

**Societies of the World 50: Political Corruption
Harvard University, Fall 2013**

**Tuesdays and Thursdays 1:00-2:00pm
Weekly sections to be arranged**

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INTRODUCTION

Charges of corruption are everywhere. But which countries are the most corrupt? Do highly corrupt countries share any common characteristics? How much corruption is there? Its social costs are multiple, including the diversion and outright theft of funds for public programs and damage caused by firms and individuals that pay bribes to avoid health and safety regulations intended to benefit the public. Yet, few recent attempts to fight corruption are successful.

The course takes a comparative and historical approach to these questions. Part I introduces how social scientists think, examining how the meaning of political corruption has evolved over time, contrasting anthropological, psychological, social, economic, and political-legal efforts to understand, explain, and measure political corruption. Part II is more explicitly historical, looking closely at the evolution of corruption over centuries in a small number of countries. By contrast Part III examines how power and repression, social and political instability, foreign aid, a natural resource-based economy, and organized crime affect corruption in many countries in today's globalized world. Finally, we ask what and how much can be done, evaluating leading contemporary recommendations for "fixing" the problem.

This is a course in Societies of the World. Its subject is an issue that transcends national boundaries. It exists more or less everywhere, in many types of society. We draw connections across historical periods whenever we can. Readings are relentlessly interdisciplinary. To the greatest extent possible, no background knowledge is expected or required.

WEBSITE

The course website is a vital resource that will keep you informed of course updates and other important information. Please ensure you check the website regularly. Stable URL:
<http://isites.harvard.edu/k96136>

REQUIREMENTS

Grades in SW 50 are determined by these components:

- Closed, written 90-minute final (25% of total)
- Section participation (25%)
- Papers (50%)

Course requirements are intended to help students develop a specific set of skills (the ability to write social scientific papers, working in groups, and verbal presentations) and also facilitate the development of a mix of analytical tools, including the elaboration of social scientific concepts, the ability to engage theory with evidence, and the ability to link theory to policy prescriptions.

In more detail, the three components are:

1) **Written in-class final exam:** at the end of the course based on lectures, sections, and readings

2) **Class participation:** grade based on participation in section discussion, lecture and group presentation at end of semester. Attendance at all sections is expected. During the semester, only one section may be missed without a supporting written note from resident dean or doctor.

3) **Papers:** This last portion of the course is worth 50% of the grade and has two parts: a group component requires that students hand in written work as part of a student team (that you will form early in the semester) *and* two individual written assignments.

Please see the “Assignment” Tab on the course website for further details about assignments

Any student needing academic adjustments or accommodations because of a documented disability is requested to present his or her letter from the Accessible Education Office (AEO) and speak with the professor by the end of the second week of the term. All discussions will remain confidential, although AEO may be consulted to discuss appropriate implementation.

Late assignments: Unless accompanied with a note from your doctor or resident dean, all written assignments will lose a grade (e.g. A to A-, B+ to B) for each day they are late.

COLLABORATION

Discussion and the exchange of ideas are essential to producing quality academic work and we do not wish to extinguish this important component of university life. For assignments in this course, you may find it useful to discuss the topic with your peers, your TF or the Writing Fellow. However, you should ensure that any written work you submit for evaluation is the result of your own research and writing and that it reflects your own approach to the topic. You must also adhere to standard citation practices in this discipline and properly cite any books, articles, websites, lectures, etc. that have helped you with your work. Please see *Harvard's Guide for Using Sources* for more information about what constitutes plagiarism. If you receive any help with your writing (feedback on drafts, etc.), you must clearly acknowledge this assistance.

For the group assignments, the members of each group can of course discuss the content of their project with each other within the group but not with others outside the group. For individual assignments the normal rules that "all work should be your own" apply.

SECTIONS

Students will be informed of the time and location of sections during the second week of the semester (there will be no section during "shopping" week). Students are expected to attend the section to which they are assigned. Changing will only be possible in extraordinary circumstances. Please contact the Head TF if there are problems with your section.

LECTURES AND READINGS

All readings (except where indicated) are available on the course website (Harvard log-in required and only for the students enrolled in the class).

(T 9/3) Lecture 1: Introduction: Why does Corruption Matter? What is it? What Causes it? (50 pages)

Ralph Braibanti, 1962. "Reflections on Bureaucratic Corruption" *Public Administration* 40:357-72
 Michael Johnston, *Syndromes of Corruption*, Ch. 3: 36-48
 Jakob Svensson, 2005. "Eight Questions about Corruption", *Journal of Economic Perspectives* 19(3): 19-42.

Part I. Corruption across time, space, and the social sciences

(Th 9/5) Lecture 2: Corruption through Other Eyes (68 pages)

Aleko Konstantinov, *Bai Ganyo: Incredible Tales of a Modern Bulgarian* (1895), ed. V. Friedman, Ch. 11 "Bai Ganyo Does Elections"
 Nikolai Gogol, *Dead Souls* (1842), Chapters 1-2
 Tahar Ben Jelloun, *Corruption*, pp. 1-28.

(T 9/10) Lecture 3: Changing Meanings of Corruption Over Time (49 pages)

Carl Friedrich, *Corruption Concepts in Historical Perspective*, Heidenheimer/Johnston, pp. 15-22
 Gordon Wood (1969) *The Creation of the American Republic, 1776-1787*, chapter 1
 Andrew Jackson, "First State of the Union Address" 1829, pp. 1-2

(Th 9/12) Lecture 4: Defining Corruption: Public, Private, and Abuse (61 pages)

Susan Rose-Ackerman, *Corruption and Government*, Chapter 6 (pp. 91-110)
 Peters and Welch, "Gradients of Corruption in Perceptions of American Public Life", pp. 155-172 in Heidenheimer and Johnston
 Bardhan, Pranab "The Economist's Approach to the Problem of Corruption", *World Development* 2006 34:2 pp. 341-348.
 Cris Shore and Dieter Haller, "Introduction-Sharp Practice: Anthropology and the Study of Corruption", in *Corruption: Anthropological Perspectives*, Pluto Press, 2005, pp. 1-19

(T 9/17) Lecture 5: Theories (i.e. causes) of Corruption 1: psychology and culture
(70 pages)

Fisman and Miguel (2008) "Nature or Nurture? Understanding the Culture of Corruption" from *Economic Gangsters* (Princeton University Press), pp. 76-105

Edward Banfield, (1958) *The Moral Basis of a Backward Society*, pp. 83-104

Darley, John M. 2004. "The Cognitive and Social Psychology of Contagious Organizational Corruption." *Brooklyn Law Review* 70(4): 1177-1194.

(Th 9/19) Lecture 6: Theories (i.e. causes) of Corruption 2: social and economic (48 pages)

Persson, Anna et al. 2010. "The Failure of Anti-corruption Policies". QoG Working paper, 12-19.

Rothstein, Bo and Eric Uslaner. 2005. "All for All: Equality, Corruption and Social Trust". *World Politics*, pp. 41-46.

McMullan, M. 1961. "A Theory of Corruption." *The Sociological Review* 9:184-97.

Shleifer, Andrei, and Robert W. Vishny. 1993. "Corruption." *Quarterly Journal of Economics* 108(3): 599-617.

Huntington, Samuel (2007), "Modernization and Corruption", *Political Corruption. Concepts & Context*, ed. by Arnold Heidenheimer and Michael Johnston, New Brunswick, pp. 253-256.

(T 9/24) Lecture 7: Theories (i.e. causes) of Corruption 3: legal, institutional and political
(80 pages)

Rose-Ackerman, Susan. 1999. *Corruption and Government: Causes, Consequences, and Reform*. Cambridge: Cambridge University Press. Chapter 9 only: 143-177

Rose-Ackerman, Susan. 2001. "Political corruption and democratic structures" in *The Political Economy of Corruption*, Arvind K. Jain, ed. New York: Routledge, pp. 35- 62

Shefter, Martin, (1977) "Party and Patronage: Germany, England, and Italy" *Politics and Society* pp. 403-424

(Th 9/26) Lecture 8: Social Science & Corruption: How to Study it? How to Measure it?
(39 pages)

Transparency International (2010): *Corruption Perceptions Index 2010*.

Kaufmann, Kraay, Mastruzzi: "Measuring governance using cross-country perceptions data", in: Susan Rose-Ackerman (2006): *International Handbook on the Economics of Corruption*. Pp. 72-78.

Olken and Barron (2009) "The Simple Economics of Extortion: Evidence from Trucking in Aceh," *Journal of Political Economy* pp. 417-28

Treisman, Daniel. 2007. "What Have We Learned About the Causes of Corruption from Ten Years of Cross-National Empirical Research?" *Annual Review of Political Science*, Vol.10, 211-21, 241-2.

Part II. Corruption in Comparative and Historical Perspective

(T 10/1) Lecture 9: Corruption in old states: Long History and Evolution (63 pages)

Charles Tilly, "War Making and state Making as Organized Crime," p. 169-191.

Alexis Tocqueville, *Old Regime and the French Revolution*, selections [Book II, chapters 9 and 10]

Koenraad Swart "The Sale of Public Offices" from Heidenheimer, Johnston, LeVine (eds) *Political Corruption*, pp. 87-100.

(Th 10/3) Lecture 10: Legislative Corruption: sinecures to stock portfolios (48 pages)

A.S. Foord. 1947. The Waning of "The Influence of the crown". *English Historical Review*, 62(245): 484-507.

Rubinstein, W. 1983. 'The End of "Old Corruption" in Britain 1780-1860', *Past and Present*, No. 101, 73-80.

Pablo Querubin and James Snyder, The Control of Politicians in Normal Times and Times of Crisis: Wealth Accumulation by U.S. Congressmen, 1850-1880, pp. 1-8.

A.C. Eggers and J. Hainmueller. 2009. MPs for sale? Returns to office in postwar British politics. *American Political Science Review*, 103(04): 513-17, 527-31.

(T 10/8) Lecture 11: Corruption in U.S. States and Cities: Machines and the Legacy of Reform (65 pages)

Steffens, Lincoln. 1904. *The Shame of the Cities* [Chapter 1 only: 3-26].

Riordon, William. 1968. *Plunkitt of Tammany Hall: A Series of Very Plain Talks on Very Practical Politics*. [Chapter 1 only: Honest Graft and Dishonest Graft]

Shefter, Martin. 1978. *Political Parties and the State*. [Excerpt from Chapter 6 on Postwar New York only: 215-231]. Princeton NJ: Princeton University Press.

Matthew Gentzkow, Edward L. Glaeser, and Claudia Goldin, "The Rise of the Fourth Estate. How Newspapers Became Informative and Why It Mattered" in Glaeser and Goldin, eds., *Corruption and Reform: Lessons from America's Economic History*, U. of Chicago Press, 2006 pp. 187-206

(Th 10/10) Lecture 12: Mass Democracy and Corruption: Electoral fraud (40 pages)

Ziblatt, Daniel. 2009. "Shaping Democratic Practice and the Causes of Electoral Fraud: Theory and Evidence from Pre-1914 Germany." *American Political Science Review*, pp. 1-3; 12-19.

Branch, Daniel, "At the Polling Station in Kibera" *London Review of Books*, Jan. 2008, pp. 26-27

Throup, David, "The Count" *Journal of Eastern African Affairs* (July 2008), pp. 290-304

Schaffer, Fred. 2002. "Might Cleaning Up Elections Keep People Away from the Polls? Historical and Comparative Perspectives" *International Political Science Review*, pp. 69-84

Movie "An African Election" (anafricanelection.com), 1hr. 26m, iTunes buy \$9.99, rent \$3.99

(T 10/15) Lecture 13: Campaign finance, comparative and contemporary (47 pages)

Michael Johnston, *Syndromes of Corruption* 60-77, 86-88

S. Ansolabehere, J.M. De Figueiredo, and J.M. Snyder. 2003. Why is there so little money in US politics? *Journal of Economic Perspectives*, 17(1): 105-12, 116-19, 125-27.

Thomas Stratmann, "Do Strict Electoral Campaign Finance Rules Limit Corruption?", CESifo DICE Report 1/2003

Thomas F. Burke, "The Concept of Corruption in Campaign Finance Law", *14 Constitutional Commentary* 1997, pp. 130-38.

WSJ Online piece at <http://online.wsj.com/article/SB123198033711683815.html> is an update of Burke piece with history of cases

(Th 10/17) Lecture 14: Bureaucratic corruption and Capture (33 pages)

Simon Johnson, "The Quiet Coup", *Atlantic Monthly* May 2009

Sanford C. Gordon and Catherine Hafer, "Conditional Forbearance as an Alternative to Capture: Evidence from Coal Mine Safety Regulation" in Daniel Carpenter and David Moss (eds.), *Preventing Regulatory Capture: Special Interest Influence and How to Limit it*. 1-14
 Nolan McCarty, Keith Poole, and Howard Rosenthal, *Political Bubbles* 104-16

Part III. The Limits of Democratic Institutions

(T 10/22) Lecture 15: Power and Repression: Corruption in Authoritarian regimes

(71 pages)

Mancur Olsen, "Dictatorship, Democracy, and Development" *American Political Science Review*, pp. 567-576.

Chang, E. and Golden, M. A. (2010), "Sources of Corruption in Authoritarian Regimes." *Social Science Quarterly*, 91: 1–20.

Mark Thompson, "The Marcos Regime in the Philippines" in *Sultanistic Regimes* (eds) Chehabi and Juan Linz, Johns Hopkins Press, 1998, pp. 206-229

Ling Li, "Performing Bribery in China: guanxi-practice, corruption with a human face," *Journal of Contemporary China* (2011), pp 1-20.

(Th 10/24) Lecture 16: Democratic Transitions and Corruption (68 pages)

Adam Przeworski, "Democracy" from *Democracy and the Market* (Cambridge: Cambridge University Press, 1991, pp. 10-15

John McMillan and Pablos Zoido, "How to Subvert Democracy: Montesinos in Peru" *Journal of Economic Perspectives* (2004), 69-92

Javier Auyero, "The Logic of Clientelism in Argentina: an Ethnographic Account" *Latin American Research Review* (2000): 55-81

Conor O'Dwyer "Runaway State-Building: How Political Parties Shape States in Postcommunist Europe" *World Politics* (2004) July, pp. 520-534.

(T 10/29) Lecture 17: Easy Money I: Foreign Aid and Corruption (30 pages)

J. Svensson. 2000. "Foreign Aid and Rent-Seeking", *Journal of International Economics* 51: 437–40, 455-57.

Alberto Alesina and Beatrice Weder, "Do Corrupt Governments Receive Less Foreign Aid?" *American Economic Review* 92(4): 1126-37 (excerpt).

Carol Lancaster, "Aid Effectiveness in Africa: The Unfinished Agenda", *Journal of African Economies*, 8(4): 487-503.

Corruption in Afghanistan: <http://www.nytimes.com/2009/01/02/world/asia/02iht-corrupt.1.19050534.html>

(Th 10/31) Lecture 18: Easy Money II: Natural resources and kleptocracy (37 pages)

Der Spiegel article that summarizes general literature on resource curse:

<http://www.spiegel.de/international/spiegel/0,1518,426730,00.html>

Shaxson, Nicholas. 2007. "Oil, Corruption, and the Resource Curse," *International Affairs* 83: 1123-1140.

Sambit Bhattacharyya and Roland Hodler. 2010. "Natural resources, democracy, and corruption", *European Economic Review*, 54(3): 608-621. (excerpt)

Economist article on corruption in Nigeria:

http://www.economist.com/node/8057707?story_id=E1_RDVSSDS

Part IV. The Possibility of Fixing Corruption

(T 11/5) Lecture 19: Organized Crime, Corruption, and Violence (43 pages)

- Rose-Ackerman, Susan. 1999. *Corruption and Government*. Chapter 6: 91-99. (reprise)
- Luise Shelley, "The Unholy Trinity: Transnational Crime, Corruption and Terrorism", *Brown Journal of World Affairs*, vol XI. 2005, pp. 101-11.
- Diego Gambetta, *Sicilian Mafia*, 1996. Ch. 1: "The Market"
- Gounev P. and Bezlov T., "Examining the links between organised crime and corruption", Center of the Study of Democracy. Executive Summary.
- P. Le Billon, "Buying peace or fuelling war: the role of corruption in armed conflicts", *Journal of International Development*, 2003, pp. 421-24

(Th 11/7) Lecture 20: Whether and how international influences can help (55 pages)

- Sandholtz and Gray (2003): "International Integration and National Corruption" International Organization, pp. 761-800
- Moises Naim (2005): "Bad Medicine" Foreign Policy, pp. 95-96
- G-20, (2010), "G-20 Anti-Corruption Action Plan
- G-20 (2011), "First Monitoring Report of G-20 Anti-Corruption Action Plan.

(T 11/12) Lecture 21: Prosecutors, Courts and Domestic Enforcement in the U.S. (60 pages)

- Frank Anechiarico and James Jacobs, 1996. *The Pursuit of Absolute Integrity*, pp. 93-107.
- Beale, Sara Sun. 2000. "Comparing the Scope of the Federal Government's Authority to Prosecute Federal Corruption and State and Local Corruption: Some Surprising Conclusions and a Proposal." *Hastings Law Journal* 51: 701-15.
- Harvey Silverglate, *Three Felonies a Day*, pp. 3-31

(Th 11/14) Lecture 22: Free press, media, transparency (52 pages)

- Ivar Kolstad and Arne Wiig, 2009. "Is Transparency the Key to Reducing Corruption in Resource-Rich Countries?", *World Development* 37(3): 521-32.
- Catharina Lindstedt and Daniel Naurin, 2010. "Transparency is not Enough: Making Transparency Effective in Reducing Corruption". *International Pol. Sci. Review* 31: 301-22.
- Brunetti, Aymo, and Beatrice Weder. 2001. "A free press is bad news for corruption." *Journal of Public Economics* 87(7-8): 1801-14, 1820-21.
- Edmund Malesky, Paul Schuler, and Anh Tran. 2012. "The Adverse Effects of Sunshine: Evidence from a Field Experiment on Legislative Transparency in an Authoritarian Assembly". *American Political Science Review* 106(4): 762-68.

(T 11/19) Lecture 23: Institutional Reform: Civil Service (82 pages)

- Robert Klitgaard (1988): *Controlling Corruption*. pp. 73-96
- Anna Grzymala Busse (2006) "The Discreet Charm of Formal Institutions: Postcommunist Party Competition and State Oversight" *Comparative Political Studies*, pp. 271-300
- Daniel Carpenter (2000) "[State Building through Reputation Building: Coalitions of Esteem and Program Innovation in the National Postal System, 1883-1928.](#)" *Studies in American Political Development*, 14 (2), pp. 121-155.

(Th 11/21) Lecture 24: Institutional Reform: local (49 pages)

A.V. Banerjee, E. Duflo, and R. Glennerster, 2008. "Putting a Band-Aid on a Corpse: Incentives for Nurses in the Indian Public Health Care System". *Journal of the European Economic Association*, 6(2-3): 487–493.

B.A. Olken, 2007. "Monitoring Corruption: Evidence from a Field Experiment in Indonesia". *Journal of Political Economy*, 115: 200–13, 243-4.

Claudio Ferraz and Frederico Finan, 2011. "Electoral Accountability and Corruption in Local Governments: Evidence from Audit Reports". *American Economic Review* 101: 1274-6, 1279-84, 1307-8.

Claudio Ferraz and Frederico Finan, 2008. "Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes". *Quarterly Journal of Economics* 123(2): 703-11, 743-4.

B.A. Olken. 2010. "Direct democracy and local public goods: Evidence from a field experiment in Indonesia". *American Political Science Review*, 104(2): 243–47.

(T 11/26) Lecture 25: Are there any "clean cases"? (60 pages)

Good (1994) Corruption and Mismanagement in Botswana, pp. 499-522.

Rothstein, Bo and Eric Uslaner. 2005. "All for All: Equality, Corruption and Social Trust". *World Politics*, pp. 46-49, 63-72.

Uslaner (2008) *Corruption, Inequality, and the Rule of Law*, pp.23-31, pp.180-84, 202-13.

(T 12/3) Lecture 26: Wrapping up: Conclusions and Review