



Course Outline

EE 446 Economic Analysis of Corruption

Semester 1/2023 (August 15 - December 4, 2023)

Lecture Time: Tuesday, 09.00-12.00 hours

Lecture Venue: Room 101

Google Classroom: [74ow4kz](#)

BE Moodle:

Instructor:

Name: Dr. Brian Kennedy

Office Hours: 12:00 – 14:00 Tuesday and Thursday

Email: bpk@econ.tu.ac.th

Phone: 081-442-7426

Number of Credit: 3 Credits (3-0-6)

Prerequisite: EE311

Course Description:

Study of corruption by using economic analytical framework both theoretical and empirical methodology. Topics include definition and coverage of corruption, causes of corruption, economic consequences of corruption both on micro and macro levels, public policies and measures in combating corruption. Moreover, roles of private sector, civic society, and international organizations in tackling corruption will also be discussed, with reference to case studies.

Course Objectives:

- To obtain an understanding of the key concepts and insights within the economics of corruption
- To learn how to evaluate economic research on corruption
- To further your ability to discuss and analyze policy and its impact on society
- To debate and express the findings of your own study research with clarity and precision
- To be able to discuss the cultural, as well as the economic sources of corruption, and how those factors shape the economic institutions of a country
- To be able to discuss the incentives that individuals face, and the circumstances under which they recognize themselves to be corrupt or not, and why they would (should), or would (should) not, care.

Notes, Note Taking, and Attendance:

I DO NOT use power point for the most part, I lecture and use the board. I give each lecture from prepared notes, which will be available before class, via google classroom. I would recommend that you print out a copy of them for yourselves, or have them available on your tablet/laptop, many students find they help to follow the lecture. DO NOT assume that the notes are a substitute for the lecture, I use the notes to remind myself of what points I want to cover, in what order. But parts of the notes are not understandable without the lecture to explain them.

Google Classroom and Moodle:

I don't typically use moodle all that much, but I do use google classroom for the notes and to contact students, when there is a schedule change or an announcement. In the event that the Wuhan Flu returns, and the University shuts down again, class will then be maintained via zoom. I am NOT planning on recording classes via zoom, unless a shutdown seems imminent.

Cheating:

Don't. If you do, and I catch you, you will be reported to the program director for the appropriate punishment. At a minimum, you will receive a zero on the assignment you are caught cheating on, other punishments include automatically failing the course, and being suspended for one (or more) semesters.

Evaluation:

The class evaluations will be based on two exams, a midterm and a final. The midterm will be 2 hours in length, the final will be 3 hours in length. Students will have a choice of what

questions to answer. A sample exam will be passed out before the first exam. Each exam is worth a percentage of your grade as given below. The Midterm exam will cover material from the first half of class, the Final exam will be comprehensive, though it will be weighted towards materials studied in the second half of the semester. The exam schedule is given below:

Exam Dates:

Midterm Exam: 40% Tuesday, 3 October 2023, 9:00 – 11:00

Final Exam: 60% Friday, 15 December 2023, 9:00-12:00

Main Text:

Susan Rose-Ackerman, Bonnie J. Palifka “Corruption and Government: Causes, Consequences, and Reform 2nd Edition

Supplemental Texts:

Bruce Bueno de Mesquita, Alistair Smith “The Dictator’s Handbook: Why bad Behavior is Almost Always Good in Politics

Ray Fisman and Miram A. Golden “What Everybody Needs to Know”

Referenced Articles:

Abbink, K., Irlenbusch, B., & Renner, E. (2002). An Experimental Bribery Game. *The Journal of Law, Economics, and Organization*, 18(2), 428-454. doi:10.1093/jleo/18.2.428

Barr, A., & Serra, D. (2010). Corruption and culture: An experimental analysis. *Journal of Public Economics*, 94(11), 862-869. doi:https://doi.org/10.1016/j.jpubeco.2010.07.006

Cohn, A., Fehr, E., & Maréchal, M. A. (2014). Business culture and dishonesty in the banking industry. *Nature*, 516(7529), 86-89. doi:10.1038/nature13977

Cohn, A., Maréchal, M. A., Tannenbaum, D., & Zünd, C. L. (2019). Civic honesty around the globe. *Science*, 365(6448), 70-73. doi:10.1126/science.aau8712

Dai, Z., Galeotti, F., & Villeval, M. C. (2018). Cheating in the Lab Predicts Fraud in the Field: An Experiment in Public Transportation. *Management Science*, 64(3), 1081-1100. doi:10.1287/mnsc.2016.2616

Jain, A. K. (2001). Corruption: A Review. *Journal of Economic Surveys*, 15(1), 71-121. doi:https://doi.org/10.1111/1467-6419.00133

Pruckner, G. J., & Sausgruber, R. (2013). Honesty on the Streets: A Field Study on Newspaper Purchasing. *Journal of the European Economic Association*, 11(3), 661-679. doi:10.1111/jeea.12016

Shleifer, A., & Vishny, R. W. (1993). Corruption*. *The Quarterly Journal of Economics*, 108(3), 599-617. doi:10.2307/2118402

Svensson, J. (2005). Eight Questions about Corruption. *Journal of Economic Perspectives*, 19(3), 19-42. doi:10.1257/089533005774357860

Khoman, S., Tantivasadakarn, C., Wrasai, P., & Prasertsri, L. (2009). *Comparative Study of Anti-corruption Measures and Procedures in Selected APEC Countries*. Retrieved from Thailand:

Tentative Class Schedule and Topics:

Topic – Introduction to Corruption

Week 1: What is corruption and Why does it matter?

Reading: Corruption in Government - Chapter 1

Topic – Corruption as an Economic Problem

Week 2: Bureaucratic Corruption

Reading: Corruption in Government - Chapter 2

Week 3: Corruption in Procurement and Privatization

Reading: Corruption in Government - Chapter 3

Week 4: Reducing Incentives and Increasing Costs

Reading: Corruption in Government - Chapter 4

Week 5: Civil Service Reform and Bureaucratic Reorganization

Reading: Corruption in Government - Chapter 5

Week 6: Using the Criminal Law to Deter Bribery and Extortion

Reading: Corruption in Government - Chapter 6

Topic – Corruption as a Cultural Problem

Week 7: Culture and Corruption

Reading: Corruption in Government - Chapter 7

Week 8: Politics, Corruption and Clientelism

Reading: Corruption in Government - Chapter 8

Week 9: Organized Crime, Corruption, and Money Laundering

Reading: Corruption in Government - Chapter 9

Week 10: Corruption in Postconflict State Building

Reading: Corruption in Government - Chapter 10

Week 11: Democracy: Corruption, Connections, and Money in Politics

Reading: Corruption in Government - Chapter 11

Week 12: Accountability beyond the Ballot Box

Reading: Corruption in Government - Chapter 12

Topic: Reform Agendas: Domestic Political Will and International Influence

Week 13: Domestic Conditions for Reform

Reading: Corruption in Government - Chapter 13

Week 14: The Role of the International Community

Reading: Corruption in Government - Chapter 14

Week 15: International Cooperation: States, Firms, Banks, and Organized Crime

Reading: Corruption in Government - Chapter 15

Expected Learning Outcomes

1. Morality and Ethics **EE446**

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students demonstrate integrity.	
●	2. Students prioritize social and public benefits over personal ones.	
●	3. Students are punctual and comply with the code of conduct of the institution and society at large.	
●	4. Students are responsible and accountable to society, the nation, and the subject of economics.	
○	5. Students realize the cultural and environmental value of a sustainable society.	

2. Knowledge

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students know and understand modern economics principles and theories, and are up to date with new developments.	
●	2. Students know and understand Thai and global economic structure and the importance of major international economic events.	
○	3. Students know and understand the instruments of economic analysis.	
●	4. Students know and understand applied fields in economics, including monetary, public, international, business, natural resource, and environmental, industrial, agricultural, cooperative, political, developmental, and entrepreneurial economics as well as agribusiness.	

○	5. Students are informed about related fields including sociology, business administration, education, law policy, and science.	
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3. Intellectual Development

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students have developed individual critical thinking.	
●	2. Students are sufficiently trained in research skills.	
●	3. Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand the causes of current economic problems in Thailand. Based on analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.	

4. Interpersonal Skills and Responsibilities

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students are responsible for assigned tasks and work in groups effectively.	
●	2. Students have problem-solving skills.	
○	3. Students show leadership skills and team spirit.	
●	4. Students are always improving themselves.	
○	5. Students have good interpersonal skills, adapt, and work under different conditions.	

5. Quantitative Analysis, communication, and information technology

Applicability	Expected Learning Outcomes	Evaluation Method
○	1. Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.	
○	2. Students communicate effectively and select appropriate presentation methods.	
○	3. Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.	

Remark: ● Primary expected outcome ○ Secondary expected

ACADEMIC CALENDAR & HOLIDAY SEMESTER 1/2023

Semester 1/2023 (August 15 – December 4, 2023)	
<i>the TU Office of the Registrar (TU REG) will process the registration (semester 1/2023) for all BE students who have completed the pre-registration via BE Portal.</i>	July 17 – 20, 2023
Tuition Fee Payment Period (Via TU Greats App)	July 21 – August 11, 2023
Create Plan from Quota via TU Greats App (*ID.66)	August 1 - 9, 2023
Registration via TU Greats App (*ID.66)	August 10, 2023
Classes Begin	August 15, 2023
Add-drop period	August 15 – 28, 2023 <i>(from 9.00 AM of August 15 to 10.30 PM of August 28)</i>
Tuition Fee Payment Period (Via TU Greats App)	August 15 – 29, 2023 <i>(9 AM - 10.30 PM)</i>
Mid-term Examination Period	October 1 – 7, 2023
<i>H.M. King Bhumibol Adulyadej The Great Memorial Day*</i>	<i>October 13, 2023</i>
<i>King Chulalongkorn's Day*</i>	<i>October 23, 2023</i>
Withdrawal period with "W" on record	September 4 – October 22, 2023 <i>(from 9.00 AM of September 4 to 10.30 PM of October 22)</i>
Special Withdrawal with "w" on record	October 24 – November 20, 2023
Last day of class for Semester 1/2023	December 4, 2023
Final exam period	December 12 – 23, 2023
<i>H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 5, 2023</i>
<i>Constitution Day*</i>	<i>December 10, 2023</i>
<i>Substitution for Constitution Day*</i>	<i>December 11, 2023</i>
Submitting Forms for Degree Conferral	August 15 – 28, 2023

Remark * Holiday, No classes during this period
Updated: July 24, 2023