

Surveys as Tools – Measuring Progress

*Are we winning? Are we losing?
I can't tell,
I just keep punching
'til I hear some kind of bell...*

Rock Follies, 1977

Corruption is perhaps the most under-reported crime there is. Kevin Ford has observed that:

[An act of corruption] is generally conducted in great secrecy. All parties involved in the immediate transaction (the bribe taker and the receiver) are usually satisfied with the result and recognise the possibly very negative consequences of revealing their own role in such criminal conduct even if they are not satisfied. Meanwhile the victims of corruption, which are usually the general public and society at large, are either blissfully unaware of specific acts of corruption or so inured to such corruption that they have become indifferent to it.¹

Given such secrecy and commonality of interest among its perpetrators, corruption levels are extremely difficult to measure. There is no such equation as the one that enables us to assess the size of an iceberg by the volume of the tip that we can see protruding above the waves.

Yet without measurement, it becomes extraordinarily difficult either to assess areas of particular difficulty or to ascertain whether reform programmes are, in practice, having a positive effect. Surveys of some description are now recognised as an essential tool in the context of containing corruption and illegal conduct, however fraught with difficulties they may be in their design and execution.³

It is, of course, unrealistic to expect people to admit to criminal or even socially undesirable conduct in the course of a survey, if at the same time they are exposing themselves to risk. There are, however, some categories of people that can be surveyed effectively, those where individuals see themselves as “victims” rather than as

Why measure corruption?

Implementing reforms to improve governance is inherently difficult. Because such reforms dramatically diminish the rents from corruption, they are often resisted by senior officials, other politicians, and bureaucrats. Yet such resistance can often be cloaked by the lack of concrete evidence on corruption and by the assumption – now disproven – that corruption cannot be measured. When such evidence is available, the debate on corruption can be depoliticised and its focus shifted to substantive issues. Measuring corruption offers other benefits as well. It can help establish priorities... It educates the public ... and it establishes a baseline against which the successes and failures of reform can later be measured.

Dani Kaufmann et al; Note prepared entitled “Corruption: Surveys, data analysis and reforms”, Utstein Internet discussions, 4 April 2000.²

1 Communication of 30 November 1999: Internet Development Forum on Anti-Corruption Strategies co-ordinated by the World Bank et al. Kevin Ford is Chairman of the Council for the International Anti-Corruption Conference. He was formerly the Deputy Commissioner of Investigation for the City of New York (1994-98) and spent a total of more than 25 years investigating and prosecuting corruption in the United States.

2 Ground-breaking work with surveys has been undertaken by Dani Kaufmann and his team at the World Bank Institute. These include details surveys in Albania, Georgia and Latvia which give a startling picture of systemic corruption that is deeply institutionalised, although each country's pattern is distinct

and different. Among the findings are that corruption disproportionately hurts the poor (richer households are more likely to pay bribes, but the burden of corruption, measured as a fraction of income paid in bribes, is much greater for poorer households); bureaucrats pay for lucrative positions in all three countries (suggesting that officials “invest” when buying their public office); and that enterprises would pay higher taxes if corruption were eliminated.

3 A further tool in the course of development is the definition and measurement of “governance indicators” in order to enable progress in the development of governance to be measured.

The facts, only the facts

"Facts alone are wanted in life. Plant nothing else, and root out everything else. You can only form the minds of reasoning animals upon Facts".

*Mr Gradgrind in "Hard Times",
Charles Dickens (1854)*

willing conspirators, as being exposed to "extortion" rather than as participating in consensual corruption.

Thus, international business (despite its proven role as a prime mover in grand corruption)⁴ has been willing to be polled. So, too, have local businesses, and ordinary people (as customers of government services).

However, although these groups of people know something about corruption levels, this knowledge, beyond that based on their immediate experience, is decidedly unreliable and really falls into the area of "perceptions".⁵

As a general rule, the broader and the less specific the survey, the more contentious its results. The fact that perceptions can lag well behind realities should also be taken into account, especially where things are in reality getting better but public perceptions are based on anecdotal experiences from the past.⁶

Surveys, too, can give credence to what may appear to be extravagant claims, or assertions that the respondents are not equipped to make. For example, in a recent national poll in the Philippines it was reported that over half the respondents claimed that more than 50 per cent of the funding spent on roads was wasted. Nearly two-thirds thought that more than 40 per cent of the funds involved were lost in the process of collecting taxes, 30 per cent in providing free books to children in schools and 23 per cent in installing modern equipment in government offices.⁷ This is not to say that the claims were necessarily wrong, but it seems unlikely that so many of the respondents were in possession of evidence that would establish these losses as fact. They were, and could only be, "perceptions".

Police told not to massage crime rate

Studies by the police inspectorate show that some police forces had been massaging survey figures to that they depressed the crime rate in the area and raised their detection or clear up rate. Offences were often wrongly classified as being less serious crimes; there was inappropriate "writing off" (or "no-crimeing") of offences after they had been recorded; and there was a failure to record the correct number of crimes, with an error rate of between 15 per cent and 65 per cent."

Guardian (UK), 1 August 2000

On the other hand, there is the ever-present question of who it is who "owns" the data? If the results of a survey are less than flattering, and if the survey is "owned" by the agency whose performance is being criticised, the temptation to suppress – or worse still, to massage – the results can be irresistible. This temptation can prove to be overwhelming where an agency is given "performance targets" to reach, and where the survey data will be used to judge its management's performance. It is therefore highly desirable that independent people be involved in the design and implementation of surveys, and that the results are publicised and "shared" with the community which has been surveyed. It is the honest and professional collection of data coupled with the subsequent transparent presentation of the results that give the citizen "a voice".

The results of surveys should – as an important element of a national anti-corruption action plan – be publicised and put on web sites, rendering the results available to a wide public and presenting a clear challenge to the political will of a country's leaders.

International surveys

International corruption perceptions surveys have been pioneered by Transparency Interna-

4 See the Bribery Perceptions Data published by Transparency International on 20 January 2000: website reference – <http://www.transparency.org>.

5 For this reason Transparency International has always insisted that its annual corruption index, listing a large number of countries by reference to corruption levels, is a "perceptions index" (a Corruption Perceptions Index) and does not necessarily reflect factual situations.

6 For example, efforts funded by the Government of Denmark to improve court filing systems in Uganda are credited with hav-

ing dramatically reduced the "disappearances" of court files. However, participants from civil society at a workshop held a little time after the reforms had come into effect still ranked the disappearance of court files as the major problem with the judicial system. Discussions with members of the Ugandan judiciary, 1996.

7 Reported in Linda Luz B. Guerrero and Steven A. Rood, An Exploratory Study of Graft and Corruption in the Philippines, PSSC Social Science Information of the Philippine Social Science Council, January-June 1999 issue.

tional, but not without a degree of controversy. As TI has always acknowledged, these surveys are of perceptions, not necessarily of reality, and have value as they reflect the views of the international business community, whose investment decisions impact on a national economy. The higher the perceived level of corruption, the less inclined are foreign investors to make no more than very short-term (and high return) commitments to a country.⁸

In particular, TI's Corruption Perception Index (CPI) has served to highlight the issue of corruption in a number of countries, and is credited with raising the level of attention accorded to the problem by some governments. It has also been strongly criticised for being "anti-South", as focusing on only one side of the problem (the bribe-takers as opposed to their international bribe-givers), and as giving, at times, a depressing message to governments who are making sincere efforts to combat corruption. The methodology developed to amalgamate a series of different surveys has been under continuing review and has not yet fully achieved a consensus among experts in the field.⁹ Yet, the fact that countries must be covered by at least three different surveys means that the resulting index itself is comparatively robust.

The CPI sends out a simple message to governments who fare poorly. Whether the results be justified or not, the Index reflects the perceptions of business people who are making daily decisions that directly affect their countries' economies. Action is called for, either to dispel the misunderstandings, or to remedy the complaints. In the words of *The Economist*, governments ignore the results at their peril.

The CPI has also helped address the "them and us" syndrome: a tendency by some developing countries to blame only the foreigners for their domestic ills. By focusing on corruption "at home", the CPI stimulates domestic debate and fuels programmes to combat it.

A second, more recent "Bribe Payers Index" (BPI), was conducted by the internationally-renowned Gallup International on behalf of TI in 1999. It surveyed a cross-section of élites in a number of emerging markets to ascertain, from those most likely to know (businessmen, bankers, lawyers etc.), from where the bribes were most likely to come. This painted a depressing picture of the involvement in corruption of the exporters from many of the world's leading exporting countries. The data from this survey can be regarded as being very reliable since it targeted a specific élite audience, and an audience that is prepared to be surveyed again to measure the extent and pace of any changes.¹⁰

National and sectoral surveys

What can national surveys hope to achieve? Surveys of the views of citizens would appear to be of limited value unless they are conducted with high professional standards, and/or, are targeted at particular sectors (such as the customers of health clinics etc. to determine their experiences). When they are, the resulting data can be extremely useful both in establishing a base line against which to measure future change, and to determine what is going wrong. When the results are published, they can also raise public awareness and generate public debate.¹¹ By

CPI - a catalyst for action

Jorge Quiroga Ramirez, Bolivia's 37-year-old Vice President and anti-corruption czar, told me during a recent stop in Miami that Bolivia last year invited Transparency International leaders and World Bank experts to visit the country and make concrete proposals. Rather than denouncing the annual TI corruption index, "we decided to use it as a catalyst for action," he said.

*"Bolivia paves the anti-corruption road",
Miami Herald, 30 September 1998*

8 As Shang-Jin Wei has shown, "A one percentage point increase in the marginal tax rate reduces inward FDI by about five per cent... A one grade increase in the corruption level [on a 10-point scale] is associated with a sixteen per cent reduction in the flow of FDI, or approximately equivalent to a three percentage point increase in the marginal tax rate. In other words, a worsening in a host government's corruption level from that of Singapore to that of Mexico is equivalent to about 21 percentage point increase in the marginal tax rate on foreigners." See "How taxing is corruption for foreign investors?", TI web site, <http://www.transparency.org>.

9 The methodology is detailed on the TI website at: <http://www.transparency.org>.

10 Full details of the survey and its methodology are on the TI website at <http://www.transparency.org>.

11 For example, a survey conducted by TI-Bangladesh disclosed high levels of perceived corruption in the lower judiciary, so much so that magistrates asked for official action to be taken against the NGO. However, the President of the country intervened and indicated that, even if the results were only partly correct, the lower judiciary had a very real problem.

flushing out the facts, they can depoliticise corruption which is too often a political football.

In particular, the surveys can:

- *Promote institutional reforms* – Measuring the economic and social costs of corruption can help identify priority areas for reforms, and establish quantitative benchmarks to gauge the success of institutional reforms. Agency specific data focus the debate on institutions, not individuals. Information on the underlining institutional structures help explain why some institutions are more vulnerable to corrupt activities and behaviour than others.
- *Stimulate a technocratic and focused debate on concrete action* – Survey data and analysis helps build coalitions among key stakeholders by encouraging their positive participation, stimulating a technocratic debate on concrete reforms and promoting collective action.
- *Help identify problem areas and priorities for reform* – Survey instruments comprise closed, indirect questions that maximise response rates and facilitate a systematic analysis of the data. Rigorous empirical analysis leads to a non-political debate on concrete reforms to combat corruption. Survey questions emphasise experiential (i.e. empirical) rather than perception data. Both experiences and perceptions are helpful data sources for rigorous analysis. Concrete data on new and old subjects is a powerful tool for anti-corruption strategies.
- *Give the community a “voice” and strengthen local ownership* – Surveys are implemented by independent and technically capable local NGOs and survey firms, capitalising on and strengthening local knowledge and expertise. Survey results can be shared with stakeholders and widely disseminated to energise and empower public opinion and build momentum for reform.

Governance and anti-corruption diagnostic studies implemented by the World Bank now include three surveys carried out simultaneously, which focus on public officials, households and enterprises, respectively.

(a) Public Officials Survey – The purpose of this survey is to understand institution-specific determinants of corruption (including bribery, nepotism, political interference, embezzlement, etc), discretion/informality, performance, and governance. Survey results inform the policy dialogue on such links as those between governance and poverty alleviation and political and values/cultural differences.

(b) Enterprise Survey – This studies the business environment, with a special emphasis on the effects of public sector governance and corruption on private sector development. It examines firms’ roles as users of public services, as being subject to various forms of regulation and as clients for licences and permits. Special attention is paid to the judicial system.

(c) Household Survey - The purpose of the Household Study is to capture the citizens’ experiences with, and perceptions of, corruption in their daily lives in both the public and private sectors. Citizens are surveyed in their roles as users of public services, as the subjects of regulation, as clients for licences and permits, and as customers for

such services as education, health, water, electricity and housing. Special attention is devoted to social services such as health care or education.¹²

An in-depth diagnostic is not the goal but rather a means of developing anti-corruption programmes that focus on reform and collective action.

However, all these surveys need to be conducted regularly if progress is to be measured. Furthermore, in democratic societies, people will want to know whether the government is actually being effective, particularly if they are not seeing immediate change in their daily lives. If surveys show that reforms are, in fact, starting to work, then they can play an arguably even more important role by building public support for reform programmes and thereby adding to their dynamism and impact. It has long been a truism that an apathetic and disbelieving populace can fatally undermine the best-intended reform programmes.

Six other approaches may be of particular interest:

(a) Report cards

A particular methodology pioneered by the Public Affairs Centre of Bangalore, is the use of “report cards” on public services. These involve the interviewing of the “customers” of various public utilities to ascertain what in the way of “extras” they are being required to pay in order to get their legitimate services. The resulting “report cards” are then discussed with managers responsible for the various services and published in the press and on radio. Various NGOs around the world are being trained in Bangalore to use this approach, including members from a number of TI national chapters.

(b) “Big Mac” surveys¹⁴

A different methodology has been developed by Poder Cuidano, TI’s national chapter in Argentina. This methodology involves, first winning the cooperation of a particular Government Ministry or City Mayor, and then carrying out an analysis of the prices paid or charged for various services. For example, it was found that identical supplies were being purchased by different hospitals at very different prices. Whether due to inefficiency or to corruption, the waste and extravagance was clear. Once the offenders had been identified through comparing the prices, official action was taken and the purchase prices dropped dramatically.

In another Argentinian “Big Mac” survey, a comparison of the costs of school meals and the prices being charged for them, revealed great discrepancies. Within a short time of the publication of the differentials, the suppliers who were overcharging had dropped their prices and brought them all into line.

What to look for when civil society is monitoring a project:

The Contract

- contractor selection procedures;
- timetable, clear-cut goals (quantitative where applicable) and outputs;
- insurance clauses (contractor’s all risks, designer’s and consulting engineer’s professional liability, civil engineering completed risks)¹³;
- feasibility studies and business plans (where applicable).

Implementation

- operational efficiency and partnership;
- progress of the contract according to the timetable;
- reasons for changes and suitability of alternative solutions.

Evaluation procedures

- quality control, timetable, expenditure;
- bench-marking as a comparative quantitative analysis method;
- independence of the evaluator (not just a matter of integrity, but primarily of efficiency).

Results achieved

- expenditure;
- compliance with initially set goals;
- assessment of the “afterlife” of the project;
- the beneficiaries’ side of the story (e.g. Have trainees found jobs? Are drivers happy with the new road?).

Techniques for monitoring

- look at the contract;
- examine the history and structure of the partnership (any in-laws?, an adequate amount of confidence and partnership spirit?);
- who is doing what?;
- expenditure as related to the initial budget;
- payment procedures (documentation, taxes);
- correlating goals and results;
- interview beneficiaries!

Plamen Tonchev (TI-Greece), “Monitoring Public Procurement”, a paper presented at a TI regional workshop in Sofia, Bulgaria, 9 April 2000.

12 These comments are adapted from observations made by Pablo Zoido of the World Bank Institute’s Governance team. For detailed information, visit <http://www.worldbank.org/wbi/gac/instruments.htm> where examples of the survey instruments that have been implemented in several countries may be found, as well as the results that they have yielded.

13 The Spinetta Law in France (1978) and the Merloni Law in Italy (1994) introduced the ten-year-guarantee liability. Compulsory

insurance of public works in Morocco was first adopted in a Royal Decree as early as 1895!

14 “Big Mac” surveys take their name from a technique that was first used to test the comparative wages in different parts of the world. In essence this involved calculating the time which an average worker would have to work in order to earn the price of a McDonalds hamburger.

(c) Before and After surveys

In Milan, TI-Italy has tried to measure corruption through research on the cost of corruption by adopting a “before and after” approach.

As is well-known, the Pool of Milan Magistrates launched their “Clean Hands” investigation on corruption in the early 1990’s. A large group of politicians and businessmen were convicted of mismanaging public funds and of providing illicit finance to political parties and politicians. Civil society strongly supported the Pool and induced a change in the next municipal elections. Except for a few highly-respected individuals, none of the old City guard was re-elected.

In these circumstances, the TI National Chapter felt able to measure the cost of different public investments “before and after” in several areas. The results were striking. The cost of public investments in Milan before and after the “Clean Hands” campaign were:

- direct investments per year increased by nearly 400 per cent;
- total municipal debt was reduced by ten per cent;
- the construction cost of the underground railway more than halved;
- the new international airport (built in three years) had an actual total cost of less than half the previously-estimated cost;
- City-owned companies moved from an annual loss to a substantial profit; and
- municipal tax was limited to five per cent, as against the six-to-seven per cent of other comparable urban areas.

These figures helped to make people aware of the real cost for the taxpayers versus an otherwise somewhat abstract concept of corruption.

About one year later an independent poll company undertook a poll for TI-Italy on how Milan’s citizens felt about corruption. The results showed that:

- over 76 per cent felt that that state was not adequately protecting its citizens from the danger of corruption and intimidation, as they believed that criminals had taken over the state and its institutions;
- over half (52.2 per cent) thought that unlawfulness and thefts were rarely punished and a further 42 per cent thought that this proposition was “largely” true; and,
- nearly 93 per cent thought that the corruption network in Italy had not yet been totally uncovered, or that there were still some areas to be explored.

Yet, there was some comfort in the level of citizens’ awareness, as nearly 85 per cent considered the costs of corruption to the ordinary citizen to be very high.¹⁵

Subsequent tracking of the costs of public procurement, after initial gains had been made, revealed a steady increase in the costs of some public procurement. Not, it seems, from corruption involving large private sector companies, but rather businesses that had started to form illegal cartels and to rig the tender processes for smaller contracts. In total contrast, the interest of international firms in competing in the new and more open market place has meant that the decline in costs for major public contracts has continued.¹⁶

15 Communication from the Executive Board of TI-Italy of 29 November 1999 to the Internet Development Forum on Anti-Corruption Strategies co-ordinated by the World Bank et al.

16 This section draws on research undertaken by Fredrik Galtung, November 1999 to May 2000. His research continues.

(d) Value for Money

The guiding thesis is that corruption drives up prices while driving down quality and performance. Thus, when assessing a public transaction on the basis of “value for money”, if there are gross distortions it can be due either to corruption or to rank inefficiency. In either case, firm action is needed if systems are to be strengthened and repetition avoided. “Gross” distortions can be detected quite readily, particularly given the availability of agencies around the world who can quickly and inexpensively provide information on prevailing prices of goods and services.¹⁷

(e) “Mirror statistics”

Mirror statistics are a form of civil society monitoring that has been developed in Bulgaria. It involves a comparison between the goods exported according to Bulgarian documents to neighbouring Romania, for example, with the Romanian import documentation, and vice versa. This promising initiative requires cooperation from both customs authorities. As well as comparing national statistics, the daily exchange of information and entries in registers on both sides of a border enables Bulgarian customs officers and those in neighbouring countries to compare information about the vehicles carrying goods in “high-risk” categories across the frontier. When this was applied to the Bulgarian/Romanian frontier, it revealed a variety of customs frauds, in particular involving cigarettes. Trucks loaded with cigarettes for export from Bulgaria were shown never to have crossed the border, or else to have done so loaded with toilet paper and the like (as recorded in the records on the Romanian side of the border). In this way the duty-free goods remained in Bulgaria with the duty unpaid.¹⁸

The newest frontier

The newest frontier in the fight against corruption is to survey the parties to corruption directly and simultaneously – including household members, enterprise managers, and public officials – and ask them about the costs and private returns of paying bribes to obtain public service, special privileges, and government jobs... Even with under-reporting and non-responses to some sensitive questions, the results offer telling lower-bound estimates of corruption.

Dani Kaufmann et al; Note prepared entitled “Corruption: Surveys, data analysis and reforms”, Utstein Internet discussions, 4 April 2000.

(f) Monitoring major projects

Finally, there is the question of whether it is possible for civil society, with its necessarily limited resources, to monitor the implementation of very large projects. The approach that is emerging suggests that it is. Civil society should only aim to tackle tasks on which it can deliver useful results. Thus, where the scale of a particular project is beyond its reach, civil society can do either or both of two things. It can monitor selected key elements of the enterprise, and/or monitor the entire project by focusing on the “system” and the way it is functioning, thereby ensuring that the processes by which the tenders are awarded conform to the legal and administrative requirements.

¹⁷ This is the approach that has, in part, guided the deliberations of the committee established in Nigeria in 1999 (on the change to democratic government) to review outstanding government contracts, chaired by Christopher Kolade. It is also one which has enabled these reviews to be conducted quickly, fairly and objectively.

¹⁸ Corruption and Trafficking: Monitoring and Prevention – Assessment Methodologies and Strategies for Counteracting Trans-border Crime in Bulgaria, Boyko Todorov et al (ed.), Center for the Study of Democracy, Sofia, Bulgaria (2000).

