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Paying Bribes for Public Services: A Global Guide to Grass- Roots Corruption



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creates fundamental changes, for example, the abolition of procedures that create opportunities for rent-seeking and the abolition of posts that corrupt officials occupy. Strategic intervention is needed to eliminate or radically transform steps in existing processes that are most conducive to bribery.

Six principles for reducing bribery

To make interventions effective requires tracing the process that links national laws authorizing a particular service with the behaviour of public employees delivering it to citizens (cf. Beach and Pedersen, 2013). Process-tracing concentrates attention on steps in the process that are in the hands of government, including steps at which bribes may be collected. Careful modelling of the process of delivering a particular public service can call attention to points at which interventions are needed; the pages that follow set out principles that can be applied to make it harder for service-deliverers to collect bribes.

- 1 *Reduce personal contact between officials and users of services.* Because bribery is illegal, the normal method of payment is a hand-to-hand transfer of money. This not only requires money to effect a transaction but also face-to-face contact in which an official finds out what the user wants and the claimant hands over whatever the official wants to be paid.

The need to meet obligations imposed by government regulations requires individuals to be in contact with a government office, but the extent of regulation that a government imposes is the choice of governors. The number of steps requiring action by officials before an individual can obtain a permit or satisfy a regulation is the choice of policymakers too. The greater the number of steps, the longer it is likely to take for individuals to secure documents to which they are legally entitled. An official can use the need for a permit as an opportunity to solicit a bribe. Paying a small bribe to prompt official action on a document is common in countries where bribery is relatively high (Table 4.3). If approval is given by violating rules, the cost of the bribe is likely to be higher. Thus, reducing the number of regulations and simplifying the administration of those that are necessary is an effective way of reducing the opportunity for public officials to collect bribes.

Although contact with a public service is a necessary condition of obtaining it, the contact need not be face to face. Computerization offers a ubiquitous means of reducing personal contact because it allows users to substitute interaction with a government website for a meeting with a public official. Doing so eliminates the personal contact required for a bribe to be paid without eliminating the service. Since websites are always accessible, a web-based service can be more convenient for users and cost a public agency less to maintain, since computers do not take annual holidays or claim a public pension. A computer service can register claims for a document such as the renewal of a driver's license and satisfy it immediately without requiring a person to deal with any public official. Computerization is particularly suitable for activities for which a government agency already has a file. It can be used to calculate and notify older people of annual adjustments in the value of their pension and to deal with claims for renewing an automobile license.

Electronic technology can be used to replace the interaction of citizens and public officials. A policeman flagging down a speeding motorist has a choice between issuing a ticket or accepting a 'tip', whereas computerized closed-circuit television systems can automatically record the automobile license of a speeding car and create a record of a law violation. This information can then be linked with details of the car's registration and a speeding fine issued with no face-to-face contact between an official and the driver. Anti-crime television monitoring of streets and shops can be extended to public offices in order to create a record of what happens during encounters between citizens and public officials suspected of abusing their office.

- 2 *Make criteria for decisions more objective.* Even when all citizens are formally able to apply for a private good, it does not follow that all are entitled to receive it. Each public service normally has criteria for determining whether a person is entitled or obligated to use it. The bureaucratic ideal of impartiality endorses the use of objective criteria to determine whether individuals have access to public services. Objective criteria should be so reliable that their application by different officials will come to the same decision. The extent to which this is the case varies between services. There is a great deal of objectivity in determining the amount of money to be paid to a pensioner. Even if the rules are complex, the decision can be based on an individual's age and the amount of money that

he or she has paid into a pension fund. The process of arriving at a decision about the cash to be given to an unemployed, single mother is less easy to determine by the application of rigid rules.

The educational achievements of individuals can be evaluated by methods that are more or less objective. The most subjective are the personal assessments given by classroom teachers, who can differ in the criteria that they use to give marks to pupils whom they know well from their classroom. The marking of written examination papers by unseen markers makes assessments impersonal but leaves discretion in evaluating essays in the hands of different markers. Multiple choice questions that are machine-scored are most objective, especially where the knowledge tested can be labelled correct or incorrect, as in arithmetic tests. In countries in which examinations and admission to university are vulnerable to the effects of bribery, examinations can be designed for computerized administration and marking at regional centres remote from individuals taking them. It is also possible to use biometric tests to prevent impersonation of examinees.

- 3 *Increase transparency.* Government agencies are increasingly turning to the World Wide Web to disseminate information about public services (OECD, 2013: chapter 9). It can also be used to make transparent the way in which decisions are taken about public services. Rules requiring officials making decisions about public expenditure to declare their own and their family's financial holdings are intended to prevent 'self-bribery', that is, officials making decisions that are in their personal financial interest. The emphasis on transparency is particularly important to monitor decisions about capital-intensive contracts. If competing bids for a high-value job are not made public, this encourages the suspicion that a decision about spending a large sum of public money has been influenced by a capital-intensive bribe or some other form of corrupt influence.

Making transparent the cost of locally provided services by publication on the worldwide web in forms easily searched by locality and by function can give ammunition to local organizations trying to mobilize awareness of the costs of corruption in terms of its effect on the delivery of education, health and other public services. Where there are gaps in the data this is a *prima facie* case for intensive auditing to allay or confirm

suspicions of corruption (Johnston, 2014: 66ff). The performance of local services can also be evaluated by making public non-monetary measures of performance, such as waiting times for operations or the issuance of permits. University entrance decisions can be made transparent by posting on a website the examination results of those admitted and those not admitted.

- 4 *Reduce scarcity by matching the supply of public services to demands and obligations.* The logic of bureaucratic administration is that laws determine who is entitled or obligated to receive public services and the government supplies them. Insofar as this happens, then problems of scarcity do not arise. Even if there is competition for admission to the best schools, everyone entitled to further education can be given a place and objective criteria can be used to allocate applicants to different universities. However, the greater the gap between demand and supply, the more likely the resulting scarcity is to undermine bureaucratic allocation of services and encourage bribery. Queuing is an impartial way to allocate scarce services on a first come, first serve basis, while paying a bribe to jump the queue is a rational response by an individual who does not want to spend months waiting for hospital treatment. Posting details of people admitted to hospital and how long they have been waiting in a queue for treatment provides a transparent means of monitoring the extent to which first come, first serve principles of queuing are respected or got around for good reason or by hook or crook.

In developing countries there is a tendency to enact legislation that creates universal entitlement to social benefits such as secondary education and health care, without authorizing sufficient money to supply the facilities to meet these entitlements. Empirical research finds that the greater the scarcity of services, the higher the level of bribery (Table 6.2). Reducing scarcity by increasing supply is a logical strategy for reducing bribery. A government can claim that low national income explains its failure to fund a sufficient supply of a public service to meet the demand from everyone entitled to receive it. However, this is not the whole story. A state's capacity to spend money not only reflects the country's Gross Domestic Product per capita but also the extent to which taxes on economic activity are levied by the state and collected rather than evaded by hook or by crook. Whatever the amount of public revenue,

a government has a degree of choice about spending priorities between social services and signing contracts for capital-intensive construction projects and the purchase of military equipment, services for which capital-intensive bribes may also be paid.

- 5 *Expand choice.* Governmental monopoly over law enforcement and the provision of official documents is acceptable, but the services that most citizens use, such as health, education and pensions, are in principle capable of being supplied by the private sector too. Egalitarians oppose giving individuals a choice of institutions in the belief that the monopoly supply of social benefits is good for social cohesion and keeps standards up by making those with more income and education engage with public services rather than exit from them (cf. Hirschman, 1970; Rose and Peiffer, 2015). Public sector unions oppose privatization for reasons that public choice economists can explain (Buchanan and Tullock, 1962). Most contemporary welfare states, including social democratic Sweden and social market Germany, fund a multiplicity of providers of education and health care, some of which are public agencies and some independent of the state.

Freedom of choice is both a political and an economic principle. Proponents of markets argue that enabling individuals to exercise a choice between a public and a private sector provider of a retail social service increases the match between the social services that a person wants and what institutions supply. It also enables individuals who are asked to pay a bribe to switch to an alternative supplier that is not corrupt. The extent to which individuals are able to exercise choice is affected not only by their household income but also by public policies. National legislation can overcome inequalities in the income of citizens by providing individuals with vouchers that can be used to reimburse the school or medical provider of their choice for the cost of their services (Cave, 2001). Legislation can also obligate individuals to have a minimum of health insurance while leaving it up to an individual or an employer to choose between a public, not for profit or profit-making supplier.

Where bribes are paid to expedite the delivery of services to which individuals are entitled, this illegal charge can be legalized by adopting the principle of discount airlines that make charges for better treatment. For example, the British government now encourages the health service

to make use of private-sector hospitals to reduce queues where insufficient beds in public hospitals lead to long waiting lists. It also has a sliding scale of charges for issuing or renewing a passport. Instead of paying the standard passport fee and waiting up to a month or longer for this service, a person can get a passport delivered within a day or a week by paying almost double the standard fee.

- 6 *Promote a service ethic.* A standard rational-choice explanation for public officials demanding bribes is that it is in their economic interest to do so, since the extra income is all profit, as officials do not have to meet the cost of producing the service that they supply in exchange for a bribe (Becker, 1968). The minimum size of a bribe is whatever is required to offset the risk of being found out and punished for taking a bribe. The maximum amount is whatever a person will pay rather than do without a service or, where choice is possible, turn to the market instead. Where services are scarce, the amount of a bribe is whatever the highest bidder can pay.

The rational choice perspective captures only one dimension of the motivation of service professionals. People do not become primary school teachers or nurses just to maximize their income. The nature of their work is an attraction too. The term vocation is derived from the Latin word for calling, as in a vocation to become a priest. A vocational qualification is often required to obtain public employment, whether as a lawyer, a music teacher or an electrician. Vocational training gives individuals skills and a sense of *technik*, that is, a belief that there is a proper set of procedures to be followed in dealing with people, whether it is teaching children to read or helping a person with broken bones recuperate from an accident. The norms inculcated by vocational training explicitly or implicitly treat taking a bribe as a wrong thing to do. If a service professional becomes a public employee, she or he receives training in bureaucratic procedures too. This combination of technical and ethical standards is also found in the origins of the word office in the Latin *officium*, meaning duty.

Technical training and service ethics are not the only influences on public officials. Where bribery is tolerated, on the job socialization shows public employees how to bend or break rules to their personal advantage. Barometer data indicate that the police appear to undergo more informal socialization in how to break rules than teachers and nurses. The fact that most people do not pay bribes when they make

use of public services (Table 4.3) emphasizes that generalizations about corruption drawn from anecdotes and from public choice theories are very inadequate to describe how public officials actually behave.

Political implications

Whereas the analysis of corruption by country tends to emphasize distinctive national institutions, this book has shown the importance for bribery of public services. Within a country services such as health care and administering regulations have much in common with their counterparts in other countries, including the fact that in every country some users of a service receive it without bribery while others pay up. Cross-national similarities imply that such principles as substituting impersonal computers for personal contact or reducing scarcity and unnecessary regulations should be applicable in many countries where bribery is a major problem, whether or not they have been included in the Barometer surveys reported in this book.

Political obstacles to change are likewise common across continents. Attempts by intergovernmental organizations to introduce systemic reforms based on best practices in Western societies can be irrelevant when they do not take into account differences in the extent to which bureaucratic institutions and practices have been institutionalized. Political resistance is encouraged if foreign advisors emphasize what is visible from afar, how the money they provide for capital-intensive projects is spent, because capital-intensive policies can involve the payment of large bribes to select high-ranking officials. The amount of money paid by foreign sources to exploit natural resources such as oil can similarly finance an egregiously wealthy life style for national politicians who award the licenses. Yet attacking capital-intensive bribery risks mobilizing opposition from entrenched beneficiaries. Opposition to reforms may be expressed by refusing to adopt anti-corruption policies. More insidiously, it can be expressed by formally adopting anti-corruption measures in order to continue a flow of foreign funds but not enforcing them.

When the will to change is lacking in a government, intergovernmental and national agencies that provide development funds are not powerless. The capital-intensive sums that they provide are valued by corrupt governors as a source of illegal income. If a Western government has good