

Why Best Practice Does Not Work in Practice?

The Political Challenge of Implementation

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Abstract

This paper argues that, while corruption is a classic collective action problem, prevalent anti-corruption initiatives are dominated by a principal-agent framework. Therefore, our current effort does not pay sufficient attention to facilitating collective action—in other words, building the political will to *enforce* reform—leading to widespread implementation gap. The paper discusses two case studies of ADB member countries, Indonesia and Vietnam, to illustrate the importance of political will in anti-corruption efforts. Aware that it is difficult for the ADB to get involved in political matters, the paper proposes the *Indicators and Benchmarks* strategy as a “technical” approach to solving a political problem.

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Abbreviation

ADB	Asian Development Bank
CRC	Community Score Card
CPI	Corruption Perception Index
IB	Indicators and Benchmarks
KPK	Corruption Eradication Commission (Indonesia)
PCI	Provincial Competitiveness Index (Vietnam)
PETS	Public Expenditure Tracking Survey
SASEC	South Asia Sub-regional Economic Cooperation
WGI	World Governance Index

1 Introduction

In the latest [Global Integrity \(2012a\)](#) report, which ranks countries on their anti-corruption effort, an Asian country stands out remarkably. It boasts an exemplary score of 86.9 on legal framework, higher than Germany's 81.0. It has perfect anti-corruption law, which criminalizes bribery, extortion, and misuse of public assets. Better yet, the country has established a host of supporting institutions, including a national ombudsman protected by law against political interference—something that is left for citizens to desire even in the United States ([Ministry of Law and Justice 2003](#)). On top of that, there is an independent agency with the legal mandate to address corruption, whose leader can only be removed by the head of a democratically elected government, based on an inquiry by the Supreme Court.

The country in question is India, a place deeply mired for years in corruption. There are yet other countries with the same puzzling mismatch between law and practice: China and Mongolia, whose legal frameworks earn a score of 78 and 80, are in the same league with Germany. This pattern extends well beyond Asia to all corners of the developing world, including Uganda (97.8) and Kenya (83.2). These developing countries all possess, on paper at least, world-class legal systems (Figure 1). The intensive effort by the development community to spread knowledge and tout models has certainly paid off in this regard.

But we—as committed organizations and passionate professionals—care not about laws on paper but lives on Earth. Does the experience of corruption improve accordingly? Unfortunately not, as the rate of progress remains glacially slow (Figure 2). Even if we use an optimistic estimate of countries' improvement rate, it will take developing countries hundreds, even thousands of years, in order to catch up with the standard of today Singapore ([Pritchett et al. 2010](#)).¹ Our relentless effort to promote best practice in institutional form has led to improvement, but only in the sense that a new anti-corruption law passed with little effect is an improvement, and that development finally achieved after hundreds of years is a success.

Of course, that is not to say all forms of technical assistance and knowledge solution are not valuable. If there is a new drug or construction technology, it should not be held back outside the countries' reach. However, in governance and anti-corruption issues, the centerpiece is people, whose political interests and interactions in each country are complicated and unique. In this setting, transplanting best governance practice is not straightforward as pouring concrete or combating viruses.

And that is the short answer to why implementation often fails. This paper will provide the more detailed answer, explaining how reform initiatives, from both supply and demand sides, erroneously assume that the state and the citizens are monolithic entities with a single-minded interest in better governance. On the contrary, corruption is, at its core, a collective action problem, caused by the fact that the benefit of bribery and patronage (for *both* the official and

¹We can calculate the fastest improvement rate by assuming that countries have the lowest possible starting point, set to that of Somalia today.

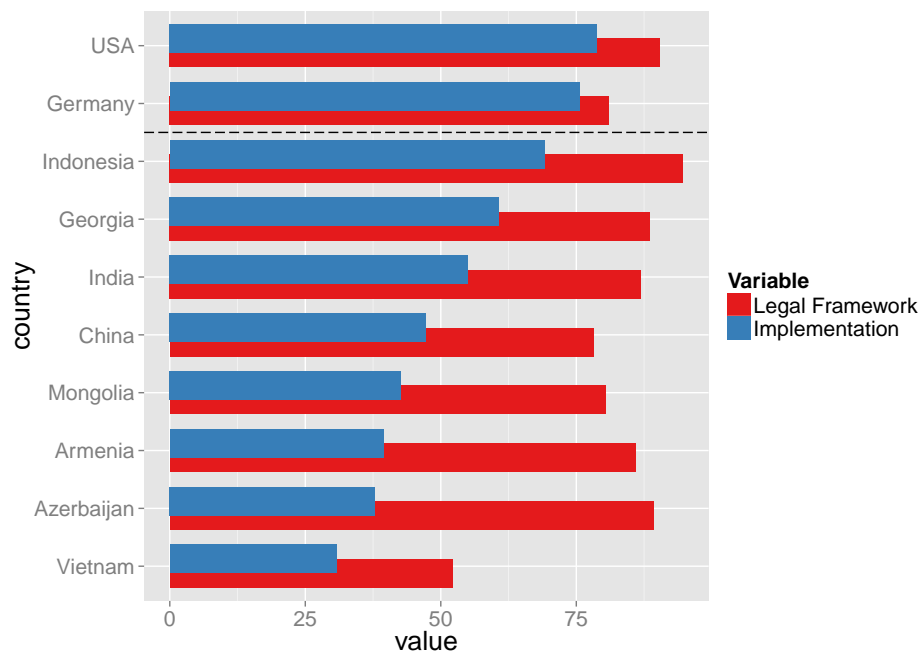


Figure 1: The red bars show that most ADB member countries (below the dashed line) already have excellent legal framework, comparable to that of OECD countries (above the dashed line). However, the blue bars show that, in terms of implementation, ADB member countries all rank at the bottom, with the exception of Indonesia as a measured success. Source: [Global Integrity \(2012a\)](#). Note: These are all the relevant countries (OECD, ADB members) that appear in the Global Integrity Report.

Figure 2: The data shows that the pattern of corruption remains stubbornly stable. There is even a deteriorating trend in Asia, reflected by the reddening colors. Source: World Governance Index. Note: The animation can only be viewed in Adobe Acrobat.

the citizen) is immediate and concentrated, whereas the cost of poor governance is dispersed and opaque. Fighting corruption, therefore, is fundamentally about building the political will that rallies the people and reform-minded officials under the promise of change.

Keeping in mind its key message about political will as the prerequisite of reform, this paper is structured accordingly. Section 2 analyzes current governance initiatives, showing that they are driven by a principal-agent, instead of a collective action, framework. This thinking leads to the mistaken belief that the greatest obstacle to reform is a lack of resource and design expertise, both of which institutions such as the ADB are eager to provide ([Global Integrity 2012b](#), 16). Section 3 discusses two case studies of Indonesia and Vietnam to emphasize that reform has always been a deeply political, not bureaucratic, matter, and that its success and failure have always depended on building the political will.

Section 4 takes a look at ADB's current anti-corruption strategy, pointing out its inattention to the collective action framework. Section 5 proposes the "Indicators and Benchmarks" as a clever strategy for the ADB to nurture the political will for reform in a sanitized, politically-neutral manner. By comparing local performances in sectors that have immediate impacts on people's welfare, this strategy rewards reform-minded officials and invigorates the public interest in the cause of anti-corruption.

After all, only the people themselves that can, and should, do the strenuous work of shaping their countries' destiny. We must cheer them on, but the journey towards betterment is theirs to travel.

2 The prevalent principal-agent framework

2.1 Supply side initiative

Explicitly named or not, our current approach to governance and anti-corruption is deeply wedded to the principal-agent framework. In the supply side approach to governance, the principal is the government, which has the best interest of the country at heart, yet struggles to get the agents (individual bureaucrats and officials) to act accordingly. Given this line of thinking, development agencies have concentrated their efforts on helping the government improve the performance of its agent, both via better capacity development (e.g., modern budget process, staff training, technology) and better monitoring (e.g. audit, evaluation).

Underlying this framework is the assumption of the government as a monolithic entity with the single-minded goal of improving the people's lives. Yet this assumption is not defensible. The state does not exist—there is only a collective of individual bureaucrats and politicians with their own goals and interests, an all too human one of which is self-enrichment ([Booth 2012](#), [Shleifer and Vishny 2002](#)). Under the pressure of the development community and in order to keep the stream of aid flowing, politicians may allow the adoption of modern bureaucratic form

while keeping the function riddled with opportunities for rent-seeking.

In recent years, it has become increasingly clear that this improvement in form but not in function is in fact happening. Coining this phenomenon "isomorphic mimicry," [Andrews \(2010\)](#) points out that it is inherently hard for development agencies to extend their influence past the appearance because implementation is much less visible. In addition, under the surface, where the organization's core practice has an impact upon the material interests of officials, the resistance to change is much greater. This leads to a duality of de jure and de facto governance, ubiquitous in public finance and civil service ([Andrews 2009](#), 8-9).

It must be made clear that there is nothing harmful about the adoption of best practice per se. Instead, the key question is whether the government—the principal—is genuinely interested in better managing its agents. If yes, as seen in all development miracles in history, it will automatically look outward for best practices. For example, Meiji Japan tried to copy the best models in the Western world—Britain's postal office, France's police, Prussia's army—and succeeded ([Krause 2013](#)). Likewise, in 1980s China, the idea of exposing state-owned enterprises (SOE) to free market mechanisms came directly from Deng Xiaoping's 1978 visit to the capitalist factories of Japan ([Coase and Wang 2012](#)). However, instances of such unified political will are exceedingly rare—and yet that is the starting assumption of supply side governance initiative.

2.2 Demand-side initiative

The aforementioned shortcoming of supply side initiative does not escape the attention of development practitioners, giving rise to the trendy demand side approach. In this framework, the people are the principal, who struggles to ensure that their government, the agent, works toward their best interests. At first sight, the idea makes great sense: since the government is not necessarily committed to citizens' need, we must empower the citizens to claim their rights with better transparency and accountability.

However, just as the state does not exist, neither does the people—there are only rational individuals weighing the cost and benefit of fighting against corruption. In a thoroughly corrupt system, an individual acting ethically has little impact while giving up the immediate benefit of speedier service or patronage bribe. Therefore, even if the majority in society utterly condemns corruption, it is not in any individual's interest to stand up and take the fight alone ([Persson et al. 2010](#)). In other words, corruption is the result of a *second-order* collective action problem. The society may coordinate to come up with a moral and legal system (first-order problem) that condemns corruption, but no one is willing to incur individual cost to enforce the code (second-order problem) ([Heckathorn 1989](#)).

As dismaying as it sounds, evidence shows that the people do not always have their collective good as the highest priority. In fact, contrary to the assumptions of the principal-agent framework, voters do not punish corrupt politicians at the poll, seeming to "display relative

indifference to the moral culpability of elected officials” (Chang et al. 2007). Indonesia’s Parliament, widely considered the most corrupt entity in the government, is democratically elected after all (Global Integrity 2012a). Similarly, Philippines’ patronage politics, rife with vote-buying and grassroots intimidation, has been an intractable character of the country’s electoral system for decades (Sidel 1999). Even though it is better for the country to get rid of patronage, no individual voter has the incentive to forgo the canvasser’s bribe or to suffer the retaliation. It is egregiously simplistic to think that the citizens will always be the “principled principal” and discipline the scoundrel politicians—and yet, and again, this is exactly what the principal-agent framework assumes.

Freeing ourselves from this framework, it is no longer surprising that a host of RCTs on greater transparency and accountability have produced disappointing outcomes. For example, Banerjee et al. (2010) shows that communities have great difficulties in participating to improve the school system, even when they are provided the information about school performance and have the desire to change it. The culprit is a general skepticism that large group action against school officials is likely to collapse, thus prompting the citizens not to join the effort in the first place. In a more comprehensive review of all RCT studies concerning transparency and accountability initiatives, Joshi (2010) shows that there are contradicting results in all types of intervention. The emerging conclusion is that the success is only possible when the citizens are able to coordinate and impose formal sanctions—otherwise, intervention can only produce short-lived results.

3 Collective action in action

As Section 2 discusses, the issue of corruption does not fit in the principal-agent framework. On the contrary, since the benefit of corruption is concentrated and immediate while the cost is diffused across society, it is a classic collective action problem. Given the cynicism and mistrust that corruption breeds in a society, an individual may rationally ask himself why he should stay clean while his neighbors do not. Why play by the rules when no one is? For this reason, even when the entire society abhors corruption and when the majority is conscientious men, the problem persists in a wretched equilibrium. As a public good, fighting corruption will always suffer from free-riding and be in short supply.

And yet there is hope. The world is not consumed entirely by corruption—collective action problem does get solved. When talking about successful anti-corruption programs, we often think about the remarkable stories of Singapore and Hong Kong. However, these are highly idiosyncratic cases of small states and strong leadership, thus significantly reduce the difficulty of societal coordination. A better source for lessons for nation-wide reform is the past success of today’s developed democracies. In 17th century England, unprecedented reforms, leading to the accountability of the King to the Parliament and the Electors, were not good-willed proposals

but political tools of the elites to protect their own interests (Johnston 2010a, 5). Similarly, when 19th century American cities were captured by powerful machine boss, the anti-corruption zeal was fueled by bitter political fight between power holders: old political bosses and their immigrant voters versus rising property owners and businessmen, who became disgruntled with increasing graft (Rose-Ackerman 1999, 204).

All of these cases show that reform does not materialize because it is good for the public, but because it is good for a cohesive group with strong enough political power. When the conditions exist for the emergence of such group(s), there is a chance for reform to persevere and succeed. It is worth emphasizing this kind of tectonic demographic shift takes decades to happen. The America's civil service system went from 10% to 80% meritocratic in 40 years, while its cities alternated between machine boss and legitimate parties throughout the first part of 20th century (Rose-Ackerman 1999).

Do we find the same narrative of reform in Asia today? The tale of two countries, Indonesia and Vietnam, the best and worst performers in Global Integrity (2012a) report among ADB members, illuminates how the political will is the fundamental prerequisite of reform.

3.1 Indonesia's success

After the fall of President Suharto in 1998, Indonesia underwent major reforms in all aspects of state institutions, including both basic political foundation (the electoral system, an independent judiciary) and bureaucratic reform (a consultative budget process, tighter fiscal rules).

But nothing exemplifies the reform success more than the near 100% conviction rate of the newly created Corruption Eradication Commission (KPK). Better yet, the Commission accomplished this statistic not by going after only small fish. On the contrary, the KPK has successfully prosecuted senior parliamentarians, bureaucrats, police officials, and powerful businessmen (Schütte 2012).

These reform measures succeeded thanks to a serendipitous convergence of various factors, leading to strong support from both the people and the government. First, during Suharto's rule, a thick network of civil society was allowed to exist. Therefore, at the start of reform, there were already more than 11,100 functioning civil societies, including two largest mass-based Muslim organizations in the world (Harris and Foresti 2011). These organizations had had years of successful operations, thus facilitating trust and coordination among the people. Second, Indonesian reformers pursued "accommodative reform," i.e. eliciting the political support of old powers by giving them a share in the new pie. For example, while new parties are facilitated, the old party of Suharto was not abolished. The decentralization effort did empower the local governments, but also offered rent-seeking opportunities for local elites (Hadiz 2004). These were not first-best reforms, but without the compromise any reform would not have been possible at all (Harris and Foresti 2011).

Despite these successes, the KPK has been surrounded by ugly political battles, reminding us that anti-corruption encroaches upon the interests of powerful groups that are determined to maintain their stranglehold (Kimura 2011). In 2009, the KPK and the traditional police department attacked each other, leading to a series of arrests against KPK leaders and releases of wiretap evidence against the Chief Detective (von Luebke 2012). The KPK also faced great challenge from the Parliament, which, in 2009, tried to restrict the wiretap ability of the KPK and compromise the national corruption court with provincial courts, and in 2011, attempted to reduce the amount of jail time for graft offenders (Transparency International 2011).

Throughout the saga, it was the Indonesian people who played a crucial role in protecting the effectiveness of reform. During the 2009 fight between the KPK and the police department, mass protests in urban centers and virtual domains (1 million online petitions were registered) led to the release of two leading KPK investigators. Even more admirably, the political will has maintained its strong current until today. In 2012, as the Parliament repeatedly stymied the KPK's request for funding, millions of ordinary Indonesians pledged to donate their little money to the agency (Jaaffar 2012). A campaign that urged President Yudhoyono to support the KPK in its investigation of the multibillion rupiah also potentially reached more than 9.4 million internet users (Mahditama 2012).

3.2 And Vietnam's lack thereof

Prompted by a 1997 rural unrest in Thai Binh against misuse of infrastructure fund, Vietnam implemented its own "grassroots democracy" program as an anti-corruption initiative, epitomizing the demand-side approach sans the vocabulary. The policy includes three prongs of approach: greater transparency (i.e. publishing local budget allocations), greater participation (i.e. incorporating citizens' input in budget planning), and greater monitoring (i.e. allowing citizens to file complaints against local officials).

However, the implementation of this initiative fell flat, attracting little participation from the citizens. The reason lies deep in Vietnam's political landscape, which is marked by the dominance of executive power over the legislative and the judicial branches (Vasavakul 2002). For this reason, people are rightly doubtful about the possibility of sanctioning administrators based on their failure to deliver public services. Furthermore, under the shadow of a strong state, Vietnam's civil society is very weak, with the majority of popular organizations co-opted under the banner of the state-funded Vietnamese Fatherland Front (Thayer 2009, 3). The resulting apathy is hardly surprising—interviews with local people show that, despite the greater opportunities to exercise their democratic rights, the villagers were concerned only if their personal livelihood was jeopardized. Many commented that they did nothing with regards to corruption because "nothing would change old ways" (Duong 2004, 28; Fritzen 2005).

4 ADB current strategy

As expounded in Section 3, the will for reform is greatly contingent upon the political structure of the country. A reform initiative, one that spans five or even ten years, would not be able to alter the country's power relation or to rebuild its social trust and civil society. This poses a dilemma for the development community: a short-term anti-corruption initiative without indigenous political will cannot work, but a long-term strategy to build the political support for reform is neither practical (given the rapid cycle of loans and projects) nor justifiable (given the messy politics that inevitably ensues).

This difficulty manifests clearly in ADB's anti-corruption effort. To date, there were three technical assistance programs to member countries, including one training program for Nepalese auditors and two programs to assist the aforementioned KPK (ADB 2003, 2005, 2011b). Whereas the short-term technical training successfully provided better staff, technology, and resources to the agencies, it did not address political will, the real bottleneck of implementation gap. In fact, as soon as ADB ventured out of the purely technical area, it encountered tremendous resistance and apathy. Despite the enthusiasm and expertise of the consultant team in Indonesia, their advices were largely ignored in the determination of KPK function (ADB 2003; Schütte 2012). This experience highlights the difficulty of getting involved in a country's political matters. Firstly, it is hard to fit the short time horizon of a project with the indeterminate nature of reform. Secondly, the first-best reform that TA offers is often not viable politically, and thus of little relevance to reformers in the trench.

Besides dedicated anti-corruption projects, under GACAP II, ADB streamlines governance and anti-corruption into all sectoral projects, embodied in the cascading risk assessment and management plan (RAMP). This is a laudable idea—certainly, since all projects involve working with the government on the ground, everyone would do better by keeping governance issues in mind.

However, the impact of this strategy on member countries' corruption is likely to be limited for several reasons. Firstly, in design, the RAMPs only point to weak capacity in the system, which are symptoms, not causes, of corruption.² No system materializes and persists out of thin air—rather, it is shaped and maintained by people, and it is the incentive of people that is the ultimate cause of corruption in a country (ADB 2013, 6). Therefore, without looking closely at the interests and capability of political actors—the root of the problem—we may be able to trim a rotten branch here and there, but definitely cannot rejuvenate the ailing tree.³

Secondly, in practice, anti-corruption efforts are largely contained at the project level.⁴ Even if ADB's projects are well safeguarded, these good practices will not automatically propagate

²For example, the identified risks in Lao PDR include weak public finance mechanisms, weak capacity, irregularities in procurement, and rising corruption perception (ADB 2011a).

³The Philippines' Political Economy analysis goes the extra mile to look at the power holders in the society and is thus able to identify possible entry points for reform. This approach is certainly a commendable exception.

⁴See the example of Nepal in ADB (2013, 15).

throughout the system via demonstration alone. As argued throughout, weakness in a country's system exists because there are beneficiaries that want to keep the system vulnerable, not because its managers do not know any better (and thus can be helped by being shown the best practices). Therefore, whereas the cascading approach does inform the project leaders of the country-level risk, the anti-corruption practice of the projects will *not* travel upstream to the country level.

5 Indicators and Benchmarks—a viable strategy

What now? We understand clearly that building the political will is instrumental to the success of anti-corruption, yet this matter seems too political for a development agency like the ADB to get involved.

Deeply conscious of the tension, this section proposes the use of the *Indicators and Benchmarks* (IB) as a suitable solution. This strategy can solve a political problem while using technical language. It is long-term minded yet can be implemented in quick succession. The crux of the strategy is to measure the governance performance of a country's domestic units (indicators), compare them against one another (benchmarks), publicize the result, and repeat annually. From the demand side, by focusing on issues with an immediate and visible impact upon people's welfare, the strategy can cultivate citizens' interest in reform by demonstrating the potential gains that benefit them directly. From the supply side, by rewarding the high-performing units with recognition, this approach entices officials to join a race to the top. At the foundation of this approach is the acute awareness that relying on public spiritedness alone is not enough. Rather, we must provide and demonstrate concrete value of reform to each individual, not just to the entire society, in order to tip his cost-benefit balance into joining our cause.

Furthermore, this strategy integrates well with the existing practices and ethos of the ADB. Perhaps the most important advantage is that we can highlight positive achievement rather than accusing of "corruption," a sensitive topic that may shut off governments' cooperation, jeopardizing other projects. Second, the ADB is already proficient in creating performance index such as this one, which shares many aspects with the Public Expenditure Tracking Survey (PETS), Doing Business Survey (DB), and Community Score Card (CSC). Third, the strategy fits into a growing recognition that macro indices, such as the Corruption Perception Index (CPI) or the World Governance Index (WGI), are too coarse to diagnose any problem beyond saying that there is a problem. For this reason, in its new Governance and Anti-Corruption strategy, the World Bank highlights the advancement of "actionable governance indicators" (AGIs). Within the ADB, the South Asia Department already moves forward with an index of the same philosophy, comparing trade performance between specific ports, not just countries, in the region.

5.1 Yet another index?

For a measurement to be useful to policy maker, it must satisfy the following criteria. Highlighted are the most important characteristics to building political will in the IB strategy. As reviewed more extensively in [Pande and McManus \(2013\)](#), while there is no shortage of governance indicators, there is definitely a lack of data that possess these qualities.

- Detailed: whole-country index is too coarse to capture the multiple dimensions of any governance issue.
- Objective: assessment must begin with verifiable evidence, and must be expressed in actual units rather than points on arbitrary scales.
- Noninvasive: the act of measurement must not bias what is being measured, and should not disrupt orderly agency functions.
- Policy-neutral
- Low cost: Since repeated assessments are essential, measurement strategies must be inexpensive.
- Valid and reliable
- **Transparent and easily understood:** Not only analysts and officials, but citizens and civil society groups, must be able to interpret assessments easily and accurately. The best measurements will be interpretable in terms of positive value.
- **Trackable over time:** Analysts and officials must be able to demonstrate progress, or lack of it, and successful leaders and managers should be able to claim credit for their accomplishments.
- **Actionable:** Assessments should not only show that a situation is bad or good, improving or deteriorating, but should also point directly to improvements likely to succeed.

This list is reproduced from [Johnston \(2010b\)](#).

While no single indicator can accomplish all the ideals, this list serves as a backbone for successful IB design.

5.2 The basic components of IB

Let's say that we collect data on the price that hospital A, B, and C pay for the same kind of standard medical equipment. We find that their expenditures are different: hospital A consistently pays 20% more than open market price, hospital B pays about the same, and hospital C manages to pay 10% less. We conduct similar measurement on other dimensions of performances. We then widely publish the result, visibly commend high performance units, and repeat the exercise annually. As the results accumulate over years, we can focus more on comparing a unit with its past performance rather than with its peers.

Good indicators are easy to collect, understand, and compare. In order to arouse the interest of the public, they must be directly connected to people's daily welfare. Examples include:

- Expenditure on standard goods, e.g. textbook, school meal, hospital equipment
- Time needed to process routine procedures, e.g. license application
- Quality of infrastructure, e.g. road, electricity

Good benchmarks do not judge units against some ideal standards but take root in the local conditions. The best benchmark is a unit's own past performance, which eliminates all claims of unfair comparison and potential political tension between units. When the data remain thin, there are alternatives, including:

- The norm of performance in other units
- Performance in the private sector (applicable to purchase of basic commodity)
- Statistical model: since a city's infrastructure depends heavily on its initial condition or terrain, multivariate model can take into account these factors and produce an expectation of performance, against which the unit is compared

5.3 Anticipating questions

Why will this work? This strategy directly addresses the collective action problem of corruption. As discussed earlier, people do not concern themselves with "good governance" in and of itself. On the contrary, they are most interested in their immediate likelihood. Therefore, rather than trying in vain to motivate citizens to care about the collective good, this strategy focuses on issues that can be felt privately. Conversely, neither do we idealistically rely on public-spirited officials to take on the fight. We motivate them with public recognition and its associated benefits, such as popularity with voter or professional credentials. No less importantly, the indicators are actionable—they point towards specific problems that allow officials to focus their effort.

Is there a risk that officials will game the data? While this risk can never be fully eliminated, a powerful safeguard is to cross-check the data with the assessment of service users. This has the additional benefit of making sure that we are measuring the relevant indicators. For example, in Vietnam's Provincial Competitiveness Index (PCI), the time to acquire a business license reported by the provinces and the businesses is widely different. This is because officials start counting when all the forms are correctly submitted (after which they are required by law to return the license in 5 days), whereas businesses start counting from their first submission (priv. comm.). This case shows that the clarity of instruction and speed of feedback is important for businesses, which we would have missed had we relied on official report alone.

Will the government cooperate? Like any governance initiative, this strategy can only be implemented if there is strong support from top leadership. However, this approach does maximize the chance of cooperation by clothing itself in the technical language of fact-finding

instead of politically charged topics, such as accountability or citizen empowerment. Furthermore, it does not directly demand the government to change their policies, giving them the respectful space for deliberation and choice. Lastly, if a country depends on attracting FDI or developing the private sector for economic growth, then it is likely to welcome the information that a business survey provides.

As always, gauging the commitment of the government is an important but challenging task—in this case, since the strategy is not the precondition to any financial incentives (e.g. loans, technical assistance), it is at least easier to winnow genuine enthusiasm.

Can the ADB do this? In many ways, ADB's existing resource and expertise are already well-suited to this approach. Firstly, the main task of this strategy, i.e. collecting governance data at the micro level, is nothing alien to the development world. A host of micro indicators already exist, including both hard data (e.g. PETS), surveys of stakeholders (e.g. Bangalore's CRC), and a mix of both (e.g. Quantitative Service Delivery Surveys (QSDS), Vietnam's PCI). In addition to efforts by development agencies, the people themselves have sometimes taken the issue of monitoring corruption in their own hands.⁵

Secondly, within the ADB, there is already the recognition of the need for actionable indicators at the sub-national level to aid reform. For example, the South Asia department initiated the development of a sub-national trade facilitation index in order to complement the cross-national database (e.g. Doing Business, Enabling Trade Index, Enterprise Survey, etc.), which are too coarse to diagnose the bottlenecks in trade between SASEC (South Asia Sub-regional Economic Cooperation) countries.

Therefore, the ADB is already well equipped to execute the data collection part of this strategy. On the other hand, the ADB needs much more deliberation to identify potential entry points for this approach. Who will be our basic constituencies? Everyone is affected by corruption, and thus a potential supporter if not for the fact that the dispersed cost of corruption renders the political will hard to sustain in the first place. Therefore, we must identify potential "stakeholders who suffer immediate and tangible costs of corruption, and have resources they can mobilize against it." Small and medium businesses are promising proponents, for they do have resources beyond subsistence and, unlike large corporations, are likely to be victims rather than accomplices of a corrupt network. Another possibility lies in existing networks, such as religious or communal organizations. In any case, the goal is to identify organized segments in a country's social, political, and economic areas, "educating people about the costs of corruption while searching for those who find them most oppressive" (Johnston and Kpundeh 2002, 7). This task requires a deep political economy analysis, which is not yet a staple in ADB's governance and anti-corruption strategy.

⁵For example, Concerned Citizens of Abra for Good Governance (CCAGG) and Government-Watch (G-WATCH) in the Philippines ([Procurement Watch 2008](#))

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