

CORRUPTION, DEVELOPMENT, AND DEMOCRACY (SIS 619)
American University, School of International Service

Spring 2008
Mondays, 8:10 – 10:40 pm
Location: SIS Room 200
<http://dss.ucsd.edu/~clevan/Teaching.htm>

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Office hrs: Tues. 3-6/Fri 9-12

Corruption is a global problem that demands urgent attention by scholars, politicians, and civil society. At the domestic level it impedes economic development, wastes resources, and reinforces social inequalities. The abuse of public authority undermines government performance, erodes political legitimacy, and undermines democratic development generally. At the international level corruption is often linked to organized crime, money laundering, arms smuggling and narcotics trafficking. Serious regional violence often has its roots in political misconduct. Because the pernicious effects of corruption have a rippling effect throughout the world, the solutions also increasingly require a global, comparative perspective.

This course discusses the causes of corruption and evaluates various strategies for eliminating the abuse of public authority for personal ends. First, we begin with questions of definition and measurement: How can we identify corruption in its various forms, and how can levels and the prevalence of corruption be measured? Second, we consider how corruption impacts government performance generally and perverts distribution by directing public resources for political favoritism or personal gain. This includes a blunt assessment of opportunism by the private sector and other actors. Third, we explore the roots of corruption in culture, weak governance, or structural distortions. The course examines theories that point to regime type and other institutional varieties of accountability. We conclude by considering the role of courts, legislatures, and the international community in confronting corruption.

Required readings:

The readings for each week are listed in the recommended reading sequence, not alphabetically. While the assigned material reflects a broad overview of the relevant theories, its empirical basis draws heavily on African cases. The bookstore has ordered the following required books:

- Lambsdorf, Johann, Markus Taube, and Matthias Schramm, eds. 2005. *The New Institutional Economics of Corruption*. London and New York: Routledge.
- Rose-Ackerman, Susan. 1999. *Corruption and Government: Causes Consequences and Reform*. Cambridge: Cambridge University Press.
- Schedler, Andreas, Larry Diamond and Marc Plattner, eds. 1999. *The Self-Restraining State: Power and Accountability in New Democracies*. Boulder: Lynne Rienner Publishers.
- Smith, Daniel Jordan. 2007. *A Culture of Corruption: Everyday Deception and Popular Discontent in Nigeria*. Princeton and Oxford: Princeton University Press.

Required journal articles and essays are indicated below by an *asterisk and will be electronically posted on Blackboard. A link is provided for other required readings that will not be posted. In addition, you are responsible for any materials distributed in class.

Assignments:

Short essays – You are required to write two analytical essays of approximately 4-5 double spaced pages in length. You must post your essay on Blackboard by 5 pm the night before class. I encourage you to bring a short list of discussion questions or other handouts to class. Each essay is worth 20 percent of your course grade.

Class participation – You should come to class prepared to discuss the readings. In addition, students not presenting on a given day should read the analytical essays distributed via Blackboard in advance. Participation is worth 10 percent of your course grade.

Group project – You must participate in a group project on the role of courts, legislatures, or the international community in countering corruption. This assignment emphasizes the practical application of knowledge and should take the form of a professional presentation. Your “team” will diagnose the state of corruption in one or more countries and offer solutions grounded in comparative knowledge of successful reform efforts. Each student will be graded individually based on a memorandum, no more than three single-spaced pages, concerning his or her contribution to the project. This is worth 20 percent of your grade.

Final paper – Provide an “anatomy” of a corruption scandal. Explain why the activities in question constitute corruption, drawing upon the relevant laws, codes, and regulations pertaining to the issues. Feel free to question whether the activities indeed constitute corruption and to use data describing cultural norms. If possible, include primary sources. Describe how the wrongdoing was concealed and how it was exposed, including an analysis of any failed accountability mechanisms. Conclude by outlining recommendations for reform. You will outline your topic in class on **February 18**. An annotated bibliography is due on **March 24**. This assignment is worth 30 percent of your grade. The final paper is **due on May 5 at 8:10 pm**.

With the exception of the memorandum prepared for your group project, please prepare your assignments as formal essays. Informal social science citations are acceptable (Author year, page) but be sure to include a bibliography. If you have questions about format, consult *The Chicago Manual of Style* or a similar resource. Use one-inch margins, 12-point type, and double-spacing. Please do not exceed the page limit. For tips on grammar, examine *Elements of Style* (available online). Papers will not be accepted by email without prior permission.

(1) Introduction and Course Overview (January 14)

Carol Leonnig and Dan Keating, “D.C. Tax Scandal at 44.3 Million,” *Washington Post*, December 2, 2004.

BBC News, “President’s Son Buys \$35 Million Dollar US Home,” November 11, 2006.

J. Burns, M. Homan, and M. Huband, “Mobutu Built a Fortune of \$4 Billion from Looted Aid,” *Financial Times*, May 12, 1997.

Damien Cave, “Nonstop Theft and Bribery Stagger Baghdad,” *NYT*, December 2, 2007, p. A1.

Recommended:

Ekeh, Peter. “Colonialism and the Two Publics in Africa: A Theoretical Statement,” *Comparative Studies in Society and History* 17 (1975), pp. 91 – 112.

* Weber, Max. 1946. “Bureaucracy,” in *From Max Weber: Essays in Sociology*, edited and translated by H.H. Gerth and C. Wright Mills. New York: Oxford University Press.

(2) Defining Corruption (January 28)

GUEST LECTURE: Carmen Apaza, PhD Student in Public Administration

NOTE: Please bring a newspaper or magazine article about a corruption scandal to class

Rose-Ackerman, Chapters 1 – 3

- * Warren, Mark. 2006. "Political Corruption as Duplicitous Exclusion," *PS: Political Science and Politics* 39 (October): 7803-07.
- * Scott, James C. 1969. "The Analysis of Corruption in Developing Nations," *Comparative Studies in Society and History* 11 (June): 315-341.
- * Fantaye, Dawit Kiros. 2004. "Fighting Corruption and Embezzlement in Third World Countries," *The Journal of Criminal Law* 68 (March): 171-76.

(3) Measuring Corruption (February 4)

A Decade of Measuring Quality Governance: Governance Matters 2007, Worldwide Governance Indicators, 1996-2006. Washington, DC: The World Bank, 2007.
http://info.worldbank.org/governance/wgi2007/pdf/booklet_decade_of_measuring_governance.pdf

- * Camerer, M. 2006. "Measuring Public Integrity," *Journal of Democracy* 17 (Jan.): 152-165.
- Johnston, Michael. "Assessing the Progress of Anti-Corruption Efforts: 'Actionable' Indicators of Reform." Available at: <http://www.colgate.edu/>
- Treisman, Daniel. 2007. "What Have We Learned about the Causes of Corruption from Ten Years of Cross-National Research?" *Annual Review of Political Science*. Available at: http://www.sscnet.ucla.edu/polisci/faculty/treisman/what_have_we_learned.pdf

(4) Government Performance (February 11)

- * Olson, Mancur. 1993. "Dictatorship, Democracy, and Development," *American Political Science Review* 87 (1993): 567-77.
- * Alence, Rod. 2004. "Political Institutions and Developmental Governance in Africa," *Journal of Modern African Studies* 42 (2004):163-87.
- * Nye, C. J. 1967. "Corruption and Political Development: A Cost-Benefit Analysis," *American Political Science Review* 61 (June): 417-27.
- * Kjaer, Anne Mette. 2004. "Old Brooms Can Sweep Too! An Overview of Rulers and Public Sector Reforms in Uganda, Tanzania, and Kenya," *Journal of Modern African Studies* 42 (2004): 389-413.

(5) Perspectives on Public Goods (February 18)

Rose-Ackerman, Chapter 8, "Democracy and Corruption: Incentives and Reforms"

- * Chang and Golden. 2006. "Electoral Systems, District Magnitude, and Corruption," *British Journal of Political Science* 37 (2006): 115-137.
- Heilbrunn, John. Chapter 14: "Corruption, Democracy, and Reform in Benin," in Schedler et al.
- * Choi, Jin-Wook. 2007. "Governance Structure and Administrative Corruption in Japan: An Organizational Network Approach" *Public Administration Review* 67 (Sept/Oct).

→ Outline the subject of your research paper in class today

Strongly Recommended:

IDEA. 2005. *Electoral System Design: the New International IDEA Handbook*. Chapters 2 and 3 available at: <http://www.idea.int/publications/esd/index.cfm#toc>

(6) Iraq (February 25)

Matt Taibbi, "The Great Iraq Swindle" *Rolling Stone*, September 6, 2007, pp. 62 – 75.

House Committee on Government Oversight and Reform, hearing on "Iraq Reconstruction Overview." Read the supplemental memo and other materials of your choice at:

<http://oversight.house.gov/story.asp?id=1175>

House Committee on Government Oversight and Reform, Minority Staff Report, "Rebuilding Iraq: Mismanagement of Iraqi Funds," June 2005. Available at:

<http://oversight.house.gov/documents/20050621114229-22109.pdf>

Senate Judiciary Committee Hearing, "Combating War Profiteering: Are We Doing Enough to Investigate and Prosecute Contracting Fraud and Abuse in Iraq?" March 20, 2007.

Available at: http://www.fas.org/irp/congress/2007_hr/warprofit.html

Peace Operations Institute. 2007. "Reframing the Defense Outsourcing Debate: Merging Government Oversight with Industry Partnership." Posted on Blackboard under course documents.

Recommended:

May 10, 2007, House Defense Appropriations Subcommittee hearing.

Jeremy Scahill articles in *The Nation* at <http://www.thenation.com/doc/20071015/scahill>

CAUSES OF CORRUPTION

(7) Norms, Culture, and Values (March 3)

Rose-Ackerman, Chapter 6

* McCann, James and David Redlawsk. 2006. "As Voters Head to the Polls, Will they Perceive a 'Culture of Corruption?'" *PS: Political Science and Politics* 39 (Oct.): 797-802.

* Johnston, Michael. 2006. "From Thucydides to Mayor Daley: Bad Politics, and a Culture of Corruption?" *PS: Political Science and Politics* 39 (Oct.): 809-812.

From Lambsdorff, Taube, and Schramm:

Graeff, Peter, "Why Should One Trust in Corruption?"

Uslaner, Eric M. "Trust and Corruption"

Recommended:

Lambsdorff et al., Chapter 1 "Corrupt Contracting," in Lambsdorff et al.

***** Spring Break: No Class March 10 *****

(8) The Economic Logic of Corruption (March 17)

Rose-Ackerman, Chapters 4 and 5

* Olivier de Sardan, J.P. 1999. "A Moral Economy of Corruption in Africa?" *Journal of Modern African Studies* 37 (March): 25-52.

From Lambsdorff, Taube, and Schramm:

Bray, John. "The Use of Intermediaries and other 'Alternatives' to Bribery"

Lambsdorff and Teksoz, "Corrupt Relational Contracting"

della Porta and Vannucci, "The Governance Mechanisms of Corrupt Transactions"

(9) The Resource Curse (March 24)

Rose-Ackerman, Chapter 7

Shaxson, Nixholas. 2007. "Oil, Corruption, and the Resource Curse," *International Affairs* 83 (Nov. 2007): 1123 – 1140.

* Robinson, James, et al. 2006. "Political Foundations of the Resource Curse," *Journal of Development Economics* 79 (April 2006): 447 – 468.

* Pegg, Scott. 2005. "Can Policy Intervention Beat the Resource Curse?" *African Affairs* 105 (Dec. 2005): 1-25.

→ Annotated bibliography for your research paper due today.

Recommended:

Pan, E. 2005. "The Pernicious Effects of Oil," Council on Foreign Relations. Available at:

www.cfr.org/publication/8996

* Weinthal, Erika and Pauline Jones Luong, "Combating the Resource Curse: An Alternative Solution to Managing Mineral Wealth," *PS: Political Science and Politics* 4 (March 2006): 35 – 53.

(10) Corruption in Nigeria (March 31)

NOTE: Class will meet for dinner in The Towers East, at 4201 Cathedral Avenue NW

Smith, Daniel Jordan. 2007. *A Culture of Corruption: Everyday Deception and Popular Discontent in Nigeria*. Princeton: Princeton University Press.

SOLUTIONS AND REFORMS

(11) Theorizing Accountability (April 7)

Rose-Ackerman, Chapter 9

In Schedler et al.:

Andreas Schedler, Chapter 2, "Conceptualizing Accountability"

Guillermo O'Donnell, Chapter 3, "Horizontal Accountability in New Democracies"

Richard Sklar et al., Chapter 4, "Comments on O'Donnell"

(12) Reforming Domestic Institutions: Courts (April 14)

* Andrews, Josephine and Gabriella Montinola. 2004. "Veto Players and the Rule of Law in Emerging Democracies," *Comparative Political Studies* 37 (Feb.): 55-87

In Schedler et al.:

Schwartz, Herman, Chapter 9: "A Brief History of Judicial Review"

Domingo, Pilar, Chapter 10: "Judicial Independence and Judicial Reform in Latin America"

Widner, Jennifer, Chapter 11: "Building Judicial Independence in Common Law Africa"

→ Presentation by Group #1

(13) Reforming Domestic Institutions: Legislatures (April 21)

GUEST LECTURE: Tom Bridle, Senior Governance Advisor, National Democratic Inst.

National Democratic Institute. 2007. *Transparency and Accountability in Africa's Extractive Industries: the Role of Legislatures*. (This report will be distributed in class in advance.)

- * Klitgaard, Robert. 1988. Chapter 3: “Policy Measures,” *Controlling Corruption*. Berkeley: University of California Press.
- * Matiangi, Fred. 2006. “The Case of the Kenyan Parliament,” in *The Role of Parliament in Curbing Corruption*, edited by Rick Staphenurst et al. Washington: The World Bank Inst.
- * Pelizzo, Riccardo and Rick Staphenurst. 2006. “Legislative Ethics and Codes of Conduct” in Staphenurst et al. Washington, DC: The World Bank Institute.

→ Presentation by Group #2

Recommended:

Rose-Ackerman, Chapter 11, “Domestic Conditions for Reform”

Rick Staphenurst et al., editors. 2006. *The Role of Parliament in Curbing Corruption*, edited by Rick Staphenurst et al. Washington, DC: The World Bank Institute.

National Democratic Institute. 1999. Legislative Research Series Paper #4, *Legislative Ethics: A Comparative Analysis*.

(14) The International Community (April 28)

Rose-Ackerman, Chapter 10

Eigen, Peter. “Corruption in International Trade – Pleading for a Responsible WTO,” in Lambsdorff et al.

Collier, Paul, “Learning from Failure: The International Financial Institutions as Agencies of Restraint in Africa” in Schedler et al.

Galtung and Pope, “The Global Coalition against Corruption,” in Schedler

White House Fact Sheet, “National Strategy to Internationalize Efforts against Kleptocracy,” <http://www.whitehouse.gov/news/releases/2006/08/20060810-1.html>

The World Bank's revised “Governance and Anti-Corruption strategy paper.” Available at: <http://www.worldbank.org/wbi/governance/gacstrategy>

Critique of the World Bank’s paper by Dennis de Tray, Center for Global Development. Available at: http://www.cgdev.org/doc/commentary/opinion/DdT_1818_speech.pdf

→ Presentation by Group #3