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6219601

ADDRESSING THE SOCIAL AND POLITICAL EMBEDDEDNESS OF CORRUPTION

Presented to the Graduate School of Public and International Affairs
in the context of accreditation for completion of the
Major Research Paper

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July 21, 2016

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Abstract

Despite significant progress in the research of corruption over the past few decades, the current scheme of anti-corruption strategies has failed to influence the hold of corruption across numerous countries. In attempting to understand why current policy responses to corruption have been generally ineffective, I ask the following question: **do policy responses to corruption take social and political embeddedness into account, and are those policy responses adequate or inadequate as anti-corruption remedies as a result?** I hypothesize that most anti-corruption programs either ignore or do not adequately take embeddedness into account. In order to answer this question, I introduce the socialization gap in traditional corruption literature, and fill this gap by situating a theory of social and political embeddedness of corruption within alternative texts. Using this theory, I test my hypothesis against a case study of six different World Bank anti-corruption programs. I find that five of the six programs could not adequately address the social embeddedness of corruption, though some efforts were made to address political embeddedness. The one successful program maintained an ideal balance between social and political reform.

The main question

*“O Malebranche, I’ve got an elder of Saint Zita for you! Shove this one under-I’ll go back for more- His city is well furnished with such stores; there, everyone’s a grafter but Bonturo; and there-for cash-they’ll change a no to yes.”*¹

Corruption is, incontrovertibly, one of society’s oldest ills, and one of its greatest scourges. As early as the 14th century, for example, bribery was referenced to with disdain; in Dante’s *Inferno*, public servants guilty of accepting bribes drowned in pitch, a stone’s throw away from Satan himself.

Times have changed since Dante’s Tuscany, but the rules remain largely the same. Where the opportunity to abuse power exists, corruption follows; it pervades, despite a growing array of anti-corruption responses. In attempting to understand why current policy responses to corruption have been generally ineffective, and to provide a different starting point for future policy, this paper asks a simple question: **do policy responses to corruption take social and political embeddedness into account, and are those policy responses adequate or inadequate as anti-corruption remedies as a result?** In other words, this paper explores whether anti-corruption policies pay heed to the particular rules of the game that allow corruption to thrive. **Asserting the negative, I hypothesize that most anti-corruption programs either ignore or do not adequately take embeddedness into account.**

The significance of corruption as a research subject has come into full force only within the past few decades. Within that time, the disruption that corruption can cause to a country’s economic development has become abundantly clear. Tanzi, for example, argues that by

¹ Dante Alighieri and Allen Mandelbaum, *Inferno: A Verse Translation by Allen Mandelbaum* (New York, NY: Bantam Doubleday Dell Publishing Group, 1982), v. 21.38.

reducing the ability of governments to impose regulatory controls, distorting incentives and reducing the role of government as the enforcer of property rights, corruption "...distorts markets and the allocation of resources... [reducing] economic efficiency and growth."² In another example, Mauro highlights the magnitude of corruption's effects, noting that "...a one-standard-deviation improvement in corruption indices drawn from Business International (BI) causes investment to rise by 5 percent of GDP and the annual per capita GDP growth rate to rise by half a percentage point."³

As such, the continued emergence of corruption as a recurring theme, especially within developing countries, should surprise few. The world, of course, has not stood silently by. Drawing on the research of authors such as Mauro and Tanzi, several organizations have either been created or expanded in order to address corruption. Some international organizations, such as Transparency International and the Global Organization of Parliamentarians Against Corruption (GOPAC) exist solely to deal with corruption. Simultaneously, the proliferation of international anti-corruption campaigns has been heralded by new strategies, like the World Bank's Governance and Anti-Corruption Strategy, and the United Nations Convention Against Corruption (UNCAC). The latter is an example of an almost a truly global anti-corruption effort, having been signed by 140 of 178 parties.⁴

These new approaches, by some measures, have yet to prove effective in combating corruption. Consider that despite the adoption of the UNCAC, a considerable implementation gap has formed; since its introduction, both ratifying and non-ratifying countries have made little

² Vito Tanzi, "Corruption around the World: Causes, Consequences, Scope, and Cures," *IMF Working Papers* 98, no. 63 (1998): 538, doi:10.5089/9781451848397.001.

³ Paolo Mauro, "The Effects of Corruption on Growth, Investment and Expenditure," *IMF Working Papers*, 1996, 7.

⁴ United Nations Office on Drugs and Crime, "Signatories to the United Nations Convention against Corruption," October 21, 2007, <https://www.unodc.org/unodc/en/treaties/CAC/signatories.html>.

progress in the control of corruption.⁵ A simple, though perhaps contentious, comparison is helpful here, using Transparency International's Corruption Perceptions Index (CPI). Afghanistan, which ratified the UNCAC in 2008, has since made few strides in the CPI, remaining near the bottom of the list from 2008 to 2015; it shares this lack of progress with Chad, which has yet to ratify the UNCAC.⁶

While there are several ways to explain Afghanistan's low standing in the CPI rankings, its lack of improvement over time seems especially troubling. The simplicity of the comparison aside, ratification of the UNCAC has yet to show gains in governance. In attempting to understand the resilience of corruption in countries like Afghanistan, and the ostensible weakness of global anti-corruption efforts I structure my answer as follows.

Firstly, drawing on alternative literature, I establish a twofold case: (1) that the most widely cited literature in corruption research lacks depth of understanding, with regard to social relations; and (2) that corruption is embedded in country-specific rules of the game. I unpack my methodology in the subsequent section, discussing how I intend to use the case study and systematic review methods to assess the claim I posed above. This is followed by an analysis and discussion of the cases chosen for this paper. I conclude by offering research and policy recommendations for future study.

⁵ Alina Mungiu-Pippidi, "Becoming Denmark: Historical Designs of Corruption Control," *Social Research* 80, no. 4 (2013): 1253–86.

⁶ Transparency International, "Corruption Perceptions Index 2008," 2008, http://www.transparency.org/research/cpi/cpi_2008/0/; Transparency International, "Corruption Perceptions Index 2015," 2015, <http://www.transparency.org/cpi2015>.

A different approach: is corruption *really* socially and politically embedded?

Corruption literature: a socialization gap

The rise of corruption as a research topic has contributed greatly to our understanding of the phenomenon. Unfortunately, this progress has been hindered by three key obstacles. Firstly, the criminal nature of corruption encourages secrecy and subterfuge, making it difficult to gather data and generate scrupulous conclusions.

The second problem lies in the lack of universal agreement over the definition of corruption, making it difficult to establish a set of tools for dealing with corruption. The most widely used definition (“the abuse of public power for private gain,”⁷), while functional, has its problems. For one, this particular conception focuses solely on power gained through delegated authority, and excludes subtler notions of power gained through social capital. Moreover, this definition does not separate acts which are considered ‘abuse’, and those which are not. While bureaucrats may be bound to a strict ethical code, politicians are expected to work towards their own interests, which makes it difficult to distinguish “...corruption from mere patronage politics or favouritism for electoral reasons...”⁸ This conundrum may have led the drafters of the UNCAC to forgo the common definition, and opt for creating a typology of corrupt practices instead.⁹

The flaw most relevant to this paper, however, refers to the areas of focus in the research agenda for corruption. The research that follows in Tanzi and Mauro’s footsteps, tends to take an

⁷ Melanie Manion, “Beyond Enforcement: Anticorruption Reform as a Problem of Institutional Design,” in *Preventing Corruption in Asia: Institutional Design and Policy Capacity*, ed. Ting Gong and Stephen K. Ma (New York, NY: Routledge, 2009), 1.

⁸ A.W. Goudie and David Stasavage, “A Framework for the Analysis of Corruption,” *Crime, Law and Social Change* 29, no. 2/3 (1998): 115, doi:10.1023/a:1008369307796.

⁹ Karen Hussman and Martin Tisné, “Integrity in Statebuilding: Anti-Corruption with a Statebuilding Lens,” 2009, <http://integrityaction.org/sites/default/files/publication/files/45019804.pdf>.

approach that leans heavily on economics, leading to an abundance of articles looking specifically at economic, legalistic and bureaucratic causes and cures for corruption. This focus might be more appropriate for developed countries, where corruption “...usually designates *individual* cases of infringement of the norm of integrity.”¹⁰ In developing countries, however, where corruption is inherently tied to the socio-political sphere, such an approach might not be suitable; in fact, strategies formed without a socio-political focus might even be “...implemented in cooperation with the very predators who control the government...”¹¹

The social, political and economic embeddedness of corruption

As discussed above, the most widely cited literature in the past few decades has been extremely helpful in pointing out why corruption is harmful, and generating potential remedies for the problem. The lack of attention paid to the socio-political dimension of corruption, however, has been troubling; this has created a blind spot for policy responses that attempt to address deeply-seated cultures of corruption. This following section builds on existing literature, and establishes a theoretical foundation for a conception of corruption that is embedded within social, political and economic structures.

Embeddedness

Embeddedness refers to a conception of agency that considers actors’ “...attempts at purposive action... embedded in concrete, ongoing systems of social relations.”¹² In this regard, the very nature of corruption is embedded in social relations simply because “for corrupt

¹⁰ Alina Mungiu-Pippidi, “Corruption: Diagnosis and Treatment,” *Journal of Democracy* 17, no. 3 (2006): 86, doi:10.1353/jod.2006.0050.

¹¹ *Ibid.*, 87.

¹² Mark Granovetter, “Economic Action and Social Structure: The Problem of Embeddedness,” *American Journal of Sociology* 91, no. 3 (November 1985): 487, doi:10.1086/228311.

transactions to occur there must be communication between two or more individuals.”¹³ In other words, corruption does not take place in a vacuum; the relationships between transacting agents can promote to or detract from the prevalence of corruption and the success of anti-corruption strategies. Accordingly, the structures of these relations vary according to the lens through which they are viewed. The following sections describe two such configurations: a (1) socio-culturally and (2) politically embedded notion of corruption.

The argument for embeddedness is in opposition to an *undersocialized* conception of human interaction favoured by economists, where “...atomization results from narrow utilitarian pursuit of self-interest.”¹⁴ Economists, using simplified models, tend to favour rational thought over the complexities of socialized behaviour. What they fail to account for, however, is that economic behaviour is also embedded in social interaction. In choosing with whom to interact for a transaction, for example, people rarely rely on a generalized sense of morality, or the guarantee of institutional arrangements to guard against trouble.¹⁵ The best kind of information comes from past dealings with that person, for four reasons:

“(1) it is cheap; (2) one trusts one’s own information best – it is richer, more detailed and known to be accurate; (3) individuals with whom one has a continuing relation have an economic motivation to be trustworthy, so as not to discourage **future** transactions; and (4) departing from pure economic motives, continuing economic relations often become

¹³ John Warburton, “Corruption as Social Process: From Dyads to Networks,” in *Corruption and Anti-Corruption*, ed. Peter Larmour and Nick Wolanin (Canberra, Australia: Asia Pacific Press, 2001), 222.

¹⁴ “Economic Action and Social Structure: The Problem of Embeddedness,” 485.

¹⁵ *Ibid.*, 490.

overlaid with social content that carries strong expectations of trust and abstention from opportunism.”¹⁶

Simplified economic models leave out various real-life details, for good reason; they are more concerned with highlighting certain patterns than creating a one-to-one depiction of reality. In these kinds of models, transactions rarely take place more than once. In everyday transactions, however, past dealings, and the thought of future ones, make the relationship between two actors central to their economic behaviour.

Social and cultural dimensions

One structure embeds corruption in the social ties and cultural norms shared among people. The prevalence of corruption, in other words, is as much a product of a deficient legal or bureaucratic system as it is of rules and morals created by culture and society.

The Philippines, to take one example, is a country whose citizenry has internalised a culturally embedded norm of corruption. This tradition dates back to the Spanish colonial period, when the “management of colonial government was effectively located 10,000 miles away”; this distance saw “public offices disposed in a number of ways, including through award, or through sale, or through a bid”, emulating the king’s habit of giving away “lands, properties, including public office to anyone who showed loyalty to him.”¹⁷ In more recent history, several administrations, from Marcos to Estrada to Macapagal-Arroyo, were marked by corruption scandal after corruption scandal, indicating not only a lack of political will, but tacit engagement in graft. Furthermore, Filipino values themselves, including “the culture of *pakikisama* (*esprit de*

¹⁶ Ibid.

¹⁷ Edna Estifania A Co, “Challenges to the Philippine Culture of Corruption,” in *Corruption and Development: The Anti-Corruption Campaigns*, ed. Sarah Bracking (New York: Palgrave Macmillan, 2007), 131.

corps),”¹⁸ or the notion of *pakikipagkapwa-tao* (a sense of regard for others), can be said to legitimize bribery or nepotism by placing these acts in the context of *utang ng loob* (a debt of gratitude) to family, friends or patrons.

In other countries in the Asia-Pacific region, the perception of, tolerance for, and action against corrupt acts can vary because of socio-cultural ties. In Vanuatu, for example, it is the giver of a bribe, not the receiver, who is perceived as corrupt; blame is attached “...to the person who offers the temptation rather than the person who accepts it.”¹⁹ In Tonga, many corrupt acts go unreported because of a reluctance “...to brand others as criminals in a small-scale society because of the shame to the family involved, damage to the social fabric, and the breaking of relationships.”²⁰ As a final example for this region, the closeness of Fijian society, as well as the strength of its cultural ties means that “...there is tendency to recruit and promote one’s own colleague or relative when making selections and appointments... everyone knowing each other makes the act of ignoring... easier than ‘blowing the whistle.’”²¹

Returning to an earlier example, Afghan society has built itself around expectations of service provision that *all* actors follow. Bribery, for example, is generally condemned, except when it is done out of material necessity on the part of public servants, or, under Sharia law, “...if the citizen has no other alternative to obtain the service.”²² This exception reflects the idea that

¹⁸ Ibid.

¹⁹ Tess Newton Cain and Anita Jowitt, “Transparency International Country Study Report - Vanuatu,” 2004, 10, <http://www.transparency.org.nz/docs/2004/NIS%20Vanuatu%202004.pdf>.

²⁰ Kerry James and Taniela Tufui, “Transparency International Country Study Report - Tonga,” 2004, 10, <http://www.transparency.org.nz/docs/2004/NIS%20Tonga%202004.pdf>.

²¹ H. P. Singh and Mosese Dakunivosa, “Transparency International Country Study Report - Fiji,” 2001, 9, <http://www.transparency.org.nz/docs/2001//NIS%20Fiji%202001.pdf?PHPSESSID=db0cd5fa13e2bff86604aa061b125812>.

²² Manija Gardizi, Karen Hussmann, and Yama Torabi, “Corrupting the State or State-Crafted Corruption? Exploring the Nexus between Corruption and Subnational Governance,” 2010, 15, <http://www.areu.org.af/Uploads/EditionPdfs/1021E-Corrupting%20the%20State%20or%20State-Crafted%20Corruption%20DP%202010%20-%20Web.pdf>.

necessity is a key principle; bribery is seen as legitimate in some cases because it is needed “...not to get things done faster, but just to get them done.”²³ Furthermore, language has emerged as an important facilitator for corruption in Afghanistan. Euphemisms such as *dast-i-ma rag arm kon* (warming the hand), *paisa-i-chai* (money for tea) and *hale ma kharob hast* (our situation is bad) indicate relationships of trust between bribe-takers and bribe-givers, acting with implicit knowledge of the illegality of their actions.²⁴

This argument does not espouse a deterministic view of culture and corruption; no culture is corrupt in and of itself. What is clear, however, is that certain aspects of cultural and social life can facilitate corruption by creating expectations of behaviour between two parties. This expected behaviour can manifest itself in the propensity to commit corruption, or in the willingness to hide it. The end result is an environment that creates impunity for corrupt acts, making it difficult to deal with solely through legalistic, bureaucratic or economic means.

Political dimensions

Moving beyond the cultural, there is also an argument for a politically embedded notion of corruption. This argument makes use of a different conception of corruption; rather than *the abuse of public power for private gain*, corruption can be thought of as a governance regime: “...a salient and stable set of institutions (rules of the game) determining who gets what in a given society.”²⁵

Governance regimes, and thus corruption, vary with the type of political regime within a country. In most democratic countries, the governance regime tends to center on *universalism*,

²³ Ibid.

²⁴ Ibid., 8.

²⁵ Alina Mungiu-Pippidi, “Becoming Denmark: Historical Designs of Corruption Control,” *Social Research* 80, no. 4 (2013): 1260.

where equal treatment of individuals, regardless of group affiliation, is the norm.²⁶ The traditional sense of corruption, revolving around an individual's abuse of power, makes most sense in this particular political configuration. In the opposite direction are those regimes that rely on *particularism* as a mode of governance; here, "...a culture of privilege reigns... making unequal treatment the accepted norm in society."²⁷ In this case, corruption manifests itself in juxtaposition against the universalist ideal; the unequal provision of goods and services between groups is expected. As such, the struggle to enter into the good graces of privileged groups is marked by the trading of favours through bribery and nepotism.

²⁶ Mungiu-Pippidi, "Corruption: Diagnosis and Treatment," 88.

²⁷ Ibid.

Of course, these two regime types do not represent entire categories by themselves, but rather two poles at either end of a spectrum. On one end, representing patrimonial regimes, are

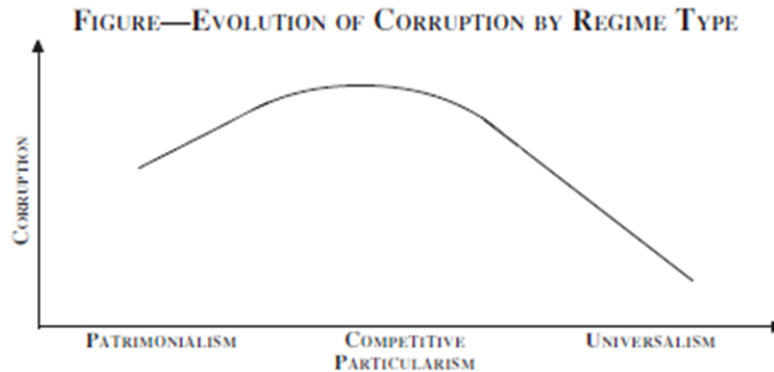


Figure 1: Evolution of Corruption by Regime Type. Mungiu-Pippidi, "Corruption: Diagnosis and Treatment," 89.

particularist societies. On the other end, representing liberal democracies, are the universalist societies. The spectrum can be envisioned as such:

Corruption in universalist societies is expectedly low; in this governance regime, corruption is seen as a collective action problem, and strategies to control it focus on prevention through the establishment of institutions that reduce the likelihood of corruption.²⁸ In particularist societies, where elites who hold a monopoly of power are generally held unaccountable, corruption is limited by "...restraint so as not to push their subject to rebellion."²⁹

Societies in the middle, on the other hand, are more vulnerable to corruption than those at either end of the spectrum. This draws interesting parallels between democratization, the likelihood of conflict and the incidence of corruption in these "halfway" states. While we might expect corruption to fall following a move towards universalism, this often is not the case. As countries move from patrimonialism to democracy, the resulting changes in the distribution of

²⁸ Mungiu-Pippidi, "Becoming Denmark: Historical Designs of Corruption Control," 1266.

²⁹ Mungiu-Pippidi, "Corruption: Diagnosis and Treatment," 89.

power creates a political vacuum. This entices multiple groups to vie for the influence that previously only an elite few held. In such situations, however, institutions for accountability are being or have yet to be built, and competition for power is not regulated. The consequence is a growing gap between an expectation of lawful behaviour, and a reality where unlawful actions by leaders escape accountability; this impunity legitimizes unlawful behaviour by citizens, and “...the distance between formal institutions (rule of law) and informal ones (real practices) grows.”³⁰

Summing up

At the core of the embeddedness argument is a simple idea: experiences of corruption are unique. These experiences vary across societies and across political regimes, precisely because each have their own sets of rules and norms. When corruption has been embedded within a society, the rules of the game change to make such acts tolerable, or even acceptable. In a similar vein, when corruption has been embedded within a political regime, the rules and expectations for the distributions of public goods and services change.

Shortcomings: translation into high-level principles

An undersocialized approach to curing corruption has its pitfalls. Even as economic, legalistic and bureaucratic approaches have been important remedies for corruption, policies based only on those elements merely minimize the socio-political dimensions of corruption, ignoring the fact that a deeply-seated culture of corruption cannot be easily overcome. This shortcoming renders the resulting policy direction for international organizations relatively incomplete, short-sighted, and sometimes self-defeating.

³⁰ Ibid., 90.

Of the examples available, the Asian Development Bank/Organization for Economic Cooperation and Development (ADB/OECD) Anti-Corruption Initiative shows how an organization can miss the mark. The Initiative's 2001 Anti-Corruption Plan for Asia and the Pacific tackles corruption through three pillars of action. The first pillar involves "developing effective and transparent systems for public service" through establishing merit-based hiring systems, ethical codes of conduct and auditing procedures.³¹ The second pillar involves "strengthening anti-bribery actions and promoting integrity in business operations" by establishing and fostering legal sanctions, investigative powers and corporate responsibility.³² Unfortunately, while the first two pillars may seem like sound, short-run strategies, their third falls short of providing long-term progress. The final pillar in the Initiative's strategy involves "supporting active public involvement" through increasing public discussion of corruption, access to information and public participation.³³ These targets, however, are subject to certain limitations that diminish their usefulness; the access to information goal is followed by a lengthy clause that prevents the receipt or disclosure of such information if it compromises "...the operational effectiveness of the administration or, in any other way, [is] detrimental to the interest of governmental agencies..."³⁴

The World Bank Group (WBG), on the other hand, seems to get it right. In their fight against poverty through anti-corruption, the WBG recognizes, in its 2007 Strategy Plan, that engagement must vary from country to country; while some consistency between policy

³¹ ADB/OECD Anti-Corruption Initiative, "Anti-Corruption Action Plan for Asia and the Pacific," 2001, 3, <http://www.oecd.org/site/adboecdanti-corruptioninitiative/meetingsandconferences/35021642.pdf>.

³² *Ibid.*, 4.

³³ *Ibid.*, 5.

³⁴ *Ibid.*

responses is needed, they must be “...systematically anchored in national strategies.”³⁵ It also pays heed to the difficulty in addressing “...deep-seated political or systemic corruption...,” calling for a combination of “...traditional public sector management interventions... [and] transparency and related reforms as well as wider engagement with multinationals, the domestic private sector, the financial sector and civil society.”³⁶ This principle is reiterated in an updated strategy, where the WBG notes “it is insufficient to stress economic governance alone...”³⁷ The lessons learned from the first Strategy Plan brought the WBG to the conclusion that “...there are no simple, unequivocal shortcuts...” to strengthening country institutions, especially “...those relating to the ways in which the executive is held accountable to citizens...”³⁸ As such, their focus moving forward is on “...building the capacity of institutions that bring together the citizen and the state.”³⁹

In terms of strategy, the WBG hits all the right notes. The following section is dedicated to assessing whether or not the programs that have come out of this strategy truly address the socio-political embeddedness of corruption

³⁵ World Bank Group, “Strengthening World Bank Engagement on Governance and Anticorruption,” March 21, 2007, 9, <http://siteresources.worldbank.org/PUBLICSECTORANDGOVERNANCE/Resources/GACStrategyPaper.pdf>.

³⁶ *Ibid.*, iv.

³⁷ World Bank Group, “Strengthening Governance: Tackling Corruption,” March 6, 2012, 9, <http://siteresources.worldbank.org/PUBLICSECTORANDGOVERNANCE/Resources/285741-1326816182754/GACStrategyImplementationPlan.pdf>.

³⁸ *Ibid.*, 16.

³⁹ *Ibid.*, 22.

Methodology

In order to assess the main argument presented above – that anticorruption programs carried out by international organizations do not adequately address the political and social embeddedness of corruption – this paper will use a qualitative approach, examining recent development programs and critically analyzing their goals and strategies to determine the extent to which they take political and social embeddedness into account. The following section will elaborate on: (1) the method to be used, (2) the sample to be used in evaluating the main claim, and (3) the definitional framework to be applied.

Method

At the core of this paper are two simple assertions: (1) that corruption, beyond the generic definition, is a phenomenon that manifests itself in particular ways and in particular contexts, and (2) in attempting to provide remedy, some international organizations overlook the socio-political embeddedness of corruption. The convergence of these two assertions means that any method of analysis must be able to address policy responses in detail. As such, this paper employs techniques from two related qualitative methods: the case study and the systematic review.

The two approaches mentioned here complement the topic at hand. A case study approach, employing the “...intensive study of a single unit for the purpose of understanding a larger class of (similar) units,”⁴⁰ is well-suited towards the investigation of a specific issue like corruption. Furthermore, because this particular study focuses on policy responses, using a

⁴⁰ John Gerring, “What Is a Case Study and What Is It Good For?,” *American Political Science Review* 98, no. 2 (May 2004): 342, doi:10.1017/s0003055404001182.

theory-based systematic review method that establishes clear criteria for the inclusion and exclusion of cases will help to introduce rigour in deciding which programs to focus on.⁴¹

Sample

Considering the above, five main criteria are introduced to select a reasonable sample of cases: (1) time period, (2) region, (3) status of projects, and (4) organization. On the basis of a *splitting* approach, wherein cases which “...are very similar in terms of design, population, intervention characteristics and outcome...” are studied, this paper will focus on **completed World Bank** projects under the **accountability/anti-corruption sub-theme**, initiated between **2007-2016** in the **East Asia and Pacific Region**.⁴²

In comparison to international organizations that deal with corruption as a key theme in creating development projects, the World Bank keeps archives of everything from project proposals to outcome reports. This makes that organization the optimal choice for making observations on both process and conceptual adequacy. The date boundary, 2007-2016, coincides with the first update of the World Bank’s high-level strategy on corruption. The regional focus both allows for variation in sectoral targets, and establishes a geographical boundary where culture is concentrated.

Framework

The final procedural element is the framework with which the cases will be analyzed. Summarizing several definitions introduced earlier, *embeddedness* refers to the structures, rules and norms that bind actors to certain courses of action. Manifested more precisely, *social*

⁴¹ Hugh Waddington et al., “How to Do a Good Systematic Review of Effects in International Development: A Tool Kit,” *Journal of Development Effectiveness* 4, no. 3 (September 2012): 359–87, doi:10.1080/19439342.2012.711765.

⁴² *Ibid.*, 361.

embeddedness refers to the notion that the “rules of the game” between certain actors determine which actions are acceptable, and which are not; these actors’ “...attempts at purposive action are... embedded in concrete, ongoing systems of social relations.”⁴³ In a similar vein, *political embeddedness* refers to the way political structures affect political actors’ choices. As Mungiu-Pippidi argues, embeddedness manifests itself here as a *governance regime* – a “...salient and stable set of institutions (rules of the game) determining who gets what in a given society.”⁴⁴

Translating these concepts into concrete terms that allow for policy analysis requires some creative thinking. Programs that target the social embeddedness of corruption will include actions that attempt to erode the norms that render corruption acceptable; adequate options include the introduction of sturdier definitions of what constitutes corrupt acts, information campaigns on corruption, or increasing the role of civil society in managing corruption. Programs that target the political embeddedness of corruption will attempt to erode the institutions that encourage particularism, or reducing the impunity of political elites. Actions that fall under this category include increased ethics training for government employees, increasing budget transparency, increasing whistleblower protections, or reducing the concentration of power for key government positions.

Using these theories, I will assess each program at the conceptual level, examining (1) whether the program addressed the socio-political embeddedness of corruption, and (2) whether the program was conceptually adequate or inadequate as an anti-corruption remedy.

⁴³ Mark Granovetter, “Economic Action and Social Structure: The Problem of Embeddedness,” *American Journal of Sociology* 91, no. 3 (November 1985): 487, doi:10.1086/228311.

⁴⁴ Alina Mungiu-Pippidi, “Becoming Denmark: Historical Designs of Corruption Control,” *Social Research* 80, no. 4 (2013): 1260.

Limitations and objectives

There are two main limitations to this study. Firstly, the choice of the case study/systematic review methods ultimately means that this paper cannot produce generalizations for anticorruption strategies as a whole. Rather, I intend to reveal, as much as possible, what has worked and what has failed, for one organization's anticorruption efforts. Despite the limits of the chosen method, there are still lessons to be learned from the cases available.

Secondly, with limited access to firsthand data, this paper cannot draw conclusions about the *impact* of the anticorruption programs in focus. The goal instead is to comment on the inclusion or exclusion of actions that target the socio-political embeddedness of corruption, and whether those programs are worse or better off for it.

Project Name and Country	Objectives	Notable Actions: Social Embeddedness	Notable Actions: Political Embeddedness	Results
Philippines – (NPSTAR) National Program for Tax Administration Reform	<ul style="list-style-type: none"> To increase taxpayer compliance by increasing the efficiency and effectiveness of the BIR, and to prepare the BIR for a sustainable and long-term reform. 	<ul style="list-style-type: none"> Carry out external and internal information campaigns about the reforms 	<ul style="list-style-type: none"> Introduce a performance management system Improve strategic planning, quality assurance, and internal control 	<p>Inadequate:</p> <ul style="list-style-type: none"> The program fell short of most of its end targets, for both political and social embeddedness measures
Vietnam – (PRSC) Poverty Reduction Support Credit, Series 6; Poverty Reduction Support Credit, Series 7	<ul style="list-style-type: none"> To foster improvements in business development, social inclusion, the environment and public governance 		<ul style="list-style-type: none"> Endorse the use of independent audits and internal auditing Extend the One-Stop Shop initiative Strengthen hiring and promotion standards for the public service Create an anti-corruption body with the power to suspend high-level officials Implement asset declaration requirements Develop a framework to monitor progress on anti-corruption 	<p>Mostly inadequate:</p> <ul style="list-style-type: none"> Some success in strengthening external audit function, public administration reform Experience with corruption improved for households, worsened for firms World Bank outlook: “corruption remains a major challenge
Cambodia – (DFGG) Demand for Good Governance Project	<ul style="list-style-type: none"> To enhance the demand for good governance in Cambodia through state/non-state partnership 	<ul style="list-style-type: none"> Finance non-state partnerships with state-institutions Non-state monitoring and evaluation of state activities 	<ul style="list-style-type: none"> Provide support to the Arbitration Council Provide support to the One Window Service Office 	<p>Adequate:</p> <ul style="list-style-type: none"> Positive results in promoting, mediating, responding to and monitoring to inform DFGG
Vietnam – (EMCC) Economic Management and Competitiveness Credit, Series 1; Economic Management and Competitiveness Credit, Series 2	<ul style="list-style-type: none"> To strengthen financial sector governance, to strengthen public administration, and to reduce administrative burden 		<ul style="list-style-type: none"> Introduce an amended Anti-Corruption Law Introduce three Decrees to facilitate implementation of amended Anti-Corruption Law 	<p>Inadequate:</p> <ul style="list-style-type: none"> Mixed results from Anticorruption Diagnostic Citizens of the opinion that corruption worsened World Bank cites government’s “lack of candor” in anti-corruption reporting

Table 1: Summary of World Bank project details

Assessing anti-corruption efforts in the East Asia and Pacific region

After following the inclusion criteria listed above, the search generated 14 potential cases, spread out across 7 countries in the region. After reading the project documentation for each case, 8 cases were removed: 4 were removed due to issues of relevancy; and 4 were removed due to lack of complete documentation. The final sample includes six World Bank governance projects from Vietnam, Cambodia, and the Philippines. As intended by including the regional focus, these countries share many similar traits. Chief among them are a history of colonization, GDP size and growth, population size, and endemic corruption.

This section brings the original thesis into action. Throughout the following, I will use the project documentation to present each project's anti-corruption **objectives, actions and results**, in the following order:

1. Philippines - National Program Support for Tax Administration Reform
2. Vietnam – Poverty Reduction Support Credit, series 6 and 7
3. Cambodia – Demand for Good Governance Project
4. Vietnam – Economic Management Competitiveness Credit, series 1 and 2

Each project description will be supplemented with an analysis of its components, assessing (1) whether the program addressed the socio-political embeddedness of corruption, and (2) whether the program was adequate or inadequate as an anti-corruption remedy. I conclude this section with a synthesis of the information gleaned from the sample.

Philippines – National Program Support for Tax Administration Reform (2007)

In 2004-2005, the Philippine economy experienced an influx of foreign investments, boosting GDP growth during that period. After a seven-year period of reducing tax effort, the

Philippine government shifted its policy towards “...increasing revenue, through improvements in tax policy and tax administration.”⁴⁵ A diagnostic mission initiated by the World Bank and the International Monetary Fund (IMF) determined that such improvements to the Philippines’ tax administration, the Bureau of Internal Revenue (BIR), would require addressing “...basic managerial, systemic and human resource issues.”⁴⁶ The National Program Support for Tax Administration Reform (NPSTAR) represents the first step towards achieving those improvements.

Objectives

The main objective of this project was “to increase taxpayer compliance by increasing the efficiency and effectiveness of the BIR, and to prepare the BIR for a sustainable and long-term reform.”⁴⁷ In seeking to achieve this, NPSTAR laid out four sub-objectives: (1) increasing tax compliance; (2) tax enforcement and control; (3) human resource development and management; and (4) BIR management, change management and program management.

While the project was not wholly centered on anti-corruption, the key anti-corruption efforts were placed in the fourth objective; reform of management within the BIR endeavoured to strengthen “...the function of internal control...to better detect deviations from approved procedures and strengthen anti-corruption measures, including an assessment of major Integrity

⁴⁵ World Bank, “Philippines - National Program Support for Tax Administration Reform: Project Information Document” (Washington, DC, 2006), 1, <http://documents.worldbank.org/curated/en/2006/10/7231592/philippines-national-program-support-tax-administration-reform>.

⁴⁶ Ibid.

⁴⁷ Kaiser Kai-Alexander, “Philippines - National Program Support for Tax Administration Reform. : P101964 - Implementation Status Results Report : Sequence 10.” (Washington, DC, 2013), 1, <http://documents.worldbank.org/curated/en/2013/06/17924009/philippines-national-program-support-tax-administration-reform-p101964-implementation-status-results-report-sequence-10>.

Risks and the preparation of an Integrity Plan.”⁴⁸ As part of its anti-corruption plan, the program also sought to address high discretionary powers within the BIR, citing as its main problems “the maze of complex tax rulings and procedures, the lack of a national audit plan and inadequate performance management system...”⁴⁹

Actions

There were three main anti-corruption actions carried out by this project. The first was to introduce an “...organizational and individual performance management system,”⁵⁰ with the reasoning that the introduction of performance indicators would “...motivate employees by providing better direction, and help in fighting corruption through improved monitoring.”⁵¹

The second aimed to improve governance and management capacity “...through improved strategic planning and quality assurance, a Senior Management Information System (SMIS), and the strengthening of the Internal Audit Unit (IAU) to increase internal control...”

The third was carried out to encourage acceptance of the reforms and shift public perception of the BIR. Looking to “...minimize resistance to change, and to facilitate sustainability by increasing knowledge of the reform,”⁵² the project included “...external and internal information dissemination campaigns, workshops, and information dissemination materiel, with staff and user surveys to provide feedback.”⁵³

⁴⁸ World Bank, “Philippines - National Program Support for Tax Administration Reform Project: Project Appraisal Document” (Washington, DC, 2007), 2, <http://documents.worldbank.org/curated/en/2007/02/7414758/philippines-national-program-support-tax-administration-reform-project>.

⁴⁹ Ibid., 71.

⁵⁰ World Bank, “Philippines - National Program Support for Tax Administration Reform: Project Information Document,” 4.

⁵¹ Ibid., 4.

⁵² Ibid., 5.

⁵³ Ibid.

Results

In order to assess adherence to the main objectives of the program, several outcome indicators were introduced by the World Bank. The most relevant include:

- the increase in the use of output and outcome indicators in internal management reports and decisions;
- the increase in the use of performance management system for office and staff appraisal and development;
- the increase in external expectations of reform accomplishments, and;
- the increase in staff awareness and understanding of the need for reform as well as the reform.⁵⁴

There is a clear mismatch between the outcome indicators, and the actions indicated within the project documentation. Nonetheless, data collected at the end of the program, as recorded in the NPSTAR Implementation Status & Results document, shows mediocre results. The project met its target for the use of the performance management system, but fell short of its goal to use output and outcome indicators for reporting, with documentation indicating its limited use by management. The more long-term indicators saw some limited success. The percentage of respondents indicating that BIR services “...met their expectations in generating satisfying results...” was at 85.20%, just short of the end target of 87.00%. Likewise, staff awareness was at 81.00%, short of its end target of 90%. Though implementation progress was rated “moderately satisfactory” by the end of the program, NPSTAR’s progress towards its

⁵⁴ World Bank, “Philippines - National Program Support for Tax Administration Reform Project: Project Appraisal Document,” 6.

development objectives was rated as “moderately unsatisfactory”, and the risk of losing the progress gained was rated “substantial”⁵⁵.

Analysis

The lack of more in-depth results data is disappointing. Based on the information available, however, it may be safe to conclude that the anti-corruption portion of this project was inadequate, both in and of itself, and in dealing with the embeddedness of corruption. At the outset, the program was created to establish long-term change, and the inclusion of a focus on high discretionary powers, as well as awareness, seemed to indicate sensitivity towards issues of embeddedness. There was, however, a lack of balance between these embeddedness measures, and traditional top-down measures. An increase in monitoring and auditing powers without a similar push in decentralization of hierarchy could worsen the problem of discretion by giving elites within the BIR more power. That the performance indicators were only tangentially related to the anti-corruption actions in the program, and that they were not met, are also telling.

Conceptually, NPSTAR attempted, but fell short of addressing the embeddedness of corruption; this rendered the project unable to achieve its goal of long-term reform.

Vietnam – Poverty Reduction Support Credit, series 6 (2007) and series 7 (2008)

After launching its economic reform in the 1986, Vietnam’s growth has been nothing short of remarkable. This growth continued for the next few decades, with the Poverty Reduction Support Credit (PRSC) introduced at a time when Vietnam was striving toward middle-income status, in the late 2000s. At the time, the World Bank recognized that reaching middle-income

⁵⁵ Kai-Alexander, “Philippines - National Program Support for Tax Administration Reform. : P101964 - Implementation Status Results Report : Sequence 10.”

status was more than a quantitative goal. Thus, it sought to support Vietnam's Socio-Economic Development Plan (SEDP), which articulated a vision towards:

“...further financial deepening to support capital mobilization, the regulation of access to and pricing of infrastructure services, the gradual development of modern social insurance, more effective tools for environmental protection, legal and judiciary reforms, and the effective containment of corruption, among others.”⁵⁶

Objectives

Series 6 and 7 of the PRSC were “...aimed at supporting the implementation of the SEDP.”⁵⁷ The SEDP comprises four pillars: (1) business development, (2) social inclusion, (3) natural resources and environment, and (4) public governance.

Of key interest to this paper is the public governance component of the SEDP. Under this pillar, the PRSC supported four main areas of improvement:

- Planning reforms, which aimed to “...support the continued transition from a command to a market economy;”
- Public Financial Management, which dealt with “...reducing off-budget expenditures, strengthening internal controls, improving reporting and disclosure of budget execution, upgrading the oversight capacity of the State Audit of Vietnam (SAV) and... enhancing the efficiency of public expenditures;”

⁵⁶ World Bank, “Vietnam - Seventh Poverty Reduction Support Credit Project: Project Information Document” (Washington, DC, 2008), 2, <http://documents.worldbank.org/curated/en/2008/05/9457659/vietnam-seventh-poverty-reduction-support-credit-project>.

⁵⁷ Ibid., 3.

- Public Administration Reform, which sought to improve institutional coordination, introduce common information technology (IT) standards, and civil service pay reform, and;
- Fighting Corruption, relying on “...a series of technical measures aimed at strengthening systems, reducing opportunities for corruption, and increasing transparency.”⁵⁸

Ultimately, the PRSC’s goal in pursuing this pillar of the SEDP was to establish long-term reform through the building of sustainable governance institutions.

Actions

Broadly, policy actions supported by the PRSC included greater transparency in managing public resources and implementation of anti-corruption law.⁵⁹ This was translated into specific program actions following the public governance component of the SEDP.

Firstly, under Public Financial Management, the program endorsed the use of independent audits and internal auditing, among other tools. According to the program’s Project Performance Assessment Review, actions for this area included “disclosing results of audits conducted by the SAV”, “...formulating a regulation for internal audit development and implementation...” as

⁵⁸ World Bank, “Vietnam - Sixth-Tenth Poverty Reduction Supports Credit Project; Second Phase of the 135 Programs Supports Credit Project; and One-Two Public Investment Reform Project: Project Performance Assessment Report” (Washington, DC, 2015), 82–90, <http://documents.worldbank.org/curated/en/2015/08/24829471/vietnam-sixth-tenth-poverty-reduction-supports-credit-project-second-phase-135-programs-supports-credit-project-one-two-public-investment-reform-project>.

⁵⁹ World Bank, “Vietnam - Sixth Poverty Reduction Support Credit: Project Information Document” (Washington, DC, 2007), 2, <http://documents.worldbank.org/curated/en/2007/03/7478837/vietnam-sixth-poverty-reduction-support-credit>.

well as publishing an annual report “...on budget execution for the current year and a budget plan for the forthcoming year.”⁶⁰

Secondly, Public Administration Reform involved several actions that were related, but not wholly concerned with, anti-corruption. Among these were the extension of the One-Stop Shop initiative, which was meant to simplify administrative procedures by consolidating certain government services at single locations, and increasing the range of minimum wages within the public service. One action which dealt with corruption more directly concerned the effort to “...draft pilot schemes to strengthen competition, merit-orientation, and transparency in the recruitment, appointment, and promotion of civil servants...”⁶¹

Finally, actions under the Fighting Corruption agenda consisted of the (1) creation of a Steering Committee with the power to suspend high-level officials suspected of corruption, (2) the implementation of “...asset declaration requirements with regard to senior officials and their families...,” (3) “...annual procurement compliance and performance audits of projects funded by the state budget...,” and (4) the development of a “...framework monitoring progress on the implementation and results of efforts to prevent and combat corruption.”⁶²

Results

The PRSC’s final results were mixed. The Project Performance Assessment Report notes a few important achievements under the Public Financial Management banner, including the “...strengthening of external audit functions, and a Public Expenditure and Financial

⁶⁰ World Bank, “Vietnam - Sixth-Tenth Poverty Reduction Supports Credit Project; Second Phase of the 135 Programs Supports Credit Project; and One-Two Public Investment Reform Project: Project Performance Assessment Report,” 83–84.

⁶¹ *Ibid.*, 87.

⁶² *Ibid.*, 88.

Accountability (PEFA) exercise conducted in 2012/13.” These achievements were accompanied by slower progress in the areas of internal auditing and reporting of expenditures.⁶³

The evaluation of progress for the Public Administration Reform area was aided by the introduction of the Public Administration Performance Index (PAPI). The index “...assesses the quality of public administration across six dimensions: (i) extent of participation at local levels; (ii) transparency; (iii) vertical accountability; (iv) control of corruption; (v) public administrative procedures; (vi) public service delivery.” The 2013 PAPI report showed that there were “...some improvements between 2011 and 2013 in provinces in all areas except participation and public administration procedures.”⁶⁴

Finally, the Fighting Corruption actions were received lukewarmly. This area was benchmarked using the following indicators:

“(a) disclosing results of anti-corruption investigations; (b) establishing a legal framework to protect and reward whistleblowing; (c) introducing mandatory rotation for key position and payment of salaries through bank accounts; (d) issuing an anti-corruption strategy; and (e) strengthening the procedures for declaring assets.”⁶⁵

Results were mixed. A 2012 survey reported “...34% of households and 39% of firms listed corruption among the top three issues facing them.” The same survey also indicated that while household experience with corruption improved compared to 2005, firm experience with corruption deteriorated; according to the survey, “63% of firms in 2012 reported deliberate delays by public officials, an increase from 57% in 2005. Intentionally citing wrong regulations was observed by 15% of firms in 2012 versus 11% in 2005.” Worryingly, the Anti-Corruption

⁶³ Ibid., 86.

⁶⁴ Ibid., 88.

⁶⁵ Ibid., 89.

Steering Committee was abolished in November 2012, and in 2013 was replaced with a committee that operated under the Communist Party, with no evidence of improvement under the new arrangements.⁶⁶

Overall, the World Bank found at the end of the program that “corruption remains a major challenge for Vietnam and improvements in this area during the 2007-2014 period were relatively modest.” As of 2012, more than 80% of respondents to a World Bank survey “...considered that corruption remains prevalent in Vietnam.”⁶⁷

Analysis

At first glance, the high-level concept for the program, drawn from the SEDP, looks promising. The holistic approach of the SEDP, and consequently the Public Governance pillar, certainly had potential for long-term, sustained reform. The PRSC supported a plethora of actions that should have had an impact on corruption: increased auditing, public service reform, a powerful anti-corruption agency, and procurement audits, to name a few.

Some of the actions listed above are good examples of anti-corruption strategies that deal with the political embeddedness of corruption. The actions targeted sectors vulnerable to elite manipulation, such as hiring processes, procurement, as well as the secrecy of personal assets and the inclusion of an anti-corruption agency that had the power to target high-level officials.

Despite these relatively strong measures, however, a strategy to address the social embeddedness of corruption was not introduced. The absence of this component might have been indicated in the discrepancy between the experience of firms and households; had the program included awareness programs or civil society in its reforms, we might have seen a smaller

⁶⁶ Ibid., 89–90.

⁶⁷ Ibid., 90.

difference in the way these two groups were treated. As such, this anti-corruption program was conceptually inadequate; it did not spread throughout Vietnamese society, and as a result, failed to create long-lasting and positive reform.

Cambodia – Demand for Good Governance Project (2008)

After leaving behind a long period of civil conflict, Cambodia experienced a period of relative peace, stability and “...high economic growth averaging 7.1 percent in the decade from 1994-2004.”⁶⁸ The country experienced progress across the board, except for one sector: the country’s governance environment. While the Cambodian government had made efforts to introduce governance reforms, it became clear to the World Bank that “...the Government alone [could not] address the multiple dimensions of governance challenges... unless there is a parallel effort involving a broad range of stakeholders.”⁶⁹

The Demand for Good Governance (DFGG) project rose out of that line of thinking. Traditional governance reforms resemble the ones we have covered above: they focus on increasing the government’s capacity to supply governance. DFGG, however, was created to “complement ‘supply-side’ with ‘demand-side’ approaches for good governance in Cambodia.”⁷⁰ In this particular context, the demand-side of governance refers to “...the extent and ability of citizens, civil society organizations, and other non-state actors to hold the state accountable and to make it responsive to their needs.”⁷¹

⁶⁸ World Bank, “Cambodia - Demand for Good Governance Project: Project Information Document” (Washington, DC, 2008), 1, <http://documents.worldbank.org/curated/en/2008/02/9062117/cambodia-demand-good-governance-project>.

⁶⁹ Ibid., 2.

⁷⁰ Ibid.

⁷¹ Ibid.

Objectives

The main objective of DFGG was to “...enhance the demand for good governance in Cambodia in priority reform areas by strengthening institutions, supporting partnerships, and sharing lessons.”⁷² The design of this project intended to call on both state and non-state actors as implementing agencies, with the hope that the former would “implement services in new or enhanced ways that could earn trust and confidence of citizens...” while the latter would “...involve citizens in social accountability work around the public services of the same institutions.”⁷³

Ultimately, the DFGG hoped to develop the interaction between both sides, such that “...citizens [would express] priorities and highlighting issues to be resolved (demanding good governance) and government [would provide] efficient, transparent, effective services (supplying good governance)... [encouraging] a ‘virtuous cycle’ where demand and supply for good governance reinforced each other and built up momentum for sustainable reform.”⁷⁴

Actions

The components of this program were divided among state and non-state actors. According to the Implementation Completion Report Review, DFGG would provide the following **state** actors with:

- Support to the Arbitration Council (AC), aiming to “...sustain, strengthen and enable scale-up of the AC’s capacity to effectively mediate and resolve labor disputes.”

⁷² World Bank, “Cambodia - Demand for Good Governance Project: Implementation Completion and Results Report” (Washington, DC, 2015), 1, <http://documents.worldbank.org/curated/en/2015/03/24367981/cambodia-demand-good-governance-project>.

⁷³ World Bank, “Cambodia - Demand for Good Governance Project: Implementation Completion Report Review” (Washington, DC, 2015), 4, <http://documents.worldbank.org/curated/en/2015/09/24992536/cambodia-demand-good-governance-project>.

⁷⁴ Ibid.

- Support to the One Window Service Office (OWSO), which functions similarly to Vietnam’s One-Stop Shops, and District Ombudsman (DO). Proposed actions included the establishment of an OWSO “...in one urban district in each province of the country.”

On support to non-state institutions, the key inputs included:

- increased funding for existing operations and successful pilots;
- financing of non-state actor partnerships with state institutions mentioned in component 1;
- funding for pilot or small-scale activities designed to take DFGG approaches into new areas;
- institutional strengthening and capacity building to new or potential grantees, and;
- robust and participatory monitoring and evaluation (M&E) activities, in particular those designed to draw lessons from the social accountability experience in Cambodia that would be valuable for the capacity building activities.⁷⁵

Finally, DFGG also included a Coordination and Learning component. In order to support this, DFGG, among other actions, conducted an “...awareness raising and capacity building program...” which included seminars, workshops and study tours related to DFGG.⁷⁶

Results

Actions in the program were assessed by measuring their performance under the following domains: (1) promoting DFGG in priority reform areas, (2) mediating DFGG in priority reform areas, (3) responding to DFGG in priority reform areas, and (4) monitoring to inform DFGG in priority reform areas. The priority reform areas for this program were for

⁷⁵ Ibid., 2.

⁷⁶ Ibid.

private sector development, natural resource management, and decentralization and citizen partnerships.

An Implementation Completion Report Review carried out by the Independent Evaluation Group gave DFGG positive results for all four domains.

Efforts to promote DFGG were rated Substantial. This was due to successes in both **private sector development**, and **decentralization and citizen partnerships**. The Arbitration Council increased awareness of its existence and the labor arbitration process among unions and employers; survey results for awareness “...rose from 41% in mid-2012 to 74% in 2014.” Citizen awareness of a separate state institution, the One Window Service Offices, rose from a baseline of 24% in 2011 to 77% at the end of the project. For non-state actors, “...awareness and understanding among citizens [of their] facilitation of social accountability were both at 79% at the end of the project, compared with [a] 70% target.”⁷⁷

The mediation of DFGG in the priority reform areas was rated High, indicating successes in the efforts to improve perception of state and non-state institutions. For example, 85% of stakeholders reported a high level of confidence in the “...independence, credibility and effectiveness of the AC...,” compared to an original target of 60% and a revised target of 76%. This success extended over to non-state actors as well, generating positive results from citizens on the issue of non-state actors’ “...facilitation of social accountability.”⁷⁸

Responding to DFGG in priority reform areas received a High rating, representing success on the part of state actors in providing good governance. With regard to **decentralization and citizen partnerships**, the IEG cites OWSO performance as key, reporting high stakeholder satisfaction,

⁷⁷ Ibid., 5.

⁷⁸ Ibid., 6.

improvement in the cost of processing transactions, and improvement in the time for processing transactions.⁷⁹

Finally, monitoring to inform DFGG in priority reform areas received a Substantial rating. This points to success on the use of information during the program. One important element in achieving this rating was "...the involvement of community scorecards and citizen reporting within the Non-State Actors component, in monitoring the quality, timeliness and other elements of public services provided." The widespread monitoring efforts on the part of non-state actors were returned in kind by 99-100% of the monitored state institutions, who "...used the independent non-state actor monitoring data to take strategic management and/or corrective actions." Examples include improvements in access to emergency services and staff communication in health centers, and staff punctuality and teacher communication in schools.⁸⁰

Analysis

The Demand for Good Governance Project is a prime example of an anti-corruption program that takes the socio-political embeddedness of corruption into account. The bolstering of the OWSO, for example, answers the call to curb the political embeddedness of corruption by ensuring universal access to government services. At the same time, by giving civil society a role in governance reform, citizens are given a chance to contribute to the solution, as opposed to remaining part of the problem. Essentially, the inclusion of non-state actors through the learning and monitoring actions of DFGG worked to influence citizen attitudes towards governance and corruption.

⁷⁹ Ibid.

⁸⁰ Ibid., 7.

Thanks to its holistic design, DFGG seems to be conceptually adequate as anti-corruption program; its attention to the political and social embeddedness of corruption gives it the potential to sustain long-term reform. Judging by the results, it has gone a long way into eroding the wall of impunity that protects the corrupt.

Vietnam – Economic Management Competitiveness Credit, series 1 (2013) and series 2 (2014)

The World Bank's presence returns to Vietnam in 2014, following the country's withdrawal of expansionary economic policies in 2011 to maintain stability. During that time, as the world economy began to settle, Vietnam intended to return to the high-growth trajectory it experienced in the years prior. In order to do so, however, the Bank determined that “structural reforms [were] essential to boost competitiveness,” with other countries.⁸¹

Objectives

Thus, the Economic Management Competitiveness Credit (EMCC) sought to build on the progress made by the PRSC in supporting the Socio-Economic Development Plan. In doing so, EMCC employed three main objectives: (1) strengthening financial sector governance and fiscal management for macroeconomic stability, (2) strengthening public administration, SOE management, and public investment management for more transparency, efficiency and

⁸¹ World Bank, “Vietnam - Second Economic Management Competitiveness Credit Program: Program Document” (Washington, DC, 2014), 3–4, <http://documents.worldbank.org/curated/en/2014/04/19609059/vietnam-second-economic-management-competitiveness-credit-program>.

accountability in the public sector, and (3) reducing administrative burden, and strengthened tax and procurement policies in order to create an enabling business environment.⁸²

Actions

The second objective, on strengthening public administration, relates to the focus of this paper. Under this objective, the Government introduced an amended Anti-Corruption Law as part of the first series of the EMCC, introducing new guidelines that increased the strictness of transparency standards in “...areas and sectors most vulnerable to corruption.”⁸³ During EMCC 2, the Government introduced three decrees that aimed to facilitate the implementation of the amended Anti-Corruption Law. Decree 59 provided “...guidance on the implementation of transparency provisions in the amended law,” including further clarification on what constitute corrupt acts.⁸⁴ Decree 78 sets out standards for the filing of assets and income declaration of public officials. Finally, Decree 90 elaborates on the “...accountability of public agencies and officials to provide better access to information for citizens.”⁸⁵

Results

While results are still not available for the implementation of the Amended Anti-Corruption law and its associated decrees, the Government’s general anti-corruption results for this time period are relatively mixed. A joint World Bank-Government Inspectorate Anticorruption Diagnostic found that “...fewer citizens in 2012 faced corrupt practices by public officials compared to 2005. It also found that the proportion of firms facing practices that can

⁸² World Bank, “Vietnam - Second Economic Management Competitiveness Credit Project: Program Information Document” (Washington, DC, 2014), <http://documents.worldbank.org/curated/en/2014/01/19077001/vietnam-second-economic-management-competitiveness-credit-project>.

⁸³ World Bank, “Vietnam - Second Economic Management Competitiveness Credit Program: Program Document,” 55.

⁸⁴ *Ibid.*, 28.

⁸⁵ *Ibid.*, 29.

incite corruption... was higher in 2012 than in 2005.”⁸⁶ Furthermore, TI’s 2013 Corruption Barometer revealed that “...most citizens... are of the view that corruption has worsened during the last two years and the effectiveness of the Government’s anticorruption efforts have declined.” The World Bank report attributes this shift in perception to delays in reporting under the Monitoring and Evaluation framework introduced during the PRSC, as well as the Government’s “...lack of candor in its annual report on anti-corruption; limited progress on dealing with overdue corruption cases; and limited reporting on progress with implementation of the amended Anti-Corruption Law.”⁸⁷

Analysis

The EMCC builds on some of the actions introduced during the PRSC. The actions discussed above, including the introduction of asset declaration and access to information laws, work well to erode power that elites might hold, reducing their ability to be corrupt with impunity. As with the PRSC, however, actions under the EMCC were marked by a lack of communication with the public. The resulting decline in trust is anathema to efforts in eroding the embeddedness of corruption.

Synthesis: lessons learned

This sample validates my original hypothesis: **most of these programs did not adequately take embeddedness into account.** Of six World Bank projects, five were incomplete, while one managed to hit the right notes. What lessons can we glean from the above? I offer three observations. Firstly, the World Bank’s Anti-Corruption Strategy, which endorses the engagement of the target country’s government in creating national strategies, as

⁸⁶ Ibid., 27.

⁸⁷ Ibid., 28.

well as the need to address systemic corruption, is largely represented within these cases. Program design was not left wholly up to the discretion of the Bank; each case made reference to a domestic strategy complemented by Bank input. At the same time, each of these programs made some attempt to establish long-term reform. While there were some problems putting certain principles into practice, the Bank seems to pay heed to its embeddedness-centered strategy.

Secondly, there seems to be no reason to decide between traditional anti-corruption measures, and anti-corruption measures that target the embeddedness of corruption; both can be employed. Audits, for example, can be a powerful tool in deterring corruption. Without the proper controls on power, such as whistleblowing protections, they can also be a powerful tool in evading detection. These approaches do not diminish each other, they are mutually reinforcing.

Finally, the main lesson here is that it is not enough to introduce reform that targets either social embeddedness or political embeddedness. Corruption, after all, is the result of interaction between two parties with the intent to engage in malfeasance. As such, truly effective reform must target not only the person who succumbs to temptation, but the person offering temptation as well.

Each program, to varying degrees, attempted to deal with the embeddedness of corruption. In dealing with embeddedness, however, the inadequate projects were mostly concerned with political corruption, failing to include the social component in their considerations. This inattention led to both dissatisfaction with the progress of the reforms, and a decline in efficacy. What set the DFGG project apart, on the other hand, was its attention to balance. The DFGG project involved state and non-state actors simultaneously, *using* social interaction to allow the

former to adapt its responses to the *actual* needs of citizens, and instilling ownership of governance in the latter.

Recommendations

In light of the previous section, I offer the following recommendations for future research and policy as regards the social and political embeddedness of corruption.

Future research

1. Expand the scope of the study to include projects from other international organizations

While this paper might be considered a preliminary foray into studying this topic, it was limited due to the small sample size. Future research could make use of large- N analysis to determine trends across international organizations, regions, and program types. Furthermore, such analysis could make use of impact assessments to move beyond judging conceptual adequacy, and into judging effectiveness.

2. Create a typology of anti-corruption strategies that deal with the socio-political embeddedness of corruption

While I attempted to introduce a theory for the socio-political embeddedness of corruption, the categorization of different anti-corruption strategies was beyond the scope of this paper. It would be worthwhile to develop a theory of embeddedness of corruption that includes a typology of anti-corruption strategies.

Future policy

1. Establish a unified database of anti-corruption and governance programs

In determining how to select a sample, one key consideration was the availability of program information, as well as the ease of use in searching through results. Several organizations, including TI and the UNDP, organized their collection of projects in such a way that I was unable to apply the search methods above, or create a scheme that would allow me to compare

programs across organizations. Establishing a unified database of anti-corruption and governance programs would go a long way towards addressing these issues.

2. Introduce embeddedness reforms alongside traditional reforms

As mentioned earlier, traditional public service reforms can be effective in their own right, but can also be used by the corrupt to maintain impunity if implemented incorrectly. Introducing embeddedness-centered reforms alongside traditional reforms can serve as a powerful check against this problem.

3. Aim for holistic approaches in the execution of anti-corruption strategies, and include civil society

Political embeddedness must be eroded alongside social embeddedness. All five of the inadequate projects failed to properly involve civil society in the execution of their anti-corruption strategies. While the threat of punishment can deter individuals for a while, changing attitudes surrounding corruption is an ultimately better long-term strategy.

Conclusion

I asked a simple question at the beginning of this paper: **do policy responses to corruption take social and political embeddedness into account, and are those policy responses adequate or inadequate as anti-corruption remedies as a result?** I hypothesized that most anti-corruption programs would either ignore or inadequately take embeddedness into account.

After situating the idea of the social and political embeddedness of corruption within the literature, I applied those ideas to a sample of six World Bank anti-corruption projects. Looking through each project's objectives, actions and results, I found that only one project was able to effectively deal with the embeddedness of corruption. Five of the six projects did not adequately take embeddedness into account, and suffered as anti-corruption remedies for it. With my hypothesis validated, I offered three main observations.

Firstly, despite some failures in execution, the World Bank mostly adhered to its high-level principles on anti-corruption; there was coherence between strategy and tactics that I did not expect. Secondly, traditional anti-corruption reforms do not diminish embeddedness reforms; each can work to the benefit of the other. Finally, and most importantly, attempts at eroding the social and political embeddedness of corruption must be balanced; without one or the other, the house of cards falls apart.

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