Urban Corruption Policy Analysis

UNLV: PUA-791
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Presentation
WELL IT IS NICE TO BE ROBBED BY SOMEONE OTHER THAN A POLITICIAN.
Units of Analysis

- U.S. cities with population greater than 100,000 people.
- Elected City Officials (approximately 1,803)
- Heads of Development Agencies (approximately 1,373)
- Home Builders Associations (HBA)
TODAY'S VOCAB WORD: CORRUPTION
Definition

- "Corruption is behavior which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence. This includes such behavior as bribery (use of a reward to pervert the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding uses)." (Nye 1967)

- Short version:
  Corruption is behavior that deviates from duty for personal gain, (from a legal sense not a moral sense).

- Issue:
  Corruption may also include deviation from duty in a moral sense and may also result in the public’s loss.
Study Focus

Hence we defined corruption as follows:

- Corruption are acts that deviate from duty or rules and may result in an individual’s private gain or the public’s loss.
  - Such acts include:
    - Bribery
    - Gift giving
    - Patronage (giving jobs as favors for something in return)
    - Prejudice (giving preferential treatment to one class, group, or individual)
    - Misappropriation of public resources
Purpose of Study

- Improve definition.
- Does corruption exist?
- How pervasive is it?
- What are the underlying causes of corruption?
- What is the impact/cost/effects of corruption?
- Is there policy against it?
- Is it being monitored?
- How effective is enforcement?
Hypotheses

$H_1$: Urban corruption is pervasive throughout the United States.

$H_2$: Corruption is caused by market and institutional inefficiencies or greed.

$H_3$: Corruption leads to a decline in the quantity, quality, and access of public services as well as public distrust.

$H_4$: Current anti-corruption policy is ineffective.
Weaknesses of Study

- Limited time & cost.
- Limited units of analyses (i.e. media, public, appointed public officials, other agencies, etc.).
- Limited by survey responses (number of responses and reliability of responses).
- Limited agreement on definition of corruption.
- Corruption is a socially discharged word with negative connotations.
- Limited research on urban corruption.
- Topic is broad (further analyses required).
Survey

To Elected Officials:
- First sent on May 23, 2008
- Sent 5 reminders to date.

To Development Agencies:
- First sent on June 23, 2008
- Sent 4 reminders to date.
What we hoped to gain...
## Survey Respondent Results

<table>
<thead>
<tr>
<th>RESPONDENT GROUP</th>
<th>UNITS</th>
<th>RESPONDED</th>
<th>RESPONDED %</th>
<th>UNRESPONDED ADJUSTED</th>
<th>UNRESPONDED ADJUSTED %</th>
<th>OPTED OUT</th>
<th>BOUNCED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elected Officials (EO)</td>
<td>1807</td>
<td>126</td>
<td>7.22%</td>
<td>1619</td>
<td>92.78%</td>
<td>29</td>
<td>62</td>
</tr>
<tr>
<td>Home Builders Associations (HBA)</td>
<td>670</td>
<td>15</td>
<td>2.37%</td>
<td>619</td>
<td>97.63%</td>
<td>19</td>
<td>36</td>
</tr>
<tr>
<td>Associated General Contractors (AGC)</td>
<td>49</td>
<td>1</td>
<td>2.08%</td>
<td>47</td>
<td>97.92%</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>American Institute of Architects (AIA)</td>
<td>241</td>
<td>6</td>
<td>2.67%</td>
<td>219</td>
<td>97.33%</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>American Society of Civil Engineers (ASCE)</td>
<td>110</td>
<td>8</td>
<td>7.77%</td>
<td>95</td>
<td>92.23%</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>International Code Council (ICC)</td>
<td>298</td>
<td>16</td>
<td>5.69%</td>
<td>265</td>
<td>94.31%</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>3175</td>
<td>172</td>
<td>5.67%</td>
<td>2864</td>
<td>94.33%</td>
<td>73</td>
<td>139</td>
</tr>
</tbody>
</table>

*Unresponded total was adjusted by removing those that were bounced and did not have a chance to respond.*
Respondent Distribution

Respondents
(% Sent vs. % Responded)

- ICC: 9.30% (% Sent), 9.39% (% Responded)
- ASCE: 4.65% (% Sent), 3.46% (% Responded)
- AIA: 3.49% (% Sent), 7.59% (% Responded)
- AGC: 0.58% (% Sent), 1.54% (% Responded)
- HBA: 8.72% (% Sent), 21.10% (% Responded)
- EO: 56.91% (% Sent), 73.26% (% Responded)
Witness/Experience Corruption?

Response

Percentage

Yes

No

37.2

62.8
Most Common Types of Corruption.

- Bribery: 53.1%
- Gift Giving: 33.6%
- Patronage: 31.3%
- Prejudice: 32%
- Misappropriation of Resources: 31.3%
- Deviation from Duty: 8.6%

Giving preferential treatment to one class, group or individual.
Regional Similarity

NORTH
Yes: 39.06%  No: 60.94%

SOUTH
Yes: 35.51%  No: 64.49%
Regional Similarity

WEST
Yes: 34.18%  No: 65.82%

EAST
Yes: 39.13%  No: 60.87%
Hypothesis 1

- H1: Urban corruption is pervasive throughout the United States.

- Inconclusive due to low response rate.
Causes of Corruption?

Size & Structure of Organization Does Not Matter

SIZE
- Larger: 25.4
- Smaller: 9.4
- Same: 65.2

STRUCTURE
- Centralized: 14.3
- Decentralized: 71.4
- Equal: 14.3
Process Inefficiency

Due to process inefficiency

In order to remain competitive & profitable

Agree: 97%

Disagree: 3%

Agree: 71%

Disagree: 29%
Hypothesis 2

- H2: Corruption is caused by market and institutional inefficiencies or greed.

  ➢ Inconclusive due to low response rate.
Effect on Society

Increases Costs of Doing Business
- Agree: 4%
- Disagree: 96%

Trust in Local Government
- High: 13%
- Low: 87%

More Services Could Be Offered
- Agree: 34%
- Disagree: 66%

Quality of Services
- High: 14%
- Low: 86%
H3: Corruption leads to a decline in the quantity, quality, and access of public services as well as public distrust. 

Inconclusive due to low response rate.
Can anything be done about it?

Socially Accepted Norm?

Corruption is just a part of doing business

2%

98%

Agree
Disagree

T.U. HANG WHAT HAYING...

- UNFORTUNATELY.
"I don't condone it, certainly, but there's nothing in our code of ethics that specifically forbids it."

All agencies have a Code of Ethics.
56.7% Have Taken Ethics Training in Last 12 Months
Hypothesis 4

• $H_4$: Current anti-corruption policy is ineffective.

Inconclusive due to low response rate.
What policy is preferred?

- 32.9% Tougher Anti-Corruption Laws
- 49.1% Regularly-Scheduled Mandatory Ethics Training
- 68.9% Regularly-Scheduled Audits by External Auditors
"Put good people in office."
RECOMMENDATION

1. Establish anti-corruption policy.
2. Provide regular training on anti-corruption policy.
4. Enforce anti-corruption policy.
5. Conduct regular, independent audits.
Thank You