

EE446: Economic Analysis of Corruption

Course description:

A study of corruption using economic analytical frameworks employing both theoretical and empirical methodologies. The topics covered include the definition and coverage of corruption, the causes of corruption, the economic consequences of corruption - both at the micro and macro levels, together with the public policies and measures used in combating corruption. In addition, the roles the private sector, civic society, and international organizations play in tackling corruption will also be discussed with reference to relative case studies.

Course highlights:

- Developing an understanding of the concepts and principles at play within the field of the economics of corruption
- Studying the economic framework through the experimental, behavioural and institutional tools developed to allow the critical analysis of corruption behaviour
- Providing a wide variety of games and activities that can help participants understand the topics and concepts behind corruption motivation and behaviour
- Analysing, evaluating and presenting the corruption research findings available from academic research papers
- Designing your own study project (employing theoretical and experimental methods) and applying some of the resulting findings and ideas to public policy

Learning 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 analyse policy and its impact on society
- To debate and express the findings of your own study research with clarity and precision

Teaching Sessions:

1) Corruption: concepts, types, causes and consequences

- What is corruption?
- Classifications of corruption
- Causes and consequences of corruption

2) Measuring corruption

- Official statistics
- Perceptual and attitudinal surveys
- Experiential and tracking surveys
- Other methods

3) A theoretical analysis of corruption

- The microeconomics of corruption: the classical approach
- The industrial organisation of corruption
- The institutional economics of corruption

4) Experimental and behavioural approaches to understanding immoral and corrupt behaviour

- Laboratory, online and field experiments on dishonesty
- A Cheap Talk Sender-Receiver Game
- Bribery game and experiment
- Experiment on the industrial organization of corruption

5) Choice architecture for tackling corruption

- Designing anti-corruption policies
- Behavioural interventions
- The costs of fighting corruption

6) Legal and private enforcement of corruption

- Legal enforcement and intermediaries
- Private enforcement of corrupt deals
- A comparative study of anti-corruption systems

7) Designing research on corruption: the experimental economics approach

- Designing research and brain-storming ideas
- Designing an experiment: treatments, samples, and payoffs
- Running the experiment and organising a sample
- Research presentation

8) Case studies and lessons learned

Assessment:

- Examination 50% (Midterm exam: 20% and final exam: 30%)
- Paper summary 5%
- Presentation 15%
- Research project 25%
- Participation 5%