



Defining Corruption

What is corruption, why does it happen and what can be done about it?

Definitions

Corruption is a concept that encompasses many different phenomena and has many different manifestations. It has been defined in numerous ways, but one of the most widely used and accepted definitions is that from

Transparency International, i.e. corruption is **‘the abuse of entrusted power for private gain’**.

This definition captures the basic principle of what is meant by corruption. In its most essential sense, corruption has to do with an action whereby something (a good, service, resource or opportunity) that is meant to promote the interest of a collectivity is subverted for the benefit of a smaller group, which can vary from

Table 1. Corruption is a distortion of the collective for a particular end

‘Turn’	Of		For	
Betrayal	Public	Office/duty	Private	Gain
Diversion	Common	Good/trust	Personal	Profit
Ab(mis)use	Communal	Funds/resources	Individual	Benefit
Manipulation	Administrative	Influence	Unauthorised	Advantage
Exploitation	Institutional	Power	Group	Interests/goals
Bending	Formal	Rules	Informal	Network

Source: Ledevena, Baru and Köker (2017: 3).

One of a series of eight, this Issue Paper is a companion document to [The SDC’s Anti-Corruption Guidance](#). The series provides recommendations on how to apply the Four Pillar approach described in the Guidance for the purpose of anti-corruption programming with a thematic focus or as a transversal theme. The Issue Papers follow the structure of the Guidance and they clarify the concepts, topics and approaches it presents, and also provide links to resources that go deeper into selected topics.

one or a few individuals to relatively larger subgroups. The crucial point is that there are some in the original community of intended beneficiaries that are being unduly deprived from an entitlement or a right by an act or omission on the part of those who hold some form of authority over the collectivity.

Table 1 provides examples of how corruption is, in simple terms, about something that is meant to be public being misused for the benefit of private interests.

‘Corruption’ is a hugely important term in development cooperation because it points to a very fundamental betrayal of official duty, most often with grave consequences for social and economic welfare outcomes.

The problem with the term ‘corruption’ is precisely that it refers to a very broad array of actions and can manifest itself in many different forms across contexts. Therefore, for operational purposes, it is recommended to be as precise as possible about the forms or modalities of corruption that are relevant to SDC’s work in each context.

As indicated in *The SDC’s Anti-Corruption Guidance*, a useful typology classifies corruption into **petty corruption, grand corruption and political corruption** according to (a) the types of actors involved;

(b) the amounts of money involved or lost due to it; and (c) the context in which it occurs. Table 2 illustrates this basic typology with indicative examples of the areas typically affected, the actors involved and concrete instances of how corruption can happen across these three categories.

For programming purposes, it is useful to narrow down, as much as possible, on the specific type or types of corruption that are most prevalent or that constitute the greatest obstacles to development goals in each context.

Further reading

- U4’s basic guide to anti-corruption
- U4’s glossary on the many different types and forms of corruption
- BloG 2018: Research on informal governance and grand and political corruption
- BloG 2017: Research on petty corruption in East Africa

Drivers of corruption

One of the fundamental elements or building blocks to inform any initiative to fight corruption is to have an understanding that, just as corruption has many different manifestations, there can be a multiplicity of causes or explanations for why corruption happens. These are referred to as ‘drivers of corruption’.

Table 2. When, who and how: A basic typology of corruption				
Corruption type	Area typically affected	Who are the actors involved	Manifestation	Examples
Petty	<ul style="list-style-type: none"> Public services – Point of service provision 	<ul style="list-style-type: none"> Low–mid-level public officials Users of public services – Citizens – SMEs 	<ul style="list-style-type: none"> Bribery Favouritism Gift giving Extortion 	<ul style="list-style-type: none"> Bribing a traffic official to avoid fine Doctor treating friends first in a crowded health facility Giving a gift to obtain a service one is not entitled to Demanding/offering a sexual favour in exchange for access to a service
Grand	<ul style="list-style-type: none"> Public procurements Public finance management 	<ul style="list-style-type: none"> High-level politicians High-level public servants High-level business people 	<ul style="list-style-type: none"> Fraud Embezzlement Kickbacks Bribery 	<ul style="list-style-type: none"> Rigging systems to award high-value contracts to own or accomplices’ firms Executing payments from public coffers for inexistent or substandard goods or services
Political	<ul style="list-style-type: none"> Public policies Elections Rules of procedure Rule of law 	<ul style="list-style-type: none"> High-level political figures Powerful non-state actors 	<ul style="list-style-type: none"> Patronage Election rigging State capture 	<ul style="list-style-type: none"> Vote buying Use of state resources to demobilise political opposition Bribery by organised crime to ensure impunity Illicit campaign funding to influence policy

Source: Author’s own.

There are four categories of drivers of corruption:

- Problems linked to formal rules and incentives
- Collective action problems
- Behavioural drivers
- Functionality of corruption.

Further reading

- U4 2021: Understanding corruption and how to curb it. A synthesis of latest thinking
- For more information see Issue Paper 'Drivers of Corruption'

Problems of corruption linked to formal rules and incentives

Corruption is often understood as the result of shortcomings in formal legal and institutional frameworks that contribute to misaligned incentives where the benefits of engaging in corruption outweigh the costs to the perpetrators. This is usually framed in terms of the institutional rules and mechanisms impinging on the decision-making of public officials.

This perspective draws on assumptions from the field of economics, whereby rational individuals make decisions to maximise their benefits (utility). Unless adequate monitoring and sanctioning mechanisms are in place, public officials will be tempted to gain benefits and seize opportunities arising from asymmetric information to pursue their private interests. According to this explanation, therefore, corruption is viewed as a problem that can be tackled by strengthening accountability, above all by improving monitoring and enforcement of sanctions. As will be discussed in the section below on 'anti-corruption responses', this view of corruption underpins the majority of conventional anti-corruption approaches.

In many countries, corruption has remained persistently high in spite of the adoption of comprehensive legal and institutional reforms aligned with international best practices. This situation has triggered empirical studies aimed at understanding what other factors might be at play in driving corruption.

Problems of corruption linked to a collective action dilemma

Evidence from several countries highly affected by corruption suggests that it is wrong to frame corruption as an anomalous behaviour carried out by some 'bad apples' in otherwise well-functioning governance

systems. Rather, evidence indicates that in some countries, corruption should be considered as the expected normalised behaviour. On the assumption that everybody else is corrupt, individuals will resort to corruption too, because from a rational perspective, it represents the best strategy to avoid losing out and protecting (or better, promoting) one's own interests.

Perhaps the most critical aspect of a collective action situation driving corruption is the presumption that government authorities themselves, which should be ensuring public officials behave with integrity in following official roles and fulfilling their respective mandates, also might be among the culprits of corruption. Under those circumstances, the rule of law is challenged by the absence of authorities who are willing and able to enforce the rules. This links to the frequently mentioned challenges in the field of anti-corruption: lack of political will and an implementation and enforcement gap.

Behavioural drivers of corruption

The previous two models (or 'explanations') of corruption assume that individuals make decisions rationally, based on a cost-benefit analysis, whereby incentives can be addressed and modified in a way that will result in changed behaviours. Evidence from clinical psychology and other experimental sciences, however, indicates that human beings do not systematically make decisions rationally. Rather, it suggests that decision-making can be strongly affected by factors associated to culture, sociality and automatic systems in our brains related to factors such as intuitive reactions and environmental cues.

Research evidence has unveiled how behavioural drivers contribute, in some contexts, to generating and perpetuating high levels of corruption.

Problems linked to the functionality of corruption

In many cases, corruption is resorted to because it is perceived to be useful to 'get things done' and to solve problems. One example is how insufficiently funded and poorly organised public services often mean that the demand for public services greatly exceeds the capacity to provide such services. This results in long queues and waiting times to access the services. In order to solve this issue, users may resort to offering a bribe in order to jump the queue. For service providers, low wages may drive them to engage in a range of illicit practices such as bribery, embezzlement of public resources, diverting public goods to private (black) markets or absenteeism in order to hold a second job.

Further reading

- Marquette, H. and Peiffer, C. (2015) Corruption and Collective Action, Research Paper 32, Birmingham: DLP
- U4 2021: Multistakeholder Partnerships as Agents of Integrity
- Jackson, David and Köbis, Nils (2018) Anti-Corruption Through a Social Norms Lens
- Marquette, Heather and Peiffer, Caryn (2020) Corruption Functionality Framework

Anti-corruption responses

Anti-corruption efforts have been in a prominent position on the development community's agenda for a long time. This interest has resulted in the development of many different approaches and instruments to counter corruption, which continue to evolve and develop as more evidence is collected, and more is learned about what causes different types of corruption in different contexts and what works to counter it.

Understanding the drivers of corruption is an initial entry point that is necessary to identify which of the many different possible anti-corruption approaches represents

Table 3. Matching drivers of corruption and corresponding anti-corruption response		
Corruption drivers	Manifestation	Indicative anti-corruption approaches
Problems linked to formal rules and incentives	Inadequate or poorly enforced legal and regulatory framework	<ul style="list-style-type: none"> • Support legal reforms to comply with the United Nations Convention against Corruption (UNCAC) and other international legal standards and instruments • Capacity building of the investigation and prosecution functions of law enforcement agencies and strengthening the judiciary • Establishing an independent anti-corruption agency • Imposing asset and income declaration requirements of public officials • Public financial management (internal controls, transparency, codes and reforms)
	Weak formal accountability mechanisms	<ul style="list-style-type: none"> • Support and capacity building of watchdog institutions (including parliament and auditing bodies) • Complaint management mechanisms and whistle-blower protections • Social accountability performance monitoring mechanisms (citizen empowerment and engagement) • Support to independent media and civil society • Access to information/awareness raising on rights to promote transparency
Collective action problems	Lack of incentives to resist or stand up against corruption due to lack of trust or coordination failures	<ul style="list-style-type: none"> • Integrity pacts • High-level reporting mechanisms • Social media campaigns to reveal real preferences of citizens • Political approaches including advocacy and targeting incentives of elites
Behavioural drivers	Social norms reinforce the acceptability of corruption	<ul style="list-style-type: none"> • Peer-led interventions where important social figures promote behavioural change • Media 'edutainment' that disseminate stories and illustrative examples that challenge conventional wisdom of corruption and incorporate heuristic cues • Harnessing social norms to promote integrity and upholding professional standards in public office
Functionality of corruption	Bribery and favouritism are used to access services	<ul style="list-style-type: none"> • Focus on targeting resource and organisational bottlenecks to improve service delivery • Long-term solutions such as economic growth and institution building • Improving legal frameworks and their implementation surrounding ease of doing business can go a long way towards reducing incentives to engage in corruption from a private sector perspective • Civil service systems reforms (on hiring, promotion and integrity standards)
Source: Author's own.		

a 'best fit' to target the roots of the corruption problem at hand. Part of this involves understanding what the motivations are that are driving corrupt behaviours in the first place. Experience has shown that, unless these underlying problems are addressed, anti-corruption measures are unlikely to be effective, and corruption may simply be displaced to other areas or morph into alternative but similarly corrupt behaviours.

Certainly, problems of corruption may require developing a holistic strategy that brings together several distinct interventions to address different elements that give rise to corruption risks. It is critical to have as best an understanding as possible of the driving factors at play, and to develop a targeted approach that is adequate to tackle the different aspects of the corruption problem.

Table 3 provides indicative examples of how the identification of drivers of corruption at play links to corresponding anti-corruption prescriptions.

The importance of ensuring the 'best fit' possible between the original elements that are generating corruption risks and the corresponding anti-corruption response cannot be overstated.

Many countries experience what is commonly referred to as an 'implementation and enforcement gap', whereby legal and institutional frameworks may be given good marks regarding the extent to which they comply with what are sometimes regarded as 'international best practices'. These mostly refer to recommendations regarding the characteristics and provision of the legal and institutional frameworks that govern anti-corruption systems and dictate the legal instruments at the disposal of law enforcement and administrative authorities to prevent, detect, investigate and prosecute crimes of corruption.

The importance of these best practice recommendations is not to be underestimated.

It is clear that without appropriate legal mechanisms any anti-corruption policy would be difficult, if not impossible, to implement effectively. However, legal and institutional reforms are probably best understood as necessary, but not sufficient, conditions for anti-corruption success. The review of the different drivers of corruption gives insights of the different reasons why corruption often persists, even in the presence of adequate legal frameworks.

Box 1. Strengthening accountability and enforcement of sanctions

The underlying logic of many conventional anti-corruption interventions is to focus on addressing shortcomings in formal legal and institutional frameworks. The core idea is that when monitoring and sanctioning mechanisms are weak, public officials will be tempted to pursue their private interests. This follows the **principal-agent** model, which frames corruption as the result of weaknesses in a relationship of accountability between a principal (the entity holding a right or entitlement or the authority to represent the principal) and an agent (an entity tasked with carrying out a mandate on behalf of the principal). Corruption can therefore be tackled by strengthening accountability (including adequacy of mandates, commensurate resources) and improving monitoring and enforcement of sanctions. Most anti-corruption approaches tackle one or various of these accountability components. (For more information see Issue Paper 'Drivers of Corruption'.)

Source: Author's own.

Further reading

- [Curbing Corruption website](#): Provides a sector-by-sector review of anti-corruption approaches
- [Compendium of Good Practices on Anti-Corruption for OGP Action Plans](#): Published by Transparency International, this guide synthesises good practices for implementing open government partnerships
- [U4: Anti-Corruption Knowledge Hub](#)
- [U4 2020: Identifying Feasible, High-Impact Anti-Corruption Interventions. The Case of Albania](#)
- [U4 2019: What Works in Anti-Corruption Programming: Lessons from the Middle East and North Africa Region](#)
- [BloG 2017: Drivers of Petty Corruption and Anti-Corruption Interventions in Developing Countries – A Semi-Systematic Review](#)