Corruption and Collective Action

Heather Marquette and Caryn Peiffer
Janurary 2015

DLP

DEVELOPMENTAL LEADERSHIP PROGRAM

The Developmental Leadership Program (DLP) is an international research initiative based at the University of Birmingham, and working in partnership with University College London (UCL) and La Trobe University in Melbourne.

DLP aims to increase understanding of the political processes that drive or constrain development. Its work focuses on the crucial role of home-grown leaderships and coalitions in forging legitimate institutions that promote developmental outcomes.

DLP's independent program of research is supported by the Australian aid program.

U4 Anti-Corruption Resource Centre
www.U4.no

The U4 Anti-Corruption Resource Centre assists donor practitioners in more effectively addressing corruption challenges through their development support. U4 is operated by the Chr. Michelsen Institute (CMI), Bergen, Norway.

Contents

About the authors

Dr Heather Marquette is Reader in Development Politics in the International Development Department, University of Birmingham, UK. She is Director of the Developmental Leadership Program and Academic Director of the Governance and Social Development Resource Centre (GSDRC). She has extensive international experience in research, policy advice, consultancy and training on the politics of development, governance, corruption, political analysis, and aid policy. h.a.marquette@bham.ac.uk

Dr Caryn Peiffer is a DLP Research Fellow at the University of Birmingham, UK. Her research interests include corruption, the politics of state-business relations and reform coalitions for growth. As part of her participation in the Global Experience of Corruption project (University of Strathclyde), she co-authored a global guide to surveys that ask about corruption (forthcoming 2015). c.peiffer@bham.ac.uk

Acknowledgements

Executive summary

Despite significant investment in anti-corruption work over the past 15 years, most systemically corrupt countries are considered to be just as corrupt now as they were before the anti-corruption interventions. A growing number of authors argue that anti-corruption efforts have not worked because they are based on inadequate theory, suggesting that collective action theory offers a better understanding of corruption than the principal-agent theory usually used. This paper argues that both theories are in fact valuable, but both miss out an important third perspective, which is that corruption can serve important functions, solving difficult problems that people face, especially in weak institutional environments. Effective anti-corruption initiatives are so hard to achieve because they often require insights from all three of these perspectives.

- **Corruption as a principal-agent problem**: Principal-agent theory highlights the role of individuals' calculations about whether or not to engage in or oppose corruption; the influence of transparency, monitoring, and sanctions on those calculations; and the technical challenges of monitoring and sanctioning corrupt behaviour.

- **Corruption as a collective action problem**: Collective action theory highlights the relevance to individuals' decisions of group dynamics, including trust in others and the (actual or perceived) behaviour of others. When corruption is seen as 'normal', people may be less willing to abstain from corruption or to take the first step in implementing sanctions or reforms. This theory highlights the challenges of coordinated anticorruption efforts.

- **Corruption as problem-solving**: Corruption can sometimes provide a way of dealing with deeply-rooted social, structural, economic and political problems. Anti-corruption interventions need to better understand the functions that corruption may serve, particularly in weak institutional environments, and find alternative ways to solve the real problems that people face if anti-corruption work is to be successful.

Conclusion and implications

Each perspective—corruption as a principal-agent problem, corruption as a collective action problem, and corruption as problem-solving—adds to our understanding of the challenges that anti-corruption efforts face. They suggest the following considerations.

- Effective anti-corruption initiatives will be driven by the context, not the theory. Different perspectives on corruption may be most useful in particular contexts and circumstances. For example, principal-agent theory inspired interventions like monitoring, transparency and sanctions may have a big impact in contexts where corruption is relatively isolated, but in other contexts could backfire by increasing public perceptions that corruption is pervasive, risking inducing a sense of 'corruption fatigue' among potential challengers and reformers.

- Collective action problems are sometimes deliberately crafted, and maintained to undermine the effectiveness of institutions meant to challenge corruption.

- Effective anti-corruption initiatives need to recognise and engage with the real political dynamics that underpin corruption, as well as to address the perception that corruption is 'normal', when it exists.

- Understanding the functions that corruption performs for those who engage in it, and trying to provide alternative solutions, are likely to be important first steps for any effective anticorruption intervention.

- Coordinated action, such as that provided by a reform coalition, will be important in addressing corruption, so it may be helpful to consider how such a coalition might arise: the most pressing collective action problem may be not corruption itself, but the formation of a strong coalition that can coordinate efforts to tackle it.

Further research by DLP and the U4 Anti-Corruption Resource Centre will explore the different contexts and circumstances in which each of the three theoretical lenses are likely to be most appropriate, followed by empirical case study research, to inform the development of more contextualised, and potentially more effective, anti-corruption programming.

Introduction

In the past decade and a half, the effort to control corruption in the developing world has grown seemingly exponentially; it has attracted support from all major aid agencies and has inspired hundreds of reform projects, action plans, anti-corruption agencies and a growing class of in-demand experts. Depending on the source consulted, it has drawn anywhere from hundreds of millions to billions of dollars in investment (Sampson, 2010; Michael, 2004; Michael and Bowser, 2009; Mungiu-Pippidi, 2006), leading to what has been called the birth of an 'anti-corruption industry' (Sampson, 2010; Michael, 2004; Mungiu-Pippidi, 2006). Despite this investment, there seem to be few successful cases where countries have significantly reduced corruption in this time period (Johnsøn, Taxell & Zaum, 2012: 42). In short, most systemically corrupt countries are considered to be just as corrupt now as they were before anti-corruption interventions were rolled out (Mungiu-Pippidi, 2006; Persson, Rothstein & Teorell, 2013; Hough, 2013).

For a growing number of authors the wide-scale failure of anti-corruption programming lies in the inappropriate theoretical foundations that underpin its design. Anti-corruption programming is overwhelmingly influenced by principal-agent theory, which depicts corruption as occurring when public officials who have discretion over the provision of public services lack accountability. This emphasizes the rational choices that take place in individual incidents of corruption, assuming that corruption is 'solvable' with policies that can alter these individual calculations. Critics have recently argued that these assumptions are flawed, especially in systemically corrupt contexts, where corruption is best understood to be a collective action problem instead (Persson, Rothstein & Teorell 2013; Mungiu-Pippidi, 2011; Bauhr & Nasiritousi 2011; Rothstein 2011; see also Marquette, Pavarala & Malik 2014). From this perspective, the application of principal-agent theory mistakenly assumes that there will be 'principled principals' in civil society and in positions of power to actively oppose corruption and enforce anti-corruption reforms. Instead, for these authors, systemic corruption persists because corruption is widely perceived to be the norm in such contexts, and individuals gain little from abstaining from or resisting corruption if they cannot trust that others will do the same. The roots of this insight are attributed to collective action theory.

In this paper, we do two things. First, we unpack this critique further. In doing so, we aim to set out how principal-agent and collective action theories have been applied so far in the literature on corruption and anti-corruption, and describe in more detail the critique made that the application of principal-agent theory 'mischaracterizes' the nature of corruption in systemically corrupt contexts, and the ways in which a collective action theory lens is said to better capture the dynamics of corruption in that context.

We also advance several new arguments. First we argue that the application of collective action theory, thus far, to the issue of corruption has been both incomplete and narrow. In addition to the insight that trust and perceptions of how others act influence decisions regarding whether to engage in or to resist corruption, the rich collective action theory literature also highlights the potential importance of a host of other factors, like the salience of the good for the group and the feasibility of members monitoring each other in contributing towards the collective good.

Further, we argue that once the scope of potential contributions from collective action theory is widened, instead of the two theories being diametrically opposed, as they have been portrayed, they prove to be in fact complementary, and even overlap in some meaningful ways. This is particularly important, given the growing development policy interest in translating this research into practical policy recommendations.[1]

Our third argument is that, as they have so far been applied to the issue of corruption, both principal-agent theory and collective action theory share in common a 'blind spot'. Both theoretical applications have framed corruption only as a 'problem', which has failed to recognise that, in some contexts and for some people, corruption functions to provide solutions to problems that they face. In acknowledging the social, political and economic functions that corruption sometimes serves, a different light is shed on why there is often a lack of political will to undertake meaningful anti-corruption reforms, in systemically corrupt countries in particular. Reluctance is understood politically as a way to maintain a status quo that works for those actors involved.

Finally, it is maintained here that each perspective—corruption as a principal-agent problem, corruption as a collective action problem, or corruption as fulfilling important functions—has something to add to our understanding of the scope and scale of challenges that anti-corruption efforts face, and that leaving one perspective out hollows this understanding. Corruption is difficult to deal with not only because monitoring and sanctioning corrupt behaviour presents technical challenges (principal-agent theory), or because when corruption is perceived to be 'normal' few may be willing to abstain from participating in corrupt exchanges or be reluctant to take the first step to enforce anti-corruption reforms (collective action theory), but also because corruption is the means through which many solve real problems that have deep social, structural, economic and political roots. We conclude with further thoughts on how future research can better explore how each theory could be used to better inform anti-corruption interventions.

---

1   See, for example, studies commissioned by the UK Department for International Development (Rao 2013; Rocha Menocal et al, 2014), the Norwegian Agency for Development Cooperation (Mungui-Pippidi 2011); and several papers by the World Bank (e.g., Gauri, Woolcock & Desai 2011; Keefer 2012; WBI 2008).

A principal-agent approach to corruption

The predominance of principal-agent theory in corruption research has been clearly demonstrated by a meta-analysis of 115 studies looking at corruption's impact on economic growth by Ugur and Dasgupta (2011: 43). They found that all studies considered 'adhered to an explicitly-stated principal-agent approach to corruption, or their account was closely related to that approach'. This means that the principal-agent theory lens shapes our very understanding of how corruption impacts development. It is no wonder then that, as Persson, Rothstein and Teorell (2013) argue, the designs of most anti-corruption programs reflect a principal-agent understanding of corruption, rather than any other alternative view.

The principal-agent approach finds its origins in theories of the firm, where the classic principal was the investor who had little confidence in the stockbroker. A principal-agent problem stems from two assumptions: that the principal and agent have diverging interests and that the agent has more information than the principal (information asymmetry). Due to asymmetric information, the principal is unable to perfectly monitor the actions of the agent, and so the agent has some discretion to pursue their own interests. Moral hazard occurs when the interests of the principal and the agent are not aligned, and the agent pursues their own interests at the expense of the interests of the principal (hence the 'problem') (Ross, 1973; Harris & Raviv, 1979).

Corruption is often described as existing in society as a *double* principal-agent problem. In the first instance, a political leader is cast as the 'principal'; they are tasked with monitoring the actions of bureaucrats (agents) in order to keep them account-able. Without the ability to perfectly monitor their actions, however, rationally minded bureaucrats use their discretion over resources to extract rents when the opportunity arises. The second principal-agent problem occurs when public officials (bureaucrats or politicians) are conceptualized to be the 'agents' and the public, more generally, as the 'principal'. As the agent, the public official is able to abuse their office and discretion over public services to secure private rents from members of the public, and the public is unable to perfectly monitor or hold public officials accountable (Ugur & Dasgupta, 2011; Bardhan, 1997; Klitgaard 1988; Rose-Ackerman 1978). While one would expect that the latter principal-agent problem is more prevalent in countries where there are immense information asymmetries between the ruler and the ruled, even in those countries where there are well-developed democratic and legally enforced accountability mechanisms and a high degree of government transparency, the public is still unable to perfectly monitor officials' actions and hold them universally accountable.

In either case, viewing corruption through a principal-agent lens emphasizes the rational choices of individuals that take place in discrete incidences of corruption. This focus implies that corruption is 'solvable' with policies that alter the degree to which principals are able to monitor and sanction their agents and the level of discretion given to agents and their individual incentive calculations. Consequently, anti-corruption interventions, guided by principal-agent models, have focused on reducing the discretion of civil servants, increasing monitoring mechanisms, promoting transparency in government, supporting anti-corruption civil society groups to serve as watchdogs, and strengthening sanctions on those who engage in corruption, so as to better align the incentives of potential 'agents' with those of their respective 'principals'.

However, a recent U4/DFID paper on mapping evidence gaps in anti-corruption provides some pretty stark reading. The review found that '[o]nly in the case of [public financial management (PFM)] does the evidence clearly suggest that such measures reduce corruption' (Johnsøn, Taxell & Zaum 2012: 42). In terms of public sector reforms (other than PFM), oversight institutions, civil society, budget support, donors' own systems and multilateral agreements, all interventions in keeping with the principal-agent model, the evidence of their efficacy is weak or fair at best. After over a decade and a half, and significant investment of both time and resources, this is fairly shocking, though how much of this is due to failed interventions and how much is due to gaps or weaknesses in the evidence base itself (e.g., an overall lack of empirical research on anti-corruption work in fragile states) is unknown (Johnsøn, Taxell & Zaum 2012: 42-44). One answer given to the question of why the record of anti-corruption interventions has been so poor is that anti-corruption interventions are based on a theoretical misunderstanding of the nature of corruption; in other words, principal-agent theory has fallen short in providing viable solutions to the problem.

If principal-agent approaches depict the success of an anti-corruption intervention as a function of the abilities of principals to monitor and hold accountable agents for their actions, a lack of 'political will' of leaders to fully implement anti-corruption reforms is typically flagged as an explanation for the failure of anti-corruption efforts. The application of principal-agent theory to the issue of corruption has taken for granted that principals have the 'will' to serve the functions of monitoring and keeping agents to account. It is no wonder then that anti-corruption programming does not effectively grapple with the variable 'willingness' principals may have in holding agents accountable.

It's a collective action problem, *instead?*

Several authors (e.g., Persson, Rothstein & Teorell 2013; Mungiu-Pippidi, 2011; Bauhr & Nasiritousi 2011; Rothstein 2011) have recently criticised the principal-agent view within anti-corruption policy on these grounds, as well as governance more generally (Booth & Cammack 2013). They have argued that, in certain contexts, corruption should instead be viewed as a problem of collective action, and that especially in a context of systemic corruption, viewing corruption as a principal-agent problem 'mischaracterizes' the issue of corruption completely (see Persson, Rothstein & Teorell, 2013, for this particular turn of phrase). A classic collective action problem, according to Mancur Olson (1965), occurs when, even if it is in the best

interest of all individuals in a group (or across groups) to act collectively towards a common goal, group members do not do so; instead, group members find it in their individual interest to not contribute at all or to limit their contributions, ensuring that the collective benefit is not realised to its fullest potential.

What impacts people's perceived interests and calculations to contribute towards the common good has been the subject of hundreds of studies. One potentially important factor that has been highlighted is the influential role of perceptions of how other group members act, or, in other terms, trust within the group (see Seabright, 1993; Ostrom, 1990; Elster, 1985, for examples). It is in this insight that the authors cited above root their application of collective action theory to the conceptualization of corruption. The following, from Persson, Rothstein & Teorell (2013: 456-457), typifies the argument made:

> In particular, the rewards of corruption—and hence the strategy any rational actor is most likely to opt for—should according to this set of theories be expected to depend critically on how many other individuals in the same society that are expected to be corrupt. Insofar as corrupt behaviour is the expected behaviour, everyone should be expected to act corruptly, including both the group of actors to whom the principal–agent framework refers to as 'agents' and the group of actors referred to as 'principals.'

Viewing corruption in this way highlights the collective, rather than individual, nature of corruption and the very difficult challenge that anti-corruption efforts face in changing levels of distrust in society and norms that reinforce persistent patterns of systemic corruption. There is much intuitive logic to this analysis, but collective action theory has potentially much more to contribute to our understanding of corruption and the efficacy of anti-corruption interventions than just the important role that a lack of intra-group trust plays in sustaining systemic corruption. Collective action theorists have highlighted the potentially important role of several other variables in influencing whether a group acts collectively.

So how does collective action theory apply to the study of corruption? While the study of collective action predates, and has developed significantly since Mancur Olson's (1965) book, *The Logic of Collective Action,* its influence on framing the issue is still very prominent. Writing at a time when many scholars took for granted the idea that people will cooperate within groups and act collectively to achieve common goals, Olson's work was a strong counterpoint, as it suggested that collectives would sometimes not realise their full potential, becoming caught up in a collective action problem.

In his book, Olson specifically referred to the ability of collectives to work towards the production of public goods. These are goods that are impossible to exclude people from using (*non-excludable*) and where one person's use of the good does not reduce the availability of the good for others to enjoy (*non-rivalrous*). Street lighting and national defence are often referred to as examples of public goods. Olson's analysis has since been applied to other types of goods, like common pool resources, which share in common with public goods their non-excludability, but not their non-rivalry (Ostrom, et al 1992). Unregulated or 'open access' natural sites like certain fishing grounds, pastures and forests are commonly cited examples of common pool resources; a person's access to a unregulated fishing ground is by definition not restricted ('non-excludable'), but their fishing activity can reduce the stock available for other users to catch ('rivalrous').

Because both types of these goods are non-excludable, people who do not contribute towards their production can still benefit from them; beneficiaries of this sort are called 'free riders'. The potential for free riding is at the heart of an Olsonian collective action problem. Viewing individuals as maximising rational agents, Olson argued that whenever a user cannot be excluded from enjoying the benefits of collective action, the individual incentive to contribute towards the production of that collective benefit is reduced. Put differently, people opt to free ride when they know their level of contribution towards the collective good does not impact their beneficiary status. Moreover, individuals feel less inclined to contribute towards the collective benefit when they know or anticipate that others will free ride on their efforts.

The resultant free riding is the collective action problem. When some free ride, and others do not, the collective benefit is not provided to its fullest potential; of course, if everyone decides to not contribute at all, than the collective benefit never materialises. In the case of common-pool resources, where the consumption of the good by one reduces what is available for others, copious free riding can lead to the depletion of the resource, which harms all users in the long run. This phenomenon is commonly referred to as the 'tragedy of the commons' (Hardin, 1968).

Ostensibly, in using collective action theory when thinking of corruption, corruption is the manifestation of free riding itself, as the motivation for engaging in corrupt behaviour is usually depicted as coming from putting personal interest ahead of the larger group's collective interest.[2] The group's collective benefit, in this case, can be conceptualised as being either abstract or quite concrete. In the case of the former, the choice to engage in corruption robs the group from having a 'corruption-free environment' or a good quality of government. According to Rothstein (2011), a good quality of government is one where all citizens are treated impartially, according to the established rule of law. A good quality of government is positively associated with a number of tangible health, economic and other social outcomes; however it also represents something more abstract,

---

2   We emphasise 'personal interest' here instead of the more commonly used 'personal gain' because the term 'gain' suggests that op-portunities to engage in corruption are pursued in an opportunistic manner in order solely to benefit participants (e.g., monetary gain, career progression etc.). 'Interest', to us, suggests something different. A customs officer who lets in cargo knowing there are illegal narcotics hidden inside may be incentivised by her personal gain, but she (and her family) may also be under threat by pow-erful drugs lords. It is in her interest to turn a blind eye, regardless of whether or not she personally gains.

which is a governance environment that citizens and (foreign) investors trust to be fair and reliable, and is associated with greater life satisfaction. Through this prism, the absence of corruption and the presence of an impartial government is a public good in and of itself (Rothstein, 2011).[3]

In a more concrete sense, corruption is charged with causing the depletion of tangible resources, which is typical of a common pool resource. Corruption can lead to the bankrupting of the state or at least reduce its ability to provide public services effectively and efficiently. One might conceptualise the collective benefit here to be the percentage of the public purse allocated to the provision of services, and free riding—engaging in corrupt behaviour—as reducing or depleting the capacity of the state to take care of all citizens to its actual financial potential.

As noted earlier, trust/perceptions of free riding are only a couple of potentially important variables of the many explored in collective action literature. Agrawal (2002) listed more than thirty that scholars have identified as likely to affect whether a group will be able to overcome a potential collective action problem. While it is outside of the scope of this paper to review all of these, we present a smaller list of 11 in Table One (see next page); it draws from Ostrom's (2010) list of variables most frequently cited in the collective action theory literature (see also Ostrom 1998, 2007). Ostensibly, each of these variables can be important to the issue of corruption, though some seem more readily applicable than others.

The potential importance of any one of the variables listed in Table One is acknowledged to be completely contextual in the broader collective action theory literature (see Ostrom, 2010: 164, for example). Moreover, it is also clear that any one of the potential influences on collective action is most certainly impacted by the influence of others. This not only means that the variables' interactive effects likely matter but that their own causal relationships to each other matter as well. For instance, trust or distrust that people will abstain from corruption is influenced by the heuristics people have formed about how others will behave in society, which are in turn largely shaped by one's repeated interactions with others. Also, leaders with longer time horizons have long been assumed to be more 'developmental' (see Olson, 1993: 567-77; Clague et al. 1996). For example, the Kagame regime in Rwanda is said to have spearheaded the taming of corruption because it not only has a perceived long time horizon of holding office, but also because corruption is understood by the regime to be a highly salient obstacle to the country's broader developmental goals and fighting corruption is key for avoiding a return to genocide (Kelsall, 2011; Chene, 2011).

Box 1: Integrity Pacts and collective action

Transparency International's Integrity Pacts are arguably an archetypal example of a 'theory-based' collective action anticorruption approach. They involve written agreements between government and private bidders to refrain from bribery and collusion during the process of procurement bidding, and a monitoring system that provides for independent oversight from civil society over the public contracting process (Transparency International, 2009). In bringing all actors together to make a formal agreement, such exercises acknowledge that the most precarious risks for corruption often lie in collective dynamics. Consistent with the expectations set out by the literature on corruption and collective action theory, successful Integrity Pacts are built on trust within the group of actors involved (Transparency International, 2009). However, as the wider collective action theory literature suggests, (see Table One), the success of an Integrity Pact is often challenged when other factors are not also in place, such as: transparency of information and the ability of actors to monitor each other throughout the process of procurement bidding; continuity of actors with time horizons long enough to last the process of procurement (i.e. low public service turnover); and the political will of the government to be involved at all (Transparency International, 2009).

The current treatment of collective action theory in corruption/governance circles may leave readers with the sense that collective action tends to equal inclusive community engagement, working with civil society to build trust in society and so on. A collective action approach to anti-corruption programming may involve these things, but Table One illustrates that successful collective action may be exclusive, exclusionary and hierarchical. After all, as noted in Table One, having a small group size is often seen as beneficial to finding a resolution to a collective action problem, and collective action problems are thought to arise when there is no clear and legitimate leadership that can regulate public or common goods. Moreover, collective action may also be influenced by particularised trust dynamics—trust extended selectively to those in close social proximity—rather than or in addition to generalised trust—trust in people generally (Freitag & Traunmuller, 2009:783).[4] So it may be the case that the collective goals pursued are those that benefit a sub-group, like an ethnic group or clan, which could come at the cost of other members of a superordinate group, as in other citizens of the wider national group.

---

3   Hughes and Hutchinson (2012), however, challenge the notion that developmental outcomes should be thought of as a public good—beneficial to everyone. They argue that even the most encouraging developmental trends—like the achievement of 'good govern-ment'—should be understood to be the likely consequence of conflictual political struggles between groups, where net 'positive' results often come at the cost of certain parties suffering, having to compromise their position and/or lose access to certain resources.

4   The wider it goes beyond a small group presumably the more it will depend on generalised trust.

Table One: How Variables May Affect Collective Action

Variable	Why?
Group size	In large groups, free riding is not easily noticed and group members may feel like their potential contribution will not make much of a difference to producing the collective benefit (Olson, 1965). With more people, it may be more difficult to come to an internal agreement about how to coordinate activity to arrive at a collective benefit (Olson, 1965). In the case of a common-pool resource, more group members increases the chance of a resource becoming depleted (Ostrom et al., 1992).
	Groups of a very small size may not be able to mobilize the resources needed to engage effectively in collective action (Agrawal, 2000); larger groups have more resources to draw upon to aid the collective effort (Marwell & Oliver, 1993).
Group Heterogeneity	When some members have a much stronger interest in the collective good being produced, they may be more willing to bear the burden of others free riding to make sure that the good will be produced (Olson, 1965).
	Heterogeneity increases the difficulty and the likelihood of conflict occurring over coordinating and negotiating the distribution of the costs and benefits of collective action (Bardhan, 1993; Hardin, 1982; Isaac & Walker, 1988; Kanbur, 1992; Banerjee, Iyer, & Somanathan, 2005).
Face-to-face communication	Face-to-face communication gives group members a more intimate interaction, which can be used to persuade others to cooperate or discuss grievances of past interactions. Promises made to cooperate face-to-face are more easily trusted than those made by other means (Adolphs et al., 1996; Kerr & Kaufman-Gilliland, 1994; Ostrom et al., 1994).
Repeated interaction	Repeated interaction between group members facilitates learning. Group members have the ability to figure out what strategies were successful or unsuccessful in garnering collective action. Moreover, reputations for whether group members would be willing to work collectively can be established through repetitive interactions (Schlager, 1995; Ostrom, 2000; Miller, 1992).
Trust / good reputations	Group members who feel that they can trust other group members to act collectively, based on a good reputation of past collective action or on something else, will be more willing to contribute towards the common good (Seabright, 1993; Ostrom, 1990; Elster, 1985).
Group interdependence	Direct and dependent linkages between individuals will likely increase the chances of collective action. When a person knows that their access to resources is dependent on others' contributions and/or that others are depending on their contribution, they will be more inclined to contribute (Cook & Hardin, 2001; Yamagishi & Cook, 1993).
Voluntary group membership	If group membership is optional, then people will be more inclined to join groups that they already trust will work together towards the common good. Voluntary membership is therefore associated with groupings that have pre-existing higher levels of trust (Orbell & Dawes, 1991; Hauk & Nagel, 2001).
Heuristics / norms	Through personal experiences and from other people, individuals learn heuristic strategies for how to get certain outcomes, and norms which attach a certain value to any given strategy or outcome. Depending on the heuristics and norms learned, they can either work to enhance a person's willingness to forgo immediate individual goals in the interest of pursuing the collective good, or not (Simon 1955, 1957, 1999; Crawford & Ostrom, 2005; see Ostrom 2010 for a discussion on norms).
Monitoring / transparency (contributions & collective good)	If contributions towards the collective good can be easily monitored, individuals will be less likely to free ride, out of a fear that their free riding will be detected (Ostrom, 1990). Monitoring could reveal that free riding is the norm and that the collective good is far from being achieved; if that is the case, then group members will be less likely to contribute towards the collective good.
Long time horizons	Contributing towards the collective benefit usually means that individuals forgo their immediate individual interests for the long-term interests of the group. Thus, individuals who do not discount the future, or who have long time horizons, are more likely to be willing to contribute towards the collective good (Bendor & Mookherjee, 1987; Ostrom, 1990).
Salience of collective good	If the collective good is vital to group members' livelihood or survival, then group members have a greater incentive to act collectively (Agrawal, 2002).

Throwing the theoretical baby out with the bathwater?

Those that criticise the principal-agent approach to corruption and think that collective action theory brings a fresh insight often emphasise how these two approaches differ.[5] For instance Persson, Rothstein and Teorell (2013: 450) tell us: 'as a collective action problem, systemic corruption reveals radically different characteristics than predicted by principal-agent theory'. As such, they argue that it also demands 'radically different solutions'. On two issues are these theories thought to differ. Firstly, principal-agent theory, from this critical perspective, mistakenly assumes that there will always be 'principled principals' who are willing to hold officials accountable for engaging in corruption; as discussed earlier, this is rightly not assumed in viewing corruption as a collective action problem. Secondly, unlike principal-agent theory, the application of collective action theory is able to make sense of the fact that in an environment where everyone is believed to be engaging in corruption, there are few incentives for individuals to abstain.

There are some fundamental flaws with this analysis, however, which have implications for the development of these 'radically different solutions'. Firstly, this is actually a misunderstanding of principal-agent theory, rife within the policy-oriented academic literature on corruption, in which principals are motivated not by principles but by interests. There is no such thing, in theory, as a 'principled principal'. The problem in applying the principal-agent model to government is that (in principle) officials do not own public assets or have a material stake in them. This is why the response to the principal-agent problem is to find ways of creating (a sense of) ownership and property rights in public management, and aligning the interests of agents with those of principals.[6] Principal-agent theory does not assume that (a) either the principal or the agent is principled (but does assume they have interests); or (b) the principal is willing to hold the agent accountable for not acting in their own interests. Put differently, it is not at all inconsistent with principal-agent theory to suggest that where principals do not have a stake in the intended outcome they will not be willing to play this role.

Secondly, a collective action approach is not necessarily wholly incompatible with a principal-agent interpretation of corruption. In the first instance, both theoretical lenses describe the same individual calculations made when deciding whether or not to engage in corruption. Both theories assume individual rationality, whether that be bounded or not, and understand that people engage in corrupt acts only when it is in their individual self-interest. Moreover, both theories recognise that the decision to engage in corruption is shaped by the perceived likelihood that one will not be held accountable for doing so. In collective action theory, with corruption as free riding, the decision to engage in corruption is motivated by the free rider's self-interest and knowledge that they will not lose their beneficiary status to a good (i.e. be held accountable) because they chose to engage in corruption. Similarly, in principal-agent terms, the logic behind an agent being corrupt is understood to be a function of the agent following their self-interest and the perceived unlikely chance that the principal can hold them to account for doing so.

A logical conclusion from both theories is actually that more effective monitoring and sanctioning can increase accountability and reduce corruption. Those that criticise the principal-agent approach to corruption downplay this. Persson, Rothstein and Teorell (2013), for example, argue that the principal-agent framework has led anti-corruption strategies down the wrong path by implying that anti-corruption reforms should focus on reducing the discretion of civil servants, increasing monitoring mechanisms and strengthening sanctions on those that engage in corruption. These remedies are indeed tightly linked to the principal-agent vision of corruption; the inability of the principal to perfectly monitor and punish (or hold accountable) the agent for engagement in corruption is at the heart of a corrupt principal-agent problem.[7] It follows from the application of principal-agent theory that when the principal is better able to monitor or sanction the agent, the incentive to engage in corruption will be reduced.

Arguably, however, similar conclusions could be drawn from some examples in the collective action literature. As Table 1 suggests, several examples within the collective action literature illustrate that when group members' actions are more easily and readily monitored, the incentive to engage in free riding becomes reduced (Agrawal & Goyal, 2001; Ostrom 1990). Institutional arrangements that increase the ability of the group to monitor and sanction individuals for free riding, while recognisably difficult to organise, are hypothesised to aid in the solution of the collective action problem (Ostrom, 1990).[8]

In highlighting the ways in which the two theories overlap in their conceptualization of corruption, we do not mean to downplay the contributions of either theory. Rather, we suggest that, in different ways, each theory adds to the understanding of why corruption is sometimes so difficult to control. As Persson, Rothstein and Teorell (2013) already argue, it is perhaps best to evaluate the utility of each theory's interpretation of corruption dynamics as being context dependent. We would still caution against any attempt to view the challenges of anti-corruption through only one lens, regardless of context. In the first instance, even in systemically corrupt contexts, certain institutions may be relatively safeguarded from the types and

---

5   Booth and Cammack (2013: 15) arguably emphasise their differences but do acknowledge that they are somewhat complementary: 'principal-agent analysis still has some relevance to meeting development challenges, but it must be nested within an understanding of collective action challenges, not the other way around.'

6   Paradoxically, perhaps principal-agent approaches could be most relevant to patrimonial systems. We are grateful to Richard Batley for this insight, among others.

7   There are other reasons, of course, why principals will not act, other than ability, such as ownership, alignment of incentives, organisational capacity, capacity of agents to exercise influence and so on (see, for example, Batley and Larbi 2004: 62-65).

8   This is acknowledged by Persson, Rothstein and Teorell, (2013: 456): 'collective action theories do not necessarily question the potential relevance of effective monitoring and punishment regimes as means to curb corruption'.

extent of corruption that exist in wider society, and thus may benefit from a principal-agent theory inspired anti-corruption approach that emphasizes greater monitoring, oversight and higher sanctions. Thus, for us, it is important not to discard the usefulness of principal-agent theory's understanding of corruption *carte blanche,* even in the context of systemic corruption.

It strikes us as much more useful to think about how each theoretical lens can complement the other's contribution. For example, when taking into account different institutional and societal structures it may be useful to make room for an interlinked theoretical understanding of corruption. One way forward may be to focus on what types of specific collective action problems influential principals face in deciding which anti-corruption reforms to pursue, as well as the challenges those principals face in implementation via their organizational agents. For example, in politicized bureaucracies recruitment patterns are usually rooted in clientelistic networking rather than meritocracy. There are a host of reasons, from a collective action theory perspective, why principals overseeing recruitment in a bureaucracy may not want to try to enforce reforms. They may believe that other people in similar positions are allowing un-meritocratic hiring, and therefore find some encouragement to do the same because 'everyone else is doing it'. Also, achieving a meritocratic bureaucracy may not be a particularly salient goal for them; as their own position is perceived to be subject to the political winds changing, they may not have a particularly long time horizon in their office. This will limit willingness to risk losing personal benefits from the status quo and/or exert energy to change things. Finally, the wider politicized organisational and even societal heuristics and norms may encourage them to allow this pattern of recruitment to continue. These issues address why some political will might be absent to implement meritocracy based reforms; but it is equally important to note that these principals may also face classic principal-agent problems enforcing meritocratic recruitment patterns, such as not being able to monitor closely enough the specific recruitment procedures their agents are following. Those having the 'political will' to reform would still find this limitation in their capacity to manage their agents a significant challenge to overcome before achieving a meritocratic bureaucracy. Therefore, depending on the situation, both principal-agent and collective action lenses highlight different challenges to anti-corruption.

Naidoo (2013), for example, argues that in several instances within and across South African state institutions, anti-corruption efforts confronted both principal-agent and collective action theory type challenges. For example, the lack of effectiveness of South Africa's conflict of interest framework is found to be a function of confusion that people had around the 'legal definition of remuneration' and the fact that the financial disclosure forms did not require 'full disclosure of all interests', which are argued to be principal-agent type problems (Naidoo, 2013: 529). Additionally, several senior officials were indirectly encouraged to refuse to disclose, as they knew that non-disclosure in other cases elicited no institutional sanctioning, which highlights the collective nature of corruption risk assessments (Naidoo, 2013: 529).

Similarly, with respect to public financial management, Naidoo (2013: 529) summarizes the findings of South Africa's Public Service Commission. This found that negligence in enforcing regulations was sometimes encouraged by pressure from superiors and by the belief that it was acceptable or neglecting to act would not be sanctioned—arguably, more collective action theoretical type reasons—but also that there was an 'absence of sufficient skills [within the bureaucracy] to effectively enforce financial management', which is arguably a principal-agent issue.

Finally, no fewer than 10 government agencies in South Africa were given a role in anti-corruption, which introduced challenges around coordinating efforts (a clear collective action theoretical issue) as well as the delineation of responsibility within and across the agencies (arguably both collective action and principal-agent type reasons) (Naidoo, 2013: 533).

The problem with viewing corruption as only a 'problem'

Though we argue that, in a complementary way, each theoretical lens has something different to lend to the conceptualization of corruption, we also argue that in at least one of their similarities there is a crucial blind spot: as both have thus far been applied, they have questionably framed corruption as only a 'problem.' Doing so has failed to recognise that in some contexts, corruption and patron-client networks persist because they provide solutions to problems that some people face.[9] In acknowledging the functions that corruption sometimes serves, confronting a 'lack of political will' takes on a new light. It becomes more than a mere matter of there being no one willing or able to make the first step towards reducing corruption, but instead conceding that the present state of affairs may serve purposes that seem defensible to those involved.[10] To fully get to grips with the functions that corruption and/

---

9   A small body of literature from the 1960s and 1970s emphasized the potentially positive net effect that corruption might have on the economy because of its ability to 'grease the wheels of commerce' (i.e. speed up slow and inefficient bureaucracies to service the private sector) (Huntington, 1968; Leff, 1964; Leys, 1970). Our point is different to this one; instead of arguing that corruption's net impact is positive, we think that corruption may be very harmful in most respects, but still persists because through corruption people find solutions to the real-life problems that they face. We make no claim here as to whether the 'solutions' people find in participating in corruption outweigh the wider costs of corruption for broader society.

10   Though there is not space here to discuss in more detail, this may also explain why 'integrity management' approaches – such as values-based training, improving codes of conduct and so on, often devised in less corrupt contexts and then applied in systemically corrupt environments, tend also to disappoint. Current research by the authors, along with Paul Heywood and Nieves Zuñiga (University of Nottingham) looks at integrity management systems in different contexts, with case studies planned in Bolivia and Rwanda, and another in Papua New Guinea under discussion. This research is co-funded by ANTICORRP (an EU FP7 programme) and the Developmental Leadership Program (see www.anticorrp.eu and www.dlprog.org for more details).

or patron client relationships serve, we must start by better understanding the 'real' ideas and values behind these relationships, the functions that they serve and the resultant accountability relationships that actually exist.

Because of structural political-economy factors in many developing countries, many leaders rely on corruption for political mobilisation and redistribution. Political leaders in most developing countries face a similar set of challenges in mobilising political support and maintaining political stability. Unlike their colleagues in advanced capitalist countries, who usually maintain political stabilization through legal fiscal budgetary transfers, the fiscal space in the budget available to political leaders in most developing countries for political redistribution is usually very limited (Khan, 2004; 2006; Herbst, 2000). Where there is high dependence on subsistence farming or informal sector employment, the taxable sector of the economy is often too small to serve as a source for redistribution through the budget (Khan, 2004; 2006; Stotsky & WoldeMariam, 1997; Ghura, 1998). Moreover, because the potential political conflicts that political leaders in some countries have to manage are often deeply rooted in structural cleavages (Englebert, 2000; Hughes & Hutchinson, 2012), political leaders in these countries arguably face a more 'expensive' task of maintaining political stabilisation than others (Khan, 2004; 2006).

However, polities do remain stable and politicians do consolidate and mobilise the needed support to maintain office, sometimes for decades, in this challenging fiscal environment. When achieved, political survival may necessarily depend on leaders using 'off-budget' redistribution measures through patron-client networks—transferring resources to powerful clients in exchange for political support (Khan 1996; 2004; 2006; Chabal & Daloz, 1999; Englebert, 2000). Put differently, through corruption, leaders find and redistribute the resources needed to make their political tenure viable, which, as a by-product, ensures the public good of a sense of political stability for society more generally. As Chabal and Daloz (1999: 103-104) write, 'given that the state in Africa is not, and will not in the foreseeable future be in a position to garner the resources needed for an egalitarian distribution of resources according to social needs, (neo)patrimonialism continues to suit both patrons and clients.'

A similar argument can be made of the low capacity of weak state institutions, another common feature of most developing country governments. Unable to rely on defunct institutions to act as functioning political redistributive apparatuses, political leaders necessarily rely on informal neopatrimonial institutions for this purpose. Olivier de Sardan (1999:41) articulates nicely how these contextual factors—fiscal economic constraints and the low capacity of formal institutions—impact on the political opportunities leaderships have for mobilization:

> …in the context of a dysfunctioning administrative and bureaucratic apparatus, and a dramatic scarcity of resources, the multiplication of interventions in favour of one person or the other progressively becomes the normal mode of management of such affairs and cases. But the omnipresence of 'personal favours' (though often liable to legal action, if the law were to be applied, and while remaining an undebatable constituent of the corruption complex) is simultaneously a functional necessity (conditioning the effectiveness of all administrative undertakings), and a normative necessity (the foundation of all forms of sociability).

Thus, it is no coincidence that arguably one of perhaps the best vehicles for mobilising more inclusive grass-roots collective action against corruption—programmatic political parties with broad-based appeal—are least likely to emerge in neopatrimonial settings.[11] Keefer (2013) explores collective action with regard to different types of political parties—programmatic, machine and patron-client—and finds that, in the latter, there is 'little ability to act collectively. The central characteristic of patron-client parties is the exchange of support by individuals ("clients") for narrowly targeted benefits provided by candidates ("patrons")' (Keefer 2013: 10). Indeed, Keefer (2012: 6) points out that these sorts of relations produce leaders who 'favour low public good provision; high rates of private good provision to those narrow groups; and to engage in high rates of rent-seeking'. Under these conditions, it is difficult to see where a collective action solution to the problem of corruption is likely to emerge, either spontaneously or following external intervention.

The fiscal constraints of the state not only represent a challenge for political leaders but also for citizens, who, in a weak state setting, are often faced with the patchy and uneven provision of state services. Though hardly ideal, in this context, citizens sometimes view corruption as a solution-mechanism, meaning that for many the only way to gain access to services is through corrupt channels. Walton (2013) found this in Papua New Guinea, where citizens excluded from state benefits tended to think of engaging in certain corrupt acts as the only way they could secure social services. Walton (2013: 187) concludes: 'in weak states such as PNG, some types of corruption can offer social protection mechanisms for those excluded from state benefits.' A similar point is made by Hickey and du Toit (2013: 144), who observe that in the form of election give-aways particularly, patronage can work to reduce poverty reduction by offering the very poor some resource security. Of course, without the loss of state resources to corruption, there would *eventually* be improved service delivery; to those individuals who need to access them today – for themselves or their family – that is scant consolation.[12]

---

11 This may be a good field for principal-agent approaches. In patron-client relationships there is a principal with an 'interest' (by definition with informal property rights or ownership), and the clients' incentives are clearly aligned with those of the principal. The question for the patron is whether agents actually fulfil their obligations (e.g. to vote for the principal), and how they hold them to it.

12 A big question emerges from this discussion, and one that we do not (yet) answer here: is a 'zero tolerance' approach to corruption appropriate when it comes to service delivery when the alternative is not immediate access to (quality) services but rather no access at all? Does it make vulnerable people more or less vulnerable? This question echoes findings in Johnston and Johnsøn (2014) on 'Doing the wrong things for the right reasons? "Do no harm" as a principle of reform'.

Box 2: Prison gangs as a response to institutional failures

The argument that institutional inefficiencies harvest undesirable social behavioural patterns in people's attempts to solve problems that they face is not unique to corruption. A recent *Economist* blog by J.D. argues that the rise in gangs in American prisons can be attributed to institutional failures within the prison systems. Overwhelmed by a massive growth in the prison population in the middle of the 20th century, American prison officials became no longer capable of protecting inmates from violence behind bars. In response, inmates started to organize themselves into prison gangs, non-existent until the 1950s. As with corruption, J.D. (2014) argues that prison gangs work to provide a solution to a very real problem that inmates face; gangs 'provide protection in prisons where officials often failed to do so'. The policy implications are clear: 'Improve the way prisons are governed and those locked up inside them would become less dependent on the mob-rule provided by gangs. Make prisons less crowded and dangerous, and inmates would require less group protection. Gangs are a logical response to prison conditions; to reduce them, the authorities must improve the state of incarceration'.

This raises important questions about whether corruption is a symptom or a cause of institutional weakness and, thus, how you treat it. In this case, breaking up prison gangs would not necessarily lead to stronger institutions because they are a 'symptom', and it is likely that other 'informal' remedies would (re)emerge. In other words, eliminating one form of corruption without strengthening the underlying institutions is only likely to lead to another form of corruption emerging down the line.

For citizens, patron-client relationships and corruption can serve many social functions as well. For example, Gauri, Woolcock and Desai (2011: 27) observe that in Honduras, a history of violent conflict has shaped the way in which patron-client relations are viewed; rather than simply being understood as a way of (corruptly) accessing public funds, they are understood as providing security and safety in a highly violent and unstable environment. Moreover, participating in a network of patron-client relationships can reinforce social bonds and societal norms that are universally valued like the notion that people in powerful positions should give back, and feelings of mutual obligation.

Not surprisingly, the channels of corruption called upon for many citizens often involve those that exist within their inner circles. Nguyen (2009) tells us that in Vietnam, social networks are often used to figure out what hospital to go to when one needs to seek health treatment, who to bribe at the hospital and how much. Similarly, in Papua New Guinea, it is common to draw upon *wantoks*—friends, family or tribal members to whom one is obligated—to try to secure goods like medicine, money, shelter and food, sometimes through corrupt means, when the state does not provide them (Walton, 2013). Olivier de Sardan explains that extensive extended social and familial networks are usually relied upon to source state services through corrupt means in West Africa; 'the circle of individuals to whom one feels obliged to render services is thus astonishingly wide to call upon' (Olivier de Sardan, 1999: 40-41).[13]

As such, participation in corruption often involves a great deal of trust. This may seem to be a contrary point to what is argued by those that have advanced the argument that corruption should be seen as a collective action problem. For them, corruption persists because of a lack of intra-group trust (Persson, Rothstein & Teorell, 2013). Indeed, several authors have found that societal or institutional trust and corruption are inversely related (Rothstein & Uslaner, 2005; Manion, 2004; Xin & Ruden 2004; La Porta, et al. 1997; Moreno, 2002; Seligson 1999; Davis, Camp & Coleman 2004). However, Tonoyan (2003) reminds us that trust exists in several forms and that 'particularised' trust—trust between family, friends, and kin networks and between citizens and a national bureaucrat—is a prerequisite for the enablement of corruption in many contexts. This is as opposed to 'generalised' trust, the sense that everyone—more or less—can be trusted, a form of trust that Uslaner describes as being unique to 'modern' societies (Uslaner 2002: 5), and the type of trust that those advancing a collective action approach to the issue seem to refer to. As an example of particularised trust, Lambsdorff (2002) observes that only after a high degree of trust is established do *guanxi* social networks arise in China, which serve the function of facilitating corrupt dealings, while at the same time preventing members from being overly exploited (see also Schramm & Taube, 2002).

The interdependencies of social networks used to engage in corruption shape cultural responses as well as the socio-cultural foundations that replicate corruption. Ekeh (1975), writing of sub-Saharan Africa more generally, argues that the interdependence of actors in the 'primordial public' morally compels those with access to the state to engage in corruption so that they can redistribute resources back to their interdependent networks. Similarly, of Papua New Guinea, Walton (2013) writes that corruption has been considered important for maintaining traditional practices, like gift giving. Even in societies where the popular discourse expresses intense frustration with the prevalence of corruption, many corrupt acts are considered moral and/or legitimate within the specific context and circumstances that they occur (Smith, 2007; Chabal & Daloz, 1999; Walton, 2013). Capturing this sentiment, Chabal and Daloz (1999: 107) quote an African proverb as saying, 'whoever does not rob the state robs his kith and kin'. Looking at post-colonial India, Gupta (1995: 397) observed, 'a highly placed official who fails to help a close relative or fellow villager obtain a government position is often roundly criticised by people for not fulfilling his obligations to his kinsmen and village brothers'.

---

13   Survey research of African and Latin American respondents confirm that the politically and socially connected are usually more likely to participate in corruption (Peiffer & Rose, 2013; Rose & Peiffer 2013).

The challenges for anti-corruption through multiple lenses

Those working within the principal-agent theory inspired anti-corruption paradigm often blame the failure of an intervention on a lack of 'political will' to implement what is otherwise perceived to be a good technical solution to the problem of corruption. By stopping there, however, 'political will' is treated as a black box, exogenous to the design of an effective anti-corruption intervention. If corruption is a collective action problem, as it has recently been treated in the literature, the black box becomes partly unpacked; from this perspective, a leader will lack the 'political will' to make the first move to implement anti-corruption reforms because they cannot trust that others will follow suit. The risk is that any first move is both wasted and not rewarded, or even that it could be punished.

One implicit message from this analysis is that an effective response to fight corruption requires coordinated actions. This resonates well with observations made by others that episodes of effective anti-corruption action have hinged upon the presence of an anti-corruption reform coalition (Johnston and Kpundeh, 2002; Klitgaard & Baser, 1998; Chene, 2010). Reform coalitions are coalitions of usually elite actors within and across the state, often with actors from the private sector and civil society that share in common overlapping goals. In this case, this means controlling corruption and actively cooperating with each other to achieve this goal (Peiffer, 2012; Johnston & Kpundeh, 2002). Johnston and Kpundeh (2002: 3) argue that anti-corruption reform coalitions represent the 'best strategy we have for creating a visible, legitimate [anti-corruption] reform movement quickly'. Reform coalitions are said to be particularly useful for their potential to moderate the costs and risks for 'those that take the first steps against corruption in the face of both popular apathy and entrenched opposition from corruption interests' (Johnston & Kpundeh, 2002: 3); this is the very concern of those advocating a collective action theory-inspired understanding of the problem of corruption.

The point made is not controversial: if transformational change is to occur, it will not rely on the action of one or a few individual elites or disparate and small citizen groups speaking out against pervasive patterns of corruption. Even if they had the motivation to 'stick their necks out', in the face of systemic corruption especially, a collective and coordinated effort would be required. In accepting this mantra, the collective action problem that should draw our attention is not just, or necessarily, one of systemic corruption, but instead that of sourcing/harvesting a true anti-corruption reform coalition with enough capacity to coordinate efforts and make a difference.

To assess the chances of a reform coalition arising, we must return to the black box of 'political will', and unpack it even further. Recognizing that corruption sometimes functions to 'solve' the political problems of maintaining stability, providing access to state services and serving as a mechanism for political redistribution in a challenging environment, does this. It helps to makes sense of why 'principled principals' are often absent, or rather why principals are uninterested (in the sense of not having a material interest) and agents lack incentives aligned with those of the principal. The 'political will' needed to enforce anticorruption reform is often missing, perhaps because corruption is (sometimes necessarily) relied upon to solve problems.

This acknowledgement makes the political and social dynamics that give rise to corruption more visible. Political factors are ever-present in shaping the interests and incentives of leaders and citizens to engage in meaningful anti-corruption reform. Rather than simply being seen as venal and extractive, it also follows that patron-client relationships should be examined for what purposes they serve and what they mean for those involved, whether that be a source of social bonding, a sense of safety and/or how they might work to reinforce other desirable societal norms like gift giving and reciprocity. This is not a call to romanticize those relationships, but instead to point out that—as researchers, practitioners and policy-makers—we often wilfully misunderstand them in the drive to condemn corruption.

Finally, through an explicitly political lens we may also start to understand why certain collective action problems exist in anti-corruption in the first place. Coordination issues, for instance, do not always arise spontaneously, as merely a function of the multitude of actors involved. Instead, for political reasons, collective action problems can be carefully crafted or maintained, as a way of undermining the effectiveness of institutions meant to challenge corruption. Revisiting Naidoo's (2013) examination of anti-corruption in South Africa, he forcefully argues that due to political impulses, South Africa's ineffective multiagency approach to anti-corruption, which suffered heavily from coordination issues, was maintained. To this effect, Naidoo writes (2013: 538), 'more overt displays of intra-party political motives were shown to have thwarted efforts to both institutionalize robust and specialist anti-corruption capacity within the state, as well as undermine the effectiveness of South Africa's existing multiagency framework'.

In many ways, the different lenses should be seen as representing different spheres of challenges that anti-corruption campaigners face in promoting effective interventions. Technically speaking, effective anti-corruption interventions must be designed to take into account potential principal-agent problems that may harvest individualized incentives to engage in corruption, as well as coordination (collective action theoretical) issues that might arise in trying to implement an intervention. Conversely, implementation, or rather the reluctance to implement a reform, is not only a potential collective action issue—no one wanting to make the first step—but also is likely to find its roots in the perceived or actual functionality of corruption. In other words, changing people's mentalities or perceptions of their colleagues or wider society's behaviour will not necessarily change the structural necessity for elites to use corruption as a mechanism to ensure political survival, for example, or for ordinary citizens to depend upon corrupt networks in order to access what services exist. In accepting the need to better understand this logic, especially in the case of systemically corrupt contexts, the combined challenges to control corruption admittedly become incredibly daunting.

Arguably, these challenges are naturally ordered, as well. The will to implement a reform should first be dealt with before time and energy is expended in designing a technically savvy intervention. This implies that the functionality of corruption must be understood and confronted head on. Truly effective anti-corruption efforts, therefore, may not even attempt to directly tackle corruption in the first place. Instead, the logical extension of our argument would imply that serious attempts to control corruption would have to start by trying to gain an understanding of what solutions corruption provides those who engage in it, and then try to deal in the business of providing those solutions through other means. To draw on an earlier example, if we understand that corrupt patron-client networks in Honduras are defensible to many because of the sense of security and safety they provide in a highly violent environment (Gauri, Woolcock & Desai, 2011), serious efforts to control corruption must address the rule of law and security, before or along with addressing individual incentives or other collective dynamics.

Conclusion

In this paper, we have shown how principal-agent and collective action explanations for the persistence of corruption are not necessarily competing but are usefully complementary. When conceptualising corruption as a problem, the two theories emphasise different sets of important dynamics. Principal-agent theory's take on corruption highlights the rational calculations made by individuals at discrete points in time in a specific type of hierarchical structure. While collective action theory points to the role intra-group trust can play in influencing individual decisions, it has more to contribute than just this insight. A collective action theory lens applied to corruption emphasises the fact that the same individual decisions on whether or not to engage in corruption occur within a wider society, rather than in isolation from the behaviour of others. Thus, monitoring, transparency and sanctioning—all variables that impact upon individual calculations of whether or not to engage in corruption—are also weighed against the potential influence of group dynamics that may impact on the likelihood of free riding. Collectively, the two theoretical approaches to corruption teach us that corruption persists in highly corrupt countries because it is not only difficult to monitor and therefore difficult to prosecute, but also because, when it is systemically pervasive, people may lack the incentives to initiate either countermeasure.

When recognising that corruption persists because it solves problems, the 'corrupt equilibrium' in countries with pervasive and systemic corruption is not just depicted as a social trap—maintained and reinforced by low levels of generalised trust—but as a political one as well. Together, all three of these lenses highlight the multifaceted challenges that anti-corruption reformers face. They imply that effective anti-corruption efforts need to not only target wide-scale perceptions that corruption is 'normal', but also that corruption may possibly serve an important set of functions. Corruption is often used as a tool by political actors across several contexts to win and maintain political office, and in some settings corruption is one of the only effective tools available for political actors to reach for. Without recognising this and engaging with the political dynamics that underpin corruption, anti-corruption efforts will continue to fail. Thus, anti-corruption reformers should ask themselves, what functions does corruption serve as well as what obstacles exist to eradicating it? Arguably, without answering the first question, one cannot begin to adequately answer the second.

Most importantly our analysis suggests that effective anti-corruption efforts need to be tailored to context, which also means that investment must be made so that contextual factors are deeply understood, without prejudice. This is hardly an original suggestion, but it cannot be over-emphasised. The context should drive efforts to tackle corruption, *not* the theory or model, regardless of whether interventions are inspired by principal-agent or collective action theories, or something else altogether. For example, monitoring, transparency and sanctioning measures may have a big impact in contexts where incidences of corruption are relatively isolated; however, as Persson, Rothstein and Teorell (2013) note, transparency efforts in an environment of systemic corruption could expose the fact that corruption is wildly pervasive, and this may compel people to engage more in corruption, rather than fight against it.[14] Put differently, collective action theory-inspired anti-corruption approaches, such as values-based training or public awareness raising, should not be viewed as universally appropriate solutions to apply in all contexts. The lesson here is that we should learn from the history of (mis)applying principal-agent theory inspired models of anti-corruption to inappropriate contexts, where political will was missing to implement the fixes prescribed.[15]

---

14   Ostrom (2010) puts forth a general framework linking several variables, which puts more structural variables like the size and heterogeneity of a group as impacting upon a core set of variables, like reputations and trust, which all have feedback loops and effects on each other and on collective action. 'It is the combination of these variables that evokes norms, helps or hinders building reputations and trust, and enables effective or destructive interactions and learning to occur.' (Ostrom, 2010:164). Moreover, it should be noted here that collective action literature has been methodologically limited in testing many hypotheses when it comes to large groups. The study of collective action has been dominated by in-depth case study or lab experimental research, yielding fewer studies that are broadly comparative in nature or that have examined collective action with respect to a large *N* scenario—i.e. the study of large groupings (Poteete, Janssen & Ostrom, 2010). Moreover, studies with larger *N*s tend to be limited in geographical scope, which can limit the generalisations one can make with respect to lessons learned (Poteete, Janssen & Ostrom, 2010).

15   Another valid critique of the development policy-oriented literature is its lack of engagement with the wider organizational culture literature, particularly with regard to public sector and business ethics. Future research could usefully bring these literatures together. However, even if this were to be corrected, the lessons on the importance of context remain valid. As Rosen (2010:81) points out: '[f]or Afghans to understand corruption as Americans do more or less entails their having to experience the whole web of religious, social and economic concepts that Americans have experienced. That really is asking too much'.

This paper provides a foundation for the next stage of the research, which will further explore the practical implications of applying both a collective action and a principal-agent perspective (as well as the insight regarding the "functionality" of corruption) to anti-corruption reform, by breaking down anti-corruption reforms, examining how different characteristics of corruption and context might be taken into account, and hopefully offering concrete propositions about how the anti-corruption reform and programming agenda should change as a result of these insights.[16] Moving forward, research will take up the task of unpacking these different depictions further. Instead of building arguments for how one lens out-explains the incidence of corruption over another, we will aim to further the understanding of the different contexts and circumstances in which each lens is most appropriate to apply. Our hope is that research along these paths will not only further the theoretical debate on the social and political underpinnings of corruption, but will be vital for informing the development of more contextualised, and potentially more effective, anti-corruption programming.

---

16   This research will be undertaken by Liz Hart and Nils Taxell, at the U4 Anti-Corruption Resource Centre/CMI, and will be published jointly by U4 and DLP in 2015. Following this, the team aims to roll out empirical research in a number of settings.

References

Adolphs, R., Damasio, H., Tranel, D., & Damasio, A. (1996). Cortical systems for the recognition of emotion in facial expressions. *Journal of Neuroscience , 16* (23), 7678-7687.

Agrawal, A. (2000). Small is beautiful, but is larger better? Forest management in the Kumaon Himalaya, India. In C. Gibson, M. M, & E. Ostrom, *People and Forests: Communities, Institutions, and Governance.* (pp. 57-86). Cambridge, MA: MIT Press.

Agrawal, A. (2002). Common Resources and Institutional Sustainability. In E. Ostrom, T. Dietz, N. Dolsak, P. Stern, S. Stonich, & E. Weber, *The Drama of the Commons, National Research Council, Committee on the Human Dimensions of Global Change.* (pp. 41-85). Washington, D.C.: National Academies Press.

Agrawal, A., & Goyal, S. (2001). Group size and collective action: Third-party monitoring in common pool resources. *Comparative Political Studies , 34,* 63-93.

Banerjee, A., Iyer, L., & Somanathan, R. (2005). History, Social Divisions, and Public Goods in Rural India. *Journal of the European Economic Association*, 639-647.

Bardhan, P. (1993). Analytics of the institutions of informal cooperation in rural development. *World Development, 21* (4), 633-639.

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

Batley, R. & Larbi, G. (2004). *The Changing Role of Government: The reform of public services in developing countries.* Basingstoke: Palgrave.

Bauhr, M., & Nasiritousi, N. (2011). *Why pay bribes? Collective action and anti-corruption efforts.* Gothenburg: The QoG Institute.

Bendor, J., & Mookherjee, D. (1987). Institutional Structure and the Logic of Ongoing Collective Action. *The American Political Science Review, 81* (1), 129-154.

Booth, D., & Cammack, D. (2013). *Governance for Development in Africa: Solving Collective Action Problems.* New York, NY: Zed Books.

Chabal, P., & Daloz, J.P. (1999). *Africa Works: the Political Instrumentalization of Disorder.* Bloomington, IN: International African Institute in association with James Currey and Indiana University Press.

Chene, M. (2010) Mobilising broad anti-corruption coalitions. *U4 Expert Answer.* Number 262. Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute

Chene, M. (2011). Anti-corruption progress in Georgia, Liberia, Rwanda. *U4 Expert Answer.* Number 288. Bergen: U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute

Clague, C., Keefer, P., Knack, S., & Olson, M. (1996). Property and Contract Rights in Autocracies and Democracies. *Journal of Economic Growth. 1*(2): 243-276.

Cook, K., & Hardin, R. (2001). Norms of cooperativeness and networks of trust. In M. Hechter, & K. Opp, *Social Norms* (pp. 327-357). New York, NY: Russell Sage Foundation.

Crawford, S., & Ostrom, E. (2005). A grammar of institutions. In E. Ostrom, *Understanding Institutional Diversity* (pp. 137-74). Princeton, NJ: Princeton University Press.

Davis, C., Camp, R., & Coleman, K. (2004). The influence of party systems on citizens' perceptions of corruption and electoral response in Latin America. *Comparative Political Studies, 37* (6), 677-703.

Ekeh, P. (1975). Colonialism and the Two Publics in Africa: A Theoretical Statement. *Comparative Studies in Society and History 17* (1), 91-112.

Elster, J. (1985). Rationality, morality and collective action. *Ethnics, 96*, 136-155.

Englebert, P. (2000). Pre-Colonial Institutions, Post-Colonial States, and Economic Development in Tropical Africa. *Political Research Quarterly, 53* (1), 7-36.

Freitag, M. & Traunmuller, R. (2009). Spheres of trust: An empirical analysis of the foundations of particularized and generalized trust. *European Journal of Political Research. 48*(6): 782-803.

Gauri, V., Woolcock, M. & Desai, D. (2011). 'Intersubjective Meaning and Collective Action in "Fragile" Societies: Theory, Evidence and Policy Implications'. World Bank Policy Research Working Paper 5707. Washington, D.C.: World Bank.

Ghura, D. (1998). *Tax Revenue in Sub-Saharan Africa: Effects of Economic Policies and Corruption.* Washington, D.C.: IMF.

Gupta, A. (1995). Blurred Boundaries: the discourse of corruption, the culture of politics, and hte imagined state. *American Ethnologist , 22* (2), 375-402.

Hanusch, M. & Keefer, P. (2013). 'Promises, Promises: Vote-Buying and the Electoral Mobilization Strategies of Non-Credible Politicians', World Bank Policy Research Working Paper 6653. Washington, D.C.: World Bank, available at http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-6653.

Hardin, G. (1968). The tragedy of the commons. *Science, 162,* 1243-1248.

Hardin, R. (1982). *Collective Action.* Baltimore, MD: Johns Hopkins University Press.

Harris, M., & Raviv, A. (1979). Optimal Incentive Contracts with Imperfect Information. *Journal of Economic Theory. 20*: 231-259.

Hauk, E., & Nagel, R. (2001). Choice of partners in multiple two-person prisoner's dilemma games: An experimental study. *Journal of Conflict Resolution, 45,* 770-793.

Herbst, J. (2000). *States and Power in Africa: Comparative Lessons in Authority and Control. Princeton*: Princeton University Press.

Hickey, S & du Toit, A. (2013) Adverse Incorporation, Social Exclusion, and Chronic Poverty. In Shepard, A. & Brunt, J (eds.) *Chronic Poverty. Concepts, Causes, and Policy.* Online Service: Palgrave. p.134-160.

Hough, D. (2013). *Corruption, Anti-corruption and Governance.* New York: Palgrave Macmillan.

Hughes, C., & Hutchinson, J. (2012). Development Effectiveness and the Politics of Commitment. *Third World Quarterly, 33* (1), 17-36.

Huntington, S. (1968). *Political Order in Changing Societies.* New Haven: Yale University Press.

Isaac, R., & Walker, J. (1988). Communication and free-riding behavior: The voluntary contribution mechanism. *Economic Inquiry, 26* (4), 585-608.

J.D. (2014). Why prisoners join gangs. *The Economist Explains Blog.* Posted 12 November 2014. Accessed 13 November 2014, at: http://www.economist.com/blogs/economist-explains/2014/11/economist-explains-7

Johnsøn, J., Taxell, N. & Zaum, D. (2012). 'Mapping evidence gaps in anti-corruption. Assessing the state of operationally relevant evidence in donors' actions and approaches to reducing corruption.' U4 Issues Paper No. 2012:7. Bergen: U4, Chr. Michelsen Institute

Johnston, M. & Johnsøn, J. (2014). 'Doing the wrong things for the right reasons? "Do no harm" as a principle of reform' (U4 Brief 2014:13). Bergen: U4, Chr. Michelsen Institute. Available at: http://www.u4.no/publications/doing-the-wrong-things-for-the-right-reasons-do-no-harm-as-a-principle-of-reform/

Johnston, M. & Kpundeh, S. (2002). 'Building a Clean Machine: Anti-corruption coalitions and sustainable reform.' *World Bank Institute.* Stock Number: 37208. Accessed: http://siteresources.worldbank.org/WBI/Resources/wbi37208.pdf

Kanbur, R. (1992). 'Heterogeneity, distribution and cooperation in common property resource management.' Background paper for the World Development Report. Washington, D.C.: World Bank.

Keefer, P. (2012). 'Why follow the leader? Collective action, credible commitment and conflict'. World Bank Policy Research Working Paper 6179, August. Washington, D.C.: World Bank.

Keefer, P. (2013). 'Organizing for prosperity: collective action, political parties and the political economy of development'. Draft prepared for the *Oxford Handbook of the Politics of Development*, Carol Lancaster and Nicholas van de Walle, editors, March.

Kelsall, T. (2011). Rethinking the relationship between neo-patrimonialism and economic development in Africa. *IDS Bulletin 42*(2): 76-87.

Kerr, N., & Kaufman-Gilliland, C. (1994). Communication, commitment and cooperation in social dilemmas. *J. Pers. Soc. Psychol., 66,* 513-529.

Khan, M. (1996). The Efficiency Implications of Corruption. *Journal of International Development, 8* (5), 683-96

Khan, M. (2004). State Failure in Developing Countries and Strategies of Institutional Reform. In B. Tungodden, N. Stern, & I. Kolstad, *Toward Pro-Poor Policies: Aid Institutions and Globalization.* Oxford: Oxford University Press and the World Bank.

Khan, M. (2006). Determinants of Corruption in Developing Countries: The Limits of Conventional Economic Analysis. In S. Rose-Ackerman, *International Handbook on the Economics of Corruption.* Cheltenham: Edward Elgar.

Klitgaard, R. (1988). *Controlling Corruption.* Berkeley: University of California Press.

Klitgaard, R. & Baser, H. (1998). *Working together to fight corruption: state, society and the private sector in partnership.* Santa Monica: RAND Corporation.

La Porta, R., Lopez-de-silanes, F., Shleifer, A., & Vishny, R. (1997). Legal Determinants of External Finance. *The Journal of Finance, 52* (3), 1131-1150.

Lambsdorff, J. (2002). Making corrupt deals: contracting in the shadow of the law. *Journal of Economic Behavior and Organisation, 48* (3), 221-241.

Leff, N. (1964). Economic Development Through Bureaucratic Corruption. *American Behavioral Scientist, 8* (3), 8-14.

Leys. (1970). What is the problem about corruption? In A. Heidenheimer, *Political Corruption: Readings in Comparative Analysis* (pp. 31-37). New York: Hold Reinehart.

Marquette, H., Pavarala, V. & Malik, K.K. (2014) 'Religion and attitudes towards corruption in India: A collective action problem?', *Development in Practice, 24*(7), 854-66

Manion, M. (2004). *Corruption by design: Building clean government in mainland China and Hong Kong.* Cambridge, MA: Harvard University Press.

Marwell, G., & Oliver, P. (1993). *The critical mass in collective action: a micro-social theory.* New York: Cambridge University Press.

Michael, B. (2004). Explaining organizational change in international development: the role of complexity in anti-corruption work. *Journal of International Development. 16*: 1067-1088.

Michael, B., & Bowser, D. (2009). The Evolution of the Anti-Corruption Industry in the Third Wave of Anti-Corruption Work. Proceedings from the Konstanz Anti-Corruption Conference. Constanz, pp. 1-13.

Miller, B. (1992). Collective Action and Rational Choice: Place, Community, and the Limits to Individual Self-Interest. *Economic Geography, 68* (1), 22-42.

Moreno, A. (2002). Corruption and democracy: A cultural assessment. *Comparative Sociology, 1* (3-4), 495-507.

Mungiu-Pippidi, A. (2006). Corruption: Diagnosis and Treatment. *Journal of Democracy. 17* (3): 86-99.

Mungiu-Pippidi, A. (2011) 'Contextual Choices in Fighting Corruption: Lessons Learned', NORAD, Report 4/2011, July 2011, available at www.norad.no/en/tools-and-publications/publications/publication?key=383808

Naidoo, V. (2013). The politics of anti-corruption enforcement in South Africa. *Journal of Contemporary African Studies. 31*(4): 523-542.

Nguyen, V.-H., (2009). 'Social interactions and the spread of corruption: evidence from the health sector of Vietnam.' In Van-Hai Nguyen, *Empirical Essays in Health Economics,* pp.4-48. Montreal: Concordia University http://spectrum.library.concordia.ca/976660/1/NR63436.pdf

Olivier de Sardan, J. (1999). A moral economy of corruption in Africa? *The Journal of Modern African Studies, 37* (01), 25-52.

Olson, M. (1965). *The Logic of Collective Action: Public Goods and the Theory of Groups.* Harvard University Press.

Olson, M. (1993). Dictatorship, Democracy, and Development. *American Political Science Review. 87* (3): 567-576.

Orbell, J., & Dawes, R. (1991). A 'cognitive miser' theory of cooperators' advantage. *American Political Science Review, 85* (2), 515-528.

Ostrom, E. (1990). *Governing the Commons: The Evolution of Institutions for Collective Action.* New York, NY: Cambridge University Press.

Ostrom, E. (1998). A behavioural approach to the rational choice theory of collection action, Presidential Address, American Political Science Association, 1997. *American Political Science Review, 92* (1): 1-22.

Ostrom, E. (2000). Collective action and the evolution of social norms. *Journal of Economic Perspectives, 14*, 137-158.

Ostrom, E. (2007). Collective action and local development processes. *Sociologica, 3*: 1-32.

Ostrom, E. (2010). Analyzing collective action. *Agricultural Economics, 41*, 155-166.

Ostrom, E., Walker, J., & Gardner, R. (1992). Covenants with and without a sword: Self-governance is possible. *American Political Science Review , 86* (2): 404-417.

Ostrom, E., Gardner, R., & Walker, J. (1994). *Rules, Games, and Common-Pool Resources.* Ann Arbor: University of Michigan Press.

Peiffer, C. & Marquette, H. (forthcoming 2015) 'Theoretical (Mis)understanding? Applying Principal-Agent and Collective Action Theories to the Problem of Corruption in Systemically Corrupt Countries', in *Routledge Companion to Ethics and Public Service Organizations,* eds. Lawton, A. & van der Wal, Z., Abingdon: Routledge.

Peiffer, C. and Rose, R. (2013). "Why do Africans differ in paying bribes?" *Studies in Public Policy.* No. 502., University of Strathclyde, Glasgow. http://www.cspp.strath.ac.uk/corrupgov.html

Peiffer, C. (2012). 'Reform' Coalitions: Patterns and hypotheses from a survey of the literature. DLP Concept Paper 03. Developmental Leadership Program.

Persson, A., Rothstein, B., & Teorell, J. (2013). Why anticorruption reforms fail--systemic corruption as a collective action problem. *Governance, 26* (3), 449-471.

Poteete, A., Janssen, M., & Ostrom, E. (2010). *Working Together: Collective Action, the Commons and Multiple Methods in Practice.* Princeton: Princeton University Press.

Rao, S. (2013) *Interventions for accountability and collective action.* GSDRC Helpdesk Research Report 904. Birmingham, UK: GSDRC, University of Birmingham

Rocha-Menocal, A. et al. (2014). 'Corruption Evidence Report', draft produced for the UK Department for International Development.

Rose, R. and Peiffer, C., (2013). "Contact comes first: a two-step model of paying bribes." *Studies in Public Policy Paper,* N. 508, University of Strathclyde, Glasgow. found at: http://www.cspp.strath.ac.uk/corrupgov.html

Rose-Ackerman, S. (1978). *Corruption: A Study in Political Economy.* New York: Academic Press.

Rosen, L. (2010). 'Understanding Corruption'. *The American Interest,* March/April, 78-82.

Ross, S. (1973). The economic theory of agency: the principal's problem. *The American Economic Review. 63*(2): 134-139.

Rothstein, B. (2011). Anti-corruption: the indirect 'big bang' approach. *Review of International Political Economy, 18* (2), 228-250.

Rothstein, B., & Uslaner, E. (2005). All for All: Equality, Corruption, and Social Trust. *World Politics, 58* (1), 41-72.

Sampson, S. (2010). The anti-corruption industry: from movement to institution. *Global Crime. 11*(2): 261-278.

Schlager, E. (1995). Policy making and collective action: Defining coalitions within the advocacy coalition framework. Policy *Sciences , 29* (3), 243-270.

Schramm, M. and Taube, M. (2002). On the Co-existence of Guanxi and a Formal Legal System in the PR China – An Institutionalist Approach. Found at: http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.199.5025&rep=rep1&type=pdf

Seabright, P. (1993). Managing local commons: Theoretical issues in incentive design. *Journal of Economic Perspectives, 7* (4), 113-134.

Seligson, M. (1999). *Nicaraguans talk about corruption: a follow up study of public opinion.* Arlington, VA: Casals & Associates.

Simon, H. (1955). A behavioural model of rational choice. *Quarterly Journal of Economics , 69,* 99-188.

Simon, H. (1957). *Models of Man.* New York: Wiley.

Simon, H. (1999). The potlach between political science and economics. In J. Alt, M. Levi, & E. Ostrom, *Competition and Cooperation: Conversations with Nobelists about Economics and Political Science* (pp. 112-119). New York: Russell Sage Foundation.

Smith, D. (2007). *A culture of corruption: Everyday deception and popular discontent in Nigeria.* Princeton: Princeton University Press.

Stotsky, J. & WoldeMariam, A. (1997). "Tax Effort in Sub-Saharan Africa." *IMF Working Paper,* No. 107.

Tonoyan, V. (2003). *The Bright and Dark Sides of Trust: Corruption and Entrepreneurship.* Institute for Small Business Research.

Transparency International (2009). Integrity Pacts. http://archive.transparency.org/layout/set/print/global_priorities/public_ contracting/integrity_pacts. Accessed 31 October 2014.

Ugur, M., & Dasgupta, N. (2011). *Evidence on the economic growth impacts of corruption in low-income countries and beyond: a systematic review.* London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London

Uslaner, E. (2002). *The Moral Foundations of Trust.* Cambridge: Cambridge University Press.

Walton, G. (2013). 'Is all corruption dysfunctional? Perceptions of corruption and its consequences in Papua New Guinea." *Public Administration and Development.* (33) 175-190.

World Bank Institute (2008). 'Fighting Corruption Through Collective Action: A guide for business', available at http://info. worldbank.org/etools/docs/antic/Whole_guide_Oct.pdf.

Xin, X., & Ruden, T. (2004). The context for political corruption: A cross-national analysis. *Social Science Quarterly, 85* (2), 294-309.

Yamagishi, T., & Cook, K. (1993). Generalized exchange and social dilemmas. *Social Psychology Quarterly, 56* (4), 235-248.

DLP
DEVELOPMENTAL LEADERSHIP PROGRAM