

Corruption and economic favouritism in policymaking

Winter semester, AY 2024/2025

2 US credits (4 ECTS)

Convenors: Cyril Benoit (SciencesPo, France), Mihály Fazekas (Central European University, Austria), and Sebastian Thieme (Sciences Po, France)

Course description

This course provides participants with analytical and methodological tools for the detection, measurement, and prevention of corruption and economic favouritism in the policy process. Throughout the six-week program, participants will gain a comprehensive understanding of the various forms of corruption and the impact of economic favouritism on policy formulation and implementation. This course adopts a broad comparative perspective, analysing corruption and favouritism across multiple countries and sectors. It offers participants access to rich and original large-scale micro-level data gathered by the instructors as part of their own research projects.

While the course predominantly focuses on themes related to corruption and favouritism, it also introduces essential concepts in political economy and legislative politics. As a result, it appeals to students interested in specialising in these domains.

Learning objectives

There are three main learning objectives attached to this course:

1. **Understanding the Nexus of Corruption and Favouritism:** The course aims to provide participants with a comprehensive understanding of the interplay between corruption, economic favouritism, and policymaking. Participants will explore the underlying factors and mechanisms that lead to corrupt practices and biased policymaking processes.
2. **Identifying Vulnerabilities in Policymaking:** One of the primary objectives is to equip participants with the ability to identify vulnerabilities and loopholes in the law-making process that may enable corruption and favouritism. By examining the stages of policymaking and distributive policies, attendees can recognize potential points of intervention and reform.

3. Promoting Ethical Governance and Transparency: The course seeks to empower participants to act upon and prevent favouritism in policymaking by advocating for ethical governance and transparency. Participants will gain insights into successful strategies employed in different countries and formulate a policy agenda to foster accountable decision-making and promote public interest.

Assessment

- Class-room participation and reaction memo: 20 %
- In-class presentation (group work): 30 %
- Student project & final paper (group work): 50%

Prerequisites

Students should have completed an introductory course in political science or government to be familiar with basic political institutions, processes, and terminology. A basic understanding of microeconomics and macroeconomics will aid in comprehending the economic implications of corruption and favouritism.

Course structure

Each week is a 2 hrs session.

(27.01) Sessions 1: Introduction (Cyril Benoit)

goals of the class

assignments+grading

getting to know each other

Maybe something fun, like a movie clip showing the conflicts and ideas of the course

(3.02) Sessions 2: Political institutions and the law-making process (Cyril Benoit)

- A primer on executive-legislative relations and parliamentary politics
- Stages of the law-making process

Mandatory readings

Cox, G. (2008) "The Organization of Democratic Legislatures". In Wittman & Weingast (eds.) *The Oxford Handbook of Political Economy*.

Martin, L. & Van Berg, G. (2020) "Coalition Government, Legislative Institutions, and Public Policy in Parliamentary Democracies". *American Journal of Political Science*, 64(2): 325-40.

(10.02) Sessions 3: Distributive policy making (Cyril Benoit)

- Legislators and the politics of redistribution

- Pandering and pork-barrel politics

Mandatory readings

Golden, M. and Min, B. (2013) "Distributive Politics Around the World". *Annual Review of Political Science*, 16: 73-99.

Motolinia, L. (2021) "Electoral Accountability and Particularistic Legislation: Evidence from an Electoral Reform in Mexico". *American Political Science Review*, 115(1): 97-113.

(17.02) Sessions 4: Corruption and Legislative Favouritism (Cyril Benoit)

- The concepts of corruption, favouritism, and capture
- A primer on Informational and Quid-Pro-Quo Lobbying

Mandatory readings

Benoît, C. et al. (2023). "Data Science meets Political Economy: Applications to Legislative Favouritism around the World". In Giest et al. (eds.). *Handbook of Governance and Data Science*.

Kunicova, J. & Rose-Ackerman, S. (2005) "Electoral Rules and Constitutional Structures as Constraints on Corruption", *British Journal of Political Science*, 24(2): 225-248.

(24.02) Winter break - No class

(3.03) Session 5: External groups influencing policy making (interest groups) (Sebastian Thieme)

- What are different ways in which private interests try to influence policy making?
- How do institutions affect the way in which private interests seek to influence policy?

Mandatory readings:

Hall, R. L., & Deardorff, A. V. (2006). Lobbying as legislative subsidy. *American Political Science Review*, 100(1), 69-84.

Weiler, F., & Brändli, M. (2015). Inside versus outside lobbying: How the institutional framework shapes the lobbying behaviour of interest groups. *European Journal of Political Research*, 54(4), 745-766.

Optional readings:

Becher, M., & Stegmueller, D. (2021). "Organized Interests and the Mechanisms behind Unequal Representation in Legislatures." In Jonas Pontusson and Noam Lupu (eds.) *Unequal Democracies: Public Policy, Responsiveness, and Redistribution in an Era of Rising Economic Inequality*, 133-155.

Culpepper, P. D. (2015). Structural power and political science in the post-crisis era. *Business and Politics*, 17(3), 391-409.

Gordon, S. C., & Hafer, C. (2014). "Conditional forbearance as an alternative to capture: Evidence from coal mine safety regulation," In Carpenter, Daniel; Moss, David A. (eds). *Preventing Regulatory Capture: Special Interest Influence and How to Limit it* Ch. 9.

(10.03) Sessions 6: Legislative processes, outputs and outcomes (Sebastian Thieme)

- Parliamentary process: government control of the agenda and legislative scrutiny
- Linking process with outputs and outcomes

Mandatory readings:

Döring, H. (1995). Time as a scarce resource: Government control of the agenda. In Herbert Döring (ed.) *Parliaments and majority rule in Western Europe*, 223-46. Campus.

Sargeant, J, Pannell, J. (2022). "The legislative process: How to empower parliament."

Report produced as part of the Institute for Government / Bennett Institute for Public Policy 'Review of the Constitution'. URL: <https://www.bennettinstitute.cam.ac.uk/publications/the-legislative-process/>

Optional readings:

Baumgartner, F. R., Brouard, S., Grossman, E., Lazardeux, S. G., & Moody, J. (2014). Divided Government, Legislative Productivity, and Policy Change in the USA and France. *Governance*, 27(3), 423-447.

Huber, J. D. (1992). Restrictive legislative procedures in France and the United States. *American Political Science Review*, 86(3), 675-687.

(17.03) Sessions 7: Data on legislative processes, outputs and outcomes (Sebastian Thieme)

- Parliamentary websites and data sources
- Standard datasets on law making

Mandatory readings

Fazekas, M; Benoit, C; & Brenner, D. (2024) An Introduction to LegDat: The global dataset of legislative processes, outputs and outcomes. CEU Global Corruption Observatory-Project Report. 2024 October.

Analytics portal to use: <https://globalcorruptionobservatory.com/>

Karpen, U. & Xanthaki, H. (2020): *Legislation in Europe. A Country by Country Guide*, Hart Publishing: New York. Selected chapters.

(24.03) Sessions 8: Detecting and measuring legislative favouritism (Mihály Fazekas)

- Origins of legislation: government versus legislators
- The politics of emergency procedures and circumventing parliamentary oversight
- Information overload: legislative overproduction and timing legislative acts
- Types and shapes of 'favouristic' laws (monster bills and omnibus laws)
- Legislative instability

Mandatory readings

Benoît, C. et al. (2023). "Data Science meets Political Economy: Applications to Legislative Favouritism around the World". In Giest et al. (eds.). *Handbook of Governance and Data Science*.

Magar, E., Palanza, V. & Sin, G. (2021) "Presidents on the Fast Track: Fighting Floor Amendments with Restrictive Rules", *The Journal of Politics*, 83(2): 633-646.

OECD Public Integrity Indicators: <https://oecd-public-integrity-indicators.org/indicators/1000097>

Analytics portal to use: <https://globalcorruptionobservatory.com/>

Optional readings

Waismel-Manor, I. et al. (2022) "Should I Stay (Open) or Should I Close? World Legislatures during the First Wave of Covid-19". *Political studies*: E-pub ahead of print.

Rozenberg, O. (2021) "When Rationalisation of Bureaucracy De-rationalizes Laws and Legislatures: 'Monster Bills' in France". In Bar-Siman-Tov, I. (ed.). *Comparative Multidisciplinary Perspectives on Omnibus Legislation*, Springer.

Krutz, G. (2001) "Tactical Manoeuvring on Omnibus Bills in Congress". *American Journal of Political Science*, 45(1): 210-223.

(31.03) Sessions 9: Undue influences on legislatures and legislators (Mihály Fazekas)

- Political donations
- Legislators' outside jobs
- Lobbying

Mandatory readings

Bombardini, M., & Trebbi, F. (2020) Empirical Models of Lobbying. *Annual Review of Economics*, 12, 391-413.

McKay, A. M. (2018). Fundraising for Favors? Linking Lobbyist-Hosted Fundraisers to Legislative Benefits. *Political Research Quarterly*, 71(4), 869-880.

Optional reading

Weschle, S. (2024), Politicians' Private Sector Jobs and Parliamentary Behavior. *American Journal of Political Science*, 68: 390-407.


(07.04) Sessions 10: Analysing the outcomes and impacts of legislative favouritism (Mihály Fazekas)

- Legislative favouritism and legislative (in)stability
- The distributive implications of legislative favouritism
- The growth costs of favouritism

Mandatory readings

Bentley Coffey, Patrick A McLaughlin, and Pietro Peretto (2020) "The cumulative cost of regulations" *Review of Economic Dynamics*, 38, 1-21.

Scott R. Baker, Nicholas Bloom, Steven J. Davis, Measuring Economic Policy Uncertainty, *The Quarterly Journal of Economics*, Volume 131, Issue 4, November 2016, Pages 1593–1636


Fazekas ; Benoit, C; & Brenner, D. (2024) An Introduction to LegDat: The global dataset of legislative processes, outputs and outcomes. CEU

Analytics portal to use: <https://globalcorruptionobservatory.com/>

Optional readings

Aizenman, J., & Marion, N. (1993) “Policy uncertainty, persistence and growth.” *Review of International Economics*. 1(2), 145–163.

(14.04) Sessions 11: Acting upon and preventing legislative favouritism (Mihály Fazekas)

- Parliamentary ethics committees and codes of conduct
- Preventing corruption and favouritism  through asset and interest disclosures, party finance regulations and transparency.

Mandatory readings

Saint-Martin, D. (2020) “The comparative institutional analysis of parliamentary ethics”. In Benoit, C. & Rozenberg, O. (Eds.). *Handbook of Parliamentary Studies*, Edward Elgar.

Hummel C, Gerring J, Burt T. Do Political Finance Reforms Reduce Corruption? *British Journal of Political Science*. 2021;51(2):869-889.

Optional readings

Carpenter, D. & Moss, D. (eds.) (2014) *Preventing Regulatory Capture: Special Interest Influence and How to limit it*, New York: Cambridge University Press.

Robert Williams (2000) *Party Finance and Political Corruption*. Palgrave Macmillan.

(21.04) Easter - No class

(28.04) Sessions 12: Student presentations (Mihály Fazekas, Sebastian Thieme, Cyril Benoit)