

Scientific Understanding of Corruption Sought

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(PhysOrg.com) -- Corruption is one of the most cited factors inhibiting economic development. It impedes political and economic growth, reduces the welfare of societies, increases income inequality and reduces trust in political institutions.

The creation of anti-corruption policies is a struggle for policymakers all over the world. Sheheryar Banuri, a <u>political economy</u> doctoral student in the School of Economic, Political and Policy Sciences (EPPS), explains why the task is so daunting.

"If anti-corruption policy measures fail, corruption may then be viewed as a problem that cannot be addressed, so that policy interventions do more harm than good," Banuri said. "This makes the trial-and-error method of policymaking very risky for countries. Policies need to have a high probability of effectiveness before countries will risk implementation, yet there is no venue where they can be tested."

Banuri's dissertation research creates a means of testing these policies. His National Science Foundation grant, "Doctoral Dissertation Research in Political Science: An Experimental Study of Bribery, Nepotism and Patronage," will study different types of corruption intervention policies in the United States and Pakistan through behavioral economics experiments.

"Generally when you formulate policy, policymakers make decisions without knowing the outcome," Banuri said. "Our approach is to use the



scientific process to analyze the effect policy has on individual behavior before the policy is even implemented on the world stage. In essence, it is utilizing our scientific tools to develop policy. Lab experiments constitute a kind of 'wind tunnel' for testing and refining policies."

The proposed experiments investigate three different types of corruption - bribery, nepotism and patronage - and three different policy interventions - sanctions, enhanced civic awareness and improved transparency - in the U.S. and Pakistan.

The international scope of Banuri's research is important because corruption is viewed differently from culture to culture.

"The success of anti-corruption policy is highly reliant upon underlying culture," Banuri said. "The same policies can succeed in one cultural atmosphere but fail in another."

Banuri is conducting his research under the direction of Catherine Eckel, Ashbel Smith Professor of Economics and director of the UT Dallas Center for Behavioral and Experimental Economic Science (CBEES).

Banuri has already started the first two pilot projects of his study using the CBEES lab and the UT Dallas Negotiations Center. He will conduct additional experiments at Rice University's Behavioral Research Lab and at the Institute for Business Administration in Karachi, Pakistan.

These behavioral economics labs offer Banuri an inexpensive, lowconsequence environment to demonstrate how and when anti-corruption policies are likely to be effective.

Banuri earned his bachelor's degree in economics from UT Dallas and is in his fourth year of the political economy doctoral program. He credits EPPS professors for encouraging him to pursue his graduate degree.



"At UT Dallas, the level of faculty support for students is incredible. They care about my development as a scholar and have made me believe not only that my ideas were excellent, but also that they could be implemented in a manner that would allow real positive change in the political-economic arena," Banuri said.

Provided by University of Texas at Dallas (<u>news</u> : <u>web</u>)

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