

Can International Water Targets Be Met Without Fighting Corruption?

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Background paper*

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Introduction

Researchers and policy makers alike increasingly agree on the importance of abating corruption to achieve sustainable development. Uncorrupt institutions for public governance and economic transaction seem to be an important, if not the most important, asset for countries and local governments to achieve sustainable development (Kaufmann, 2004; de Soto 2001; World Bank, 2000; Rodrik 1999).

It is only recently that corruption and anti-corruption have started to receive attention as crucial for sustainable development. Until the mid-1990s, it was common to think of corruption as either a minor problem or, in some cases, as serving to “grease” the market and thus increase economic growth and development. Today the research and policy community is strongly emphasizing the negative impacts of corruption on economic, social and political development. For instance, the World Bank Research Institute identifies levels of corruption as one of the major obstacles for economic development (Kaufmann 2004; cf. Hope and Chikulo, 1999). Furthermore, corruption undermines not only economic development but also the democratic quality of political systems and increase social injustice (Sida 2003).

Within public service institutions for water, corruption remains one of the least addressed challenges. It is generically difficult to quantify the magnitude of corruption in water resources management, but according to a conservative estimation by the World Health Organization, 1.3 billion people lack access to sufficient quantities safe water, and nearly 3 billion people are without adequate sanitation. 80 percent of all illnesses in the developing world are the result of waterborne diseases. A conservative estimation is that 10.000 people die every day from water and sanitation related illnesses (SIDA 2004, Bosch 2002:273, Cunningham & Saigo 2001:433, Postel 1997:221). This enormous problem is by an increasing number of experts in the area no longer seen as an engineering problem, that is, it is not lack of technical solutions (dams, etc.) or natural supply of clean water that is the main problem. Instead, the problem lies in dysfunctional administrative institutions. More precisely, the problem is seen as caused by lack of adequate institutions for maintenance, pricing and distribution of rights to land and water (Burns & Meinzen-Dick 2000:15, Meinzen-Dick et al 2002, World Bank 2004, Meinzen-Dick & Gregorio 2004).

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With increased awareness of the detrimental effects of corruption, strategies to fight corruption have become more important in policy circles around the world. Many states have some sort of anti-corruption strategy, although there are great differences in terms of scope, impact and political will. More or less all large donor agencies are involved in the fight against corruption as they realize that corruption seriously impedes on development and the prospects to meet the Millennium Development Goals (Sida 2003, 2004).

Corruption and its consequences for development and water

More than \$1 trillion dollars (US\$1,000 billion) is paid in bribes each year worldwide in both rich and developing countries, according to estimates by the World Bank Institute (WBI). This is almost equal to the combined GDP of low income countries. The \$1 trillion figure, calculated using 2001-02 economic data compares with an estimated size of the world economy at that time of just over US\$30 trillion and does not include embezzlement of public funds or theft of public assets. It is very difficult to assess the extent of worldwide embezzlement of public funds, it is a very serious issue in many settings. For example, Transparency International estimates that former Indonesian leader Suharto embezzled anywhere between \$15-35 billion from his country, while Ferdinand Marcos in the Philippines, Mobutu in Zaire and Abacha in Nigeria may have embezzled up to \$5 billion each.

The estimation of global corruption costs does not take into account indirect costs in the form alternative uses of funds to reduce poverty and inequalities, water provision, health and education etc. WBI research suggests that countries that tackle corruption and improve their rule of law can increase their national incomes by as much as four times in the long term, and with drastic improvements in service provision, such as water supply, sanitation and health.

Corruption is costing the water sector million of dollars every year. It siphons off scarce monetary resources and diminishes a country's prospects for providing water and sanitation for all. It also leads to inefficient and unequal allocation and distribution of water resources and related services. It also contributes to increased water pollution and over-abstraction of ground- and surface water.

Corruption is a serious problem within the water sector, but empirical evidence is lacking to make generalisations of the magnitude of the problem and exactly by how much it contributes to unsustainable uses of water resources, water pollution and how much it is draining water development efforts. Corruption takes place in all countries. In some countries corruption takes place on a more systematic basis and it is many times seen as a part of how business is being done between public agencies and citizens and between public agencies and the private sector, as well as within the public sector itself.

It is recognised that the potential for grand corruption is high in the water, mining, oil, arms and forestry sectors, where contracts tend to be huge and companies with the capacity to implement them are few. The same high corruption potential also applies to petty corruption in the water sector. Two short examples of water and sanitation and irrigation are provided in the appendix. These examples are randomly chosen and not intended to suggest that any country or water sub-sector is worse than any other.

In places where corruption is endemic, the consequences are disproportionately borne by the poor who have no resources to compete with those able and willing to pay bribes. In the end, corruption tightens the shackles of poverty on countries or groups that can least afford it. Despite that citizens in theory have an option if to stay out of corruption it is many times difficult

since the choice can be between having or not having access to drinking water or having sufficient irrigation water for agricultural crop production. Buying water from private water vendors is in general more costly than the municipal water supply. Water is something everybody needs and there is no substitute for it. Thus, in reality, there are many times very little options for a citizen than bribing officials for receiving water and sanitation services.

As indicated above the direct and indirect costs of corruption are huge. Consequently corruption:

- Reduces economic growth and discourages investments within the water sector. It also undermines performance and effectiveness of both public and private sectors.
- Decreases and diverts government revenues that could have been used to strengthen budgets and improve services, especially for poor people.
- Misallocates scarce resources, both monetary and natural resources, such as water.
- Renders rules and regulations ineffective. This can have very serious consequences for the environment and sustainability of water resources and related services.
- Breeds impunity and dilutes public integrity. Discretionary powers and uncertainties in policy and law enforcement create unpredictability and inequalities that can lead to societal erosion and upheaval.
- Violates human rights. It can lead to that those who should be punished are unpunished. The rule of law and justice system can collapse.

The Way Forward

It is apparent that corruption affects development in many negative ways and that it is often the poor that have to carry the burden for not having access to services and basic natural resources. How can corruption be abated? Below follow some examples, of both “the carrot and the stick”, of issues that must be addressed:

- **Viewing corruption within the context of governance** and institutional change. Promoting the rule of law, protection of property rights, freedom of the press, political competition, and transparency in general, and in politics in particular (such as in campaign finance) is vital. Mechanisms to allow citizens to have an effective voice are also central.
- **The power of information and transparency.** Reformist countries utilize data to measure and monitor progress on governance and assist in decision-making on governance and corruption. Pro-transparency measures such as Freedom of Information Acts, public asset disclosure by high officials, and transparent access to the voting records of parliamentarians should be further encouraged. As important is the continuing scaling up in worldwide indicators as well as country-specific diagnostic efforts.
- **Revisiting the wisdom of anti-corruption agencies and traditional legal initiatives.** The overall record of anti-corruption agencies (which are often created for political expediency and at the expense of difficult systemic reforms) is mixed at best. So is the focus on redrafting laws. This suggests that a shift away from these agency-creation and/or traditional legal initiatives may be warranted. Instead, what is needed is moving towards much more focus on incentives, prevention, and systemic institutional and regulatory reforms, focusing on existing public, private and civil society institutions.
- **Citizen involvement in fighting corruption.** Anti-corruption efforts cannot succeed only by actions of a few government agencies. Civil society, the media, Parliament, the judiciary and the private sector must be involved in a participatory way, with full voice and empowerment. Innovative ways of involving the citizenry at the local level, working

with their municipalities to improve governance and control corruption, can be very effective.

- **Create incentives/rewards, such as increased salaries for public officials.** This however has to be combined with strict enforcement of rules and regulations.
- **Open and transparent private sector competition, to avoid capture of state institutions by monopolistic private vested interests.**
- **Domestic politics contributes enormously to the success or failure of any effort to reduce corruption.** Vested interests need to be explicitly recognized and understood, acknowledging that at times the domestic private elite exerts undue influence against public governance reforms. For reforms to proceed, there has to be leadership from within the domestic political scene, which is prepared to overcome pressures blocking reforms from members of the public and private sectors. A redoubling of international efforts is crucial, but these will not succeed without leadership and resolve from within the country.
- **The role of international organisations.** International organizations need to distill the lessons of experience and suggest frank and concrete steps to improve results. Multinational corporations can significantly affect governance and corruption within an emerging economy - for better or worse. Thus, a set of incentives and transparency measures (such as 'publish what you pay' to governments; debarring of rogue firms engaged in bribery, etc.) is required to ensure a positive influence. Further disclosure in international banking and tackling money laundering are also important.

Some issues to be considered

- Why does corruption exist? And how does it affect development in general and the water sector in particular? Can countries meet international water development targets without addressing corruption?
- What is the logic of corruption in the water sector and its effects on socio-economic equality and efficiency in the areas of:
 - Water allocation and financing of water related services and infra-structure development (for example, water supply and sanitation, irrigation, dams etc.)
 - Impacts on water degradation and depletion (for example, falling groundwater tables, reduced water flows and water pollution).
 - Impacts on water institutions and their efficiency
- How does processes of globalisation and privatisation of water related services affect corruption? Some argue that privatisation and globalisation is a part of the solution to fight corruption, while others argue that privatisation and globalisation opens up new corruption avenues for contracting water concessions etc.
- What are the lessons learned in keeping checks and balances on corruption? What is the role of civil society, media etc.
- How can corruption be abated? How does economic development affect corruption? The battle against corruption is multi-pronged and would thus require actions at many levels in the form of public sector reform, increased salaries among public officials, strict enforcement of existing rules and regulations, improved accountability and transparency, multilateral cooperation and coordination to track financial flows and monitor international contracts etc.

- What measures are currently taken by governments, bilateral and multilateral organisations, NGOs, private sector etc. to fight corrupt behaviour? Progress has been made in fighting corruption in some areas, but much still needs to be done. The main challenge lies ahead, and will require enormous political resolve, by national governments, the private sector, and international bodies. On the international scene, one positive outcome is the adoption of the United Nations Convention Against Corruption, signed in December 2003 in Merida, Mexico. Other international organizations, such as the Organization of Economic Co-operation and Development and the Organization of American States, have also anti-corruption conventions in place.

Box 1. Definitions of corruption

The United Nations Development Programme (UNDP) defines corruption as: *The misuse of public power, office or authority for private benefit – through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement. Although corruption is often considered a sin of government and public servants, it also prevails in the private sector.*

In any corrupt practice it takes at least two to tango. Public officials and politicians are often at centre-stage since it is they who are making decisions over how societies' collective public budget should be allocated and what policies, formal rules and regulations that should apply and how they should be implemented. The bribe-giver may be local or international. In fact, complicity by multinational companies is often cited as a major factor in facilitating corruption in developing and transition nations (Transparency International 2002). Corruption is not only about exchange of money and services it also takes the form of cronyism, nepotism and various kinds of kick-backs.

Scales of corruption are normally divided into:

- *Grand corruption* normally refers to political corruption and kick-backs in large scale contracts for water infrastructure development. Comparatively large bribes and commissions are demanded or offered. This can also include bribes for not enforcing for example water pollution regulations or levels for ground water pumping etc.
- *Petty corruption* refers to implementation and street-level bureaucrats. Small bribes and favours are demanded or offered by households and firms to cut through red-tape and to ensure the delivery of services according to “the rules and regulations” or “against the rules and regulations”. It can, for example, involve the tampering of water metres, bribes for connecting households to municipal water supplies, disregarding illegal water and sewerage connections etc.

A simple equation has been devised that points to causes of corruption:*

$$\text{Corruption} = (\text{Monopoly} + \text{Discretion}) - (\text{Accountability} + \text{Integrity} + \text{Transparency})$$

In addition, it is useful to distinguish between *collusive* corruption, where both the bribe-taker and the bribe-giver gain from the exchange, and *extortive* corruption, where the bribe-taker is being exploited by the bribe-giver.

Box 2. What causes corruption?

The cause of corruption is frequently described from the perspective of interest oriented actors. This perspective suggests that the problem of corruption is the following: From an interest-based perspective, every political and economic actor would prefer to have political institutions (regulations and laws) that work in the favor of their special interests. Thus, from an interest-based understanding of politics, there is simply no good solution to the problem of how impartial and uncorrupt government institutions can be created. In part of the literature, this is known as the problem of “credible commitments” (Weingast 1993, Miller and Hammond 1994; Williams et al. 1995). Yet we know that this sometimes happens, but we lack a theory of under what circumstances it is more likely to happen (Rothstein 2004).

Why should self-interested utility maximizing politicians or senior civil servants, who have the most to gain through bribery and corruption, be in the least interested in implementing impartial institutions based on strong principles against corruption? This has been formulated as the question of “who will execute” the reforms needed to change a corrupt structure if top management is made up of self-interested utility maximizers (Shleifer and Vishny 1998: 5; cf. Mbaku 2000).

Much research also points to the link between corruption and poor governance in both private and public spheres. In many countries the legislative framework and judiciary systems are often inadequate and too weak. When this is combined with, for example, low wages, huge income disparities (both within and between countries) and accountability and transparency shortcomings the drive for of private economic gains can be stronger than the concern for the well-being of citizens in the form of providing water related services and the sustainable development of water resources. From an institutional perspective, corruption arises when public officials have wide authority, little accountability and perverse incentives, or when their accountability responds to informal patron-client linkages rather than formal forms of regulation. Some reports suggest that most of those engaging in corruption believe that they are entitled to the benefits they reap. Indeed, civil service is frequently seen as a legitimate opportunity to enrich oneself and take care of one’s family or other social obligations (Mbaku 1996:104; Andvig et al. 2000:63, 68–9). Together, these factors can lead to an entrenched “culture of corruption,” where the social stigma attached to such practices may be lower and tolerated by the public as part of everyday life and normal business practice, even if it does not wholly approve.

As Blomkvist has asserted, much of the advice emanating from organizations like the UNDP, IMF and the World Bank on the importance of action against corruption and the establishment of high quality administrative bodies under the rule of law is based precisely on the presumption of access to the kind of administrative praxis that these countries lack; that is, they presume that the desired end already exists (Blomkvist 2001). While the pressure for changing institutions from international organizations may be influential, it is in no way certain how the causality works, that is, which means are efficient to accomplish change from low to high quality institutions. Pranab Bardhan argues that it is “wrong to suggest that concern about public corruption is peculiarly Western. In most of the developing countries, public opinion polls indicate that corruption is usually at the top of the list of problems cited by respondents” (Bardhan 1997:1330; see Sithole et al 2001). Thus, neither interest based nor culturally based explanations are sufficient. The causes behind the establishment of high quality government institutions remain a theoretical puzzle.

Box 3. Previous research on corruption and anti-corruption

Current research is reasonably strong with respect to theorizing and measuring the detrimental effects of corruption. There is also an increasing amount of studies focusing on the causes of corruption, analyzing economic factors such as levels of income, trade, degree of state control over the economy, integration with the global economy; societal factors such as education, social trust, ethnic homogeneity, religious orientation; political-institutional factors such as democracy, rule-of-law, international actors, civil society participation, transparency, free press etc (Hope and Chikolu 1999; Rose-Ackerman 1999; Treisman 2000; Andvig and Fjeldstad 2001; Marquette 2003).

While this research will provide the basis for a general understanding of the dynamics of corruption it is only a starting point for the issue of how to successfully fight it. Some of the most often mentioned political institutional factors which might reduce the level of corruption are accountability, transparency, checks and balances, a free press, an independent anti-corruption agency, civil society participation and an independent court system. These are the core components of anti-corruption reforms and the main variables which the project will focus upon (World Bank 2000; Matsheza and Kunaka 2000; Stapenhurst and Kpundeh 1999). However, the success of institutional reforms focusing on these types of factors can be expected to vary depending on the circumstances under which they are implemented. The interaction effects will be considerable. For example Lindstedt has found that the correlation between a free press and lower corruption only holds for democratically consolidated countries (Lindstedt 2005). Similarly, Williams and Doig argue that the success of independent corruption agencies largely depends on the political-institutional environment in which they are placed (Williams and Doig 2004). A one-size-fits-all approach will not work. An important research task, therefore, which this project seeks to address, is how the “standard” variables in the literature interact with other factors at ground level. For instance, the particular nature of state-society relations in Africa as well as the various degrees of statehood in the different country cases must be taken into account both in the analysis and policy prescriptions.

While there is a growing amount of research on the causes of corruption in general, empirical studies of anti-corruption reforms are few. According to the OECD/DAC “anti-corruption information is difficult to find”. And further: “When it is found, most of the available information is descriptive. There is little synthesis or analytical work done and very little documented evaluative material.” (DAC 2003: 54. cf. Gillespie and Okruhlik 1991; Stapenhurst and Kpundeh 1999; Matsheza and Kunaka 2000; Fitzpatrick 2003; Quah 2003; Bhargava and Bolongaita 2004). The DAC report further states that “sustainable reductions in corruption will only come from comprehensive approaches that attack a range of key governance reforms. It is possible to support specifically focused activities but they should be part of this more comprehensive approach” (DAC 2003: 51). Thus, understanding the interaction effects of different institutional and contextual factors is a key issue.

The effect of anti-corruption reforms will also depend on the type of corruption being addressed (see definitions above). The common definition of corruption - “the abuse of public power for private benefit” - is relevant but encompasses many different forms of action. For example *collusive* corruption, where both the bribe-taker and the bribe-giver gain from the exchange, may require other types of action than *extortive* corruption, where the bribe-taker is being exploited by the bribe-giver. In the latter case the incentives of the bribe-giver to end the corrupt practices may be used in an anti-corruption campaign. The distinction between black, gray and white corruption – indicating different levels of public acceptance of the corrupt activities – is also relevant (Heidenheimer 1970: 26f). It is also obvious that high-level corruption, also called “political” or “grand” corruption, that takes place at the highest levels of political authority, is different from low-level corruption (petty or street level corruption) and may require different solutions. There are cases where corrupt political leaders have initiated successful campaigns against petty corruption (Karlström 2003), but without paying much attention to other forms of corruption. However, it is commonly held that different forms of corruption are interrelated. There also seems to be a consensus in the literature that without a strong political commitment anti-corruption reforms are doomed to fail (Berg 2005; Williams and Doig 2004).

Box 4. Examples of corruption in the water sector

Information asymmetry: Corruption and rent-seeking in irrigation

Concrete measures designed to limit the asymmetrical information status include: task profiles that facilitate monitoring, management information systems or else co-ownership and team formation (for social control). Ways to improve incentives and bring the service providers' interests in line with those of the clients may be bonus payments, prospects for future contracts or contract improvements and manipulating the service providers' various alternatives for action (in order to prevent him from having more attractive options to the use of the resources available to him).

A remarkable way of redressing the asymmetrical information status in water user associations has been reported from traditional irrigation schemes in the Andes (Huppert and Urban, 1998). Irrigation farmers in the Bolivian Andes still apply the principle of "rotating tasks" ("cargos rotativos"). Members of different age groups are responsible for different tasks in the operation and maintenance of the irrigation system. This age-dependant rotation means that in the course of time everyone becomes familiar with all the essential tasks needed to keep the system functional. At the same time, it prevents one particular person from gaining specialised knowledge which is not available to the others. In other words, it prevents the emergence of an asymmetrical information status and hence limiting the risks of corruption and manipulation.

An example of an incentive based prevention of potential moral hazard risks in irrigation is provided by franchise systems like the one the French Government is using in the Gascogne (Huppert and Hagen 1999). There is a 10-year concession to the "Compagnie d'Aménagement des Coteaux de Gascogne" (CACG) to provide operation and maintenance services to water users in irrigation systems. If CACG as a provider does not perform in the desired way, another provider will be chosen for the next term. Creating a credible "threat of competition" between alternative providers will act as an incentive for them to restrict themselves and not to deviate too far from the buyer's interests when deciding upon the allocation of scarce resources. If wasteful suppliers fail to comply with the buyer's interests, they lose their source of income.

But how can one redress the situation where an irrigation engineer or ditchrider tries to keep water delivery unpredictable to the farmer in order to secure illegal payments? Clearly, functioning management information systems may help to rectify such deficiencies. But what, if it is not in the interest of the engineers to make such a system function effectively? A guiding principle is to try to link service level and quality to the respective actors' payoffs (monetary and non-monetary). Thus unifying decision rights over input resources with the right to collect payoffs in relation to the service benefit from those decisions may solve the problem. However, this must be coupled to the empowerment of the farmer-clients so that they gain access to relevant information, especially in cases where external influences (such as varying water availability) make it difficult to establish a fixed level of service.

Lessons learned with recent irrigation reforms in Andhra Pradesh, India illustrate how such approaches can be applied in practice. Svendsen and Huppert (2000) report that previously, due to intransparencies of the kind described above, engineering staff could play one farmer off against another, opening up opportunities to secure and bid up side payment for preferential treatment in water delivery. However, irrigation reforms introduced two important changes: First, Water User Associations (WUA) were established at the level of the minor canals and committees were formed on the next higher level of canals (Distributory Committees). Secondly, specified on-site engineers from the responsible irrigation agency were allocated new roles as so-called Competent Authority (CA). They are charged with supporting the Committees and WUA's in technical matters. Under the new set-up, the Distributory Committee interacts with the Competent Authority to plan a water delivery schedule for all the WUA's represented in that Committee. Thus, water availability and water allocation are made transparent – also for the individual WUAs. The farmers now have a hand in arranging service delivery, a process which had previously bypassed them entirely. Their only function under the old setup was to use whatever water they received to grow crops. The change is important, in terms of incentives, because the users of the service are the ones with the strongest conceivable incentive to arrange the highest possible quality of irrigation service. They replace, in the function of arranging the water delivery schedule, irrigation technicians and engineers who have little or no stake in the quality of service they provide, and thus little incentive to act in the interests of the farmers. In this way, the farmers' new role in arranging service provision helps to close off the avenues for rent seeking behaviour open to water delivery staff.

Conclusions

Given increasing water scarcity problems worldwide, improving the efficiency of water management, particularly in irrigation, is of the utmost importance. However, many irrigation systems are locked in an inefficiency trap. This trap is due to the fact that inefficient water delivery and maintenance may provide sources for additional income or at least offer non-material advantages to the providing managers or technicians. In terms of the personal goals of income maximization and extension of socio-economic power that are pursued (not only) by most of the irrigation staff, such system inefficiencies may be highly efficient in terms of personal gain. More often than not they pave the way to rent-seeking activities and corruption. Therefore, the common practice of searching for technical and / or economic / financial solutions to the efficiency problem in irrigation is bound to fail in many cases. While this will often be the case in state-administered systems, farmer-managed irrigation systems are by no means immune to such incentive distortions.

It is therefore imperative to give more space to provider-client analysis in water management, and to search for solutions to problems of transparency and accountability. The degree of commitment attached by local governments to such approaches may be a good indicator of the chances for real performance improvements in the irrigation sector of the country in question.

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Source: Walter Huppert, “Principal-agent” problems in water management – inviting rent-seeking and corruption

Box 5. Example of corruption in the irrigation sector

Agriculture is the single largest sector in Pakistan's economy. It contributes a quarter of the country's Gross Domestic Product and, employs almost half of the labour force. Agricultural production is very dependent on irrigation and the Indus Basin Irrigation System and ground water resources irrigate 80 percent of cropped land.

One important factor that hampers productivity in the rural sector is the difficulty to acquire access to irrigation water, especially for tail-enders and small farmers in general. It has been observed that land inequality in rural Pakistan also reinforces inequities in access to "critical resources" like canal irrigation. Although canal irrigation substantially increases productivity, the pricing regime and delivery mechanism for canal water clearly benefits those who have large holdings.

"The flat rate for water leads to wasteful water use in a situation where irrigation water is an extremely valuable and scarce resource. In addition, the ability to influence officials of the irrigation department to divert water to the highest bidder allows those with larger land holdings to skew water distribution in their favour. This imposes three-fold costs on the poor: They must pay water charges whether or not they get water, pay bribes to get the water which is their right, and suffer lower productivity due to uncertain and low water supplies."

Source: Pakistan Poverty Assessment 2004, World Bank Report and Daily Times, Pakistan, 12 July 2004.

Box 6. Example of corruption in the water supply and sanitation sector

A more systematic effort to map petty corruption and its *modus operandi* in India's water sector has recently been done. Results show that:

- 41 % of the customer respondents had made more than one small payment (median payment US\$0.45) in the past 6 months to falsify metre reading to lower bills.
- 30 % of the customer respondents had made more than one small payment (median payment US\$1.90) in the past 6 months to expedite repair work
- 12 % of the customer respondents had made payment (median payment US\$22) to expedite new water and sanitation connections.

The revenues loss due to falsifying water metres accumulates to large sums over time. This is money that alternatively could be spent on improved operation and maintenance, new investments to improve water and sanitation systems for economically weak groups, etc. Such alternative costs are rarely taken into account into corruption equations.

The study also indicates the frequency of side payments from contractors to public officials within the water and sanitation sector:

According to public official respondents side payments occur on a frequent basis:

- 17% said that it takes place every time.
- 33% claimed it was quite common
- 8% said that it takes place about half the time
- 17% said that it occurs occasionally
- 25% said that it occurs infrequently/never.

The value of the kick-backs to public officials normally ranged from 6% to 11% of the contract value. The study also suggests that side payments for transfers of staff occur on a frequent basis. Interestingly, side payments for promotions were less common.

Source: Jennifer Davis, "Corruption in Public Service Delivery: Experience from South Asia's Water and Sanitation Sector", *World Development Report*, Vol. 32, No. 1 pp. 53-71, 2004.