

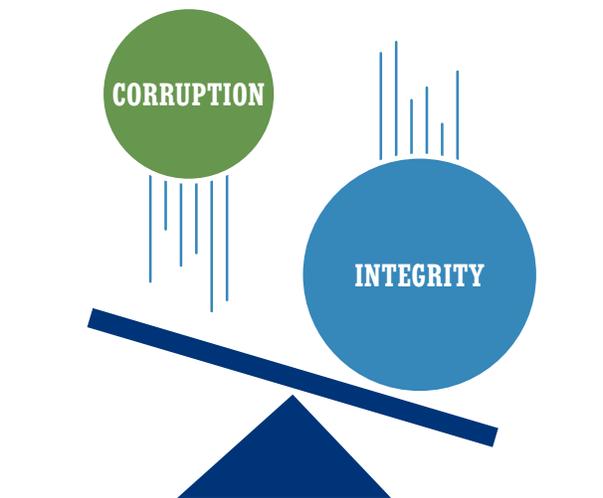
Better to Measure the Rewards of Effective Anticorruption Programs than the Costs of Corruption

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Corruption is, by its very nature, a secretive act and hard to measure. We often seek to understand and monitor its impact in terms of the costs it imposes on society. Our research suggests that international donors and policymakers would be better off measuring the benefits of good governance rather than costs of corruption when monitoring anticorruption programming.

It is hard to measure the secretive act of corruption. As a result, we tend to measure the costs that corruption inflicts: inadequate service delivery, reduced rule of law, impaired economic development, and so on. MSI conducted a quantitative study that suggests that it can be more fruitful to monitor the positive benefits that accrue by proactively and effectively implementing anticorruption initiatives.¹ By focusing on the benefits and rewards in this cost-benefit analysis, we find that supporting anticorruption programs can be a strong motivator for international donors and country policymakers. Typically, policymakers are more strongly convinced to fight corruption by a message that says, “If you act, your country will reap significant social and economic benefits” rather than “If you act, your country will avert major costs.” Success in the fight against corruption will have everyone reaping rewards, a more popular theme.

Our study postulates that there are measurable benefits to be derived from fighting corruption that



are often downplayed. These benefits can take the form of social, economic, political and human betterment, such as improved human development, improved perceptions of life satisfaction, improved income per capita, and higher public confidence in the rule of law. When combined with increased government expenditures on social services and improved public service delivery, rolling out more

¹ Bertram Spector. 2016. “The Benefits of Anticorruption Programming: Implications for Low to Lower Middle Income Countries.” *Crime, Law & Social Change* 65(4): 423-443. Available at: <https://link.springer.com/article/10.1007/s10611-016-9606-x>.

extensive anticorruption programs can have significant positive effects on a country's socio-economic well-being.

Using data drawn from the Global Integrity Reports between 2006 and 2013,² as well as UNDP Human

Development Statistical Tables³ and the World Bank Databank,⁴ we conducted several multiple regression analyses. Here are some of the basic findings:

The anticorruption implementation index correlates significantly and positively with our four dependent variables: human development index (HDI) (.518), GDP/capita (.577), life satisfaction (.408), and rule of law (.688). In addition, life expectancy (.440) and health expenditures (.295) are significantly correlated with increased anticorruption implementation.

But, when we correlated these socio-economic factors with the index that measures the gap between anti-corruption words and deeds – the space between just having laws and properly implementing those laws – the correlations are significant but negative: HDI (-.355), GDP/capita (-.480), life satisfaction (-.273), and rule of law (-.593). Education spending (-.364) and life expectancy (-.292) also decline as this gap increases.

How can we interpret these statistical results?

Actual implementation of new policy is more important than just adopting new legislation.

Overall, the findings indicate that deeds are more important than words alone. The public wants to see their government's commitment to anticorruption goals through strong implementation of reform programs and, moreover, they want to see that implementation produces positive impact in the form of an improved socio-economic landscape. While establishing a solid legal and regulatory framework against corruption is certainly a necessary step in the right direction, more is required to satisfy citizens and achieve visible and beneficial outcomes across the board in terms of

improved political, economic, social and human development results.

Moreover, when there is a clear deficiency in practical achievement of anticorruption goals, all socio-economic benefits are severely diminished. Setting high expectations by going only as far as reforming legal-institutional frameworks can backfire if the capacity or political will are insufficient to implement them in reality. Poorly implemented or otherwise non-credible anticorruption efforts can be more harmful than none at all.

² See www.globalintegrity.org

³ <http://hdr.undp.org/en/data>

⁴ <http://data.worldbank.org/indicator#topic-13>

Anticorruption initiatives are bolstered when implemented in conjunction with improved social services. Of course, implementing anticorruption programs are not, by themselves, sufficient for achieving improved socio-economic benefits. These initiatives are boosted by other government activities, such as increased government expenditures for public services, and near-term and visible outcomes of such services. So, significant correlations between growing health and education expenditures, and improved life expectancy rates with the long-term socio-economic dependent variables suggest a co-dependency between effective anticorruption policies and effective social policies promoted by government. Successful program design should take this into account.

Donors can effectively support implementation.

On their own and with the help of international donors, many lower and higher income countries have produced adequate to strong legal-institutional frameworks to fight corruption. But implementation is flagging among all states, especially and severely among lower income states. Whether this is a function of low capacity, low political will or insufficient priority, more needs to be done, especially among lower income countries, to push for enhanced action. The US Government's Millennium Challenge Corporation Threshold Country Programs (MCC TCP) are good examples of donor-sponsored initiatives that help developing countries bootstrap their anticorruption implementation credentials by offering both capacity building and future incentives.

A lot depends on a country's political will, capacity and belief in integrity. Perhaps the most interesting finding is the limited impact of country income levels on anticorruption programming and socio-economic benefits. Our findings show that it is not how rich a country is that influences the outcomes of its anticorruption programming. A country does not have to be highly developed or have high GDP per capita to reap the benefits of effectively implemented anticorruption policies. The ability to achieve long-term benefits appears to be contingent on other factors – mostly, the government's acknowledgment that integrity in government and good governance are high priority policies, the existence of strong political will to follow-through to implement these policies, and the capacity to act.

Lessons for Monitoring Anticorruption Programs

The clear and statistically robust linkages between effective anticorruption reform implementation and a country's socio-economic results strongly suggest new and better ways to measure program impacts. Rather than taking a negative approach in assessing the value of an anticorruption program – by monitoring variation in the costs that corruption imposes – it is preferable to monitor the rewards of anticorruption programming, such as improved human development, better service delivery, improved life satisfaction, improved income per capita, and higher confidence in the rule of law.

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