

International Studies 190: Corruption

Spring 2017

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Objectives

The primary goal of the course is to better understand corruption in developing countries today: why it occurs, what the consequences are, and what can or should be done about it. In the process, we will also aim to build practical problem-solving and communication skills.

Methods

Class time will be divided between lectures (occasionally) and discussions (mostly) of the assigned readings. Discussions will focus on understanding the core ideas in each reading, how they connect to other topics and issues in the course, and what they imply practically for managing organizations in the developing world. Lectures will provide overviews, explain the more technically challenging content from the readings, and/or introduce topics not covered in the readings.

Laptops and tablets may be used during class discussion time if everyone commits to using solely for reading and note-taking.

Grading

Grades will be determined by performance on the following assignments (weights in parentheses):

1. Weekly quizzes on readings. (25%)
2. A 15 minute in-class presentation on your research project during Meeting 8 or 9 (25%). You will be assigned by lottery to present on one of these dates, but can trade slots with your classmates.
3. A 20-25 page research paper due via email by midnight on 9 June (50%). Your assignment is as follows: choose a major government program or public service in a developing country and imagine yourself as a consultant hired to advise the newly appointed head of this program. Prepare a report for him which (i) describes exactly the services his staff are responsible for delivering and the process by which they are supposed to do it; (ii) what risk points for corruption exist within this process; (iii) what is currently known about corruption among his staff; (iv) what additional information he should collect to enhance his understanding of the situation, and (v) what concrete steps he should take to control corruption. You should present quantitative data – for example, using simple graphs or cross-tabulations – to support your claims. Your recommendations should draw on and cite explicitly the concepts and the evidence we discuss in class.

Proposals for alternative paper topics will be considered on a case-by-case basis.

Students are expected to do their own work, as outlined in the UCSD Policy on Integrity of Scholarship: <http://www-senate.ucsd.edu/manual/appendices/app2.htm>.

Schedule

Meeting 1: Logistics, Background & Motivation, Methods (5 April)

This unit provides conceptual and historical background on corruption; introduces some statistical techniques used in the papers we will be reading; and explores a case study on the nonprofit organization GiveDirectly (www.givedirectly.org).

Meeting 2: Corruption and Regulation (12 April)

Readings: Leff (1964), Shleifer and Vishny (1993), Bertrand et al. (2007). This unit examines different views on how corruption affects the regulatory process. Is corruption a good thing that circumvents onerous government regulation? Or is it a bad thing that undermines important social policies?

Meeting 3: Industrial Organization (19 April)

Readings: Shleifer and Vishny (1993), Olken and Barron (2009). This unit examines how the organization of a bureaucracy – for example, how and whether different bureaucrats compete with or cooperate with each other to provide regulatory services – affects the amount of corruption. What happens to bribes when you need 2 different permits to start a business? What if it were 10 permits?

Meeting 4: Corruption and Redistribution (26 April)

Readings: Reinikka and Svensson (2004), Niehaus et al. (forthcoming). This unit studies how corruption affects redistribution – that is, transfers of wealth from the rich to the poor – and how this might influence policy choices. For example, if the government tries to pay workers \$1 more per day, how much do their wages actually go?

Meeting 5: Cultures of Corruption (3 May)

Readings: Wade (1982), Fisman and Miguel (2007). This unit examines different ideas of what a “culture” of corruption might mean. Could bribery be self-perpetuating? Do people become innured to corruption?

Meeting 6: Cracking Down (10 May)

Readings: Klitgaard (1988, Chapters 2-3), Olken (2007). This unit examines methods of reducing or eliminating corruption – for example, auditing. As an additional topic we will discuss an ongoing anti-corruption effort in the Indian state of Andhra Pradesh based on biometric authentication technology.

Meeting 7: Politics (17 May)

Readings: Gentzkow et al. (2004), Ferraz and Finan (2008). This unit examines the role of the information, elections and the media in limiting corruption among elected politicians. Do voters actually care whether their leaders are corrupt?

Meeting 9: Student Presentations (24 May)

Students give fifteen-minute presentations summarizing their research papers.

Meeting 10: Student Presentations (31 May)

Students give fifteen-minute presentations summarizing their research papers.

Meeting 10: Pitfalls (TO BE RESCHEDULED from 7 June)

Readings: Wrong (2009). This unit examines corruption through the lens of Michela Wrong's acclaimed biography "It's Our Turn to Eat." Wrong tells the story of John Githongo, a prominent journalist and activist in Kenya named anti-corruption czar under the presidency of Mwai Kibaki.

References

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