

Susan Rose-Ackerman
Yale Law School
Fall 2007
Tuesday 2:10-4:00
Room 109

Corruption, Economic Development & Democracy

At the Labyrinth Bookstore:

Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform*, Cambridge UK: Cambridge University Press, paper, 1999 [Rose-Ackerman].

J. Edgardo Campos and Sanjay Pradhan, *The Many Faces of Corruption*, World Bank 2007, paperback. This book is also available on-line through the World Bank website:

http://publications.worldbank.org/ecommerce/catalog/product?item_id=5824318

September 11 and September 18: Introduction: Poverty, Economic Growth, and Institutional Structure

1. Timothy Besley and Robin Burgess, "Halving Global Poverty," *Journal of Economic Perspectives* 17(3):3-22 (2003).

<http://links.jstor.org/sici?sici=0895-3309%28200322%2917%3A3%3C3%3AHGP%3E2.0.CO%3B2-6>

2. United Nations Development Program (UNDP), *Human Development Report 2006, International Cooperation at a Crossroads: Aid, Trade and Security in an Unequal World*, New York: Oxford University Press, 2006. Available online at: <http://hdr.undp.org/hdr2006/report.cfm>, Human Development Indicators (pp. 263-280) Tables 1, 1a, 3, 4, 15, 17, 18, 19, 23 (pp. 283-287, 292-296, 335-338, 343, 351, 361-362), and Technical Notes 1 and 2 (pp. 393-401). [On the web page you can download particular sections of the Report in Adobe Acrobat. Be sure to read the technical notes 1 and 2 that explain the construction of the indices. I have asked you to look at the general indices. Some of you may also want to consult the more disaggregated material on education, health, gender, etc.]

3. Dani Rodrik, "Growth Strategies," *Handbook of Economic Growth*, Chapter 14 in P. Aghion and S. Dunleaf, eds., North-Holland (2005) at <http://elsa.berkeley.edu/~chad/Handbook.html>.

September 25: Corruption: Overview

1. Jakob Svensson, "Eight Questions about Corruption," *Journal of Economic Perspectives* 19(3): 19-42 (2005).

<http://proquest.umi.com/pqdweb?index=9&did=906520261&SrchMode=3&sid=1&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1187277169&clientId=13766&aid=1>

2. Rose-Ackerman, Chapters 1-2.

3. Pranab Bardhan, "Corruption and Development: A Review of Issues," *Journal of Economic Literature* 35:1320-1346 (1997).

<http://links.jstor.org/sici?sici=0022-0515%28199709%2935%3A3%3C1320%3ACADARO%3E2.0.CO%3B2-6>

4. Andrei Shleifer and Robert Vishny, "Corruption," *Quarterly Journal of Economics* 108(3):599-

617 (1993).

<http://links.jstor.org/sici?sici=0033-5533%28199308%29108%3A3%3C599%3AC%3E2.0.CO%3B2-8>

5. Edward L. Glaeser and Raven E. Saks, "Corruption in America," *Journal of Public Economics* 90:1053-1072 (2006) [skim for main results].

[http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V76-4H80STF-2&_user=483692&_coverDate=08%2F31%2F2006&_rdoc=6&_fmt=full&_orig=browse&_srch=doc-info\(%23toc%235834%232006%23999099993%23622495%23FLA%23display%23Volume\)&_cdi=5834&_sort=d&_docanchor=&_view=c&_ct=20&_acct=C000022720&_version=1&_urlVersion=0&_userid=483692&md5=9c7a0048b42f09c0b8a5f5163ed5cd0e](http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V76-4H80STF-2&_user=483692&_coverDate=08%2F31%2F2006&_rdoc=6&_fmt=full&_orig=browse&_srch=doc-info(%23toc%235834%232006%23999099993%23622495%23FLA%23display%23Volume)&_cdi=5834&_sort=d&_docanchor=&_view=c&_ct=20&_acct=C000022720&_version=1&_urlVersion=0&_userid=483692&md5=9c7a0048b42f09c0b8a5f5163ed5cd0e)

6. **Optional:** Susan Rose-Ackerman, *Corruption: A Study in Political Economy*, NY: Academic Press, 1978, Chapters 1 and 11.

7. **Optional:** Daniel Kaufman, Aart Kraay, and Massimo Mastruzzi, *Governance Matters VI: Aggregate and Individual Governance Indicators, 1996-2006*, WPS4280, Washington DC: World Bank, July 2007.

October 2: Property Rights, Privatization, and the Transition from Socialism

1. Ross Levine, "Law, Endowments, and Property Rights," *Journal of Economic Perspectives* 19(3):61-88 (2005).

<http://proquest.umi.com/pqdweb?index=11&did=906520281&SrchMode=3&sid=1&Fmt=6&VInst=PROQD&VType=PQD&RQT=309&VName=PQD&TS=1187277265&clientId=13766&aid=1>

2. Rose-Ackerman, Chapter 3.

3. Andrei Shleifer, "State versus Private Ownership," *Journal of Economic Perspectives* 12(4):133-150 (1998).

<http://links.jstor.org/sici?sici=0895-3309%28199823%2912%3A4%3C133%3ASVPO%3E2.0.CO%3B2-I>

4. John Nellis, "Privatization in Developing Countries: A Summary Assessment," *SAIS Review of International Affairs* 27(2) (Summer-Fall 2007) forthcoming.

5. Vadim Volkov, "The Selective Use of State Capacity in Russia's Economy: Property Disputes and Enterprise Takeovers, 1998-2002," in János Kornai, Bo Rothstein and Susan Rose-Ackerman, eds. *Creating Social Trust in Post-Socialist Transition*, Palgrave, 2004, pp. 126-147.

6. Katharina Pistor and Chenggang Xu, "Beyond Law Enforcement: Governing Financial Markets in China and Russia," in János Kornai, Bo Rothstein and Susan Rose-Ackerman, eds. *Creating Social Trust in Post-Socialist Transition*, Palgrave, 2004, pp. 167-189.

October 9: Honesty, Trust, and Social Capital

1. Susan Rose-Ackerman, "Trust, Honesty and Corruption: Reflections on the State Building Process," *Archives of European Sociology* 42(3): 526-570 (2001).

2. Susan Rose-Ackerman, "Trust and Honesty in Post-Socialist Societies," *Kyklos* 54(2/3):415-444 (2001).

3. William A. Callahan, "Social Capital and Corruption: Vote Buying and the Politics of Reform in Thailand," *Perspectives on Politics* 3(3):495-508 (2005).

4. Raymond Fisman and Edward Miguel, "Cultures of Corruption: Evidence from Diplomatic Parking Tickets," NBER Working Paper 12312, Cambridge, MA, July 2006, http://www2.gsb.columbia.edu/faculty/rfisman/parking_20july06_RF.pdf.

October 16: Democratic Government and Corruption

1. Rose-Ackerman, Chapter 7, 8, and 9 (pp. 143-149 only).

2. Jana Kunicová and Susan Rose-Ackerman, "Electoral Rules and Constitutional Structures as Constraints on Corruption," *British Journal of Political Science*, 35(4):573-606 (2005).

3. Rohini Pande, Understanding Political Corruption in Low Income Countries, RWP07-020, Harvard University, JFK School of Government, April 2007. <http://ssrn.com/abstract=976540> or <http://ksgnotes1.harvard.edu/Research/wpaper.nsf/rwp/RWP07-020>.

4. Jong-Sung You and Sanjeev Khagram, "A Comparative Study of Inequality and Corruption," *American Sociological Review* 70:136-157 (February 2005). <http://proquest.umi.com/pqdweb?index=2&did=839282841&SrchMode=3&sid=1&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1187204349&clientId=13766&aid=1>

5. Optional: Susan Rose-Ackerman, *Corruption: A Study in Political Economy*, Chapters 2-4.

October 23: NO CLASS [meetings on term papers with graduate school students on Monday]

October 30 (1/2): Gifts, Bribes, and Patronage

1. Rose-Ackerman, Chapter 6

2. John R. Heilbrunn, "Oil and Water? Elite Politicians and Corruption in France," *Comparative Politics* 37(3):277-296 (2005).

3. Mustaq Kahn, "Determinants of Corruption in Developing Countries: The Limits of Conventional Economic Analysis," in S. Rose-Ackerman, ed. *Handbook of Economic Corruption*, Cheltenham UK and Northampton, MA: Edward Elgar, 2006, pp. 216-244.

4. Akin Fadahunsi and Peter Rosa, "Entrepreneurship and Illegality: Insights from the Nigerian Cross-Border Trade," *Journal of Business Venturing* 17(5):397-429 (2002). [http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6VDH-45TS5TG-2&_user=483692&_coverDate=09%2F30%2F2002&_rdoc=2&_fmt=full&_orig=browse&_srch=doc-info\(%23toc%235983%232002%23999829994%23315844%23FLA%23display%23Volume\)&_cdi=5983&_sort=d&_docanchor=&_view=c&_ct=6&_acct=C000022720&_version=1&_urlVersion=0&_userid=483692&_md5=ff343535f7f08291fd3a1e3dc690fd80](http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6VDH-45TS5TG-2&_user=483692&_coverDate=09%2F30%2F2002&_rdoc=2&_fmt=full&_orig=browse&_srch=doc-info(%23toc%235983%232002%23999829994%23315844%23FLA%23display%23Volume)&_cdi=5983&_sort=d&_docanchor=&_view=c&_ct=6&_acct=C000022720&_version=1&_urlVersion=0&_userid=483692&_md5=ff343535f7f08291fd3a1e3dc690fd80)

October 30 (1/2): Organized Crime, Violence and Corruption

1. "Global Crime Today," special issue of *Global Crime* 6(1) (February 2004). Mark Galeotti,

“Introduction;” Bruce Bagley, “Globalisation and Latin American and Caribbean Organized Crime,” Mark Galeotti, “The Russian ‘Mafiya’: Consolidation and Globalisation;” Kelly Hignett, “Organised Crime in East Central Europe: The Czech Republic, Hungary and Poland,” Bertil Lintner, “Chinese Organized Crime” [read the introduction and at least **two** of the regional reports].

<http://www.informaworld.com/smpp/title~content=g725288999~db=all>

2. Susan Rose-Ackerman, “Corruption and Government,” forthcoming in *Journal of International Peacekeeping*, special issue on corruption and post-conflict peacebuilding.

3. Alix J. Boucher, et al., *Mapping and Fighting Corruption in War-Torn States*, Stimson Center Report No. 61, Washington DC:Henry L. Stimson Center, March 2007.

http://www.stimson.org/fopo/pdf/Mapping_and_Fighting_Corruption_in_War-Torn_States.pdf.

November 6: Sectoral Studies: Incentives for Bribery and the Policy Response:

1. Rose-Ackerman, Chapter 4, pp. 39-59 only.

2. Rose-Ackerman, “Governance and Corruption,” Chapter 6 in Bjorn Lomborg ed., *Global Crises, Global Solutions*, Cambridge UK: Cambridge University Press 2004, and comments by Andvig and Cartier-Bresson, pp. 301-362 (omit 316-322, 333-336).

3. Campos and Pradhan, part 1, read at least two of the sectoral studies dealing with pharmaceuticals, education, forestry, electricity, transport, petroleum, and water and sanitation.

4. Rehabilitation and Reconstruction Agency for Aceh and Nias (BRR) and the World Bank, *Trucking and Illegal Payments in Aceh*, April 2006, at

<http://www.conflictanddevelopment.org/data/new/en/Trucking%20and%20Illegal%20Payments%20in%20Aceh.pdf>.

[For further analysis of the data, see Benjamin A. Olken and Patrick Barron, *The Simple Economics of Extortion: Evidence from Trucking in Aceh*, draft May 2007. Available at Olken’s webpage:

<http://www.nber.org/~bolken/>].

5. Optional: Rose-Ackerman, *Corruption: A Study in Political Economy*, Chapter 5-9.

November 13: Corruption in Procurement and Revenue Collection

1. Rose-Ackerman, Chapter 4, pp. 59-68.

2. Campos and Pradhan, part II, chapters 8-11 on public financial management, procurement and revenue collection.

3. Vegard Iversen, et al., “Private Tax Collection--Remnant of the Past or a Way Forward? Evidence from Uganda,” *Public Administration and Development* 26:317-328 (2006).

November 20: No Class

November 27 (1/2): The Rule of Law, Government Accountability, and the Judiciary

1. Rose-Ackerman, Chapter 9, pp. 151-162 only.

2. Transparency International, *Global Corruption Report 2007: Corruption in Judicial Systems*, Cambridge UK: Cambridge University Press 2007. Read: Mary Noel Pepys, "Corruption Within the Judiciary; Causes and Remedies," TI, "How Prevalent is Bribery in the Judicial Sector, Susan Rose-Ackerman, "Judicial Independence and Corruption," Stephan Voigt, "Economic Growth, Certainty in the Law and Judicial Independence," Edgardo Buscaglia, "Judicial Corruption and the Broader Judicial System," and Lynn Hammergren, "Fighting Judicial Corruption: A Comparative Perspective from Latin America." The report is available on-line at http://www.transparency.org/publications/gcr/download_gcr#download. The entire report can be downloaded for free and is also available for purchase from CUP.

3. Susan Rose-Ackerman, From Elections to Democracy in Central Europe: Public Participation and the Role of Civil Society," *East European Politics and Society* 21(1):31-47 (Winter 2007).

November 27 (1/2): Local Participation, Informal Organizations and the Media

1. Rose-Ackerman, Chapter 9, pp. 162-174 only.
2. Rose-Ackerman, "Governance and Corruption," pp. 316-322.
3. Matthew Gentzkow, Edward L. Glaeser, and Claudia Goldin, "The Rise of the Fourth Estate: How Newspapers Became Informative and Why It Mattered," in Edward L. Glaeser and Claudia Goldin, eds., *Corruption and Reform: Lessons from America's Economic History*, NBER and Chicago University Press, 2006, pp. 187-230.
4. McMillan and Zoido, "How to Subvert Democracy: Montesinos in Peru," *Journal of Economic Perspectives* 18(4):69-92 (Fall 2004).
<http://links.jstor.org/sici?sici=0895-3309%28200423%2918%3A4%3C69%3AHTSDMI%3E2.0.CO%3B2-P>
5. Benjamin A. Olken, "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *Journal of Political Economy* 115(2):200-249 (2007) [skim for main results].
<http://www.nber.org/~bolken/corruptionexperiments.pdf>.

December 4: Reform and the Role of the International Community

1. Rose-Ackerman, Chapters 10 and 11.
2. John Joseph Wallis, Price V. Fishback, and Shawn Kantor, "Politics, Relief, and Reform: Roosevelt's Efforts to Control Corruption and Political Manipulation During the New Deal," in Edward L. Glaeser and Claudia Goldin, eds., *Corruption and Reform: Lessons from America's Economic History*, NBER and Chicago University Press, 2006, pp. 343-372.
3. Melanie Manion, *Corruption by Design: Building Clean Government in Mainland China and Hong Kong*, Cambridge MA: Harvard University Press, 2004, chapters 1, 4, 6, pp. 1-26, 119-154, 200-208 (notes: 211-214, 229-238).
4. Mick Moore, "Death without Taxes; Aid Dependence, Democracy, State Capacity and Aid in the Fourth World," in Mark Robinson and Gordon Whites, eds., *The Democratic Developmental State: Politics and Institutional Design*, Oxford: Oxford Univ. Press, 1998, pp. 84-121.

5. World Bank, *Strengthening World Bank Group Engagement on Governance and Anticorruption*. The following link connects to the strategy and to any updates on World Bank policy and activities in this area.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGOVANTICORR/0,,contentMDK:2>

December 11: The Role of the International Community: MNCs and Bribery

1. Rose-Ackerman, "Governance and Corruption," pp. 333-336.
2. Tina Søreide, "Corruption in International Business Transactions: The Perspective of Norwegian Firms," in S. Rose-Ackerman, ed. *Handbook of Economic Corruption*, Cheltenham UK and Northampton, MA: Edward Elgar, 2006, pp. 381-417.
3. Susan Rose-Ackerman, "Corruption and the Global Corporation: Ethical Obligations and Workable Strategies," in Michael Likosky, ed., *Transnational Legal Processes: Globalisation and Power Disparities*, London: Butterworths/LexisNexis, 2002, pp. 148-171.
4. US Foreign Corrupt Practices Act, 15 U.S.C. 78dd
<http://www.usdoj.gov/criminal/fraud/fcpa/>
5. OECD, *Convention on Combating Bribery of Foreign Public Official in International Business Transactions*,
http://www.oecd.org/document/21/0,2340,en_2649_201185_2017813_1_1_1_1,00.html. Also consult the OECD web site for updates: http://www.oecd.org/topic/0,2686,en_2649_37447_1_1_1_1_37447,00.html
6. United Nations Treaty on Combating Corruption, December 2003.
http://www.unodc.org/pdf/crime/convention_corruption/signing/Convention-e.pdf
7. Colloquy: Are Extraterritorial Restrictions on Bribery a Viable and Desirable International Policy Goal Under the Global Conditions of the Late Twentieth Century?: Steven R. Saibu, "Extraterritorial Restrictions on Bribery: A Premature Evocation of the Normative Global Village," and Philip M. Nichols, "Regulating Transnational Bribery in Times of Globalization and Fragmentation," *Yale Journal of International Law* 24: 223-303 (1999).
8. John Gibeaut, "Battling Bribery Abroad," *ABA Journal*, March 2007, pp. 48-54.
<http://proquest.umi.com/pqdweb?index=9&did=1261968511&SrchMode=3&sid=1&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1187195444&clientId=13766&aid=1>

December 18: Two meetings between December 12 and 18 for presentations of draft papers. To be scheduled.

Addendum: Useful web pages most of which have links to other sources.

1. Transparency International: <http://www.transparency.org/>
2. Global Corruption Report: <http://www.transparency.org/publications/gcr>
3. Transparency International Coris Corruption Database: <http://www.corisweb.org/faq/>
4. World Bank Institute – Anti-Corruption Program:
<http://www.worldbank.org/wbi/governance/>
5. Utstein Anti-Corruption Resource Center: www.U4.no
6. USAID Anti-Corruption Resources:
http://www.usaid.gov/our_work/democracy_and_governance/technical_areas/anti-corruption/
7. UNDP: <http://www.UNDP.org>
8. UNDP Management and Governance Division (MagNet): <http://www.undp.org/governance/>
9. United Nations: <http://www.un.org>
10. U.S. Dept. of Commerce: <http://www.commerce.gov>
11. Center for Global Development: <http://www.cgdev.org>
12. The 11th International Anti-Corruption Conference: <http://www.11iacc.org/>

Africa

13. The Open Democracy Advice Centre South Africa: <http://www.opendemocracy.org.za/>
14. The Kenya Urban Bribery Index: [The Kenya Urban Bribery Index](http://www.kubi.or.ke/)
15. Ghana Integrity Initiative: <http://gcpi.virtualactivism.net/programs.html>

Asia

16. Transparency International – Indonesia: <http://www.ti.or.id/>
17. Hong Kong: ICAC Independent Commission Against Corruption:
<http://www.icac.org.hk/eng/main/index.html>
18. Transparency International Korea: <http://ti.or.kr/>
19. Seoul Anti-Corruption Programmes: <http://english.metro.seoul.kr/>
20. Seoul Institute for Transparency: <http://www.uos.ac.kr/ceng/eresins/a090/cea090.jsp>

21. The Asia Foundation: <http://www.asiafoundation.org/>

22. The Anti-Corruption Gateway for Europe and Eurasia:
<http://65.246.131.134/en/default.asp?ed=30&cat=6&id=1978>

23. Indonesia Corruption Watch: <http://www.antikorupsi.org/>

Europe

24. Transparency International, UK: <http://www.transparency.org.uk/>

25. Transparency International, Ukraine: <http://www.transparency.org.ua/>

26. Anti-corruption Bulgaria: <http://www.anticorruption.bg/>

27. Council of Europe:

Committee of Ministers: <http://www.coe.int/cm>

GRECO (Group of States against Corruption): http://www.coe.int/t/dg1/greco/default_EN.asp

28. UK: Department for International Development Anti-Corruption Online: <http://www.anti-corruption.org/>

Latin America

29. Transparency International Argentina: <http://www.poderciudadano.org/>

30. Americas Accountability/Anti-Corruption Project (AAA): <http://www.respondanet.com/english/>

31. Network for Governance and Development in Latin America (in Spanish): <http://www.iigov.org>

32. Periodistas Frente a la Corrupción: <http://ar.geocities.com/periodistamdq/pfalc.htm>

NGOs

33. United Against Corruption: A Global Unions Anti-Corruption Network:

<http://www.againstcorruption.org/defaultBAK2.asp>

34. Parivartan: <http://www.parivartan.com/>

35. Government Accountability Project: <http://www.whistleblower.org/template/index.cfm>

36. Corruption Prevention Network: <http://www.corruptionprevention.net/>

37. Corporate Watch: <http://www.corpwatch.org/>

38. Consumer Action Group: <http://www.cag.org.in/>

39. Institute of Social and Ethical Accountability: <http://www.accountability.org.uk/>

40. Humanitarian Accountability Project: <http://www.hapinternational.org/en/>
41. OECD Anti-Corruption work:
http://www.oecd.org/pages/0,3417,en_36734052_36734103_1_1_1_1_1,00.html
42. Development Gateway: <http://www.developmentgateway.org/>
43. Procurement Watch Inc.: <http://www.procurementwatch.org.ph/>
44. TIRI: <http://www.tiri.org/>