THE QUALITY OF REGULATION IN THE SERVICE OF PREVENTING CORRUPTION

ABSTRACT

The thesis explains the so-called “corruptibility” of rules, i.e. the corruption risks that are included into both regulation and the decision-making process.

With the aim to explore risks into the regulation, the first part describes some pathologies that might favour corruption, for example: legislative inflation, influence of interest groups on policy-making, and others.

The second part discusses the results of the Principal-Agent Theory (PAT) was initially used to analyze organizational behaviour and corporate governance, and it has been applied in a high number of disciplines. Most of general economic literature has also adopted PAT to illustrate criminal behavior as a result of rational choice, which involves a group consisting of three actors: Principal (State or government), Agent (public officials), and Client (stakeholders). According to this, an individual is more likely to engage in corruption, tax evasion, and other criminal behaviors, if the benefits linked with the act are expected to outweigh the costs. However, these assumptions seem to be partially in contrast with the findings of the empirical evidence: individuals frequently make decisions that in some cases depart from the “risk versus reward” equation, because the economic incentives represent solely one part of the answer to explain the criminal behaviour.

Finally, this work focuses on Impact Assessment of Corruption (IAC), which detects and removes recurring factors causing corruption.