 cross-border corruption cases pursued between 1998 and 2012 by courts in Germany and the United States with 122 foreign countries. The log of the authors' preferred version of the PACI turns out to be correlated more than -0.85 with both the CPI and the World Bank's Control of Corruption Index.

- In collaboration with the RAND Corporation, the U.S.-based company TRACE International developed measures of "business bribery risk" in 199 countries.[6] The overall country risk score is a combined and weighted score of four domains—Business Interactions with the Government, Anti-bribery Laws and Enforcement, Government and Civil Service Transparency and Capacity for Civil Society Oversight, including the role of the media—as well as nine subdomains. The overall risk score is correlated -0.84 with the CPI (author's calculations).

At the national level, these indicators of corruption and good governance are tightly enough related that, as a first approximation, they can serve as proxies for each other.

ARE MEASURES OF CORRUPTION VALID PREDICTORS?

Abundant research displays the correlations of many variables with corruption (Holmberg and Rothstein 2014). Eugen Dimant (2013) looked across academic disciplines to assemble the "determinants" of corruption: he found strong correlations in 41 economic, legal, and social categories. Other studies show strong correlations between a country's CPI and economic growth, poverty, infant mortality, health care, access to safe water, and even chances of peace (for example, Holmberg, Rothstein, and Nasiritousi 2009). Using a measure of happiness based on the World Values Survey, the average level of happiness is correlated 0.69 with the Corruption Perceptions Index. Countries in Latin America are significantly happier than expected; among the rest of the countries $r = 0.78$. A different measure of happiness, from the World Database of Happiness (2016), is correlated 0.57 with the CPI (0.70 excluding Latin America and the Caribbean) (all are the author's calculations).

Determinants or consequences? As most of these scholars recognize, causation is difficult to establish. As in other areas of quantitative work across countries, estimation is plagued by relatively small N (few countries), relatively large K (the number of plausible predictor variables), limited data (long time series are unavailable on many important variables, including corruption), and possible bidirectional causality (GDP growth leads to lower corruption, as well as or instead of lower corruption leading to GDP growth) (Fedderke and Klitgaard 1998).

But two lines of new research suggest causality with regard to measures of happiness and wellbeing. A panel analysis of 157 countries showed that "actual changes in governance quality since 2005 have led to large changes in the quality of life…Our new results thus confirm that quality of governance affects lives via many channels beyond those captured by GDP per capita, and also that important improvements can be achieved within policy-relevant time horizons" (Helliwell *et al.* 2014, 4).

In a very different kind of research, Daniel Benjamin and colleagues (2014) studied 136 different attributes of wellbeing. Individuals were asked to make tradeoffs among pairs of them. Among public policies, the most important contributor to people's wellbeing was "freedom from corruption, injustice, and abuse of power in your country."

These results are consistent with the argument that as corruption goes up, citizens' happiness go down.

THE USES AND MISUSES OF MEASURES

Let us now consider two practical questions. Why might we want a measure of corruption, and how should such a measure be used?

By analogy, consider measures of education or health or poverty. At the national level, they could be useful to track progress, make predictions, and assess the effects of policies or preconditions. And yet no one would say that a single, aggregated measure of education or health or poverty is sufficient for a country. No one would contend that the national level is the only level of interest: we would consider other geographic levels, demographic categories, and functions of government. One would be interested in scores after statistically adjusting for demographic and other conditions as well as the presence of various policies. No one would say that the raw score is the only one of interest.

So, too, with corruption. We can disaggregate by region and locality, by industry, and by function. We can use residuals after statistically adjusting for variables such as education levels, demographics, government budgets, and so forth. And we may go beyond averages to thresholds, measures of inequality, and so forth. There is no "right" level of analysis; the choice depends on the decision context.

In the case of corruption, national measures might be used to allocate aid, as in the U.S. Millennium Challenge Account. But even simple models show that using a country's corruption measure should include efficient allocation, the representation of regions and other categories of countries, incentive effects on countries, and incentive effects on taxpayers and funders (Klitgaard, Fedderke, and Akramov 2005). The CPI probably doesn't help companies decide where to invest, since companies have finer-grained information by industry, government sector, specific location in the country, type of investment, and so forth. In general, national-level measures have limited applicability for making policy, monitoring progress, and implementing reforms. But finer measures of corruption and of related ideas of government effectiveness[7] can catalyze reforms. Consider four examples.

India

In Bengaluru, India, in the 1990s, an NGO called the Public Affairs Centre developed a report card for each government agency. Citizens leaving a government agency were anonymously and

quickly asked how was the service they received and were they asked for a bribe. In addition, the Centre's staff asked similar questions of high-level clients of each agency (such as companies and citizens groups) and used unobtrusive measures of agency responsiveness (such as how long it took for an agency employee to answer a phone call). These data were combined to create a grade for each agency. The grades played a crucial role in reforms triggered by a public-private-citizen partnership called the Bangalore Agenda Task Force (BATF). The grades constituted credible measures for tracking improvements, including the control of corruption. A decade later, the Government of India said: "The BATF in collaboration with multiple government and civic agencies has revolutionized public services in Bangalore" (Paul 2012, ch. 7).

Peru

In Peru, an NGO called Ciudadanos al Día (CAD) developed its own scorecard. Citizens were asked two questions when leaving a city agency, public hospital, or federal agency. How would you rate the quality of service? Were you asked to pay a bribe? Newspapers enthusiastically published the resulting rankings of cities, hospitals, and agencies.

CAD went further. Working with a television station, it organized an annual prize. After technical committee had decided on several finalists in several categories, a blue-ribbon panel of famous Peruvians chose one winner in each category and announced the winner on prime-time TV. Then CAD studied what these successful public institutions were doing, resulting in the documentation of more than 800 "good practices" that have been published on line.

Finally, if asked, CAD provides specialized surveys of particular functions and training using the good practices. Once again, data about corruption and broader measures of government performance can catalyze successful reforms (see http://www.ciudadanosaldia.org; also based on author's fieldwork in Peru).

Pakistan

Punjab's Proactive Governance Model exploited a fact of modern life: the prevalence of cell phones even among poor citizens. When citizens receive a public service, they provide their cell numbers. Soon they receive a text message. How was your service? Did you have to pay a bribe? A sample of citizens receive a follow-up text message from the Chief Minister, asking for their suggestions to improve government services.

The results are tabulated. Successful offices are identified; they are rewarded; and their success is studied an shared. Over 8000 cases of corruption have been uncovered. Punjab's system has

became the template for innovations in other provinces and federal agencies in Pakistan. (See Callen and Hasanain (2011) and Masud (2015); also based on the author's fieldwork in Pakistan.)

The Philippines

A final example also utilizes citizen feedback to fight corruption: the Performance Governance System. The Institute for Solidarity in Asia developed a public-sector analogue to the Balanced Scorecard. It first partnered with seven reform-minded mayors in the Philippines. The mayors convened people from government, business, and civil society to create a distinctive vision statement, a mission, and a strategy map summarizing key initiatives and metrics. After seeing these cities flourish (and their leaders win reelection), the Performance Governance System has spread to many cities, state-owned enterprises, and federal agencies including the military and the police. The results have been remarkable in terms of re-election, investment, improvement in public services, and lower levels of corruption. (See http://isacenter.org/programs/pgs/; also based on author's fieldwork in the Philippines.)

Beyond Complaints to Systems

Another kind of information about corruption pertains to systems rather than corrupt acts. In confidential, one-on-one interviews, insiders can be asked *how* a corrupt system works. For example, a study of a procurement system may lay out the various steps: prequalification of bidders, technical criteria and their weights, the judging of the various bids, the process for post-award changes and the payment of the contract. Each step is vulnerable to corruption. Interviewees are asked, "Here is how prequalification is supposed to function. In your experience, what problems emerge? How prevalent do you guess these problems are? What distortions are created?"

The results of 15 such interviews can lead to a draft diagnostic of systemic corruption in the procurement system. The diagnostic is then shared with many parties, including the government, and be used to plan remedial actions. A year later, the process can be repeated to assess progress and identify new remedial actions. Such systemic diagnoses have provided valuable information about corruption in road building programs, police, tax collection, courts of the first instance, health, and rural education (Klitgaard 2015).

Similarly, what the Hong Kong's Independent Commission Against Corruption called "vulnerability assessments" also focus on systems rather than specific acts or actors (Klitgaard

1988). In Vietnam, for example, officials and clients were asked to identify where in a government process one sees a combination of monopoly power, wide discretion, and weak accountability (Alcaide Garrido *et al.* 2011). A vulnerability assessment does not ask about people's corruption experiences nor their perceptions, but instead explores the corruption-enabling proclivities of structures and incentives.

A variety of other measures have been used to assess corruption: performance monitoring (Olken 2007), proxy indicators (Johnsøn and Mason 2013), and others. All of these go below and beyond national measures of corruption.

CONCLUSIONS

Corruption is a latent and contestable concept, and measures are imperfect. Welcome to the real world, where concepts and measures are unsettled at best. Consider the quality of health care, democracy, gender equity, sustainability, and poverty. In each area we encounter confusion and controversies over what we are talking about. In each we find imperfect measures based on expert judgments, popular perceptions, and people's "experiences." When such data are used in evaluation, incentives arise to advocate or disparage particular concepts and measures. In every case we have discussions over the proper level of measurement (global, national, local…), the proper control variables (by level of development, industry, education…), and the proper uses (to allocate resources, monitor and reward progress, create competition…). In employing the concepts and measures, we face theory uncertainty, measurement uncertainty, and modeling (or econometric) uncertainty, often coupled with numbers of observations (countries, ministries, cities, projects…) that are too small to enable us to explore potentially important interaction effects or credibly estimate causal effects.

These realities also characterize research and decisionmaking about corruption. Facing these realities, this paper suggests how scholars and practitioners might make progress:

1. We should begin by laying out the various kinds and levels of concepts and usages. In the case of corruption, we find a remarkable escalation of usages from narrow acts of bribery to corrupt human nature.

2. Examples are useful in attaining conceptual clarity. Building on examples, political economy models help clarify key features of widely varying examples of "corruption," leading to testable predictions and policy-relevant suggestions.

3. Measures can help us clarify what we mean when we talk about corruption. In general, citizens' personal experiences often diverge from their general perceptions. And yet, when appropriately transformed measures of experiences and perceptions may turn out to be highly correlated, as they are in the case of corruption. Examining webs of statistical associations among a variety of measures can be valuable—in the case of corruption, showing a surprisingly high degree of overlap. Looking at the statistical relationships among those measures and putative precursors and consequences of corruption is another important step in enabling useful discourse.

4. Although corruption has many significant correlates, causal modeling is plagued by incomplete theory, missing data, small N, and possible reverse causality. This is often the case in cross-country research at the national level.

   For this reason, although national-level measures may have some conceptual justification and some interesting correlations, they may not be particularly useful in advancing theory or guiding policy. Instead, we should explore subscales, geographic or functional subcategories, residual scores after adjusting for other factors, and so forth. The paper provides a number of examples of going beyond national measures, which may inspire researchers outside the topic of corruption.
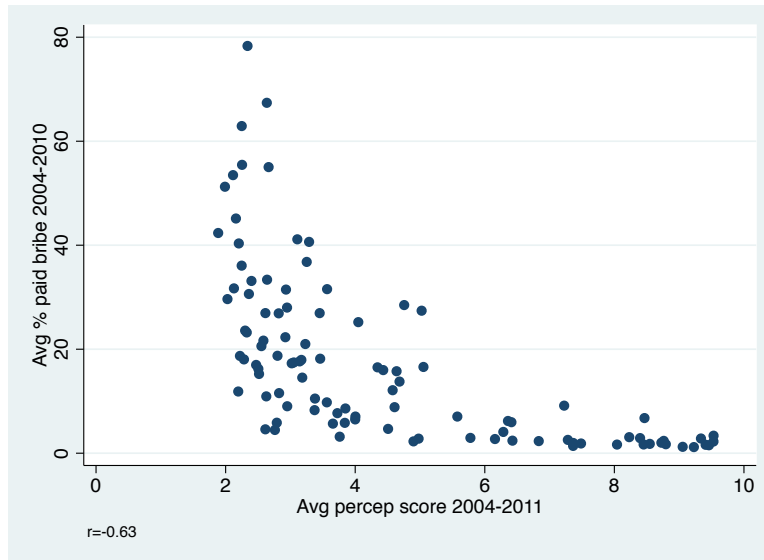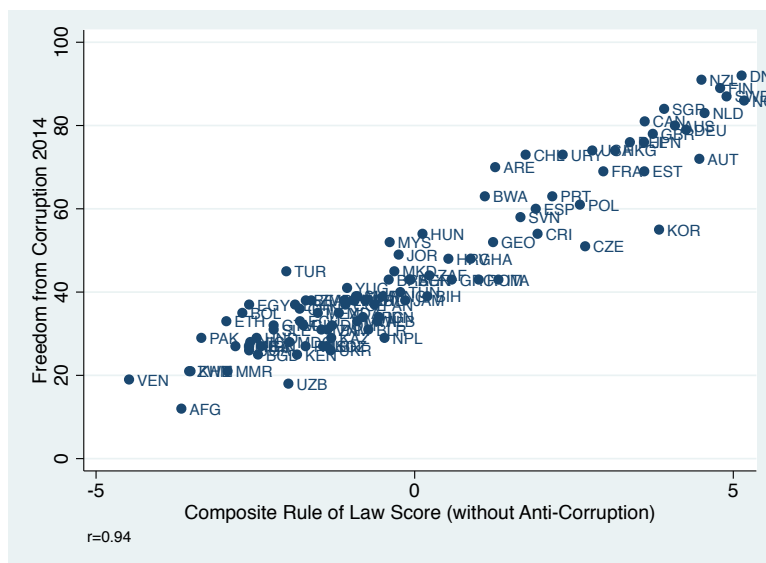
Figure 1a. Experience and Perceptions

Figure 1b Logs of Experience and Perceptions

Source: Author.

Figure 2 The Corruption Perceptions Index and the Rule of Law Composite Are Closely
Related

Source: Author.

1 http://www.globescan.com/news-and-analysis/press-releases/press-releases-2011/94-press-releases-2011/126-unemployment-rises-as-qmost-talked-aboutq-problem-global-poll.html

2 http://www.gallup.com/poll/165998/americans-views-healthcare-quality-cost-coverage.aspx

3

http://www.rasmussenreports.com/public_content/politics/general_politics/may_2014/bigger_problem_in_politics_48_say_media_bias_44_campaign_cash

4 Bishara and Hittner (2012, 399) conclude, "With most sample sizes ($n \geq 20$), Type I and Type II error rates were minimized by transforming the data to a normal shape prior to assessing the Pearson correlation."

5 An outside "statistical audit" of an earlier year's results that the WJP's dimensions "share a single latent factor that captures 81 percent of the total variance. This latter result could be used as a statistical justification for … a single index by using a weighted arithmetic average" (Saisana and Saltelli 2012b, 2).

6 http://www.traceinternational.org/trace-matrix

7 As we have seen, many measures of corruption and of government efficiency are highly correlated.

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