

Empirical Tools for Governance and Corruption Analysis

**How to use them for Public Sector Reform?
Lessons learnt**



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Presented at the 13th International Anti-Corruption Conference

October 31, 2008 - Athens

Outline

- Objective of the panel
- An illustration: Governance and Anti-corruption Diagnostic Surveys
 - Description
 - Country Cases and selected results
- Lessons learnt and issues for discussion

Objective of the panel

- Do we actually know anymore what we are measuring?
- How can we help various stakeholders make appropriate use of all the tools out there?
- How do we balance global (ranking) measurement tools with national assessments?
- Who should be involved in measuring?
- What are the advantages and disadvantages of the approach you have used?
- To what extent have measurement tools helped shape public sector reforms?

Governance and A-C diagnostic surveys

Objectives: Greater local capacity, baseline governance data, input for policy reform

- A demand-driven, fully transparent **process** which involves different stakeholders at each stage
- Key features:
 - ***Three surveys***: households, firms, and public officials
 - Questions focus both on ***experience*** and ***perceptions***
 - Questions are adapted to local realities
 - Rigorous technical requirements in ***implementation***
 - Close and continuous ***consultations*** with different stakeholders during the whole process
 - ***Local institution*** implements data collection, with guidance from international experts

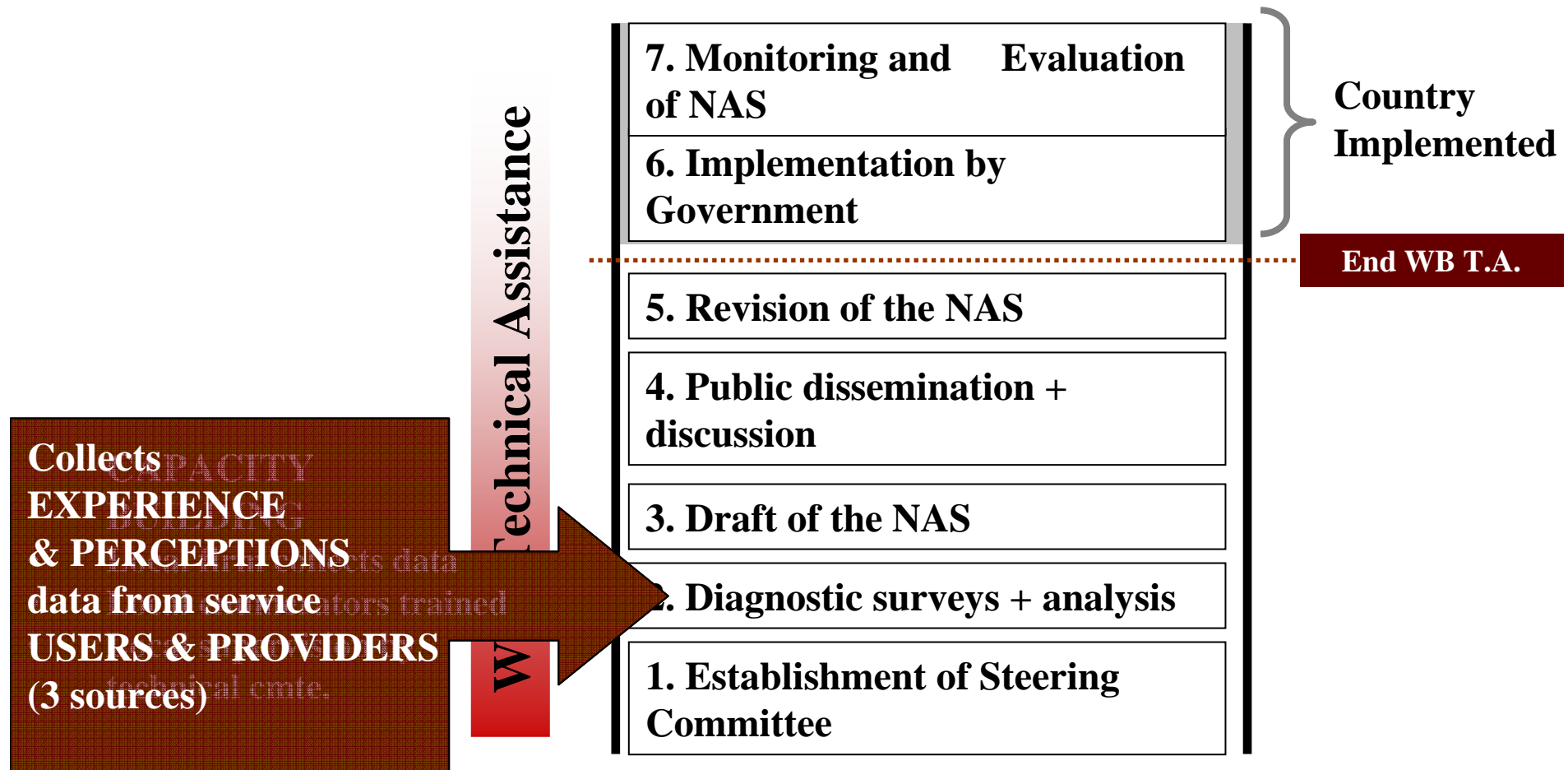
Governance and A-C diagnostic surveys

The power of diagnostic data:

- Unbundle corruption – administrative, state capture, bidding, theft of public resources, purchase of licenses
- Identify weak and strong institutions
- Assess the costs of corruption on different stakeholders
- Identify key determinants of good governance
- Input to develop concrete policy recommendations

The study as part of a larger process

Challenge: poor governance and corruption



Key Partnership: Government + Civil Society

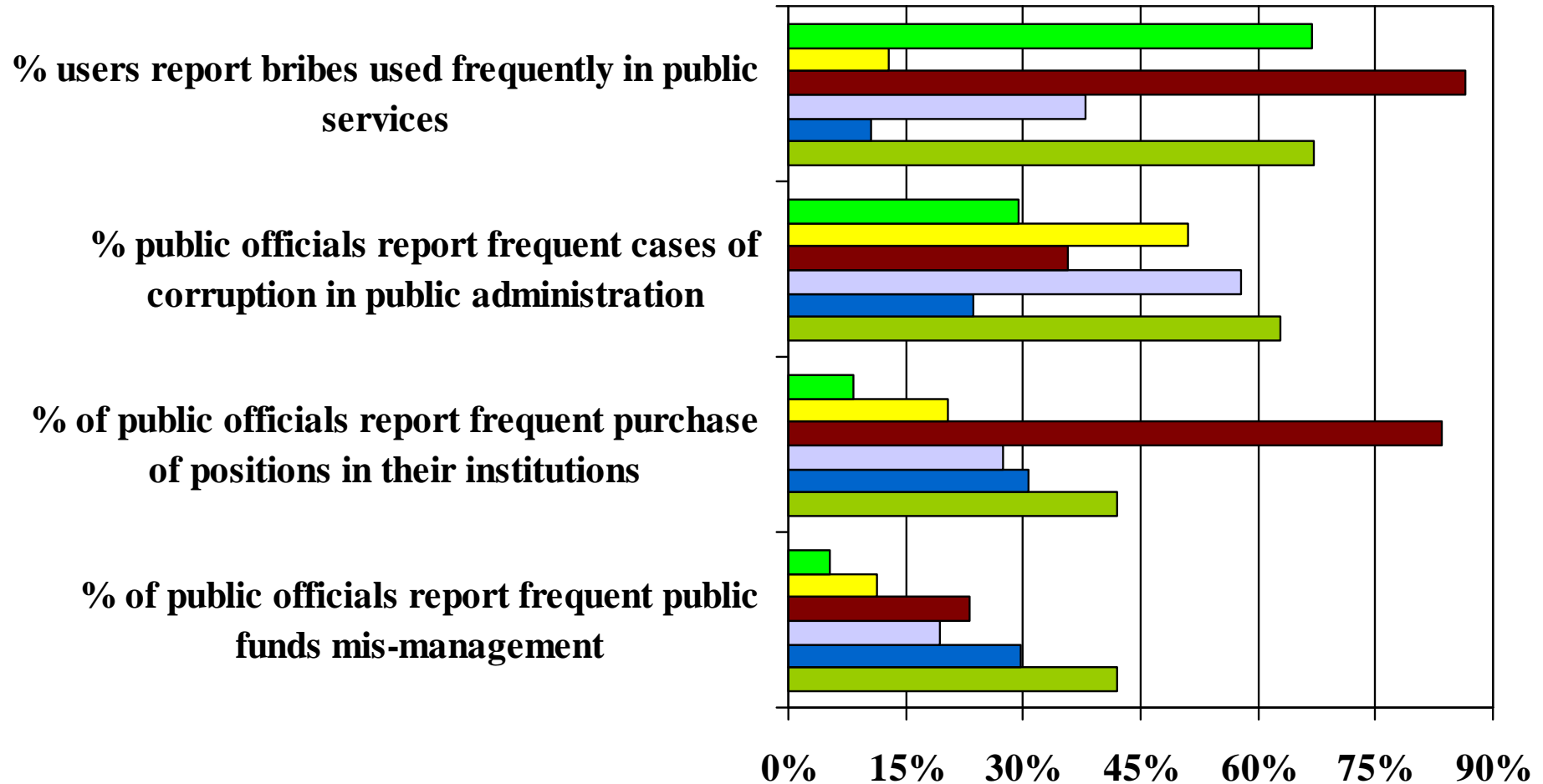
Governance and Anti-Corruption Diagnostics

Country	Survey Instruments	Data Collection	Report	Dissemination	A-C Strategy
Benin	Finalized in 2005	Completed, 2006	Completed (Spring 2008)	Completed (Spring 2008)	In progress
Haiti	Finalized in 2005	Completed, 2006	Completed (Spring 2007)	Completed Summer 2007	In progress
Burundi	Finalized 2007	Completed, 2007/2008	Completed (Spring 2008)	Completed (Spring 2008)	In progress
Paraguay	Finalized in 2005	Completed, 2005	Completed (2005/2006)	Completed (Spring 2006)	In progress
Mauritania (Transport)	Finalized (Spring 2008)	Completed firm survey. Pending the other two	Pending	Pending	Pending

Past diagnostics: Peru (2001), Honduras (2001), Zambia (2003), Sierra Leone (2003), Madagascar (2005), Mozambique (2004), Guatemala (2004), Ecuador (2000), Guinea (2004)
2nd generation diagnostics: El Salvador (Rule of Law); Guatemala (Social Sectors), Yemen (Health), Morocco (Health, Transport), Cote d'Ivoire (Fragile country), Ethiopia (Health)

Country Diagnostic Results

Extent of corruption, (Selected Countries '03-'05)



■ Sierra Leone(2003)

■ Guatemala(2004)

■ Zambia(2003)

■ Paraguay(2005)

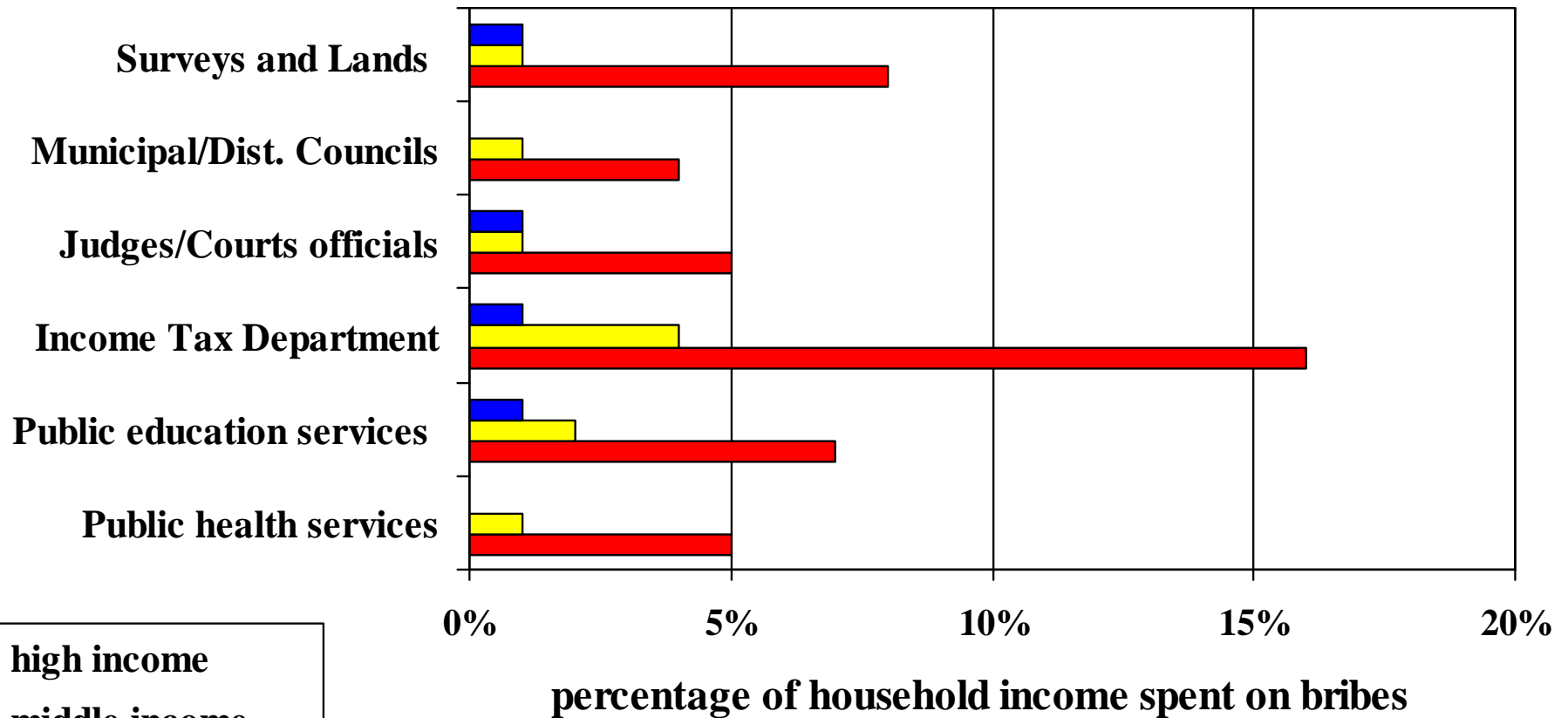
■ Mozambique(2004)

■ Madagascar(2005)

Country Diagnostic Results

Corruption increases inequality

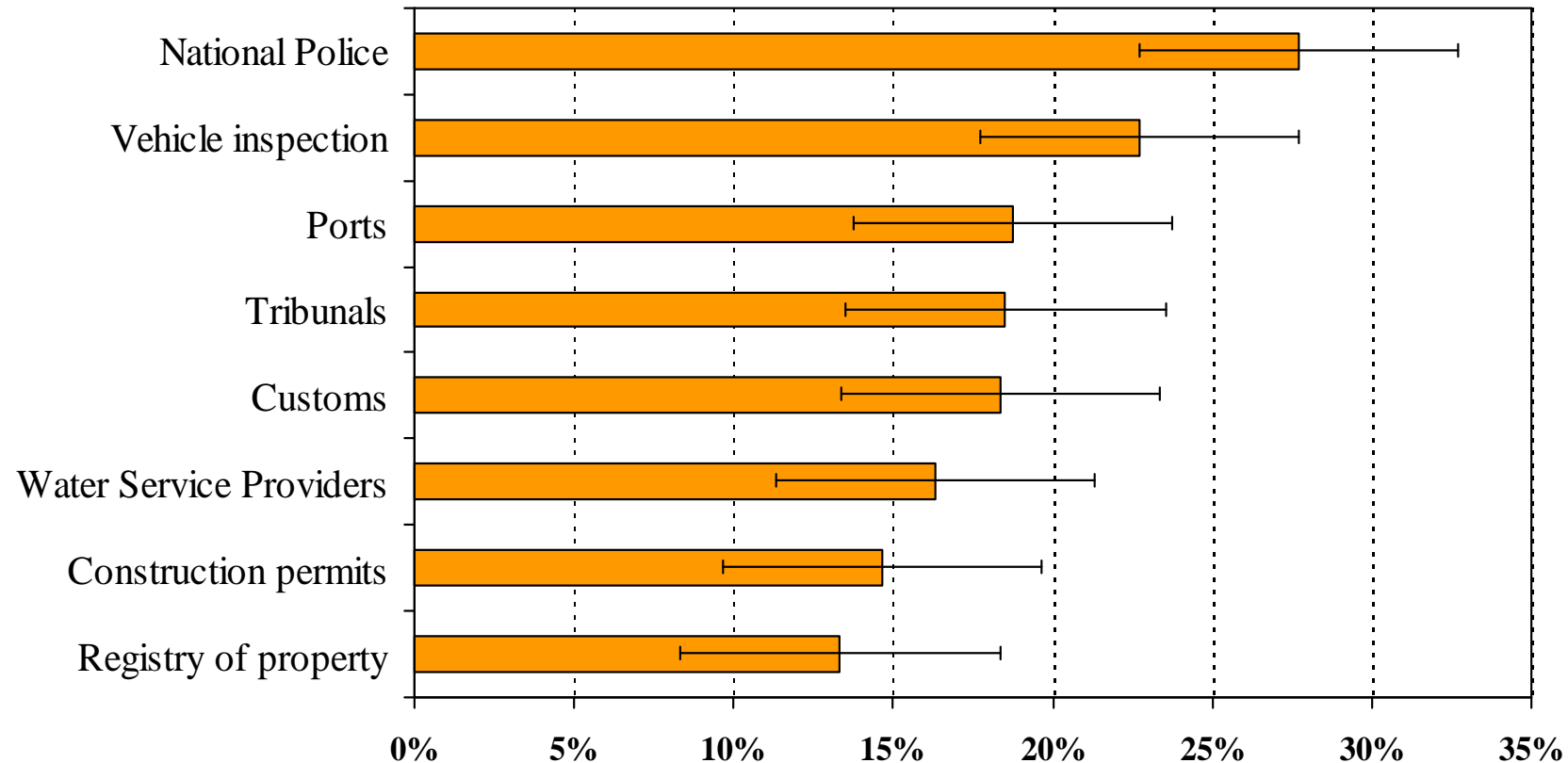
Percentage of household income spent on bribes to obtain services, by income status (as reported by households), Sierra Leone, 2003



- high income
- middle income
- low income

Country Diagnostic Results

Managers and bribes to obtain public services, Guatemala 2004



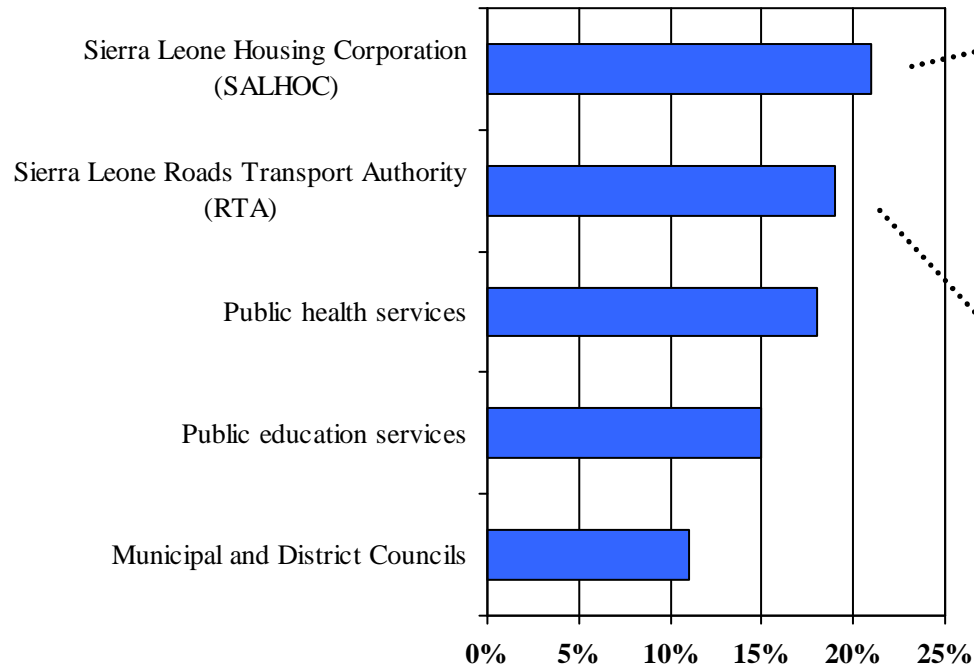
% of managers reporting that they were asked for a bribe when seeking these services

Note: Thin lines represent margins of error (95% confidence intervals) for each value. They show the range where the true (population) proportion would lie with probability 0.95 if we had drawn a random sample from this population. Figures are calculated for those managers who contacted the agency btwn July '03 and July '04. Selected services.

Country Diagnostic Results

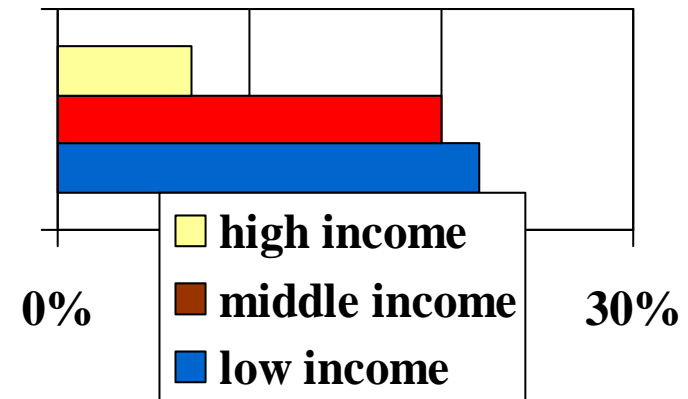
Corruption imposes barriers to households to access basic services, Sierra Leone 2003

Cost of Corruption: discouraged users by service

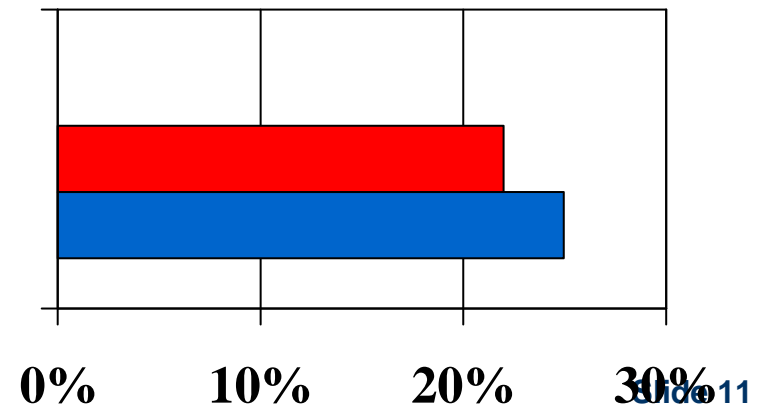


Proportion of head of households reporting that they decide to not conduct procedures with these institutions because they couldn't pay the unofficial costs

Sierra Leone Housing Corporation



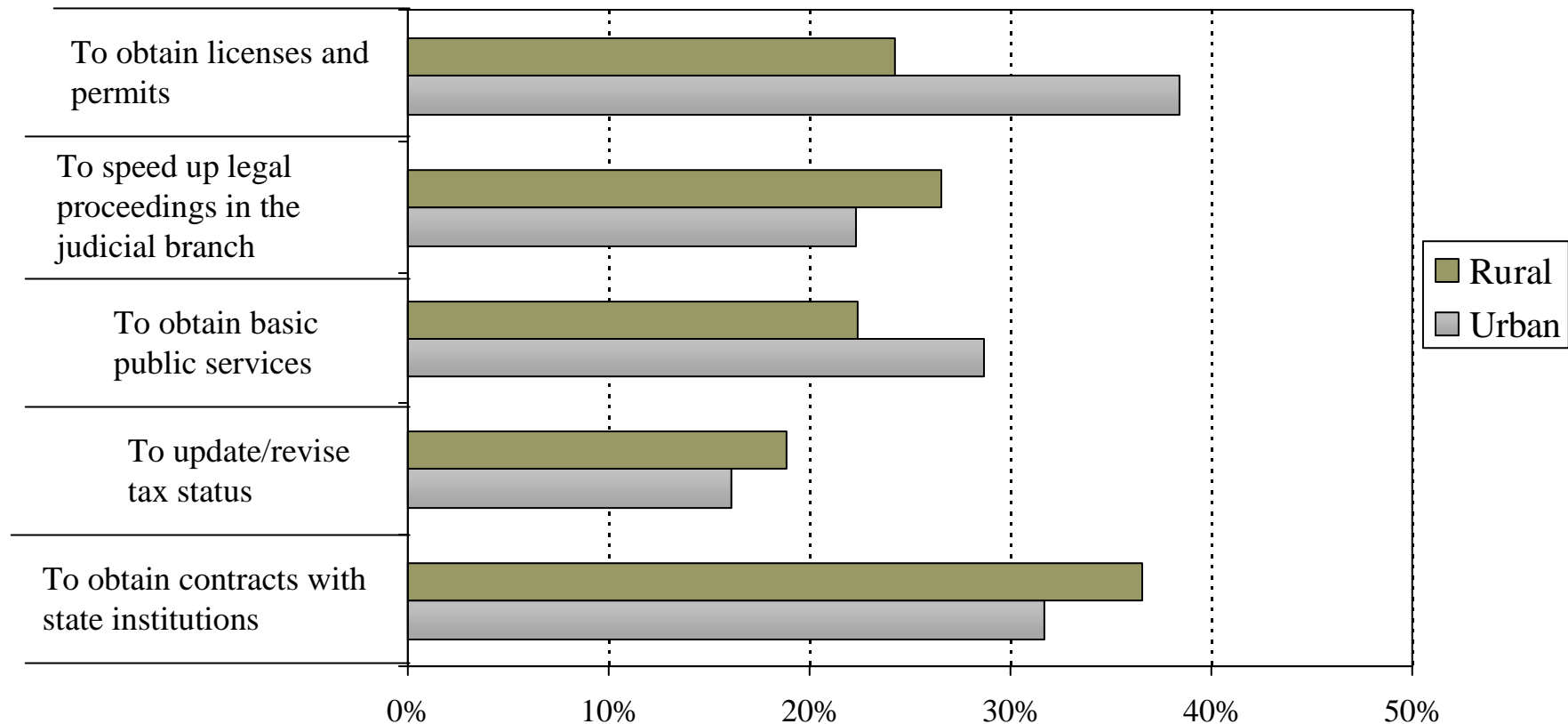
Sierra Leone Roads Transport Authority



Country Diagnostic Results

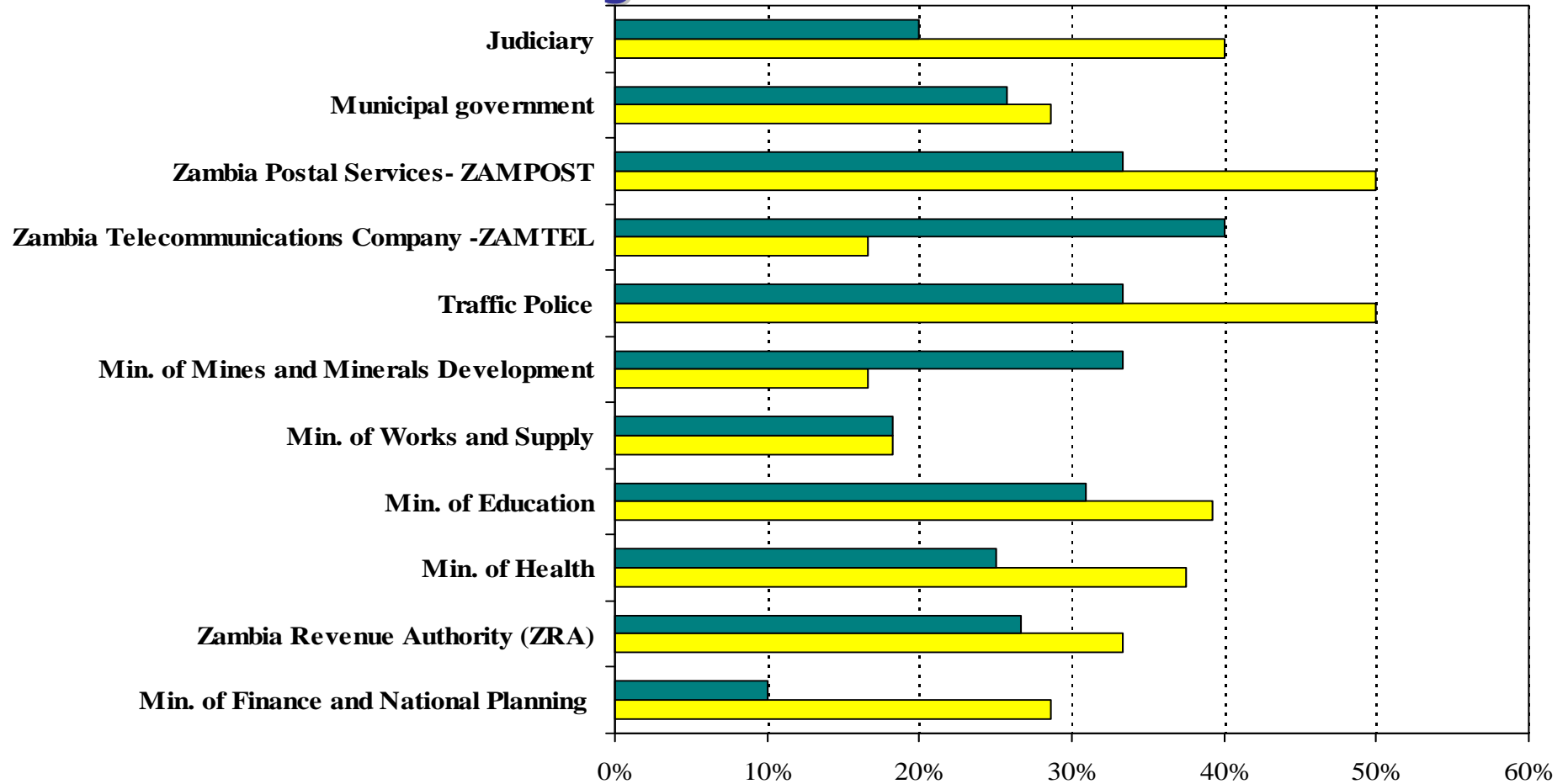
Corruption affects differently Urban and Rural areas (as reported by managers, Zambia 2003)

% of managers reporting that bribes are very frequent...



Country Diagnostic Results

Practice of Purchasing Jobs (as reported by public officials, Zambia 2003)



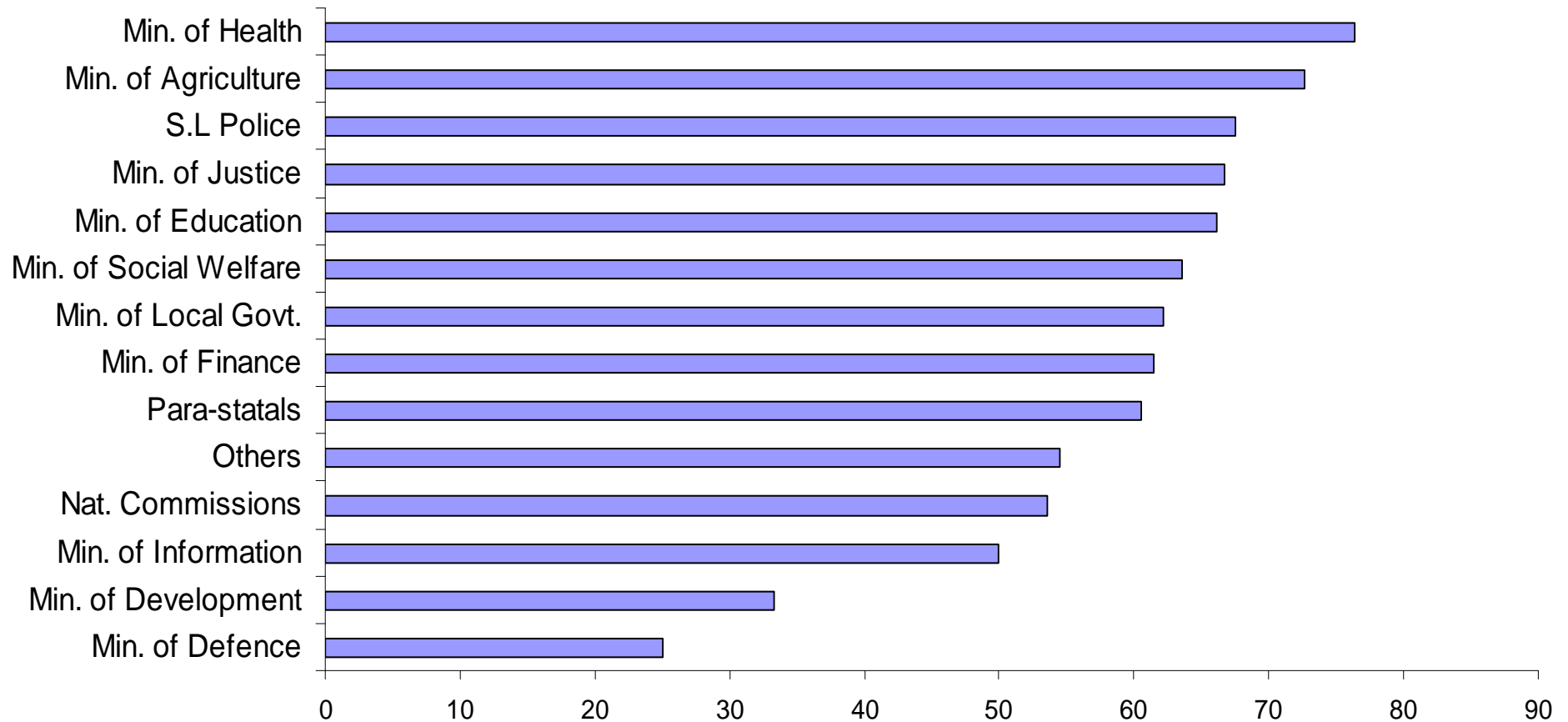
% of public officials reporting purchase of jobs is a very common practice among...



Country Diagnostic Results

Public funds are mismanaged by agency

(as reported by Public Officials, Sierra Leone, 2003)



% of Public Officials that said irregularities/(misappropriations) are frequent

Governance and corruption indicators by province, Sierra Leone, 2003

	South Prov.	North Prov.	East Prov.	West Area	WHOLE COUNTRY
Corruption in budget	35	43	48	39	40
Overall corruption	22	32	35	33	32
Corruption in public contracts	18	35	29	33	30
Corruption in personnel (2)	39	44	55	53	49
Accessibility for poor	85	74	87	74	78
Audit Mechanisms	55	59	66	58	58
Enforcement of rules	70	67	80	73	71
Politicization	21	34	22	34	32
Quality of rules	62	62	70	61	63
Resources	54	51	47	55	52
Transparency	51	55	53	51	55
Citizen voice	70	59	65	66	66
Meritocracy	66	65	70	69	68

Lessons learnt

- Do we actually know anymore what we are measuring?

Multi tools do not translate into less precision or confusion. Rather, “competition” allows us to improve our methodologies and to create interesting partnerships (Madagascar, Paraguay, Peru)

- How can we help various stakeholders make appropriate use of all the tools out there?

Local focus, local capacity building, participation, and learning by doing (Paraguay, Peru, Sierra Leone)

Lessons learnt, cont.

- How do we balance global (ranking) measurement tools with national assessments?
Two sides of the same coins, but with different objectives. Important that the two approaches complement each other
- Who should be involved in measuring?
It depends on the country reality. Our experience: the country as a whole. But donors, INGOs can play a very important role (Sierra Leone, Mozambique, Haiti). NSOs should also be involved to promote sustainability (Peru, Paraguay)

Lessons learnt, cont.

- What are the advantages and disadvantages of the approach used?

Pros: Greater local capacity, consensus and ownership that can ensure sustainability of reform process; south-south knowledge dissemination (Costa Rica, Zambia, Mozambique, Haiti)

Cons: Time consuming and costly; challenging to coordinate many different actors, especially international ones; unforeseen political changes

- To what extent have measurement tools helped shape public sector reforms?

Honduras, Burundi, Mozambique, Madagascar

Lessons learnt, cont.

- Additional challenges

2nd generation diagnostics focus on sector governance => more challenging to apply this model at the sector level (Mauritania, Yemen)

- Government commitment
- Transparency of process
- Participation of different stakeholders

World Bank Governance on the Web

- **Public Sector Governance:** <http://go.worldbank.org/1HCN3DA3F1>
- **About Governance Diagnostics and Statistical Capacity Building:**
<http://www.worldbank.org/wbi/governance/capacitybuild/about.html>
- **Governance Diagnostic Surveys Country Sites:**
<http://www.worldbank.org/wbi/governance/capacitybuild/d-surveys.html>
- **Courses and Surveys: Governance Diagnostic Capacity Building:**
<http://www.worldbank.org/wbi/governance/capacitybuild/courses.htm>
- **Step by Step Guide to Governance Diagnostic Empirical Tools Implementation:**
<http://www.worldbank.org/wbi/governance/capacitybuild/diagnostics.html>
- **Actionable Governance Indicators: upcoming web site**