Long Session Report

Session Title: The Proxy Challenge Competition
Date & Time: 02.12.16, 9am-11am
Report prepared by: David Jackson, Advisor, U4

Session coordinated by: U4/DFID

Moderated by: Fredrik Eriksson

Experts:

- Paul Heywood, Nottingham University
- Matthew Stephenson, Harvard Law School
- Liz Hart, Independent Consultant
- Caryn Peiffer, Research Fellow Birmingham University

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What were the aims of the session and corruption risks?

U4, supported by DFID, developed the competition to inspire the development of new indications: reliable, intuitive, accessible and cost-effective assessment methods that are useful across country-contexts. There were twenty-four submissions in total – the two entries of highest quality presented at the event. The aim of the session was to present the two finalists of the U4/ DFID proxy challenge competition as well as providing general assessments of efforts to measure corruption.
Summary of panellists’ contributions & discussion points
(please be as detailed as possible)

Two proxy indicators were presented. The first, presented by John Cipperly and Ehrik Aldana from the National Center for State Courts, aims to measure changes in corruption in the judicial sector. The proxy proposed is % of traffic court cases resolved within expected time standards as an indicator of anticorruption reform results in the justice sector. It was noted that this proxy could be helpful for policy evaluation; in particular, tracking trends in judicial reform; identifying and focal points for resource allocation, and tracking the impact of corruption reform.

The second, presented by Mihály Fazekas and Bence Tóth from the Government Transparency Institute, aims to measure corruption in public procurement. The proxy proposed is the age of a company at the time of exchanging with the state. The main strength of the indicator is that is based on objective administrative data and is highly sensitive to change.

More details on the U4 website

Main outcomes of session (include the highlights and interesting questions from the floor)
It was concluded that it is very important to measure on-going efforts in anticorruption. Assessing effectiveness will help improve interventions; finding reliable ways to measure the effects of AC reforms can also motivate more action against it. The conundrum facing anticorruption is how to measure something that is not readily observable.

The first prize was awarded to Mihály Fazekas and Bence Tóth from the Government Transparency Institute.

**Key recommendations and concrete follow-up actions**

Follow up actions include the publication of the winning proxy indicator by U4 and the possible deployment of the indicator by DFID in the field.
We value your assessment following the outputs of the session, if you need to, please get feedback from the session coordinator or the moderator for this component.

What can be done to create opportunities for scaling up the solutions discussed in the session? And by whom?

n/a
Key Insights for the Future of the Anti-Corruption Agenda
(including Game Changing Ideas/ Suggestions/ Actions from the Session)

Anticorruption is in an interesting moment. On the one hand, the desire to fight corruption is very strong as evidenced by the inclusion of corruption-free institutions in the UN development goals. On the other, anticorruption policy could be considered to be the greatest policy failure of last 25 years. It is hard to argue that there has been many successes: we know what doesn’t work rather than what does and evidence papers point to a dismal record, especially with regards to international donors. New thinking is required.

Anticorruption community has not done a good job of what specifying what corruption is. Too often we have fallen back on generic indicators that underspecify corruption, indicators that have not been a good guide for anticorruption efforts. We need more imaginative ways of addressing corruption. There is strong interest among international development agencies to develop such indicators – the U4 proxy challenge will hopefully serve as an inspiration.

It is very important to generate indicators that can be used by development agencies. Indicators should be aimed at showing results over time: do interventions have their desired effect? Key criteria for the development of strong indicators are: validity (i.e does it represent the type of corruption being measured); discerning (i.e it captures changes in corruption from ‘other stuff’); it is comparable over time; it is sufficiently sensitive to detect short term changes; and can be scaled up at reasonable cost.

Participants noted that there is a catalogue of different types of indicators:
- Direct observation indicators but these rare and costly and hard to scale up
- Government data corruption, especially audits or law enforcement
- Experience surveys – TI Barometer, World Bank
- Perceptions based – CPI
- Forensic economics indicators – detect cheating through statistical patterns
- Associated variables of corruption (proxies)

Each indicator has advantages and disadvantages. It is crucial to be aware of the precise purpose of the different indicators. It is only once this has been clarified can we evaluate the strength of a certain indicator. There are many different purposes for indicators:
- Compare countries: advocacy/aid allocations
- Risk assessment: where is the corruption
- Assess progress over time
- Test social science theories
- Assess the effectiveness of anticorruption interventions

Individual indicators are not sufficient: corruption is a form of governance that requires many different indicators. It is a system, underpinned by norms, organisational and systems.
Rapporteur’s name and date submitted David Jackson
02.12.16

Remember! This Long Report needs to be emailed to reports@17iacc.org by 15th December. Thanks!