Corruption Detection Based On Prices

Research Proposal 3

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Research Question / Tested Hypothesis / Main Argument

Corruption as an inhibitor of competition produces high costs in public goods and services. Corruption detection based on prices is possible and, possibly, the easiest and most efficient way.

Model / Assumptions

Based on game theory, we can estimate the probabilities for civil servants to deviate public resources assuming the existence of unobservable incentives to do so. For it to handle heterogeneity, cluster based models need to keep track on important classification variables such as party of origin and state in addition to numerical variables (civil servant salary, market share of firms, etc).

Methodology

Compare results between k-means and mixtures of gaussian distributions for corruption incidence clustering levels. Additionally, keep track on state and market-level heterogeneity applying models separately or using block bootstrap to increase prediction precision.

Data

This part may be complicated in terms of requesting local (state-level) data to distinct (and possibly colluded) governments.

Inspired By

- “Una medición de la corrupción estatal en la compra de medicamentos” — Julia Bladnieres Justo.
- “How much should we trust differences-in-differences estimates?” — Marianne Bertrand, et al.

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1. One-pager written for the research seminar on institutional economics. E-mail: **clezamaj@itam.mx** . ↩