BASIC METHODOLOGICAL ASPECTS OF CORRUPTION MEASUREMENT: LESSONS LEARNED FROM THE LITERATURE AND THE PILOT STUDY (1999 December)

The Hungarian Gallup Institute

Introduction

The Gallup Organization prepared this brief overview of the existing methods and problems in corruption measurement for the project in this topic financed by the Corruption Monitor Pilot Project in Hungary. The present paper will briefly stress the most relevant findings concerning the very narrow topic of the *measurement of corruption*. There is a very rich literature on corruption issues, but they mostly refer to corruption as an abstract, scientific phenomenon from the perspectives of political science, sociology, or policy-making.

Gallup tried to sort out the findings of these researches done by reputed scholars, which are, or can be relevant in a real-life oriented measurement approach of this complex issue. At the end of this paper we show examples of different measurement approaches in different surveys, and with more detail, the main lessons we learned from our corruption measurement tool we tested in November 1999.

What is Corruption?

The corruption is an often used, but very rarely defined phenomenon of the social life. Corruption or 'level of corruption' is widely used in public discourse and usually hold a twofold common-sense meaning. On one hand it stands for those illegal practices, in which citizens or organizations bribe officials in charge for awarding permissions, contracts, or to escape punishment or fines for offenses they committed. Simpler: to obtain privileges against law or against the rules of some bureaucracy. This is the narrow definition of corruption. Many scholars argue, however, that corruption is a broader phenomenon, or rather, a hardly definable set of phenomena, including achieving several advances through personal networking; paying gratitude money or giving gifts for usual services, what are already reimbursed from customers' or state resources. Viewed most broadly, **corruption is the misuse of office for unofficial ends** (Klitgaard, 1998[1]).

Usually the first, narrow definition of corruption is primarily considered as "dangerous", illegal, immoral, and furthermore: totally illegitimate in today's developed or transforming societies (and economies). However, researches indicate that the narrowly defined corruption closely correlate with the level of the broader phenomena of 'corruptive activities' or deeds, which are just *morally corrupt* (Johnston, 1994[2]). Therefore previous researches suggest measuring both types of corruption to get a reliable and useful resource in estimating actual level of corruption in a specific country, even across counties.

But there is another problem with the broad definition; it's largely dependent of culture, historic age, actual social climate, and social groups, which activities can be perceived as corruptive. Whereas the narrow definition can usually be read from the more or less uniform laws throughout the countries, the definition, and even more the structure - the patterns - of those what we call corruptive activities, are deviating in a wide and rather undiscovered range

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[1] Robert Klitgaard: "International Cooperation against Corruption", SPAN; Sept/Oct 1998 issue.

[2] Michael Johnston: "Comparing Corruption Conflicts, Standards and Development", Conference paper, prepared for the XVI World Conference of the International Political Science Association, Berlin, August 1994.

(Heidenheimer, 1989[3]). Heidenheimer has outlined "shades" of corruption, ranging from white through gray to black, depending upon patterns of elite and mass opinion in several kinds of communities. Who would think that in many instances without bribing the examiner, one could get no driving license in Hungary? This extended definition of corruption is reflected in the fact that the majority of the respondents in our pilot study perceive to live in a social milieu where they personally know people who are corrupt.

The last problem we'd like to stress in this chapter, is the inherent paradox of all attempts for measuring corruption. If research want to measure corruption it has the assumption that there is a finite number of different corruptive activities what research can 'count'. Interesting point what Johnston draw attention to, is – like in chaotic processes in natural science (see Gleick, 1987[4]) – the closer look we take on these activities the more complex these things appear to be, and one-by-one definitive categorization is impossible, simply because of the infinite complexity of the cases under investigation.

Still, corruption is measured and will continue to be measured increasingly, moreover, these measurement do not lack at least common sense validity and reliability, so these abstract heuristic problems must be solved if possible, or – for the rest – temporarily swept away by researchers who are investigating this issue from a quantitative approach. The main consequence, however, is that the exact volume of the corruption cannot be measured in any society, due to infinity of definitions and secrecy problems.

How to Define Corruption?

Let us cite here the typology of corruption according to Heidenheimer. He isolated three ideal-types of corruption in his cited work (Heidenheimer, 1989), these types are:

- public office-centered
- market-centered, and
- public interest-centered

In the followings we try to illustrate these three types of corruption with the help of classical authors of corruption-literature.

Public Office-centered corruption: "[Corruption is] behavior which deviates from the formal duties of a public role because of private-regarding (close family, personal, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence." (Nye, 1967[5])

Market-centered corruption: "A corrupt civil servant [*or business administrator – added by Gallup*] regards his (public) office as a [*separate*] business, the income of which he will … seek to maximize. The office then becomes a "maximizing unit". The size of his income depends … upon the market situation and his talents for finding the point maximal gain on the public's [*or clients'*] demand curve." (van Klaveren, 1957[6])

Public Interest-centered corruption: "The pattern of corruption can be said to exist whenever a powerholder who is charged with doing certain things, i.e., who is responsible functionary or officeholder, is by monetary or other rewards not legally provided for, induced

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[3] Arnold J. Heidenheimer: "Perspectives on the Perception of Corruption", in A. J. Heidenheimer, M Johnston and V. T. LeVine: *Political Corruption: A Handbook*, New Brunswick, 1989.

[4] James Gleick: *Chaos, Making a New Science*, New York 1987.

[5] Joseph S. Nye: "Corruption and Political Development: A Cost-Benefit Analysis", *American Political Science Review*, 61:2, June 1967.

[6] Jacob van Klaveren: "The Concept of Corruption", in A. J. Heidenheimer, M Johnston and V. T. LeVine: *Political Corruption: A Handbook*, New Brunswick, 1989, originally published in 1957, in Vierteljahresschrift für Sozial und Wirtschaftgeschichte 44:4.

to take actions which favor whoever provides the rewards and thereby does damage to the public and its interests." (Friedrich, 1966[7])

Added to these merely theoretic and loose definitions, researcher needs little input information to make her studies more effective. In each country there are areas, where traditional corruption is more widespread and areas, where it is virtually unpresent. Though, the measurement of the narrowly defined corruption has relatively long tradition and international researches provide sufficient basis to prepare comparative measurement of the level of these activities. The issue gets even more complicated as we try to capture various corruptive activities. What *exactly* are these? In this area a series of qualitative or pilot research needs to be carried out in order to map the structure of behaviors, practices and activities, which make a society to think that 'corruption is there'.

Definition of corruption: Do you regard the following acts, behaviors as corrupt?
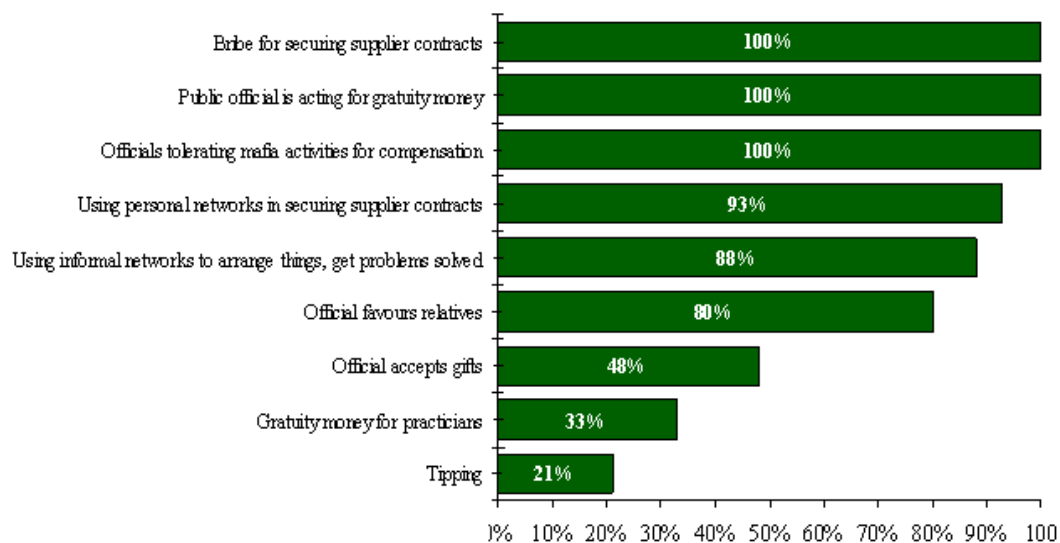
Source: Gallup, Extended Corruption Questionnaire, Pilot (N=102)

Through the course of these preliminary studies we need to uncover the most corruption-prone situations, where most cases of corruption occur. The focus group we conducted among high-rank municipal public officials was very interesting in the sense, that the participants pointed out several activities, where usually people – at least we, the naïve researchers – do not expect corruption to occur, such as awarding offices for people, or simple employment decisions in the public sphere.

How to Measure the 'Level of Corruption'?

There are three widely used 'scientific' methods in the field of corruption evaluation. We use quote-marks to remind us that, for the above listed reasons, there is a consensus that real *volume* of corruption cannot be measured or calculated. However, there are approaches, which indicate the *spread* of corruption in societies, these methods are:

- Measuring general or target-group _perception_ concerning corruption
- Measuring _incidences_ of corruptive activities (not necessarily actual corruption, but attempts or expectancy) – also referred as *proxy* method
- Using _expert estimates_ about the level of corruption (e.g. CPI of Transparency International)

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[7] C. J. Friedrich: "Political Pathology", *The Political Quarterly* 37, 1966.

All three methods hold value in achieving our goal: that is to estimate the spread and map the structure of corruption in Hungary.

General perception can be, and is regularly used as a sensitive core indicator of the feeling the 'lack of justice' in public transactions. This type of measure is less stabile over time; it's sensitively reflecting the level how corruption is displayed in media. Corruption perception in this sense is an indirect measure related to actual level of corruption, highly depending on how much space corruption actually has in media agenda. In normal case the relative weight of corruption issues appearing on media must be closely related to what happens in real life; if there are more corruption cases in the country there are more scandals appearing on TV screens as well. (See more about the dynamics of scandals in Markovits & Silberstein, 1988[8]).

Few scholars argue that for the above detailed reasons 'scandals' are more legitimate measures than behavioral, incidence-based measures. And this is just because local media is less biased – if free, we'd add – in determining what is corruption and what is not, than researchers, frequently coming from other countries, introducing their – characteristically Western – bias in the incidence measurement (what incidences we measure?). The famous Bulgarian initiative, Coalition 2000 is explicitly using large-scale media monitoring – parallel to surveys – to track trends in corruption in their country. We need to add here, that in Gallup Pilot Survey we experienced a serious agenda-setting problem in incidence measurement. The following two charts are illustrating the issue:

Chart 1. Likely that resp. needs to bribe the followings in order to get something they are entitled to… This chart shows the frequency of 'likely' answers in a case, where we asked this question first, before any questions about corruption
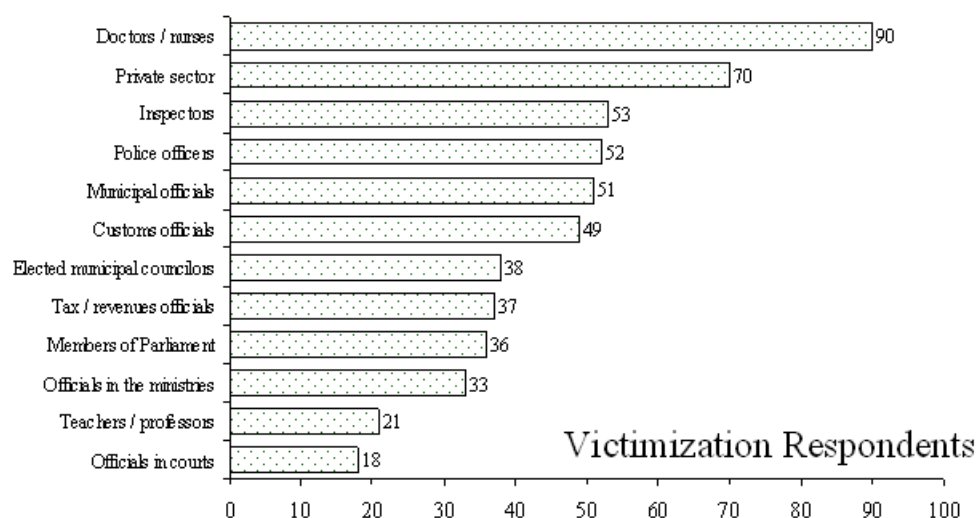
Source: Gallup, UNICRI Victimization Survey Pilot (N=97)

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[8] Andrej S. Markovits and Mark Silverstein: "The Politics of Scandal: Power and Process in Liberal Democracies", New York, 1988.

Chart 2. The same question, but… This chart shows the frequency of 'likely' answers in a case, where we asked this question after several questions **about corruption**
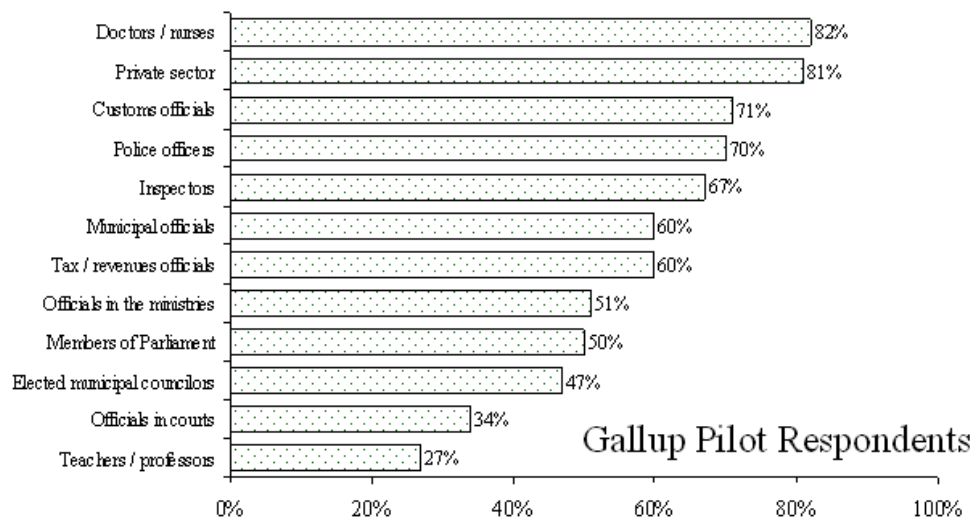
Source: Gallup, Extended Corruption Questionnaire, Pilot (N=102)

Pairing these charts, it's quite clear that perception-based methodology is more reflexive to cognitive and affective effects than to real-life experiences. The respondents, pissed off after a series of questions about past corruption experiences and perceptions gave a visibly higher likelihood to each of these groups of being corrupt, than those who didn't have the same amount of time to think within this framework and did not hear our previous questions. We have to admit here that there are signs that the talk-about effect helps to open respondents to express feeling and experiences more openly, once accustomed to this, sometimes embarrassing topic. Also, the charts also show us that real-life experiences still influence the ranking, both chart rank orders the different groups in a pretty similar order.

On the other hand, the ***incidence-based approach*** is more independent from media agenda, general sense of the society, or even questionnaire editing. With asking the ones who potentially bribe and those whom bribes are offered, researcher might get a good feedback how frequent is corruption in different types of transactions. Using direct and indirect incidence, or proxy measures (one regarding the respondent, and one regarding 'others'), the measures will provide a sufficient basis to decide in which areas corruption is more frequent than in others. The usage of indirect measures we found extraordinary important in case of the business pilot study, where the – usually senior official – respondents were very reluctant to answer the direct questions asking about bribery and other forms of corruption the *organization* was involved.

By incidence measurement we also get a more reliable and stabile cross-country comparison in certain widely measured areas, and finally we provide the basis for the longitudinal analysis, which we see more important than cross-country comparisons.

The cross-country analyses in terms of general corruption practices have serious validity problems. Using perception methods, actual events surrounding the data collection can significantly influence the results we get. In proxy measures we cannot control the 'shame-bias' and the 'routine-bias', that is, we will never know the exact ratio between actual corruption attempts and the reported number. Although, we have a good reason being suspicious, whether the likelihood of reporting the offer of a gift is the same in Denmark and in Russia; furthermore, we can't even decide where is this likelihood higher. By 'routine-bias' we mean that – in this example – the Russian official may not even recognize and remember that she was approached – and even so: how many times – by someone with the intent of

bribery, which is probably less peculiar experience compared Denmark, where we can be pretty sure that an official will remember each bribery attempt from the last five years. The best cross-validity we can hypothesize is between several waves of the same research in the same country. There we see the main possibility of comparison, and the proper evaluation of progress or decline.

In the most cited and probably respected cross-country comparison of Transparency International was primarily based on ***expert evaluation***. Now they are trying to transform the computation of CPIs, as a common index derived from different general polls and expert interviews. As Endre Sik pointed out (Sik, 1999[9]), expert evaluations are 'severely biased' for many reasons, accounted primarily to the nature of the group of international business experts involved in TI evaluations. According to Sik, this group is a) fairly closed (the cross-validity of separate experts' evaluations are not the consequence of their similar reflection of the same truth, much more the common stereotypes, developed on social events they jointly attend, or other sources of personal networking), b) the group is not accustomed to the local customs and language (they tend to oversee the ways, how issues are settled locally and tend to use bribery to solve problems fast), and c) they are businessman. In this last respect, we just want to remind the Reader to the famous dictum of Harvard Business School Professor Theodore Levitt, saying "business is war, to be fought gallantly, daringly and above all, not morally" (quoted in Driscoll & Hoffmann, 1997[10]). In other words, businessmen are more prone to corruption than 'normal' citizens, just by the very difference of their professional ethics and the 'ethics in their veins'.

For Gallup, being an organization established for *measuring* social phenomena, of course the first two methods seem the most appropriate to implement in corruption measurement. With combining the perception and incidence methods (see e.g. Lancaster and Montinola, 1997[11]) convincingly reliable results and spread-estimations can be achieved. The first attempt for this combination taught us valuable lessons about differences between the perception- and incidence-based approaches. This – of course – does not mean that Gallup would not pay attention to several 'expert-', or better, participant groups, but for estimation purposes we prefer the quantitative way for the qualitative one.

The following chart illustrates the difference in a case, where expert target group (high-level administrative officials) and general population was interviewed on the same topics in terms of corruption perception (Vásárhelyi, 1999[12]):

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[9] Endre Sik: "Some thoughts about the sociology of corruption – from an East-European perspective", Conference paper, presented on Princeton University – CEU conference on Corruption, Budapest, July 1999.

[10] Dawn-Marie Driscoll and W. Michael Hoffman: "Rooting out the Macchiavellians", letter to the editor, *Across the Board*, June 1997.

[11] Lancaster T. and G. Montinola (1997), "Toward a Methodology for the Comparative Study of Political Corruption". in: *Crime, Law and Social Change*. Special Issue on "Corruption and Reform".

[12] Vásárhelyi Mária: "Public Opinion Regarding Corruption", in: *Review of Sociology*, Special Issue, Budapest 1999.

The frequency of corruption situations by high-level civil servants and the Hungarian general public (average scores from 5 (very frequently) to 1 (never))
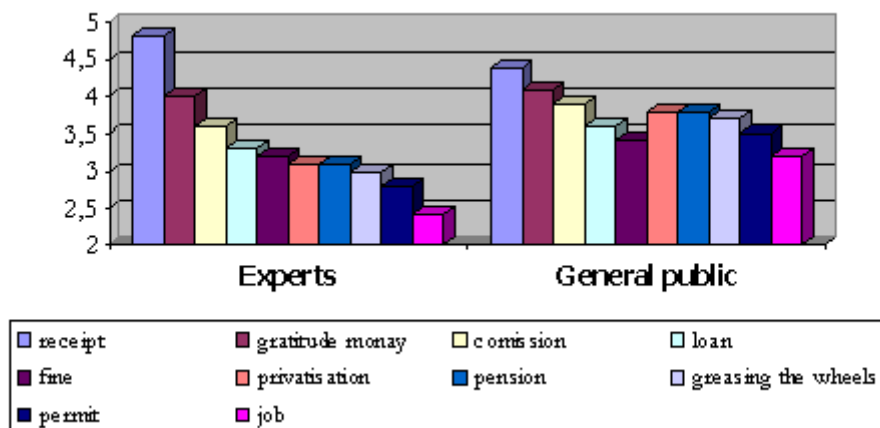
Source: Author's drawing based on Table 3 in Vásárhelyi 1999

As apparent on this chart, there is a methodological difference between the measurement of petty – "street" – corruption and white-collar corruption in the higher spheres of state or business administration. We see here, for example, that corruption accompanying privatization is seen significantly more frequent by the public, than the officials in charge. And probably both sides has right: in terms of simple frequency these types of corruption is definitely more rare than giving gratitude money to doctors, but the volume – and accordingly the media representation – of these rare transactions are so high, that the public's perception considers it 'more frequent' than other types, seen as having less impact.

Petty corruption, however, can be best measured by proxy, or incidence surveys, as one Hungarian survey attempted to demonstrate (Vásárhelyi, 1998[13]). Vásárhelyi interviewed employees at the most corruption-prone 'intermediary groups' (about intermediary groups and their role in the development of corruption see van Klaveren, op. cit.), such as tax officers, street guard, market officers, etc. By investigating these groups Vásárhelyi estimated the spread of corruption based on incidences of 'offers', as illustrated on the following table:

Spread of latent corruption by different intermediary groups, the numbers represent percentages of cases in which bribe or gift was offered for the inspector (self-reported)

TOTAL	**30**
STREET GUARD	74
MARKET OFFICE	(38)
LABOR OFFICE	63
CONSUMER OFFICE	40
PENSION OFFICE	26
FINANCE GUARD	26
TAX OFFICE	18
HEALTH OFFICE	13

Source: Vásárhelyi, 1998

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[13] Vásárhelyi Mária: "Rejtőzködés, önigazolás, hárítás és egymásra mutogatás", in: *Írások a korrupcióról*, Budapest 1998.

In its previous studies, Gallup also measured general attitudes with corruption in general, and especially in the area of medical gratuity money. In the latter research we combined perception and proxy methods in general population survey with expert target group measurement as well. The following graphs are excerpts from Gallup's reports, from 1999.

The ratio of those, who think that organized crime is in some extent connected to these areas (%)
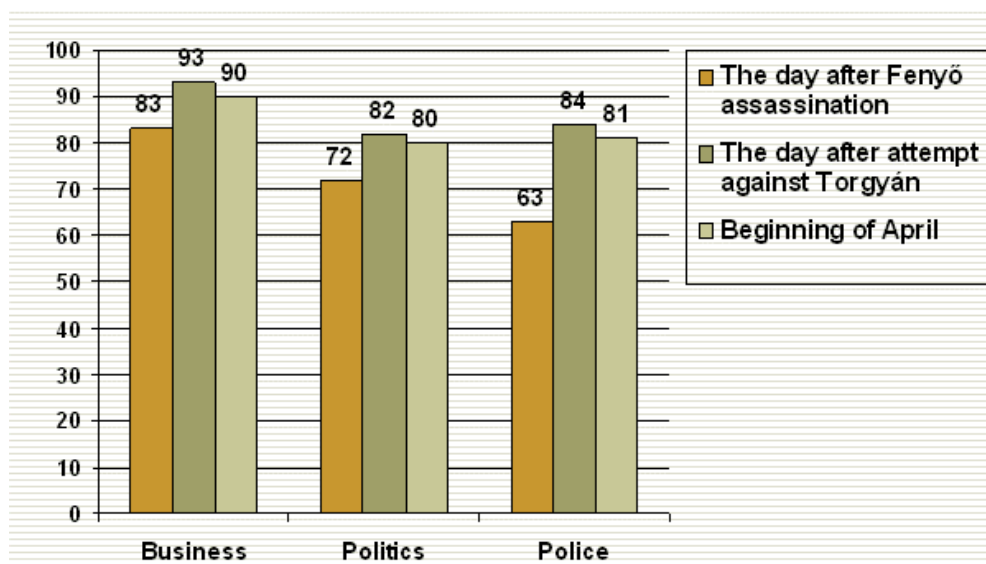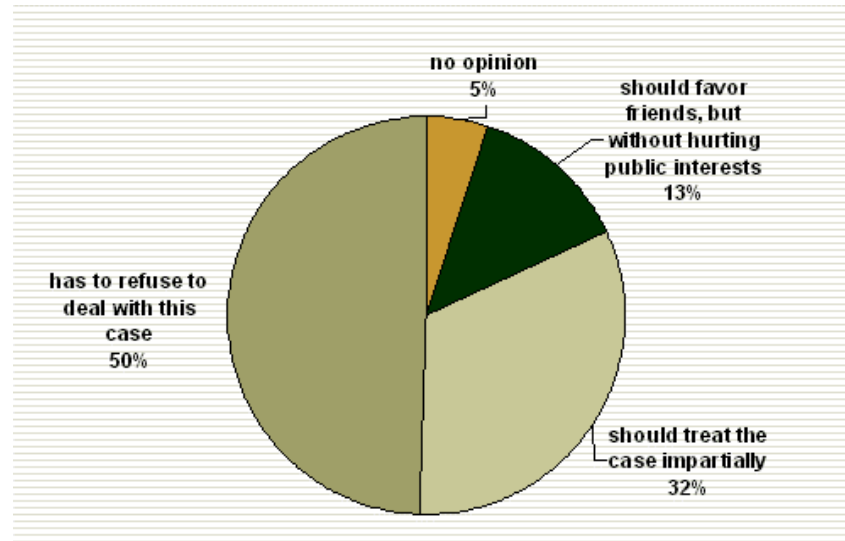

Source: Gallup, previous studies

Generally speaking, would you consider it good or bad, if power would have more respect in the future?
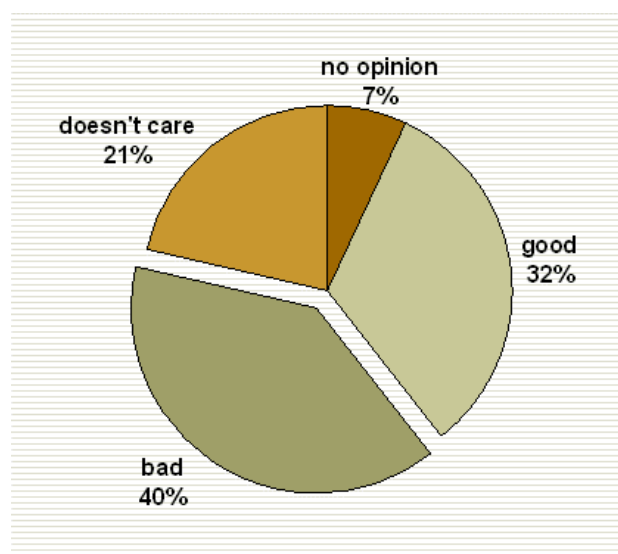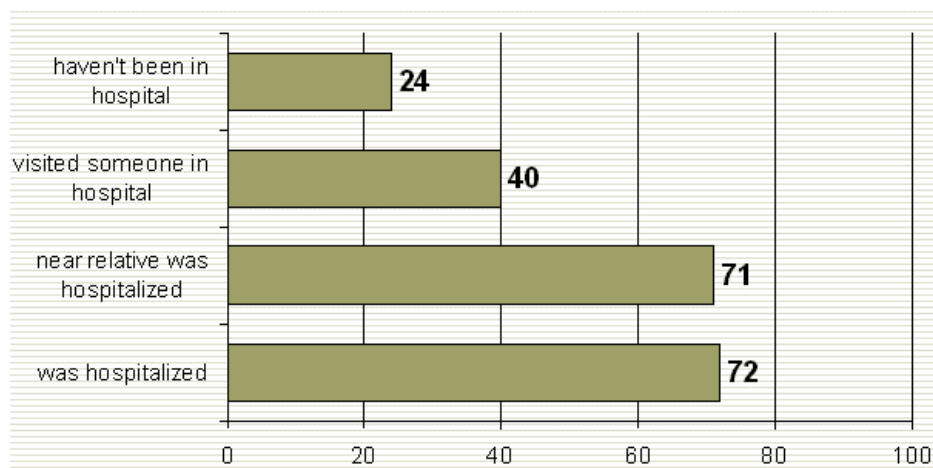

Source: Gallup, previous studies

Let's imagine that a civil servant has to deal with a case in which his close friends, relatives have some interest. What do you think this civil servant has to do in this case?
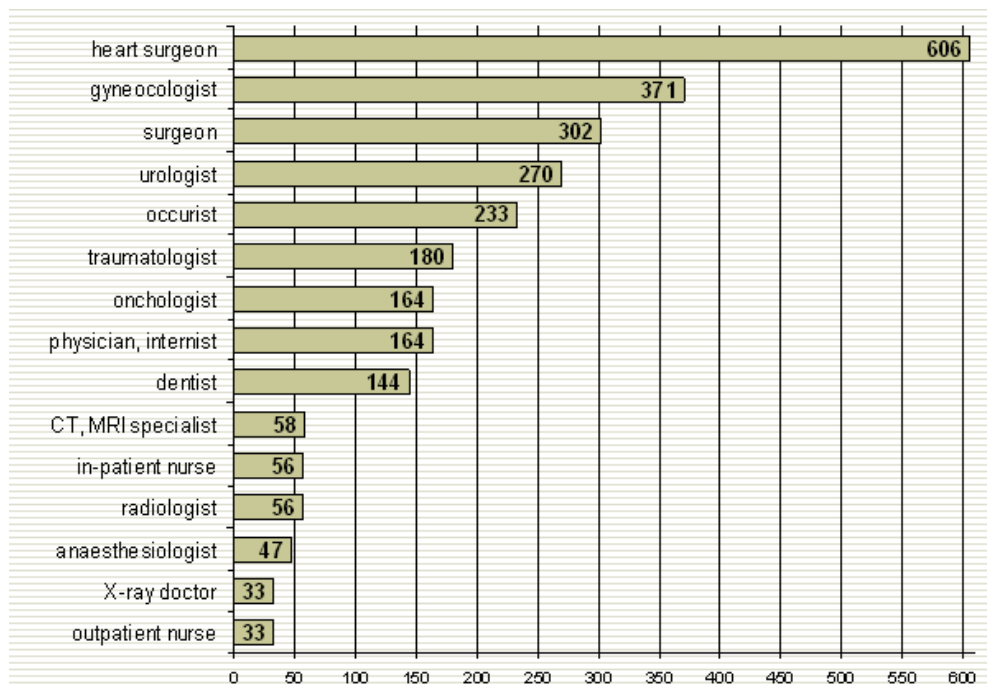

Source: Gallup, previous studies

Percentage of those who gave gratuity money for medical doctor or nurse in the past three years, general population, 25-50 years

Source: Gallup, previous studies

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Expected income-increase caused by gratuity money by different medical professions, estimations of hospital managers (in percentages)

Profession	Value
heart surgeon	606
gyneocologist	371
surgeon	302
urologist	270
occurist	233
traumatologist	180
onchologist	164
physician, internist	164
dentist	144
CT, MRI specialist	58
in-patient nurse	56
radiologist	56
anaesthesiologist	47
X-ray doctor	33
outpatient nurse	33

Source: Gallup, previous studies