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A Broken Windows Theory of International Corruption

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A Broken Windows Theory of International Corruption

ROGER P. ALFORD*

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“By justice a king gives a country stability,
but those who are greedy for bribes tear it down.”¹

I. INTRODUCTION

The problem of corruption has been with us for centuries. As Jonathan Swift wrote in *Gulliver’s Travels*, one cannot help but lament the course of history if one is attuned to the evils of corruption:

How many innocent and excellent persons [have] been condemned to death or banishment by the practising of great Ministers upon the corruption of judges

....

... [T]he royal throne [cannot] be supported without corruption, because that positive, confident, restive temper which virtue infused into man, [is] a perpetual clog to public business.

....

... [I]t gave me melancholy reflections to observe how much the race of human kind was degenerate among us

....

... [P]ure native virtues . . . prostituted for a piece of money²

* Professor of Law, Notre Dame Law School. I would like to thank Victoria Mitchell, Brendan Geary, and Greg Ge for invaluable research assistance.

¹ *Proverbs* 29:4 (New International Version).

² JONATHAN SWIFT, *GULLIVER’S TRAVELS* 243–47 (Oxford Univ. Press 1974) (1726).

So constant has been the problem of corruption that, until recently, it has been viewed as an essential part of the human condition—an endemic aspect of life in the modern world—and even worse, a useful tool to “grease [] the wheels of progress in overregulated societies.”³

Fortunately, that attitude began to change in the late 1970s. The United States was at the forefront of this change with the passage of the Foreign Corrupt Practices Act (FCPA) in 1977.⁴ After decades of U.S. lobbying, the international community began to change its attitude as well in the 1990s. In October 1996, World Bank President James Wolfensohn launched a campaign against corruption.

In country after country, it is the people who are demanding action on this issue. They know that corruption diverts resources from the poor to the rich, increases the cost of running businesses, distorts public expenditures, and deters foreign investors. They also know that it erodes the constituency for aid programs and humanitarian relief.⁵

In a subsequent address in 1999, Mr. Wolfensohn stated:

Corruption is a cancer. Corruption is the greatest eroding factor in a society. Corruption is the largest impediment to investment. And it is not just a theoretical concept. It is a concept whose real implications become clear when children have to pay three times the price that they should for lunches. It becomes clear when people die from being given bad drugs, because the good drugs have been sold under the table. It becomes clear when farmers are robbed of their livelihood.⁶

The race to establish international norms against corruption had begun. In a development worthy of wonder, the result has been a flurry of international

³ John Brademas & Fritz Heimann, *Tackling International Corruption: No Longer Taboo*, 77 FOREIGN AFF. 17, 17 (1998); see also SAMUEL P. HUNTINGTON, POLITICAL ORDER IN CHANGING SOCIETIES 59–69 (1968); Nathaniel H. Leff, *Economic Development Through Bureaucratic Corruption*, in POLITICAL CORRUPTION: A HANDBOOK 389, 394–98 (Arnold J. Heidenheimer et al. eds., 1989); J.S. Nye, *Corruption and Political Development: A Cost–Benefit Analysis*, 61 AM. POL. SCI. REV. 417, 419–21 (1967).

⁴ Foreign Corrupt Practices Act of 1977, Pub. L. No. 95-213, 91 Stat. 1494 (codified as amended in scattered sections of 15 U.S.C.).

⁵ James D. Wolfensohn, President, World Bank, People and Development, Address to the Board of Governors at the Annual Meetings of the World Bank and the International Monetary Fund (Oct. 1, 1996), in VOICE FOR THE WORLD’S POOR: SELECTED SPEECHES AND WRITINGS OF WORLD BANK PRESIDENT JAMES D. WOLFENSOHN, 1995–2005, at 45, 50 (2005).

⁶ James D. Wolfensohn, President, World Bank, The Right Wheel: An Agenda for Comprehensive Development, Remarks at the International Conference on Democracy, Market Economy, and Development (Feb. 26, 1999), in VOICE FOR THE WORLD’S POOR: SELECTED SPEECHES AND WRITINGS OF WORLD BANK PRESIDENT JAMES D. WOLFENSOHN, 1995–2005, at 138, 140 (2005).

treaties against corruption.⁷ These treaties do not mince words, boldly declaring that corruption distorts international competition, undermines democracy, jeopardizes the rule of law, and threatens sustainable development.⁸

A growing body of empirical research supports these findings. Numerous studies confirm the notions that corruption is a significant obstacle to economic and social development, distorts markets, stifles economic growth, and debases democracy.⁹

This Article supports these recent findings by reframing the issue of corruption and, in so doing, making two essential claims. The reframing requires us to consider corruption as a broken window signaling the breakdown of order in society. In its essence, corruption is about distrust and disorder. The battle against corruption is not just about fighting crime, it is about maintaining order and instilling trust in a community.

Thus reframed, the Article's first claim is that corruption undermines the public's trust in public institutions essential for good governance and orderly society. Empirical evidence finds ample support for this claim, confirming that corruption negatively alters the public's perception of government and society. The Article's second claim is that corruption is inextricably linked to many other public concerns. Empirical evidence finds a positive relationship between a country's corruption ranking and its ranking on other major indices measuring public welfare. Communities that are perceived to take corruption seriously score well on their commitment to other social goods, such as global competitiveness and productivity, increased standards of living, enhanced children's health, protection of civil liberties, and the safeguarding of political freedom.

Empirical evidence establishes a strong positive correlation between a country's rank on Transparency International's Corruption Perception Index (CPI) and its rank on other major indices.¹⁰ These corruption correlations provide an evocative snapshot of the connection between corruption and social order. This empirical evidence is supported by numerous other studies that

⁷ See generally United Nations Convention Against Corruption arts. 15–20, Oct. 31, 2003, 2349 U.N.T.S. 41 [hereinafter United Nations Convention Against Corruption]; African Union Convention on Preventing and Combating Corruption, July 11, 2003, 43 I.L.M. 5; United Nations Convention Against Transnational Organized Crime arts. 1–41, Nov. 15, 2000, 2225 U.N.T.S. 209; Civil Law Convention on Corruption, Nov. 4, 1999, E.T.S. No. 174; Criminal Law Convention on Corruption, Jan. 27, 1999, E.T.S. No. 173; Organisation for Economic Co-operation and Development, Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, Nov. 21, 1997, 37 I.L.M. 1 [hereinafter OECD Anti-Bribery Convention]; Inter-American Convention Against Corruption, Mar. 29, 1996, S. TREATY DOC. 105-39.

⁸ See, e.g., United Nations Convention Against Corruption, *supra* note 7, at pmbl.; OECD Anti-Bribery Convention, *supra* note 7, at pmbl.

⁹ See *infra* Part III.

¹⁰ For CPI values, see TRANSPARENCY INT'L, CORRUPTION PERCEPTIONS INDEX 2010, at 8–14 (2010), available at <http://www.transparency.org/cpi2010/results> (last visited Sept. 10, 2012).

demonstrate a significant relationship between corruption and global competitiveness, human welfare, civil liberties, and democracy.

These findings have important implications when considered from the perspective of a “broken windows” theory of international corruption.¹¹ The payment of a bribe to a government official is a sign that government does not care about the public welfare and that disorderly conduct will go unchecked in society. Corruption is a broken window that signals the breakdown of community controls necessary for the maintenance of social order. A government that abuses its power for private gain is a government that cannot be trusted to pursue the general welfare. Corruption is associated with other matters of grave public concern, such that the struggle against corruption is the struggle to promote a variety of public benefits.

The Article attempts to re-conceptualize corruption through the lens of the broken windows theory of community policing, focusing on the root consequences of corruption as well as its secondary effects. In Part II, the broken windows theory of community policing is introduced and discussed in the context of international corruption. In Part III, the connection between corruption and other social goods is explored, with specific reference to global competitiveness, human development, civil liberties, and democracy. In Part IV, legal efforts to combat corruption are analyzed, with particular focus on the utility of cooperative efforts to regulate and prosecute corruption. Part V presents a broken windows approach to combating corruption, which redefines corruption as distrust and disorder, refocuses energies toward all types of corruption, and rejuvenates community policing of corruption through an effective private and public sector partnership.

II. THE BROKEN WINDOWS THEORY

In March 1982, George Kelling and James Q. Wilson published in *The Atlantic* a landmark article positing a correlation between broken windows and social order. “[I]f a window in a building is broken *and is left unrepaired*,” they argued, “all the rest of the windows will soon be broken. This is as true in nice neighborhoods as in run-down ones. . . . [O]ne unrepaired broken window is a signal that no one cares, and so breaking more windows costs nothing.”¹² From this observation, the authors developed a “broken windows theory” of social order. “[S]erious street crime flourishes in areas in which disorderly behavior goes unchecked.”¹³ If the police maintain its traditional role as night watchman

¹¹ There is no sustained analysis of a broken windows theory as applied to corruption. For passing references to the broken windows theory in the context of corruption, see ERIC M. USLANER, CORRUPTION, INEQUALITY, AND THE RULE OF LAW: THE BULGING POCKET MAKES THE EASY LIFE 235–36 (2008); N. VITTAL, CORRUPTION IN INDIA: THE ROADBLOCK TO NATIONAL PROSPERITY 161–62 (2003).

¹² James Q. Wilson & George L. Kelling, *Broken Windows*, ATLANTIC MONTHLY, Mar. 1982, at 29, 31.

¹³ *Id.* at 34.

against threats to order, society flourishes.¹⁴ But as soon as the police stop maintaining order—when vandalism and graffiti go unreported, rowdy vagrants are uncontrolled, and broken windows are unrepaired—community controls break down and serious crime has the opportunity to flourish.¹⁵ Each “unchecked panhandler is, in effect, [a] broken window.”¹⁶ Kelling and Wilson further contend that “[i]f the neighborhood cannot keep a bothersome panhandler from annoying passersby, the thief may reason [that] it is even less likely to call the police to identify a potential mugger or to interfere if the mugging actually takes place.”¹⁷

The broken windows theory of social order suggests that communities should be vigilant against the smallest illegalities. A well-tended neighborhood cares about petty crimes and creates a bond of social order that discourages serious criminal elements.¹⁸ By contrast, “disorderly behavior engenders [fear] in the local community . . . [that] urban decline[] and decay [will] ultimately follow on the heels of unconstrained disorder.”¹⁹

Significantly, the theory’s central focus is not on preventing crime, but on the *psychological fear* of crime. Foot patrolmen reduce the fear of crime because they are effective at combating the social disorder that residents correlate with serious crime.²⁰ It is the perception of crime associated with graffiti, abandoned cars, vagrants, panhandlers, and other incivilities that is uppermost in people’s minds.²¹ The theory’s second order claim—that reducing fear strengthens communities and leads to an actual reduction in crime—remains a contested empirical question.²² But the primary claim—that “policing of minor crime and disorder can reduce fear of crime in a community”—has become widely accepted.²³ The broken windows theory posits an indirect relationship between social disorder and serious crime: “Citizen fear, created by disorder, leads to weakened social controls, thus creating the conditions in which crime can flourish.”²⁴

¹⁴ See *id.*

¹⁵ See *id.* at 31.

¹⁶ *Id.* at 34.

¹⁷ *Id.*

¹⁸ See GEORGE L. KELLING & CATHERINE M. COLES, *FIXING BROKEN WINDOWS: RESTORING ORDER AND REDUCING CRIME IN OUR COMMUNITIES* 16 (1996).

¹⁹ *Id.*

²⁰ *Id.* at 16–20.

²¹ 1 THE ENCYCLOPEDIA OF POLICE SCIENCE 498 (Jack Greene ed., 3d ed. 2007).

²² See *id.*; see also BERNARD E. HARCOURT, *ILLUSION OF ORDER: THE FALSE PROMISE OF BROKEN WINDOWS POLICING* 89 (2001); Michael Tonry & Harriet Bildsten, *Antisocial Behavior*, in THE OXFORD HANDBOOK OF CRIME AND PUBLIC POLICY 578, 588–89 (Michael Tonry ed., 2009).

²³ 1 THE ENCYCLOPEDIA OF POLICE SCIENCE, *supra* note 21, at 498.

²⁴ William Bratton & George Kelling, *There Are No Cracks in the Broken Windows*, NAT’L REV. ONLINE (Feb. 28, 2006, 10:15 AM), <http://www.nationalreview.com/articles/216913/there-are-no-cracks-broken-windows/william-bratton>.

In the wake of the broken windows theory, broad political support has emerged favoring community policing strategies aimed at altering neighborhood perceptions. Police chiefs in major cities such as New York, Chicago, and Boston embraced the broken windows theory of social order, creating a “Blue Revolution” that fundamentally altered American police practices.²⁵ Since Wilson and Kelling published their theory, new policies were adopted that reflected a commitment to “quality-of-life enforcement” and “preventive policing,” integrating police officers on foot patrol into the community.²⁶ Although not without its critics, the broken windows theory has become “conventional wisdom” and is now a staple of community police efforts in the United States and around the world.²⁷ Community-oriented policing is the dominant model of policing in democracies around the world.²⁸

So how is the broken windows theory relevant for international corruption? In one sense, it is simply a metaphor for the notion that government diligence on petty crimes signals a commitment to address more serious public welfare concerns. But it is more than this. This Article posits that, as with broken windows in community policing, a similar phenomenon applies with respect to the payment of bribes to government officials. There is an empirical connection between the relatively minor offence of bribing a government official and the larger impact that corruption has on public welfare across various metrics. Corruption is a strong signal of social disorder, a canary in the coal mine confirming that government officials cannot be trusted.

There are numerous studies that confirm this connection between corruption and social trust. Empirical evidence establishes that “corruption significantly affects people’s evaluations of their political system’s performance and the trustworthiness of civil servants.”²⁹ Another empirical study concluded that “[c]orrupt leaders breed distrust throughout society.”³⁰ Corruption alters the fundamental understanding that citizens have regarding government and society. Corrupt government officials are loyal to the in-group rather than society at large,³¹ altering public perceptions of the government and economic elites. As one study put it, “[w]hen people think that the only route to prosperity is through dishonesty, social tensions are heightened between those at the top

²⁵ See generally Michael Massing, *The Blue Revolution*, N.Y. REV. BOOKS, Nov. 19, 1998, at 32.

²⁶ *Id.* at 32.

²⁷ See, e.g., HARCOURT, *supra* note 22, at 57.

²⁸ 1 THE ENCYCLOPEDIA OF POLICE SCIENCE, *supra* note 21, at 205.

²⁹ Christopher J. Anderson & Yuliya V. Tverdova, *Corruption, Political Allegiances, and Attitudes Toward Government in Contemporary Democracies*, 47 AM. J. POL. SCI. 91, 104 (2003).

³⁰ Eric M. Uslaner, *Trust and Corruption*, in THE NEW INSTITUTIONAL ECONOMICS OF CORRUPTION 76, 76 (Johann Graf Lambsdorff et al. eds., 2005).

³¹ Bo Rothstein & Eric M. Uslaner, *All for All: Equality, Corruption, and Social Trust*, 58 WORLD POL. 41, 53 (2005).

and those who have less.”³² Whether the causal link flows from distrust to corruption or corruption to distrust is disputed, with empirical studies supporting both hypotheses.³³ But the link between corruption and distrust is undisputed.

The broken windows theory is useful in considering the social costs of all types of corruption. In terms of trust in public institutions, it is a mistake to assume that petty corruption is less serious than grand corruption. The unpredictable nature of corruption is one of its most disturbing aspects, and unpredictability is common with petty bribes. Studies show that foreign investors would rather pay large, predictable bribes than petty, unpredictable ones.³⁴ With the former, the costs of corruption are known, while with the latter they are unknown. These studies suggest that the petty, arbitrary crimes of low-level bureaucrats who make life unpredictably difficult are more damaging than traditionally understood. Bribes do not “grease the wheels,” they throw sand in them.³⁵ Such petty encounters with corrupt officials are the routine experience of citizens who learn to distrust the government. A typical refrain of those who have been forced to pay bribes is that “[t]he system sucks! A common man [cannot] do anything but . . . give [a] bribe!!!”³⁶

³² *Id.* at 55.

³³ Christian Bjørnskov & Martin Paldam, *Corruption Trends*, in THE NEW INSTITUTIONAL ECONOMICS OF CORRUPTION, *supra* note 30, at 59, 70; JOHANN GRAF LAMBSDORFF, THE INSTITUTIONAL ECONOMICS OF CORRUPTION AND REFORM 29–30 (2007) [hereinafter LAMBSDORFF, INSTITUTIONAL ECONOMICS]; Usaner, *supra* note 30, at 76–77; Bianca Clausen et al., *Corruption and Confidence in Public Institutions: Evidence from a Global Survey*, 25 WORLD BANK ECON. REV. 212, 238–40 (2011); Rothstein & Usaner, *supra* note 31, at 41–42; Alicia Adserà et al., *Are You Being Served?: Political Accountability and Quality of Government* 32, 40 n.22 (Inter-Am. Dev. Bank, Working Paper No. 438, 2000).

³⁴ See LAMBSDORFF, INSTITUTIONAL ECONOMICS, *supra* note 33, at 106; Johann Graff Lambsdorff, *Between Two Evils—Investors Prefer Grand Corruption!* 4–6 (Univ. of Passau, Discussion Paper V-31-05, 2005).

³⁵ Pierre-Guillaume Méon & Khalid Sekkat, *Does Corruption Grease or Sand the Wheels of Growth?*, 122 PUB. CHOICE 69, 70 (2005).

³⁶ *When I Reported My Car Being Stolen, Worst Experience with Police*, I PAID A BRIBE (Mar. 25, 2009), <http://ipaidabribe.com/bribe-central/when-i-reported-my-car-being-stolen-worst-experience-police>; see also *Bribe for Issuing Marriage Certificate*, I PAID A BRIBE (May 17, 2012), <http://ipaidabribe.com/bribe-central/bribe-issuing-marriage-certificate-1> (“[Everybody] is corrupt from top to bottom. . . . I am literally ***** off with this bloody corrupted system.”); *Bribe Paid to a Gurudwara Temple!*, I PAID A BRIBE (Oct. 1, 2009), <http://ipaidabribe.com/bribe-central/bribe-paid-gurudwara-temple> (“[T]hese officials in India are a sick and evil bunch of men. . . . India you are a beautiful country but your people tarnish your face.”); *Bribe to Police for Passport Verification Clearance* [sic], I PAID A BRIBE (Mar. 18, 2012), <http://ipaidabribe.com/bribe-central/bribe-police-passport-verification-clearance> (“What is the use of those anti-corruption drives by police if they don’t implement what they say [It’s] in their blood.”); *Endless Circle Booze-Beat-Bribe-Booze-Police*, I PAID A BRIBE (Sept. 25, 2011), <http://ipaidabribe.com/bribe-central/endless-circle-booze-beat-bribe-booze-police> (“[Our] government and judiciary system is the most [corrupt] system [on] the planet.”); *Forced to Pay a Bribe to Get House*

These petty crimes illustrate the endemic nature of corruption. For example, one study examined whether foreign diplomats assigned to the United Nations would pay New York City parking tickets despite their diplomatic immunity.³⁷ Not surprisingly, there was a strong correlation between unpaid parking tickets and corruption rankings.³⁸ Diplomats from high-corruption countries had significantly more unpaid parking violations, while diplomats from low-corruption countries had far fewer unpaid parking violations.³⁹ Foreign officials from corrupt countries cannot be trusted to pay even their parking tickets. Only the fear of sanction—achieved in 2002 through reduction in U.S. foreign aid commensurate with the amount of unpaid traffic penalties—altered the behavior of diplomats from high-corruption countries.⁴⁰ In other words, foreign officials from low corruption/high trust societies have internalized the norm against abusing power for private gain, while diplomats from high corruption/low trust societies require coercive measures to comply with the norm.

This question of trust and corruption has widespread ramifications. Most importantly, it suggests that the community bonds necessary to maintain social order are strained when government corruption is widespread. If the government cannot be trusted to pursue public welfare over private gain, it cannot be trusted to pursue many policies that promote the key ingredients necessary for a productive, healthy, educated, and stable society. By contrast, a government that effectively combats corruption powerfully communicates its commitment to the welfare of its citizens, laying the foundation for a society in which its citizens can thrive.

This connection with trust is critical to a broken windows theory of corruption. Empirical studies confirm that individuals make numerous

Registered, I PAID A BRIBE (Feb. 9, 2010), <http://ipaidabribe.com/bribe-central/forced-pay-bribe-get-house-registered> (“[Y]ou cannot get anything done from a govt. department without greasing their palms. . . . I just fail to understand how these people who are accepting such monies can sleep at night and continue to live their lives. Do they have no conscience left? Have they sold their souls?”); *Forced to Pay Bribe to Registrar (Jigani/Anekal Registrar’s office)*, *I PAID A BRIBE* (Mar. 26, 2012), <http://ipaidabribe.com/bribe-central/forced-pay-bribe-registrar-jigani-anekal-registrars-office> (“As a common man we work hard to earn every single rupee and pay due diligently the taxes and this is what we get in return from the government, looting us just left and right in open public. I don’t know . . . how [] our country [can] progress with this level of corruption . . .”).

³⁷Raymond Fisman & Edward Miguel, *Cultures of Corruption: Evidence from Diplomatic Parking Tickets* 16 (Nat’l Bureau of Econ. Research, Working Paper No. 12312, 2006).

³⁸*See id.*

³⁹*See id.*

⁴⁰*See id.* at 5 (“[T]he Clinton–Schumer Amendment (named after the two senators from New York State), [was] proposed by the Bloomberg administration to deal with the diplomat parking problem. This law gave the City permission to tow diplomatic vehicles, revoke their official U.N. parking permits, and have 110% of the total amount due deducted from U.S. government aid to the offending diplomats’ countries of origin. Parking violations fell substantially after this reform, suggesting that increased enforcement can sharply reduce corruption” (citation omitted)).

inferences based on their experiences with government corruption.⁴¹ Individuals engage in inductive reasoning when they witness corruption, making inferences about the trustworthiness of authorities in general based on their observations of specific instances of corruption.⁴² In clinical tests, individuals' judgment about the trustworthiness of a public authority observed taking a bribe altered their judgment of how far public authorities in general can be trusted.⁴³

Individuals also make inferences about society at large based on their experience with corruption. Observed corruption not only alters perceptions about the government, it spreads distrust throughout society. "[W]hen people experience deceitful behavior by public authorities, they do not lose trust only in the authorities in question. They also come to believe that people in general in such a society are less trustworthy."⁴⁴ In short, corruption rots the entire fabric of social trust in society, leading people to conclude that "[i]f I cannot trust the local policemen, judges, teachers, and doctors, then whom in this society can I trust?"⁴⁵

It is therefore appropriate to take corruption more seriously, if only for the damage that it does to the social trust necessary to maintain law and order. If that motivation were not enough, then as discussed in the next section, the fact that corruption is associated with many other social ills offers additional motivations to take corruption seriously.

III. BROKEN WINDOWS AND CORRUPTION CORRELATIONS

A broken windows theory of international corruption posits that a society committed to combating corruption is also one associated with pursuing other public goods. The battle against corruption sends a powerful signal about a government's commitment to promote the general welfare. There is strong empirical data supporting a positive correlation between anti-corruption and other public goods like global competitiveness, human development, civil liberties, and democracy.

A. Corruption and Competitiveness

A country's CPI ranking strongly correlates with its global competitiveness ranking, with a correlation coefficient of 0.8473.⁴⁶ According to the World

⁴¹ See BO ROTHSTEIN, *THE QUALITY OF GOVERNMENT: CORRUPTION, SOCIAL TRUST, AND INEQUALITY IN INTERNATIONAL PERSPECTIVE* 187 (2011).

⁴² See *id.*

⁴³ See *id.*

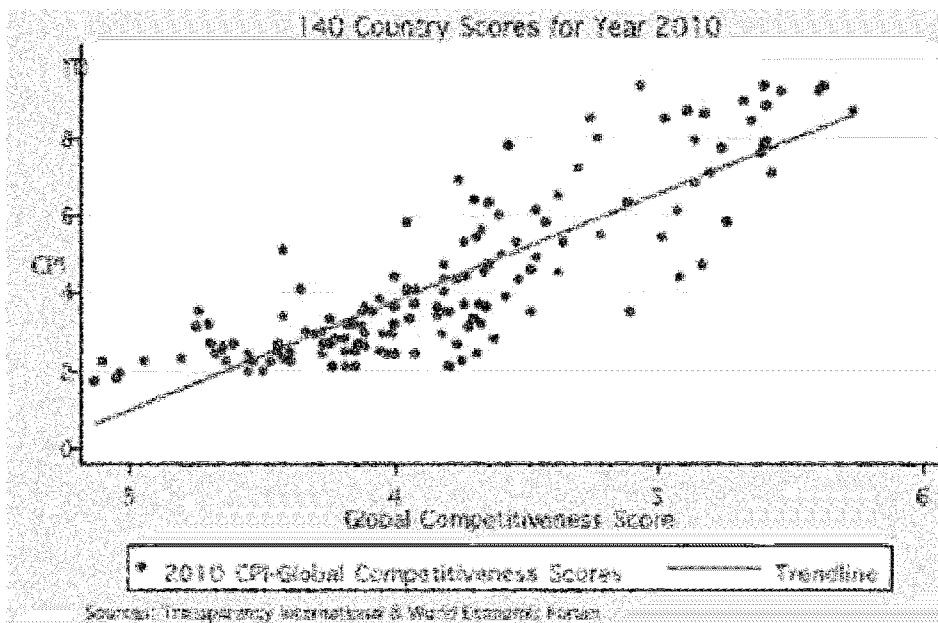
⁴⁴ *Id.* at 190.

⁴⁵ *Id.* at 173–74.

⁴⁶ For purposes of this Article, a dataset was generated using CPI rankings for years 1995 through 2010, with a focus on the 2010 data with the addition of several descriptive and explanatory variables for 2010 including country scores for Freedom House political rights and civil liberties, human development index scores, Gross Domestic Product (GDP)

Economic Forum's Global Competitiveness Index (GCI), a country's competitiveness—defined as “the set of institutions, policies, and factors that determine the level of productivity of a country”—determines its future potential for growth and the sustainable level of prosperity citizens can earn.⁴⁷ As the scatter plot in Figure 1 indicates, the positive correlation between a country's CPI and GCI scores suggests a strong, tightly-clustered linear relationship between perceived corruption and economic productivity.

Figure 1: Scatter Plot of CPI and Global Competitiveness Scores⁴⁸



rankings in terms of per capita and economy size, income levels, Polity IV regime type, World Economic Forum global competitiveness rankings, and Bertelsmann Transformation Index, Status and Management Indices scores. For 2010, there were 158 country observations and descriptive summary statistics were run with a primary focus on the correlation matrices and scatterplots between a country's CPI score and each of the above variables.

⁴⁷ XAVIER SALA-I-MARTIN ET AL., WORLD ECONOMIC FORUM, GLOBAL COMPETITIVENESS REPORT 2011–2012, at 4 (Klaus Schwab ed., 2011), available at http://www3.weforum.org/docs/WEF_GCR_Report_2011-12.pdf (last visited Aug. 20, 2012) (emphasis omitted). The GCI is a weighted average of different components of competitiveness, focusing on 113 indicators grouped along twelve key pillars: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. *Id.* at 4–8.

⁴⁸ For CPI values, see TRANSPARENCY INT'L, CORRUPTION PERCEPTIONS INDEX 2010, at 8–14 (2010), available at <http://www.transparency.org/cpi2010/results> (last visited Sept. 10, 2012). For global competitiveness scores, see generally SALA-I-MARTIN ET AL., *supra* note 47. For a description of the methodology used, see *supra* note 46.

These findings are consistent with other studies. As one recent study put it, “there is a very strong correlation between corruption and competition where less corrupt countries have more competitive industrial markets.”⁴⁹ Therefore, measures aimed at curbing corruption are a key component to bolstering competition.⁵⁰

Other studies analyze elements of global competitiveness, particularly the relationship between corruption and foreign direct investment (FDI).⁵¹ Host countries compete with one another for foreign direct investment, and corruption negatively impacts their global competitiveness and foreign direct investment.

One recent study, for example, established that an increase in a host government’s corruption level reduced inward foreign investment similar to a sharp increase in taxes.⁵² “An increase in corruption level from that of Singapore to that of Mexico,” the study found, “has the same negative effect on inward foreign investment as raising the tax rate by over fifty percentage points.”⁵³

A related study found that corruption reduces net capital inflows.⁵⁴ Countries with lower corruption ratings are perceived as safe havens for capital inflows. Corruption undermines law and order—measured by sound and accepted political institutions, a strong court system, and provisions for orderly succession of power. A country’s tradition of law and order is among the most important elements necessary for investor confidence required for capital inflows,⁵⁵ and corruption is strongly associated with countries that have poor legal traditions.⁵⁶

Not surprisingly, foreign investors are more adversely affected by corruption than their domestic counterparts, with studies showing that corruption is negatively correlated with the ratio of FDI to total domestic investment.⁵⁷ Domestic investors more accustomed to the local practices are

⁴⁹ Patrick M. Emerson, *Corruption, Competition and Democracy*, 81 J. DEV. ECON. 193, 208 (2006).

⁵⁰ *Id.* at 211.

⁵¹ See *infra* notes 52–53 and accompanying text.

⁵² See Shang-Jin Wei, *How Taxing Is Corruption on International Investors?*, 82 REV. ECON. & STAT. 1, 10 (2000).

⁵³ *Id.* at 5.

⁵⁴ See Johann Graf Lambsdorff, *How Corruption Affects Persistent Capital Flows*, 4 ECON. GOVERNANCE 229, 230 (2003).

⁵⁵ *Id.* at 231.

⁵⁶ See LAMBSDORFF, INSTITUTIONAL ECONOMICS, *supra* note 33, at 107.

⁵⁷ See generally Mohsin Habib & Leon Zurawicki, *Corruption and Foreign Direct Investment*, 33 J. INT’L BUS. STUD. 291 (2002); Mohsin Habib & Leon Zurawicki, *Country-Level Investments and the Effect of Corruption: Some Empirical Evidence*, 10 INT’L BUS. REV. 687 (2001); Joshua Aizenman & Mark M. Spiegel, *Institutional Efficiency, Monitoring Costs, and the Investment Share of FDI* 1, 4 (Nat’l Bureau of Econ. Research, Working Paper No. 9324, 2002).

more successful at manipulating a corrupt environment.⁵⁸ “[F]oreign investments are significantly deterred by corruption, and this impact is large in magnitude.”⁵⁹

In short, corrupt countries are less competitive globally, less attractive to foreign investment, and less productive. If a government desires to improve its economy, combating corruption must be on the agenda.

B. *Corruption and Human Development*

Corruption has a direct impact on human development. Put simply, “corruption in all its aspects retards human development.”⁶⁰ Where there is corruption there is poverty, income inequality, low education, and poor health. Where there is little incidence of corruption, there is health, wealth, and knowledge. Improvements in governance, including combating corruption, “[have] a large payoff in terms of per capita income.”⁶¹

A simple analysis of the correlation between the Corruption Perception Index (CPI) and the United Nations Human Development Index (HDI) underscores this point. The HDI ranks countries by measuring achievement in three basic dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living.⁶² This index focuses on development from the perspective of the individual, analyzing the factors that “create an enabling environment for people to enjoy long, healthy and creative lives.”⁶³ A strong correlation between a country’s CPI and HDI scores suggests that corruption impacts individuals on the ground and not simply society as a whole.

The correlation between the CPI and HDI rankings are strong, with a correlation coefficient of 0.7246. The scatter plot in Figure 2 presents an illuminating story of the connection between corruption perceptions and human development.

[Graphical material on following page]

⁵⁸ See Leon Zurawicki & Mohsin Habib, *Corruption and Foreign Direct Investment: What Have We Learned?*, 9 INT’L BUS. & ECON. RES. J. 1, 6 (2010).

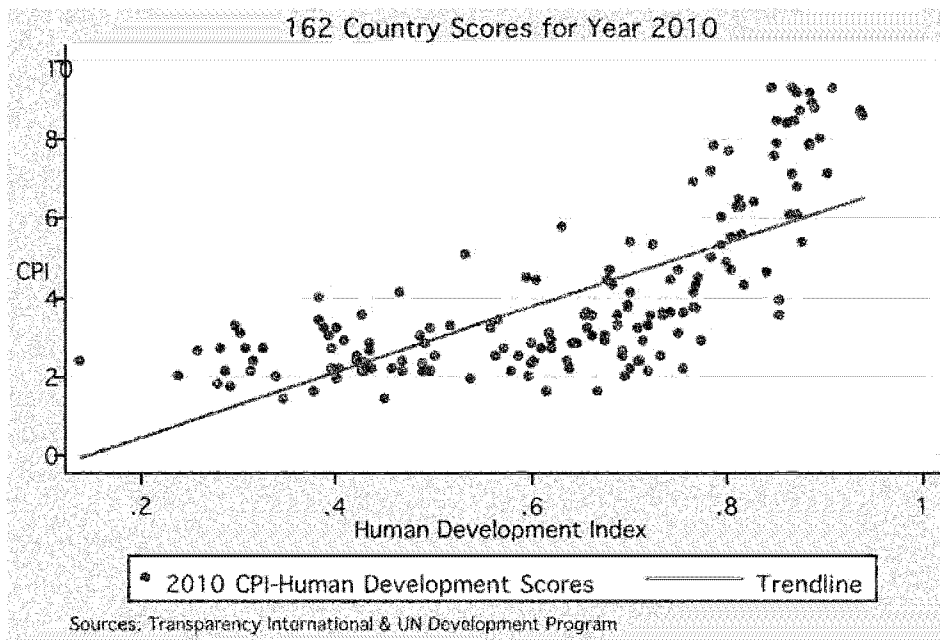
⁵⁹ Johann Graf Lambsdorff, *Causes and Consequences of Corruption: What do We Know from a Cross-Section of Countries?*, in INTERNATIONAL HANDBOOK ON THE ECONOMICS OF CORRUPTION 3, 29 (Susan Rose-Ackerman ed., 2006) [hereinafter Lambsdorff, *Causes and Consequences of Corruption*].

⁶⁰ Selçuk Akçay, *Corruption and Human Development*, 26 CATO J. 29, 46 (2006).

⁶¹ Daniel Kaufmann et al., *Governance Matters* 15–16 (The World Bank Policy Research, Working Paper No. 2196, 1999).

⁶² See UNITED NATIONS DEV. PROGRAMME, HUMAN DEVELOPMENT REPORT 2011, at 167–68 (2011), available at http://hdr.undp.org/en/media/HDR_2011_EN_TechNotes.pdf.

⁶³ MAHBUB UL HAQ, REFLECTIONS ON HUMAN DEVELOPMENT 14 (1995).

Figure 2: Scatter Plot of CPI and Human Development Scores⁶⁴

As Figure 2 suggests, in the overwhelming majority of cases, a country that scores poorly on the CPI will also score poorly on the HDI. Conversely, it is rare to find a country scoring well on the CPI that does not also score well on the HDI. A comparison of these two indices suggests that corruption is directly connected to poverty, low education levels, and poor health.

These findings are supported by numerous other studies. As one study concluded: “[T]here is a statistically significant negative relationship between corruption indexes and human development. . . . [M]ore corrupt countries tend to have lower levels of human development.”⁶⁵

Regarding the relationship between corruption and poverty, “[t]here is no doubt about a strong correlation between [Gross Domestic Product] per head and corruption.”⁶⁶ Corruption has a negative adverse impact on Gross Domestic Product (GDP) per capita,⁶⁷ diverting foreign aid, reducing tax revenues,

⁶⁴For CPI values, see TRANSPARENCY INT’L, *supra* note 48, at 8–14. For human development scores, see UNITED NATIONS DEV. PROGRAMME, *supra* note 62, at 126–30. For a description of the methodology used, see *supra* note 46.

⁶⁵Akçay, *supra* note 60, at 46.

⁶⁶LAMBSORFF, INSTITUTIONAL ECONOMICS, *supra* note 33, at 71.

⁶⁷Although some studies have difficulty determining the direction of causality, e.g., Jakob Svensson, *Eight Questions About Corruption*, 19 J. ECON. PERSP., 19, 27–30 (2005), other studies establish that corruption has a significant adverse impact on GDP per capita. See, e.g., Lambsdorff, *Causes and Consequences of Corruption*, *supra* note 59, at 24 (citing Kaufmann, *supra* note 61, at 15–17, 23); see also Geoffrey Wyatt, *Corruption, Productivity*,

imposing hidden taxes, and misallocating government expenditures.⁶⁸ It also exacerbates income inequality, leaving countries either trapped in a “vicious circle[] of inequality and corruption,” or freed by a “virtuous circle[] of equality and integrity.”⁶⁹ In countries where there is corruption, the rich get richer and the poor get poorer. As one study succinctly noted, “[h]igh and rising corruption increases income inequality and poverty by reducing economic growth, the progressivity of the tax system, the level and effectiveness of social spending, and the formation of human capital. . . . [P]olicies that reduce corruption will also reduce income inequality and poverty.”⁷⁰

The correlation between education and corruption also is clear. “[T]here is convincing evidence that corruption lowers government spending on education.”⁷¹ The reverse is also true: corruption declines as citizens become more educated.⁷²

Corruption reduces tax revenues, thereby limiting the resources available for public spending, including spending on education.⁷³ Moreover, corrupt countries opt to spend less on education because the education sector presents fewer opportunities to engage in lucrative corrupt behavior.⁷⁴ Education expenses to pay for teachers and books are a particularly unattractive way to collect bribes, and the education sector typically lacks the expensive high-technology inputs provided by oligopolistic suppliers that are more efficient vehicles for corruption.⁷⁵ In general, corrupt countries have significantly lower measures of human capital, measured by years of schooling and literacy rates.⁷⁶

and Transition 16–17 (Ctr. for Econ. Reform & Transformation, Discussion Paper No. 2002/05, 2002).

⁶⁸ See Paolo Mauro, *The Effects of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis*, in CORRUPTION AND THE GLOBAL ECONOMY 83, 86–88 (Kimberly Elliott ed., 1997).

⁶⁹ See Jong-sung You & Sanjeev Khagram, *A Comparative Study of Inequality and Corruption*, 70 AM. SOC. REV. 136, 154 (2005).

⁷⁰ Sanjeev Gupta et al., *Does Corruption Affect Income Inequality and Poverty?* 29–30 (Int’l Monetary Fund, Working Paper No. 98/76, 1998); see also Lambsdorff, *Causes and Consequences of Corruption*, *supra* note 59, at 23–27; LAMBSDORFF, INSTITUTIONAL ECONOMICS, *supra* note 33, at 91–93. Other studies establish that causation runs in the other direction, from inequality to corruption. You & Khagram, *supra* note 69, at 153–55.

⁷¹ Lambsdorff, *Causes and Consequences of Corruption*, *supra* note 59, at 32.

⁷² See Patrick M. Emerson, *Corruption, Competition, and Democracy*, 81 J. DEV. ECON. 193, 210 (2006); Hamid Mohtadi & Sumit Agarwal, *Democracy, Corruption and Growth* 12 (2003) (unpublished manuscript), available at <https://pantherfile.uwm.edu/mohtadi/www/dmcy-9-03.pdf>.

⁷³ See Gupta, *supra* note 70, at 7–8.

⁷⁴ See Paolo Mauro, *Corruption and the Composition of Government Expenditure*, 69 J. PUB. ECON. 263, 265 (1998).

⁷⁵ See *id.* at 277–78.

⁷⁶ See Sanjeev Gupta et al., *Corruption and the Provision of Health Care and Education Services*, in THE POLITICAL ECONOMY OF CORRUPTION 111, 132 (Arvind K. Jain ed., 2001); Svensson, *supra* note 67, at 27–28; Gupta et al., *supra* note 70, at 26–27; Kaufmann et al., *supra* note 61, at 17.

As for the relationship between corruption and health, studies show that “[c]orruption ha[s] a significant positive correlation with measures of health services delivered”⁷⁷ Infant mortality, child mortality, immunization rates, and low birth weights are all strongly correlated with corruption.⁷⁸ Health care, of course, “is particularly vulnerable to corruption . . . [given] the diversity of services and outlays, the scale and expense of procurement, and the nature of health care demand.”⁷⁹

The findings of these empirical studies are reinforced by country case studies. For example, detailed case studies of seven countries in Latin America that score poorly on the CPI—Argentina, Bolivia, Colombia, Costa Rica, Peru, Nicaragua, and Venezuela—found evidence of a “wide range of illicit practices” in the health care industry, including “theft of medical supplies, absenteeism by doctors and nurses, illegal payments for services, excessive payments for inputs and contracted services, favoritism in appointments and promotions, unauthorized use of public facilities for private medical practice, unnecessary referrals to private consultations, and inducement of unnecessary medical interventions.”⁸⁰

Corruption increases the price and lowers government output of social services.⁸¹ It reduces government investment in human capital and the amount of government revenue.⁸² It stunts economic growth, limits spending on education and health, and diminishes human development.⁸³ In short, the bitter fruit of corruption is poverty, ignorance, and death.

C. Corruption and Civil Liberties

There is a strong correlation between perceived corruption and the protection of civil liberties. Freedom House ranks countries based on fifteen indicators across four major categories: (1) freedom of expression and belief; (2) associational and organizational rights; (3) rule of law; and (4) personal

⁷⁷Pranab Bardhan & Dilip Mookherjee, *Decentralization, Corruption and Government Accountability*, in INTERNATIONAL HANDBOOK ON THE ECONOMICS OF CORRUPTION 161, 172 (Susan Rose-Ackerman ed., 2006) (citing Daniel Treisman, *Decentralization and the Quality of Government* (Nov. 20, 2000), available at <http://www.imf.org/external/pubs/ft/seminar/2000/fiscal/treisman.pdf>).

⁷⁸See Gupta et al., *supra* note 76, at 132; Lambsdorff, *Causes and Consequences of Corruption*, *supra* note 59, at 33–34; Maureen Lewis, *Governance and Corruption in Public Health Care Systems* 9–10 (Ctr. for Global Dev., Working Paper No. 78, 2006).

⁷⁹Taryn Vian, *Health Care*, in FIGHTING CORRUPTION IN DEVELOPING COUNTRIES 43, 44 (Bertram I. Spector ed., 2005); see also Kaufmann, *supra* note 61, at 17, 24, 27.

⁸⁰Rafael Di Tella & William D. Savedoff, *Shining Light in Dark Corners*, in DIAGNOSIS CORRUPTION: FRAUD IN LATIN AMERICA’S PUBLIC HOSPITALS 1, 15 (Rafael Di Tella & William D. Savedoff eds., 2001).

⁸¹See Gupta et al., *supra* note 76, at 115–19.

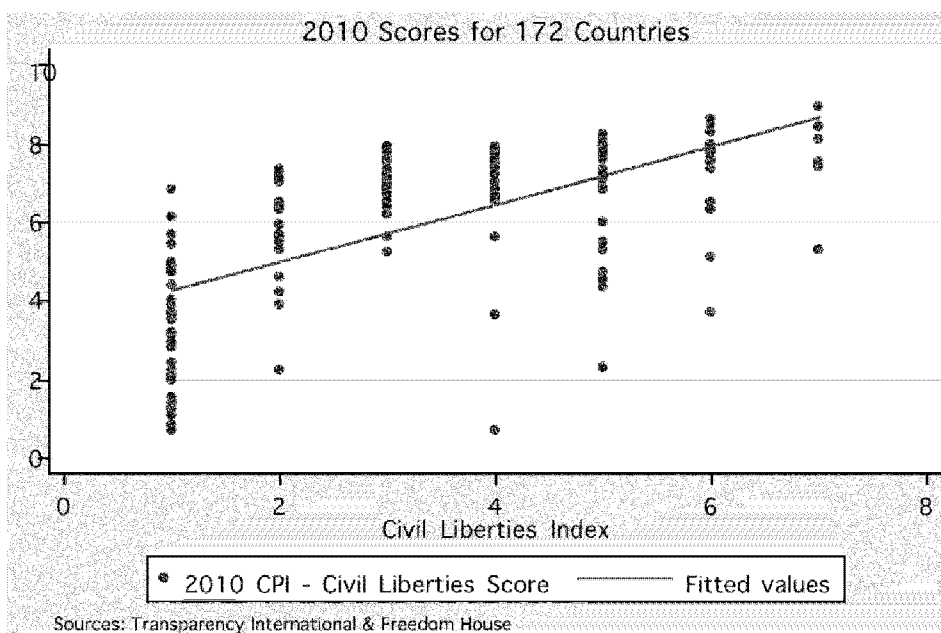
⁸²See *id.*

⁸³See *supra* notes 60–84 and accompanying text.

autonomy and individual rights.⁸⁴ By comparing a country's CPI ranking with its Freedom House ranking for civil liberties, one can conclude that a country that is perceived to take corruption seriously is also committed to civil liberties. Conversely, a country that ranks poorly on the CPI also ranks low in guaranteeing civil liberties.

As indicated in the scatter plot in Figure 3, there is a strong positive correlation between a country's CPI ranking and its Freedom House Civil Liberties ranking, with a correlation coefficient of 0.6428.⁸⁵

Figure 3: *Scatter Plot of CPI and Human Development Scores*⁸⁶



⁸⁴ See Arch Puddington, *Freedom in the World 2012: The Arab Uprisings and Their Global Repercussions*, FREEDOM HOUSE 35, http://www.freedomhouse.org/sites/default/files/inline_images/FIW%202012%20Booklet--Final.pdf (last visited Aug. 10, 2012).

⁸⁵ The Freedom House Civil Liberties scale is measured on a 1 to 7 interval basis, with more civil liberties scoring towards the “1” end of the spectrum and less civil liberties at the “7” end of the spectrum. For purposes of graphical clarity of this Article, the Civil Liberties scale was recoded (mirrored) to show more civil liberties at 1. Doing this creates a similar directional value (higher score meaning normatively desirable outcome) in line with the CPI scale (with 10 being the highest scoring of a country perceived to be the least corrupt). In essence, by reversing the scale to show a mirror image of more civil liberties-less civil liberties scores, this figure attempts to provide a more visually-clear depiction of the country-level correlation between civil liberties and corruption.

⁸⁶ For CPI values, see TRANSPARENCY INT’L, *supra* note 48, at 8–14. For civil liberties scores, see FREEDOM HOUSE, *FREEDOM IN THE WORLD 2011: THE ANNUAL SURVEY OF POLITICAL RIGHTS & CIVIL LIBERTIES* 830–32 (Arch Puddington et al. eds., 2011). For a description of the methodology used, see *supra* note 46.

Other studies confirm these findings. Empirical studies of the relationship between corruption and civil liberties show that “the higher the level of civil liberties . . . in a country, the lower the level of corruption.”⁸⁷

In particular, studies have established a strong correlation between corruption and freedom of the press, with less corruption associated with more press freedom.⁸⁸ The link between corruption and freedom of the press is obvious. One of the best tools to combat corruption is transparency. But “[t]ransparency depends crucially on freedom of press and expression,” with publicity reducing “the informational problem between principals (citizens) and agents (governments), thus improving governance,” and, particularly, “reducing corruption.”⁸⁹ Put simply, empirical evidence establishes that free speech is a “demonstrated antidote to widespread political corruption.”⁹⁰ By way of example, if a country with a poor corruption record like Indonesia had one of the freest presses in the world, its CPI score would be that of one of the least corrupt countries in the world, Singapore.⁹¹

Studies also show that an independent judiciary—another indicator in the Freedom House Civil Liberties ranking—correlates with reduced corruption.⁹² As one study put it, “[c]orruption is higher in countries where judicial institutions are not well developed, or are not independent of political influences.”⁹³

The combination of a free press and independent judiciary is a potent force against corruption. “[T]he role of the judiciary and the press are of singular importance,” concluded one study. “[A]s the main institutional guardians against governmental excesses, they can either condone or restrict the magnitude of the problem of corruption.”⁹⁴

D. Corruption and Democracy

The relationship between corruption and democracy is more complex and nuanced. Comparing the Transparency International CPI with the leading

⁸⁷ Emerson, *supra* note 49, at 210.

⁸⁸ See Aymo Brunetti & Beatrice Weder, *A Free Press Is Bad News for Corruption*, 87 J. PUB. ECON. 1801, 1810, 1820 (2003).

⁸⁹ Daniel Lederman et al., *Accountability and Corruption: Political Institutions Matter*, 17 ECON. & POL. 1, 4–5 (2005).

⁹⁰ Hung-En Sung, *A Convergence Approach to the Analysis of Political Corruption: A Cross-National Study*, 38 CRIME, L. & SOC. CHANGE 137, 155 (2002).

⁹¹ See Brunetti & Weder, *supra* note 88, at 1821. While these studies indicate that a free press reduces corruption, other studies suggest that causation may run in the other direction, with corrupt regimes restricting freedom of the press. Lambsdorff, *Causes and Consequences of Corruption*, *supra* note 59, at 40.

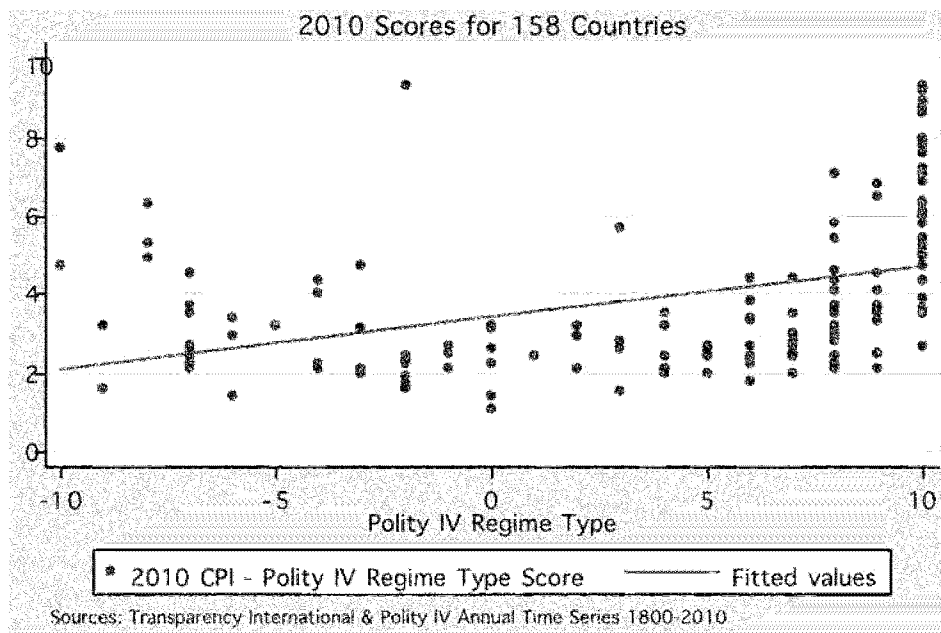
⁹² See Lambsdorff, *INSTITUTIONAL ECONOMICS*, *supra* note 33, at 47.

⁹³ Alberto Ades & Rafael Di Tella, *The Causes and Consequences of Corruption: A Review of Recent Empirical Contributions*, 27 IDS BULL. 6, 8 (1996).

⁹⁴ Hung-En Sung, *Fairer Sex or Fairer System? Gender and Corruption Revisited*, 82 SOC. FORCES 703, 718 (2003).

indicator of political regime types—the Polity IV Regime data set—reveals a weak correlation between a country’s CPI ranking and its democracy ranking, with a correlation coefficient of 0.3863. The scatter plot ranking a country’s CPI score with its Polity IV Regime type is revealing.

Figure 4: *Scatter Plot of CPI and Polity IV Regime Type*⁹⁵



The Polity IV methodology ranks a country’s scale from fully institutionalized autocracies to fully institutionalized democracies.⁹⁶

As the data suggests, the relationship between corruption and democracy is nonlinear. Only countries that are fully institutionalized democracies

⁹⁵For CPI values, see TRANSPARENCY INT’L, *supra* note 48. For the Polity IV Annual Time Series, see *INSCR Data Page*, CENTER FOR SYSTEMIC PEACE, <http://www.systemicpeace.org/inscr/inscr.htm> (last visited Sept. 9, 2012).

⁹⁶See Monty G. Marshall & Benjamin R. Cole, *Global Report 2011: Conflict, Governance, and State Fragility*, CENTER FOR SYSTEMIC PEACE 8 (Dec. 1, 2011), <http://www.systemicpeace.org/GlobalReport2011.pdf>. In a fully institutionalized autocracy, “citizens’ participation is sharply restricted or suppressed; chief executives are selected according to clearly defined . . . rules of succession from within the established political elite; and, once in office, chief executives exercise power with no meaningful checks from legislative, judicial, or civil society institutions.” *Id.* at 9. By contrast, a fully institutionalized democracy “has institutionalized procedures for open, competitive, and deliberative political participation; chooses and replaces chief executives in open, competitive elections; and imposes substantial checks and balances on the discretionary powers of the chief executive.” *Id.* at 8–9. There is a middle group of countries, described as anocracies that “are neither fully democratic nor fully autocratic” but combine an “incoherent mix of democratic and autocratic traits and practices.” *Id.* at 9.

consistently rank well on Transparency International CPI scores. There is no measurable improvement in corruption rankings between mixed political regimes and partial democracies. Moreover, in many cases institutionalized autocracies have better CPI scores than partial democracies.

These findings are consistent with other studies. As one study noted, “corruption is likely to be slightly lower in dictatorships than in countries that have partially democratized. But with more complete democratization . . . countries experience much lower levels of corruption.”⁹⁷

Another study found that “[h]ow well any government functions simply hinges on how good citizens are at making their politicians accountable for their actions. . . . [I]t is only when citizens effectively discipline policymakers to serve them that public goods are delivered in an efficient manner and corruption is curtailed.”⁹⁸ This requires not simply free and fair elections, but also informed citizens capable of curbing corruption.⁹⁹

Of course, fully fledged democracies do not spring forth overnight. Studies indicate that “a long period of exposure to democracy lowers corruption.”¹⁰⁰ It is common for countries in transition toward democracy to experience a growing problem with corruption. But in the battle against corruption, patience is a virtue. The “[g]reatest rewards (in the form of a clean and transparent state) [a]re granted to countries that [a]re able not only to realize but also to maintain the strongest and healthiest democratic institutions.”¹⁰¹

In short, lukewarm democracies are not effective at combating corruption and often do a worse job at it than tin-pot dictators. Only when democracy has fully flowered is there a strong positive correlation between a democratic form

⁹⁷Gabriella R. Montinola & Robert W. Jackman, *Sources of Corruption: A Cross-Country Study*, 32 BRIT. J. POL. SCI. 147, 167 (2002); see also LAMBSDORFF, INSTITUTIONAL ECONOMICS, *supra* note 33, at 40 (explaining that “corruption in medium-democratic regimes is . . . higher than in totally authoritarian countries,” but once this threshold is passed democracy reduces corruption); Lambsdorff, *Causes and Consequences of Corruption*, *supra* note 59, at 10–11.

⁹⁸Adserà et al., *supra* note 33, at 41. This finding is consistent with historical reflections on the matter. As General Andrew Jackson famously put it in 1825 in a letter to President James Buchanan:

The great constitutional corrective in the hands of the people against usurpation of power, or corruption by their agents, is the right of suffrage. . . . It will perpetuate their liberties and rights, and will compel their representatives to discharge their duties with an eye single to the public interest.

1 JAMES BUCHANAN, THE WORKS OF JAMES BUCHANAN 140 (John Bassett Moore ed., 1908).

⁹⁹See Adserà et al., *supra* note 33, at 41–42.

¹⁰⁰Lambsdorff, *supra* note 59, at 11 (citing Daniel Treisman, *The Causes of Corruption: A Cross-National Study*, 76 J. PUB. ECON. 399, 401, 433–35 (2000)); accord John Gerring & Strom C. Thacker, *Do Neoliberal Policies Deter Political Corruption?*, 59 INT’L ORG. 233, 247 (2005) (countries with “longer tenures of democracy tend to exhibit lower levels of perceived political corruption”).

¹⁰¹Hung-En Sung, *Democracy and Political Corruption: A Cross-National Comparison*, 41 CRIME, L. & SOC. CHANGE 179, 187 (2004).

of government and low levels of perceived corruption. The good news is that fully fledged, well-established democracies are the cleanest governments on earth.

IV. LEGAL EFFORTS TO COMBAT CORRUPTION

Given such strong correlations—and in some cases causal connections—between corruption and other public goods, it is not surprising that many governments are taking concrete steps to combat corruption. What is surprising is how long it has taken for governments to regulate corruption, and how many governments remain on the fence.

Until the late 1970s there was no significant effort to combat international corruption.¹⁰² For almost two decades thereafter, only one nation—the United States—criminalized the payment of bribes to foreign officials.¹⁰³ Today the situation is dramatically different, with numerous treaties regulating international corruption.¹⁰⁴ To use constructivist language, an international norm emerged in the late 1970s, reached a cascading point in the late 1990s, and now is in the process of internalization in the domestic systems of major capital-exporting countries throughout the world.¹⁰⁵

If there is a leading norm entrepreneur in the battle against international corruption, it is the United States. Following the enactment in 1977 of the FCPA, United States individuals and corporations became subject to civil and criminal prosecution for the payment of bribes to foreign officials.¹⁰⁶

For many years, the U.S. business community's perception was that it suffered from a competitive disadvantage vis-à-vis other foreign investors who were under no legal obligation to avoid the payment of bribes and in some cases could deduct bribes as a business expense.¹⁰⁷ Empirical studies confirm that following the enactment of the FCPA, United States firms' market share declined sharply in bribery-prone countries, and that the FCPA weakened "the

¹⁰² See STUART H. DEMING, *THE FOREIGN CORRUPT PRACTICES ACT AND THE NEW INTERNATIONAL NORMS*, at xvii (2d ed. 2010).

¹⁰³ See Foreign Corrupt Practices Act of 1977, Pub. L. No. 95-213, 91 Stat. 1494 (codified as amended in scattered sections of 15 U.S.C.).

¹⁰⁴ See sources cited *supra* note 7.

¹⁰⁵ For a description of the life cycle of international norms, see Martha Finnemore & Kathryn Sikkink, *International Norm Dynamics and Political Change*, 52 INT'L ORG. 887, 895-909 (1998).

¹⁰⁶ Foreign Corrupt Practices Act of 1977, Pub. L. No. 95-213, 91 Stat. 1494 (codified as amended in scattered sections of 15 U.S.C.).

¹⁰⁷ See U.S. GOV'T ACCOUNTABILITY OFFICE, AFMD-81-34, *IMPACT OF FOREIGN CORRUPT PRACTICES ACT ON U.S. BUSINESS* 13-17 (1981), available at <http://www.gao.gov/products/AFMD-81-34>; Christopher L. Hall, *The Foreign Corrupt Practices Act: A Competitive Disadvantage, but for How Long?*, 2 TUL. J. INT'L & COMP. L. 289, 302-09 (1994); Duane Windsor & Kathleen A. Getz, *Multilateral Cooperation to Combat Corruption: Normative Regimes Despite Mixed Motives and Diverse Values*, 33 CORNELL INT'L L.J. 731, 760-61 (2000).

competitive positions of American firms without significantly reducing the importance of bribery to foreign business transactions.”¹⁰⁸

Concerns about differential legal obligations have generated numerous efforts to level the playing field. After initial reservations about the wisdom of continuing with the FCPA, the United States has pursued the path of exporting the norm against bribery to its allies abroad.¹⁰⁹ These efforts led to the adoption of numerous treaties against corruption,¹¹⁰ most notably the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention.¹¹¹

The OECD Anti-Bribery Convention requires its thirty-nine parties—including almost all of the major capital-exporting nations of the world—to pass national legislation prohibiting the payment of bribes to foreign officials.¹¹² However, once a party has passed legislation, there is no international mechanism—beyond a toothless reporting procedure¹¹³—to ensure that the national anti-bribery legislation is effectively enforced.¹¹⁴

Whether OECD member states are effectively enforcing their anti-bribery laws remains unclear. The norm against international corruption has crystallized through international treaties, but whether it has become internalized is another matter.

By one measure the OECD Anti-Bribery Convention has made little difference. As displayed in Figure 5, the mean CPI score of all parties to the

¹⁰⁸ James R. Hines, Jr., *Abstract to Forbidden Payment: Foreign Bribery and American Business After 1977* (Nat’l Bureau of Econ. Research, Working Paper No. 5266, 1995); see also Paul J. Beck et al., *The Impact of the Foreign Corrupt Practices Act on US Exports*, 12 *MANAGERIAL & DECISION ECON.* 295, 300 (1991); Rajib Sanyal, *Effect of Perception of Corruption on Outward U.S. Foreign Direct Investment*, 10 *GLOBAL BUS. & ECON. REV.* 123, 137 (2008); LAMBSDORFF, *INSTITUTIONAL ECONOMICS*, *supra* note 33, at 174.

¹⁰⁹ Windsor & Getz, *supra* note 107, at 760–64.

¹¹⁰ See sources cited *supra* note 7.

¹¹¹ OECD Anti-Bribery Convention, *supra* note 7.

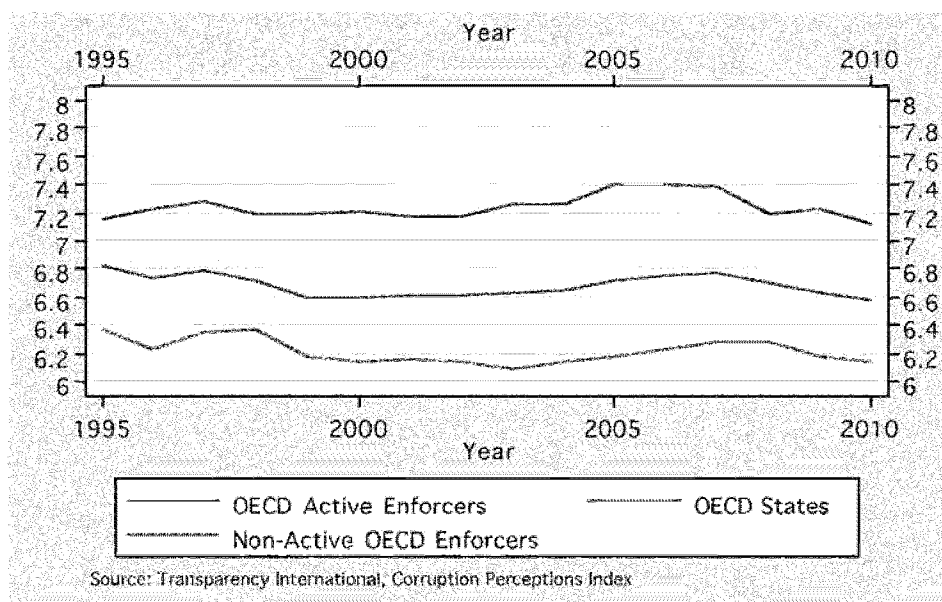
¹¹² *Id.* at art. 1(1) (“Each Party shall take such measures as may be necessary to establish that it is a criminal offence under its law for any person intentionally to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.”).

¹¹³ See *id.* at art. 12.

¹¹⁴ Susan Rose-Ackerman & Sinéad Hunt, *Transparency and Business Advantage: The Impact of International Anti-Corruption Policies on the United States National Interest*, 67 *N.Y.U. ANN. SURV. AM. L.* 433, 439–40 (2012). The U.N. Convention Against Corruption goes further, requiring its 160 parties to pass legislation prohibiting bribery, influence trading, embezzlement, and money-laundering. United Nations Convention Against Corruption, *supra* note 7, at arts. 15–25. But like the OECD Anti-Bribery Convention, there are limited international tools to ensure that parties to the Convention effectively enforce national anti-corruption laws. Rose-Ackerman & Hunt, *supra*, at 441.

OECD Anti-Bribery Convention has declined.¹¹⁵ The mean CPI scores of both active and non-active enforcers of the OECD Anti-Bribery Convention have actually declined since implementing anti-bribery legislation.¹¹⁶

Figure 5: *Longitudinal Comparison of OECD CPI Mean Scores: 1995–2010*¹¹⁷



This finding comports with other findings that only a handful of parties to the OECD Anti-Bribery Convention have actively enforced their anti-corruption

¹¹⁵For purposes of Figure 5, an active enforcer of the OECD Convention is a country that has brought at least one anti-bribery prosecution in 2010. This definition comports with what Transparency International would describe as “moderate enforcement.” See Fritz Heimann et al., *Progress Report 2011: Enforcement of the OECD Anti-Bribery Convention*, TRANSPARENCY INT’L 4 (May 24, 2011), http://files.transparency.org/content/download/102/411/file/2011_OECDreport_EN.pdf. Its more stringent definition of active enforcement is defined as ten major cases for countries with more than two percent of world exports and three major cases for countries with less than two percent of world exports. See *id.*

¹¹⁶The overwhelming majority of signatories to the OECD Anti-Bribery Convention enacted implementing legislation between 1998 and 2001. See *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: Ratification Status as of April 2012*, ORG. FOR ECON. COOPERATION & DEV., <http://www.oecd.org/investment/bribery/internationalbusiness/anti-briberyconvention/40272933.pdf> (last visited Aug. 11, 2012).

¹¹⁷For CPI values, see TRANSPARENCY INT’L, *supra* note 48, at 8–14. For a discussion about which country is an “active enforcer,” see *supra* note 115 and accompanying text. For a description of the methodology used, see *supra* note 46.

laws and that they are reluctant to take the steps necessary to ensure compliance with “the letter and the spirit” of their anti-corruption treaty obligations.¹¹⁸

By other measures, however, the OECD Anti-Bribery Convention appears to be altering investment behavior. Empirical studies of the impact of the OECD Anti-Bribery Convention find that investors from countries that have laws against paying bribes to foreign officials are likely to limit their foreign direct investment in countries with high levels of corruption. By contrast, investors from countries with high levels of corruption do not limit their foreign direct investment in other countries that also have high levels of corruption.¹¹⁹ One study found that after signatories implemented the Convention, multinational corporations from OECD countries reduced exports to corrupt countries by 5.66% relative to less corrupt countries.¹²⁰ Outlawing bribery alters the risk-reward calculus of foreign investment.

The OECD Anti-Bribery Convention also has led to less opportunistic bribery. One study relied on evidence from one of the most notorious bribery scandals in modern history—the United Nations Oil-for-Food Program—and found a “significant bivariate relationship between the [OECD Anti-Bribery] Convention and firms’ decisions whether to engage in cross-border bribery.”¹²¹ Firms from non-signatory countries had a 13% greater propensity to bribe U.N. officials than firms from OECD countries.¹²² These findings suggest that a capital-importing country can create a virtuous circle by combating corruption. Not only will the total amount of foreign direct investment increase, but a greater percentage of it will come from countries that actively discourage bribery, thereby reinforcing the battle against corruption.¹²³ Conversely, if a developing country does not take active steps to combat corruption, then foreign investors unaccustomed to paying bribes will avoid that market.¹²⁴

¹¹⁸ Kevin E. Davis, *Does the Globalization of Anti-Corruption Law Help Developing Countries?*, in INTERNATIONAL ECONOMIC LAW, GLOBALIZATION & DEVELOPING COUNTRIES 283, 298–99 (Julio Faundez & Celine Tan eds., 2010).

¹¹⁹ Alvaro Cuervo-Cazurra, *Who Cares About Corruption?*, 37 J. INT’L BUS. STUD. 807, 818 (2006); cf. LAMBSDORFF, INSTITUTIONAL ECONOMICS, *supra* note 33, at 175–78; Habib & Zurawicki, *supra* note 57, at 295.

¹²⁰ Anna D’Souza, *The OECD Anti-Bribery Convention: Changing the Currents of Trade*, 97 J. DEV. ECON. 73, 79 (2012).

¹²¹ Yujin Jeong & Robert J. Weiner, *Conflict and Corruption in International Trade: Who Helped Iraq Circumvent United Nations Sanctions?*, in INTERNATIONAL HANDBOOK ON THE ECONOMICS OF CORRUPTION, VOLUME TWO 376, 397 (Susan Rose-Ackerman & Tina Søreide eds. 2011).

¹²² *Id.* at 388.

¹²³ Cuervo-Cazurra, *supra* note 119, at 819.

¹²⁴ See *supra* notes 119–20 and accompanying text.

The findings also suggest that for capital-exporting nations, efforts to improve corruption at home will impact business behavior abroad. By effectively regulating corruption in the home market, governments condition their citizens to avoid corruption in foreign markets.¹²⁵ As one study put it, investors from clean countries face “psychic distance” from corrupt countries and limit their investment activities there.¹²⁶

More recent studies emphasize the importance of coordination strategies across enforcement regimes. One study found that the OECD Anti-Bribery Convention helped foreign investors to avoid the “prisoner’s dilemma problem faced by investors from a country that is subject to legal constraints when investors from other countries do not face such constraints.”¹²⁷ Thus, the study found that U.S. investors were more sensitive to avoid investments in corrupt countries after the playing field was leveled when other OECD countries adopted legislation similar to the FCPA.¹²⁸ If all investors are subject to similar legal constraints, then each investor is more likely to abide by those constraints.

Another study found that foreign investors from OECD countries are less likely to receive bribery requests than other investors.¹²⁹ Empirical evidence confirms that “countries that have entered . . . the OECD convention effectively send a signal that their [multinational enterprises] will resist bribery, which may insulate subsidiaries from local corruption pressure.”¹³⁰ In other words, the OECD’s coordinated campaign against bribery has altered the behavior not only of foreign investors, but also corrupt foreign officials.

Among the most significant coordination strategies are U.S. prosecutions under the FCPA followed by anti-corruption prosecutions by their OECD counterparts. Under the FCPA, the United States has jurisdiction over foreign companies that bribe foreign officials, provided they issue shares on a U.S. stock exchange.¹³¹ The U.S. Department of Justice and Securities and Exchange Commission also take an expansive interpretation of territoriality, such that the payment of a bribe through a U.S. correspondent bank or the sending of an e-mail sent through a U.S.-based e-mail account is considered a sufficient territorial nexus to permit prosecutions of foreign companies for bribing foreign officials on foreign soil.¹³²

¹²⁵ See Zurawicki & Habib, *supra* note 58, at 6.

¹²⁶ Habib & Zurawicki, *supra* note 57, at 295.

¹²⁷ Alvaro Cuervo-Cazurra, *The Effectiveness of Laws Against Bribery Abroad*, 39 J. INT’L BUS. STUD. 634, 648 (2008).

¹²⁸ *Id.* at 647–48.

¹²⁹ See Jennifer Spencer & Carolina Gomez, *MNEs and Corruption: The Impact of National Institutions and Subsidiary Strategy*, 32 STRATEGIC MGMT. J. 280, 290–95 (2011).

¹³⁰ *Id.* at 284.

¹³¹ See 15 U.S.C. § 78c(a)(8) (2006) (defining an “issuer” who falls under the scope of United States Anti-Bribery laws as being “any person who issues or proposes to issue any security”).

¹³² SHEARMAN & STERLING LLP, FCPA DIGEST: CASES AND REVIEW RELEASES RELATING TO BRIBES TO FOREIGN OFFICIALS UNDER THE FOREIGN CORRUPT PRACTICES ACT OF 1977, at xxiii–xxiv, available at <http://www.shearman.com/files/Publication/>

A recent empirical study found “strong statistical evidence linking extraterritoriality to national policy implementation.”¹³³ Thus, if the U.S. prosecuted a German or British firm under the FCPA, the enforcement behavior of the German and British authorities increased dramatically. “[T]he odds of a country enforcing its first case are twenty times greater if a country has experienced extraterritorial application of the FCPA as compared to countries that have not.”¹³⁴ In other words, the regulatory behavior of OECD parties changes dramatically following an FCPA prosecution of one of its nationals. This convergence trend suggests that “lead regulators from large markets may alter domestic enforcement decision making in other jurisdictions, underscoring the subtle legal authority enjoyed by bureaucracies from powerful states to influence international markets.”¹³⁵

In short, empirical studies show that coordination strategies between OECD enforcement authorities alter the behavior of corporations, foreign officials requesting bribes, and government officials prosecuting the payment of bribes.

V. A BROKEN WINDOWS APPROACH TO COMBATING CORRUPTION

The legal environment for combating international corruption has improved dramatically in recent years. Anti-corruption laws are on the books in OECD countries and many countries are beginning to enforce those laws. Unfortunately, despite the many public benefits associated with combating corruption, developing countries lag far behind developed countries.

How would a broken windows theory of corruption alter the legal landscape of anti-bribery laws? I offer three suggestions.

bb1a7bff-ad52-4cf9-88b99d99e001dd5f/Presentation/Publication Attachment/590a9fc7-2617-41fc-9aef-04727f927e07/FCPA-Digest-Jan2012.pdf.

¹³³ Sarah C. Kaczmarek & Abraham L. Newman, *The Long Arm of the Law: Extraterritoriality and the National Implementation of Foreign Bribery Legislation*, 65 INT’L ORG. 745, 747 (2011).

¹³⁴ *Id.* at 760.

¹³⁵ *Id.* at 748.

First, a broken windows approach would redefine and reframe corruption as distrust and disorder. When one fights corruption one is not simply fighting crime, one is fighting distrust and disorder. The abuse of public power for private gain distorts the essential functions of government. A corrupt government official privileges the few who are willing and able to pay a bribe against the many who are not so disposed. Such selective provision of services renders the government efficient for some and inefficient for most. The government is no longer serving the general public, it is self-serving or serving only the elites. Corruption severs the bonds of community trust necessary for an effective partnership between the private and public sectors so critical for a nation to thrive. Corruption renders a community vulnerable to an influx of more disorderly behavior, public ills, and crime. Corruption begets distrust, which begets disorder, which begets a host of other evils.

The distrust created by corruption alters the fundamental relationship between the government and the governed. Trust is essential to secure the public's voluntary deference to the decisions of legal authorities.¹³⁶ Trust increases the public's willingness to cooperate and consent to rules in the absence of government coercion.¹³⁷ Individuals internalize norms when they perceive the government to be procedurally fair and worthy of trust.¹³⁸ Corruption is antithetical to procedural justice, and in the absence of such justice, individuals will reject the legitimacy of government decisions. Where there is procedural justice, by contrast, individuals will accept government outcomes, even those that are not their preferred outcome.¹³⁹ Thus, distrust increases the likelihood that government decisions will be openly defied or surreptitiously ignored. Distrust also increases the likelihood of hostility toward legal authorities.¹⁴⁰

Conceptualizing corruption as a matter of public trust heightens its importance. Public trust is essential to the rule of law. "[W]hen people's actions develop out of a trust in the motives of the authorities with whom they are dealing, they consent and cooperate with those authorities' directives. This cooperation facilitates the efficient and effective exercise of regulatory authority."¹⁴¹ When the government loses the public trust, it diminishes the possibility for social control and increases the need for coercive control. The distrust created by government corruption tears asunder the fabric of law and order in society. The corruption of the best government has to offer is the worst possible result: *corruptio optimi pessima*.

¹³⁶TOM R. TYLER & YUEN J. HUO, TRUST IN THE LAW: ENCOURAGING PUBLIC COOPERATION WITH THE POLICE AND COURTS 7–8 (2002).

¹³⁷*Id.*

¹³⁸*See id.*

¹³⁹*See id.* at 56–57, 74–75.

¹⁴⁰*Cf. id.* at 7–8 (stating that “[trust] decreases the likelihood of hostility toward legal authorities”).

¹⁴¹*Id.* at 75.

Second, a broken windows approach would augment the battle against corruption with a greater emphasis on petty bribery. Thus far the legal enforcement strategies have focused on high-profile, large-scale corruption. A broken windows strategy would not ignore those cases, but would also focus on low-profile, petty corruption that alters quality of life and undermines public trust. The goal should not be to reduce grand theft, it should be to help communities create and maintain an environment in which basic public and private institutions can operate effectively and thrive.

An obvious response to this concern is to regulate facilitation payments. Facilitation payments are exempt under some international treaties, but not others.¹⁴² They are exempt in some domestic laws, including the United States,¹⁴³ but not in others, such as the United Kingdom.¹⁴⁴ A broken windows theory would embrace greater regulation of small, petty bribes that undermine the fabric of social order and spreads distrust throughout society. Foreign investors should be protected from requests for grease payments by anti-bribery laws that prohibit such payments. Foreign investors should not foster the public's impression that the government cannot be trusted by greasing the wheels of foreign officials who demand bribes. Individuals and corporations should be fined or prosecuted based on evidence of corruption, regardless of the amount involved. The battle against corruption is a battle to restore trust and maintain public order. Both are undermined with petty bribes and grand theft.

Focusing on petty bribery also alters measurements for success. The goal should not be the professional criminalization of international corruption, in which countries keep score by calculating the number of indictments, arrests, prosecutions, and convictions. The goal should be to address community concerns for maintaining order, sowing seeds of trust, and establishing the rule of law. The priority is to prevent and control crime; restore and maintain order; and reduce public distrust. Prosecuting offenders is a secondary concern. Countries should be counted as active enforcers of international corruption based on metrics that focus on the maintenance of order rather than the initiation of prosecutions. The concern in combating corruption should be on quality of life, government efficiency, and social trust.

Third, a broken windows theory would place greater emphasis on a partnership between the public and private sectors to combat corruption. This approach would mean that corruption should be considered in the local context, with a focus on its destabilizing effects in specific countries and communities. It would mean that the private sector, especially local citizens, help set standards and priorities for the maintenance of order, and that government agencies support and aid those local private efforts. It would mean the privatization of

¹⁴² M. Scott Peeler & J. Carson Pulley, *Internationalizing the FCPA: Ending the Facilitation Payments Exception and U.S. Anti-Corruption Hypocrisy*, 24 WESTLAW J. GOV'T CONT., Jan. 24, 2011, at 15, 16–17.

¹⁴³ 15 U.S.C. §§ 78dd-1(b), (f)(3) (2006).

¹⁴⁴ See Peeler & Pulley, *supra* note 142, at 16; see also Bribery Act, 2010, c. 23, §§ 1, 6 (U.K.).

many public services, with market competition providing an antidote for public corruption. It would mean the embrace of technology in the delivery of government services, thereby reducing opportunities for public functionaries to demand bribes. It would mean that transparency and free speech are promoted as an effective tool for citizen advocacy against corruption. It would mean that free and fair elections should be the ideal, with government actors accountable to the public through the power of the ballot. It would mean empowering the private sector to effectively combat the government corruption that is of foremost concern in its community.

Community policing of corruption requires enforcement measures to focus on public input addressing matters of genuine public concerns. If a particular priority is of central concern to a specific community, the enforcement measures in that country or region should be tailored to those concerns. Treating the problem of corruption as a community concern involves power sharing and creativity. As the private and public sector work together to address the corruption that is foremost in the public mind, seeds of trust are sown.

With the proliferation of international anti-corruption treaties, over 160 countries are under a legal obligation to work with the private sector to combat corruption.¹⁴⁵ The United Nations Convention Against Corruption is explicit in this obligation, expressly requiring preventive measures “that promote the participation of society” and “the active participation of individuals and groups . . . such as civil society, non-governmental organizations and community-based organizations, in the prevention of and the fight against corruption.”¹⁴⁶ Thus, international law requires a private and public partnership to combat corruption by “enhancing the transparency of and promoting the contribution of the public to decision-making processes.”¹⁴⁷ As countries internalize the norm against corruption, a broken windows theory exemplifies a successful community partnership and situates the international obligation of public participation within the proper context of local community concerns.

¹⁴⁵ *United Nations Convention Against Corruption*, UNITED NATIONS OFFICE ON DRUGS AND CRIME, <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (last visited Aug. 26, 2012).

¹⁴⁶ *United Nations Convention Against Corruption*, *supra* note 7, at arts. 5, 13.

¹⁴⁷ *Id.* at art. 13.

VI. CONCLUSION

A broken windows theory of international corruption makes first order and second order claims. The first order claim of a broken windows theory is simple and straightforward: government corruption is a source of fear and distrust in society. The maintenance of order is undermined when citizens do not trust government officials to pursue the public interest. Numerous studies establish the link between corruption and trust.¹⁴⁸ Simply put, “individuals who experience corruption and who report that corruption is widespread also tend to have lower confidence in public institutions.”¹⁴⁹ This lack of confidence makes it less likely that citizens will rely on the police, the courts, or other public institutions to resolve their problems. If the government is on the take, the public’s perception will be that it has little to offer.

The second order claim of a broken windows theory is more complex and nuanced: that a government’s perceived corruption ranking is correlated with its commitment to other public goods, including global competitiveness, increased standards of living, better health and education, greater civil liberties, and full and robust democracies. The relationship between corruption and each of these public goods is complicated, but the policy implications are not: governments that battle corruption improve the general welfare in a variety of ways that we are only beginning to understand.

With strong empirical support for the direct and indirect benefits that flow from reduced corruption, more and more governments are engaged in the battle against it.¹⁵⁰ Empirical studies show that a coordinated campaign of cooperation by and between enforcement regimes is more effective than the unilateral approach that the United States waged for over two decades. We have entered the era of coordinated global policing of international corruption.

A broken windows theory of international corruption draws from the strategy of community policing in the domestic context and applies it to the global struggle against corruption. That strategy recognizes that petty crimes, like bribery, are far more serious than traditionally understood, for they send signals about the state of society and the commitment of government to

¹⁴⁸ See LAMBSDORFF, INSTITUTIONAL ECONOMICS, *supra* note 33, at 29–30; Anderson & Tverdova, *supra* note 29, at 104; Bjørnskov & Paldam, *supra* note 33, at 59, 70; Clausen et al., *supra* note 33, at 239–40; Donatella della Porta, *Social Capital, Beliefs in Government, and Political Corruption*, in DISAFFECTED DEMOCRACIES: WHAT’S TROUBLING THE TRILATERAL COUNTRIES? 202, 225–28 (Susan J. Pharr & Robert D. Putnam eds., 2000); Rothstein & Uslaner, *supra* note 31, at 55; Mitchell A. Seligson, *The Impact of Corruption on Regime Legitimacy: A Comparative Study of Four Latin American Countries*, 64 J. POL. 408, 428–29 (2002); Adserà et al., *supra* note 33, at 32, 40 n.22; Wonbin Cho & Matthew F. Kirwin, *A Vicious Circle of Corruption and Mistrust in Institutions in Sub-Saharan Africa: A Micro-Level Analysis* 16 (Afrobarometer, Working Paper No. 71, 2007); Emmanuelle Lavallée et al., *Corruption and Trust in Political Institutions in Sub-Saharan Africa* 10–15 (Afrobarometer, Working Paper No. 102, 2008).

¹⁴⁹ Clausen, *supra* note 33, at 213.

¹⁵⁰ See sources cited *supra* note 7.

maintain order and pursue the general welfare. The bonds of social trust are severed when government officials pursue private gain at the public's expense, and the economic, political, and moral consequences of such conduct are grave.

Given the social, economic, and political costs of corruption, we should embrace a strategy of community policing of international corruption not unlike the domestic community policing strategies against broken windows. We should, as the United Nations Convention Against Corruption puts it, recognize that:

[T]he prevention and eradication of corruption is a responsibility of all [s]tates and that they must cooperate with one another, with the support and involvement of individuals and groups outside the public sector, such as civil society, non-governmental organizations and community-based organizations, if their efforts in this area are to be effective.¹⁵¹

¹⁵¹ United Nations Convention Against Corruption, *supra* note 7, at pmbl.