

1. Horario atención a estudiantes, correos electrónicos y nombres de los profesores complementarios

Clase magistral

Horario Clase: Miércoles, 4:00pm – 5:50pm

Salón: C 206

Profesor: Rachid Laajaj (r.laajaj@uniandes.edu.co)

Atención a estudiantes: martes, 10:00 - 12:00,

Lugar de atención a estudiantes: Oficina W-817

Monitora: Eloisa Isaza Rodriguez (e.isaza10@uniandes.edu.co)

Horario de atención a estudiantes: Lunes de 9:00 a 10:00

Lugar de atención a estudiantes: W826

2. Introducción y descripción general del curso

Corruption is the abuse of entrusted power for private gain. There is rapidly growing evidence of the harm that it does to the economy and to the well-being of individuals. Fighting corruption requires better understanding its origin and its dynamics. In this seminar, we aim to better understand the causes of corruption, its consequences and its solutions. This seminar combines theoretical approach and empirical analysis at the micro-level, paying particular attention to the role of information and incentives. We read and analyze critically many recent papers on corruption in order to develop our ability to understand academic papers but also to carefully think about what allows corruption to prevail and how to tackle it. Because the class is a seminar, a lot of active participation, presentations, analysis of case studies, and elaboration of practical solutions and/or development of your own research on corruption are expected from the students. The seminar is given in English but participation and questions in Spanish are welcome whenever needed.

3. Objetivos de la materia

The Seminar on Corruption in Developing Countries introduces the students to some of the literature on Corruption and some of the tools commonly used. It also encourages students to develop critical thinking implement their own review of the literature, presentations, research, analysis of existing projects and to propose creative solutions. At the end of the class, the students should be more familiar with some of the problematics related to corruption. They should be able to discuss the causes of corruption and how to address it, using analytical tools and economic reasoning. They should also start developing their capacity to implement their own research or project.

4. Organización del curso y Metodología

An important goal of the class is to encourage students to be rigorous, but also pro-active, critical and creative in their learning about corruption.

A first part of the class will be dedicated to a review of the literature on corruption. For each topic, I will first provide papers to be read. The students will work in group to read, analyze and present the material in a way that helps understanding what the literature has found on this topic so far. Written work and discussions or presentations will be expected from the students. I will guide the discussions and help complete it. We will also have quizzes to ensure that the papers are read.

I will complement your analysis with general overview about the topics that we study and provide some of the tools that are necessary to better understand the papers and to help you conduct your own research.

During the discussions, keep in mind that you need to be critical, it is OK to disagree with some articles or policies as long as you can argument it. Also, the discussion is an occasion for you to raise the parts that you did not understand in the paper. You are not expected to understand everything, most papers that we study are at the “frontier” of research in economics of corruption, so don’t be afraid to ask.

Another part of the class will be dedicated to applying the tools and lessons during exercises and applied cases. They will be practical in nature and can ask you to analyze data, or for example discuss some programs or principles about how to fight corruption.

Three types of tasks will be asked to the students as the final homework (Students will be allowed to perform this task in groups of 1 to 3 students):

- 1- **Produce a research article** (in fact you can do it without the data, but need to be as realistic as possible as what your research question is, how you would answer it, you contribution to the literature...). You don’t have to have the data but just explain how you would analyze it.
- 2- **Analyze an existing program** that aims at fighting corruption. Feed the analysis with lessons from the literature to argument the extent to which it follows the key principles that we emphasized on how to efficiently fight against corruption.
- 3- **Propose an innovative intervention to reduce corruption** in a developing country. Be very specific about what the intervention(s) would be, and the mechanisms through which it can reduce corruption. There must be something new in your proposition compared to what already exists.

Each group will choose one of the 3 types of work and first produce a very short version that summarizes the ideas (maximum 2 pages) and make a short presentation.

A final work will be expected at the end of the semester. The idea is to continue on one of the 3 possible tasks, and extend it into a 10 page final work, providing more detail and a deeper analysis.

The last 2 or 3 classes (depending on the number of groups) will be dedicated to the students presenting their own research idea / analysis of a program / idea of intervention, and discuss it with the other students and the professor. This final work will be requested at the end of the semester.

Tentative schedule (which may evolve)

~ 2 week	Definition of concepts and overview
~ 7 weeks	Reading of articles presented by students with context and theory completed by the professor. Discussions will include debates led by students. We will try to dedicate about half of these classes to the presentation and discussion of reading, and half to discussions and broader lessons.
~ 1 week	Presentations of short proposal of your work (after choosing one of the 3)
~ 2 weeks (and part or the 7 weeks)	Analysis of existing programs or policies. Students will present, analyze and debate using economic arguments. The themes will include La consulta anticorrupcion, procurement, royalties, customs, tax collection (suggestions welcome).
~ 1 week	Homework of inventing a program to address issues in a context that will be provided by the professors
~ 2 weeks	Presentations of final work

5. Competencias

Seminar Corruption in Developing Countries	
Learning Objectives of the Class	
1	Introduces the students to some of the literature in Corruption, in an active way stimulating student's ability to look for and assimilate literature
2	Learn tools that allow you to better understand the Literature on Corruption and think about the causes and solutions of corruption
3	Develop your ability to analyze critically about recent papers on corruption, and programs that aim at reducing corruption
4	Start developing your own research about what are the obstacles to Development and evaluating potential solutions
5	Think about how to apply lessons from the development literature to real life corruption challenges, being creative in adapting the tools to the issues faced in a given context.

6. Criterios de evaluación (Porcentajes de cada evaluación)

The final grade will be calculated as follows:

- Quizzes and preparation of debates: 20%
- 2 debates on existing policies: 10% (5% per debate on both written and oral work)
- Presentation(s) of readings and literature reviews by chapter: 10%
- Class Participation throughout the semester: 20%
- Short proposal of your final work: 10% (5% for 2 page work +5% for presentation)
- Homework of inventing a program: 10% (5% for 2 page work +5% for presentation)

- Final work: 25% (15% for 10 page work +10% for presentation)

Absenteeism means you get 0 in participation for this class (unless a justification is provided), which will then affect your final grade in participation, but if it exceeds 3 classes then it may have additional consequences.

Reclamos (Artículo 62 y 63 del Reglamento General de Estudiantes de Pregrado)

“Todo estudiante que desee formular un reclamo sobre las calificaciones de cualquier evaluación o sobre la nota definitiva del curso, deberá dirigirlo por escrito y debidamente sustentado al profesor responsable de la materia, dentro de los ocho (4) días hábiles siguientes a aquel en que se dan a conocer las calificaciones en cuestión. El profesor dispone de diez (10) días hábiles para resolver el reclamo formulado; vencido el término informará al estudiante la decisión correspondiente.”

“Si el estudiante considera que la decisión no corresponde a los criterios de evaluación, podrá solicitar la designación de un segundo calificador mediante un escrito debidamente sustentado, dirigido al Consejo de Facultad o de Departamento, según el caso, dentro de los ocho (8) días hábiles siguientes al conocimiento de la decisión. Si el Consejo encuentra fundada la solicitud, procederá a designar, solamente para tal efecto, un segundo calificador cuya decisión debidamente sustentada será definitiva e inmodificable. En ningún caso, el segundo calificador podrá desmejorar la nota inicialmente asignada por el profesor.”

Los reclamos serán válidos siempre y cuando el quiz, el parcial y el examen final hayan sido resueltos en esfera. Para las evaluaciones resueltas a lápiz, el reclamo se debe presentar en el momento en que las pruebas se entreguen calificadas.

7. Sistema de aproximación de notas definitiva

Dando alcance a la modificación al sistema de calificaciones, el Comité Directivo, en la sesión No. 72-13 del 19 de junio de 2013, aprobó la siguiente escala de calificaciones, incluida en el art. 51 del Reglamento General de Estudiantes de Pregrado (RGEPr), el art. 49 del Reglamento General de Estudiantes de Especialización (RGEE), el art. 51 del Reglamento General de Estudiantes de Maestría (RGEMa), y el art. 61 del Reglamento General de Estudiantes de Doctorado (RGED): “Las calificaciones definitivas de las materias serán numéricas de uno cinco (1,50) a cinco (5,00), en unidades, décimas y centésimas.

8. Bibliografía

There is not one textbook recommended, but a series of papers that will be reviewed during the classes.

A) Overviews of literature on Corruption

Empirical overview:

** Olken, B. A., & Pande, R. (2011). *Corruption in developing countries* (No. w17398). National Bureau of Economic Research.

Theoretical overview:

Aidt, T. S. (2003). Economic analysis of corruption: a survey*. *The Economic Journal*, 113(491), F632-F652.

B) Agents respond to Incentives

** Di Tella, Rafael, and Ernesto Schargrodsky. "The role of wages and auditing during a crackdown on corruption in the city of Buenos Aires." *Journal of law and economics* 46.1 (2003): 269-292.

Olken, B. A. (2005). *Monitoring corruption: evidence from a field experiment in Indonesia* (No. w11753). National Bureau of Economic Research.

C) Accountability, Social monitoring and Transparency

** Reinikka, R., & Svensson, J. (2011). The power of information in public services: Evidence from education in Uganda. *Journal of Public Economics*, 95(7), 956-966.

Ferraz, C., & Finan, F. (2007). Exposing corrupt politicians: the effects of Brazil's publicly released audits on electoral outcomes.

D) Natural Resources and Institutions

** Mehlum, H., Moene, K. and Torvik, R., 2006. Institutions and the resource curse. *The economic journal*, 116(508), pp.1-20.

Luis R. Martinez (2015) Sources of Revenue and Government Performance: Evidence from Colombia

E) Can information Technologies improve Information and reduce Corruption?

** Lewis-Faupel, S., Neggers, Y., Olken, B. A., & Pande, R. (2016). Can Electronic Procurement Improve Infrastructure Provision? Evidence from Public Works in India and Indonesia. *American Economic Journal: Economic Policy*, 8(3), 258-83.

** Banerjee, A., Duflo, E., Imbert, C., Mathew, S., & Pande, R. Can e-governance reduce capture of public programs? Experimental evidence from India's Employment Guarantee.

Muralidharan, Karthik, Paul Niehaus, and Sandip Sukhtankar. "Building state capacity: Evidence from biometric smartcards in India." *The American Economic Review* 106.10 (2016): 2895-2929.

Social Monitoring and Electoral Fraud: Evidence from a Spatial Regression Discontinuity Design in Afghanistan (2015, Job Market paper of Robert M. Gonzalez)

Bertot, J.C., Jaeger, P.T. and Grimes, J.M., 2010. Using ICTs to create a culture of transparency: E-government and social media as openness and anti-corruption tools for societies. *Government information quarterly*, 27(3), pp.264-271

F) Corruption at Customs

** Laajaj, R., Eslava, M. and Kinda, T., 2018. The Costs of Bureaucracy and Corruption at Customs: Evidence from the Computerization of Imports in Colombia.

Sequeira, S., & Djankov, S. (2014). Corruption and firm behavior: Evidence from African ports. *Journal of International Economics*, 94(2), 277-294.

Yang, D. (2006). 18 The economics of anti-corruption: lessons from a widespread customs reform. *International handbook on the economics of corruption*, 512.

G) A cultural issue?

** Fisman, R. and Miguel, E., 2007. Corruption, norms, and legal enforcement: Evidence from diplomatic parking tickets. *Journal of Political economy*, 115(6), pp.1020-1048.

Hauk, E. and Saez-Marti, M., 2002. On the cultural transmission of corruption. *Journal of Economic Theory*, 107(2), pp.311-335.

H) Others

Fisman, R. and Svensson, J., 2007. Are corruption and taxation really harmful to growth? Firm level evidence. *Journal of development economics*, 83(1), pp.63-75.

9. Fechas Importantes

- **Fecha de entrega del 30% de las notas: 5 de octubre**
- **Último día para solicitar retiros: 12 de octubre (6pm)**
- **Último día para subir notas finales en banner: 18 de diciembre**