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CRACKING THE MYTH OF PETTY BRIBERY

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The abuse of entrusted power by public officials in their interactions with citizens is a common phenomenon. In many countries, people see themselves obliged to engage in acts of bribery in order to access public services that should be free of charge or included in taxes: the money slipped to the bureaucrat for the issuance of a new identity card, the unofficial payment to get the family planning pills which should be distributed freely at the hospital, or the occasional bribe to the policeman to avoid harassment. Bribery in the form of small payments plays a devastating role in many countries, and especially hits the poorer sections of society. This type of corruption is usually referred to as "petty bribery". However, this is a phenomenon that represents a high burden for entire societies, and the term "petty" seems to be misleading and definitely inappropriate. Naming as "petty" bribery in public service delivery minimizes the effects it has on the well being of citizens, giving the idea of being something marginal and less devastating than, for instance, "grand scale" corruption. A well functioning delivery of quality public services, consistent with citizen's needs and preferences is crucial for a high level of human development, for the effectiveness of public expenditure as well as to maintain citizen's trust in public institutions.

Calling corruption in public service delivery "petty" minimizes its devastating effects and the high damage it has on the development of societies. Therefore, the term "petty bribery" needs to be banned from the anti-corruption vocabulary.

Global indices help to rank countries and are of fundamental importance to raise awareness on corruption, however, very rarely do they result in concrete political change on the ground.

Households with the minimum income in Mexico spent 33% of their monthly income on corruption, a percentage that by no means can be considered "petty".

Local indices show that corruption is increasing in strategic sectors for human development, such as in hospitals and schools.

Local corruption measures are more precisely tailored to national conditions and can assist policymakers in developing concrete actions to decrease the levels of corruption in public service delivery.

Words reflect concepts

The unconditional delivery of certain public services that are considered to be essential for life builds upon a social consensus that services such as access to water, education or health should be available to all, regardless of income. In cases where the provision of essential social services is deficient due to corruption, this means that they are not correctly governed and, as a consequence, their universal provision cannot be guaranteed. Given the magnitude of such a problem, calling deficiencies in public service delivery "petty" does not allow grasping the nature, outreach and depth of the problem. Something "petty" bears the connotation of being of minor and negligible importance, which clearly oversimplifies the problem. Vocabulary management in public policy plays an important role in treating specific issues. Expressions can determine thought; they reflect attitudes, influence action, as well as the pace of reform. The use of the term "petty bribery" by organizations such as the World Bank, the United Nations or the OCDE indicates that the term is accepted on a global scale.

Among the anti-corruption community, it is common to make a distinction between "petty" and "grand" corruption. "Petty" corruption typically involves small payments made to secure the performance of routine, legal, or neces-

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sary actions such as getting a water connection. While "petty" corruption might involve very small amounts, the frequency of such transactions means that the aggregate amounts can be very large. However, by differentiating between "petty" and "grand" corruption, anti-corruption experts reinforce the idea that "grand" scale corruption is of great harm, whereas "petty" bribery is rather insignificant. Given the high damage that corruption in public service delivery can cause on societies, the term "petty" needs to be banned from the anti-corruption vocabulary. Replacing the expression would be the first step in changing attitudes towards this devastating phenomenon, and in dedicating the attention that this problem certainly deserves.

Monetary costs of bribery in public service delivery	Non-Monetary costs of bribery in public service delivery
Percentage of income of poor families	Inter-connection with general deficiencies of a political system
Aggregated cost of repeated small payments	Damage on quality and coverage in services
	Lost citizens' trust on public institutions

"Petty" bribery is huge

"Petty" bribery is huge for a variety of reasons. An analysis of the broad range of its costs requires differentiating between monetary and non-monetary costs, as well as their impact on the political system. We have been able to identify two types of monetary costs and three types of non-monetary costs, related to systemic damage and citizen's trust.

An index calculating the worldwide cost of corruption in public service delivery does not exist. However, existing surveys indicate that summing the small payments on a world scale would certainly prove that it is one of the important reasons why the development of whole communities, cities and nations is being hampered.

First, among the monetary costs is the aggregated nature of public service delivery. The frequency of small illegal payments means that the aggregate amounts end up being very high. Small payments to access services are the type of corruption that most directly affects the standard of living of the people. Local indices prove (see next section) that for the poor sections of society, the costs related to repeated acts of corruption in public service delivery represent a high percentage of their income. From their perspective, this phenomenon can certainly not be described as "petty".

The second monetary cost relates to the society as a whole: bribery to access public services does not only affect the individuals that are involved in the bribery act, meaning the direct monetary cost for the household the individual belongs to. Apart from the individual household that is being affected, the aggregated sum of households paying bribes on a regular basis mean a monetary cost for whole communities, and entire nations. An index calculating the worldwide cost of corruption in public service delivery does not exist. However, existing surveys indicate that summing the small payments on a world scale would certainly prove that it is one of the important reasons why the development of whole communities, cities and nations is being hampered.

The first non-monetary cost is related to the systemic inter-connection of "petty" bribery with the general way a political system is being governed. Usually treated as an issue that is disconnected from the system in general, bribes in public service delivery are often understood as a situation where only the individual providing the delivery of services is responsible for claiming the additional money. Public officials are perceived as little devils at the end of the pubic service chain claiming their little payments. By merely focussing on the final user, one might indeed think that this type of corruption is disconnected from other aspects of governance and the general deficiencies of a political system. However, a deeper analysis indicates that "petty" corruption is the result of organized corruption networks of providers, and that the problem is rather structural in nature, meaning that "petty" and "grand" corruption cannot be clearly divided: officials who deliver services might demand illegal payments from citizens because they have to pay a cut of their salaries to their managers, who pay a cut to their superiors, stretching all the way up to the most senior state officials. The money paid for the access to social services enters into a corrupt system and feeds corrupt bureaucracies and governments, but most dramatically it distorts the direction and nature of public institutions and service providers.

The second non-monetary cost is related to the quality and coverage of public services in a country. As public services that depend on additional payments cannot be guaranteed to those who can't pay the extra money, corruption impedes the universal coverage of public services. Having to pay bribes can mean not having access to free school enrolment, public health services or clean water. A system where corruption in public services persists means that such a system is not able to solve fundamental problems in education, health or the reduction of inequalities, which in turn means that the political system is not functioning. The systemic nature of bribery occurring in public service delivery has a devastating effect on the governance of a society as a whole. Furthermore, higher demand on public service delivery is seen as a way of gaining both economic and political power. Bribes may become a way of financing political networks of bureaucrats and pub-

lic officials, but it is the promise of giving access to public services that paves the way for political capture.

Finally, the third non-monetary cost has to do with the citizen's trust in public institutions. A variety of surveys indicate that citizen trust is positively associated with control of corruption, and that corruption in public service delivery results in a lack of public confidence in political institutions and in democratic processes.[2]

Given the fact that the costs related to "petty" bribery reach from the direct monetary cost for households, the aggregated value of repeated acts of corruption for communities, to the non-monetary costs of poor quality and coverage in services, including the cost of inaction or diversion in decisions and projects, the aggregated societal cost of "petty" bribery is huge. Defining as "petty" a phenomenon that reinforces inequalities, that impedes the poor from getting out of the poverty circle, that damages the development of local institutions and that makes people lose confidence in the political system they live in is not appropriate, does not reflect its true nature, and its devastating consequences. Its impact on the development of a nation goes much deeper than the word "petty" might indicate.

From perception measurement to victimization indices: A decade in learning

In order to raise awareness on the destructive effects of bribery in public service delivery it is necessary to calculate the real costs and impact associated to corruption in public services. Proving the impact and depth of the problem means that it needs to be measured.

For many years, it has been argued that it was impossible to measure a hidden act such as corruption. Originally conceived as a proxy for measuring the immeasurable, for more than a decade corruption indices portrayed an aggregated image of a country, its governments and the relationship with the population. Organizations such as the United Nations, the World Bank, the Inter-American Development Bank, the Organisation for Economic Co-operation and Development and other institutions have elaborated indices and surveys to approach the phenomenon of corruption. Among the most prominent measurement tools are the World Bank's Worldwide Governance Indicators, which measure six dimensions of governance, one of them being control of corruption. Transparency International's Corruption Perceptions Index (CPI) has been among the most prominent tools to measure corruption. Based on opinion surveys, it ranks countries in terms of the degree to which corruption is perceived to exist in the country. The CPI has been fundamental in raising awareness about corruption, and is widely noticed by policy makers and often used by financial risk analysts. Other corruption metrics have used in-country experts to understand govern-

ance and anti-corruption mechanisms instead of conducting public surveys, aiming to create policy change through the establishment of checklists toward reform. Among those feature the Global Integrity Index or the International Budget Partnership. Such approaches complement the awareness-raising tools like the CPI by providing governments with recommendations toward improved governance. Global indices help to rank countries and are of fundamental importance to raise awareness on corruption, however, very rarely do they result in concrete political change on the ground.

Improving governance in national frameworks requires more concrete results than tools that permit comparing countries in a ranking or measurements based on the views of experts. A new generation of indices, the so-called victimization indices, come nearer to the goal of reaching more concrete results. Victimization indices have focused on the kind of relationship, more than the quality of the agent involved. As the victim is just the end-user of a system that involves different institutions, actors and resources, victimization indices have been effective as "predictors" of institutional and structural problems in a more general sense. One prominent victimiza-

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tion index that has assessed corruption as experienced by the people is the Global Corruption Barometer (GCB). The GCB gives results on which sectors and regions around the world are most affected by bribery. But above all, this measurement tool clearly shows that poorer people around the globe are more frequently penalised by bribery. According to the GCB 2010, poorer people were twice as likely to pay bribes for basic services, such as education or health, than wealthier people. In eight out of nine services, users whose stated income corresponded to low-income households paid bribes more frequently than those having stated higher income levels. The police were cited as being the most frequent recipient of bribes, and Sub-Saharan Africa featured to be the region where most bribes were paid worldwide.[2]

Corruption as a regressive tax for the poor

Local measurement tools based on peoples' experiences can provide in depth analysis of the trends indicated in the global victimization indices. Local surveys allow calculating the

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2. Global Corruption Barometer. Transparency International. 2010.

concrete number of bribes and their average amount. Global trends – such as poor sections of societies being those who are most affected by corruption – can be concretely confirmed by tools that are applied locally. Different indices in the world from Bangladesh to Nicaragua have measured the experience of the population with corruption in public service delivery. The so called Index on Corruption and Good Governance has measured bribery experiences in Mexico since a decade, and this tool has been replicated in Peru, Bolivia, Guatemala, Ecuador, and the Dominican Republic. The results of these measurements show that the frequency of corruption in public service delivery is similar among these countries.

The Index on Corruption and Good Governance for Mexico – which provides a time series since 2001 allowing comparisons across time – has inquired around 16,000 Mexican households on bribery in the course of completing 35 tasks. This tool gives evidence about which sections of the Mexican population are most vulnerable to corruption in order to access public services and which services are most affected by it.[3] The survey inquires households on tasks from installing a phone line to access to justice or sanitation services and showed that in 2010 Mexicans paid 1.9 billion Euro on bribes to receive basic services. The index registered that 200

Euro per bribe. In a similar survey conducted in Kenya, the amount per bribe in order to access services was 23 Euro.[5]

An important finding of the local measurement tools is that the amounts that the poor pay represent a higher proportion of their income than the income of families with average income. The Index on Corruption and Good Governance suggests that while Mexican households with an average income spent 14% on bribes in 2010, households with the minimum income spent 33% of their monthly income on corruption, a percentage that by no means can be considered to be "petty". The above-mentioned survey on experienced corruption in the Western Balkans confirms the finding that the average number of bribes paid is higher among lower income groups than wealthier citizens.

The measurement tool used in Mexico allows splitting the result between the different states of the country, as well as between different types of service delivery. The possibility of differentiating between subnational states makes it easier to identify concrete shortcomings and to develop precise tailored policy recommendations. For instance, the analysis of the index on the subnational level shows that the most densely populated areas of the country are those that suffer most from bribery: The Federal District and the State of Mexico registered the highest number of bribery cases, whereas the least densely populated area, being Baja California Sur, was the least affected area. This shows that with the increasing demand for public services, the risk for corruption also increases.

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The time series of the Mexican index allows comparing the results of the index and shows that since 2007 corruption has increased in strategic sectors for human development, as bribes in hospitals and schools increased. The survey on experienced corruption in the Western Balkans confirms this trend:

million public service transactions between households and providers resulted in cases of corruption (a national index of 10,3 out of 100 transactions). A recent survey on experienced corruption in the Western Balkans gives similar results, with 12.5 per cent of citizens who paid at least one bribe in 2010. This measurement tool also indicates that those who pay at least one bribe actually do so with considerable regularity - on average, about once every ten weeks.[4] Concerning the amount of the bribery acts, on average, Mexicans paid 9,7

more than half (57%) of Western Balkan citizens with corruption experience paid bribes to doctors while a third did so to nurses. These findings give evidence about the direct connection between corruption and development. This link has already been recognized in the mid-1990s when donors and anti-corruption CSOs began discussing the impact of corruption on development. At the 1996 World Bank Annual meeting, then President Wolfensohn recognized that corruption was one of the most important impediments to development. Today, the connection between human development and corruption is widely recognized: If people don't have access to
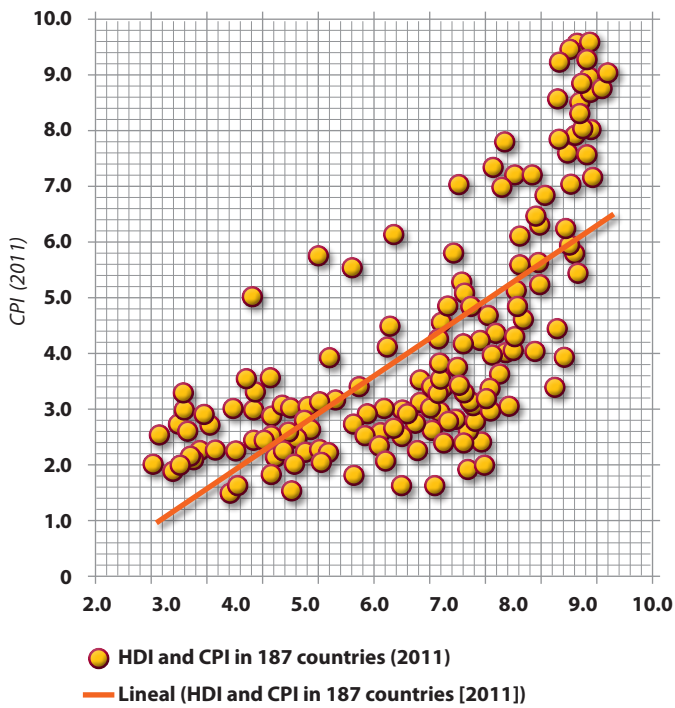
3. Índice Nacional de Corrupción y Buen Gobierno. Transparencia Mexicana. 2001, 2003, 2005, 2007, 2010.
4. Corruption in the Western Balkans: Bribery as experienced by the population. United Nations Office on Drugs and Crime. 2011.

5. Kenya Bribery Index. Transparency International Kenya. 2008.

● HDI and CPI in 187 countries (2011)

▬ Lineal (HDI and CPI in 187 countries [2011])

the development of societies, the continuity of poor public service delivery weakens citizen's confidence in public institutions. The complex and covert nature of corruption has often leaded to focusing on the study of perceptions about corruption or the quality of the institutional framework, rather than on the actual experience of it. Perception-based indicators have been useful for raising awareness about corruption; however, they have failed to provide clear indications as to point to concrete vulnerable areas. Local measurement tools represent an opportunity to approach the real consequences and costs of bribery. The global anti-corruption community must put an effort to underline the destructive impact of bribery in public service delivery. Local measurements clearly show that this type of corruption is everything but "petty". Further analysis of the direct experience with the help of local measurement tools will help in pointing out the devastating effects of bribery in public service delivery and can assist governments in better tailoring policies and developing concrete actions to decrease the levels of corruption in public service delivery. And more importantly, measuring in concrete terms will help to join efforts with citizens to exercise better democratic controls on corrupt governments.

health care because they can't afford to pay the bribes, this may reduce life expectancy and increase infant mortality rates. Bribes asked by schoolmasters to enrol children in public elementary schools means that education and opportunities for these children might be irreversibly blocked. The results of the local indices show how the three dimensions of the Human Development Index, being living standards, health and education, are directly affected by corruption in public service delivery. Families that pay bribes in order to access public services obviously have a lower living standard. The other two dimensions of the HDI are equally affected by bribery in public service delivery, as bribery in the health and education sectors excludes those who can't pay the bribes from leading healthy lives and having access to knowledge.

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Many other findings resulting from local surveys on experienced corruption could be added to the list. However, these few results already show that local corruption measures are more precisely tailored to national conditions and that concrete information on the local patterns of corruption can assist policymakers in developing anti-bribery as experienced by the population.

Conclusions

Bribery in public service delivery compels citizens to pay for services that should be free of extra monetary charge. This phenomenon is often overlooked as an area of concern in the public debate. However, apart from the negative impact on