



Arne Hoel / World Bank

ACE

Anti-Corruption Evidence
Making Anti-Corruption Real





Making Anti-Corruption Real

Corruption is a serious challenge and major barrier to development in many developing countries. Multiple initiatives to tackle the problem exist, whether by public authorities or development partners, but often with limited success.

What do they need to make anti-corruption efforts real?

The Anti-Corruption Evidence Research Consortium (ACE) takes an innovative approach to tackling corruption. Working in three countries – Bangladesh, Tanzania and Nigeria – and with a consortium of 12 international partners, ACE focuses on generating evidence to help policy-makers, businesses and civil society adopt new, feasible, and high-impact strategies to tackle corruption.

Why don't traditional approaches to anti-corruption work?

Corruption is closely related to the weak enforcement of a rule of law. Yet existing anti-corruption approaches that attempt to enforce laws from above using 'vertical' methods (such as anti-corruption authorities or public prosecutors) have often achieved limited results.

This is because vertical enforcement isn't enough on its own. 'Horizontal' enforcement is also required, where some of the powerful players themselves actively support enforcement efforts. Horizontal support plays a key role in preventing corruption but it only emerges when the rules work for at least some powerful organisations allowing them to be both productive and economically viable. Powerful organisations in the public, private or civil society sectors then play a key role in punishing, excluding or reporting rule violators' activities, because they undermine their own interests.

In general, horizontal support is weak in developing countries but we aim to identify possibilities at sectoral levels as areas for *feasible and high-impact anti-corruption activities*.

A new approach to anti-corruption

ACE will produce high quality research in 40 projects across different sectors and countries to identify ways of combining these two enforcement mechanisms - vertical and horizontal – to actively reduce corruption.

Our research will focus on feasible and practical solutions to corruption, based on horizontal enforcement that can be trialled and implemented on the ground. Combined with improvements in specific areas of targeted vertical rule enforcement, our approach will lead to positive outcomes both for reducing corruption and improving development.

Our anti-corruption strategies

Instead of relying on a 'one-size fits all' approach, we have identified four strategies to finding feasible solutions to corruption in different sectors and contexts.

These strategies aim to ensure that it is in the interests of enough players, with sufficient bargaining power in a sector, to enforce rules that prevent corruption. Combined with improvements in vertical monitoring and enforcement by government agencies, these strategies work alone or together to produce real results on the ground.

1. Aligning incentives

This strategy involves action to ensure that productive, non-corrupt behaviour results in satisfactory returns for key players, generating more support for rule enforcement.

The poor performance of the skills training sector, financed by a skills levy in Tanzania, is one example of rule violations driven by poor incentives. Firms paying the levy find that



Lindsay Mjoberg/Department for International Development

inadequate sums are spent on training and they have to illegally employ foreign workers to meet shortages.

Adopting a strategy to **align incentives** might mean restructuring the way in which training is funded so that firms with the right capabilities can spend more on training and get rebates on their levy if they meet requirements, increasing support for anti-corruption enforcement in this sector.

2. Designing for differences

Understanding different types of organisations operating in a sector (for example large or small firms, high-capability and low-capability training organisations) allows us to distinguish why different organisation may be violating rules.

For example, weak adherence to building regulations in the Bangladeshi garments industry occurs for a variety of different reasons. Large firms may want to comply, but find that complex regulations and limited numbers of inspectors

mean that it is more productive to engage in corruption, than to produce compliance documents for exporting. Smaller firms with less capital might engage in corruption because they cannot meet regulations.

Designing for differences would mean producing evidence showing different factors at play in the same sector and then creating strategies to address the concerns of different types of organizations to create sufficient horizontal support for enforcement.

3. Building coalitions

Coalitions can bring together collective interests and either enforce rules themselves, or pressure vertical rule-enforcement agencies into doing so. Organising coalitions can be challenging, but they can be effective in enforcing rules in situations where there is otherwise limited horizontal support for them.

For instance, corruption in customs is a serious problem in all three of our countries. There is limited horizontal support for the enforcement of customs rules because consumers

and importers both benefit from violations. The public – who would theoretically benefit from extra tax revenues – has little interest in putting pressure on the state to tackle this corruption given the poor quality of service delivery.

Nevertheless, in some areas, horizontal coalitions are possible. In Nigeria, where rice producers are affected by smuggling, producers also have the capacity to **build coalitions** of farmers, workers, media and other actors to pressurise customs authorities to enforce regulations. ACE's evidence and proposals would support this.

4. Resolving rights

Often corruption emerges due to conflict between different parties over resources, where they each have a legitimate claim. In these cases, building horizontal support for rule enforcement means resolving the underlying conflict of rights.

For instance, conflicting land records have emerged in all three of our target countries. These conflicts cannot

be settled by courts because all parties may have semi-legitimate claims, and court cases can go on for years, with corruption occurring at all levels.

Policy recommendations here are challenging, but they will include **resolving conflicts of rights** through context-appropriate conflict resolution, combined with improving transparency in land administration and digitising land records.



Where we work

ACE is employing these strategies in research projects designed with local partners in three countries to begin with: Bangladesh, Nigeria and Tanzania.

Across these countries we work with our partners on over 40 research projects, concentrating in five broad sectors:



1. Public goods and infrastructure



2. Productive sectors



3. Health



4. Governance agencies



5. Media

A wide range of specific industries like power generation, climate change and manufacturing fall under these categories.

Who we are

ACE is a research consortium funded with £6 million over five years from UK aid. Led by SOAS, University of London, the consortium is made up of twelve partners:

- BRAC Institute of Governance and Development (BIGD)
- Centre for Democracy and Development (CDD)
- Economic and Social Research Foundation (ESRF)
- Ifakara Health Institute (IHI)
- James P. Grant School of Public Health (JPGSPH)
- London School of Hygiene and Tropical Medicine (LSHTM)
- Nigerian Institute of Social and Economic Research (NISER)
- Palladium
- Research on Poverty Alleviation (REPOA)
- Transparency International Bangladesh (TIB)
- University of Birmingham
- University of Nigeria Nsukka (UNN)

ACE is engaging with a broad range of public and private sector organisations to ensure our research has impact beyond UK aid and partners and could potentially be used in other countries. Based on our existing research, we believe the ACE approach has the potential to change and improve anti-corruption dialogues and efforts globally.

How to get involved

ACE's research projects will begin work in Autumn 2017. To follow our progress and find out what we are learning, visit our website www.ace.soas.ac.uk
Follow us on Twitter [@ACE_soas](https://twitter.com/ACE_soas) • Email us on ace@soas.ac.uk

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Anti-Corruption Evidence (ACE) Research Consortium

SOAS, University of London

Thornhaugh Street, Russell Square, London WC1H 0XG

T +44 (0)20 7898 4447 • E ace@soas.ac.uk • W www.ace.soas.ac.uk

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