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Universities Have the Responsibility to Tackle the World's Toughest Problems

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Issues that seem intractable dominate our news but paralyze our governments. Corruption. Immigration. Religious and cultural conflict. Even improving public schools. When such issues are raised, too often we roll our eyes and give up before we begin. We may pipe up a piece of generic advice, such as "we need more evaluations" or "we need a revolution" or "the poor you will always have with you."

The more prevalent are slogans or despair, the more we need case studies of progress, careful and dispassionate analysis, and neutral venues to convene leaders and citizens to rethink the issues. In a word, the more we need universities.

As an example, consider the seemingly intractable problem of corruption.

Corruption can be defined as the misuse of office for private gain. The term covers a wide array of illicit behaviors, including bribery, extortion, fraud, nepotism, graft, speed money, embezzlement, falsification of records, kickbacks, and influence-peddling. Corruption is not a synonym for crime or economic crime, nor is it the same as waste or inefficiency, although these sometimes accompany corruption.

Albert O. Hirschman once recommended that, in one specific way, economists should be more like theologians. They should provide guidance as to which economic sins were mortal, which would result in time in purgatory, and which might be forgiven at the Sunday confessional. This is interesting advice regarding corruption as well. Systemic corruption in the justice system, in property rights, or in banking are mortal sins. Such corruption undercuts the basic institutions of the economy and government. In contrast, speed money for licenses or customs clearances has few repercussions.

Systemic corruption is at the top of the political agenda in countries ranging from Pakistan to Peru, from Iraq to El Salvador, from Vietnam to Venezuela. Corruption is not confined to poor countries, of course, as the United States, Japan, France, Germany,

and other rich countries demonstrate. But especially in poor countries, corruption can infect deeply. Leaders in Vietnam and Malaysia and Somalia and China have independently employed the same metaphor of disease: “Corruption is a cancer.”

President Susilo Bambang Yudhoyono of Indonesia has also used the cancer metaphor to describe corruption. Over the past two years I have spent time in Indonesia with President Yudhoyono and his cabinet. Faced with what many people in his country deem an intractable problem, he and his cabinet have avoided throwing up their hands. They have taken impressive steps to prosecute major offenders and decentralize government. They asked what else could be done to prevent corruption. The stakes are high—perhaps as momentous as the success of democracy in the world’s fourth most populous country and the most populous Muslim nation.

To stimulate the creativity of President Yudhoyono and his ministers, I shared with them the results of university-based research. I chose a few among many case studies of progress in the fight against corruption, such as Hong Kong, Mozambique, and Colombia, and cities such as Bangalore (India) and Naga City (Philippines). We discussed the cases in two parts, the problem and what happened, with them working the problem before eventually finding out what happened.

Leaders in Indonesia and elsewhere also benefit from suitably presented analytical frameworks concerning corruption. The work of such scholars as Susan Rose-Ackerman, Michael Johnston, Daniel Kauffman, and Johann Graf Lambsdorff show how the level and types of corruption are affected by the institutional, political, and cultural settings. There tends to be *more* corruption where democracy and good government are *not* widely valued, where the press is *not* free, where governments’ role in the economy is large, where there are wars and emergencies, where civil servants are poorly paid and poorly qualified, where the private sector is thin and monopolistic, and where the rules of the economic game are unclear.

Economic research suggests that corruption is best modeled and treated as a crime of calculation, not one of passion. What are the benefits of giving or taking the bribe? What is the probability of being caught, and if one is caught, what is the expected penalty? Morality matters, of course, but given a country’s prevailing level of public morality the amount of corruption depends on economic calculations by the parties involved.

These calculations have systemic correlates. There is a heuristic formula for corrupt systems: $C = M + D - A$. Corruption equals monopoly plus discretion minus accountability. If a system gives an official monopoly power over a good or service, the discretion to decide how much a particular client receives, and is not accountable, then the system will be prone to extortion or bribery—whether the service is water or credit or licenses and whether the setting is Cambodia, Cameroon, or California.

How to Prevent Corruption

Good examples and frameworks can help leaders reformulate the problems and rethink the alternatives. In the short run it is difficult to change a country's institutional, political, and cultural setting. Similarly, we do not have ready ways to change a people's morality, at least in the short run. Research suggests that the key to successful reform is changing policies and systems, rather than the common practice of hunting for isolated culprits, adding new laws and regulations, or calling for a moral renovation. Successful reforms combat corruption by reducing monopoly, limiting and clarifying discretion, and enhancing transparency.

Reducing **monopoly** power means enabling competition. Government procurement can benefit from the Internet, as in Colombia, Mexico, and Seoul, Korea, where large procurement contracts are put on the web, before and after the award. Argentina reduced corruption in hospitals by publishing prices of all purchases throughout the hospital system. Corrupt deals that resulted in higher prices were quickly made evident. Getting government out of monopoly business arrangements is a welcome step—but not if the alternative is simply a private-sector monopoly.

Limiting **discretion** means clarifying the rules of the game and making them available to the common man and woman. In La Paz, Bolivia, former Mayor Ronald MacLean-Abaroa created a citizens' manual that described simply and in three languages what was required to get a permit, build a house, start a business, and so forth.

In Colombia, former President Andrés Pastrana used the Internet to limit discretion; it is harder for a government official to trick a citizen when the rules of the game are available online. In the Philippines, former tax commissioner Efren Plana simplified the tax code, making it easier to understand and reducing the discretion of employees of the Bureau of Internal Revenue.

How can creative leaders enhance the final factor in the formula: **accountability**? They can work with their employees and clients to create new systems for transparency and performance evaluation—and then link rewards to results. If asked individually and confidentially, a surprising number of participants in corrupt systems ranging from procurement to the courts will tell you where corruption is prevalent and describe how corrupt systems work. President Pastrana's *Colombiemos* campaign empowered nongovernmental organizations throughout the country, improving oversight of public programs and leaders. The news media are also an important source of accountability; when governments step on journalists, watch out for corruption.

Time will tell if Indonesia will make further progress in its fight against corruption. I can only aver that leaders there and elsewhere respond creatively and practically to examples of success, reframing the issues, and opportunities to think through alternatives honestly and creatively. And this may provide clues about how universities can do even more to help us address intractable problems.

Provide examples, especially of success. For even the most daunting problems, relative progress exists; success stories can be found. We should document them and share them. Examples can be found among the teaching cases of leading policy schools and in research-based websites such as the Campbell Collaboration and the Promising Practices Network: www.campbellcollaboration.org/ and www.promisingpractices.net/.

Help unpack and reframe. In confronting seemingly intractable problems, the intellectual task is to discover, to be more creative about, the objectives, the alternatives, and the constraints. On this view, research provides not so much a set of answers that politicians should adopt, but a set of examples and tools and for enriching the appreciation of alternatives and their consequences. We should share research with this in mind.

Convene. The university can be a safe place to convene leaders from business, government, and civil society for creative, practical rethinking—and for creating new partnerships for action.

Networks. The university can link researchers and leaders in old ways and newer ones (in particular, through the Internet). For example, the University of Toronto's Ian Clark is developing a public policy and governance portal, a community of practice where scholars, students, and practitioners will interact using collaborative technologies similar to those of Wikipedia and Facebook.

Most important, universities should be willing to take on the seemingly intractable problems. If we don't, who will? Who else will provide the hard analysis, the breakthrough thinking, and the long-run perspective? Not government, subject as it is to political agendas and election cycles. Not business, as shareholders will not tend to value CEOs who direct significant company resources to immigration or terrorism or failing schools. Nongovernmental organizations have the ideals and often the vision, but they often lack the intellectual and financial resources to do it alone.

All of these actors can play a part in taking on our world's hardest problems, but universities are the essential players. Research is part of our fundamental mission. That doesn't mean we always do it well or that we should do it alone. On many issues, effective research can only be carried out in partnerships.

But we have to do it with others and for others. One of a university's special callings is to take on the hardest issues, even those that seem intractable.

Robert Klitgaard's eight books include *Controlling Corruption* and *High-Performance Government: Structure, Leadership, Incentives*.