Public sector corruption: control and deterrence is more effective than organizational and cultural reform

Control and deterrence interventions are more effective than organizational and cultural reforms in curbing corruption in the public sector, at least in the short term. The combination of different types of interventions is more effective than single interventions.

What is this review about?
This review addresses corruption in public administration. This includes corrupt acts involving civil servants in their dealings with their superiors, during the implementation of public policies, or while interacting with the public for service delivery. Administrative corruption is distinct from political corruption, and from private-to-private corruption.

This review covers any type of intervention developed in the public sector with the aim of deterring or preventing administrative corruption. Two main groups of interventions to curb administrative corruption are considered: 1) control and deterrence, and 2) organizational and cultural reforms.

What studies are included?
Twenty-nine studies match the inclusion criteria. They span the period 2007 to 2018 and cover 16 different countries. All studies are randomized controlled trials, with 25 conducted in a laboratory, while four are field experiments.

What are the findings of this review?
Do anti-corruption interventions work in the public sector? Yes. Administrative corruption is reduced by control and deterrence interventions. But the reduction in corruption brought about by organizational and cultural interventions is not statistically significant. Anti-corruption interventions can be more effective in reducing misappropriation of public resources than discouraging bribery.

The simultaneous combination of more than one intervention is more effective than single interventions. For example, policies guaranteeing impunity to officials or citizens who report corrupt practices (leniency treatment) are more effective if associated with a high probability of audit.

Bonuses and penalties may backfire because they lower the moral cost of corruption by diverting officials away from their sense of duty and their ethical responsibilities.
than leniency alone. A low probability of detection can be compensated by the threat of high fines in reducing both the amount and the likelihood of bribe demands. Conversely, a high probability of detection and low fines have no effect on either.

What do the findings of the review mean?
This review provides an in-depth synthesis of the available evidence over 11 years and 16 countries. The findings suggest that policies based on control and deterrence are more effective in curbing corruption in the public sector than interventions based on organizational and cultural change.

The impact of the intervention may be affected by the likelihood of continued interactions between bribe takers and givers, and the prevalence of corruption. Measures tending to increase social blame of corrupt practices work in low-corruption countries. In environments where corruption is the exception rather than the rule, adding punishments where actors’ behavior is tightly monitored increases compliance.

The fact that control and deterrence turn out to be more effective than organizational and cultural interventions in curbing administrative corruption confirms the importance of economic theories. However, combining different types of interventions works better than single measures. This is true not only when combining policies reinforcing control and deterrence, but also when policies based on organizational and cultural change are added.

In particular, the role of moral levers in preventing corruption emerges, and especially the importance of strengthening professional identity and values to avoid conflicts between an individual’s private interests and public role. Moreover, bonuses and penalties may backfire because they lower the moral cost of corruption by diverting officials away from their sense of duty and their ethical responsibilities. Sensitization messages stressing public officials’ professional identity and position increase the moral cost of bribery.

These results highlight the importance of going beyond economic models for explaining corruption. Moral and cultural mechanisms remain important to understand how different forms of corruption emerge at macro (cross-country), meso (country/nation-state), and micro (individual) levels. In particular, individual-level factors, such as the drive for power, low self-control, loss aversion and risk acceptance need to be addressed.