Course title	Good Governance and Fight Against Corruption
Course Code	
Category (core/elective)	Optional
Level	MA in Governance
Duration (semesters)	1
Semester when taught (autumn/spring)	Spring
ECTS	7.5
Prerequisites	
Responsible	Dr. Ioannis Karkalis Supreme Court Justice Director Director of the EPLO Academy for Transparency and Human Rights Dr. Daphne Athanasouli Senior Lecturer in Economics University of Derby European Commission expert on anti-corruption and good governance in the Western Balkans Visiting Lecturer: Dr. Chiara Amini, University College London

Course objectives

Corruption constitutes a serious impediment on economic growth at country level and from a cross-border perspective. The World Bank reports that corruption is one of the major impediments on economic growth, and that more than 1 trillion USD is spent on bribes every year, without calculating inefficiency costs or other types of corruption. The discretionary power of public officials can lead to a tactical selection of projects based on the ability to extract rents. Corruption may deter entrepreneurial activity and private investment, but also obstruct the collection of taxes, result in the misallocation of resources, and obstruct the implementation of necessary regulations and reforms.

Corruption can be deeply embedded in a society and take different forms, depending on whether it occurs at the levels of politicians or the level of bureaucrats in their everyday transactions with firms and citizens. The occurrence of corruption is associated with different country level characteristics and formal institutional features as well as informal characteristics, such as social norms and culture around corrupt practices that may be more difficult to shift. Despite the inherent difficulties in measuring and addressing corruption significant efforts have been made. The last two decades have experienced a rise in anti-corruption dialogue, and several indicators have been developed to offer a cross-country comparison of corruption levels, whereas measurements often differentiate between different types of corruption.

Further, many governments have put transparency in the forefront of their policy agenda at the country level. E-government has been examined as a factor that help eliminate corruption at the macro-level, by setting out more transparent modes of collaboration between the public and private

sector and less-discretionary procedures for senior public servants through the development of e-government services the extent of corruption can be reduced.

Finally, in the fight to corruption it is necessary to examine the approaches to repress as well as prevent corruption at the international level. International conventions against bribery, and criminalization of different corrupt practices have played an important role in the anti-corruption agenda. However apart from enforcement recently additional emphasis is placed on prevention. UNCAC states that parties shall endeavor to establish and promote effective practices aimed at the prevention of corruption, and to foresee in its legal system the prevention of corruption, whereas OECD also provides rrecommendations on Public Integrity to prevent the occurrence of corruption.

The course on Good Governance and Fight Against Corruption provides a critical understanding of corruption and its different forms through the understanding of corruption, its different forms and formal and informal parameters. What is corruption and how can it be measured when actors may try to conceal it? What country level characteristics influence the occurrence of corruption and which factors can aggravate the negative consequences of corruption? Students are introduced to the causes and consequences of corruption and are presented with an institutional framework to critically examine the embeddedness of corruption in society and the dynamic relationships between the different forms of corruption. How can transparency be achieved? Is it enough the implement legal reforms and focus on criminalization? How can enforcement be achieved if bribes are accepted as a social norm and prevalent practice in society? Who can monitor the enforcer?

Through the analysis of an institutional framework on corruption, students will gain an understanding of how anti-corruption reform can occur and the different levels in which reforms can occur. Throughout the course students are exposed to the current literature and empirical findings on corruption. Students learn how to evaluate reforms and predict their success at the country level, such as e-government development and at the international level through the role of international organizations in the prevention of corruption.

Course Description

The course will begin with a discussion on definitions and measurements of corruption, and the formal and informal parameters of corruption. The motivation behind studying the informal institution of corruption is its systemic character and embeddedness in society, which affects formal institutions as well as individual behavior and resource allocation decisions. Corruption is considered prevalent as an informal institution when it is embedded in the culture and the belief system of people, and it then materialize in the other institutional levels. At the level of formal institutions, when corruption is present at the level of formal institutions it will take the form of grand, political corruption, at the level of governance it will be present as petty, bureaucratic corruption, and at the resource allocation level as the individual decisions of firms and households to bribe.

The course will examine corruption at all these levels. The course will start by examining grand, political corruption and its manifestation in society. Then at the level of governance and the resource allocation level, the course will examine petty bureaucratic corruption and the incentives for individual decision to bribe. The course will then discuss corruption as an informal institution and its embeddedness in society.

Finally, the course will then continue with a discussion of anti-corruption reforms and their effects in promoting transparency will be examined using the institutional framework presented in the course. The course will examine international conventions against corruption that can deter corrupt practices and promote the international fight against corruption. Specific importance will be placed on e-government as a tool to reduce corruption levels, improve accountability and reduce discretionary power.

Course Outline

1. Definitions of corruption. Causes and consequences
2. Issues with measuring corruption

3. Institutional framework of corruption
4. Grand, political corruption

5. Petty, Bureaucratic corruption
6. Resource allocation decision of firms and citizens

7. Corruption as an informal institution
8. Embeddedness of corruption in society

9. International Cooperation to fight corruption
10. Conventions against corruption

11. Anti-corruption reforms at the country level
12. Success or failure of anti-corruption reforms at the country level

Educational Outcomes

By the end of the course students will be able to understand

- What is corruption and its different forms; grand
- The formal and informal parameters of corruption.
- How can corruption be measured? Corruption indicators and challenges of measurement
- What country level characteristics influence the occurrence of corruption and which factors can aggravate the negative consequences of corruption?
- The causes and consequences of corruption
- The embeddedness of corruption in society and the dynamic relationships between the different forms of corruption.
- How can transparency be achieved? Is it enough the implement legal reforms and focus on criminalization?
- How can enforcement be achieved if bribes are accepted as a social norm and prevalent practice in society? Who can monitor the enforcer?
- How anti-corruption reform can occur and the different levels in which reforms can occur.
- How to evaluate reforms and predict their success at the country level, such as e-government development and at the international level through the role of international organizations in the prevention of corruption.
- Current literature and empirical findings on corruption.

Basic Textbook(s)	Rose-Ackerman, S. (2017). Corruption and Government: Causes, Consequences and Reforms. New York: Cambridge University Press.
Basic Bibliography	Acemoglu, D., & Robinson, J. A. (2008). Persistence of power, elites, and institutions. *American Economic Review*, *98* (1), 267–293 Andersen, T. (2009). E-Government as an anti-corruption strategy. *Information Economics and Policy, 21*(3), pp. 201–210.

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Athanasouli, D., & Goujard, A. (2015). Corruption and Management Practices; Firm-level Evidence. *Journal of Comparative Economics*.

Brunetti, A., & Weder, B. (2003). A Free Press is Bad News for Corruption. *Journal of Public Economics, 87*(7-8), pp. 1801–1824.

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Hellman, J., & Kaufmann, D. (2001). *Confronting the Challenges of State Capture in Transition Economies.* International Monetary Fund, Finance and Development, Washington D.C.

Hellman, J.S., Jones, G. & Kaufmann, D., 2003. Seize the state, seize the day: state capture and influence in transition economies. *Journal of Comparative Economics*, *31*(4), pp.751-773.

Kaufmann, D. (2005). *Myths and Realities of Governance and Corruption.* Global Competitiveness Report.

Kaufmann, D., & Wei, S. (1999). *Does "Grease Payment" Speed Up the Wheels of Commerce?* National Bureau of Economic Research.

Kaufmann, D., Kraay, A. and Mastruzzi, M., 2006. Measuring corruption: myths and realities. *Development outreach*, *8*(2), pp.124-37.

Knack, S. (2006). *Measuring Corruption in Eastern Europe and Central Asia: A Critique of the Cross-Country Indicators.* The World Bank, Washington D.C.

Mauro, P. (1995). Corruption and growth. *The Quarterly Journal of Economics, 110*(3), pp. 681–712.

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

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Treisman, D. (2007). What Have We Learned About the Causes of Corruption from Ten Years of Cross-National Empirical Research? *Annual Review of Political Science, 10*, pp. 211–244.

West, D. M. (2004). E-government and the transformation of service delivery and citizen attitudes. *Public administration review, 64*(1), pp. 15–27.

West, D. M. (2005). *Digital government: Technology and public sector performance.* Princeton University Press.

Williamson, O., 2000. New institutional economics. J*ournal of Economic Literature* 38, 595-613.

Additional Bibliography	Additional bibliography will be given for each lecture	
Teaching Methodology	Lectures Tutorials	12 x 2 = 24h 12 x 1 = 12 h Total = 36 h

Evaluation		
	Final Exam	%
	Course Participation	%
	Paper(s)	%
		100%
Language	English	
Traineeship	No	
Location	Plaka	
General note	While the 'Course Objectives' and 'Educational Outcomes' above remain immutable, the 'Course Content' and 'Course Outline' may be altered in order to accommodate students' needs and individual professors' approaches. Bibliography and reading materials may vary accordingly.	