

Collective Action Theory Applied to Anti-Corruption Practice:

A Bolivian Case Study

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Abstract

A growing number of scholars consider that the poor performance of anti-corruption interventions is due to a mischaracterization of the problem. Anti-corruption initiatives are more often based on a principal-agent approach, when in fact the phenomenon should be understood as a collective action problem. This article presents evidence that these two approaches are not contradictory but rather complementary, especially in challenging institutional settings with high levels of corruption. This argument is presented in the light of empirical data collected in Bolivia, resulting in the identification of variables that can promote collective action to prevent corruption. The paper starts with a theoretical framework, looking at the phenomenon from the perspective of the principal-agent approach in contrast to understanding corruption as a collective action problem. The Bolivian experience is then addressed and the outcomes of the study explained in detail.

1. Introduction

The anti-corruption field has evolved from an academic topic into a fully developed sector of the service economy. Billions of dollars have been invested in the crusade against corruption but the outcomes do not reflect these efforts. Common problems identified in academia include an overemphasis on law, a reliance on moral responses (Klitgaard, MacLean-Abaroa, and Parris, 2000, p. 13), misleading theoretical approaches (Persson, Rothstein, and Teorrell, 2013, p. 449), misunderstanding the problem, underestimating incentives for reform, generalizing the phenomenon (Johnston, 2012, p. 485), weak institutional settings (Rose-Ackerman, 2004, p. 315), and hierarchical interventions (Mishra, 2006, p. 211). The list goes on.

An academic argument that has been gaining momentum is that poor performance in the anti-corruption arena is due to a theoretical misunderstanding of the problem. This notion claims that most anti-corruption interventions are implemented on the basis of a principal-agent approach, whereas the problem should be addressed from a collective action perspective. The former is based on delegation (principal to agent) and focuses on controlling individual behaviour. The latter approach sees the problem from a collective point of view, where everyone

will be better off if they collaborate, but individuals have little incentive to do so and instead aim to maximize their personal benefits. The emphasis, therefore, should be on incentives to promote collaboration.

This article presents evidence of the potential role of a collective action approach in tackling corruption and how it complements a principal-agent approach, especially in weak institutional environments. By using the theory and framework of collective action, which is concerned with group behaviour and looks for variables to promote collaboration, the following sections illustrate how to identify these variables and apply them in the fight against corruption through an empirical study conducted in Bolivia.

The paper starts with a discussion of the principal-agent approach and the most common mechanisms to curb corruption, followed by a description of collective action theory and its implications for understanding corruption. The next section addresses the Bolivian case, its anti-corruption framework, and the existing challenges for implementation. The subsequent section presents the outcomes of fieldwork conducted in Bolivia through interviews, a workshop, and a case study in the road construction sector. The final part of the paper presents the conclusions.

2. Two approaches to understanding corruption

2.1 The principal-agent approach

The principal-agent approach has for decades been the predominant theoretical framework for understanding and tackling corruption (Marquette and Peiffer, 2015, p. 2; Carson and Prado, 2016, p. 57; Persson, Rothstein, and Teorrell, 2013, p. 451). Its origins are found in the theory of the firm, where a principal delegates a task to an agent; the goals of the agent may differ from those of the principal, causing a conflict of interest. Moreover, the agent directly involved in the task has more access to information, producing an asymmetry. Within the context of the public sector, the principal could be a high-ranking official who assigns a task to an official of lower rank. Similarly, the principal-agent view can be thought of in the context of the general public (principal) delegating responsibilities by voting for a particular politician (agent). According to this view, corruption cases involve an agent receiving an inducement to ignore the interests of the principal and instead favour those of the individual giving the inducement (Rose-Ackerman, 2006, p. xiv).

The principal-agent approach emphasizes rational choices of individuals. Consequently, anti-corruption interventions focus on monitoring,

sanctioning, and limiting the discretion of these individuals (Marquette and Peiffer, 2015, p. 2). To understand how individuals take decisions, economic theory has been particularly influential. In the eighteenth century, Jeremy Bentham, the father of utilitarianism, placed self-driven decisions at the centre and argued that choices are made based on a sense of utility to maximize or diminish happiness (1988, p. 2). This notion of an individual taking decisions via a rational calculus is the basis for the economic approach to behaviour (Hurtado, 2008, p. 20). Particularly important in this discipline has been the work of Gary Becker (1968), who analyzed crime in terms of a cost-benefit calculation. Becker argued that a person will choose to transgress the law if the expected benefits of doing so surpass the gains he could realize by using his time to carry out other activities. Factors that influence the offender's behaviour include the possibility of conviction and punishment. Next, Becker and Stigler (1974) discussed some of the challenges facing law enforcement, and suggested improving enforcers' salaries and increasing monitoring as deterrents against malfeasance.

These ideas were further developed by prominent scholars in the anti-corruption

field. Susan Rose-Ackerman (1978, p. 6) argued that although principals want agents to achieve established goals, monitoring is expensive, and agents may want to pursue their own interests if they stand to benefit. Her pioneering work thus focused on preventing corruption through reorganization of bureaucracies, structural reforms, and the promotion of competition. Robert Klitgaard, on the other hand, focused on the principal-agent-client relationship (1988, p. 69). His well-known analysis of the corrupt transaction is when an agent has monopoly and discretion in the relationship with clients, and when accountability is absent. This analysis is expressed in his seminal formula whereby “corruption = monopoly + discretion - accountability” (1988, p. 75). This in turn entails the necessity of an intervention by the principal to prevent misbehaviour, and this is most commonly done through regulation. A regulatory approach is often based on two pillars: repression and limiting discretion. The former involves increasing sanctions and the probability of detection; the latter consists of bureaucratic reforms such as rotation of personnel, increasing monitoring, audits, and the like (Lambsdorff, 2009, pp. 389-392).

Although the principal-agent approach is an important analytical framework for interventions against corruption, it has major limitations. These include a dependency on principled principals, who are always willing to punish corruption and hold agents accountable for their

misbehaviour (Andvig and Fjeldstad, 2001, p. 99; Carson and Prado, 2016, p. 58; Marquette and Peiffer, 2015, p. 2; Persson, Rothstein, and Teorrell, 2013, p. 451). Another shortcoming is the existence of several principals with divergent interests (Andvig and Fjeldstad, 2001, p. 99). In addition, the implementation and efficiency of anti-corruption interventions are tied to the institutional capacity of each setting. In developing countries, such policies have to struggle with weak institutional environments and unreliable justice systems. Ultimately, the creation of a broad regulatory framework and bureaucratic controls in a fragile institutional environment can actually lead to more problems rather than a solution (de Soto, 2000).

2.2 Corruption as a collective action problem

Looking at corruption as a collective action problem, rather than from the principal-agent perspective, is gaining momentum in academia (Persson, Rothstein, and Teorrell, 2013; Marquette and Peiffer, 2015; Bauhr and Nasiritousi, 2011; Carson & Prado, 2016). Applying this principle in the policy arena is challenging, and evidence of success is still limited (Wheatland and Chêne, 2015; Rao, 2013). Nonetheless, addressing corruption from a collective, rather than an individual, perspective is helping to implement alternative anti-corruption mechanisms. In practice, international organizations, NGOs, and enterprises are encouraging

collaboration against corruption. In the industry sector collective action is most commonly defined as:

A collaborative and sustained process of cooperation between stakeholders. It increases the impact and credibility of individual action, brings vulnerable individual players into an alliance of like-minded organizations and levels the playing field between competitors. Collective action can complement or temporarily substitute for and strengthen weak local laws and anti-corruption practices (World Bank, 2008, p. 4).

Good examples of such collaborative initiatives are integrity pacts, anti-corruption declarations, and business certifications (Global Compact, 2015; World Bank, 2008; Center for International Private Enterprise, 2013). Hence, the subject has evolved from a purely academic topic to a policy issue, and in doing so has become a label for numerous anti-corruption initiatives for industry (Pieth, 2012, p. 4). These are positive steps and they offer a fresh perspective in the fight against corruption. Nevertheless, current initiatives labelled as collective action could benefit more from the framework provided by the collective action theory, which dates back half a century.

Mancur Olson (1965) in his book *The Logic of Collective Action* questioned the idea that members of a group will collaborate to achieve a common goal. He argued that *unless the number of individuals in a group is quite small, or unless there is*

coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests (p. 2). Thus, the challenge is to avoid freeriding, whereby individuals aim to maximize their personal benefits, leading to sub-optimal outcomes for the group and creating problems in fulfilling collective needs. Olson's ideas have had a great impact on how we understand group collaboration, and his views on avoiding freeriding through some sort of inducement have led to further study variables for collaboration.

There are abundant studies of the administration of common-pool resources that aim to understand how people can organize and collaborate to address collective action problems (Wade, 1988; Baland and Platteau, 1996; Ostrom, 1990; and Agrawal, 1999). For example, in the use and administration of a forest, pasture, or irrigation system by a community, every individual will benefit from limiting his or her personal use, thereby not harming the others in the community. The opposite scenario occurs when individuals maximize their own gains and overuse resources, and in doing so contribute to the deterioration and degradation of the commons. This case is labelled by Hardin (1968) as the tragedy of the commons, where *every new enclosure of the commons involves the infringement of somebody's personal liberty* (p. 1248).

Empirical studies show that developing a coherent framework for collective action is a challenge. A major issue is that reliable and comprehensive data sources are often scarce or non-existent. Moreover, *informality and non-elite status* require trust and familiarity with the particular context (Poteete, Janssen, and Ostrom, 2010, p. 17). In addressing these obstacles, the Olsonian idea of using inducements to enhance collaboration is particularly useful. Nobel laureate economist Elinor Ostrom (2010) looked at variables to promote collaboration based on the hypothesis that individuals can achieve better outcomes in a collaborative scenario than in an individual-driven one. In her work she identified the following structural variables¹ (pp. 4-8):

Number of participants. In small groups it is easier to identify individuals and their contributions to the common good, and thus deter freeriding. Group size also correlates with the transaction costs of coordination; in bigger groups these costs are higher.

Benefits from participating in a collective action can be subtractive or fully shared. The former means that the consumption of benefits by one individual subtracts benefits from others, as for example in the use of pastures in agriculture. The latter involves benefits that can be enjoyed by all members. In this case, increasing the number of participants can bring additional resources for the group.

Heterogeneity of members can have different outcomes depending on the situation. In some cases differences can increase the costs of cooperation and decrease the likelihood of the common goal being attained. On the other hand, as Olson (1965) stated, if there are individuals with stronger interests in achieving a common goal, the likelihood of the group accomplishing that goal increases, although the benefits might be undersupplied to other group members.

Face-to-face communication is a key factor in persuading others to collaborate in the group. Ostrom stated that the effectiveness of this variable is linked to growing trust among participants when commitments are made face to face.

Other variables that may be considered once the collective action takes place, and after subsequent repetition, are information about past actions, how participants are linked, and whether they may enter or exit voluntarily. It is important to note that using variables to promote collective action depends on the particular case and context.

Collective action framework for anti-corruption policy

Corruption can be easily placed at the centre of a collective action problem. In a scenario where corruption is the norm, everyone will be better off if a mutual agreement is reached to not pay bribes, but individuals face the dilemma of

¹ See Marquette and Peiffer (2015) for a summary of various authors' variables to promote collective action.

whether to pay in order to have a personal benefit (Kingston, 2008, p. 90). Corruption problems can be understood in two orders. The first-order collective action problem is when individuals leave the burden of fighting corruption for the public good to others, and wait to benefit from the work of reformers (Johnston, 2010, p. 12). A second-order problem (Ostrom, 1998) has to do with trust. Individuals in a group would benefit from corruption being eradicated, but since

trusting others to abstain from paying bribes is not possible, there is no incentive to act honestly (Rothstein, 2011).

Taking the idea of corruption as a second-order collective action problem, the following sections use the collective action framework to understand anti-corruption policies in Bolivia and explore relevant variables to promote collaboration. Particular emphasis is given to the role of collective action in complementing and strengthening a principal-agent approach.

3. The Bolivian case

After a tumultuous period of social instability (1999 - 2003), when the upheavals also known as the neoliberal wars² (Kohl and Farthing, 2006, p. 149) changed the political landscape in Bolivia, the government of Evo Morales was elected in 2006 with a mandate to fight the deep-rooted corruption in the country. A new anti-corruption framework was created to target corruption in the public sector, making it clear to officials that a new policy of *zero tolerance to corruption* (Supreme Decree 2014, 1) was in place. The mechanisms to achieve this goal were based on monitoring, investigation, sanctioning, and limiting the discretion of public servants at all levels.

The most important reforms were implemented on three levels: legal, institutional, and participatory. The legal reforms included a new constitution (2009) that expressly addressed corruption. The new Anti-Corruption Law (2010), No. 004, established severe sanctions against corruption and gave new powers to institutions with an anti-corruption mandate. In 2012, the Law No. 341 for Participation and Social Control was passed, with a focus on increased control by civil society over services and public works.

² The trigger events were the creation of new income taxes, the privatization of the water company, and the government's plan to export natural gas while gas supplies to households remained low or non-existent.

The new institutional framework was established in 2009. It included the Ministry for Transparency and Anti-Corruption (MTAC), the Office of the Attorney General, and Transparency and Anti-Corruption Units (TAU) in all branches of government, including at local level. Presently, there are around 320 TAUs in the country (Ministry of Justice, 2017, p. 20). These units have preventive and investigative functions. Depending on the sector in which they are operating, the TAUs have developed specialized programmes that coordinate with civil society and business associations for preventive purposes (Zapata, 2014, pp. 11, 17).

Regarding participation, the Law for Participation and Social Control promotes the active involvement of civil society to prevent corruption. Every citizen has the right to supervise and evaluate public administration, the management of economic, material, human, and natural resources, and the quality of public and basic services (Law 341, article 5, 2). A common example of this mechanism is found in the construction of public works. Citizens are entitled to form social control groups, which need to be certified by the public agency with overall responsibility for the construction. Being part of a social control group allows members to request information and exert supervision over the

project in question. There are some good examples where these groups have identified irregularities and prevented corruption, especially in coordination with TAUs. Currently, more than 730 social control groups are active in Bolivia (MTAC, 2015, p. 41).

These reforms have made progress in combating corruption. The MTAC created reporting channels and received an average of 1,600 reports of alleged corruption per year (Zapata and Céspedes, 2015, p. 7), leading to more than 150 court rulings (MTAC, 2015, p. 61). MTAC also recovered more than 120 million USD in assets (MTAC, 2015, p. 72). At the same time the number and importance of TAUs has been growing, and the participation of civil society through social control has been enhanced throughout the public sector (Ministry of Justice, 2017, p. 10).

Although these measures have had a positive impact, new reforms that were enacted in 2017 gave a different direction to the fight against corruption. The government justified these changes on the grounds that more decentralized corruption investigation was required (MoJ, 2017, p. 22). Another factor was the growing complexity of the state and the

pressing need for more autonomous powers at the local level to develop policies tailored to each particular setting (Ministry of Justice, 2017).

In this context, the MTAC has now become a Vice-Ministry within the Ministry of Justice and has the duty to design policies and guidelines for the increasingly important TAUs. In September 2017 the Law No. 974 was enacted to give more powers to TAUs. These units have a bigger scope of action to investigate and report, formulate and implement preventive policies, and implement mechanisms for participation and social control.

Since their creation in 2009, the TAUs have implemented policies to curb corruption using traditional approaches such as monitoring and limiting the discretion of public servants, as well as an alternative model based on collaboration, especially with social control groups. The aforementioned decentralization and the increasing powers of TAUs create a positive scenario for enhancing this combination of approaches. Using the results of a fieldwork study in Bolivia, the following section illustrates how the principal-agent and collective action approaches can complement each other.

4. Fieldwork

During 2015 and 2016 an exploratory study was conducted in Bolivia regarding the role of the private sector in reducing corruption; one of the main focus areas was how the public and private sectors might cooperate to reduce corruption³. The fieldwork comprised three phases (see Table 1). The first consisted of 25 in-depth interviews capturing perceptions from a diverse set of stakeholders. The outcome was a preliminary identification of variables for collaboration. Based on this, the second phase took place in June 2017 and involved a questionnaire administered during a workshop for representatives from TAUs, the private sector, and civil society. Only participants with particular experience in a multi-stakeholder anti-corruption activity were asked to complete the questionnaire, and 50 were collected.

Table 1. Data collection process

Phase	Data collection method	Quantity	Stakeholders
First (July - August 2015 / April 2016)	In-depth interviews	25	CEOs of companies, representatives of business associations, politicians, directors of TAUs, and representatives of civil society
Second (June 2017)	Questionnaires	50	Representatives of business associations, compliance officers, representatives of TAUs, and members of social control groups
Third (June 2017)	In-depth interviews	5	Representatives of TAUs

³ This work was conducted in the frame of the study "The role of the private sector in reducing corruption in Latin America" with the support of the International Development Research Centre "IDRC", Ottawa, Canada.

Another outcome of this phase was the identification of a case study to see how these variables for collaboration work in practice. The third phase comprised five additional in-depth interviews. These aimed to clarify some aspects highlighted in the questionnaires, and to gather information regarding the case study.

4.1 Interview study

The interviewees in this phase were CEOs of companies, representatives of business associations, politicians, directors of TAUs, and representatives of civil society. The interviews included four sections. The first explored perceptions about the current anti-corruption framework; the focus was on regulation, monitoring/controls, and sanctioning

mechanisms. The second asked for opinions regarding the need for reforms of the anti-corruption framework focusing on new regulation. The third section looked at current public-private relations in fighting corruption, and the fourth enquired about collective action as an alternative way to tackle the problem.

To the first group of questions about the current anti-corruption framework, respondents agreed that several changes had taken place since 2006, especially in the legal area. Their perception was that these changes were necessary but had produced mixed effects. Although the new laws empowered institutions to investigate and curtail corruption, in some cases public servants were overly cautious, which slowed down administration. All interviewees from the public sector, however, said that this overcautious behaviour had been addressed. Respondents were unanimously positive about the Law for Participation and Social Control, since empowering civil society is important to prevent corruption.

When asked about the need for reforms, most of the interviewees mentioned that the current legal framework covers existing corruption typologies. They said more regulation could create challenges and deter private investment, which is closely interconnected with public investment. It is worth noting that the risks of corruption have increased owing to the exponential growth in public investment, which has increased by a factor of 13 during the last ten years

(Viceministerio de Inversión Pública y Financiamiento Externo, 2017). This investment is mostly targeted at public works for which private companies are contracted. Thus, according to most of the respondents, the focus needs to be on mechanisms to tackle corruption within public-private contractual relations, and not on creating additional legislation.

In regard to public-private relations, the interviewees unanimously stated that the current anti-corruption framework focuses far too much on stakeholders from the public sector and civil society. As Bolivia's private sector expands, it too could play a more active role. Interviewees from companies said that Bolivia is in an early process of industrialization and that most of the business sector consists of small and medium-sized enterprises that require support from the state. They therefore emphasized the need to improve relations between the public and private sectors.

To the questions on alternative ways to tackle corruption, respondents from the public sector mentioned the importance of strengthening TAUs. The argument is that these units have a clear knowledge of what is needed in their respective areas. Additionally, TAUs have more contact with stakeholders, including social control groups and private companies. Private sector representatives mentioned that the first step is to build trust. They argued that when it comes to preventing corruption, public-private relations need to be strengthened. They also highlighted the importance of a dialogue aimed at

finding consensus-based solutions, and the use of benefits and incentives for potential participants.

One example highlighted by interviewees from companies in the import-export sector was a programme created by the National Customs Office (NCO). The Office and companies discussed their concerns about corruption and its effects in periodic meetings, resulting in a public-private pact to fight corruption. Companies would comply with a series of anti-corruption standards, such as codes of conduct and corruption prevention mechanisms, and in exchange the NCO would provide a series of incentives such as granting priority treatment in the import-export sector and reducing bureaucratic processes (NCO, 2015). Interviewees from the NCO and companies mentioned that the programme was welcomed by the private sector, and in 2014 a letter of intent was signed by 115 companies and business associations. Companies are currently implementing the programmes outlined in this 2014 letter. When asked about the reasons for this success, respondents highlighted the use of incentives and the creation of communication mechanisms that helped to create trust.

The conclusion of this stage was that more collaboration is necessary to strengthen and complement the current anti-corruption framework. Most of the interviewees highlighted the potential role of TAUs in undertaking activities in collaboration with stakeholders from different sectors. The main finding of this

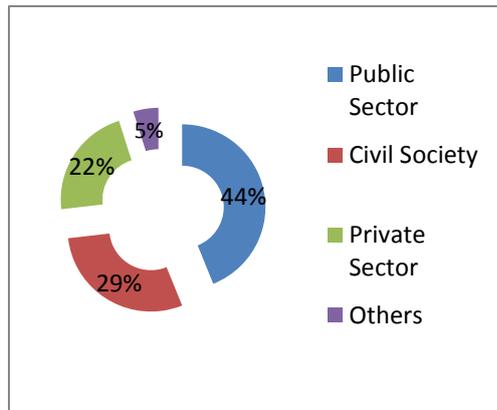
stage was that collaboration was promoted through three main variables: *communication, incentives in the form of benefits, and trust.*

4.2 Workshop: Looking at variables to promote collective action

In June 2017, a one-day workshop organized by IACA and the University of San Andres (Argentina) was conducted in Bolivia to discuss collective action against corruption as an alternative approach for TAUs. Since TAUs often collaborate with stakeholders from other sectors to prevent corruption, the overall aim of the workshop was to identify the key factors for success in these initiatives. The approximately 100 participants came from the public sector, civil society, the private sector, and others (academia, international organizations), as shown in Graph 1. Those who had participated in a sustained multi-stakeholder anti-corruption activity were asked to answer a questionnaire. The questions were based on a combination of Ostrom's (2010) variables for successful collaboration and the variables found in the first stage of interviews described above. These were:

- heterogeneity of participants
- number of participants
- communication
- trust, and
- benefits.

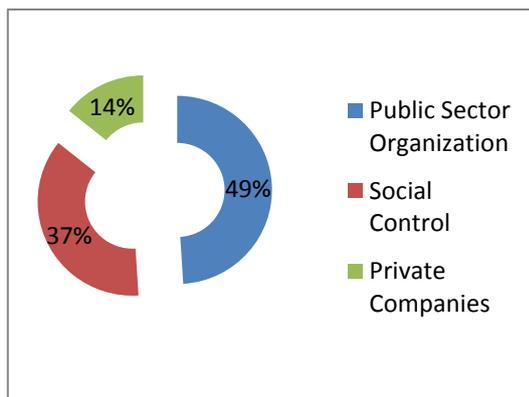
Graph 1. Workshop participants by sector



Heterogeneity of participants

Participants were asked which other sectors they had collaborated with in a sustained anti-corruption activity. Most of them had collaborated with the public sector, followed by activities with social control, and the private sector (Graph 2).

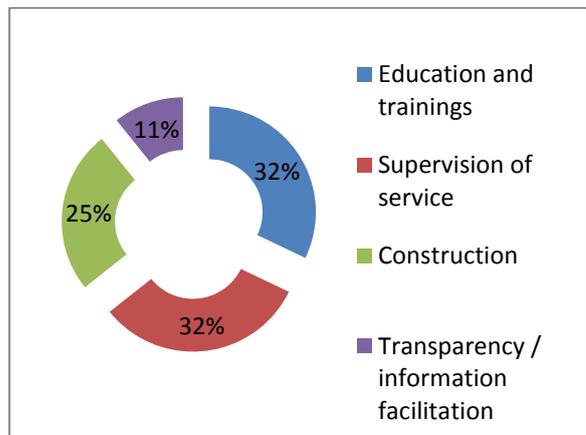
Graph 2. Heterogeneity of participants (sectors collaborated with in an anti-corruption initiative)



These collaborative anti-corruption activities were education and training sessions conducted by TAUs for social control groups and civil society; supervision of a service by social control groups in coordination with TAUs;

construction projects where TAUs, private companies, and social control groups coordinate activities (in particular supervision) to prevent or detect corruption; and transparency and information facilitation by TAUs in coordination with social control groups (Graph 3).

Graph 3. Type of anti-corruption activity



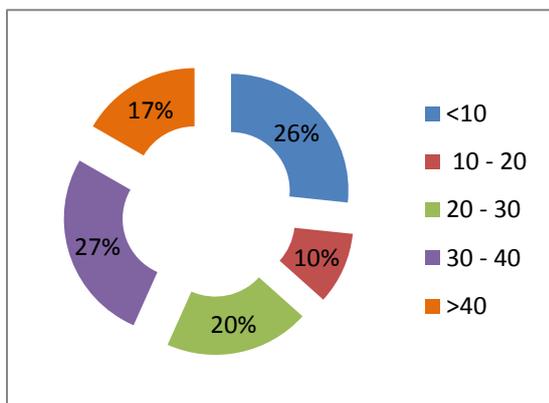
Heterogeneity of participants can produce different outcomes in a group. On the one hand, divergent objectives can create obstacles for cooperation, having a negative effect on the achievement of the common goal. On the other, different interests can increase the possibility of achieving the objectives. In the latter type of anti-corruption initiative, one stakeholder attaining a goal should not mean that others will be excluded. Indeed, diverse interests may add value to the initiative. A good example is a multi-stakeholder activity for the construction of a public work, involving companies, a TAU, and social control. If the objective is to avoid corruption for the project's successful completion, then differences in the stakeholders' objectives, capabilities,

and benefits may constitute an asset. The following section (4.3) exemplifies this argument.

Number of participants

Respondents were asked about the number of active participants in the sustained anti-corruption activities in which they had taken part. The numbers ranged from fewer than 10 to more than 40 (Graph 4). As mentioned earlier, collective action in small groups can have lower transaction costs for coordination and lead to greater visibility of participants, which in turn will prevent freeriding. The average number of participants in these anti-corruption activities seems moderate.

Graph 4. Number of participants per anti-corruption activity



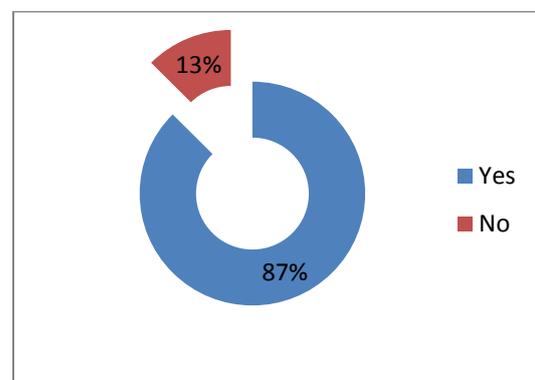
Communication

A large majority of respondents (87%) mentioned that they had regular communication with other stakeholders throughout the sustained anti-corruption activities (Graph 5). The communication was mostly via telephone and face to face

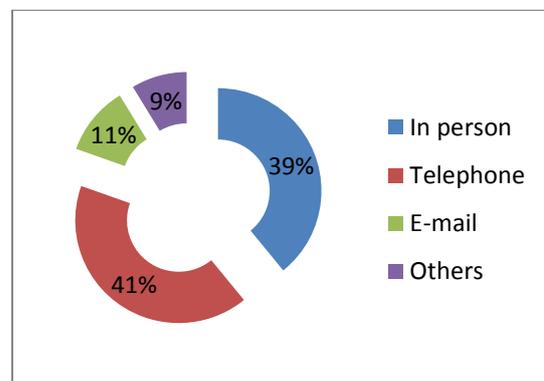
(Graph 6). The frequency varied, with 63% communicating at least once a week and 37% on a monthly basis (Graph 7).

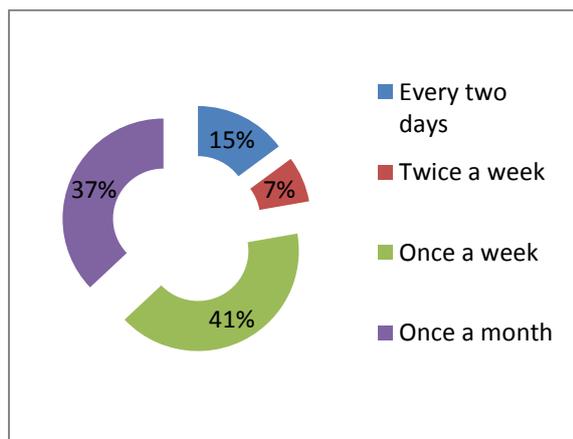
Communication is key for promoting collective action. The results show that the participants have had frequent communication by more personalized means.

Graph 5. Regular communication

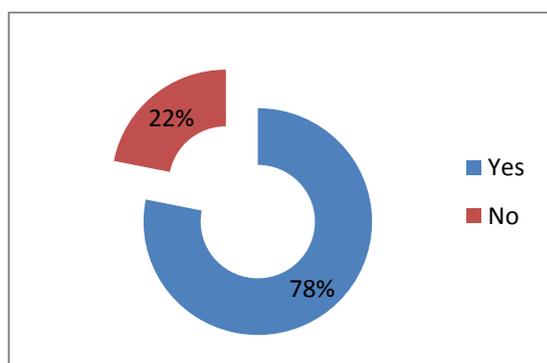


Graph 6. Means of communication



Graph 7. Frequency of communication**Trust**

When participants were asked if they perceived trust among stakeholders, a majority (78%) responded positively (Graph 8). This result appears to be related to regular communication. As was previously explained, the efficacy of communication seems to be associated with increasing trust (Ostrom, 2010, p. 158). This point was highlighted in the additional interviews during the third phase of the research. Respondents corroborated the assumption, explaining that these high levels of trust are due to frequent communication and close coordination.

Graph 8. Perceived trust among participants**Benefits**

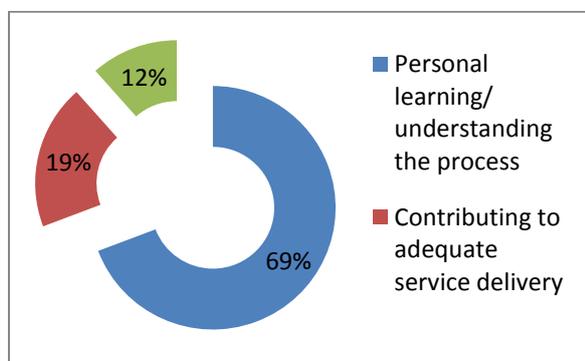
In this study the term “benefit” is closely related to an incentive. Throughout the interviews in the first phase, respondents mentioned that benefits become incentives for getting involved and collaborating in an anti-corruption initiative. The questionnaire conducted during the second phase enquired about the kinds of benefits that workshop participants had found, and most of them mentioned a personal one. When asked to specify, they identified *learning the process* of corruption prevention as being beneficial (Graph 9). Interestingly, in the case of civil society this process is about acquiring new skills that can contribute to career development⁴. For social control groups, especially in rural areas, participating in supervision and prevention of corruption can enhance status within the community. When representatives of TAUs were asked, they explained that participating in activities allowed them to acquire technical knowledge that proved useful throughout their work environment. Private sector respondents mentioned that it is important to understand the intricacies of the laws that govern them, adding that understanding the process of corruption prevention can be a valuable asset for future projects. The rest of the participants stated that they benefited from an improvement in service delivery;

⁴ The Bolivian anti-corruption framework, including new laws, institutions, and practices, has created a demand in the labour market for specialized skills. There are numerous cases of individuals who participated in social control groups or other anti-corruption activities and then used these credentials to obtain a job in TAUs or other public organizations.

common examples were the effective construction of public works.

The heterogeneity of participants and their goals appears to be related to the diversity of benefits. Furthermore, benefits appear to be non-subtractive, which means that their enjoyment by all the members does not exclude other potential beneficiaries.

Graph 9. Benefits of participating



Based on the information gathered through interviews and the questionnaire, a case study was selected to show the potential effectiveness of these variables in practice.

4.3 Collaborative approach to preventing corruption in the construction of roads

The Road Administration Office (RAO) is the public agency in charge of the construction and maintenance of roads in Bolivia. The organization manages the largest public investment budget in the country (Viceministerio de Inversión Pública y Financiamiento Externo, 2017, p. 12), and contracts local and international

companies to carry out the work. These contractual relationships have created high risks of corruption that demand effective preventive measures. The RAO deals not only with companies but also with citizens of neighbouring communities, since for an effective construction process it is essential to secure citizens' consent and support for works that will affect their local territories. To address these issues, the TAU of this Office has not only relied on available legal and administrative mechanisms but has also implemented innovative methods based on collaboration.

During the interviews the TAU representatives and other stakeholders explained how the process is conducted. When construction work is about to start, the TAU calls on neighbouring communities and drivers' unions to choose representatives interested in participating in the social control process. The participants have different benefits. For the communities involved, the successful completion of a road is essential for their daily life. For individual members of the community, social control activities enhance their status and could help them to become community leaders. Drivers use the roads daily and regard a good-quality road as indispensable for their work. The TAU, meanwhile, benefits from a more rigorous control, which is achieved by including more actors in the control process and generating good relationships with communities that will later grant permission for construction (Administradora Boliviana de Carreteras,

2017). As all the participants benefit in different ways, this heterogeneity becomes an asset.

Usually the TAU works with groups of 10 to 20 participants. The TAU representative explained that small groups facilitate the work in terms of coordination, communication, and clearly identifying each participant. Supervising the construction of roads is not an easy task, since it requires some level of technical knowledge. Hence, some of the main activities conducted with these groups are periodic meetings and trainings that the TAU developed to provide participants with basic knowledge. Topics include, among others, technical standards for construction, rights and obligations of social control, the anti-corruption legal framework, and the legal framework for road construction⁵. These activities are useful not only for giving participants technical skills, but also for generating trust and cooperation. In addition, the TAU implements trainings for its own staff (usually engineers). The reason for these trainings, the TAU representative explained, is that technical staff have to learn how to interact with social control groups, as this is a new duty for them.

When works start on the roads, the social control groups collaborate and exert close supervision. They interact with companies and RAO engineers, thereby creating a relationship for the duration of the project

(usually more than two years). The interviewees mentioned that this supervision creates a demand for transparency and is therefore a corruption deterrent. Members of social control groups regularly take pictures and make videos of the road and send them to the RAO. In some cases these groups have helped to detect technical irregularities in the construction process and reported them to the RAO, which then had to initiate investigations. The TAU representative explained that social control groups have become allies in the fight against corruption because of the creation of a transparent scenario on the basis of trust.

Social control groups have also helped to solve problems that the RAO could not. In one case, oil spilt from nearby repair shops was damaging the road. Since it was difficult for the RAO to constantly control the situation, the social control groups pressured the shops until they stopped spilling oil. In another recent example during the rainy season, heavy rainfalls were causing landslides that blocked the roads. Since the RAO had limited resources, the social control groups organized groups of neighbours to clean the roads and constantly monitor their condition (El Deber, 2018).

Besides these positive aspects, two challenges may be identified. First, the relationship with private companies can be problematic since firms feel they are under double supervision from the RAO and social control groups. The TAU

⁵ For more information about the trainings and activities of the RAO TAU, see: http://www.abc.gob.bo/ejes_transparencia

representative said that to address this issue the unit communicates with companies and informs them about their legal obligations towards social control groups. In addition, the TAU tries to create channels of communication between the RAO, companies, and social control groups.

Another challenge is that some members of the social control have been using their powers to extort from companies. The situation escalated to the point that the central government accused some members of these groups of blackmail and misusing their prerogatives (El Dia, 2016). The TAU representative explained that

when such practices are detected, the unit asks social control groups to remove these members from duty and to take disciplinary action against them. The effectiveness of this detection and remediation remains to be studied, however.

This case shows that the right combination of variables — heterogeneity, a small number of participants, communication, trust, and incentives — has created a suitable scenario for collaboration. However, special attention needs to be placed on the challenges that could jeopardize the process.

5. Conclusion

This paper explored the use of collective action as a viable alternative in the fight against corruption, and as a complement to traditional interventions based on the principal-agent approach, such as controls, sanctions, and limiting the discretion of officials. Amid the intensifying academic debate as to whether corruption should be seen from a collective action rather than a principal-agent perspective, this article showed that the two approaches can be complementary, and particularly useful in more challenging institutional environments. Furthermore, as anti-

corruption initiatives labelled as collective action become more popular, the use of collective action theory can provide considerable benefits.

The research conducted in Bolivia shows that it is possible to explore variables to promote collective action. The road construction case demonstrates that the correct combination of variables can create a suitable scenario for collaboration against corruption. This is a first approximation to the topic and aims to provide a view on how collective action theory can be used for anti-corruption purposes.

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ANNEX

Questionnaire

This questionnaire is for academic purposes only. The information you provide is confidential and will be used to gather participants' perceptions and propose concrete activities in the promotion of collective action initiatives against corruption.

- Name:
- Organization:
- E-mail:
- Phone:
- Can we contact you in case we require additional information?

Please mark with an X

Yes No

1. Have you ever participated in a **sustained** collective activity to prevent corruption?
(Please avoid considering activities that took place just for one time, e.g. workshop)
Yes No
2. Could you briefly describe the activity and sector?
3. In case of an affirmative answer, please specify with which sectors you have participated
 Public institution
 Social control
 Private sector
 Others (please specify):.....
4. What was your role in this activity?
5. How many people participated in this activity?
 Less than 20
 Between 20 - 30
 Between 30 - 40
 Between 40 - 50
 More than 50
6. What was your motivation to participate in this activity?
 It is part of my job
 It is established in the law
 I wanted to avoid paying bribes
 I wanted to ensure correct execution of a public work, service, etc.
 Other (please specify):.....
7. Did you perceive trust among participants?
Yes
No Why?

8. During this activity, did you have regular communication between participants?

Yes No

9. Which channels did you use?

In person (Please specify).....

E-mail

Phone

Others (please specify).....

10. What was the frequency of communication?

Every two days

Two times a week

Once a week

Once a month

11. Who (person and institution) was in charge of coordinating the activities?

12. What was the benefit for you of participating in this activity?

13. What were the challenges of participating (or problems) in this activity?

14. Did you participate in similar activities before?

Yes No

If your answer is No, please go to question 16

15. Did your previous experience motivate you to participate again?

Yes No

16. Did you know about a similar experience(s) taken by others?

Yes No

17. Did knowing about that experience motivate you to participate?

Yes No

18. Do you have any advice for promoting collective action initiatives against corruption?



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