



Corruption: is it a Cancer to be Operated or a Wound to be Plastered?

A discussion on Anti-corruption strategies

This essay aims to answer the question: which strategy countries should prioritize - 'visible' or 'deep'? The answer is given with appropriate examples.

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1. Introduction

Controlling corruption is a condition precedent for a healthy development administration. But the task being complex and the geopolitical conditions being varied in nature, the strategies also vary very widely. Aim of this essay is to find out the effectiveness of the 'deep' strategy as well as the 'visible' one and based on that, to suggest what countries should prioritize.

The essay is structured as follows: the following part provides definitions and explains the strategies. Third and fourth parts discuss the advantage and disadvantages of deep and visible strategies respectively. Fifth part explains as to how different circumstances warrant different solutions. Limitations of anti-corruption strategies are enumerated in sixth part. Conclusion gives the answer to the question raised.

2. Definitions and Explanations:

Corruption is defined as 'the abuse of public power for private gain' (World Bank, 1997a). Klitgaard gives a metaphorical formula:

$$C = M + D - A$$

Corruption (C) equals monopoly power (M) plus discretion by officials (D) minus accountability (A). (Klitgaard, 1998)

One of the classifications of Anti-corruption Strategies is to divide them into 'deep' and 'visible' strategies. Deep approach targets the underlying causes of corruption. The aim is to remove the platform which facilitates an environment of corruption and provides opportunities for it. Reducing monopolies by reducing the role of government by privatization of functions, privatizing government enterprises, eliminating subsidies, eliminating/reducing/controlling discretion and introducing accountability and transparency are some of the measures under this approach.

On the other hand, measures of visible strategy are those which are clearly seen and understood by all. It seeks to confront the corruption head-on. Establishment of Anti-corruption Commission, providing prosecutors with higher prosecution powers, imposing heavy penalties on conviction, taking action against 'big fish' and actively engaging public and civil society organizations are some of the measures of visible strategy. It also includes workshops for the staff, taking integrity pledges and launching a big publicity drive against corruption.

Both strategies have their own advantages and disadvantages. As I proceed to analyze the strategies, there is one caveat – the comments on a particular strategy are, in general, are not absolute in nature but related to the other strategy.

3. Deep Strategy: Positives and Negatives

“...corruption is a cancer...” (Wolfensohn)

The **main advantage** of the ‘deep’ strategy is that when implemented, **in most cases, it eliminates or drastically reduces corruption** by removing the possibilities for corruption altogether. The platform on which the corruption was flourishing and the opportunities it provided are removed altogether. This is of utmost importance as this is **the ultimate objective** of any anti-corruption strategy.

This happens when monopolistic public sector functions/organizations are privatized. It also happens by eliminating rules or controls which are not optimally serving any purpose. Licences for starting industries and export-import controls are some good examples. When these are removed, corruption associated with those functions automatically vanishes.

Abolition of discretion when rules cannot be abolished also removes the possibility of corruption. When discretion cannot be abolished, discretion can be subject to certain clearly defined transparent parameters with built-in accountability for the decisions taken. This deters wrongdoing. As World Bank puts it, “sometimes a certain risk of corruption is tolerated because the benefits of a discretionary approach to program administration exceed the costs of corruption but even then transparency and publicity can help blunt the incentive to be corrupt.” (World Bank, 1997b)

Privatization of Telecom industry in India is a good **example of deep strategy**. Telecom service was a state monopoly. There was a long waiting list for connections and maintenance was poor with usual stories of staff shortage and apathy. It was a perfect breeding ground for corruption.

The New Telecom Policy of 1980s changed the whole paradigm. It ended the monopoly and opened the sector for private participation. After 20 years, India now has one of the fastest growing telecom markets, which provides value for money to its customers. The call charges are one of the cheapest in the world (less than one penny per minute). Other benefits include additional income to government by licence fees, boosting entrepreneurship, creating employment opportunities and achieving the social objective of reaching the interior rural areas and less privileged by Universal Services Obligations Fund (USOF) to which all telecom companies contribute 5% of their profit. Above all, no one pays any bribe to get a connection or to get a service. In simple terms, corruption in the sectors stands **eliminated** as for as the customers are concerned.

Another good example from India is the shift in VAT from officer assessed tax to self-assessment. It resulted in drastic reduction in corruption with the bonus of increased tax collection.

On the *negative* part, measures of ‘deep’ strategy, in general, **take very long time** to implement. For example, disinvestment/privatization of public sector enterprises is a long drawn out process that may run into years. And there may be allegations of corruption in the process itself (which actually happened in the course of privatization in many of the transitional countries) which may delay the process further.

It throws up **heavy challenge to the administration**. While globalisation and fast-paced world demand a more agile state capable of taking decisions faster which essentially means providing enough discretionary powers in the hands of bureaucracy, deep strategy demands curtailment of discretionary power.

‘Deep’ strategy **may need substantial resources** for effective implementation. Providing appropriate salary to reduce the ‘rate of temptation’ (considered as the difference between public and private salaries) (World Bank, 1997b) may cost in millions which a developing country can hardly afford. It has to be kept in mind that it is difficult to raise the salary levels of core bureaucracy without raising the salaries of the entire staff.

It is difficult to implement as it may face **stiff opposition from the vested interests**. Privatization of public sector enterprises/existing governmental functions will certainly be opposed by the existing employees to protect their own interests. Civil Service reforms like insulating service conditions of bureaucrats from political interference may encounter opposition from political class. Strong lobbies may work against removing discretion.

It **demand strong political will** not only in the beginning but expects the continuation of it for a long time. Fulfilment of this may be of a tall order especially in the context of increasing coalition governments. Getting continuing political commitment is also difficult in societies with high levels of corruption. A change in political circumstances may actually make conditions worse than the previous levels.

4. Visible Strategy: Positives and Negatives

Visible strategy has a lot of *advantages*. Its measures of are **administratively easier** to plan, establish and implement. For example running a media campaign against corruption and requesting people to approach authorities to report corruption is comparatively easier. An appropriate advertising plan with enough provision for expenditure is the main need.

It is **faster** to implement. Creating an Anti-Corruption Commission will not take much time. It can even be created by an executive fiat (which can later be followed by appropriate legislation, if necessary). Finding a person of integrity to chair the commission and speedier action by him/her against corrupt elements can be done faster.

It, in general, can **sail through without opposition**. Getting political and public support is not a big problem. For example, providing for harsher penalties on conviction in corruption cases can be easily passed by the legislature/parliament as everyone welcome it and even if

someone has some reservation, he/she never dares to oppose the proposal for fear of being branded as a supporter of corrupt people.

The **costs** of implementing the strategy is are comparatively **marginal**. So, it does not become a major drain on the administrative expenditure, which is “non-development” in nature. For example, having a workshop to sensitize the workforce and taking integrity pledge costs almost nothing but sends a message to the system.

It has a **high demonstrative effect**. Targeting and taking very strong action against ‘big fishes’ can demonstrate that government does not tolerate corruption. Proper implementation of the strategy can prove to the public the sincerity of the government in tackling corruption. This in turn, may, improve the legitimacy of the government which can get strength to proceed further.

It can **empower the people** to fight against corruption. Proper implementation of the strategy including appropriate publicity campaigns increases the awareness amongst the public about the detrimental effects of corruption. It can create an environment in which people feel comfortable to report incidences of corruption. It can empower the citizen against corruption being practised against them. He/she can threaten the corrupt official that he/she may report the issue to the anti-corruption agency and it is possible that his/her work is done without further issues.

Consistently strong action against the corrupt can **increase the risk** tremendously **and deter** a lot of people, especially the fence-sitters, from corrupt practices. One of the reasons for widespread corruption in many countries is that it is a ‘low-risk/high return’ activity. Making corruption sufficiently high risk can convert this equation to ‘high-risk/high return’ or even high-risk/ (comparatively) low return’. This can tilt the balance in favour of honesty and integrity.

For example, the work of Anti-corruption agencies has been found successful in Chile, Hong Kong, New South Wales, Australia and Singapore (Shah & Huther, 2000). Law enforcement, investigation and control measures with strong sanctions attached were regarded as essential to preventing corruption by most of the 15 OECD countries in a survey by OECD (1999).

It has its **negative aspects** like any other strategy dealing with human beings. Some of them are listed below:

It gives **symptomatic treatment** to the problem but the root causes remain. It just removes certain corrupt actors but they were replaced by people who are equally, if not more, corrupt. It happens because the system is capable of producing and sustaining corrupt practices. The affected patient is removed; the disease remains and affects people coming in.

Its cost-effectiveness comes at the cost of effectiveness. The effects of the strategy are not felt by the core of the system and they, in general, are not long lasting. It involves marginal costs and gives **marginal benefits**.

Judicial system in most of the countries, especially in liberal democracies, is based on the principle that ‘a thousand criminals may go unpunished, but not even one innocent should get punished’. So, in criminal cases ‘proof beyond doubt’ is sine quo non to get conviction. This is a tall order for anti-corruption agencies because of the nature of corruption. The final result, unfortunately, remains true to the principle: *thousands go unpunished*. Conviction rates in many countries are in single digit. This **produces results which are contradictory to the original intention** of visible strategy. People start feeling that they can get away with corruption. In this connection, it is interesting to note that United Kingdom’s Prevention of Corruption Act reverses the presumption of innocence. Despite this, only 38% of the investigations were successful (UNDP, 1997).

Continuing corruption because of the systemic issues and people going unpunished can create an **environment of cynicism** among the public. People may lose faith in the system and may consider the actions taken as an ‘eye-wash’. This affects fight against corruption.

Pressure on the anti-corruption machinery to produce results **may result in taking up of imperfect cases and harassment of innocent officials**. Catching the person ‘red-handed’ while actually accepting the money by his/her hands is one of the measures of Anti-corruption agencies. By touching the currency notes, his/her hands are ‘tainted’ with a powder which is invisible to normal vision but glows under ultra violet light. There are instances whereby currency containing the envelope is handed over to the official without revealing the contents or just placed on the table of the official. The official, who normally receives so many applications in envelopes, opens the envelope unsuspectingly and ends up being caught ‘red-handed’. This phenomenon is found in some developing countries where the anti-corruption agency is under pressure to achieve the annual target.

Visible strategy **may result in ‘character-assassination’, even before the person is found guilty**. The name and details of person against whom action is taken is widely published to have the demonstrative effect and to deter others. This actually results in his/her name getting ‘tainted’ even before being declared ‘guilty’ by the court. Even if the person is acquitted by the court finally, the damage is already done. His/her reputation is beyond repair now.

There is also a danger of **people getting victimised on flimsy grounds** in the interest of boosting the dented image of the government. There is a recent incident in a developing country (not named intentionally) where the top political executive ordered action by anti-corruption agency against three senior officials on the basis of an audit report. The report noted certain irregularities in the organisation but nothing personal against them. Still, action was taken. Among the three, one was known to be corrupt, but other two were not. But taking action against three, instead of one, would help the ruling party in the forthcoming elections by conveying the message that they were ready to take the corruption head on.

Pope (2000) opines that “Naming and shaming” seems attractive but doesn’t seem to work. Daniel Kaufmann (2005) feels that ‘fight corruption by fighting corruption’ is a myth promoted by some and ‘anti-corruption initiatives-by-fiat appear to have little impact, and often serve as politically expedient ways to react to the pressure to “do something” about corruption’.

5. One Treatment Doesn't Cure All:

The discussion so far may make one feel that while 'visible' strategy is easier to implement, it does not achieve its core objectives, 'deep' strategy achieves its objectives but difficult to implement. It may lead to a conclusion that though it is difficult, 'deep' strategy is the one to be prioritized. Klitgaard (1996) asks us to "Think systems, not individuals". Rose-Ackerman (1999) suggests that 'structural reform should be the first line of attack in an anti-corruption campaign'.

But, the truth lies elsewhere. There is no magical treatment which cures whatever may be the disease. The interesting feature which emerges from the fight against corruption is that 'visible' strategy did succeed in some countries and not in other. And 'deep' strategy is the need of the hour in some places but not in other.

The examples quoted above point to an interesting co-relation. In general, wherever good governance prevails, corruption is at the periphery of the system. The value system is high and there are only a few 'bad apples'. To go back to our analogy, in these places corruption is a 'wound' on the surface than a 'cancer' inside the body. In these circumstances, it is found that visible strategy is more relevant and more successful in controlling corruption.

On the other hand, where governance levels are low, i.e. in countries which are poorly governed and where integrity of institutions is not very high, the need is to prioritize 'deep' strategy. In other words, where the body politic is affected by the 'cancer' of corruption, what is needed is an operation, not just a plaster or bandage. At the same time, it is important to note that in countries where there is no political will or other difficulties in implementing deep strategies, 'visible' strategy can prepare the ground for deep strategy.

The following table illustrates the point:

Table: Effective Anti-Corruption Programs Based on Governance Quality		
Incidence of Corruption	Governance Quality	Priorities of Anti-Corruption Efforts (Based on Drivers of corruption)
High	Poor	Establish rule of law, strengthen institutions of participation and accountability; limit government interventions to focus on core mandate
Medium	Fair	Decentralization and economic policy reforms; results-oriented management and evaluation; introduction of incentives for competitive public service delivery
Low	Good	Explicit anti-corruption programs such as anti-corruption agencies; strengthen financial management; raising public and officials' awareness; no bribery pledges, fry big fish, etc.

Source: (Shah & Huther, 2000)

So, there is no universal solution and the conditions prevailing in the country should be properly assessed before prioritizing a particular strategy. In the words of Rose-Ackerman (1999), "A country serious about fighting corruption must carry out a detailed assessment to determine where corruption is most harmful and where it can be most effectively attacked".

Doig and Riley (1998) add that not only selection of appropriate strategy is important, but ‘a lot more attention needs to be given to questions of timing and sequencing, consistency in approach, the details of reform and its sustainability, and the exceptional political and managerial will necessary to promote and sustain reform in this area’.

6. Limitations of Anti-Corruption Strategies:

Corruption is a complex phenomenon and is closely related to politics. Honesty and integrity are part of the value system of a society and changing values is not easy. Hence, it must be clearly understood that none of the solutions are perfect and even after implementation of strategy which is considered as appropriate to the circumstances, corruption may continue or return. Botswana is a good example. Till 1990s, corruption was at the periphery of the society, but 90s were rocked by a lot of corruption scandals. It might have happened because of the complacency that corruption was in control and due to changing circumstances.

World Bank considers that ‘...the causes (*of corruption*) are complex, and the means to control it are not fully understood...it is constantly changing its form in response to changes in the global economy and technical innovation...address the issue with humility, realizing that we have much to learn. Approaches that work in one setting can have unintended consequences in another...must constantly evaluate the effectiveness...’ (World Bank, 1997a).

We are discussing about prioritizing a particular strategy and not about excluding one for another. As World Development Report puts it: “...one important lesson is that anticorruption efforts must proceed along many fronts, to reduce the opportunities for, and the payoffs from, corruption while raising the price and the probability of being caught” (World Bank, 1997b).

It is sufficient to keep in mind that we are dealing with a complex issue and our experiment is in society where, unlike science, the results are not uniform. So, we have to be vigilant against unexpected occurrences and continuously work toward finding a better solution.

7. Conclusion:

Both strategies have their own advantages and disadvantages. Each one is more relevant and more useful in certain set of circumstances and not in another. I suggest that a proper survey of the existing environment to be taken first. If there is good governance and if the corruption is at the periphery of the system, ‘visible’ strategy should be prioritized. On the other hand, if the survey points to lower levels of governance and a generally ‘corrupt’ environment, ‘deep’ strategy should be prioritized. In other words, **if it is a wound, plaster it first; if it is a cancer, operate it first.**

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