Tackling corruption: why we need to do things differently

Evidence for the International Development Committee’s inquiry on ‘Tackling Corruption Overseas’

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Submission:

1. As I wrote recently in a communications note for the OECD’s Anti-Corruption Task Team: it is clear that anti-corruption work is having a ‘moment’. There is quite a lot to show for the last decade and a half: a changed global discourse on corruption; significant advances in corruption measurement and indicators; international forums for discussion and collaboration; and, of course, the United Nations Convention against Corruption (UNCAC).

2. Development assistance has played a vital role in helping to bring about these changes. However, on the ground, there is less to show for this work than we might hope: there is little direct evidence of return on investment, at both the project and country levels; safe-guarding of aid funds is problematic, especially given the difficult environments in which development agencies increasingly work; globally, corruption seems to be getting worse overall, rather than better; the international drivers of corruption have been getting more and more complex; and – as shown, for example, in a forthcoming book by U4’s Jesper Johnson which looks at donor anti-corruption programming in Afghanistan - there is a serious lack of policy coherence on anti-corruption, both within donor governments and between development agencies.

3. Political, social and economic changes have increased the attention being paid right now to the impact of corruption on aid. The global economic crisis has not only highlighted the price paid for corruption and bad governance, but subsequent austerity programmes in many donor countries have put pressure on governments to justify their public’s money being spent on aid. Donors have begun working more in post-conflict environments, which pose significant challenges for the delivery of aid. Finally, new donors have risen, often with very different approaches to corruption and anti-corruption than traditional OECD-DAC donors.

4. As a result of this ‘moment’, anti-corruption development assistance will need to change, but it is not always clear how or in which way(s). However, the biggest challenges are not technical – for example, combinations of aggregated and disaggregated indicators can be used that are ‘good enough’ to measure something that is ultimately directly immeasurable; training of journalists in developing countries to better hold governments and businesses to account can become more robust; and so on. The biggest challenges for DFID’s anti-corruption programming are political, both in partner countries and at home.
5. This mirrors ongoing discussions elsewhere in the development community about ‘doing development differently’ and the need to ‘think and work politically’ to improve aid effectiveness. A growing body of evidence suggests that development programming that is politically savvy, ‘works with the grain’ of local political economy conditions and is led locally (rather than led by donors) is more likely to be effective than its opposite: aid that is insensitive or ignorant of the local political context; that imposes an external model, whether it fits or not; and that fights against the grain of the local political economy, whatever the motivation for doing so.

6. Though experts are now thinking about TWP, as ‘thinking and working politically’ is often called, across sectors, the starting point was governance programming. Merilee Grindle’s now infamous call to think about ‘good enough governance’, and to be realistic about what external actors achieve, resonated with both the academic and practitioner communities. With few exceptions, it is now an accepted part of the lingua franca of governance programming. Unfortunately, one of those exceptions is anti-corruption. For academics, it is difficult to write about ‘good enough anti-corruption’ without being accused of condoning corrupt behavior (see some of the comments on my recent article in the Guardian for evidence of this). For DFID, or for HMG – and the wider donor community more generally, it is nearly impossible.

7. Anti-corruption programming is different to all other development programming – and even to other governance programming – in that corruption plays heavily on the mind of the public when it comes to aid. For domestic political reasons, it is difficult for the Government to even talk about aid and corruption, let alone to have the ‘grown up’ conversation many of us increasingly feel is important if we are to have the opportunity to think differently enough about how to design and implement more effective anti-corruption programming.

8. Ongoing research involving myself and colleagues at University College London and the University of Birmingham tests hypotheses about the relationship between UK public attitudes towards aid and corruption, and will be published by the Developmental Leadership Program later this summer. We are finding that aid sceptics in particular often explain their lack of support for aid as a result of concerns about corruption (though, in reality, the emerging story from the research is much more complicated than this). Combined with sensationalist newspaper headlines, this puts unique pressure on DFID with regard to anti-corruption programming, not always helped by ICAI in the past, it must be said.

9. Fortunately for DFID, and the wider anti-corruption community, there is a new ‘corruption eruption’ going on in anti-corruption research. After almost four decades of research that tended to conform to an idealised principal-agent model, shying away from more complex issues to do with politics, culture, norms, sociology and so on, we are seeing an explosion of different approaches, different disciplines, innovations in methodology and so on. This bodes well for anti-corruption programming in the medium-term.

10. For example, work on corruption and collective action by the Quality of Government Institute, University of Gothenburg, by a number of scholars on the EU-funded ANTICORRP research programme, and by my own Developmental Leadership Program suggests that we need to better understand corruption not simply
as a failing of individual ethics, which may be remedied by greater oversight and ethics training, but as a complex web of social and political expectations and interactions that create collective action problems that undermine anti-corruption efforts. Research that DLP is undertaking alongside U4, to be published later this summer, explicitly explores what this means in terms of programme design and implementation.

11. There are a number of examples out there where genuinely innovative research is happening – on anti-corruption message testing, corruption and political settlements, clientelism and service delivery, thinking and working politically in corruption programming, and so on – that have the potential to help DFID, other donors and governments do anti-corruption programming differently. There is also the new research that DFID itself is funding through the British Academy and through a new research centre. This overall body of work, taken together over the next few years, should help fill many of the gaps identified in DFID’s 2012 and 2015 corruption evidence papers. Indeed, we are already beginning to see it feeding into strategies elsewhere.

12. But it must be said that some of this research is challenging established aid orthodoxies about corruption. My own research with Caryn Peiffer points to the need to understand the actual functions that corruption serves before we can hope to eradicate it. We draw, among others, on World Bank research from Honduras, that suggests corrupt patron-client networks are defensible to many because of the sense of security and safety they provide in a highly violent environment, or research from Papua New Guinea that suggests that ‘some types of corruption can offer social protection mechanisms for those excluded from state benefits’, including essential services. Masooda Bano’s research on collective action in Pakistan suggests a limited role for external actors, where donors may actually cause more harm than good, a difficult position if evidence points to the need to engage with the collective action problems facing anti-corruption. Mushtaq Khan’s long-standing research on rent-seeking and political settlements questions whether corruption is always growth reducing. Recently the Center for Global Development have asked whether donors should take a zero-tolerance approach or whether they should focus instead on results, assuming that corruption may not be overly harmful if things are working well. Similarly, case study research from ODI’s Politics and Governance team suggests that what they call ‘adaptive development’ may sometimes mean needing to be somewhat flexible when it comes to corruption in partner countries in order to achieve results, including in some instances using existing patronage networks to get things done.

13. This poses potential difficulties for the UK government’s strong ‘zero tolerance’ approach to corruption. What if, for example, this growing body of evidence ends up concluding that zero tolerance approaches cause more harm than good? It may not, of course, but there is enough questioning of this position by serious researchers to at least suggest the need for pause for thought.

14. I often come back to a quote used in a paper I wrote a couple of years ago on the link between religion and attitudes towards corruption in developing countries: as far back as 1965, Colin Leys argued that overly moralistic approaches to corruption – almost unique in social science – were hampering attempts at research, as well as the development of inadequate approaches to policy-making. He noted that, ‘Similar
phenomena, such as suicide, crime, or religious fanaticism, have intrigued sociologists greatly. However, the question of corruption in the contemporary world has so far been taken up almost solely by moralists’. Leys used ‘moralist’ here to mean those whose starting point for corruption research and policy-making was as a moral problem to be fought, rather than a social problem to be understood. The entire ‘thinking and working politically’ and ‘doing development differently’ movements speak in many ways to his concern; until we try to understand why different types of corruption happen in different countries in different ways, with as open a mind as possible, we cannot hope to design and implement ‘effective enough’ anti-corruption programmes.

15. We can see the effect of this in DFID’s published anti-corruption strategies. This is, in many ways, an excellent policy. It has the potential to guide programme decision-making, enhance political and policy dialogue and ultimately provide comparative data for cross-national evaluation. While preparing this note, I looked at nine countries where I know the context well enough to judge whether or not they sufficiently take into account the social and political context, and in some there certainly is some specificity to the local context (for example, in Nigeria’s they note increasing the transparency of the oil sector, while Ghana’s talks of supporting the Ghana Revenue Authority’s anti-corruption efforts).

16. But too many are generic – ‘Supporting civil society organisations that campaign for more transparency and that seek to hold government to account for their actions and spending’, says one, while in another completely different context we find, ‘Identifying opportunities for citizens to be able to hold Government accountable for corruption, and increasing the willingness and capacity of Government to be able to respond’. The wording is slightly different, but the meaning is essentially the same. And (a) neither are specific enough to say what this actually means in practice, (b) there’s no sense for feasibility and (c) neither take into account the fact that DFID’s own corruption evidence reports suggest such approaches are of limited value at best. In fact, the latter is from a fragile state with no meaningful central government, a weak civil society and an overall fragmented and often violent society. For DFID’s anti-corruption strategies to have meaning and ‘bite’, these bullet points need to be much more specific, more politically (and technically) realistic and start from what we know is likely to work. Given that these strategies are supposed to cover very short periods of time (two years), this is vital.

17. Additionally, there is need for country anti-corruption strategies to be whole of Government strategies. There is too much emphasis in this space on DFID: in any recipient country DFID is but one of many donors, but it is also only one of several HMG departments operating. While there has been a great deal of academic research on donors and anti-corruption, and several ICAI reviews focused on DFID, we simply know too little about the role of the FCO, the MOD, BIS, DEFRA and so on when it comes to corruption and anti-corruption in developing countries. We know that foreign policy imperatives can undermine anti-corruption programming. But how often? Where? At what cost? For which trade-offs? At what cost (or boon) for development effectiveness? If we increasingly see aid as something delivered across HMG, and not just by DFID, then other Government departments need to be included in ICAI investigations and scrutinised more often by the International Development
Committee. It is not good enough to shine the light on DFID alone when it is only one piece of a complex and moving puzzle.

18. Finally, it is important for the UK Government to show impeccable leadership on anti-corruption in the lead up to the Global Summit. Important questions have been asked, for example, by Transparency International UK about the role that London’s property market plays in global money laundering. More needs to be done about the role of the City and its status as the ‘biggest tax haven in the EU’. This facilitates organised crime in a way that increasingly threatens the UK’s own security, though we know it has threatened global security for many years. For anti-corruption activists – in the UK and in DFID’s partner countries - to believe in this Government’s leadership on anti-corruption, clear action should be taken on these issues before May. If we are to truly do anti-corruption work differently in our development assistance, it would not hurt to start at home.