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Assessing Vulnerabilities to Corruption:
Indicators and Benchmarks of Government Performance

Michael Johnston

Charles A. Dana Professor of Political Science

Colgate University

Hamilton, NY 13346

Tel: 315-228-7756

Fax: 315-228-7883

mjohnston@mail.colgate.edu

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Abstract

What kinds of evidence can help reformers identify anti-corruption priorities, apply effective countermeasures, and track the effects of their efforts? Indicators of government performance, compared to benchmarks from comparable agencies, offer numerous advantages over perception-based indices. Performance indicators allow estimates of the effects of past corruption, identify current vulnerabilities, and track trends in terms that are easily understood and point to appropriate controls. Gathering, analyzing, and acting upon indicators and benchmarks can be good-governance activities in themselves. They create opportunities for productive interaction with citizens, and allow effective managers and political leaders to claim credit for success. The strategy can emphasize integrity and accountability rather than merely stigmatizing agencies, programs, and officials as corrupt.

Corruption, Governance, Reform: Problems of Measurement

Much effort has been devoted to the measurement of corruption and integrity (Arndt & Oman, 2006, Ch. 1, 2; Camerer, 2006; Kenny, 2006; Knack, 2006; Kurer, 2005; Kurtz & Schrank, 2007; Reinikka & Svensson, 2006; Transparency International, 2008; World Bank Institute, 2008). Corruption indices have become so numerous and diverse that the United Nations Development Program (UNDP) and the NGO Global Integrity recently published a report intended to help sort through the alternative methods (UNDP and Global Integrity, 2008). Transparency International's survey (2007) of corruption assessment efforts in twenty-eight African states lists forty-two measurement tools currently or recently employed there; similar diversity is found in Latin America (Transparency International, 2006). A variety of country-level assessments have been developed by firms specializing in risk assessment for investors, and others are produced by advocacy groups.

Most measures have been based entirely, or primarily, upon surveys of citizens, businesspeople, experts, and public officials tapping into perceptions of, or experiences with, corruption. Indeed, of the fifteen major efforts to measure corruption internationally listed by UNDP and Global Integrity, twelve are based wholly or in part on subjective data (UNDP and Global Integrity, 2008: Annex C), and the five major measurement efforts mounted at national levels all depend upon surveys and citizen assessments of public services (*Ibid.*, Annex D). The most visible measurement tools use survey data to rank whole countries in terms of higher or lower levels of corruption (Transparency International, 2008; World Bank Institute, 2008)—an ambiguous concept concealing important variations among cases (Johnston, 2005b). Another approach is to treat corruption as one component in broader assessments of the quality of governance (Organization for Economic Cooperation and

Development, 2007; Millennium Challenge Corporation, 2008; World Bank, 2009; World Economic Forum, 2009; World Bank, European Commission, and DFID, 2009).

The United Nations Office on Drugs and Crime (UNODC) conducts national-level Crime and Corruption Business Surveys (United Nations, 2009), while the International Crime Victims Survey, a project of the United Nations Inter-regional Crime and Justice Research Institute (UNICRI), asks citizens about their experiences with demands for bribe payments (Intervict, 2009). Annual reports from the U.S. Department of Justice tabulate corruption convictions in the federal courts by judicial district (United States Department of Justice, 2006). The Milken Institute's Opacity Index measures "the costs and preponderance of high-frequency, low-impact risks resulting from corruption, a lack of due process, poor regulatory enforcement, and non-standard reporting practices, each of which adds substantial costs to global business" (Kurtzman and Yago, 2008: 1). The Opacity Index remains a research enterprise rather than a hard-and-fast public ranking, with coverage limited to a few dozen countries; but it is worth careful consideration because it includes financial-market data amounting to evaluations of countries' governance by a very large if informal "expert panel" that receives continuing feedback as to how accurate their assessments have been. The World Bank's "Doing Business" surveys include very useful national-level measures of administrative costs and burdens, listing for example metrics such as the number of steps, time, and expense involved in starting a new business (World Bank, 2008)—a level of measurement to be discussed in more detail in a later section.

Both the data and the debates they have touched off are of indisputable value, not least for directing attention to regimes whose leaders had rather not have governance issues scrutinized. But as a practical matter, national rankings do not illuminate corruption problems in detail. Perception based measures in particular are problematical at best in assessing trends and have numerous methodological problems (Abramo, 2007; Arndt & Oman, 2006; Sampford, Shacklock, Connors, & Galtung, 2006; Thomas, 2007). Corruption is not a coherent national attribute in the sense that GDP or average annual rainfall are; rather, it is judged by a variety of standards, is often secretive, and takes place in diverse forms and settings. To attack that sort of specific, embedded problem, and to demonstrate the effects (or lack of them) of such efforts to officials, political backers, citizens and possible malefactors, reform advocates need sensitive, unobtrusive, and easily understood assessment tools. Corruption control requires far more detailed, sensitive, and understandable indicators than those we now have. Underlying data should, as far as possible, measure objective rather than subjective aspects of governance.

This article spells out an Indicators and Benchmarks (hereafter, “IB”) strategy offering, not a direct measure of corruption, but rather ways of assessing vulnerabilities to it. Carefully chosen indicators of government performance—how long it takes to get a license, for example, or prices paid for basic commodities such as fuel—are compared to benchmarks compiled from other agencies or jurisdictions. The differences between those indicators and benchmarks suggest the effects of past corruption and highlight current incentives and opportunities sustaining it. Unlike most corruption indices, such data, gathered repeatedly, can identify trends in vulnerabilities, point to specific countermeasures likely to be effective in a given setting, and indicate any effects reforms are having.

They can be made widely understandable, encourage citizen involvement in assessments, and be used to emphasize positive accomplishments instead of stigmatizing agencies or jurisdictions with the label “corrupt.” It is a strategy intended not just for developing societies whose poor scores on perception indices make the headlines, but also for wealthier and more democratic countries whose own governance problems need to be highlighted as well.

The IB strategy is not intended to generate a single “headline number” for whole countries or cities, another international index, or a new dependent variable for statistical analysis. It is meant instead to be used in more specific settings, tapping into specific kinds of corruption vulnerabilities. It is better suited to bureaucratic corruption than to political varieties. Indicators and benchmarks of the sorts to be discussed here have yet to be gathered in sustained, broad-based fashion anywhere; some promising initial applications will be considered below, however, and recent international anti-corruption and data-gathering initiatives by OECD, among other bodies, may well generate appropriate data in the future. Most of the indicators to be discussed are objective, in the sense that they do not rely upon perceptions; others are subjective but bring citizens into the evaluation process. Finally, the IB strategy enables successful leaders and managers to take credit for their efforts while allowing citizens to see actual results of reforms, contributing in mutually reinforcing ways to good government.

Making Measurements Useful

The most persistent question faced by any effort to control corruption is “what works?” To aid in such assessments, measurements must be:

- Detailed: whole-country index numbers—even if they are credible in themselves, which some are not—are too general, for both corruption and reform take place at the level of specific agencies, programs, and functions
- Objective: assessments must begin with verifiable evidence rather than drawing solely on opinions, and be expressed in actual units rather than points on arbitrary scales
- Non-invasive: the act of measurement must not change or bias that which is being measured, and should not undermine orderly agency functions or officials' personal rights
- "Policy-neutral": measurements should not encourage some substantive policies or discourage others (Manning, Kraan, & Malinska, 2006)
- Low cost: because repeated assessments are essential, measurement strategies must be inexpensive, both in monetary terms and in terms of keeping additional data-gathering and -reporting requirements to a minimum
- High in validity and reliability: any technique must measure what analysts claim it measures (validity), and return consistent values across multiple applications (reliability)
- Transparent and easily understood: not only analysts and officials, but citizens and civil society groups, must be able to interpret assessments easily and accurately. The best measurements will be interpretable in terms of positive values.
- Trackable over time: analysts and officials must be able to demonstrate progress, or lack of it, and successful leaders and managers should be able to claim credit for their accomplishments
- Actionable: assessments should not only show that a situation is bad or good, improving or deteriorating, but should also point directly to improvements likely to succeed

No measure will be perfect on all of these standards. Still, the IB strategy offers a way to make detailed, widely understandable assessments of corruption vulnerabilities, and of the effects of reform, in ways that are in themselves good-governance activities.

The sections to come, then, draw upon both the strengths and weaknesses of existing corruption measures, and upon the goals listed just above, to develop a strategy for better and more useful corruption assessments. A more detailed critique of the corruption-index approach begins that analysis; then come discussions of indicators and benchmarks both as measurement strategies and as forms of data, a series of specific possible applications of the IB approach, and a final analysis of the opportunities and—particularly important—the problems involved in linking indicators and benchmarks to practical efforts at reforming public organizations.

What is Wrong with Corruption Indices?

Corruption indices, particularly at the international level, have become increasingly sophisticated, but significant problems remain. Most are based, to varying degrees, upon perceptions, which can be erroneous, misleading, self-serving, vulnerable to “echo chamber” dynamics—and which, after all, are not the same as corruption. And what does “corruption” mean? Consensus on a nominal definition¹ will never be reached, and relationship between corruption and scandal—the public outcry that may or may not be linked to actual corruption—is complex (Moodie, 1980; Markovits & Silverstein, 1988). High-level analysis can focus on unambiguous cases and not worry about the boundaries of the concept—one reason, perhaps, why many of the surveys underlying prominent indices implicitly treat “corruption” and “bribery” as synonyms. But for assessing actual cases that

approach is too limited and arbitrary. Further, corruption is often hidden, with all who know of a corrupt act sharing an interest in concealing it. Unlike many forms of conventional crime, there may be no immediate victim with a reason to file a report; where corruption is most serious many officials charged with control are themselves compromised, and reporting cases can be an exercise in risk and futility. For those reasons and more, measures based on perceptions are inherently problematical.

Then there is the problem of operationalization: what should be counted or measured in practice, and what weights should be assigned to various phenomena? It is hard to say what “a high level of corruption” actually means—numerous cases, large monetary stakes, corruption at high levels, public outcry, or simply corruption that is overt (Rose-Ackerman, 1999)? Audits and accounting, public reporting of budgets and political funding, or reports by citizens and whistleblowers might provide useful evidence, but can also be used to mislead investigators or conceal cases. Investigations, trials and convictions can be weapons in political struggles; visible trends may thus say more about contention among factions than about actual corruption. Indeed, perceptions of a country or city may be made *worse* by serious reforms, as allegations and convictions dominate the news and public discussion.

Most existing indices cannot track trends. Little is known about lag times, or indeed about any basic connections at all (Abramo, 2007), between corruption trends and perceptions: indeed, in some cases such connections may never be made, or may be overridden by rumors and officially-contrived distractions. Events at various levels of a system might affect perceptions in contrasting ways: major high-level scandal might move public opinion more quickly, and in more lasting ways, than the

quieter progress of local or agency reform. The arrest of a top official will be seen by some as signifying a surge in the abuse of power, and by others as evidence that reform is finally taking hold. If trends cannot be tracked with confidence then reformers will get very little feedback about the effects, if any, their efforts are producing.

Then there is the “single-number problem.” Diverse types of corruption occurring in different parts of communities or governments are compressed into one-number assessments (Arndt & Oman, 2006, Ch. 4). Comparisons along the one-dimensional indices that result assume, in effect, that corruption is the same thing wherever it occurs, varying only by degree. Statistical explanations for index scores apply the same substantive models everywhere. But corruption is diverse, changeable (Johnston, 2005b), and thus should not be compressed into a single dimension: how much nepotism, for example, equates to a given level of bribery in road construction? Reform requires both detailed knowledge of the incentives and constraints affecting behavior and accurate feedback as to the effects of specific control measures. No single number can serve all of those purposes.

Noting the weaknesses of existing indices is one thing; developing a better idea is quite another. The section that follows spells out ways to use objective evidence of government performance, in broadly comparative ways, to arrive at measures that are more detailed and valid. The results will measure corruption only indirectly, will not generate new corruption rankings, and will have problems of their own; but they can also point to effective responses to corruption and help track the effects of those responses over time.

The Indicators-and-Benchmarks Strategy

A better strategy is to measure the sorts of things governments do, comparing both current performance and changes to verifiable benchmarks. Rather than attempting to measure corruption itself, this strategy focuses on possible effects of past corruption and—more to the point—vulnerabilities in the form of incentives sustaining it. The resulting indicators can be actionable—that is, they can point to specific remedies—if they emphasize aspects of governance over which officials have significant control. Indicators that track changes in sensitive and accurate ways, and that are compared to meaningful benchmarks, will not only give reformers detailed feedback, but also—as noted—will enable successful administrators and political leaders to take credit for progress, and help others demand accountability for failure.

Indicators

As examples of useful indicators, consider bureaucratic delay, and price patterns in procurement.

In City A getting a building permit involves 33 steps and takes seven weeks, while in City B the same process typically involves 4 steps and takes three days. Corruption in the process cannot be measured directly, but the numerous steps and long delays in City A may signal, among other influence, the effects of past corruption: bureaucrats have found they can make money by contriving new requirements and delays. Those barriers and delays, in turn, create incentives sustaining corruption: construction firms, knowing that time is money, find it cheaper to pay up than to wait. In City B even venal officials have less time, and fewer bureaucratic “tollgates”, to use in extracting payments, and contractors have less reason to bribe. Its permit process is more tamper-evident: if

bureaucrats responsible for one of the four steps demand payments, resulting delays are likely to become visible in an otherwise rapid process.

Similarly, agencies C, D, and E all purchase significant quantities of concrete on a regular basis. Prices paid by C track open-market prices closely; agency D, on the other hand, routinely pays between fifteen and twenty-five per cent more than the open market price. Agency E seemingly does it right: for the past three years its price has averaged between ten and fifteen per cent less than the open market. What do these results suggest? It is not necessarily true that public agencies' prices for basic commodities should match those of the broader markets exactly; those agencies may have less choice about the timing of their purchases, perhaps driving prices up, or may be able to buy in particularly large quantities at a discount. As will be discussed below, the three cases should be compared to others like them. Still, it is reasonable to infer that C's procurement process has likely been less affected by corruption over time and that there is less scope for misconduct: anyone seeking kickbacks there will get rather small returns. In D, however, higher prices suggest that this is a likely place to look for kickback schemes or a poorly administered procurement process that makes it easy to conceal "skimming" over time. Either way, vulnerabilities to corruption appear to be greater, and can be linked to a specific process. But what is the problem with E? Here there are troubling signals of another sort: could a large supplier be artificially suppressing prices to drive competitors out of the bidding, with a goal of creating a lucrative monopoly in the future?² While such a possibility might not literally constitute corruption, it is a vulnerability that well-run bidding and procurement processes are intended to prevent.

In no way is it assumed that all differences among agencies or cities, or between them and the sorts of benchmarks to be discussed below, can be attributed to corruption—nor is the fastest process or lowest price necessarily the best. Further, the argument here is not that efficiency is somehow the opposite of corruption: it is easy to imagine administrative procedures that are rushed in order to extract payments or conceal wrongdoing. Rather, the idea is that vulnerabilities to corruption can be identified and tracked over time. If City A reduces the steps and time required by its permit process, or if agency D brings its prices paid closer to market or multi-agency norms, the vulnerability to and scope for corruption is likely being reduced (see, for a similar argument, Klitgaard, Maclean-Abaroa, & Parris, 2000). That argument has its limits, of course: a very fast process might well be of lesser quality, with substandard projects slipping through for lack of scrutiny, and a one-stop process might be the most corrupt of all because of the bureaucratic monopoly it would create (Klitgaard, 1988). The former risk, however, can be assessed through random audits of projects, keeping track of complaints, and citizen evaluations where appropriate. The latter can be checked by careful attention to basic internal controls and cross-checks.

The best indicators will be easily gathered, clearly linked to the effects of corruption and its sustaining incentives, broadly comparable, and easily understood. A few examples might include:

- Citizen assessments of the quality of public services and facilities: do applicants for licenses receive expeditious and fair treatment, and do road projects actually produce construction of the planned quality and length?
- Time, expense, and the number of steps involved in establishing a small business or a corporation

- Speed and accuracy with which vendors' invoices are paid
- Time and charges involved in obtaining routine information, copies of documents, or passports, licenses, and permits
- Frequency, time, number of steps, and range of variations occurring in regulatory inspections and tax assessments
- Trends in the numbers of licenses and permits, and in subsidy or benefit payments, granted by a given agency
- Number of inspections performed per member of field staff in regulatory agencies
- Prices paid to suppliers and charged from the public for basic services (school meals, telephone equipment, fuel, clerical supplies)
- Whether purchases are delivered in the quantities, quality, and places intended, and in a timely fashion
- Whether revenues received are handled in honest and expeditious fashion

There is a consistent logic underlying such indicators: if one unit of government

- pays fifty per cent more for petrol than do others
- charges unusually high (or low) royalties for extracting natural resources
- needs ten employees to accomplish tasks performed elsewhere by four
- publishes budgets that are routinely off the mark in terms of actual outcomes
- has high rates of zoning and assessment variances, or
- conducts far more (or fewer) regulatory inspections than similar units of government

those are specific indications of where to look for the effects of corruption, and for the incentives and opportunities facilitating continuing abuses. Even if it is never known exactly how many corrupt actions have been taking place at any one time, improved procedures and services are a positive outcome for society and government.

Compared to What? Benchmarks

By itself an indicator of government performance is only a beginning. Indicators need to be assessed against benchmarks—generally speaking, standards by which levels of government performance can reasonably be judged. Benchmarks can be gathered across comparable agencies and jurisdictions, and extend over time. They are both measurements and goals, expressed in terms of some desirable outcome—speed, for example, the efficient use of public funds, or high-quality public services. Officials and reformers can watch for marked departures from benchmarks by individual agencies—a slow process or overly-frequent inspections that might be useful in extracting bribes, for example, positive or negative “spikes” in prices paid, or outright non-performance (Golden & Picci, 2005; Olken, 2005; Olken, 2006). Responsible officials should be given the opportunity to account for such variations—they might, after all, originate in short-term market trends, or in new and vague legislative mandates—and to engage in broad-based consultation about proper responses.

Benchmarks can take many forms, drawn from a variety of sources both in and outside of an agency (Reinikka & Svensson, 2006). Some possible examples:

- Statistical norms based on government performance: Time required to issue a license, or amounts paid for basic commodities, across comparable agencies or jurisdictions

- Performance norms in private-sector organizations: Some administrative functions—though by no means all—may be compared to private-sector performance norms. Payment of invoices or procurement might be examples, although other functions (e.g. distribution of social benefits, or inspections) may have no direct private-sector counterpart.
- Market-based norms: Some procurement activities, for example, can be compared to private-sector prices and procedures, although here too public agencies can be subject to demands and restrictions businesses do not face. Fees and charges are more complicated, as most public agencies do not sell commodities in competitive markets; still, bus fares or telephone service costs might be compared to private alternatives.
- Citizen/client assessments: Citizens can be excellent sources for assessing performance. The well-known “Citizen Report Cards” scheme in Bangalore, India (Thampi & Sekhar, 2006; Paul, 2002) produced assessments of services and regular consultation with officials regarding improvements. Advocacy groups might submit applications for information and documents on a regular basis, keeping records on the time, expense, and difficulties involved. Business and trade associations can also be enlisted in some assessments, although precautions against excessive access and influence may be required.
- Expert assessments: Where comparable markets or private-sector processes do not exist, where an jurisdiction is unique (a city that is by far the largest in a country), or a function is highly technical, expert panels can define reasonable performance targets or ranges.
- Statistical projections: Where directly comparable examples cannot be found, statistical models might yield useful benchmarks. Road-building in a mountainous jurisdiction, or policing in a dense urban area, might be inherently more expensive than similar functions

elsewhere, but multivariate models allow us to estimate reasonable costs (Dincer, Ellis, & Waddell, 2006) and spot departures from norms worth closer examination.

- Performance as a function of agency resources: Outcomes and processes should be judged in the context of resources available. An agency whose performance improves by five per cent might seem successful until it is shown that staffing and budgets have grown by twenty per cent, for example. Another whose services are slightly less satisfying to citizens might still be well-run if it achieves such results with a workforce twenty per cent smaller than the norm. That agency might be the better bet to use new resources effectively.
- Substantive outcomes as a function of agency activities: Are health inspectors who conduct very frequent restaurant inspections engaged in shakedowns? Are others who conduct many fewer inspections engaging in favoritism? Vulnerabilities might be indicated by actual levels of cleanliness, or frequency of food-borne illnesses, as assessed by independent data-gathering and public health statistics.

Even benchmarks such as citizen satisfaction with services can be gathered in terms of relatively hard indicators—police response time, for example, reliability of utility services, or number of paving problems in a given length of roadway.

All such indicators should be gathered *repeatedly* to establish trends and provide frequent feedback. Multiple benchmarks will normally be needed because of the variety of factors influencing government performance. Comparisons to private-sector data (which may themselves be scarce or of dubious reliability) should be made with caution, as government is emphatically not just another business organization. Some benchmarks, such as a multi-city median for fuel prices, will be

affected by the compliance or resistance of officials and managers and may thus need to be compared to external standards. For example, where cities are upgrading procurement practices the benchmark figure itself may move toward market prices, providing a meaningful “moving target” that other agencies can shoot for. On the other hand, a city that performs better than the multi-city median may not be accomplishing much if that median itself is moving away from the market norm.

The resulting process does not yield a single number indicating levels of corruption—and should not be portrayed as such—but rather identifies positive, attainable goals while offering ways to identify and reward improving performance. Unlike corruption rankings based on a single statistical dimension, the data can capture some of actual complexity of both governing and reform. Further, they do not rest solely on perceptions. Most important of all, benchmarks and indicators can be *actionable*, telling us which agencies or programs are need of what sorts of change. Functions that are excessively slow (or fast), prices that are out of line, or persistently erroneous budgeting and disbursement processes are clear targets for measures bringing them back toward benchmark standards. Progress in that direction does not guarantee that less corruption is taking place, but does suggest reduced vulnerability to it and to other administrative difficulties.

What sorts of indicators should be gathered? How can they be benchmarked, and what will the results suggest about vulnerabilities to corruption and the effects of reform? A variety of possibilities are taken up in the following section.

Possible Applications

Table 1 explores such possible connections for a non-exhaustive list of indicators. For each a benchmark is suggested, possible links to the effects of past corruption are indentified, current

Table 1 goes here

vulnerabilities are noted, and appropriate action is suggested. For most, departures from reasonable benchmarks not only indicate targets for scrutiny and countermeasures; they also, depending upon the type of departure (payments that are very rapid, versus those that are conspicuously slow), point to particular kinds of corruption vulnerabilities. The countermeasures indicated are not in themselves novel, nor are they meant to be; rather, the emphasis is on knowing where to apply controls, and how to assess their impact: slower processes speed up, for example, or the share of taxation and regulatory cases involving variances moves toward a reasonable benchmark.

That last point is important: rather than labeling various agencies and governments as corrupt, IB assessments can give political leaders and agency managers useful information about progress toward positive goals. Publishing such indicators on a regular basis is a way to show the public, top executive and legislative leaders, aid donors and lenders, and potential wrongdoers that reform is real and is delivering benefits. Widely publicized and easily understood indicators offer reform leaders the opportunity to link their efforts to citizens' own problems and interests, and to take credit (or blame) for results—a far more sustainable political basis for reform than simply calling for “political will.”

Indicators that are credible, easily understood, and draw upon citizen experiences and participation will also be valuable ways to build civil society participation in reform (United Nations Development Program, 2008, Ch. 7; on “Citizen Report Cards” in Bangalore, India, see Thampi & Sekhar, 2006; Paul, 2002; more generally, Deichmann & Lall, 2003). Where citizens believe their views and interests are actively sought and taken seriously support for reform can grow and the risks of doing so can decline. Linking reform assessments to citizens’ own interests as “consumers” of services and as taxpayers can ease collective-action problems that often plague reform: where corruption control is an abstract public good, few will have compelling incentives to get involved, but where reform is measured in terms of better dealings with government, and better outcomes in terms of taxes and services, participation may be easier to sustain.

It is one thing, of course, to suggest a reform idea, and quite another to put it into practice. IB efforts will require support from elected officials, agency managers, citizens, and others concerned with the quality of government. Where funds, time, and staff resources are stretched thin—that is to say, nearly everywhere—such support will be far from a given. Worse yet, manipulation and misrepresentation of the data are very real possibilities. The scope of those problems, and some ways to respond to them, are the focus of the next and concluding section.

Linking Assessment to Reform

The IB strategy is a good-governance activity in its own right. Developing the capacity and commitment to gather, analyze, and publish such indicators improves management, accountability,

and the ethical climate within agencies. Consultation regarding the results and steps to improve them, along with on-the-ground evaluations of public services, offer significant opportunities for citizen participation. Gathering and reporting benchmarks need not be expensive or complex: many draw upon information or government data that are already in hand.

Some data will be sensitive precisely because they do tell us how good a job an agency is doing, and point out incentives and opportunities for corrupt dealings. Will agencies cooperate? In practice, some never will, while others may do so reluctantly because of pressures from top leadership, or (a far better approach, where feasible) in response to the sorts of positive incentives and guarantees noted earlier. But promising examples exist. Bangalore's "citizen report cards" have already been noted; not only are data gathered and compared across time and among agencies, but extensive consultations also take place between officials and citizens about the significance of the results and best ways to move forward (Thampi & Sekhar, 2006; Paul, 2002). Another Indian example takes place in the northwestern State of Rajasthan, where *Mazdoor Kisan Shakti Sangathan* (MKSS), a broad-based social justice organization, conducts "public hearings" (*jansunwais*) or "social audits" at the grassroots level, often assembling several years' data on policy and implementation for local discussion. Rajasthan's state government now requires annual social audits in each village, with residents voting on whether promised goals have been met (Parivartan, 2009; Samar, 2008; *India Together*, 2001). In the Brazilian city of Porto Alegre, participatory budgeting brings citizens into the process of evaluating almost half of all municipal expenditures, and setting priorities as new budgets are made (Centro de Assessoria e Estudos Urbanos (CIDADE), 2009; Koonings, 2004). Six states and 140 cities in Brazil have adopted some form of participatory budgeting, and the Porto

Alegre example has spawned participatory budgeting initiatives in several other countries (Johnston & Apaza, 2009, p. 31). In all of these cases top-level leadership has been critical, and in some instances both pressure and incentives from aid donors play key roles too. None of these projects follows every aspect of the IB strategy laid out in this article, and there are concerns about possible uses of such projects for political control or to conceal deeper abuses. Still, projects publishing government performance indicators for analysis and comparison have in several instances proven popular and sustainable on both the public and private sides of the table.

Will officials falsify or “game” the indicators in order to demonstrate spurious “success” or drive benchmarks downward? Precedent (*New York Times*, 2008; Hood, 2006) suggests such problems are a likely concern. Here again citizen evaluations can offer a useful reality check. Further, as the database of reasonable performance benchmarks becomes broader and extends over time, “gamed” results will become more difficult to hide, if only because doing so would require sustained collusion both within and among agencies and jurisdictions. Judicious use of resource incentives and recognition for verifiably high levels of performance, and for proven progress toward benchmarked standards, may also discourage comprehensive gaming, although the problem will never completely vanish.

IB efforts will encounter considerable initial resistance. To the extent that administrators and elected officials perceive data-gathering and comparisons as just another attempt to label governments and agencies as corrupt, or as a partisan or factional attack dressed up in the symbolism of good government, they will deny access to data and refuse to take part in benchmarking. The

same will be true if agency managers and public employees see IB initiatives as a pretext for budget and staffing cuts. Thus it will be important from the beginning to emphasize what the process offers participants. Political leaders and top administrators can turn the IB process into a source of enhanced credibility, not only for reform but also in terms of accountability, responsiveness, and the provision of basic services. Responsible officials will be able to develop a far clearer understanding of corruption and governance problems, of the underlying problems and incentives sustaining those difficulties, and of the effects of controls. Where results are positive or where they show marked improvement, IB data and benchmarks can be effective rebuttals to blanket allegations of waste, fraud, and abuse from the public, press, and political critics, and a strong constructive response to proposals for budget cuts. Where they are negative they can justifiably be presented as evidence that an agency or jurisdiction is taking a serious and detailed look at its problems. Implementation ideally should take place in an incentive-rich environment, where cooperation and positive results can be rewarded through positive publicity, enhanced status and job security, and perhaps higher salaries and larger budgets for successful administrators—and, both the data-gathering process and the positive reinforcement should be sustained over time. More often, however, such resources will be scarce; in those instances credible guarantees, again maintained over time, that improved performance will not lead directly to budget and personnel cuts, will be essential. Rank-and-file employees may resist IB implementation too, particularly if it is seen as intrusive or as an early sign of new restrictions and job cuts. Skillful managers, however, can present the strategy to employees as a way to help them keep their jobs, enhance their status, and reaffirm their effectiveness to the community and to elected officials, by demonstrating high levels of performance.

Implementation should begin with a few projects, chosen both to demonstrate the benefits of cooperation and to link the project to citizen concerns, and should focus on limited amounts of useful, comparable data rather than becoming fishing expeditions. Some kinds of data, even if they can be obtained, may be difficult to analyze. Such is particularly the case for procurement (Kelman, 2002): while a liter of petrol is a liter of petrol, not all computers, office space, and consultant services are created equal. Considerable creativity may be required in devising indicators, and where that is the case it will be particularly important to involve managers and representatives of the workforce in project design, analysis, and presentation of results. That sort of cooperation can also provide useful guidance in terms of ways to keep costs and disruption associated with IB activities to a minimum. The most challenging and sensitive comparisons should be deferred until the procedures for, and rewards of, compiling, publishing, and tracking simpler indicators have had some time to become credible.

The IB strategy will be less suitable for some corruption problems than for others. By emphasizing routine functions it may not tap into one-time “grand corruption” deals, although by improving administrative controls and making them more tamper-evident it can reduce opportunities to carry out and conceal some such abuses. Data can never be gathered on all functions where corruption might arise, but assessments and improvements in some sectors may have spillover benefits for others as citizen and official expectations evolve, and as the rewards of doing public and private business honestly become more clear.

The point, ultimately, is to create a climate of integrity that highlights and rewards high-level performance—one in which public participation and administrative scrutiny foster a culture of accountability. Over time this approach to tracking reform can help strengthen the links between citizen wellbeing and the ways in which public power and resources are used. The value of government that is demonstrably fair, dependable, efficient, and responsive ranks high on the list of reasons why corruption is worth worrying about to begin with.

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Author bio note:

Michael Johnston is the Charles A. Dana Professor of Political Science at Colgate University in Hamilton, New York. He has studied corruption, development, and reform for many years, and has served as a consultant to numerous government agencies and international organizations. His most recent book, *Syndromes of Corruption: Wealth, Power, and Democracy*, won the 2009 Grawemeyer Award for Ideas Improving World Order, presented by the University of Louisville.

Suggested outtakes (lightly edited):

From page 4: To attack specific, embedded corruption problems, and to demonstrate the effects of controls to officials, political backers, citizens and possible malefactors, reform advocates need sensitive, unobtrusive, and easily understood assessment tools.

From page 7: Often, all who know of a corrupt act share an interest in concealing it. There may be no immediate victim with a reason to file a report; where corruption is most serious many officials charged with control are themselves compromised. Thus measures based on perceptions are inherently problematical.

From page 9: A better strategy is to measure the sorts of things governments do, comparing both current performance and changes to verifiable benchmarks. The focus is on possible effects of past corruption and incentives and opportunities sustaining it.

From page 13: If an agency pays fifty per cent more for petrol than do others; needs ten employees to accomplish tasks performed elsewhere by four; publishes budgets that are routinely off the mark in terms of actual outcomes; has high rates of zoning and assessment variances; or conducts far more (or many fewer) regulatory inspections than other comparable units of government, those are specific indications of where to look for corruption.

From page 18: The Indicators-and-Benchmarks strategy is a good-governance activity in its own right. Developing the capacity and commitment to gather, analyze, and publish data improves management, accountability, and the ethical climate within agencies.

Table 1: The IB Strategy—Possible Applications

Indicator	Benchmarks	Links to past corruption	Vulnerabilities	Actions indicated
Time, steps, fees needed to obtain permits, register a business	Data on case handling in comparable jurisdictions	<u>Too slow, elaborate; fees too high</u> : extortion, bribery, official collusion with businesses <u>Too fast or variable</u> : favoritism, bribery, selective enforcement	<u>Too slow, official fees too high</u> : encourages bribery, extortion, favoritism <u>Too fast or variable</u> : cover for favoritism, bid-rigging	Review officials' monopoly power, discretion, enforce performance standards; gather info from clients; random audits; create client advocates
Citizen assessments: services, quality of inspected businesses	Regular citizen, business surveys, "Citizen Report Cards"	<u>Poor-quality services, low levels of satisfaction</u> : graft, theft, kickbacks, favoritism; bid-rigging; weak oversight of agents; theft of time, moonlighting	<u>Persistently poor quality services</u> encourage black-market provision, often using government resources	Build citizen evaluations into agency routines; regular consultation with citizens; reward agencies and leaders winning high marks
Speed, accuracy of paying vendors' invoices	Multi-agency and private-sector norms for speed, error rates;	<u>Slow, inaccurate payment, underpayments</u> : extortion, theft <u>Too-rapid payment, overpayments</u> : kickbacks, favoritism, "ghost vendors"	<u>Departures from reasonable norms</u> allow kickbacks, theft, extortion, conceal "ghost vendors" and substandard goods	Real-time monitoring of procurement, payments; random audits; solicit feedback from vendors; publish performance targets
Amount of time spent dealing with officials, inspectors	Typical amounts of time, by sector, established by business surveys across jurisdictions	<u>Too much time</u> : bureaucratic harassment, foot-dragging, in pursuit of bribes; extortion <u>Too little, or wide variation</u> : favoritism; bribery by business	<u>Too much time</u> : time lost, uncertainty, and threats of fines encourage payments <u>Too little</u> : bribes to avoid risks, costs, inspections	Reduce inspectors' discretion; shuffle case loads to inhibit personal "deals"; regular surveys of business; internal data-gathering on interactions
Time, steps, variations involved in tax assessments	Data on case handling: survey comparable jurisdictions	<u>Too slow/elaborate</u> : extortion, bribery <u>Too fast, or excessive variation</u> : favoritism, bribery	<u>Too slow, too fast, variable</u> : Assessments manipulated; citizens believe payments bring favorable treatment	Review assessor monopolies, discretion; enforce standards for handling cases; gather info from clients; random audits; create ombudsmen
Quantity and quality of goods received	<u>Compare goods received to tenders and invoices</u>	<u>"Short" deliveries, non-deliveries; substandard, wrong goods</u> : skimming of funds and goods; kickbacks	<u>Tolerating problems</u> signals that skimming, kickbacks can continue, controls are lax	Enhance supervision, auditing; prequalify, suspend, and disqualify vendors; publish vendor performance

Endnotes

¹ I will not venture into the longstanding debate over formal definitions of corruption in this paper, but a general discussion of definition issues can be found in Johnston (2005a); see also Brown, 2006.

² Special thanks to a group of municipal Inspectors General at the National Watchdog Conference, sponsored by the New York City Department of Investigation in October, 2008, for pointing out that possibility based on their experiences.