Causes and Consequences of Corruption
Dr. Bonnie Palifka
Yale Summer Session 2017
Syllabus

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Office hours Tuesdays and Thursdays, 10:00am-11:30pm via Zoom

Course intentions: Corruption, a classic manifestation of the principle-agent problem, is an obstacle to economic efficiency in the application of fiscal policy, in the distribution of assistance, and in business decisions. This multidisciplinary course introduces students to the causes and consequences of corruption, ways to define and measure corruption, various economic models of corruption, and possible solutions.

General objectives:
By the end of this course, the student will be able to:
- Define corruption.
- Compare the level of corruption among countries.
- Identify and explain the causes of corruption.
- Identify and explain the costs and consequences of corruption.
- Model corruption using basic utility-maximization and game theory.
- Evaluate alternative policies aimed at reducing corruption.

Grades:
- Survey questionnaires 10 (0.5 point each)
- Team analysis of survey data 30 (3 @ 10 points each)
- Video blogs 20 (5 @ 4 points each)
- Participation in Discussion Threads 10 (5 @ 2 points each)
- Coevaluations 5 (5 @ 1 point each)
- Final exam 25
- Total 100

Each student is expected to apply a corruption survey to the general public. Each survey takes approximately fifteen minutes to complete. The questionnaires are provided in English and Spanish; each student should complete twenty questionnaires via interview during the first week and a half; these will be turned in digitally (scanned) and also input into Excel. Each team will pool its members’ survey data and submit three analyses. Teams will be formed with an eye toward international and multidisciplinary composition.
Main text:


Note: This syllabus is provided for informational purposes only. It includes only the assigned readings; video lectures and optional materials (readings, videos, and websites) are listed on the course platform, as are the detailed assignments due. The assigned readings should be completed before each corresponding live session. While it is not necessary to understand all the details of the journal articles, the student should be able to identify the following components of each: purpose, contribution, methodology, data sources, and results.

Program of activities

Week 1 May 29 - June 2
BASIC CONCEPTS
Introduction: What is corruption?

Readings:
Rose-Ackerman and Palifka, chapter 1

How is corruption measured?

Assignments:
2. Apply survey (20 copies)
3. Participate in on-line discussions
4. Submit self- and peer-evaluation

Readings:

**Week 2**  
**June 5-9**

**CORRUPTION AS AN ECONOMIC PROBLEM**

Assignments:
1. Pool team data; analyze individual determinants of corruption
2. Participate in on-line discussions
3. Submit self- and peer-evaluation

Readings:
Rose-Ackerman and Palifka, chapters 2-6

**The economic impact of corruption: development**


**The economic impact of corruption: other effects**


**Who pays bribes?**


**Why pay bribes?**
https://openknowledge.worldbank.org/handle/10986/20457

**Grand Corruption and Corruption in Hierarchies**

http://www.jstor.org/stable/2298112

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**Week 3**

**June 12-16**

**CORRUPTION AS A CULTURAL PROBLEM**

Assignments:

1. Use team data to analyze cultural aspects of corruption
2. Participate in on-line discussions
3. Submit self- and peer-evaluation

Readings:

Rose-Ackerman and Palifka, Chapter 7

**Corruption and culture**


http://www.jstor.org/stable/155316


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**Corruption in business**


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**Week 4**

**June 19-23**

**CORRUPTION AS A POLITICAL PROBLEM**

Assignments:

1. Use team data to analyze political aspects of corruption
2. Participate in on-line discussions
3. Submit self- and peer-evaluation
Readings:
Rose-Ackerman and Palifka, Chapters 8-12

**Corruption and politics**

**Week 5**
**June 26-30**

**ANTI-CORRUPTION REFORM**
Assignments:
1. Participate in on-line discussions
2. Submit self- and peer-evaluation
3. Final exam

Readings:
Rose-Ackerman and Palifka, chapters 13-16

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The final exam will be Thursday, June 29, 10:00am-12:00pm EST.
A note on academic honesty

Students are expected to act in accordance with Yale policy regarding plagiarism and other types of academic dishonesty. All written work will be checked for plagiarism. Those found guilty will be penalized accordingly.

Attendance

Attendance at the live sessions (Tuesdays and Thursdays, 10:00-11:30, Yale time) is mandatory. Any student who misses a session will be reported to the Dean of Summer Session.

Deadlines

All work must be turned in electronically, as specified, by the due date and time. According to Yale policy, technical difficulties are not an acceptable excuse for late submission. Any work turned in late will be penalized one-half grade for each day late.