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Interdisciplinary perspectives on producing, using and  
debating corruption indicators

Nehal Bhuta, Debora Valentina Malito, Gaby Umbach



European University Institute  
**Robert Schuman Centre for Advanced Studies**  
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## **Abstract**

While, in the last decades, the proliferation of corruption indicators has stimulated an increasing sophistication of both data collection and management, academics and policy-makers have been confronted with significant challenges and criticisms over their efforts to elaborate anti-corruption strategies. Both theoretical and methodological issues related to the use of corruption indicators highlight the need to better consider the narrative emerging from the use of numbers; in particular by evaluating both policy context and implications involved in the construction of corruption through governance indicators.

The present working paper promotes the idea of approaching corruption indicators from a broader multidisciplinary and multifocal perspective. It addressed three core dimensions of the analysis of key governance indicators: the construction of corruption indicators and their use as well as the discourse about them.

## **Keywords**

Corruption, indicators, governance, Transparency International, World Bank, Millennium Development Goal



## **Introduction\***

While, in the last decades, the proliferation of corruption indicators has stimulated an increasing sophistication of both data collection and management, academics and policy-makers have been confronted with significant challenges and criticisms over their efforts to elaborate anti-corruption strategies. Both theoretical and methodological issues related to the use of corruption indicators highlight the need to better consider the narrative emerging from the use of numbers; in particular by evaluating both policy context and implications involved in the construction of corruption through governance indicators.

Based on the results of the workshop ‘Global Governance by Indicators: Measuring corruption and corruption indicators’ (17 and 18 October 2013; EUI/Florence) the present Working Paper promotes the idea of approaching corruption indicators from a broader multidisciplinary and multifocal perspective. The workshop brought together academics and practitioners from Africa, America, Asia and Europe to discuss key issues of the development and implications of measures of corruption. It aimed at serving as a platform for multidisciplinary exchange by bringing together scholars from various academic disciplines as well as policy-makers to promote mutual understanding and learning about the role of corruption indicators in global governance. The workshop addressed three core dimensions of the analysis of key governance indicators: the construction of corruption indicators and their use as well as the discourse about them.

First, the production of corruption indicators implies both methodological and ontological issues that must be carefully parsed. The methodological problem relates to the challenge of measuring phenomena that in fact escape comprehensive and shared conceptualization. The ontological problem concerns the relationship between norms and facts, and thus, the question of how corruption indicators can become the basis for action and hence an “actor” in good governance. Several other questions are linked to these aspects and concern the way normative prescriptions influence methodological and ontological choices; the demand drivers for corruption indicators; and the policy context that frames the formulation of such indicators.

Second, the production of corruption indicators is part of a knowledge production process. Within this process, benchmarks are fixed and states are ranked according to their governance performance by the use of statistical data and the representation of numbers and figures. The workshop attempted to systematically scrutinize the dynamics leading to new forms of knowledge as well as the existing criticisms of the overall activity of indicator production. Key questions in this context touched upon the potential substitution of the discourse on corruption by corruption indicators; the way policy judgments and normative orientations are replaced or displaced by this process; and the potential incorporation of the criticism of this new mode of global governance into the production of new governance techniques.

Third, the multifaceted process of indicator production influences the way in which the indicators are used in practice and how they are transformed into policy orientations. Reflections on this point concentrated on whether indicators themselves can serve as an effective answer to governance priorities; on advantages and pitfalls of using corruption indicators; and on whether such indicators were effective in impacting on policy orientations within the broader global anti-corruption campaign.

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\* The Working Paper reflects the views of the authors. As the workshop was convened under Chatham House rule, no institutions’ and individuals’ names are identified.

## **1. Background**

Since 1975, the General Assembly of the United Nations (UN) has addressed the need to create international legislation against corruption in transnational commercial transactions: Yet beyond the production of reports, conventions and recommendations, few efforts have been made to harmonize legislative measures and anti-corruption policies at global governance level. It was only during the 1990s that a substantial change occurred: with the end of the Cold War, Western countries, international institutions and development agencies elaborated a new governance agenda in relation to states transitioning from socialist economies to capitalist systems. Within Western Europe, corruption scandals involving politicians and governing parties in Italy, France, Spain and Germany additionally placed the issue on the agenda. and increased the international demand for accountability and reforms. Pressures for transparency and effectiveness accelerated the attempt of measuring countries' experience with and degree of corruption. However, from the very beginning, many organizations faced difficulties in collecting meaningful and concrete statistical data on declared or prosecuted cases of corruption.

In the course of these developments, the first generation of corruption indicators was inaugurated in an attempt to produce an aggregate indicator of corruption based on soft, that is subjective data, the so-called Corruption Perceived Index. Following this seminal endeavor by Transparency International, other organizations contributed to the growth of measures of corruption and the development of important anti-corruption strategies was accompanied by the proliferation of new measures and methodologies leading to the creation of a 'densely populated space of indicators within a free market of ideas'. Yet, while in the 1990s the production of corruption indicators acquired an unprecedented worldwide popularity, currently this activity is becoming ever more contested. As a side-effect of the proliferation of corruption indicators, a 'jungle of governance indicators'<sup>1</sup> has gradually tended to substitute the discourse about corruption and anti-corruption strategies during the last three decades. These pitfalls of the first generation of indicators caused scholars and policy-makers to reconsider key methodological and theoretical aspects and to revisit the normative and constructive discourses that were partially neglected in the first place.

## **2. Producing Corruption Indicators**

Much of the debate on the production of corruption indicators is centered around two key issues: the first concerns the 'desire for certainty' and the ontological problem of whether corruption is measurable or not and whether it should or should not be measured. The second refers to technical and methodological aspects of measuring corruption. In order to reflect on these two sets of issues, the workshop presentations and discussions on key institutional practices and academic experiences touched upon the following central aspects: The **first generation of corruption indicators** were found to have heavily relied on public and expert perceptions. Reliable crime statistics concerning prosecution of corruption were and still are hard to obtain and, if existent, are barely comparable across countries. Hence, soft or subjective data collected through surveying methods served as an alternative source in the absence of hard statistical data on corruption. Apart from being criticized as the perception of one sub-group of society (male, white-collar, business), this data source encountered the conceptual problem of defining itself what in fact it aimed to measure without clearly distinguishing whether those definitions referred to the realm of social understanding, assumptions, experiences, perception or value appropriation. However huge a conceptual problem, this definitional grey area surrounding corruption has received very little attention by scholars and policy-makers engaged in the creation and application of first generation corruption indicators. As a result, those first generation indicators represent a powerful tool in terms of agenda-setting, yet remained insufficient for diagnostic analysis or policy planning.

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<sup>1</sup> Arndt, C., & Oman, C. P. (2006). *Uses and Abuses of Governance Indicators*. OECD Publisher.

From a theoretical perspective, the first generation of corruption measures additionally involved a problem of objectivity: they were guided by a discernible normative purpose (and sometimes even a western-based bias), although the above mentioned definitional gap did not allow to fix 'natural standards' against which corruption may have been controlled, especially in a comparative manner. It is widely recognized that most first generation corruption indices cannot be applied for comparison between countries' performance over time.

In the context of the application and use of corruption indicators by international organizations and institutions, an equally important starting point was to reflect on the choices made in view of the overall use of indicators. The question 'why and for use indicators' was raised in some cases of institutional practice and answered by appealing to ability of numerical indicators to create a political debate by using the specific reporting tool to horizontally describe the situation in a given territory or geographical area. Country specific recommendations were integrated into the reporting exercise, in some cases by local experts engaged to identify core country data and more relevant issues, that is to contextualize corruption in a given territorial context.

Even if two of the first generation corruption measures are still the two most widely used ones even today, the current debate on corruption indicators is moving away from this first generation's approach. In the present stage of the evolution of corruption measures, key actors advance the turn towards aspects of transparency and governance and hence the overall embedding and merger of corruption related measures with these two broader areas in order to approach corruption within a transparency and governance context. Within the framework of the 2015 Millennium Development Goal (MDG) revision, and especially inspired by the criticism raised in the context of the general performance of the public sector in many countries, actors engaged in the MDG review process thus suggest to establish a new measure of corruption based on the concept of transparency and embedded in the broader realm of governance indicators. Such a transparency related indicator is perceived as an optimal way forward for several reasons: transparency concerns the access to information that is particularly relevant to reduce borrowing cost and improve resource flows to institutional front-line delivery units, which can raise social awareness through demanding better services and the reduction of political corruption.

Considering the conceptual, methodological and normative challenges that accompanied the application of the first generation of indicators, new approaches were discussed and designed in order to formulate more specific and disaggregated indicators of corruption (the so-called **second generation of corruption indicators**), offering more contextualized solutions to governance concerns. On a research project level, these new approaches reveal interesting elements of discontinuity to the first generation of corruption indicators: From a theoretical point of view, some research activities confute the validity of the principal-agent approach, floating the idea of a huge potential in connecting collective action with the fight against corruption. As part of collective action to overcome particularistic behavior, this particular model is based on the relevance of normative constraints in the control of corruption. Corruption, here, has been defined as a form of particularism that encompasses a deviation from the norm of ethical and legal universalism established in governance-related management. Following this perspective, corruption may be explained as the failure to impose (or pursue) an ethic of legal universalism as the leading rule to prevent particularistic allocations of public resources. From a methodological perspective, the second generation of corruption indicators in this particular research example presented during the workshop is informed by hard data (based on public resource allocations, procurement, legal or electoral corruption) that aim to contribute to a higher level of specificity and validity, making comparisons among countries possible and/or more reliable.

Within the workshop discussion, many participants underlined the difficulties of quantification in general, voicing special skepticism in view of the distinction between the ordinal nature of indicators, the innate activity of ranking as well as comparing states through indicator-based assessment and the very nature of statistical data. This focus on quantification was moreover perceived

to ignore the cultural assumptions and stereotypes as well as the normative and policy prescriptions underlying the formulation of indicators.

Others pointed out that the *use* of indicators as such is even more controversial than the *quality* of data employed. In this line of argument, judicial data on prosecutions, for instance, may be used as an indicator for the performance of the judicial system in view of corruption charges, as a proxy for corruption associated with specific sectors or as an indicator for the level of corruption within a particular state territory.

Generally, within the debate, it was argued that the formulation of indicators is not necessarily responsive to the different policy contexts in which indicators are employed. Moreover, it was pointed out that the division of competences between scholars (development of indicators) and policy-makers (use of indicators) was rather instrumental to 'guarantee' the objectivity of the indicators discourse. There exists a mutual relationship between scholars and policy-makers: when the criticism is incorporated inside the process of 'adjusting the formula', even critical scholars take part in the process of producing indicators. The act of 'adjusting the indicator' contradicts the idea that scholars act independently of policy-makers' interests.

### **3. Corruption discourses and measures: a view from the ground up**

As the first generation of corruption indicators has permeated society, they became a driving force changing and influencing also the public discourse about governance. Since corruption indicators have been associated with normative assumptions or 'hidden concepts of uniform rules' considered to be 'universal', few efforts have been made to approach them as part of the 'language of the contemporary political order' or under the limitations of cultural diversity that impact on their translation from the global to regional, national and/or local levels potentially leading merely to institutional mimicry. Yet, indicators, especially by creating this common language in the areas in which they are developed and employed, also support community-building and collaboration between decision-makers, academics and civil society actors in the creation of new modes of governance: corruption indicators, in this sense, serve to enforce a knowledge infrastructure supporting the attempt to universalize the ideal type of stateness expressed by the Weberian idea of a legal and rational bureaucracy. As a result, scholars tend to defend the underlying claims of neutrality and scientific legitimacy made by the indicator providers and to some extent, tend to neglect the political and policy judgments embedded in the formulation of the indicators themselves. The processes of joint knowledge production and use make scholars and civil society actors increasingly interdependent in terms of knowledge formation and exchange, potentially jeopardizing the academic independence of scholars vis-à-vis the interests of governments or private actors that perceive indicator development also as means to shape policy orientation. During the workshop, participants advanced three critical arguments associated to the discourses on corruption indicators.

First, contrary to the idea that 'ethical universalism' may be assumed to be a global metric to define particularism (alias corruption), some scholars maintained that indicators are a 'technology of governance'<sup>2</sup> that allows the formulation and application of normative standards by linking, codifying and translating global formats into local cases, and vice versa. According to this perspective, the anti-corruption discourse has been enforced by an argument that presents corruption as an obstacle to economic development, and normatively defines the standards for governance.

Scholars also voiced criticism of indicators as a social and historical product which are not immune against the impact of the global power constellations under which they were created. Also corruption indicators were prone to reproduce biases reflecting the North-South divide of the international

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<sup>2</sup> Davis, K., Fisher, A., Kingsbury, B., & Merry, S. E. (2012). *Governance by Indicators: Global Power through Classification and Rankings*. OUP Oxford.

political system. Corruption indicators tend to evaluate the *degree* of particularism when corruption concerns western democracies and the *nature* of particularism when corruption affects developing societies. They strongly follow a donor perspective serving the assessment of development aid effectiveness and hence focus on measuring corruption in poorer countries with a lesser degree of overall development, turning a nearly blind eye to the situation in countries that are more developed and richer.

Third, corruption indicators often become politicized as instruments of policy- and decision-making. National case studies discussed during the workshop point into this direction. In one such case, a perception survey conducted at national level became politically instrumentalized during the prosecution of an alleged case of corruption. The particular perception survey was released when the case of corruption in question became public. So, even though aiming to measure the perception of petty corruption in the given country, the survey, on the one hand, served as evidence for grand corruption and, on the other hand, also to strengthen the position and credibility of particular actors involved.

#### **4. Using Corruption indicators**

Following the criticism raised in view of the ‘rhetoric of numbers’, the discussion highlighted that the production of corruption indicators cannot be analyzed separate from the linguistic production sustaining the overall contemporary political order(s). Key questions within the discussion were hence related to whether indicators also actively created expectations and policy directions and whether they directly impacted on anti-corruption strategies. Yet, during the discussion, no final answers in view of the ‘real’ impact of corruption indicators on the development of legal and political norms or prescriptions could be found.

On the one side of the discussion, arguments supported the notion that corruption indicators play a concrete role in implementing and enforcing anti-corruption policies by raising awareness within the public discourse and by helping policy-makers to detect sectors and areas in which corruption may be discerned. The experience of key international organizations in the field supports this hypothesis. The concrete institutional practice discussed required in fact a monitoring process to estimate the implementation of an international agreement by its member states. The implementation of this agreement is monitored by a special working group of the respective international organization. While the first and second phase of the annual monitoring process are focused on evaluating the adequacy and the effectiveness of a country’s legislation to implement the agreement, the process’ third phase evaluates the effective enforcement of the agreement. Especially in this conclusive phase the use of corruption indicators is particularly relevant in order to define the context in which actors may be involved in bribery and to fix the parameters necessary to evaluate the environment in which anti-corruption policies or strategies are located (or to allow cross-country or cross-sectors comparisons). Another argument accentuated the opposite claim stating that corruption indicators have very limited power to influence the national policy dimension. Even if generally acknowledging the role of indicators to frame the public discourse on corruption, scholars promoting this argument highlighted the shortfalls of indicators to be incorporated into specific policy proposals. Providing evidence for this no-profound-policy-impact argument, a country case study presented during the workshop stated that the impact of corruption indicators on judicial effectiveness, or reforms, had in fact been weak. In the given example, the failure of the judicial system to effectively prosecute corruption resulted in a data gathering deficit influenced by a poorly organized and implemented data collection process. The main obstacle was formed by the missing willingness to attribute high policy control capacities and resources to the newly created anti-corruption institutions. As case in point the country case study referred to weak national anti-corruption institutions, that were paralyzed by a fundamental lack of independence and authority over laws and institutions. A third critical assumption raised during the workshop focused on the fact that indicators (or their use) seem to also justify policy orientations that have not been originally enshrined in them. In this perspective, political actors are viewed to

instrumentalize the normative elements associated with corruption indicators in order to bring forward their own political agendas. However, the relationship between the information and policy intervention dimension of corruption indicators is not a linear one, since often the information dimension is bypassed in order to emphasize an alleged policy orientation.

A fourth line of argumentation underlined that civil society initiatives can integrate corruption measures and create anti-corruption campaigns even in a more effective and flexible way than institutional efforts could. Presented in another country case study during the workshop, the relationship between the governmental anti-corruption policy and two national/regional indices of corruption developed by one of the key international corruption indicator developers may be illustrative for this point. The case study found no evidence that the two international corruption indices were influencing the national discourse about corruption. Yet, they were said to have promoted micro-level incentives to improve accountability in some sectors. The lack of macro impact was said to partially derive from the conceptual gap discernible especially in developing societies, in which an accurate analysis of corruption strongly depends on the analysis of other contextual factors, such as poor administrative standards of government and governance performance, the distribution of power within the institutions, or the general level of state capacity and institutionalization.

Through this contextualization, regional, national and local efforts to discover corruption may come to a more comprehensive and complete understanding of the real problem of corruption on the ground. In the national case presented in the case study, the experience of an anti-corruption commission demonstrated that relying on qualitative tools, a performance contracting approach has been developed that filled much of the gap caused by the discrepancy between the global approach to corruption and national systemic particularities. In the given case, the adaptation and implementation method applied allowed the government to incorporate the corruption measures into a national system that rewarded good performer (and punished the bad performer) and that hence offered effective incentives to restructure government agencies and to enhance accountability, transparency and efficiency.

In another national case study presented during the workshop, in the absence of a robust and consolidate instrument to measure corruption at national level, the role of **civil society** has been pivotal for the implementation of effective measures of corruption. Even if the government in the given case had undertaken concrete steps to strengthen the accountability of service providers through rights based laws, no clear efforts were made towards the measurement of corruption at national level: governmental efforts to curb corruption were constrained by the absence of clear responsibilities and by scarce harmonization efforts between central and decentralized institutions. Emerging from this gap, civil society in this particular country stimulated an important debate, building and testing potential alternative ways to measure corruption. Sponsored by societal organizations the formulation of reports on public services enabled the collection of feedback on the quality and adequacy of public services. Other civil society and grassroots initiatives sponsored social audits to promote the idea of reporting the abuse of power regularly or developed internet based reporting tools to gather information on real life experiences with corruption that collect anonymously information about experience with active bribery. Efforts like the latter helped build a rich database of information on real life corruption incidences, which provide for empirical evidence to help pressure governments to take effective steps to reduce corruption.

## **5. Conclusion**

In light of the critical aspects related to the development, use, impact and effects of corruption indicators discussed during the workshop, their analysis is well advised to integrate normative demands, policy implications, and discursive elements linked to the production of indicators in order to enable a broad view on the phenomenon under scrutiny. While the discussion showed that in the past emphasis has been given to problems associated with quantification, a systemic and coherent understanding of corruption is missing as scholars still seem to analytically separate the production and the use of indicators from the capacity of knowledge production in general that surrounds both activities.

Corruption indicators have contributed to the creation of a universal definition of what is objectively good and bad governance, emphasizing the distance between universal standards and local performances. Corruption indicators may not be considered passive instruments of representation as they not only measure and describe reality, but also frame ideas and create the rhetoric to support the contemporary political language that inspires the formulation of policy interventions to bridge the measured gap.

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