

Corruption and Pork Barrel Politics

Instructor: Jun Saito
Office: PAC 221
Email: jsaito@wesleyan.edu
Office Hours: Wed. 2-4, Fri. 2-3, or by appointment

Class Meetings
Thursday 1:10-4:00 p.m.
Room: Judd 113
URL: <http://jsaito.web.wesleyan.edu/>

Objectives

Corruption is the misuse of public money and public office for private gains. Pork barrel is misallocation of public money for political gain, which usually implies geographically concentrated benefits financed dispersely by citizens at large. We explore various forms of contemporary political clientism.

This course first examines competing definitions as well as causes and consequences of wasted resource allocation due to corruption and pork barrel politics. The latter half of the course will be devoted to comparative cross-country case studies.

Corruption and pork barrel are prevalent problems in many political systems in the world. Political culture, together with institutional structures, can give incentives for or against corrupt conduct and pork barrel spending. Practitioners of politics, whether they are involved in campaign fundraising or foreign aid projects, are almost always at risk of being corrupted. When electoral institutions are poorly designed, elected officials are unlikely to survive without engaging pork barrel politics. When bureaucratic institutions are inappropriately designed, civil servants face the incentive to use the government office to seek private gains, and the private sector agents interact with the public sector accordingly.

This course investigates the way we could possibly try to alleviate the problem of corruption, pork barrel politics, and the resulting distortion in policy choices. In addition to enhancing students' familiarity with the substantive issues, this course intends to improve students' general analytical skills. For instance, analyzing corruption is always a methodological challenge because of hidden information. By tackling difficult empirical and theoretical questions, students are expected to build up the ability to think carefully and logically. This aim is achieved by writing and submitting a research design (3-5 pages) and a term paper (approximately 20 pages).

Prerequisites

There is no prerequisite for this course, but familiarity with microeconomics, American politics, and comparative politics is helpful.

Performance Evaluation

- Participation: 20%
- Research Design: 30% (Due Week 6)
- Term Paper: 50%

The research design should define your question and your subject of study. The research paper should be any one of the following three types: (1) comparative case studies of corruption, (2) empirical measurement of corruption, and (3) statistical analysis of corruption. The detail will be explained in class.

It should address causal hypotheses and how you try to approach the empirical problems. In drafting a research design, students can choose empirical cases from governments in the world at various levels and specific time periods. The term paper can be either continuation of the submitted research design or a new project.

Textbooks

The following books are available for purchase at the Broad Street Books.

- ❑ Susan Rose-Ackerman (1999). *Corruption and Government: Causes, Consequences, and Reform*. Cambridge: Cambridge University Press. [\$27.99 ISBN:0521659124]
- ❑ David C. Kang (2002). *Crony Capitalism: Corruption and Development in South Korea and the Philippines*. Cambridge: Cambridge University Press. [\$24.99 ISBN:052100408X]

Optional Materials

In addition, the following books are available on the reserve shelf at Olin Library.

- Transparency International (2006). *Global Corruption Report 2006: Corruption and Health*. Berlin: Transparency International.
- Melanie Manion (2004). *Corruption by Design: Building Clean Government in Mainland China and Hong Kong*. Cambridge: Harvard University Press. [ISBN: 0674014863]
- Martin J. Bull and James L. Newell (eds.) (2003). *Corruption in Contemporary Politics*. Houndmills: Palgrave Macmillan.
- Charles Sampford, Arthur Shacklock, Carmel Connors, and Fredrik Galtung (eds.) (2006). *Measuring Corruption*. London: Ashgate Publishing.
- Vinay K. Bhargava and Emil Bolongaita (eds.) (2004). *Challenging Corruption in Asia: Case Studies and a Framework for Action*. Washington D.C.: World Bank. [Internet Resource Available]

The following books will provide useful hints in setting up comparative case studies. They are also available on the reserve shelf.

- Charles C. Ragin (1987). *The Comparative Method: Moving Beyond Qualitative and Quantitative Strategies*. Berkeley: University of California Press.
- Gary King, Robert O. Keohane, and Sidney Verba. (1994). *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Princeton, NJ: Princeton University Press.
- Barbara Geddes (1990). "How the Cases you Choose Affect the Answers You Get: Selection Bias in Comparative Politics." in James Stimson, (ed.) *Political Analysis, Vol. 2*. Ann Arbor: University of Michigan Press, 131-149.

Class Schedule

- ❑ This symbol indicates that the reading assignment is mandatory. It is expected that students have finished reading these materials before each class meeting.
- The reading assignment is optional, but the lecture will make an intensive reference to these items.
- ✍ Important dates. Mark your calendar.

Part I: Introduction

1. September 7: Politics and Corruption

The first session is an organizational meeting. Read these three chapters any time during the semester.

- ❑ Rose-Ackerman (1999). "Introduction" [Textbook]
- ❑ Rose-Ackerman (1999). "Chapter 1: The Cost of Corruption" [Textbook]
- ❑ David Kang (2000). Crony Capitalism, "Chapter 1: The Puzzle and the Theory" [Textbook]
- ❑ Carmel Connors (2006). "Introduction" in Charles Sampford, Arthur Shacklock, Carmel Connors, and Fredrik Galtung (eds.) *Measuring Corruption*. London: Ashgate. [Online Reserve]
- Daniel Kaufmann (1997). "Corruption: The Facts." *Foreign Policy*, 107: 114-131. [JSTOR]
- Mancur Olson (1993) "Dictatorship, Democracy, and Development." *American Political Science Review*, 87(3): 567-576. [JSTOR]

2. September 14: Definition and Measurement of Corruption

- ❑ Rose-Ackerman (1999). "Chapter 7: Corruption and Politics." [Textbook]
- ❑ Petter Langseth (2006). "Measuring Corruption." in Charles Sampford, Arthur Shacklock, Carmel Connors, and Fredrik Galtung (eds.) *Measuring Corruption*. London: Ashgate. [Online Reserve] Also take a look at the latest version of the Corruption Perception Index at the following URL. http://www.transparency.org/policy_research/surveys_indices/cpi
- ❑ Miriam A. Golden and Lucio Picci (2005). "Proposal for a New Measure of Corruption: Illustrated with Italian Data." *Economics and Politics*, 17(1): 37-75. [Synergy]
- ❑ Mark Duggan and Steven D. Levitt (2000). "Winning is not Everything: Corruption in Sumo Wrestling." *American Economic Review*, 92(5): 1594-1605.
- Mark E. Warren (2004). "What Does Corruption Mean in a Democracy?" *American Journal of Political Science*, 48(2), 328-343.

Part II: Causes of Corruption

3. September 21: Resource Curse and Mobility of Assets

- ❑ Jeffrey D. Sachs and Andrew M. Warner (2001). "The Curse of Natural Resources." *European Economic Review* 45, 827-838. [Science Direct]
- ❑ Mel McNulty (1999). "The Collapse of Zaire: Implosion, Revolution or External Sabotage?" *Journal of Modern African Studies*, 37(1), 53-82. [JSTOR]
- ❑ Charles Manga Fombad. (1999). "Curbing Corruption in Africa: Some Lessons from Botswana's Experience." *International Social Science Journal*. 51(2), 241-254. [Synergy]
- Rose-Ackerman (1999). "Chapter 3: Corruption of High-level Officials" [Textbook]

4. September 28: Culture, Social Forces, and Demand for Corruption

- ❑ Rose-Ackerman (1999) "Chapter 6 Bribes, Patronage, and Gift Giving" [Textbook]
- ❑ Mushtaq H. Khan (1999). "Patron-Client Networks and the Economic Efficiency of Corruption in Asia," *European Journal of Development Research*, 10:15-39. [EBSCO]
- ❑ Daniel Treisman (2000). "The Causes of Corruption." *Journal of Public Economics*, 76(3), 399-457. [Science Direct]
- Daron Acemoglu and Thierry Verdier (2000). "The Choice between Market Failures and Corruption" *American Economic Review*, 90(1): 194-211.
- Dennis P. Quinn and John T. Woolley (2001). "Democracy and National Economic Performance: The Preference for Stability." *American Journal of Political Science*, 45(3): 634-657. [JSTOR]

5. October 5: Democratic Institutions and Corruption

- ❑ Rose-Ackerman (1999) "Chapter 8: Democracy and Corruption" [Textbook]
- ❑ John M. Carey and Matthew Soberg Shugart (1995). "Incentives to Cultivate Personal Vote: A Rank Ordering of Electoral Formulas." *Electoral Studies*, 14(4): 417-439. [Science Direct]
- ❑ Gary W. Cox and J. Morgan Kousser (1981) "Turnout and Rural Corruption: New York as a Test Case." *American Journal of Political Science*, 25(4): 646-663. [JSTOR]
- ❑ Edgardo Buscaglia, Jr. (2001). "Judicial Corruption in Developing Countries: Its Causes and Economic Consequences." Paper presented at the conference on Global Programme Against Corruption, United Nations Office for Drug Control and Crime Prevention, Vienna, March 2001. [Online Reserve]
- Roger B. Myerson (1993). "Effectiveness of Electoral Systems for Reducing Government Corruption: A Game-Theoretic Analysis." *Games and Economic Behavior*, 5(1): 118-132.
- Persson, Torsten, Guido Enrico Tabellini, and F Trebbi. 2003. "Electoral Rules and Corruption." *Journal of the European Economic Association* 1 (4):958-89.
- Barbara Geddes (1991). "A Game Theoretic Model of Reform in Latin American Democracies." *American Political Science Review*, 85(2): 371-392. [JSTOR]

6. October 12: Bureaucracy

✍ Research design is due.

- ❑ Rose-Ackerman (1999) "Chapter 5 Reform of the Civil Service" [Textbook]
- ❑ Melanie Manion (2004) *Corruption by Design: Building Clean Government in Mainland China and Hong Kong*. Cambridge: Harvard University Press. "Chapter 1: Anticorruption Reform in a Setting of Widespread Corruption" [Online Reserve]
- ❑ Richard Colignon and Chikako Usui (2001) "The Resilience of Japan's Iron Triangle: Amakudari." *Asian Survey*, 41(5): 865-895. [JSTOR]
- Melanie Manion (1996) "Corruption by Design: Bribery in Chinese Enterprise Licensing." *Journal of Law, Economics, & Organization*, 12(1): 167-195.
- James E. Rauch (2001). "Leadership Selection, Internal Promotion, and Bureaucratic Corruption in Less Developed Polities." *Canadian Journal of Economics*, 34(1): 240-258.

7. October 19: Decentralization, Federal Institutions, and Fiscal Transfers

- ❑ Yingyi Qian and Barry R. Weingast (1997). "Federalism as a Commitment to Preserving Market Incentives." *Journal of Economic Perspectives*, 11(4): 83-92.
- ❑ Pranab Bardhan (2002). "Decentralization of Governance and Development." *Journal of Economic Perspectives*, 16(4): 185-205.
- ❑ Stephen Knack (2001) "Aid Dependence and the Quality of Governance: Cross-Country Empirical Tests." *Southern Economic Journal*, 68(2): 310-329.

Part III: Consequences of Corruption

8. October 26: Corruption and Growth

- ❑ Pranab Bardhan. (1997). "Corruption and Development: A Review of Issues," *Journal of Economic Literature*, 35, 1320-1346. [JSTOR]
- ❑ Tanzi, Vito and Hamid Davoodi (1997). "Corruption, Public Investment, and Growth." *IMF Working Paper*, 97/139. [Online Reserve]
- ❑ Paolo Mauro (1995). "Corruption and Growth." *Quarterly Journal of Economics*, 110(3): 681-712. [JSTOR]

9. November 2: Corruption and Governance

- ❑ Christopher J. Anderson and Yuliya V. Tverdova (2003). "Corruption, Political Allegiances, and Attitudes toward Government in Contemporary Democracies." *American Journal of Political Science*, 47(1), 91-109. [JSTOR]
- ❑ Susan Welch and John R. Hibbing (1997). "The Effects of Charges of Corruption on Voting Behavior in Congressional Elections, 1982-1990." *Journal of Politics*, 59(1), 226-239. [JSTOR]
- ❑ Tim Fackler and Tse-min Lin (1995). "Political Corruption and Presidential Elections, 1929-1992." *Journal of Politics*, 57(4), 971-993. [JSTOR]

Part IV: Comparing Country Cases

10. November 9: Developing Countries (Korea and the Philippines)

- ❑ David C. Kang (2002). "Chapter 2: Comparing Korea and the Philippines" [Textbook]
- ❑ David C. Kang (2002). "Chapter 3: Institutions — Bureaucrats and Rulers" [Textbook]
- ❑ David C. Kang (2002). "Chapter 4: Mutual Hostages in Korea" [Textbook]

- ❑ David C. Kang (2002). "Chapter 5: Bandwagoning Politics in the Philippines" [Textbook]
- Tom Lodge (1998). "Political Corruption in South Africa." *African Affairs*, 97(387): 157-187.
- Wedeman, Andrew. 1997. "Looters, Rent-scrappers, and Dividend-collectors: Corruption and Growth in Zaire, South Korea, and the Philippines." *Journal of Developing Areas* 31 (4):457-78.

11. November 16: Industrial Democracies (Italy, Japan, and Sweden)

- ❑ Staffan Andersson (2003) "Political Corruption in Sweden" in Martin J. Bull and James L. Newell (eds.) (2003). *Corruption in Contemporary Politics*. Houndmills: Palgrave Macmillan. [Online Reserve]
- ❑ Miriam Golden and Eric C. C. Chang (2001). "Competitive Corruption: Factional Conflict and Political Malfeasance in Postwar Italian Christian Democracy." *World Politics*, 53(4): 588-622. [MUSE]
- ❑ David E. Kaplan and Alec Dubro (2003). *Yakuza: Japan's Criminal Underworld, Expanded Edition*. Berkeley: University of California Press, "Chapter 6: Corruption, Japanese Style." [Online Reserve]
- ❑ Gavan McCormack (1996). *The Emptiness of Japanese Affluence*. Armonk: M. E. Sharpe, Chapter 1 "The Construction State: The Pathology of the Doken Kokka" [Online Reserve]
- Silvia Colazingari and Susan Rose-Ackerman (1998) "Corruption in a Paternalistic Democracy: Lessons from Italy for Latin America." *Political Science Quarterly*, 113(3): 447-470. [JSTOR]

12. November 30: Transition Economies (Former Soviet Union and China)

- ❑ Gerard Roland (2002) "The Political Economy of Transition," *Journal of Economic Perspectives*, 16(1): 29-50. [JSTOR]
- ❑ Daniel Kaufmann and Paul Siegelbaum. (1996). "Privatization and Corruption in Transition Economies." *Journal of International Affairs*, 50: 419-458.[EBSCO]
- ❑ Yan Sun (1999) "Reform, State, and Corruption: Is Corruption Less Destructive in China than in Russia?" *Comparative Politics*, 32(1): 1-20. [JSTOR]
- ❑ Hilton Root (1996). "Corruption in China: Has It Become Systemic?" *Asian Survey*, 36(8): 741-757.

13. December 7: Student Presentation

- ✍ Submission of the Research Paper is due December 10.