Corruption: Where we stand and where to go[1]

Johann Graf Lambsdorff and Mathias Nell

> *Combating corruption is like judo. Instead of bluntly resisting the criminal forces, one must redirect the enemy's energy to his own decay.*

Given the recent interest in corruption, attempts to quantify the extent of corruption have become vital. Most prominent among these attempts is the Transparency International Corruption Perceptions Index (CPI), which is compiled annually at the University of Passau. The CPI is a composite index, using both assessments by risk agencies and surveys carried out among elite businesspeople. While perceptions should never be confused with reality, the given consensus provides some confidence that the perceptions gathered are informative for actual levels of corruption.[2]

Table 1 shows the 2005 CPI, alongside with the confidence ranges. The heterogeneous performance of EU states and its candidate countries must be noticed. It cannot be dismissed that the low level of integrity in some countries poses a threat to the integrity of the European Union as a whole. If corrupt practices are commonplace in some EU-countries, public funds are not treated with the care that they deserve, transfers may not end up at their intended use, and international businesspeople become used to practices that can easily spill over to their home countries. The fights against corruption must therefore be a genuine part of European politics and reform measures. We show novel inspirations to anti-corruption and specifically highlight the importance of asymmetric sanctions to destabilize corrupt arrangements by furthering opportunism and denunciation among corrupt partners.

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[2] All data between 1996 and 2005 as well as historical data can be obtained at www.icgg.org

Table 1: 2005 Transparency International Corruption Perceptions Index

Rank	Country	2005 CPI Score[3]	Confidence range[4]
1	Iceland	9.7	9.5 - 9.7
	Finland	9.6	9.5 - 9.7
2	New Zealand	9.6	9.5 - 9.7
4	Denmark	9.5	9.3 - 9.6
5	Singapore	9.4	9.3 - 9.5
6	Sweden	9.2	9.0 - 9.3
7	Switzerland	9.1	8.9 - 9.2
8	Norway	8.9	8.5 - 9.1
9	Australia	8.8	8.4 - 9.1
10	Austria	8.7	8.4 - 9.0
	Netherlands	8.6	8.3 - 8.9
11	United Kingdom	8.6	8.3 - 8.8
13	Luxembourg	8.5	8.1 - 8.9
14	Canada	8.4	7.9 - 8.8
15	Hong Kong	8.3	7.7 - 8.7
16	Germany	8.2	7.9 - 8.5
17	USA	7.6	7.0 - 8.0
18	France	7.5	7.0 - 7.8
	Belgium	7.4	6.9 - 7.9
19	Ireland	7.4	6.9 - 7.9
	Chile	7.3	6.8 - 7.7
21	Japan	7.3	6.7 - 7.8
23	Spain	7.0	6.6 - 7.4
24	Barbados	6.9	5.7 - 7.3
25	Malta	6.6	5.4 - 7.7
26	Portugal	6.5	5.9 - 7.1
27	Estonia	6.4	6.0 - 7.0
	Israel	6.3	5.7 - 6.9
28	Oman	6.3	5.2 - 7.3
30	United Arab Emirates	6.2	5.3 - 7.1
31	Slovenia	6.1	5.7 - 6.8
32	Botswana	5.9	5.1 - 6.7
	Qatar	5.9	5.6 - 6.4
	Taiwan	5.9	5.4 - 6.3
	Uruguay	5.9	5.6 - 6.4
36	Bahrain	5.8	5.3 - 6.3
	Cyprus	5.7	5.3 - 6.0
	Jordan	5.7	5.1 - 6.1
39	Malaysia	5.1	4.6 - 5.6
40	Hungary	5.0	4.7 - 5.2
	Italy	5.0	4.6 - 5.4
	South Korea	5.0	4.6 - 5.3
43	Tunisia	4.9	4.4 - 5.6
44	Lithuania	4.8	4.5 - 5.1
45	Kuwait	4.7	4.0 - 5.2
46	South Africa	4.5	4.2 - 4.8
	Czech Republic	4.3	3.7 - 5.1
	Greece	4.3	3.9 - 4.7
	Namibia	4.3	3.8 - 4.9
47	Slovakia	4.3	3.8 - 4.8
	Costa Rica	4.2	3.7 - 4.7
	El Salvador	4.2	3.5 - 4.8
	Latvia	4.2	3.8 - 4.6
51	Mauritius	4.2	3.4 - 5.0
	Bulgaria	4.0	3.4 - 4.6
	Colombia	4.0	3.6 - 4.4
	Fiji	4.0	3.4 - 4.6
55	Seychelles	4.0	3.5 - 4.2
	Cuba	3.8	2.3 - 4.7
	Thailand	3.8	3.5 - 4.1
59	Trinidad and Tobago	3.8	3.3 - 4.5
	Belize	3.7	3.4 - 4.1
62	Brazil	3.7	3.5 - 3.9
64	Jamaica	3.6	3.4 - 3.8
	Ghana	3.5	3.2 - 4.0
	Mexico	3.5	3.3 - 3.7
	Panama	3.5	3.1 - 4.1
	Peru	3.5	3.1 - 3.8
65	Turkey	3.5	3.1 - 4.0
	Burkina Faso	3.4	2.7 - 3.9
	Croatia	3.4	3.2 - 3.7
	Egypt	3.4	3.0 - 3.9
	Lesotho	3.4	2.6 - 3.9
	Poland	3.4	3.0 - 3.9
	Saudi Arabia	3.4	2.7 - 4.1
70	Syria	3.4	2.8 - 4.2
77	Laos	3.3	2.1 - 4.4
	China	3.2	2.9 - 3.5
	Morocco	3.2	2.8 - 3.6
	Senegal	3.2	2.8 - 3.6
	Sri Lanka	3.2	2.7 - 3.6
78	Suriname	3.2	2.2 - 3.6

[3] 'CPI 2005 score' relates to perceptions of the degree of corruption as seen by business people and risk analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

[4] 'Confidence range' provides a range of possible values of the CPI score. This reflects how a country's score may vary, depending on measurement precision. Nominally, with 5 percent probability the score is above this range and with another 5 percent it is below. However, particularly when only few sources (n) are available an unbiased estimate of the mean coverage probability is lower than the nominal value of 90%. It is 65.3% for n=3; 73.6% for n=4; 78.4% for n= 5; 80.2% for n=6 and 81.8% for n=7.

	Lebanon	3.1	2.7 - 3.3
83	Rwanda	3.1	2.1 - 4.1
	Dominican Republic	3.0	2.5 - 3.6
	Mongolia	3.0	2.4 - 3.6
85	Romania	3.0	2.6 - 3.5
	Armenia	2.9	2.5 - 3.2
	Benin	2.9	2.1 - 4.0
	Bosnia and Herzegovina	2.9	2.7 - 3.1
	Gabon	2.9	2.1 - 3.6
	India	2.9	2.7 - 3.1
	Iran	2.9	2.3 - 3.3
	Mali	2.9	2.3 - 3.6
	Moldova	2.9	2.3 - 3.7
88	Tanzania	2.9	2.6 - 3.1
	Algeria	2.8	2.5 - 3.3
	Argentina	2.8	2.5 - 3.1
	Madagascar	2.8	1.9 - 3.7
	Malawi	2.8	2.3 - 3.4
	Mozambique	2.8	2.4 - 3.1
97	Serbia and Montenegro	2.8	2.5 - 3.3
	Gambia	2.7	2.3 - 3.1
	Macedonia	2.7	2.4 - 3.2
	Swaziland	2.7	2.0 - 3.1
103	Yemen	2.7	2.4 - 3.2
	Belarus	2.6	1.9 - 3.8
	Eritrea	2.6	1.7 - 3.5
	Honduras	2.6	2.2 - 3.0
	Kazakhstan	2.6	2.2 - 3.2
	Nicaragua	2.6	2.4 - 2.8
	Palestine	2.6	2.1 - 2.8
	Ukraine	2.6	2.4 - 2.8
	Vietnam	2.6	2.3 - 2.9
	Zambia	2.6	2.3 - 2.9
107	Zimbabwe	2.6	2.1 - 3.0
117	Afghanistan	2.5	1.6 - 3.2
	Bolivia	2.5	2.3 - 2.9
	Ecuador	2.5	2.2 - 2.9
	Guatemala	2.5	2.1 - 2.8
	Guyana	2.5	2.0 - 2.7
	Libya	2.5	2.0 - 3.0
	Nepal	2.5	1.9 - 3.0
	Philippines	2.5	2.3 - 2.8
	Uganda	2.5	2.2 - 2.8
126	Albania	2.4	2.1 - 2.7
	Niger	2.4	2.2 - 2.6
	Russia	2.4	2.3 - 2.6
	Sierra Leone	2.4	2.1 - 2.7
130	Burundi	2.3	2.1 - 2.5
	Cambodia	2.3	1.9 - 2.5
	Congo, Republic	2.3	2.1 - 2.6
	Georgia	2.3	2.0 - 2.6
	Kyrgyzstan	2.3	2.1 - 2.5
	Papua New Guinea	2.3	1.9 - 2.6
	Venezuela	2.3	2.2 - 2.4
	Azerbaijan	2.2	1.9 - 2.5
	Cameroon	2.2	2.0 - 2.5
	Ethiopia	2.2	2.0 - 2.5
	Indonesia	2.2	2.1 - 2.5
	Iraq	2.2	1.5 - 2.9
	Liberia	2.2	2.1 - 2.3
137	Uzbekistan	2.2	2.1 - 2.4
	Congo, Democratic Republic	2.1	1.8 - 2.3
	Kenya	2.1	1.8 - 2.4
	Pakistan	2.1	1.7 - 2.6
	Paraguay	2.1	1.9 - 2.3
	Somalia	2.1	1.6 - 2.2
	Sudan	2.1	1.9 - 2.2
144	Tajikistan	2.1	1.9 - 2.4
151	Angola	2.0	1.8 - 2.1
	Cote d´Ivoire	1.9	1.7 - 2.1
	Equatorial Guinea	1.9	1.6 - 2.1
152	Nigeria	1.9	1.7 - 2.0
	Haiti	1.8	1.5 - 2.1
	Myanmar	1.8	1.7 - 2.0
155	Turkmenistan	1.8	1.7 - 2.0
	Bangladesh	1.7	1.4 - 2.0
158	Chad	1.7	1.3 - 2.1

Approaches to reform

Anti-corruption is society's perpetual endeavor to discipline its public servants and politicians. It cannot be imagined that this goal will ever be reached solely by intellectual effort. Courage and commitment among civic-minded people will remain a prerequisite for low levels of corruption. But societies' ventures require some thorough guidance. Our knowledge on anti-corruption is increasing at a remarkable speed.[5] Reform ideas are tested throughout the world and experiences are rapidly exchanged so as to determine best practice. Yet, there is hardly an overarching framework available that helps to organize our thinking. Some inspirations for such a framework are suggested here.

A first approach intended to inspire anti-corruption relates to **repression**: draconic penalties and higher probabilities of detecting malfeasance. While this approach has its merits it is doubtful whether it can be the guiding principle for the future. If the effects follow an economic law of decreasing marginal gains and increasing marginal costs, the likely outcome would be that criminals are less deterred by higher penalties while the pursuit of absolute integrity becomes more and more expensive, bringing about unpleasant side effects. Law enforcement is costly and requires an honest judiciary. Administrative procedures are complex due to enhanced monitoring, and may adversely affect the intrinsic motivation of the bureaucracy. Even worse, sanctioning minor malfeasances may backfire. If those guilty of negligible malfeasance have to fear severe prosecution, they may become entrapped in a corrupt career. Repression would become ineffective if it did not provide an emergency exit for the petty sinners. These drawbacks may increasingly materialize in the future, and other guiding principles have to be sought that inspire anti-corruption efforts.

Another approach to anti-corruption focuses on **prevention**. This approach may likely be subject to similar limitations. These confines particularly relate to incentives and ethical training. Ethical training will certainly be an important issue for the years to come. It can help on communicating more clearly the conflicts of interest unique to specific sectors and countries. Furthermore, ethical training can help on developing an atmosphere of transparency and stewardship among a firm's and bureaucracy's employees. At the same time, it is costly and time consuming, and it may sometimes serve to camouflage a firm's or a bureaucracy's true interests. Private firms, for instance, might be in a prisoner's dilemma, paying lip service to anti-corruption, but at the same time profiting from a corrupt contract. Ethical training would be given to those supposed to stay clean, while the dirty work would be outsourced. In the end ethical training may simply provide firms with official excuses when their employees are caught, resulting for instance in exemption from corporate liability. Ethical training of bureaucrats is likely to face similar limitations.

Using incentives instead of ethical training for inducing honesty in the bureaucracy and in politics is arduous to implement. Firstly, there is no measurable economic surplus that might serve as a yardstick for remuneration. Bureaucratic departments and political initiatives cannot be transformed into profit centers. Secondly, incentive schemes imply a variation of public servants' income, lowering the security equivalent of their pay and crowding out the risk-averse (and potentially less corrupt) from obtaining a public position. The consequence is that incentive schemes in the bureaucracy and in politics fall short of economists' prescriptions. Incentive

[5] For a recent review of cross-country research see Lambsdorff [2005].

theory, at best, helps us detect the variety of inconsistencies and disincentives that exist in the public sector. Yet incentives per se will hardly ever be sufficient to outbid the briber, as is sometimes suggested by formal principal-agent modeling. Realistically, incentive schemes can provide a helpful contribution that complements other factors such as public servants' intrinsic motivation, cultivation of professional ethics and anti-corruption norms in society.

Fostering **transparency** still seems to be an overarching principle with latent benefits. Its potential in reducing corruption is immense. The administrative costs of increasing transparency are limited, albeit often mentioned as an excuse for inactivity. But this principle might at least be fine-tuned to some extent in the future. One concern is that transparency may in fact support the monitoring of corrupt reciprocity, [Pechlivanos 2004]. Likewise, non-transparent bureaucracies may at times prevent corruption, because bribers would have a hard time 1) finding the right person to compromise and 2) observing whether the bribee reciprocates honestly. In a similar spirit it is standard practice that public procurement requires some limits on transparency: Bidders are not supposed to know the incoming bids of their competitors until all bids are jointly opened. The reason is that bid-rigging would be facilitated if transparency is introduced at the wrong stage. The principle of transparency, therefore, will undergo a more fine-tuned interpretation. Instead of advocating unlimited disclosure of all information, comprehensive information management systems that provide key figures to stakeholders will have to be put in place. Their design will remain an important issue for the years to come.

A novel inspiration to anti-corruption

Given these limitations of some principles for anti-corruption we contend that other approaches must be explored to guide out thinking. The general approach suggested here, relating to concepts of the **New Institutional Economics**, posits that reform measures should promote betrayal among corrupt parties, destabilize corrupt arrangements, disallow contracts to be legally enforced, and impair the operation of corrupt intermediaries.

While high levels of corruption are generally deplored, academics commonly wonder why they are not even higher. With self-seeking being the presumed nature of human beings, opportunities for self-enrichment should always be seized; distrusting public decision makers should be the natural consequence; trusting them appears to be a naïve attitude. Given that we sometimes have reason to wonder about astonishingly high levels of integrity, social scientists must confess that they are lacking a theoretical explanation. Also in recent experiments, researchers found that rational, self-seeking optimization is not universally followed and that an intrinsic motivation lowers an individual's corrupt zeal, [Schulze and Frank 2003].

One approach to explain this paradox is to focus on the (mostly informal) institutions needed for arranging and securing a corrupt deal, [Lambsdorff 2002]. Partners in a corrupt exchange face a challenging task in negotiating the terms of their agreement and in making sure that each side adheres to its promises. At the same time they are constantly tempted to betray each other. Such betrayal can be a good thing from the point of view of society at large, because it assures that corruption is a troublesome business, and convinces potential participants to refrain from becoming involved in corrupt deals. When public officials are paid with counterfeit money, as it recently happened in India, or with fake antiques, as it took place in China, the resulting

insecurity for public servants may effectively deter them from asking for bribes in the future.[6] Similarly, when public servants, who take bribes, decline to deliver on their promises, businesspeople may become less likely to continue with their illegal strategy, [Lambsdorff, Schramm and Taube 2004].

This insecurity surrounding corrupt transactions is amplified by three characteristics. First, corruption does not allow for legal recourse[7]; second, corruption must be hidden from the public; third, because of the ever-present threat of mutual denunciation, partners of a corrupt agreement are "locked-in" to each other even after an exchange has been finalized. As a consequence, opportunism is particularly difficult to avoid in case of corrupt contracts.

Courts usually reject the enforcement of corrupt agreements, forcing actors to explore alternative mechanisms. They must employ methods to make their agreement self-enforcing. Various forms of institutional solutions come into play and provide direction to reform. Corrupt parties who lack trust in each other often employ intermediaries. Practical insights into the dealings of intermediaries have been reported recently, [Aburish 1986; Andvig 1995; Moody-Stuart 1997; Bray 2004].

Regulating middlemen can constrict them in creating networks of trusted relationships. But, only scant ideas can currently be observed concerning the attempt to regulate the behavior of corrupt middlemen. For example, in India the payments of commissions in public arms contracts are prohibited. This can effectively discourage corrupt middlemen. Similarly, in Algeria laws prohibiting the engagement of middlemen in public procurement were enacted in 1978, and improved further in 1988. In Singapore, subcontracting in public procurement is illegal – intervening purchasers may otherwise engage as corrupt intermediaries. All these are divert ideas of how to make life more difficult for corrupt middlemen. Many practical approaches in this spirit deserve recognition in the future.

Another approach to enforce corrupt agreements is at the disposal of business partners who have an already established ongoing exchange with each other. Once a relationship of mutual trust, repeated legal exchange, or hierarchical control has been established, these can be misused for striking a corrupt agreement, [Lambert-Mogiliansky 2002; Lambsdorff and Teksoz 2004]. Once trusted relationships have developed and legal threats been established, these can be misused for guaranteeing a corrupt side contract. This stresses that corruption usually does not take the form of market exchange, but is often restricted to well-acquainted business partners.

One effective means to destroy the confidence among corrupt partners is to encourage whistle-blowing. This includes advising citizens on how to make a complaint, and establishing institutions that will handle the resulting cases, [Pope 2000]. An effective system of whistle-blowing lowers the confidence among corrupt partners, cuts through secrecy and makes corrupt transactions arduous to arrange.

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[6] See (International Herald Tribune 08 Mar 2002: “One corrupt city shows the plague that afflicts all of China”); (The New Zealand Herald 28 Mar 2002: It's hard graft when bribes are crooked); (Asia Times 04 Apr 2002: “Rampant corruption threatened by corruption”).

[7] Uslaner [2004] provides the only counterexample I have encountered up to now. An Italian court ruled that the non-deliverance of a promised (corrupt) favor would have been penalized. Clearly, this example is an exception rather than the rule.

From this perspective the common notion that penalizing individuals is crucial to contain and fight corruption is challenged. Penalties imposed on individuals may help to secure corrupt agreements and stabilize corrupt relationships, because they make whistle-blowing unlikely. Penalties placed on firms rather than individuals may be superior. Blacklisting firms, and thus excluding them from future public contracts, or, even better, monetary penalties to be paid by firms, may well act as a deterrent to corrupt practices. This calls for corporate liability as a way of imposing penalties on the offending organizations, and not just on the individuals who might be "fall guys" or public servants entrapped into corruption after a minor misconduct.

How to destabilize corrupt arrangements – a legal perspective

Corrupt actors must be deterred from their criminal actions. But deterrence involves more than just the threat of suffering from legal sanctions. It encompasses the possibility of being cheated by one's counterpart; besides, deterrence also increases with the risk of being denounced or extorted. These uncertainties can be amplified by designing legal sanctions in a strategic way, aimed at enhancing opportunism.[8]

In essence there are four offenses in a corrupt deal that can be subject to legal sanctions. A gift-taker (public official) may be punished for accepting gifts as well as for illicitly supplying favors, such as a government contract or permit. On the gift-giver (businessperson) sanctions may be levied for handing out gifts as well as for accepting the illegal favors. These (expected) sanctions can be fine-tuned in order to shatter some of the confidence that corrupt favors will be reciprocated and to foster denunciation. We propose the following asymmetric design: expected sanctions for accepting gifts should be low and those for illicitly providing favors high; in turn, expected penalties for handing out gifts aimed at achieving influence should be severe, while those for accepting illegal favors mild.

Because it paves the way for reciprocity, any type of gift-giving to public servants should be avoided (if these gifts are likely to be aimed at exerting influence). Prosecutors have a hard time proving irregularities in the conduct of public servants, particularly if there is repeated exchange with a private party. In this context, the exchange of gifts and monetary inducements may be the clearest indicator for misbehavior, which must be subject to legal sanctions. Yet, rigorously penalizing public servants for accepting gifts may backfire as corrupt partners may be squeezed into a pact of silence because officials are placed at the mercy of businesspeople: reneging on the promise to provide a contract or license after taking a gift may invoke "negative reciprocity" on part of the businessperson. The businessperson may retaliate for the tricks played by the public servant and denounce the malfeasance. If no sanctions are imposed on the public servant for taking gifts, however, the official has ample scope to renege on his promises without fearing such retribution. We therefore propose sanctions to be imposed for handing out gifts whereas no sanctions should be levied for gift-taking.

The largest harm placed on society arises if public servants' decisions are distorted, for example by placing a contract to an unqualified bidder. Sanctions should in this case be imposed on public servants rather than on businesspeople who accept the favor. A public servant who accepts gifts may be effectively deterred from returning the favor if precisely this action is severely penalized. Opportunism would be enhanced due to the uncomfortable choice arising for public servants after taking gifts.

Punishing businesspeople for accepting reciprocal favors, however, would backfire. Their willingness to blow the whistle would arise only if they were cheated, and be reduced if they faced severe penalties for accepting the favor. Yet, businesspeople should retain their readiness to denounce a deal even if they

[8] A more detailed analysis of the effect of asymmetric penalties is provided in Lambsdorff and Nell [2005].

accepted a favor. Public servants, on the other hand, should not be able to lower the risk of whistle-blowing by supplying favors, because this would stabilize corrupt agreements.

In this regard, granting businesspeople unconditional exemption from punishment for handing out gifts may backfire – because this option could be misused to threaten public servants who renege. In order to avoid this effect, exemption from punishment must be granted to the gift-giver only in case the public servant has already supplied an illicit favor. By this it would become impossible for public servants to lower the risk of whistle-blowing by awarding a contract or a license.

Because of its potential to shatter corrupt actors' trust in reciprocity and in mutual silence, an asymmetric design of sanctions might unleash higher deterrent effects of anti-corruption laws. Yet in most countries sanctions for bribery tend to be symmetric.[9] In Germany, for instance, symmetry prevails under §§331-334 of the German penal code (*Strafgesetzbuch*), because law scholars treat the integrity of the administrative authorities or the objectivity of governmental decisions as the subject of protection, [Bannenberg 2002: 18-19]. It is argued that both parties in a corrupt deal jeopardize the subject of protection similarly and should thus be punished equally. Such symmetry also follows from Article 3 of the German basic law (*Grundgesetz*). Put simply, Article 3 implies that equal facts of a case have to be tied to equal legal consequences, and unequal facts of a case have to be tied to different legal consequences.

As we see it, however, reasoning that both parties equally interfere with the subject of protection of §§331-334 is not indisputable. Indeed, the acceptance of gifts by a public official may give the impression of venality, yet does not imply the actual supply of favors. Only the actual supply violates the integrity of the administrative authorities and reduces the public's trust in them. Moreover, it is only to a minor extent that accepting gifts leads to political harm or economic losses. In fact, the acceptance of gifts or bribes merely constitutes a redistribution of resources from the private to the public sector. Thus, it is rather the act of illicitly handing out favors that offends the integrity of public office, distorts allocative efficiency, and annuls fair competition. Likewise, it is not the willingness to accept illicit favors that distorts decisions in public office, but a gift-giver's initiative to sidestep competition by offering sweeteners. Already from this perspective, symmetry may not be the self-evident and logical consequence. Rather, an asymmetric design of sanctions would be plausible because asymmetry and exemption from punishment are not necessarily contrary to the respective laws' subject of protection.

In this spirit, for example, the former Turkish penal code came close to our policy suggestions. According to Article 215 (1), a public official was entitled to exemption from punishment if the following requirements were met. On the one hand, the public official had to inform the authorities prior to legal proceedings being taken. On the other hand, it was a prerequisite that the public official 1) either did not accept the gift or 2) that he/she accepted the gift, but did not supply the favor (not even partially), [Tellenbach 1997: 642].

With regards to the gift-giver, however, Article 215 (2) of the Turkish penal code granted exemption from punishment only if 1) the gift-giver informed the authorities prior to legal proceedings, and 2) if the public official had not yet supplied the favor, [Tellenbach 1997: 642]. Remarkably, according to Article 215 (2) the gift-giver received back the gift in case of blowing the whistle. The second precondition of Article 215 (2) runs contrary to our recommendations because it may have strengthened the gift-taker in requesting illegal reciprocity. Subject to this legislation, gift-givers could have credibly threatened public servants who failed to reciprocate. The design of the legal system may have thus forced public servants to deliver on their corrupt

[9] One notable exception is Taiwan, where only those taking bribes are penalized, [Hepkema and Booysen 1997].

promises. This example illustrates how a legal system may be scrutinized with the aim of destabilizing corrupt agreements.[10]

Asymmetric sanctions and exemption from punishment might bring about higher deterrent effects of anti-corruption laws, if deterrence is understood in the broader sense of reducing potential perpetrators' willingness to participate in illegal acts. In order to clamp down more vigorously on corruption, legislators should seriously consider the benefits of asymmetric sanctions and exemption from punishment in their (re-) formulation of the respective anti-corruption laws.

Outlook

While traditional approaches to anti-corruption such as repression and prevention certainly have their merits it is doubtful whether they should be the guiding principles for future reform measures. Rather, they have to be complemented by novel inspirations. Particularly, new reforms should promote betrayal among corrupt parties, destabilize corrupt arrangements, disallow contracts to be legally enforced, and impair the operation of corrupt intermediaries. In this context, an asymmetric design of sanctions, coupled with exemption from punishment, seems a promising avenue for future (legal) reform.

Combating corruption is like judo. Instead of bluntly resisting the criminal forces, one must redirect the enemy's energy to his own decay. Instead of proclaiming a policy of zero tolerance one must recognize that the imperfections of human behavior will endure. Instead of demanding a world of absolute integrity, fighting corruption foremost is the art of exploiting these imperfections for our battle.

[10] The Turkish penal code was revised in 2005, with new clauses taking effect. The provisions of Article 215 were changed and are now reformulated in Article 254. According to 254 exemption from punishment is now also granted to public officials even if they have already supplied the illicit favor. This is unfortunate because the old provision provided an inducement to opportunism. On the other hand, gift-givers can now be exempted from punishment even if they have already accepted the favor. This revision is an improvement because it signals to public officials that their risk of denunciation cannot be reduced by supplying the favor.

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