P05 / Fighting corruption during crisis

Topic : GOVERNING CRISIS

Chair : Giulia Mugellini (Università della Svizzera italiana)

Second Chair : Jean-Patrick Villeneuve (Università della Svizzera italiana)

Third Chair : Isabelle Caron (Dalhousie University)

Fourth Chair : Kristyna Basna (Institute of Sociology of the Czech Academy of Sciences (Czech Republic))

GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

The United Nations Secretary General (Antonio Guterres) has recently defined corruption as “criminal, immoral and a betrayal of public trust. Even more damaging in time of crisis”.

Countries across the world have been recently experiencing different types of crises and related emergencies. From natural disasters due to climate change to the Covid-19 pandemic, geo-political conflicts, and economic crises.

Emergencies create new “opportunities for corruption to thrive and grow as actions taken to quickly address the needs presented by the crisis may lead to sacrifices in transparency and accountability” (UNODC 2020). The acceleration of decision-making and the heightened uncertainty linked to the emergency lead many public and private institutions to forego the usual precautions and procedures. In addition, the large number of recovery efforts and economic aids injected into these contexts foster additional corruption opportunities. Systemic shocks can also exacerbate preexisting integrity challenges, affect effective governance, and trust in government institutions (OECD, 2021). In these contexts, it is often problematic to develop public measures against corruption that can keep pace with corruption opportunities in times of crisis.

Two main mechanisms affect public sector corruption risks during emergencies:

1. An increase in opportunities for extracting rents (e.g., recovery funds, economic aids, etc.)

2. A decrease in control mechanisms (e.g., transparency and accountability systems).

Effective anti-corruption efforts during emergencies need to address these two specific mechanisms. They must go “hand-in-hand with economic response and recovery efforts to ensure the appropriate allocation and distribution of funds.” (UNODC, 2020).

The anti-corruption academic community, as well as international organizations, have been actively considering the consequence of natural disasters, the Covid-19 pandemic, conflict situations, and economic crises in terms of corruption risks (Divjak 2015; Estrada 2020; Gallego et al 2020; OECD 2021; Terziev et al. 2020; United Nations 2021; UNODC 2020; Wernick 2020). However, most of these evaluations are based on past experiences (e.g., management of corruption during Ebola), simulation analyses or qualitative studies, or borrow practical solutions from the management of other problems (e.g., frauds). Practical comparative evaluations of corruption risks based on the most recent emergencies is still underdeveloped.

This panel **aims to** address this research problem and study public sector corruption risk during emergencies (e.g., pandemics, natural disasters, geo-political conflicts, economic crises). In particular, it aims to answer the following **research questions**:

- What are the main types of public sector corruption arising during emergencies?

- What sectors (e.g., public procurement, public service delivery) are more at risk of corruption during emergencies?

- What are the determinants/risk factors of public sector corruption during emergencies (e.g., specific institutional or management practices)?

- What are the most effective anti-corruption policies to counter public sector corruption during emergencies?

In terms of **scientific relevance**, this panel will contribute to enrich research on three main issues in the field of corruption and anti-corruption studies:

1. The conceptualization of corruption types with a focus on misbehaviors emerging during crises.

2. The understanding of the theoretical background for explaining corrupt behaviors during emergencies (e.g., economic vs neo-institutional approaches).

3. The methods used to measure corruption and assess anti-corruption policies.

CALL FOR PAPERS

This panel invites conceptual, empirical and methodological contributions answering the following research questions:

1. What are the main types of public sector corruption arising during emergencies (e.g., pandemics, natural disasters, geo-political conflicts, economic crises)?

2. What sectors (e.g., public procurement, public service delivery) are more at risk of corruption during emergencies?

3. What are the determinants/risk factors of public sector corruption during emergencies (e.g., specific institutional or management practices)?

4. What is the impact of public sector corruption on crisis response and recovery, and on trust in governmental institutions?

5. What are the most effective anti-corruption policies to counter public sector corruption during emergencies?

Papers can address these issues at both macro/regional and micro/local levels. Conceptual, empirical and methodological papers from different disciplines are welcomed. Case study analyses are also accepted.

Paper proposals should be no more than one page long. The research problem and questions should be specified, as well as the methods and data/information used to answer the research questions. The scientific relevance of the contribution should also be highlighted.

The panel entails standard presentations with speakers, a chair/discussant, and a final Q&A session.

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Session 1

Thursday, June 29th 08:00 to 10:00 (POD366)

Discussants

Nkosingiphile Mkhize (University of North West)

Munyiva Mutinda (University of Nairobi)

Understanding the relationship between Relational Performance and Corruption

Giulia Mugellini (Università della Svizzera italiana)

Mary Francoli (Carleton University)

Jean-Patrick Villeneuve (Università della Svizzera italiana)

Michael Campbell (Carleton University)

This paper aims at disentangling and evaluating the dynamics between Relational Performance (Trust & Satisfaction) and Corruption (Perceived & Experienced) among Canadian and Swiss citizens interacting with public institutions and using public services. It draws on the analyses conducted within the project “Determinants of sustainable Citizen-State relationships: A survey of trust, satisfaction and organizational deviances” funded by the Social Sciences and Humanities Research Council of Canada.

A preliminary literature review developed within the project showed that experience of corruption has a strong influence on citizens’ level of Satisfaction with public services, while the perception of corruption, entailing a broad range of personal experiences and beliefs, has a more direct influence on the level of Trust in public institutions.

In addition to these two hypotheses, the present study also aims to demonstrate that Trust in institutions plays a mediating role in the relationship between experienced corruption and citizens’ Satisfaction with public services and that experienced and perceived corruption are not directly correlated with each other.

Finally, it assumes that the relationship between experienced corruption and Satisfaction, and between perceived corruption and Trust in public institutions, varies according to the type of institution and public service.

When addressing this relationship, current research has focused almost exclusively on perceived corruption rather than on actual cases of corruption, and this has been done to the detriment of a more comprehensive understanding of the mechanisms affecting Relational Performance.

Furthermore, existing studies are mostly at an aggregate level and do not address potential variation among different types of situations and contexts. Different public services will elicit different responses from citizens and generate different expectations

This study addresses these issues and tests the above-mentioned hypotheses by analyzing the preliminary results of two ad-hoc population surveys on corruption and Relational Performance conducted in Canada (N= 4000 individuals) and Switzerland (N=3500 individuals) and focusing on a wide range of institutions and public services. The surveys have been designed and developed to be representative not only of regional, political, and cultural differences but also of the main demographics (e.g., gender, age, education, occupation) of respondents.

In addition, the surveys include questions to understand how the Covid-19 pandemic has affected citizens’ perception of trust, satisfaction, and corruption.

The scientific impact of this study is threefold: 1) addressing the lack of individual-level research on the

relationship between corruption and Relational Performance; 2) providing primary individual-level data on both perceived and experienced corruption in Canada and Switzerland; 3) establishing a stronger methodology in the measurement of corruption and Relational Performance.

In addition, the study will also contribute to the current need of studying the peculiarities of corruption and Relational Performance in highly developed countries with a low level of corruption. Furthermore, it will help Canada and Switzerland to meet the United Nations Sustainable Development Goals (UN SDGs) number 16.5 and 16.6, by providing data to monitor citizens' encounters and satisfaction with public services, as well as corruption cases.

(Virtual) CORRUPTION IN KENYA; POLICY GAPS OR LEADERSHIP INTEGRITY? AN ANALYSIS OF COVID-19 CRISIS GOVERNANCE

Munyiva Mutinda (University of Nairobi)

Abstract

Governing during crisis has been presented with challenges. Crisis are low-probability, high-impact events that threatens government viability and are characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly (Lussier et al, 2010). This necessitate crisis management skills by all leaders regardless of their position and context of leadership. Crises take different shapes and forms, differ in scale and magnitude and thought and possibility of one or other occurring is inevitable. They include natural disasters like tsunamis, draught, floods, disease outbreaks and human error disaster's like oil spills, terrorism among others. Crises cause stress and pressure on governance, resources, individuals, institutions and systems exposing weak links in terms of policy gaps and leadership integrity. Principles of good governance seem to practically diminish during crisis governance posing a test of effective governance globally; for with most responses comes mismanagements and corruption. Crisis governance oscillates on good governance, public trust on institutions and leadership integrity and their ability to withstand the systemic shocks posed by the crisis. The Covid-19 pandemic was no isolation. Governments were ambuscaded by the pandemic calling for concerted policy response. The heightened policy making time-lines and increased resource base triggered hasty decision making resulting to ineffective governance. The responses varied in nature with costs curving beyond state emergency reserves. Kenya had previously experienced her fair share of crisis governance tests with such cases as the infamous maize scandal, sale of relief foods for internally displaced persons, water drilling scandals among others. Hence Covid-19 governance challenges are no news. This begs the question whether it is a matter of policy gaps or immoral leadership that sacrifices good governance during crises? Therefore, this paper seeks to highlight corruption risks within the public sector as exposed by Covid-19 pandemic governance in terms of type of corruption perpetrated, public sector institutions involved, factors promoting corruption and provide for practical and strategic anti-corruption policy proposals for effective crisis governance. The study seeks to undertake a mixed approach in its assessment by utilising desktop conceptual analysis of purposively sampled literature within the pandemic period and key informants for an in-depth survey within the ministry of planning whose data will be analysed by content analysis. Findings will contribute to policy adoption during crisis to curb corruption and immorality for effective crisis governance.

Key Words: Governance, Corruption, Crisis, Leadership, Integrity and Policy Gaps

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Corruption and emergency crisis: the role of the supply-side during Covid-19.

Lorain Fornerod (Università della Svizzera italiana)

Jean-Patrick Villeneuve (Università della Svizzera italiana)

Giulia Mugellini (Università della Svizzera italiana)

Numerous scholars convincingly showed that corruption was one of the main scourges in times of emergency (DePinto, 2016; Steingrüber et al., 2020; Khasiani et al., 2020). Likewise, the Covid-19 outbreak created new incentives and opportunities for corrupt practices in the public sector (Rose-Ackerman, 2021). However, if early post-crisis studies primarily highlight the link between corruption and the public (mostly health) sector, few address how the recent crisis facilitated and motivated corruption in the private sector, referred to as the supply-side of corruption in academia. This study aims to carry out a multidimensional firm-level corruption risk analysis within a pandemic context.

Corporate corruption, in an emergency crisis, may arise from various sources. At the macro level, firms may

have expanded their acceptable risk exposure in response to the economic downturn and increasingly tense competition. Moreover, failing to adopt urgent emergency-specific anti-corruption policies in a highly uncertain environment may also encourage bribery. From a meso perspective, businesses' financial struggles and discontinuity in internal compliance processes conceivably offered space for corporate misconduct. In addition, rapid and demanding adjustments to face the crisis (e.g., dealing with remote work) might also have put anti-corruption measures on hold for "more urgent" matters. There is a large spectrum of situations where the outbreak could have fostered corruption to interfere at a micro level. For instance, amidst global confusion, riskier behaviors and hasty decision-making as last-resort options to get over the crisis may have triggered unethical conduct.

In a nutshell, companies' exposure to corruption presumably increased during Covid-19. To address such a complex phenomenon, this research will start by conducting a multi-disciplinary literature review. This latter will help to identify specific business factors that could have exacerbated corruption during the Covid crisis and determine which related anti-corruption policies and strategies were the most effective. Finally, Covid-19-specific hypotheses built on the literature review will be empirically tested using survey data collected from Swiss multinationals. To conclude, this study will contribute to the literature on corruption during emergency crises by 1) investigating the effect of the Covid context on corruption risk at a firm level and 2) analysing businesses' anti-corruption strategies during the latest pandemic.

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An analysis of complexities in implementing government anti-corruption measures during national emergencies in developing countries

Nkosingiphile Mkhize (University of North West)

Corruption is a global wicked problem that threatens sustainable development and good governance in developing countries. The COVID-19 pandemic and its resulting strain on health systems has heightened risks of corruption and further dragged the fight against corruption for those who are mostly affected by this risk, developing countries. In most developing countries, even outside national emergences such as COVID-19, corruption risks demonstrated that efforts to combat and prevent corruption were proving insufficient. It has been argued through literature that complex, multi-jurisdictional corruption scandals perpetrated by organized networks involved the public, private, and informal sectors and were, in some cases, traced to the highest levels of government, resulting in the loss of enormous amounts of resources and undermining public trust in democracy and the rule of law. The prevalence of corruption and impunity in corrupt practices have negatively impacted people's trust in institutions and in political processes, eroding social cohesion and fuelling instability and conflict in most developing countries. National emergencies such as the Covid-19 have proven that anticorruption initiatives can be regarded as ineffective even at times of crisis – where everyone is expected to commonly focus on addressing the pandemic. with the failure to combat corruption during emergencies, developing countries continue to suffer from the consequences of corruption are disproportionately borne by poor, marginalized and vulnerable people, with corruption in public service delivery exacerbating poverty and inequality by increasing the price of public services, lowering their quality and distorting the allocation of public resources. It is based on this argument that this article seeks to understand and provide solutions for the effective implementation of anti-corruption during national emergences. Through this, the article contributes to ongoing and future plans and policy debates and initiatives that governments of developing countries develop to address corruption during national emergences. The articles adopts a qualitative research approach. The article utilises secondary sources of data for reviewing literature. The sources of data consulted for this article included scholarly journals, peer-reviewed books, institutional/organisational periodic reports on corruption and anticorruption implementation during the Covid-19 and other relevant national emergencies - and their relevance to developing countires. This therefore allows the study to reveal that innovative and agile governance is necessary for improve anticorruption actions and strategies during national emergencies in the developing world.