

IMPACT OF HUMANITARIAN AID ON FACILITATING CORRUPTION: A LOOK AT NATIONS IN  
CENTRAL AMERICA AND THE CARIBBEAN

by

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## DEDICATION

This is dedicated to parents, Dr. Ejilayo and Agbeke Fasehun. Thank you for always believing in me.

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## LIST OF ABBREVIATIONS AND/OR SYMBOLS

Control of Corruption Indicator .....	CC
Corruption and Economic Crime Act .....	CECA
Conference of the States Parties.....	COSP
Criminal Procedure and Evidence Act .....	CPEA
Corruption Perceptions Index .....	CPI
Common Reporting Standard.....	CRS
Directorate on Corruption and Economic Crime.....	DCEC
Director of Public Prosecution .....	DPP
Directorate of Public Service Management.....	DPSM
Foreign Account Tax Compliance Act.....	FATCA
Foreign Corrupt Practices Act.....	FCPA
Fixed Effects Regression.....	FE
Financial Intelligence Agency .....	FIA
Financial Tracking Service .....	FTS
Group of Twenty .....	G20
Global Competitiveness Report.....	GCR
Gross domestic product .....	GDP
Global Facility for Disaster Reduction and Recovery.....	GFDRR
Global Humanitarian Assistance Report .....	GHAR
Global Humanitarian Overview .....	GHO
Global Initiative on Fiscal Transparency.....	GIFT
Generalized Least Squares .....	GLS
George Mason University.....	GMU
Gross National Income .....	GNI
Global Peace Index .....	GPI
Haiti Recovery Initiative (HRI) program.....	HRI
HSBC Holdings plc.....	HSBC
International Committee of the Red Cross.....	ICRC
International Federation of Red Cross and Red Crescent .....	IFRC
International Haiti Reconstruction Commission .....	IHRC
International Law Commission.....	ILC
International Monetary Fund.....	IMF
International Organization for Migration .....	IOM
Institutional Review Board .....	IRB
McKinsey Global Institute.....	MGI
The United Nations Stabilisation Mission in Haiti.....	MINUSTAH
Multinational Corporations .....	MNC
Non-governmental organization .....	NGO

National Money Laundering Risk Assessment .....	NMLRA
National Public Radio .....	NPR
United Nations Office for the Coordination of Humanitarian Affairs .....	OCHA
Organisation for Economic Co-operation and Development .....	OECD
The Office of U.S. Foreign Disaster Assistance .....	OFDA
The United States, Office of Inspector General .....	OIG
USAID’s Office of Transition Initiatives .....	OTI
Penal Code .....	PC
Project Management Institute .....	PMI
Proceeds of Serious Crime Act .....	POSCA
purchasing power parity .....	PPP
Bureau of Population, Refugees, and Migration .....	PRM
Random-Effects Regression .....	RE
Risk Management Unit .....	RMU
Transparency International .....	TI
UBS Group AG .....	UBS
Universal Declaration of Human Rights .....	UDHR
The United Kingdom .....	UK
United Nations .....	UN
United Nations Convention Against Corruption .....	UNCAC
United Nations Development Programme .....	UNDP
United Nations High Commissioner for Refugees .....	UNHCR
United Nations Children’s Fund .....	UNICEF
United Nations Office for the Coordination of Humanitarian Affairs .....	UNOCHA
United Nations Office on Drugs and Crime .....	UNODC
United Nations Office for Drug Control and Crime Prevention .....	UNODCCP
United States .....	US
The United States Agency for International Development .....	USAID
World Bank Governance Indicators .....	WBG
World Governance Indicators .....	WGI
World Health Organization .....	WHO



## **ABSTRACT**

### **IMPACT OF HUMANITARIAN AID ON FACILITATING CORRUPTION: A LOOK AT NATIONS IN CENTRAL AMERICA AND THE CARIBBEAN**

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George Mason University, 2021

Dissertation Director: Dr. Jack A. Goldstone

Humanitarian assistance can be a lifeline in places where governments are either unwilling or unable to provide basic support for their citizens. As the number of global disasters continues to rise, so too does the need for humanitarian assistance. However, corruption may negatively impact the effectiveness of such aid. Corruption can hinder nation states' ability to provide public services, humanitarian assistance, and emergency preparedness for their citizens. Researchers have investigated the benefits of development projects and humanitarian aid in low and lower-middle income countries, but little has been written on the role of humanitarian aid in facilitating corruption. Considering the increase in global instability and natural disasters, it is important to ask, "Does humanitarian aid increase corruption"?

This dissertation will engage theories of corruption and obligation in humanitarian aid to evaluate how humanitarian aid contributes to corruption perception in countries with endemic and systematic corruption. This dissertation explores the impact of humanitarian aid on corruption perception in countries that receive aid from organizations in high-income countries. The focus is on assessing the success of transparency in aid programs and examining how and whether such aid contributes to corruption in countries with endemic and systematic corruption. Specifically, it will review nine countries in Central America and the Caribbean with high levels of corruption: Haiti, Nicaragua, Dominican Republic, Panama, Jamaica, Honduras, El Salvador, Guatemala, and Venezuela. The study period was from 2000 to 2018.

The study used a mixed methods research approach to gather and analyze data. Specifically, a qualitative research approach in the form of semi-structured interviews of humanitarian aid practitioners and document reviews was used to gather qualitative data. In addition, the study utilized quantitative statistical methods to examine trends in corruption and its correlation with levels of humanitarian aid.

Perhaps surprising, the quantitative analysis found that surges in humanitarian aid are NOT significantly correlated with increases in corruption. Rather, despite large fluctuations in humanitarian aid, measured levels of corruption are determined mainly by a country's level of development and governing institutions; humanitarian aid, measured both in dollars and as percent of a country's GDP, has no further effect, either by itself, with lags, or interacting with institutions. The qualitative analysis and case study found

that donor organizations work hard to keep corruption from undercutting their humanitarian aid efforts. The data shows that while corrupt countries may remain corrupt, their measured corruption perception does not grow worse when large infusions of humanitarian aid are being provided.

## CHAPTER 1: INTRODUCTION

Corruption is extraordinarily complex because it is not limited to a single country or governmental regime, but rather, intersects with other world problems. It is a global phenomenon that affects low, lower-middle, upper-middle, and high-income countries alike. It is a transnational crime that is difficult to identify, define, and quantify. To date, corruption continues to plague the world as a major obstacle to economic growth and social stability. Corruption impedes economic development, undermines democracy, increases a nation's debt burden, creates equity problems, distorts international trade, decreases efficiency, and hampers investment flow (Cooray et al., 2017, p. 115). It occurs in the private sector, social organizations, religious bodies, international development organizations, and the public sector. International organizations commonly delineate corruption as "the abuse of public office for private gain" and "the abuse of entrusted power" (Transparency International Anti-Corruption Glossary, 2018). However, corruption is not only about the abuse of power, as it also involves the buying of influence and selling of power by kleptocrats and power brokers. It flourishes in countries where sophisticated networks/structures and operating systems are bent on maximizing profits for personal gains.

While corruption occurs in every society, it manifests itself differently depending on the culture and context. This complexity makes it difficult to define, quantify, and eradicate corruption. Scholars and anti-corruption advocates agree that “corruption benefits the few at the expense of many” (Johnston, 2005, p. 1). Johnston (2005) further explains that the “connections between wealth and power significantly weaken open, competitive participation and/or economic and political institutions, or delay or prevent their development” (Johnston, 2005, p.1). Other authors define corruption as the “influence in which politics and institutions are captured by people or interest groups for illicit gain and their own benefit” (Cockcroft & Wenger, 2017, p. 2).

This dissertation explores the impact of humanitarian aid on corruption perception in countries that receive aid from organizations in high-income countries. The focus is on assessing the success of transparency in aid programs and examining whether and how such aid contributes to corruption in countries with endemic and systematic corruption. This study engages theories of corruption and democracy by conducting a review of the impact of humanitarian aid on corruption perception in 9 low-income countries in Central America and the Caribbean (Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, and Venezuela). Corruption is expensive both figuratively and literally; however, the true cost of corruption is difficult to assess because of its pervasive, insidious, and illicit nature. The World Economic Forum estimates that the annual cost of corruption exceeds 5% of global GDP (United

States (U.S.) \$2.6 trillion), with more than U.S.\$1 trillion paid in the form of bribes (Thomson, 2017, p. 1). The Construction Sector Transparency Initiative (CoST) estimates that 10-30% of the investment in publicly funded construction projects (approximately U.S.\$2.5 trillion by 2020) may be lost through mismanagement and corruption (CoST, 2012).

Corruption is considered the bane of governance, in that governance in corrupt states is ineffective. It is important to note that while corruption occurs within states, there are several external factors that contribute to its success. Government positions, policies, contracts, and state decisions are purchased and negotiated by officials and lobbyists. These include corporations, lobbyists, kleptocrats, politicians and low-level government employees. For example, in “Azerbaijan and Egypt, construction companies that win fat public contracts belong to members of the ruling family ministers or retired generals” (Burns et al., 2016. P. 4). Corruption has historically been approached as an issue predominantly affecting low-income countries because of poor governance and lack of democracy. Prior to the 1975 UN Resolution for International Co-operation Against Corruption and Bribery in International Commercial Transactions, the international community perceived corruption as “symptomatic of a backward level of political development” or the inability to “modernize effectively” (Hough, 2013). High-income countries wrongfully thought that they had outgrown corruption and therefore had no role in facilitating corruption. While empirical studies indicate that corruption adversely

affects economic development, governance, and democracy (Cooray et al., 2017; Spector, 2012; Makinde, 2013; Burns et al., 2016), other studies have shown that not all countries with a high incidence of corruption suffer from poor economic growth (Blackburn & Forgues-Puccio, 2010). Awareness that corruption impacts the global economy has contributed to increased interest among anti-corruption experts, organizations, and policymakers in finding sustainable solutions to corruption.

Over the last 20 years, the international community has taken a more active role in combatting corruption globally and in low and lower-middle-income countries. As of 2017, forty-three countries have ratified the Organization for Economic Co-operation and Development's (OECD) Anti-Bribery Convention. This collaborative approach stems from the intersectionality of the issue of corruption and is an indication that corruption cannot be tackled solely by one industry, sector, region, or country. Corruption is a complex problem that intersects with economic development, political stability, democracy, transnational crime, human rights, and international security. Additionally, corruption underlies many of the world's deeper challenges, such as poverty and inequality.

The current international business environment, humanitarian framework, and globalization make it easy for multinational and private sector corporations to make outrageous profits from poor countries. This in turn encourages acts of corruption and exacerbates poverty and other impacts of corruption. Globalization and technological innovation, such as online banking, internet, and cryptocurrencies have highlighted the

critical need to stem corruption, emphasizing the link between economic interdependency and the cost of tolerating corruption. As a result, world leaders understand that the cost of complicity and tolerance for corruption are high, and that incidences of corruption in upper-middle to high-income countries manifest in the low to lower-middle income countries. Additionally, diplomatic relationships have evolved, and countries can be more selective about tolerating and partnering with corrupt regimes (Wei, 2003). However, solutions are not easily identified because corruption is complex and intersects with humanitarian aid, economic development, democracy, transnational crime, migration, human rights, and international security. This study focuses specifically on how humanitarian aid intersects with public sector corruption which may undercut the intended benefits of such aid.

Unlike other forms of aid focused on development and poverty reduction, humanitarian aid and disaster relief aim to “avert famine, support transitioning governments, and assist countries recovering from natural disasters” (Goldin & Reinert, 2012, p. 127). Humanitarian aid alleviates human suffering, rebuilds infrastructure, contributes to economic stability, and promotes political collaboration globally. The Global Humanitarian Assistance Report (GHAR) indicates that “international humanitarian assistance remains a critical resource to meet the needs of people affected by crisis” (Global Humanitarian Assistance Report (GHAR), 2018, p. 10). Trends show that the need for humanitarian aid will continue to increase. In 2018, U.S.\$28.9 billion was allocated to



assist an “estimated 206.4 million people in 81 countries in need of international humanitarian assistance” (Global Humanitarian Assistance Report (GHAR), 2019, p. 15).

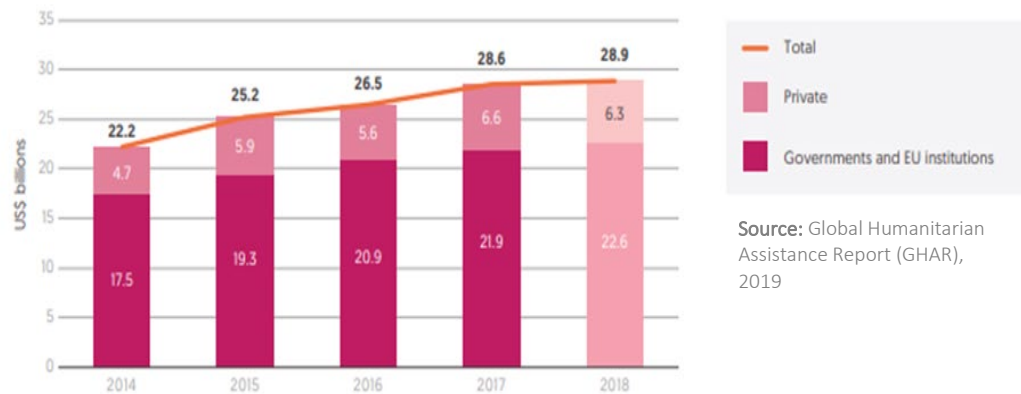


Figure 1: International Humanitarian Assistance, 2014–2018.

However, the current humanitarian aid framework is overwhelmed and faces many challenges. The current framework is not able to keep up with the demand for aid. The 2020 Global Peace Index (GPI) shows increased instability and conflict globally: the Peace Research Institute Oslo reported that 2016 was the fifth most violent year in the world since the end of the Cold War in 1991 (Dupuy et al., 2016. p. 1). In 2017 alone, 49 armed conflicts directly resulted in more than 102,000 casualties. *Figure 2* shows that the largest global recipients of humanitarian aid in 2019 were affected by war and instability. Natural disasters—hurricanes, tsunamis, and earthquakes—also fuel the need for

humanitarian aid, and as global climate change leads to a greater incidence of severe weather events, such events join cases of conflict in necessitating global action and international cooperation, which often comes in the form of humanitarian aid.

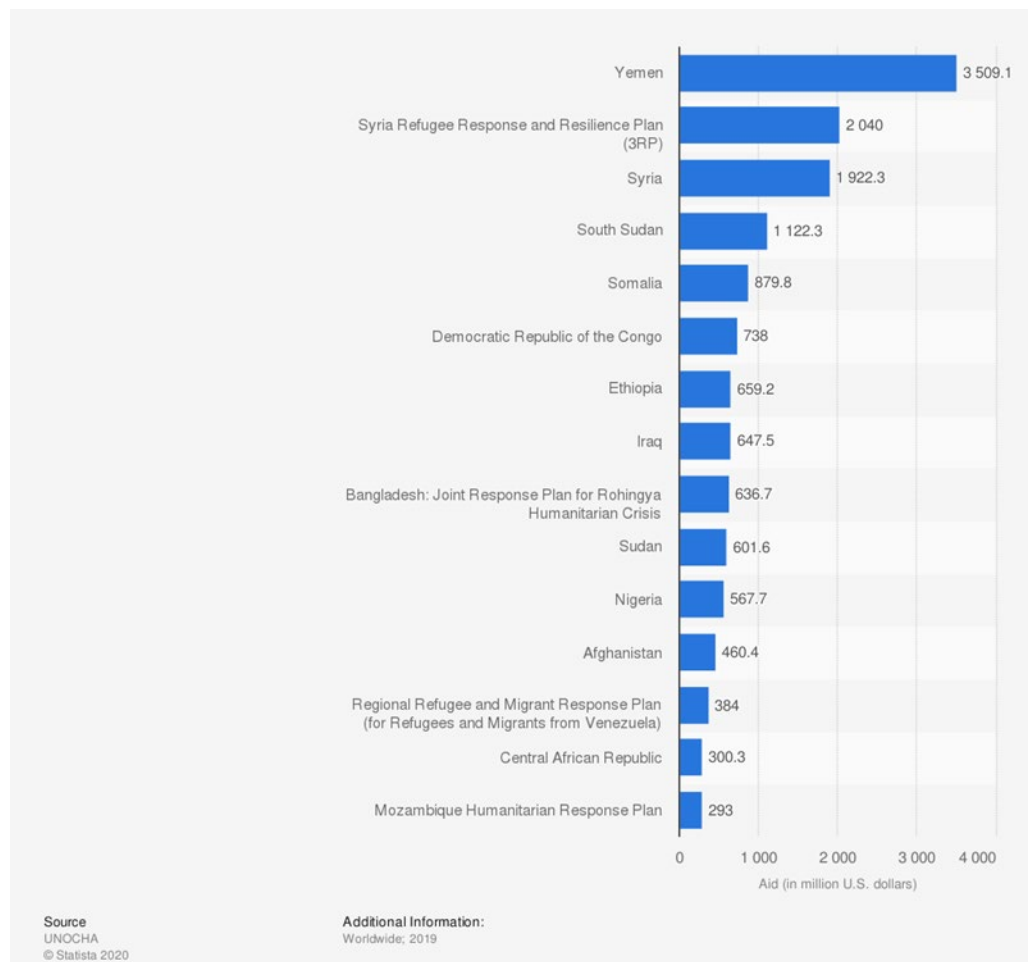


Figure 2: Largest Recipients of Humanitarian Aid Globally 2019 (in Million U.S. dollars).

The effectiveness of humanitarian aid and the impact of such aid on corruption perception in low-income countries have been topics of discussion for decades.

Humanitarian aid can be effective if the right conditions exist. Humanitarian assistance can be a lifeline in cases where governments are not willing or able to provide basic support for their citizens. Humanitarian aid is necessary in some low and lower-middle income countries because of poor governance, poverty, protracted conflict, lack of access to health care, climate change, and lack of infrastructure. However, corruption may negatively impact the effectiveness of such aid. Academics, practitioners, and donor agencies agree that corruption is costly and negatively impacts the effectiveness of aid.

There is no doubt that when aid reaches its intended targets it alleviates poverty, reduces human suffering, and contributes to economic development (Tavares, 2003; Quibria, 2017; Keeney, 2018). However, corrupt government officials evidently do not have the capacity or the will to provide for their citizens. They steal resources intended for social, economic, and infrastructure programs from state coffers. This prevents the government from successfully providing social services to its constituents, which then necessitates intervention from foreign countries and development organizations. Even with the influx of aid into low and lower-middle income countries in recent decades, little developmental progress has been made, and many of these countries continue to be dependent on aid from the global community. The lack of progress, continued

corruption, and aid dependency have led to lively debates about the impact of foreign aid on corruption and the role of donor organizations in development.

Easterly & Pfutze (2008) explain why countries receiving high levels of aid have stagnated over the last 50 years and have not experienced an increase in the standard of living. They assert that most aid has been wasted on corruption or on the ineffective bureaucratic processes of aid organizations and governments receiving aid. They argue that for aid to work, the traditional approach of aid giving has to change from a top-down approach, with the mentality of higher income countries coming to fix endemic and systemic problems in a lower-income country, to a bottom-up approach where direction and accountability are demanded by the people. Similarly, Dambisa Moyo, author of *Dead Aid* (2009), argues that aid given to African countries has crippled economic growth and created a culture of dependency. Moyo suggests using aid alternatives and finance mechanisms such as increased trade and incentives to drive change but asserts that Africans should chart their own development course (Moyo, 2009). It is important to note that both Easterly & Pfutze and Moyo are critical of developmental aid and foreign aid in general. This dissertation examines these claims by assessing the role humanitarian aid plays in facilitating corruption in nine low-income countries in Central America and the Caribbean region.

### Contribution to Existing Literature

Although the literature is extensive and relatively strong in its discussion of corruption in low and lower-middle income countries as well as in clarifying the determinants of corruption, a gap exists in explaining how humanitarian aid itself might lead to corruption in countries experiencing a crisis and thus receiving a sudden infusion of external aid. Researchers have investigated the benefits of development projects and humanitarian aid in low and lower-middle income countries, but little has been written on the role of humanitarian aid in facilitating corruption. Considering the increase in global instability and natural disasters, it is important to ask the question, “Does humanitarian aid facilitate corruption?”

Humanitarian aid is exceptional in two linked respects. First, the usual response of aid donors to humanitarian disasters is to emphasize the need for rapid and impactful action: thus, humanitarian assistance tends to come in a rush, with a rapid surge of funds and many donors seeking to make contributions all at once. Second, the humanitarian disaster also often affects local government by straining its resources and/or reducing its income; the rush of incoming aid and surge of donor activity thus arrives just when local government and administrative capacity is strained and at low ebb.

The results of this study will assess how well humanitarian aid agencies fare in dealing with these exceptional circumstances. Are they able to carry out their tasks without making corruption in their recipient countries even worse? Or does the sudden

infusion of external funds in time of weakness and stress on poor governments lead to measurable increases in corruption perception?

Because of corruption, in many low-income countries the infrastructure for necessities such as clean water, decent sewage, consistent electricity, education, and access to healthcare is minimal or non-existent. Individuals are regularly harassed by authorities for bribes. Poorer individuals who do not have the means to pay bribes for public services either go without or are forced to find ill-suited alternatives. In a 2001 report, the United Nations Office for Drug Control and Crime Prevention (UNODCCP) found that, where corruption is pervasive, the higher price imposed on public-sector services forces citizens to seek alternative mechanisms through religious or non-profit organizations to obtain those same services. These alternatives do not offer the same protections from human rights violations as government services would, but still offer an alternative to those desperate for services (UNODCCP, 2001, p. 11).

This begs the question: Should Western nations re-evaluate the process of giving humanitarian aid monies to countries with corrupt governments? What measures are being taken by humanitarian aid donors to limit corruption, and are they effective? What accountability and traceability programs can be implemented to sustainably reduce corruption in humanitarian projects? How can corruption be minimized so that most aid fulfills humanitarian purposes?

## Research Questions and Hypotheses

To fill the current gap in the literature, this dissertation poses the following research question and will test the associated hypothesis:

- What is the impact of humanitarian aid on corruption perception?
  - $H_0$ : Humanitarian aid facilitates corruption in countries receiving aid; thus, countries receiving higher levels of humanitarian aid will exhibit an increase in corruption perception.

This dissertation will proceed as follows: Chapter 2 presents a literature review on corruption, including the different definitions and types of corruption as well as methods of assessment of corruption. Chapter 3 consists of a literature review on humanitarian aid, which includes trends in humanitarian aid, guiding principles, and the intersection between humanitarian aid and corruption. Chapter 3 also briefly addresses the theoretical frameworks of corruption and humanitarian aid. Chapter 4 presents an overview of the countries selected for the study: (Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, and Venezuela). Chapter 4 also includes the research design and methodology used in this study, which includes both quantitative and qualitative analyses. Chapter 5 provides an analysis of quantitative variables and study findings; Chapter 6 presents the results of the voices of humanitarian aid practitioners that participated in this study. Chapter 7 gives an overview of the case study selected. Finally, Chapter 8 offers policy recommendations and overall conclusions.

## CHAPTER 2: UNDERSTANDING CORRUPTION

Corruption is a threat to democracy and a society's economic development.

Countless definitions and types of corruption abound because corruption manifests differently across countries and societies (see Table 1, which outlines the most common categories of corruption). In addition, corruption can transition from one type to another within the same society (Johnston, 2014). The international community previously focused on deterring and stemming corruption as part of the poverty and income inequality agenda; however, the current perspective has shifted to understanding how corruption in wealthy, high-income countries relates to corruption in low to lower-middle-income nations. In recent years, anti-corruption experts, policy makers, and politicians have begun to recognize that corruption in low- to lower-middle income countries is often matched in several ways to, and dependent on, corruption in high-income countries. Makinde (2013) highlighted the following practices from high-income countries that adversely impact governance in low to lower-middle income countries or emerging democracies:

- Support dictatorships, destabilize democracies, and fund opposition.
- Bribe rulers and officials from low to lower-middle income countries to gain export contracts, particularly in the arms trade and in construction.



- Exploit natural deposits of oil, copper, gold, diamonds, and payments made to rulers that often violate local (and Western) rules, keeping corrupt rulers in power.

**Table 1: Common Categories of Corruption<sup>1</sup>**

Categories of Corruption	Description
Bribery	The act of dishonestly persuading someone to act in one's favor by a payment or other inducement. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, etc.). The use of bribes can lead to collusion (e.g. inspectors under-reporting offences in exchange for bribes) and/or extortion (e.g. bribes extracted against the threat of over-reporting)
Embezzlement	To steal, misdirect or misappropriate funds or assets placed in one's trust or under one's control. From a legal point of view, embezzlement need not necessarily be or involve corruption.
Facilitation payment	A small payment, also called a "speed" or "grease" payment, made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.
Fraud	The act of intentionally and dishonestly deceiving someone in order to gain an unfair or illegal advantage (financial, political or otherwise).
Collusion	An arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
Extortion	The act of impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
Patronage, clientelism and nepotism	Patronage at its core means the support given by a patron. In government, it refers to the practice of appointing people directly based on loyalty or family ties rather than merit

**Sources:** UK Department for International Development (2015), Johnsen (2014 [P; OBS, case studies]); World Bank (2011a [P; OBS, qualitative and quantitative case study data])

<sup>1</sup> Source: Menocal et al., 2015

### Defining Public Sector Corruption

Corruption is difficult to define and measure. Corruption is not limited to elected officials; public officials, private sector employees, and state employees are all often complicit and participate in the acts of stealing, receiving bribes, cronyism, and nepotism. The consensus in the international community is that low- to lower-middle-income countries are at risk of higher levels of corruption because of an environment that fosters poor governance, lack of democracy, lack of transparency, and limited accountability. However, to understand the pervasiveness and types of corruption in low- to lower-middle-income countries, it is imperative to begin with a definition.

Experts agree that a generally accepted definition of corruption has yet to emerge (Kurer, 2014). Corruption is heavily influenced by a society's dominant beliefs, systems of patronage, and tradition. From a legal perspective, corruption is defined differently from country to country (Spector, 2012, p. 5). The definition of corruption depends on where it occurs, how it is studied, measured, and researched. Notably, public-sector corruption is "a universal aspect of the exercise of governmental power and the transactions that go with it" (Lapalombara, 1994, p. 3). Further, the definition of corruption used typically aligns with the goal and ambition of the researcher, policy maker, or stakeholder (Kurer, 2014). Part of the difficulty with defining corruption is that occurrences of corruption are perceived differently. Specifically, corruption can be seen or perceived as black, white, or grey (Heidenheimer et. al., 1989). Black corruption is universally condemned as consisting

of unsavory, self-serving activities that should be punished; white corruption is considered petty corruption activities that are tolerated without incentive for punishment by both elites and regular citizens; and grey corruption “refers to activities where elites and the public have differing views” (Heidenheimer et. al., 1989). In grey corruption, one group is ambivalent to the activities, while the other group wants to see the perpetrators punished.

These different perspectives and definitions cause difficulty when one attempts to define, detect, and prosecute corruption in different societies (Heidenheimer et. al., 1989). Understanding that corruption is a social contract that exists in different sectors is important when trying to conceptualize corruption and minimize corrupt behavior across the globe. Mungiu-Pippidi (2006) argues that corruption can only be understood in conjunction with the development of a state or society: since the norms that apply in a society impact what is viewed as corruption, defining corruption universally is ineffective.

Without a single definition or type of corruption, I will briefly comment on common definitions of corruption. This dissertation focuses on public sector corruption. As such, the selected definitions will highlight corruption that occurs at the expense of the public interest by public officials. When public and private interests collide, corruption occurs. The first definition is the most common behavioral definition used by international organizations like Transparency International (TI), the World Bank, and the International Monetary Fund (IMF). They define corruption as “the abuse of public office

for private gain/benefit” and “the abuse of entrusted power for private gain.” These definitions are broad enough to include acts of bribery and influence for private gain. In addition, the definitions allow researchers to fully understand the different types of corruption as well as the determinants of corruption. Spector (2012) further simplifies the definition of corruption as “wealth seeking power or power-seeking wealth;” (Spector, 2012, p. 6) that is, the use of wealth to manipulate the political system or the use of political power to obtain otherwise unearned wealth. Dzhumashev (2014) explains that when the public and private sectors interact, public officials and bureaucrats may abuse their public position for private gains. Similarly, Nye’s (1967) definition of corruption is related to the performance of the duties of a public official:

A behavior which deviates from the formal duties of a public role because of private (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 behaviors as bribery (use of 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) (p. 419).

The final definition of public sector corruption is from Carl J. Friedrich. He explains that corruption is a deviant behavior that is motivated by private gain at the expense of the public interest. Friedrich (quoted in Heidenheimer, 2002) suggests that:

the pattern of corruption may therefore be said to exist whenever a power holder who is charged with doing certain things, that is a responsible functionary or office holder, is by monetary or other rewards, such as the expectation of a job in the future, induced to take actions which favor whoever provides the reward and thereby damage the group or organization to which the functionary belongs, more specifically the government (p. 15).

Importantly, some underlying commonalities in the definitions include the presence of power, the abuse of power, misappropriation of public interest for private gain, and deviation from normal or expected behavior. These commonalities are encouraging because absent a general definition of corruption, researchers, policy makers, and anti-corruption experts may be able to reach consensus on the objective characteristics of corruption.

### Examples of Public Sector Corruption

Corruption is an intricate social contract that requires the cooperation of private sector and public sector officials. It is also so complex that it has different characteristics depending on the socio-economic status of the actors and the infrastructure in place in the country where it occurs. While this dissertation focuses on public-sector corruption, I will highlight that corruption in the private sector has a symbiotic relationship with corruption in the public sector. Private sector organizations depend on corrupt officials and pay bribes to win contracts, to hide lack of progress and to bypass necessary paperwork as well as inspections. Furthermore, the global banking sector has an important role in efforts to combat corruption.

Empirical research has found that endemic corruption has severe consequences. While perpetrators of corruption disregard the impact of their ill-gotten gains, corruption is not a victimless crime; its impact is widespread and dangerous. The impact of corruption varies from the mundane inconvenience of paying a bribe to a police officer in Kenya to the war waged on corruption and Westernization by Boko Haram in Nigeria to human rights abuses in Haiti. There is common consensus that corruption is expensive and, in some cases, even deadly. Like corruption itself, the consequences of corruption manifest differently.

There is hope, however. Scholars have found that anti-corruption is a powerful mobilizing sentiment (Uslaner, 2014). Constituents that are angry over economic

inequality, poor infrastructure, unbridled theft by public officials, lack of transparency/accountability and general inequality can join forces to protest and oust their officials. Global uprisings against corruption have been a more common occurrence in the last few years as individuals increasingly frustrated by uncontrolled corruption take to the streets to demand accountability.

In 2015, thousands of Guatemalan citizens demanded that President Otto Pérez Molina and Vice President Roxana Baldetti resign after a bribery and corruption scandal. Investigators alleged that President Pérez Molina received \$37.9 million in kickback bribes in return for construction contracts. Both Pérez Molina and Baldetti were subsequently jailed after their resignations.

In another example, the Haitian people, frustrated by the legacy of corruption and ineptitude, are demanding the resignation of President Jovenel Moïse after allegations of corruption. President Moïse is accused of receiving phony infrastructure projects from PetroCaribe, a company in which he had a pivotal role. Haiti entered into an agreement with PetroCaribe to use funds to finance reconstruction within the country. PetroCaribe is Venezuela's state oil company. In 2005, then President Hugo Chavez, established an energy cooperation agreement to provide some Caribbean and Latin American countries development loans in the form of petroleum and petroleum products. The loans were intended to help with reconstruction, particularly building homes for 2010 earthquake survivors.

In 2011, the Haitian government paid a Dominican Republic firm \$49 million to build 3,000 units (Payton, 2019). However, the units never materialized. Instead, an investigation found that President Moïse and others misappropriated or embezzled an estimated \$2 billion of the PetroCaribe funds. President Moïse has denied the allegations and indicated that he has no intention to resign.

In 2016, the release of the Panama papers rocked the global banking industry and international community. The Panama papers revealed that institutions like Mossack Fonseca, UBS and HSBC offered anonymity and services to help clients transfer money to shell companies in friendly jurisdictions on their behalf. The documents showed that in addition to public sector officials, terrorist organizations, fraudsters, and drug traffickers as well as billionaires, celebrities and sports stars use the services of law firms and big banks to attain financial anonymity. Additionally, the revelations showed that despite regulations such as the Foreign Account Tax Compliance Act (FATCA) and international Common Reporting Standard (CRS) developed by the OECD, “major banks are big drivers behind the creation of hard-to-trace companies in the British Virgin Islands, Panama and other offshore havens” (Guevara, 2016, p. 1). As a result, these jurisdictions can hide funds, thereby helping their clients launder money and evade taxes with minimal ramifications. The Panama papers revealed that in addition to international policies and sanctions, rich countries were facilitating corruption by failing to implement and enforce transparent banking standards and guidelines within their own borders.



### Corruption in Low-Income Countries

Corruption manifests differently in low to lower-middle income countries than in wealthier and affluent countries. Several factors impact the presence of corruption and the type of corruption present. For this dissertation, a low-income and lower-middle-income country refers to any country in which the gross national income per capita is less than U.S.\$1,035 and U.S.\$4,045 in 2021, respectively (World Bank, 2021). These countries are typically located outside of Europe, North America, and parts of Asia (Japan, Australia, New Zealand). Although low- and lower-middle-income countries have similar characteristics, they vary in size, culture, political systems, and religious background (Oplatka, 2004). Some commonalities include high rates of infant mortality, low life expectancy, high debt levels, high poverty rates and significant inequality, internal instability/conflict, poor public-sector infrastructure, poor healthcare, political instability, and a dominant informal sector.

Corruption in low-income and lower-middle-income countries is a critical and complex problem that intersects with economic development, political stability, democracy, transnational crime, human rights, and international security. Corruption inhibits and undermines the democratic process and erodes public trust. As a result, citizens lack confidence in their elected officials and public institutions and are more susceptible to accepting bribes and tolerating corruption (Johnson, 2015). Economic instability may contribute to de-democratization as citizens become frustrated by

uncontrolled corruption seek avenues to delegitimize their governments. Constituents that are angry over economic inequality, poor infrastructure, unbridled theft by public officials, lack of transparency/accountability and general inequality may, if they gain elite support, join forces to protest and oust their officials. The consensus is that corruption undermines democracy and its ability to function by eroding institutions and contributing to the fragility of states.

In low-income and lower-middle-income countries, corruption also hinders the ability for states to provide suitable public services to citizens. Purloined or misspent funds leads to less money for public services. Uslaner (2014) explains that education and social support services that can dramatically reduce inequality are often cut significantly in highly corrupt administrations. Furthermore, corruption in the process of awarding contracts leads to incompetent companies “winning” bids for infrastructure projects that they cannot deliver. As a result, public services like clean water, consistent electricity, and basic health care suffer higher levels of service interruptions than in less corrupt countries. This section highlights the different types of corruption common in lower income countries.

### *Grand Corruption*

Grand corruption refers to acts committed by high-level government officials and that involve substantial payoffs (Lal, 1997). Transparency International (TI) defines grand

corruption as the “abuse of high-level power that benefits the few at the expense of many” (Transparency International Corruptionary A-Z, 2016). Similarly, the World Bank defines grand corruption as corruption by senior level bureaucrats for the interests of a narrow group of businesspeople and politicians, or criminal elements. Instances of grand corruption have been found in Kenya under the Uhuru Kenyatta administration, in Nigeria under the Goodluck Jonathan administration, and in India by former minister Andimuthu Raja. TI (2016) explains that grand corruption:

deprives a social group or substantial part of the population of a State of a fundamental right; or causes the State or any of its people a loss greater than 100 times the annual minimum subsistence income of its people ( The United Nations Office on Drugs and Crime (UNODC), 2016, p. 1).

#### *Theft and Accumulation of Government Financial Resources*

Theft and resource accumulation occur when “public officials pocket tax revenues or fees, steal cash from treasuries, extend advances to themselves that are never repaid, or draw pay for fictitious ‘ghost’ workers” (World Bank, 1997, p.10). Occurrences of theft and accumulation of wealth are common in Nigeria, where “politicians have been found to scheme with domestic oil companies to embezzle \$6 billion in budgeted fuel subsidies. Additionally, the government has been unable to account for the \$14 billion spent since 1999 on developing a non-existent modern power sector for Nigeria” (Page, 2016, p. 2).

### *Petty Corruption*

Petty corruption refers to “everyday low-level abuse of entrusted power by low to mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies ” (Perry, 1997; see also Transparency International Corruptionary A-Z, 2016). Petty corruption is common in lower-income countries, where the standards of living, literacy, and education levels are low, poverty levels are high, and there is an absence of well-paying professional jobs in the public sector. As a result, low- to mid-level public officials use their positions as opportunities to supplement their incomes. Further, the presence of a strong informal economy contributes to occurrences of petty corruption.

In countries where rule of law and public accountability are weak, petty corruption is unfettered and its aggregate impact is costly. Incidents of petty corruption have been reported in both middle-income countries such as Tunisia and Libya, and low-income countries such as Senegal and Haiti. Under the administration of President Abdoulaye Wade, corruption in Senegal was exacerbated partly because of the “politicization of the state bureaucracy and the inability to effectively deliver basic public services” (Spector, 2012. p. 166). Further, Spector (2012) showed that the high level of politicization combined with low salaries to undermine officials’ professionalism and resistance to corruption. In 2017, TI estimated that 90 million people in Latin America

and the Caribbean paid bribes to access public sector and government services that they were entitled to.

### *Political Corruption*

Political corruption refers to the use of corrupt means to preserve power and obtain political support. Empirical studies have highlighted that corruption is highly political in nature. Lederman et al. (2005) explain that corruption is a direct consequence of rents and monitoring failures. They argue that political institutions impact corruption through 1. Political accountability (or lack thereof) and 2. Structure of provision of public goods (Lederman, Loayza, & Soares, 2005). Scholars posit that political accountability has a role in generating good governance practices and reducing corruption. Rothstein & Teorell (2015) explain that rulers facing increased accountability to voters will actively try to reduce corruption because they know that voters would exert their power at the ballot box to “throw the rascals out” (Heywood, 2015, p. 84). To avoid loss of power, politicians and bureaucrats find loopholes or make agreements with other politicians, lobbyists, or businessmen. These agreements benefit a few of those autocrats at the expense of public interests.

Corrupt officials use different strategies, like the distribution of jobs and government contracts to key individuals and groups, as a means of buying political support and guaranteeing power. Yaru (2009) explains that political corruption involves

fraud in the political fabric of a nation: it masks a weak electoral process, poor law enforcement, the lack of judicial and legislative frameworks, and poor governance. Political corruption results in the “manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth for political power” (Transparency International Corruptionary A-Z, 2016). By using corrupt measures to preserve policies, power, and wealth, political corruption undermines democracy and holds the democratic process of a nation hostage.

Honduras, a low-middle-income country with the highest level of income inequality in Latin America, has endemic corruption. Per the World Bank, in 2016 more than 66% of the country’s population lived in abject poverty, subsiding on less than \$1.60 a day. Corruption is deeply embedded in all levels of society in Honduras, but political corruption has permeated its government institutions. Spector (2012, p. 195) explains that corruption in Honduras stems from the fact that there is “nearly total control of the state by a deeply rooted political and economic elite.” In 2015, top officials were accused of awarding over \$200 million in contracts to shell and phantom companies. Further investigation revealed that some of the money is linked to President Juan Hernandez’s political party (Wedel, 2015).

### *Rent Seeking*

Rent seeking occurs when officials, private sector organizations, or individuals seek to increase their share of existing wealth without reciprocating any benefits to society through wealth creation. Mbaku (1998, p. 195) explains that rent seeking is “the process of expending resources to influence public policy outcomes.” Scholars and researchers have found that bureaucratic corruption is a rent seeking behavior. Specifically, rent seeking becomes a corrupt act when lobbyists and special interest groups finance politicians, with the understanding that their contribution will support “special-interest legislation to create rents and to improve the ability of the interest group to extract those rents from the economy” (Mbaku, 1998, p. 195). By accepting these funds, politicians form alliances and relationships with sponsors at the cost of the public’s interest. This situation can result in poor or perverse policies that only benefit the wealthy elite.

### *Establishment of Loopholes for Personal Gain*

The establishment of loopholes for personal gain occurs when officials use their positions to create policies intended to financially benefit themselves, sponsors, or family members. This type of corruption occurs during grand or political corruption.

## *Bribery*

Bribery is the act of “offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust” (Transparency International Corruptionary A-Z, 2016). Article 1 of the OECD Anti-Bribery Convention on Combating Bribery of Foreign Public Officials in International Business Transactions defines bribery of foreign public officials as cases in which a “person intentionally offers, promises or gives an undue advantage to a foreign public official directly or through an intermediary” (OECD, 2008, p. 23). Bribes can be monetary, gifts, or services. Recently, investigators have found that some Western private sector companies include bribes as line items. For example, Walmart was accused of paying \$24 million to pay off Mexican city governments in return for permission to open supermarkets around the country. Because of the investigation, Walmart settled, agreeing to pay the U.S. Department of Justice and the U.S. Securities and Exchange Commission \$283 million (Viswanatha and Nassauer, 2017, p. 1). Bribery also occurs as part of petty, grand, or political corruption.

## **Corruption in High-Income Countries**

Corruption in high-income countries manifests substantially differently than in low to lower-middle income countries. In the United States and European Union, policies as well as checks and balances make it difficult for public policy officials to participate in illegal acts of corruption; as such, corrupt partnerships in these countries work within the



laws by exploiting loopholes. Kaufmann & Vicente (2005, p. 2) explain that “corruption may arise through other less obvious forms, which may involve collusion between parties typically both from the public and private sectors and may be legal in many countries.” These acts of legal corruption typically occur through state capture (viewed as a direct sale of public policy) and influence (as the practice of influencing public policy in exchange for votes) (Kaufmann & Vicente, 2005). Similarly, Wedel (2015) explains that legal corruption occurs when elite insiders and power brokers rig systems to their advantage in innovative ways—and often legally.

A high-income nation has a gross national income per capita of U.S.\$12,056 or more (World Bank, 2018). A high-income country is also commonly referred to as an industrialized country. Industrialized nations are advanced capitalist countries that enjoy lasting and rapid economic growth. Academics and economists have argued that “industrialization is essential for economic growth, and for long-run poverty reduction” (Kniivila, 2002, p. 299). As such, industrialized nations are characterized by low unemployment rates, low inflation, and higher life expectancies. This section highlights how power and wealth are used to facilitate corruption in high-income nations.

Although this dissertation is about whether humanitarian aid increases corruption in low-income countries, corruption in high-income countries is also relevant. Donor aid comes from countries, or from agencies usually headquartered in countries, that are high-income. Knowing what kinds of corruption occur in high-income countries, and how

they are fought or tolerated, is important for understanding attitudes that may come with the provision of aid. In fact, there are many avenues by which the occurrence of corruption in high-income countries may facilitate corruption and money laundering in low to lower-middle income countries.

### *Tax Havens*

Financial institutions and systems intersect with transnational networks like banks, shell companies, foreign real estate stakeholders, and investor citizenship programs.

Moreover, the current financial system is defined by the globalization of financial markets and innovation in technology and communication. These factors enable the ease and speed of both licit and illicit financial flows.

Tax havens allow corruption to thrive because they supply bureaucrats, elites, kleptocrats, and organized criminals with anonymity, secrecy, and the financial systems needed to protect their money. Corruption thrives in societies in which institutional loopholes, underlying power relations, and established rent-seeking behavior exist. TI (2016) explains that havens are jurisdictions (cities, states, or countries) that typically host a range of financial services and “attract relocation of economic transactions to their territory by applying no or minimal tax rates” (Transparency International Corruptionary A-Z, 2016). Tax havens contribute to financial instability by circumventing financial controls and enabling tax avoidance. They also contribute to corruption and poverty by enabling capital flight and facilitating the movement of money from illicit gains. This

interface distorts global markets and slows economic growth by “rewarding free-riding and mis-directing investment, and increasing global inequality” (Christensen, 2011, p. 179). Estimates of costs lost through tax havens are not concrete; however, “tax haven losses amount to \$255 billion per annum”(Radu, 2012, p. 399). Faccio (2015) further explains that tax havens combine economic, fiscal, political, and infrastructural characteristics necessary for the development of tax avoidance. These havens exist in both lower-income and wealthier nations.

Havens rely on a complex network of bankers and lawyers to understand and manage opaque offshore structures. Schwarz (2011, p. 37) specifies that jurisdictions with lax money laundering legislation, strict bank secrecy laws, and favorable tax treatment to businesses or financial investors enable the success of tax havens. In addition, tax havens take advantage of the quick company registration techniques (such as those used in Delaware and New Jersey) used to register companies. The “virtual” residence (or tax residency) laws in the United Kingdom and secret/anonymous banking in Switzerland contribute to the development of tax havens in wealthier developed countries (Faccio, 2015). Other common characteristics of tax havens include an economic sector heavily focused on the service sector, particularly when the haven is located on an island with limited economic opportunity in sectors such as agriculture or advanced technology. As a result, financial services account for most of that jurisdiction’s GDP. Further, the location and size of a country are key characteristics of tax havens.

Faccio (2015) found that the “average surface in square kilometers is much lower for tax havens compared to the other countries” ( Faccio, 2015, p. 1643). In addition to lax tax legislation, a critical component that contributes to the success of tax havens is the freedom for foreign businesses to conduct business within the haven country. Therefore, most tax havens are former British colonies in which English is the official language and legislation is loosely based on British law (Faccio, 2005, p. 1643).

Recent studies have explored the nexus between money laundering, involvement in tax havens, and other financial crimes. Some recent scandals and investigations have shown how tax evasion, money laundering, and offshoring intersect with tax havens. For example, Iceland’s prime minister, Sigmundur Davíð Gunnlaugsson, was forced to resign after the Panama Papers revealed that he and his wife were sheltering money offshore. Similarly, José Manuel Soria, the Spanish minister of industry, energy, and tourism, resigned after the Panama Papers showed him to be “using offshore bank accounts and shell companies to conceal their wealth or avoid taxes” (Minder, 2018, p. 1). Prior to the release of the leaked papers, Minister José Manuel Soria’s party was investigated for accepting payments related to construction projects. Below, money laundering, offshoring, financial offshoring, and tax evasion are explained to illustrate how activities intersect to create an environment that allows corruption to flourish.

### *Money Laundering*

Money laundering is defined as the “financial transaction scheme that aims to conceal the identity, source, and destination of illicitly-obtained money” (Cornell Law School, 2015, p.1). Similarly, TI (2016) defines money laundering as “the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities to make them appear legal.” Funds funneled through money laundering are untaxed and unmonitored (Wedel, 2009). The economic toll of money laundering is substantial. For example, the UNODC reports that “the estimated amount of money laundered globally annually is 2–5% of global GDP, or \$800 billion–\$2 trillion in current U.S.dollars” (UNODC, 2018, p.1). Likewise, Wedel (2009) explains that “between 1990–2005 money laundering increased at least tenfold to \$1–1.5 trillion” (Wedel, 2009, p. 34)

In a 2011 report, the World Bank found that the United States is a leading country for receiving money through laundering schemes. Currently, the United States allows for the creation and participation of anonymous shell companies in the economy, which makes it difficult to ascertain these companies’ beneficiaries. For example, the individuals could be members of organized crime syndicates, terrorist groups, or authoritarian regimes. The 2015 National Money Laundering Risk Assessment (NMLRA) found that “\$300 billion is laundered annually in the United States” (U.S. Department of Treasury, 2015, p.2).

Money laundering is also difficult to detect and dissect because it intersects with other illicit activities like human trafficking, drug trafficking, weapons trafficking, and terrorism. Money laundering occurs in a realm in which anonymity is crucial, and the interests of the clients are closely guarded at the expense of the public interest. Studies of organized crime activity have found that criminals alone typically do not have the knowledge or the ability to launder their money or conceal their activity, so they depend on an enterprise of enablers (Hudson Institute, 2018). These individuals move dirty money from illicit activities to licit businesses through loopholes in the financial system. The intricate and illicit nature of money laundering makes it difficult for law enforcement to identify, investigate, and respond to money laundering. And the sheer volume of new financial institution filings makes it nearly impossible for law enforcement to build up the capacity needed.

### *Offshoring*

Another type of activity that intersects with money laundering and tax evasion is offshoring. Emerging research indicates that offshoring occurs where corruption thrives; however, more focus is needed to fully understand the relationship. Offshoring is defined as the process by which a company moves business processes or operations to a different country, typically with cost reduction as a key motivation. Most commonly, corporations move production from wealthier countries to poorer countries, because

wages are significantly lower. The McKinsey Global Institute (MGI) report by Farrell et al (2003), asserts that U.S.-based businesses account for 70% of global offshoring. American businesses are closely followed by their European and Japanese counterparts (Farrell et al., 2003). Interestingly, Johnston considers both the United States and Japan to be more apt to allow private interest groups and corporations to rent political access and influence officials. In addition, domestic labor and employment laws are such that it is relatively easy for corporations and businesses to eliminate positions domestically to capture offshoring opportunities.

Offshoring also impacts other businesses. Kovak et al. (2017) explain that the decision to move processes, like accounting and financial operations, overseas and reduce costs have direct impacts on competing firms within both the same industry and in supporting industries. Politicians and proponents of offshoring argue that it benefits both the source and receiving countries. Specifically, the McKinsey Global Institute (MGI) argues that offshoring results in “corporate savings, additional exports, repatriated profits, greater productivity, and new jobs” (Baily and Farrell, 2003, p. 1). Opponents of offshoring argue that 1) corporations participate in offshoring at the expense of the source country’s economy, 2) offshoring eliminates local jobs, thereby contributing to persistent unemployment in Europe and the United States, and 3) offshoring contributed to the anemic state of job creation during the most recent period of economic recovery. Finally, critics argue that although financial liberalization was intended to help emerging

economies it has inadvertently contributed to the growth of offshore financial centers and financial offshoring. The unintended consequences of financial liberalization have been activities like tax evasion and money laundering and other aspects of global corruption that are difficult to quantify and tackle.

### *Financial Offshoring*

The World Bank defines financial offshoring as the use of foreign jurisdictions to conduct financial transactions (World Bank, 2012). The increase in financial offshoring stems from restrictive regulatory regimes that prevent the flow of capital between countries. As the World Bank (2005) explains, “financial repression that prevailed in lower-income and transition countries in the 1970s and 1980s reflected a mix of state-led development, nationalism, populism, politics, and corruption” (World Bank, 2005, p 248). Thus, in response to these restrictions, financial institutions and large corporations move activities offshore to places with more lenient regulations and minimal oversight. In addition, the pressure of globalization in the form of increased trade, travel, and migration has forced restrictive countries to re-evaluate the controls put in place. To further complicate matters, financial liberalization in the 1980s and 1990s increased competition between financial institutions, causing offshore financial institutions to promise more services than their onshore competitors. According to the IMF (2003), offshore financial centers are associated with low or zero taxation, moderate financial



regulation and supervision, and a high level of anonymity. These factors can result in corruption, money laundering, and terror financing. Researchers and anti-corruption practitioners alike have argued that the collusion between the financial sector and the governments of tax havens allow financial offshoring to flourish (Christensen, 2011, p. 179).

### *Tax Evasion*

Tax evasion is a critical issue that intersects with money laundering, illicit organized crimes, and offshore accounts. Tax evasion is the “the illegal non-payment or under-payment of taxes, usually by deliberately making a false declaration or no declaration to tax authorities – such as by declaring less income, profits or gains than the amounts actually earned, or by overstating deductions” (Transparency International Corruptionary A-Z, 2016). Tax evasion is illegal, and when perpetrated by public officials and politicians, it erodes trust.

### **Assessing Corruption**

Data on corruption is in abundant supply but it is difficult to accurately measure. To strategically tackle corruption, anti-corruption experts need to understand corruption, identify it correctly, measure occurrences objectively, and devise an action plan that addresses underlying causes and not just the manifestation that it creates. Data collection can be driven by the interests of those collecting the information. As such, one

should question the data collection method, assess if the sample size is diverse and representative, and ensure that appropriate types of questions are asked. Anti-corruption data impacts public policy and shapes the anti-corruption landscape with global implications. Both the World Bank and TI have been on the anti-corruption forefront so it makes sense that they are also taking the lead in developing second generation measurement tools that are more nuanced and can be used to more accurately define and measure corruption. However, both TI and the World Bank measures of corruption have been increasingly criticized.

Heywood & Rose (2014) explain that the “dominant mode of measuring corruption since the mid-1990s has been perception-based via cross-national indices drawn from a range of surveys and expert assessments” (Heywood & Rose, 2014, p. 509). Therefore, political and financial decisions are based on subjective and possibly biased indices. This section reviews the different methods scholars and practitioners have utilized to measure and quantify this hidden phenomenon. Generally, five methods are used to diagnose and detect corruption in a country.

- **Public Opinion Surveys:** Data is collected from structured face-to-face interviews with citizens, businesses, and government officials (Spector, 2012, p. 8). Both the World Bank and TI use this technique to detect the perception of corruption. Surveys are useful because if conducted regularly (annually), changes can be monitored.

- **Focus Groups:** An in-depth, moderated discussion that typically involves five to 10 targeted participants/interest groups in government and society. They can be used to obtain detailed information about what people believe about corruption and how to control it.
- **Legal Assessments:** Based on the understanding of the laws and regulations within a respective country. Through legal assessment, a review of what constitutes corruption is undertaken, then a review of the gaps in corruption law/penal codes, followed by an analysis of how these laws are implemented. The final step is a review of the effectiveness and accountability of oversight bodies (Spector, 2012).
- **Institutional Assessments:** An inventory of anti-corruption efforts that government agencies and departments have implemented to prevent or combat corruption. These internal assessments can help determine if programs are successful and identify specific problems or the pervasiveness of a problem.
- **Analysis of Political-Economic Dynamics:** This approach is considered more comprehensive than those mentioned above because it evaluates the politics and economics that have guided a country. It also evaluates the underlying causes of corrupt behavior and low accountability.

An effective assessment of corruption can help identify drivers of corruption.

“Moreover, constructing accurate global indicators presupposes a common understanding of corruption” (Kurer, 2015, p. 30). The absence of accurate and objective

global indicators of corruption yields results that are meaningless since the assessments are based on different notions of corruption (Kurer, 2015). Below is a comparative analysis of the three most widely used indicators of corruption: TI's Corruption Perceptions Index (CPI), the World Bank's World Governance Indicators (WGI) Control of Corruption (CC) indicator and The Varieties of Democracy (V-Dem) Institute Public Sector Corruption Index. Notably, several other options are available, but only these three measurement tools will be discussed.

#### *TI's Corruption Perceptions Index (CPI)*

The CPI is a composite index that measures the "perceived levels of public sector corruption worldwide. Not one single country gets a perfect score, and more than two-thirds score below 50, on a scale from 0 (highly corrupt) to 100 (very clean)" (Corruption Perceptions Index, 2014, p. 3). The CPI was first published in 1995 with data from 45 countries; it has since been expanded to 180 countries. To its credit, the CPI has been instrumental in putting the issue of corruption on the international policy platform. Hough (2013) explains that the CPI has its share of criticism. First, the CPI does not measure actual corruption; rather, it measures the perception of corruption in a specific country. Perception of corruption and actual occurrences of corruption are not the same, and in many cases may be quite different. In addition, CPI critics argue that it only measures public sector corruption, thus overlooks the private sector's role in endemic

corruption (Hough, 2017). In 2012, TI updated the methodology for calculating the CPI to make it easier to capture changes in public sector corruption over time (Transparency International 2012). In addition, a concern is that the lack of consensus on the definition of corruption is contributing to inaccuracies.

*World Bank's Worldwide Governance Indicators (WGI) Control of Corruption Indicator (CC)*

Similarly, the Control of Corruption assessment in the World Bank's World Governance Indicators (WGI) "captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests" (World Bank Group, 2018). Like the CPI, critics note that the WGI is subjective because it monitors the perception of public sector corruption from the perspective of key and informed stakeholders. Further, they indicate that WGI is biased because it relies heavily on the perspectives of business elites who may evaluate corruption based on their own political orientation (Rohwer, 2009).

Another criticism of the WGI control of corruption indicator is that the WGI cannot be used to draw comparisons over time and across countries compared over time "since the estimates for governance for different countries or periods may be based on different underlying data sources" (Kaufmann, D., Kraay, A., & Mastruzzi, M. 2007, p. 5).

*The Varieties of Democracy (V-Dem) Institute Public Sector Corruption Index*

The Varieties of Democracy was released in 2014 and is the most comprehensive and transparent global democracy database to date (Boese, 2019). It was assembled in a collaborative approach by over 50 scholars and 3,000 plus researchers who understood the limitations and debate of existing measures. The V-Dem database contains over 450 indicators with 27 million data points from 202 countries some of which extend from 1798 to date (Varieties of Democracy Project, 2021). It approaches democracy as a multidimensional concept consisting of the following five distinct dimensions and between five different principles of democracy: electoral, liberal, participatory, deliberative, and egalitarian (Boese, 2019; Varieties of Democracy Project, 2021).

One of the 450 indicators within the V-Dem database is the Public Sector Corruption index which captures the extent of corruption perpetrated by public sector officials. It evaluates how routinely public sector employees grant favors in exchange for bribes, kickbacks, or other material inducements, and how often do they steal, embezzle, or misappropriate public funds or other state resources for personal or family use. The V-Dem Public Sector Corruption Index averages two underlying indicators: public sector bribery and embezzlement (Varieties of Democracy Project, 2021, p. 297). The index ranges on an interval from 0 (low) to 1 (high)<sup>2</sup>. Per the V-Dem, a lower score indicates a

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<sup>2</sup> This directionality is opposite of that of other V-Dem indices, which generally run from normatively worse to better (Varieties of Democracy Project, 2021, p. 297)

normatively better situation (e.g., more democratic) and higher scores a normatively worse situation (e.g., less democratic). It covers data from all countries from 1900 to present. As with CPI and WGI, the V-Dem Corruption index has limitations, in that it relies on perception of corruption and does not measure actual observed occurrence of corruption. The V-Dem public sector corruption index is an alternative to the CPI because it can be used to assess the trends in corruption in individual countries over a longer period, and explicitly includes both bribery and embezzlement.

### *Comparison*

CPI, WGI, and the V-Dem public sector corruption Index have some similar methodologies, but their objectives differ. The three data sources also differ in terms of the number of countries that are covered, and the years covered. CPI is the most limited in terms of duration covered because it was established in 1995 and changed its methodology in 2012. Because of this change, Transparency international has explicitly indicated that CPI should not be used to draw comparisons across time. This significantly limits its usability in a time series study. The CPI's aim is to raise public awareness of corruption and to help civil society "demand accountability from their leaders" (Transparency International, 2012), whereas the aim of the "WGI is to create instruments to establish more effective instruments of government assistance" ((Malito, 2014). V-

Dem aims “to achieve transparency, precision, and realistic estimates of uncertainty with respect to each data point” (Lindberg, Coppedge, Gerring, & Teorell, 2014, p.161).

The WGI and CPI utilized aggregate data, which could result in the lack of internal validity because of using the same source for multiple data points. V-dem in contrast has been hailed as most objective because its indicators fall into 3 categories 1) Indicators based on factual data 2) Evaluative indicators observed by country experts and 3) Aggregated variables (Lindberg, Coppedge, Gerring, & Teorell, 2014). Each index approaches the corruption that they measure differently. Specifically, the CPI approaches corruption as the “abuse of entrusted power for private gain” (Transparency International, 2013) and focuses on the public sector, WGI addresses both private and public sectors and measures petty and grand corruption (Malito, 2014, p. 11); V-Dem assesses to what extent public sector officials accept bribes and participate in embezzlement (Varieties of Democracy Project, 2021).

Both CPI and WGI have been criticized for the lack of objectivity in the data sources as well as for having problems with internal validity. Another critical issue with both indicators is the “halo effect,” which absolves richer, developed countries of corruption, and connects corruption with poorer countries. This creates the risk of inaccurately reporting high levels of corruption in low-income or emerging democracies and ignoring corruption in richer and developed nations. As we detailed above, scholars have found that corruption occurs in both lower-income and wealthier nations.



The final criticism is that both CPI and WGI do not allow for cross country comparisons or measurements over time. Therefore, the CPI has made efforts to improve comparisons of corruption over time as well as its longitudinal reliability (Malito, 2014). TI also created other indices such as the Bribe Payers Index and Global Corruption Barometer to look at perception and experiences as it pertains to incidents of bribery and overall corruption (Hough, 2013). Both WGI and CPI focus in greater detail on the data being gathered than on expanding the breadth of incidents.

V-Dem addresses these criticisms by leveraging lessons learned from different indices and indicators. Of the three, it is the only one that allows for comparison both over time within countries and across countries over a period. It also allows researchers using the database to drill down from “highly aggregated indicators to subcomponent scores that permits the user to pinpoint micro dynamics in each country” (Lindberg, Coppedge, Gerring, & Teorell, 2014, p.165).

It is important to note that here that other anti-corruption scholars and practitioners have tried to develop indicators that provide a more accurate reflection of actual corruption versus perceived corruption. For example, TI’s Global Corruption Barometer is a public opinion survey conducted in 86 countries that asks over 91,000 citizens whether they have experienced corruption (Hough, 2013; Heywood & Rose, 2014). Similarly, the Bribe Payers Index explores the likelihood that firms from industrialized and developed countries will accept bribes abroad (Transparency

International, 2018). In addition, the World Economic Forum has included several corruption related questions in the annual Global Competitiveness Report (GCR). The GCR was established in 2004 to identify and assess a country's ability to provide high levels of prosperity to their citizens. These examples highlight how the data on corruption has become multi-dimensional and targets different audiences. The data is also available from different organizations that can impact public policy and anti-corruption efforts.

It is important to note that in the quantitative analysis of Chapter 5, I will be using the V-Dem index, for reasons noted above. Specifically, it is best for analysis of corruption over time and across countries for the period 2000 to 2019.

### CHAPTER 3: HUMANITARIAN AID

Unlike aid focused on development and poverty reduction, humanitarian aid and disaster relief aims to “avert famine, support transitioning governments, and assist countries recovering from natural disasters” (Goldin & Reinert, 2012, p. 127). But to fully understand humanitarian aid and its guiding principles, I must first define what it is. Humanitarian aid is defined as assistance “that seeks, to save lives and alleviate suffering of a crisis affected population” (Relief Web Glossary of Humanitarian Terms, 2008, p. 31). While the goals and definition of humanitarian aid are simple, the process of delivering aid is quite complicated and riddled with political ramifications.

By design, humanitarian action is intended to “complement and support States in fulfilling their responsibilities; it is not intended to undermine nor supplement state responsibility” (United Nations High Commissioner for Refugees (UNHCR) Emergency Handbook, 2015, p. 1); its key objectives are to save lives and alleviate suffering. Thus, it is essential for aid workers to deploy operations with precision. However, since humanitarian aid is often delivered in complex, unstable, or militarized environments, coordination, communication, and oversight are required for the efficient deployment of resources to recipients. This requirement has resulted in the formation of humanitarian clusters consisting of “groups of United Nations (UN) and non-UN actors that engage in sectoral coordination of humanitarian response (such as the provision of healthcare and

water) at the global and country level” (Clarke & Campbell, 2018, p. 655). In 2014 Stoddard et al. (2015) estimated that 4,480 organizations worldwide were engaged in the provision of humanitarian aid globally (Stoddard, Harmer, & Hughes, 2015).

To navigate the complexity in deploying humanitarian assistance, a robust humanitarian framework has been established to protect aid workers as well as their recipients. Humanitarian aid focuses on providing independent and neutral help to those in crises, as such, aid workers must remain autonomous (Bernard, 2015). But to successfully deploy aid, humanitarian aid workers must simultaneously navigate state authority, international laws (including international humanitarian law, international human rights law, and international refugee law), the expediency of a humanitarian response, the transparency of aid allocation, the security of aid recipients, the safety of aid workers and aid recipients, and risks of corruption in aid allocation. Therefore, humanitarian workers must adhere to guiding principles to have safe and consistent access to those in need (Sphere Project, 2000), which is critical for distributing necessary and impartial assistance to those most affected by disasters.

The tenets of the international humanitarian assistance framework were established in October 1965, during the 20th International Conference of the Red Cross in Vienna. The principles were reaffirmed by the UN through General Assembly

resolutions 46/182,<sup>3</sup> 58/114, and 63/139.<sup>4</sup> Similarly, the World Health Organization (WHO) and other major international non-governmental organizations (NGOs) align with these principles as well as the codes of conduct for the International Red Cross, the Red Crescent Movement, and NGOs.<sup>5</sup> The key principles that guide global humanitarian action today are humanity, impartiality, neutrality, and independence.<sup>6</sup>

- The principle of **humanity** in humanitarian aid is the principal driver for any response to a crisis, which includes events caused by conflict, violence, or natural or man-made disaster. The principle of humanity's main "objective is to protect life and health and to ensure respect for the human being" (Bernard, 2015, p. 18).
- **Impartiality** in humanitarian aid means that assistance and action is "based solely on need, with priority given to the most urgent cases irrespective of race, nationality, gender, religious belief, political opinion or class" (Bernard, 2015, p. 18).

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<sup>3</sup> Resolution on strengthening of the coordination of humanitarian emergency assistance of the United Nations.

<sup>4</sup> General Assembly Resolution 63/139, December 11, 2008. Resolution on strengthening of the coordination of emergency humanitarian assistance of the United Nations.

<sup>5</sup> The code of conduct of the International Red Cross, Red Crescent Movement, and NGOs is defined in the humanitarian charter and minimum standards in disaster relief, drafted by the Sphere Project 2004. The Sphere Project is a program of the Steering Committee for Humanitarian Response (SCHR) and InterAction with VOICE, ICRC, and ICVA. The project was launched in 1997 to develop a set of universal minimum standards in core areas of humanitarian assistance (Sphere Project & McConnan, 2000).

<sup>6</sup> The principles of humanity, impartiality, independence, and neutrality are derived from: the Fundamental Principles of the International Red Cross and Red Crescent Movement proclaimed in Vienna in 1965 by the 20th International Conference of the Red Cross and Red Crescent; United Nations (UN) General Assembly Resolution 46/182, 19 December 1991, and UN General Assembly Resolution 58/114, 5 February 2004.

- **Neutrality** pertains to the need to maintain impartiality and independence in aid giving. This means humanitarian actors must refrain from taking sides in “hostilities or engaging in political, racial, religious or ideological controversies” (Bernard, 2015, p. 18).
- The fourth and final key principle in the humanitarian ethos is the concept of **independence**. This principle asserts that “humanitarian action must be autonomous from the political, economic, military or other objectives where humanitarian action is being implemented” (UNOCHA, 2012, p.1).

Importantly, even if humanitarian aid workers abide by the guiding principles, they may encounter ethical challenges in gaining access to affected people who are often the most vulnerable. Corruption hinders the ability for states to provide public services to citizens. Corrupt public sector officials may establish roadblocks to aid or demand payments before aid workers can establish operations. Understanding that corruption is so pervasive that it transcends different sectors is critical in identifying, reporting, and reducing incidents of corruption. Ill-equipped companies can bribe procurement officials to win contracts, which results in a disservice to those who require aid. The integrity of the public sector procurement process is subsequently compromised when politicians and corporations have multi-layered relationships and agreements. Decisions on bids, procurements, and awards “contain incentives for personal enrichment at the expense of the state and its citizens through inflated prices, projects with little social value, and

padded costs” (Rose-Ackerman, 2015, p. 5). Those who depend on the government to receive these services are left with poorly delivered goods or no services at all. With misplaced priorities on profiting from the contracts, bureaucrats responsible for monitoring the project delivery ignore missed milestones and subpar construction materials and human rights violations. In other cases, corrupt officials may divert aid to their relatives and friends. Since humanitarian aid is needed in communities devastated by tragedy or disaster, established anti-corruption measures may be bypassed to quickly deploy aid, which may result in stolen resources. The next section discusses the politics of humanitarian aid followed by how corruption and humanitarian aid intersect.

### **Politics of Humanitarian Aid**

Since its inception at the Bretton Woods Conference and implementation in the Marshall Plan, the current global humanitarian aid framework has been used to advance the political interests of higher-income Western nations (Keeney, 2018). To date, most humanitarian aid agencies’ ideologies and operational centers are rooted in Western countries (Mac Ginty & Peterson, 2015). When the humanitarian aid framework was first created, it filled a void to support collapsing, failing, or transitional states (Drury, Olson, & Van Belle, 2005). Theoretically, checks and balances ensure that humanitarian aid readily reaches needy people and “assures speedy and need-based humanitarian assistance” (Drury, Olson, & Van Belle, 2005, p. 455). However, the decision to intervene and the

amount of aid allocation are influenced by domestic and international politics. Moreover, to receive aid, recipient nations may need to realign their interests to compliment those of donor nations.

The current humanitarian framework, which aims to provide “impartial, independent and neutral provision of aid to those in immediate danger,” has only existed since the middle of the twentieth century (Rysaback-Smith, 2015). Goldin and Reinert (2012) explain that the history of modern aid and colonialism are intertwined. Specifically, colonial powers driven by the desire to stimulate and exploit the economic activity of their colonies necessitated investment and assistance (Goldin & Reinert, 2012). Therefore, the advent of the current aid structure can be traced back to the Marshall Plan,<sup>7</sup> the Bretton Woods Conference,<sup>8</sup> and the creation of multilateral institutions to facilitate international assistance.

In order to understand the political construction of the current framework, some scholars (Barnett, 2011) have broken the humanitarian framework timeline into three stages:

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<sup>7</sup> The Marshall Plan, also referred to as the European Recovery Program, was a U.S.-sponsored program designed to rehabilitate the economies of 17 western and southern European countries immediately after World War II.

<sup>8</sup> The Bretton Woods Conference, officially the United Nations Monetary and Financial Conference, was a gathering of delegates from 44 nations from July 1 to 22, 1944 in Bretton Woods, New Hampshire, to agree upon a series of new rules for the post-WWII international monetary system. The conference’s two major accomplishments were the creation of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) ([U.S. Department of State Archive](#), 2009).



1. **Imperial humanitarianism**, from the early nineteenth century through World War II; 2. **neo-humanitarianism** from World War II through the end of the Cold War; and 3. **liberal humanitarianism**, from the end of the Cold War to the present. (Davey et al., 2013)

This timeline is debatable but there is consensus around the key milestones that have led to the current humanitarian aid system. These milestones include the establishment of international organizations, declaration of treaties, the end of World War II, and decolonization. These were turning points in generating the need for assistance to alleviate the plight of disaster-stricken people (Davey et al., 2013).

Rysaback-Smith (2015) explains that the 1919 Treaty of Versailles established the League of Nations (now the UN) which was tasked with “protecting vulnerable populations and maintaining peace” (Rysaback-Smith H., 2015, p. 7). After World War II, the rise of emerging countries in the Soviet bloc, as well as the emergence of post-colonial nations in Africa, Asia, and Latin America, drove the proliferation of NGOs and the dominant, and current, Western ideas of humanitarian aid (Rysaback-Smith, 2015). The Universal Declaration of Human Rights (UDHR) adopted in 1948 globally elevated human rights and human beings to the central agenda rather than political power or politics.

Proponents of the current humanitarian aid framework concede that improvements need to be made and that realistically, humanitarian is indeed political.

Scholars (Morgenthau, 1962; Nardin, 2018) and practitioners argue that from a realist perspective, the current framework is a zero-sum game; as such, they counter that the need for humanitarian aid and assistance outweigh the capacity for the current humanitarian system to respond. Thus, there is no room for humanitarian assistance without the consent of the recipient country. Under current humanitarian law,<sup>9</sup> during non-international armed conflicts, access for humanitarian actors external to the state remains the subject of the state's consent (Henckaerts, 2009). If a state denies access to humanitarian actors, it must not be on arbitrary grounds. Per Article 8 of the 1998 International Criminal Court Statute, a "state may not willfully withhold consent if it would lead to starvation" or harm of the civilian population (Ryngaert, 2013, p. 7).

Though international law is difficult to enforce within a state, there are provisions and guiding principles on the willful prohibition of humanitarian supplies. For example, the International Law Commission's (ILC) draft articles<sup>10</sup> 11.1 through 11.3 indicate that provision of external humanitarian assistance requires consent of the state, but the states may not withhold consent arbitrarily when the offer of humanitarian assistance is provided in accordance with draft articles and international law (ILC, 2016). Although current laws can guide when and how actors may respond and provide humanitarian

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<sup>9</sup> Rule 55 of the International Committee of the Red Cross (ICRC), International Covenant on Economic, Social and Cultural Rights, 1966 (ICESCR), Rome Statute of the International Criminal Court, U.N. Doc. A/CONF.183/9 (1998), reprinted in 37 I.L.M. 999 (1998), Article 25(2) of the Guiding Principles (OCHA, 2001), and UN Doc. A/67/L.39 (2012)

<sup>10</sup> ILC 2016 Draft Articles on the Protection of Persons in the Event of Disasters, with Commentaries

assistance, the will to act is solely at the discretion of the state. In most cases, states and donors respond to a humanitarian crisis when there is a threat to their interests or when the benefit of the assistance is higher than the cost. International organizations cannot enforce humanitarian laws, which makes them akin to toothless watch dogs: all bark and no bite. Without defining incentives, consequences, or alternative solutions, clearly the issue of responsibility and indifference from states will continue.

Yet, critics of the current humanitarian assistance framework argue that it is neither truly need-based nor devoid of politics. Rather, donor countries use humanitarian assistance to advance and fulfill their own foreign policy interests, strategic objectives, and political goals at the expense of those in need (Keeney, 2018; Duffield, Macrae, & Curtis, 2001). This critique shows how donor countries' use of assistance directly contradicts the politically minded principles of neutrality and independence, which indicate that humanitarian assistance should be provided impartially based on need and without engaging in politics. In addition, some critics argue that the current structure has led to a consolidation of the "international humanitarian regime that has created new global and national elites and has established a system of bio-political governance" (Mac Ginty & Peterson, 2015). Humanitarian aid organizations may function in parallel or as an alternative to national government agencies that are either unable or unwilling to provide lifesaving aid (Mac Ginty & Peterson, 2015). This dynamic can be manipulated

and instrumentalized as a political strategy of warring parties to exploit a humanitarian aid crisis to obtain power (Donini, 2013).

Drury et al. (2005) reported that aid allocation is influenced by domestic and international policies. Specifically, studies (Badescu, 2007; Drury et al., 2005) have found that political considerations are pervasive in donor organizations and a country's decision to aid. Donor countries consider: (a) foreign policy reservations and impact, (b) internal domestic concerns within the donor country, (c) internal domestic concerns within the recipient country, and (d) the severity of the humanitarian disaster in deciding whether to intervene or not. The reality is that each disaster's circumstances is unique, therefore humanitarian agencies and donors must consider the culture and the context of disaster before intervening and dispersing aid. Similarly, donor agencies and countries have goals and interests that affect recipient countries. Some of these goals and interests can marginalize recipients and contribute to civil and political instability within recipient countries (Keeney, 2018).

Political leaders in humanitarian assistance in donor and receiving states alike have taken advantage of humanitarian disasters to enforce and implement nationalistic policies that may exacerbate vulnerable situations allowing nefarious actors to take advantage of crisis conditions. Specifically, in their study Drury et al. (2005) found that U.S. humanitarian aid is strongly political particularly during the intervention decision-making process. Humanitarian disasters make vulnerable situations even more precarious

if the designated leaders of affected states are unable or unwilling to respond. As such, nefarious characters take advantage of disasters to participate in transnational crime. Studies have found that humanitarian disasters intersect with terrorism, instability, migration, human trafficking, drug trafficking, and refugee flows. In response, donor countries have repackaged humanitarian crises as threats to international and national security (Duffield, Macrae, & Curtis, 2001). For example, under the guise of national security, the United States implemented a policy that suspended entry of refugees.

Specifically, on January 27, 2017, President Trump signed Executive Order 13769, titled “Protecting the Nation from Foreign Terrorist Entry into the United States”. This executive order restricted travel into the United States from seven predominantly Muslim countries: Iran, Iraq, Libya, Somalia, Sudan, Syria, and Yemen. The order was implemented in the context of a global refugee crisis. Three of the seven countries on the list (Syria, Sudan, and Somalia) were ravaged by war and accounted for more than half the world’s current refugee population in 2016 (UNHCR, 2017). The order suspended entry of all Syrian refugees indefinitely and prohibited any other refugees from coming into the country for 120 days. Ultimately, the order was blocked on March 16, 2017, by a federal court in Maryland.

Clearly, scholars must consider the politics of humanitarian aid when examining how aid intersects with corruption. The next section will highlight the global trends in humanitarian aid flow. Practitioners and academics alike have reported that the trends in

humanitarian crises indicate that the demand for humanitarian aid will only continue to increase.

### **Trends in Humanitarian Crisis**

The need for humanitarian aid continues to increase because of a more unstable world due to forced migration, economic instability, protracted conflicts, and climatic disasters. Trends show that a rise in global calamities will result in a corresponding increase in humanitarian aid. The World Bank estimates that by 2020 “168 million people will need humanitarian assistance and protection” (Global Humanitarian Overview (GHO), 2020, p. 22). Of those, 109 million will need life-saving assistance, a \$28.8 billion funding requirement (see Figure 3, which shows trends in humanitarian aid as well as the funding gap in humanitarian aid requirements from 2009 – 2019). Natural disasters, debt crisis, hunger crisis, and armed conflicts can result in refugee-protracted situations and forcibly displaced populations. Furthermore, economic insecurity, slower economic growth, economic decline, and the emerging debt crisis intensify humanitarian needs (GHO, 2020, p. 18). The International Organization for Migration (IOM) reported that by 2018, the number of displaced people and refugees was the highest on record (IOM World Migration Report, 2018). The number of international migrants reached 244 million in 2018; almost 65.3 million were displaced from their homes, 41.3 million were internally displaced people, and 25.9 million were considered refugees (GHO, 2020). The U.S.

Department of State reported that at the end of 2015, approximately 12 million refugees were in protracted displacement situations (U.S. Department of State, 2016). Eighty percent of humanitarian aid funding since 2015 was for crises lasting five years or longer (Global Humanitarian Overview, 2019).

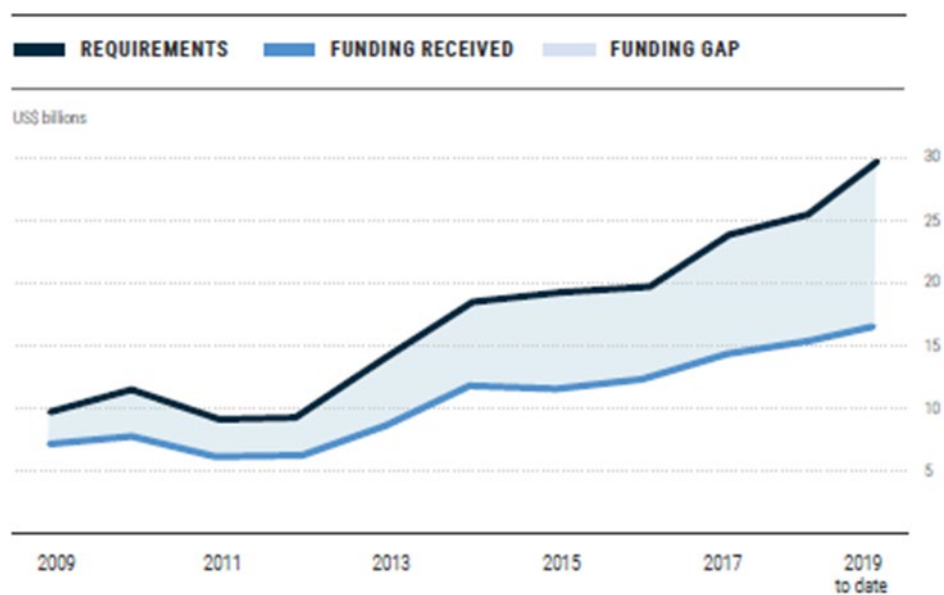


Figure 3: Humanitarian Assistance Funding Gap 2009–2019. <sup>11</sup>

The second trend in humanitarian crises is an increase in global instability and violence which results in the need for humanitarian aid. The Peace Research Institute Oslo reported that 2016 was the fifth most violent year in the world since the end of the

<sup>11</sup> Source: Global Humanitarian Overview, 2020.

Cold War in 1991 (Dupuy et al., 2017). OCHA (2020) reports that war, violence, and armed conflict (including protracted gang-related conflict) have a direct impact on humanitarian crises. The GHO 2020 report shows that the number of active highly violent conflicts increased from 36 to 41 between 2019 and 2020 (GHO, 2020, p. 11). The UNHCR reports that more than half of the current world's refugee population are from the following three war-ravaged countries: Syria, Afghanistan, and South Sudan. The 2020 Global Peace Index (GPI) reports that as the most peaceful countries continue to improve, the least peaceful fall into greater violence and conflict. Armed conflicts, soldiers, and terrorists target civilian populations which results in high casualty rates, human rights abuses, poverty, and ultimately forced migration. Violence against women is also commonplace during armed conflict, which manifests in involuntary relocation, forced labor, torture, rape, forced marriage, and deportation. Unequal state policies denying or limiting public representation, health care, education, employment, and access to legal redress are also contributing factors to violence against women in already unstable countries. Sexual violence has been used as a tool of war: As women flee sexual violence in their communities, they fall victim to it at the hands of warlords, soldiers, armed gangs, and border guards. In 2002, UNHCR and Save the Children UK researchers found that although sexual exploitation affected boys and girls from the age of 5, the most frequently exploited were girls ages 13 to 18 (Ferris, 2010).



In addition to protracted violence, climate change and natural disasters exacerbate humanitarian vulnerabilities and make a response more complex. Natural disasters, famine, and food insecurity caused by the changing climate make already vulnerable populations more susceptible to abuses. Changes in climate will have a significant impact on ecological and social systems (Haywood & Schulz, 2007). Further, recent research has shown that in some cases climate change can increase the risk of violent conflict. Specifically, conflict may be driven by changes in social systems because of climate impacts (Barnett & Adger, 2007). When natural and environmental disasters strike, resources are lacking, frustration is high, and tensions increase, along with higher numbers of casualties. Reuters reported that in 2014 nearly 20 million people were forced to flee their homes due to floods, storms, and earthquakes, a pattern that will likely worsen due to climate change (Nebehay, 2015).

These trends are evidence that humanitarian disasters will continue to increase. Humanitarian disasters intersect with other critical world problems like poverty, war, illegal migration, human trafficking, corruption, and international security. Without “political, economic and development action that addresses the root causes as well as desperately vulnerable populations, humanitarian assistance will continue to respond to escalating needs” (OCHA GHO, 2020, p. 21). This dissertation will evaluate humanitarian aid assistance to determine its impact on corruption, particularly in periods in which humanitarian aid dramatically increased.

### Corruption and Humanitarian Aid

Humanitarian aid is a critical political tool that affects political interactions between states in the global system. Studies on the impact of aid on development are numerous, and the debate over the effectiveness of humanitarian aid and its impact on corruption in low and lower-middle income countries has been ongoing for decades. The solution is not clear, as empirical studies yield ambiguous results. Some studies have found that foreign aid reduces corruption in low and lower-middle income countries, while others have found that foreign aid increases incidents of corruption. For example, Tavares (2003) found that foreign aid decreased corruption, while Svensson (2000) found that aid seemed to increase corruption in recipient countries. Both may be correct because corruption is contextual and factors such as the country under study can affect the findings. However, there is a gap in explaining how humanitarian aid facilitates endemic corruption. The current study aims to fill this gap by exploring the trends between the influx of aid and corresponding level of perceived corruption in the countries assessed in this study.

Many states that require international humanitarian support have high levels of poverty, instability, and corruption. Some scholars (Albiman, 2016; Moyo, 2010) have expressed concerns about the negative impact of foreign aid, including humanitarian aid's impact on corruption in countries with high levels of corruption, lack of infrastructure, and poor governance. Specifically, they argue that foreign aid is the

problem as it generates a cycle of corruption that results in slower growth and greater poverty (Moyo, 2010). As a result, progress on development and infrastructure projects is hampered, resulting in their uneven performance. For aid to be effective, a basic understanding of governance, financial planning, humanitarian aid, and infrastructure development must be implemented along with accountability and traceability on how funds are spent. Some empirical studies have found that “if the countries do not have ‘state interventions’ or ‘sound macro policies’ foreign aid would have a negative impact to the host countries” (Albiman, 2016, p. 2). Goldstone and Kocornik-Mina (2005) indicate that foreign aid may contribute to instability in countries that have splintered or contested hierarchies.

Thus, studies show that humanitarian aid can be more effective and reach more of its intended targets if the recipient country has good governance, transparency and open budget expenditure systems, public sector reform, accountability, education, and public ownership. Public sector officials can assist humanitarian practitioners in accessing affected populations, ensure that conditions are safe for aid workers, and assist in effective delivery of services. Most importantly, the elected officials must have the will to combat public sector corruption. For example, in Botswana, corruption within public sector ranks is not tolerated and measures for transparency have been institutionalized. As a result, they have a strong democratic process, a low corruption perception score of 61 (rank: 34/180), and high levels of transparency (Transparency International, 2016).

The effort and will to fight corruption should not only be limited to elected officials but also should extend throughout the public sector. Botswana signed the United Nations Convention against Corruption on 27 June 2011 and implemented it on 27 July 2011 (UN, 2014). In addition to the public-sector employees and local law enforcement agencies, Botswana has several agencies dedicated to monitoring and fighting corruption, including Directorate on Corruption and Economic Crime (DCEC), the Director of Public Prosecution (DPP), the attorney general, the Financial Intelligence Agency (FIA), the Police Service, the Directorate of Public Service Management (DPSM), and the Administration of Justice (Courts). This approach allows for several layers of accountability and transparency within the government. In addition to fully implementing the articles of the Convention, Botswana has implemented several laws to address corruption that are more stringent in combating corruption in the public sector. Specifically, Corruption and Economic Crime Act (as amended) (CECA), the amended Proceeds of Serious Crime Act (POSCA), the Criminal Procedure and Evidence Act (CPEA), and the Penal Code (PC)” (UN, 2014, p. 2). Furthermore, the DPP in Botswana has criminalized bribery, money laundering, embezzlement concealment, and attempt to commit corrupt acts. Botswana also addressed the confidentiality issues related to banks by drafting the Bank Act in conjunction with sections 7 and 8 of CECA and the Financial Intelligence Act of 2009, which establishes a framework that financial institutions must follow. Specifically, banks and financial institutions are required to keep good records on customers and report any

suspicious behavior to the FIA (Transparency International, 2014). Finally, Botswana established the FIA which became operational in 2011 with the passing of the Financial Intelligence Act (U.S. Department of State, 2013). This Act allows the FIA to “request, receive, analyze, and disseminate information on suspicious transactions and financial disclosures to law enforcement agencies, supervisory authority and comparable bodies” (Transparency International, 2014, p. 8).

Botswana’s efforts took several years to develop and implement; they were strategic and leveraged the tools from the UN and modeled implementation based on successful anti-corruption efforts and used best practices from other countries (e.g., the “DCEC was established in 1994, using a model similar to the Hong Kong’s Independent Commission Against Corruption, with the mandate to combat corruption and economic crime” (Transparency International, 2014, p. 7)). It should be noted all these efforts and control of corruption are successful because of the political will to implement and enforce laws.

Moreover, proponents of humanitarian aid to countries with high levels of corruption contend that foreign aid decreases corruption (Tavares, 2003). They found a “reduction in corruption due to increasing civil servant salaries, as well as the implementation of institutional reforms” (Quibria, 2017, p. 12). With basic needs being addressed, some public sector officials may no longer need to collect bribes. Studies have found that when corruption is endemic, public-sector employees in lower income

countries are not well paid and have few opportunities for career advancement. Specifically, Tavares (2003) explained that “foreign aid alleviates public revenue shortages and facilitates increased salaries for public employees therefore it may diminish the supply of corruption by public officials” (p. 104). As a result, employees are not motivated to report corruption or abuse of power by those in positions of authority and are more susceptible to bribes. Understanding how foreign aid and humanitarian aid affects corruption is critical to limiting malfeasance in aid distribution.

Scholars have attempted to theorize on corruption and as well as the incentive to provide aid to countries with endemic corruption. This dissertation will review two theories essential to understanding corruption. The next section will highlight the principal-agent theory of corruption which is an economics concept that has been used to understand corruption globally and across sectors. The next section will also discuss the theory of obligation in humanitarian aid, a moral theory at the level of the humanitarian organization which looks at the burden sharing, personal responsibility, institution accountability, sympathy, and compassion (Van Arsdale & Nockerts, 2008).

### **Theoretical Frameworks: Principal-Agent Theory of Corruption and Theory of Obligation in Humanitarian Aid**

The theory and practice of modern humanitarian aid must be revisited, as the current framework of aid is outdated. Therefore, we must also revisit how humanitarian aid is

deployed. Different perspectives and definitions of corruption cause obstacles to detecting and prosecuting corruption in aid-receiving countries (Johnston, 2014; see also Heidenheimer et al., 1989). Corruption is heavily influenced by a society's dominant beliefs, systems of patronage, and tradition.

Part of the issue with defining corruption is that occurrences of corruption are perceived differently. Johnston (2014) argues that assessing societies on a single scale of corruption is ineffective and requires a deeper review of democratic and economic participations and institutions. He also examines the motivating factors that drive and interfere with reform efforts. Johnston (2014) argues that "corruption occurs in societies in quite different ways, depending on the deep-rooted influences as well as more recent trends" (p. 16). Understanding that corruption is a social contract that exists in different sectors of an economy is important when conceptualizing corruption and minimizing corrupt behavior. The principal-agent theory of corruption has been used to understand corruption globally and across sectors. In this section, I will briefly discuss the principal-agent theory of corruption and the theory of obligation as they pertain to humanitarian aid.

#### *The Principal-Agent Theory of Corruption*

The principal-agent theory is an economic concept used to define agency relationships. Ross (1973) explains that an agency relationship exists when one party acts as an agent

on behalf of the other (designated as the principal) (Ross, 1973). When used to analyze corruption, it assumes that the principal employs the second party (the agent, which is being corrupted) to work for the principal (Wedel, 2014). This theory asserts that corruption occurs when “one party to a relationship (the principal: typically assumed to embody the public interest) requires a service of another party (the agent: driven by private interest or benefit) but the principal lacks the necessary information to monitor the agent’s performance in an effective way” (Menocal et al., 2015, p. 15). Furthermore, principal-agent theory assumes that corruption occurs when an agent overlooks the rules established by the principal to collude for personal incentives.

Mungiu-Pippidi (2006) would counter that corruption is a social contract between those involved to undermine systems put in place to promote public good, for their private gain. Mungiu-Pippidi (2019) notes that the principal–agent model suggests that the corrupt act lies with the agent, but she insists that we also have to take into account the commitment to integrity of the principal. The principal and the agent may both be involved in corruption. The principal–agent relationship by nature is a contractual relation between a principal and an agent, and the principal must incentivize the agent to continue to act on behalf of or in the best interest of the principal (Wedel, 2014). Mungiu-Pippidi and other scholars argue that in some contexts, corruption should be viewed not as a principal-agent problem, but as a collective action problem, because if



corruption is systematic, it becomes a social norm (Mungiu-Pippidi, 2011; Persson, Rothstein, & Teorell, 2013).

The principal-agent theory of corruption has noted limitations, including inapplicability in situations where corruption, rent seeking, and wealth enhancing behaviors are the norm. Rent seeking occurs when officials, private sector organizations, or individuals seek to increase their share of existing wealth without reciprocating any benefits to society through wealth creation. Rent seeking results in poor or perverse policies that primarily benefit a wealthy elite. This phenomenon of rent seeking and wealth enhancing behaviors was demonstrated in Haiti, for example, during both Duvalier regimes<sup>12</sup> when the government took ownership, control, and management of domestic industries to divert funds for their personal gain. Rents from government-controlled industry were captured by the Régie du Tabac<sup>13</sup> on behalf of François Duvalier at the expense of the public interest. It is impossible to assess whether the Régie du Tabac ignored the rules established by Papa Doc Duvalier or began to collude with other parties at the expense of Duvalier. Other factors that make corruption and rent seeking successful include poor governance, lack of transparency, poor record keeping, and nepotism.

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<sup>12</sup> François Duvalier (“Papa Doc”) became president in 1957 and transitioned power to his son Jean-Claude Duvalier “Baby Doc”, in 1971. Baby Doc was ousted in 1986.

<sup>13</sup> Haitian Tobacco Administration

Though robust, there are some limitations to the principal-agent theory of corruption, specifically its failure to fully account for endemic and systemic corruption. Critics of principal-agent theory argue that its usefulness is limited and too narrow to explain large-scale or endemic corruption. In some scenarios, it is difficult to determine the principal or the agent as the theory only addresses the “need” versus “greed” forms of corruption and becomes unreliable when assessing scenarios with overlapping relationships and blurred organizational missions (Wedel, 2014). Further, corruption continues to be a systemic and endemic issue that plagues low-income and lower-middle income countries.

#### *Theory of Obligation in Humanitarian Aid*

Currently, donors and humanitarian aid agencies are overwhelmed by the demand for aid. Among the key causes of humanitarian crisis are the global refugee crisis, devastating natural disasters, and wars in Syria, Iraq, and South Sudan, where an immediate and massive humanitarian response is required. This situation leads to the question: Who is obligated to provide such assistance? Obligation in the context of the theory of obligation refers to “what one should do.” The theory of obligation postulates a moral necessity “to aid the structurally dispossessed and functionally abused” (Klosko, 2004, p. 801). It is based on the principles of consent, fairness, a natural duty of justice, and gratitude (Klosko, 2004). However, the theory of obligation is not comprehensive. The theory

assumes that donor countries will not encounter disaster (natural or man-made) fatigue and become desensitized to ongoing and increasing humanitarian demands. In addition, with the rise of nationalism, scarce resources, and anti-immigrant rhetoric, humanitarian aid has become so politically charged that some wealthier Western countries like the United States and Hungary are hesitant to aid or advocate for a more effective humanitarian aid framework and approach.

Lacking in the theory of obligation, humanitarian aid tenets and guiding principles, and economic development policies is an understanding of the contributing factors that necessitate aid in the first place. Easterly (2006) explains that the real cause of poverty is the unchecked power of states against people without rights. He argues that development policies fail because Western experts do not account for contexts as they develop and implement solutions. Rather, experts try to fix things in the low and lower-middle income countries by approaching them as blank slates. Easterly (2013) defines this phenomenon as the “tyranny of experts” in which experts consisting of Western governments and development professionals (policy makers, practitioners, academics) use a problematic approach (at times biased, racist, and imperialist) to develop/fund foreign aid projects. Easterly (2013) explains that experts overlook the use of a bottom-up approach (spontaneous solutions) from individuals and instead advocate for conscious designs (a top-down approach) to end poverty. Such views are flawed, outdated, and arrogant, as they overlook grassroots, contextual solutions from local experts. The theory

of obligation is flawed: it undermines the good intentions of development experts and may inadvertently contribute to social and economic development with ineffective policies and solutions.

### *Intersection of Theoretical Frameworks*

To explain how humanitarian aid and corruption intersect to result in poorly designed programs and mismanaged funds, this study leverages both the principal-agent theory of corruption and the theory of obligation in humanitarian aid. It uses existing knowledge as well as insight garnered from interviews conducted with humanitarian aid practitioners. In addition, the data analysis conducted as part of the study will be used to discern the relationship between humanitarian aid and corruption. This framework argues that for corruption and humanitarian aid to intersect, humanitarian donors (principal) must feel obligated to respond to a humanitarian crisis and act in the best interest of the public. Typically, the donor provides support in the form of monies to immediately to save lives and alleviate suffering. Foreign donors may not have access into accounting structures, understanding of the internal politics, or an understanding of the legal limitations to give aid in specific countries, thus they rely on local government officials or NGOs to provide humanitarian assistance. Depending on the country, the donor works within the confines of the aid structure within the country, sometimes relying on NGOs to reach intended populations, while in other situations, they may work directly with government agencies

to provide humanitarian assistance. The actors/practitioners then assist donors in providing humanitarian assistance, and thus become agents. Based on the principal-agent theory of corruption, the donor (principal) assumes the public interest but requires the service or assistance of the government or humanitarian aid practitioner (the agent), which is driven by private interest or benefit. The principal, however, lacks the necessary information to monitor the agent's performance effectively. That limitation allows for mismanagement, corruption, and theft of resources. Understanding this intersection will aid efforts in improving aid transparency, limiting malfeasance, and increasing effectiveness of humanitarian aid programs.

For humanitarian aid and corruption to intersect, the right conditions, such as high levels of poverty, poor governance, incidents of income disparity, economic disparity, must exist. Principal-agent theory typically does not allow for a cheating principal (Leruth & Paul, 2007), although in some cases there may be collusion between both the principal and agent. As such principal-agent theory in humanitarian aid would require the principal to try to work in the best interest of the public yet while being sabotaged by the agent. In this example, the principal may be a humanitarian aid donor government or agency and the agent may be the donor recipient (e.g., a Haitian agency tasked with the distribution of aid or services).

Lack of governance, political instability, poor public sector infrastructure, and poor accounting methods may limit the principal's ability to measure performance of

public sector agency employees. This lack of infrastructure makes public sector output difficult to quantify; thus, agents may use this situation to their advantage by redirecting funds intended for public services to offshore accounts or awarding winning bids for infrastructure projects to incompetent companies that may not be able to deliver services. An agent may also sabotage the principal's (humanitarian aid donor) efforts to institute transparency measures by bribing or threatening other public sector officials to comply with the corruption scheme. Both the theoretical and empirical literature have highlighted the negative relationship between corruption and economic adversity, including income disparity and poverty. While corruption does not directly produce poverty, its consequences on economic and governance performance produce poverty (Spector, 2012). Two models explain the relationship between corruption and poverty: First, the economic model (Figure 4) postulates that corruption inhibits economic growth and distorts markets through inefficiency. These actions then impact poverty levels. Second, the governance model (Figure 5) asserts that corruption affects poverty by influencing governance factors. Proponents of the governance model insist that a corrupt public sector impedes the government's institutional capacity to deliver quality public services (such as humanitarian aid) and diverts public investment away from major public needs, lowers compliance, and increases budgetary pressures on government (Spector, 2012).

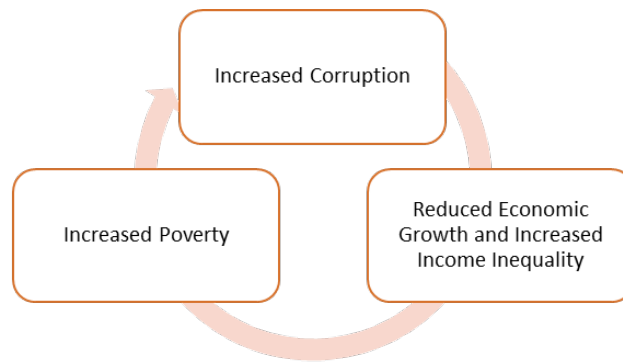


Figure 4: Economic Model of corruption.

Source: Spector, 2012

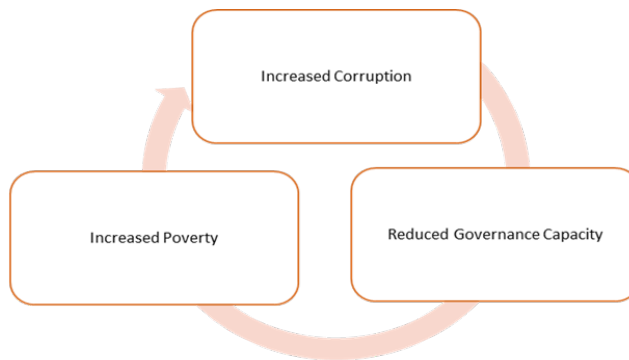


Figure 5: Governance Model of Corruption.

Source: Spector, 2012

In addition to the two models above, I argue that the presence of poverty in a country drives endemic corruption. Specifically, corruption occurs as wealthier and more financially stable individuals use their wealth and privilege to buy power. A lower Gross National Income (GNI) per capita and higher socio-economic inequality are push factors that contribute to incidents of corruption. Due to higher levels of overall poverty, people seek to join the government as a means of earning spoils of office and enriching themselves. This perspective looks at corruption in lower-income countries as a dense social phenomenon and not an individual act. I argue that endemic corruption arises because of the pervasiveness and a climate of complicity which leads to a culture of impunity among the power elite. Arellano Gault (2017) explains that where corruption is prevalent, it has been normalized. Thus, deconstructing corruption and social relations by analyzing practices, norms, and routines is important in developing anti-corruption efforts (Arellano Gault, 2017).

Corruption is endemic in that it occurs because of the lack of economic opportunities. Desperate individuals pay bribes to public sector officials to access necessities and to supplement their incomes. However, this complicity with and participation in corruption undermines the formal economy and circumvents economic and infrastructural developments such as emergency response and humanitarian frameworks. As such, emerging and struggling economies suffer from a higher level of corruption, which slows their overall development, hinders investment, and deters



transparency. Thus, while poverty does not cause corruption, it can facilitate it; and lower GNI per capita increases the prevalence of corruption. In the 2019 Transparency International Corruption Perceptions Index, ten of the twenty most corrupt countries were considered low to lower-middle income countries with a GNI per capita of \$1,910 or less<sup>14</sup> (World Bank, 2020). This finding validates the suggestion of several studies that link and show a direct correlation between economic conditions and the level of corruption.

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<sup>14</sup> GNI data was missing for North Korea, Somalia, South Sudan, Syria, Turkmenistan, Venezuela, and Yemen.

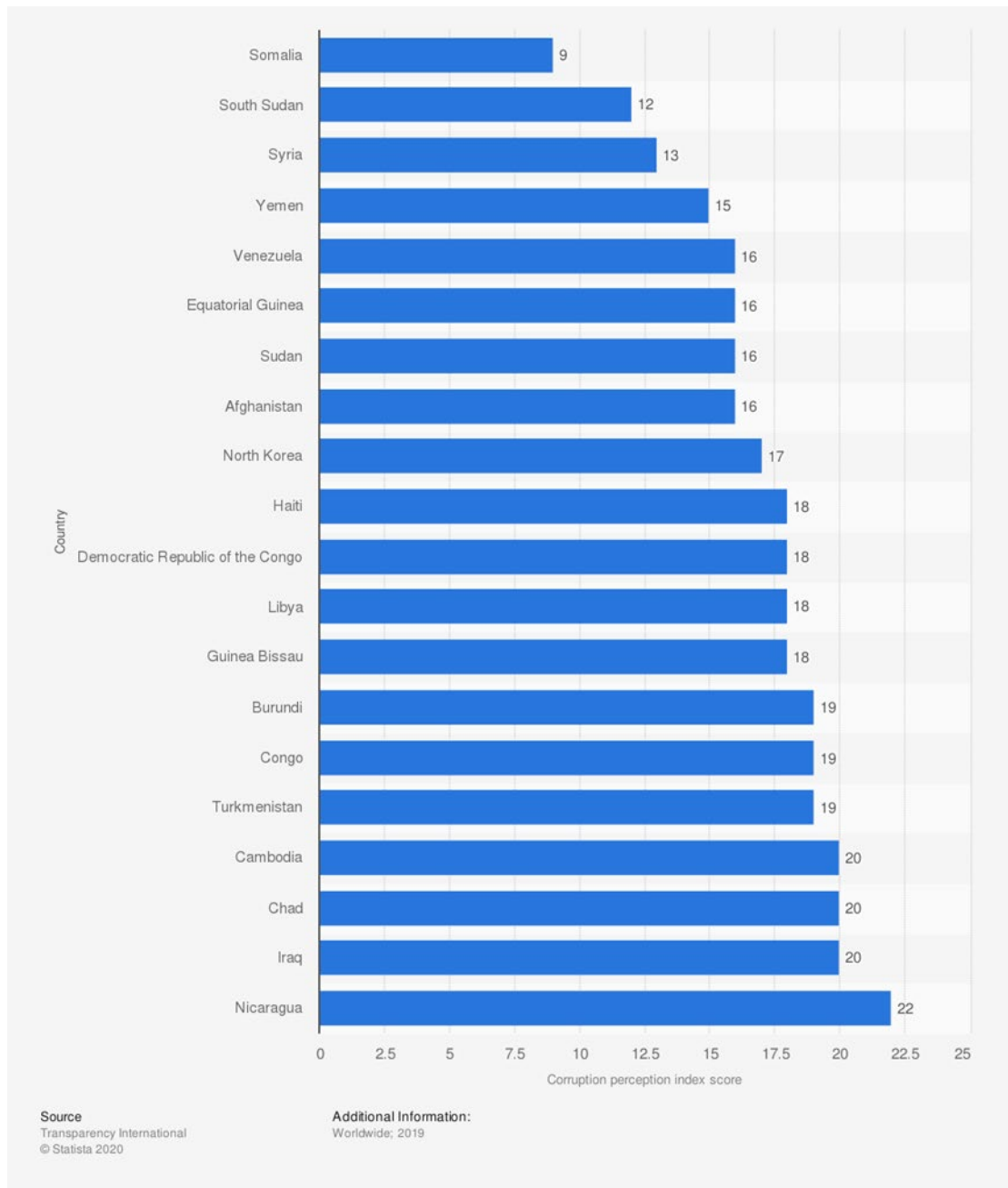


Figure 6: 20 Most Corrupt Countries in 2019.

Source: Transparency International, 2020.

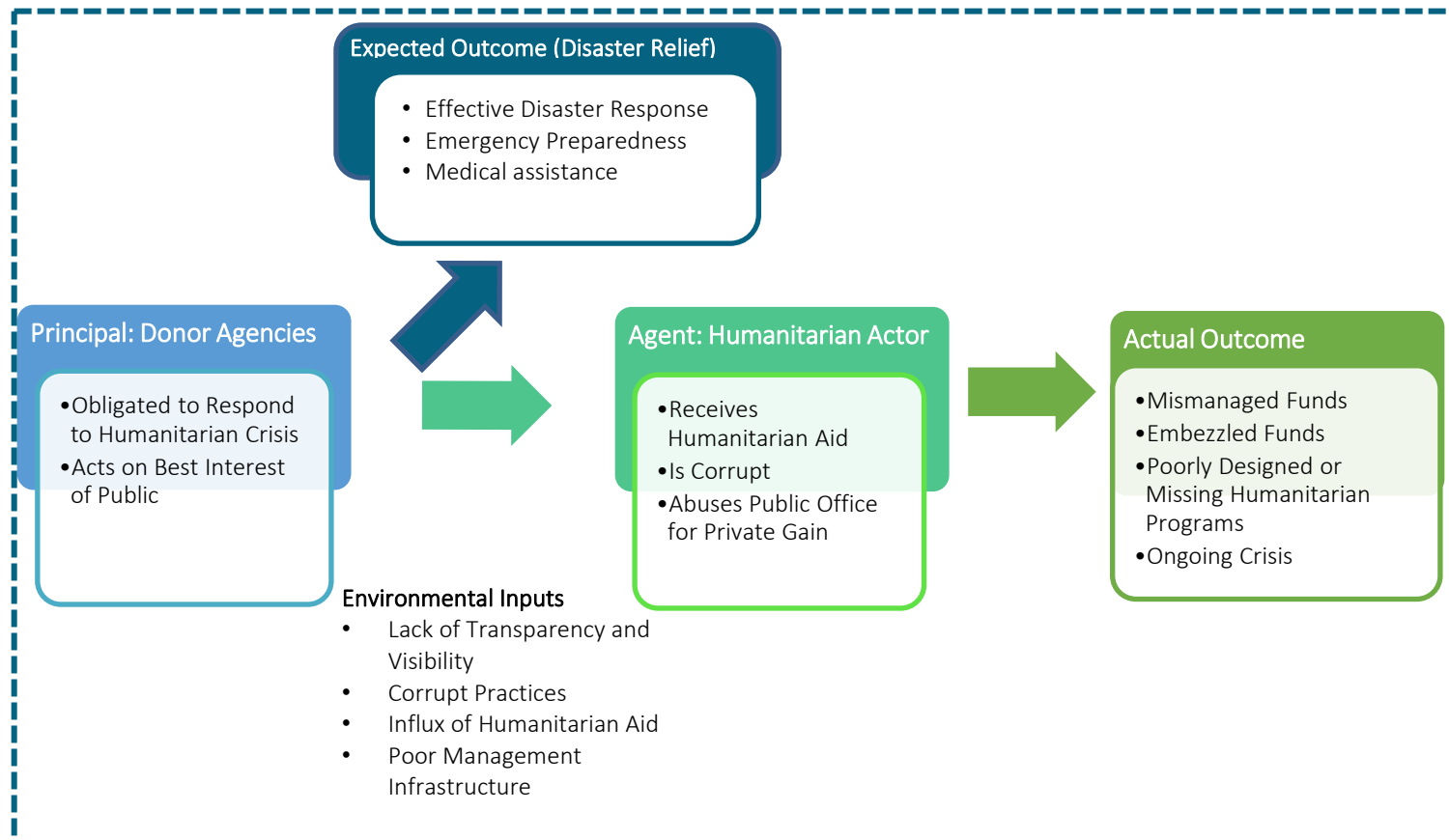


Figure 7: Theoretical Diagram: Principal-Agent Theory of Corruption and Theory of Obligation in Humanitarian Aid

## Summary

This chapter gave an overview of the global humanitarian assistance framework and highlighted the politics of humanitarian aid as well as the trends in humanitarian assistance. Trends show that the need for humanitarian assistance will increase as factors contributing to global instabilities increase. Corruption in humanitarian aid continues to be an issue that undermines the effectiveness of practitioners and donors alike.

Corruption is also difficult to detect and measure, particularly in countries with endemic corruption because they have high levels of poverty, poor governance, lack of transparency, and little accountability. In fact, some scholars (Mungiu-Pippidi, 2006; Spector, 2012) argue that corruption is contextual; and should be defined in each country. The determinants of corruption in low to lower-middle income countries are economic, sociocultural, and political factors that affect either the benefits or the costs, including psychic costs, on the supply side or on the demand side.

Policy makers, academics, and anti-corruption practitioners are working to understand what factors drive corruption so that they can effectively combat this global threat. To do so, they have developed the principal-agent theory of corruption to explain the corruption contract that parties enter into. The culprits involved in a corruption contract balance the expected cost of a corrupt act against the expected benefit. In addition, I evaluated the moral obligation in the context of humanitarianisms as donors and donor countries feel obligated to respond to crisis situations despite endemic

22 corruption in recipient countries. To conclude a conceptual framework was introduced  
23 that leverages both the principal-agent theory of corruption and the theory of obligation  
24 in humanitarian aid. This dissertation will evaluate the trends in humanitarian aid to  
25 determine their impact on corruption perception particularly when there has been an  
26 influx of aid into a country in response to a humanitarian disaster.

27

37

## Research Design and Methodology

47 countries under study vis-à-vis humanitarian aid and corruption. An overview of data  
48 collection instruments is provided in Table 2: Qualitative Data Collection Instruments.

49 A qualitative research approach, in the form of semi-structured interviews of  
50 humanitarian aid stakeholders (civil servants, former government employees, and  
51 current humanitarian workers) and document review, was used to gather the qualitative  
52 data. In addition, the study leveraged a quantitative research approach, with data from  
53 the Varieties of Democracy (V-Dem), World Bank, and United Nations Office for the  
54 Coordination of Humanitarian Affairs (OCHA) financial tracking service to examine trends  
55 and relationships between humanitarian aid and corruption.

56

57 **Table 2: Qualitative Data Collection Instruments**

Instrument
1. Semi-Structured Interviews
2. Document and Database Reviews
The United Nations Office for the Coordination of Humanitarian Affairs Financial Tracking Service (FTS)
The Varieties of Democracy (V-Dem) Dataset Version 11.1
United States Greenbook: U.S. Economic and Military Assistance Fiscal Years 1946–2018
The International Committee of the Red Cross (ICRC) Information and Accountability
ICRC Reporting Misconduct
The Sphere Handbook 2018
Global Humanitarian Assistance Report (GHAR) 2018
Emergency Events Database (EM-DAT)
Global Peace Index 2020
Worldwide Governance Indicators (WGI) <sup>15</sup>

58

59 *Sample Selection*

60           The method of sample selection in this study was based on “purposive sampling”  
61 criteria. The purposive/selective sampling method involves identifying and selecting  
62 individuals especially knowledgeable about or experienced with a phenomenon of  
63 interest (Cresswell & Plano Clark, 2011). Based on these sample criteria, I developed a list  
64 of international organizations active in disbursing or receiving humanitarian aid. Criteria  
65 for selection were as follows: a) the organization’s location, b) the organization’s receipt

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<sup>15</sup> The Worldwide Governance Indicators (WGI) was updated every two years between 1996 and 2002. After 2002, they are updated on a yearly basis (World Bank, 2021).



66 of humanitarian aid, and c) the organization's prior experience disbursing or receiving  
67 humanitarian aid.

68

#### 69 *Justification for the Countries Selected*

70 This dissertation reviewed the impact of humanitarian aid on corruption in nine nations  
71 in Central America and the Caribbean. Table 3: Case Selection Justification summarizes  
72 each of the case country's demographics, life expectancy, CPI scores, GNI per capita, and  
73 recent history of natural disasters. The nine countries were selected because of their  
74 proximity to each other, their similar economic classification, amount of humanitarian aid  
75 received, and vulnerability to natural disasters. Each country was selected based on the  
76 following criteria:

- 77 ■ Location.
- 78 ■ High corruption perception ranking.
- 79 ■ Vulnerability to natural disasters in the form of earthquakes, floods, or hurricanes.
- 80 ■ World Bank Income classification, as a low-income, lower middle-income, upper  
81 middle income, or high-income nation.
- 82 ■ Humanitarian aid distribution: each country included in this study has received  
83 humanitarian aid during the study period. Figure 8 through Figure 12 show the paid  
84 contributions tracked for each country from 2000–2018. Humanitarian aid is  
85 measured in the year and amount it is disbursed, not promised or budgeted.

Table 3: Case Selection Justification

	Country	Population	Life Expectancy	CPI Score	GNI per Capita	Income Classification	Examples of Disaster
1.	Dominican Republic	10,738,958	74 years	28 out of 100 (rank: 137 out of 180)	\$8,080	Upper Middle-Income	2003: 6.4 magnitude earthquake 2004: Hurricane Jeanne 2007 Hurricane Dean 2008: Hurricane Gustav 2008: Hurricane Hanna 2011: Hurricane Irene 2017: Hurricane Nate
2.	El Salvador	6,453,553	73 years	34 out of 100 (rank: 113 out of 180)	\$4,000	Lower Middle-Income	2005: Tropical Storm Stan 2005: Santa Ana (Ilamatepec) Volcano Eruption 2009: Tropical Storm Ida 2011: Tropical Storm 12-E 2017: Guatemala earthquake
3.	Guatemala	16,604,026	74 years	26 out of 100 (rank: 146 out of 180)	\$4,610	Upper Middle-Income	2010: Hurricane Agatha 2011: 5.6 magnitude earthquake 2011: Tropical Storm 12-E 2012: 7.4 magnitude earthquake 2013: 6.7 magnitude earthquake 2014: 6.9 magnitude earthquake 2015: Landslide 2017: 6.9 magnitude earthquake 2018: Volcanic Eruption Volcan de Fuego
4.	Haiti	11,263,077	64 years	18 out of 100 (rank: 168 out of 180)	\$1,330	Low-Income	2004: Hurricane Jeanne 2007: Hurricane Dean 2008: Hurricane Gustav 2008: Hurricane Hanna 2010: 7.0 magnitude earthquake 2011: Hurricane Irene
5.	Honduras	9,746,117	75 years	26 out of 100 (rank: 146 out of 180)	\$2,390	Lower Middle-Income	2009: 7.3 magnitude earthquake 2010: Flood 2010: Tropical storm Matthew 2010: Hurricane Agatha

	Country	Population	Life Expectancy	CPI Score	GNI per Capita	Income Classification	Examples of Disaster
							2011: Flood 2013: 5.4 magnitude earthquake 2016: Tropical storm Earl 2017: Tropical depression '16/ Hurricane 'Nate' 2018: 7.5 magnitude earthquake
6.	Jamaica	2,948,279	74 years	74 out of 100 (rank: 74 out of 180)	\$5,320	Upper Middle-Income	2005: Hurricane Wilma 2007: Hurricane Dean 2008: Hurricane Gustav 2010: Tropical storm Matthew 2010: Tropical storm Nicole 2012: Hurricane Sandy 2012: Hurricane Ernesto
7.	Nicaragua	6,545,502	74 years	22 out of 100 (rank: 161 out of 180)	\$1,890	Lower Middle-Income	2005: Hurricane Beta 2007 Hurricane Dean 2007: Hurricane Felix 2014: 6.1 magnitude earthquake 2014: 7.3 magnitude earthquake 2016: Hurricane Otto 2017: Hurricane Nate
8.	Panama	4,246,439	78 years	36 out of 100 (rank: 101 out of 180)	\$14,950	High-Income	2003: 6.5 magnitude earthquake 2004: 6.1 magnitude earthquake 2005: Hurricane Beta 2009: 6.0 magnitude earthquake 2016: Hurricane Otto 2017: Hurricane Nate
9.	Venezuela	28,515,829	72 years	16 out of 100 (rank: 173 out of 180)	\$13,080	Lower Middle-Income	2007: Hurricane Felix 2010: Flood and landslides 2010: Tropical storm Matthew 2011: Flood 2017: Tropical Storm Bret 2018: 7.3 magnitude earthquake

country_name	year	h_aid
Dominican Republic	2002	\$ -
Dominican Republic	2003	\$ 1,496,554.00
Dominican Republic	2004	\$ 9,848,062.00
Dominican Republic	2005	\$ -
Dominican Republic	2006	\$ -
Dominican Republic	2007	\$ 5,160,485.00
Dominican Republic	2008	\$ 23,175.00
Dominican Republic	2009	\$ -
Dominican Republic	2010	\$ 8,118,975.00
Dominican Republic	2011	\$ -
Dominican Republic	2012	\$ 26,200.00
Dominican Republic	2013	\$ -
Dominican Republic	2014	\$ 1,100,000.00
Dominican Republic	2015	\$ -
Dominican Republic	2016	\$ 801,650.00
Dominican Republic	2017	\$ 90,000.00
Dominican Republic	2018	\$ 298,569.00
<b>Total</b>		<b>\$ 26,963,670.00</b>

country_name	year	h_aid
El Salvador	2002	\$ 450,000.00
El Salvador	2003	\$ -
El Salvador	2004	\$ -
El Salvador	2005	\$ 4,487,829.00
El Salvador	2006	\$ 22,914.00
El Salvador	2007	\$ -
El Salvador	2008	\$ -
El Salvador	2009	\$ 7,770,117.00
El Salvador	2010	\$ 1,383,207.00
El Salvador	2011	\$ 7,240,916.00
El Salvador	2012	\$ 120,338.00
El Salvador	2013	\$ -
El Salvador	2014	\$ 4,363.00
El Salvador	2015	\$ 2,488,669.00
El Salvador	2016	\$ 573,972.00
El Salvador	2017	\$ -
El Salvador	2018	\$ 44,978.00
<b>Total</b>		<b>\$ 24,587,303.00</b>

Figure 8: Paid Aid Commitment Dominican Republic and El Salvador

country_name	year	h_aid
Guatemala	2002	\$ 270,758.00
Guatemala	2003	\$ -
Guatemala	2004	\$ -
Guatemala	2005	\$ 10,234,727.00
Guatemala	2006	\$ 1,460,316.00
Guatemala	2007	\$ 383,700.00
Guatemala	2008	\$ 286,533.00
Guatemala	2009	\$ 5,379,328.00
Guatemala	2010	\$ 17,226,327.00
Guatemala	2011	\$ 2,674,479.00
Guatemala	2012	\$ 2,314,130.00
Guatemala	2013	\$ 750,083.00
Guatemala	2014	\$ 6,464,289.00
Guatemala	2015	\$ 6,903,451.00
Guatemala	2016	\$ 6,535,748.00
Guatemala	2017	\$ 100,000.00
Guatemala	2018	\$ 1,749,735.00
<b>Total</b>		<b>\$ 62,733,604.00</b>

country_name	year	h_aid
Haiti	2002	\$ 50,000.00
Haiti	2003	\$ 5,364,279.00
Haiti	2004	\$ 23,786,576.00
Haiti	2005	\$ 4,487,858.00
Haiti	2006	\$ 3,332,679.00
Haiti	2007	\$ 17,133,987.00
Haiti	2008	\$ 105,069,872.00
Haiti	2009	\$ 15,362,416.00
Haiti	2010	\$ 1,851,357,987.00
Haiti	2011	\$ 107,116,507.00
Haiti	2012	\$ 62,529,222.00
Haiti	2013	\$ 46,126,110.00
Haiti	2014	\$ 145,474,133.00
Haiti	2015	\$ 35,036,094.00
Haiti	2016	\$ 79,601,765.00
Haiti	2017	\$ 42,007,272.00
Haiti	2018	\$ 41,439,982.00
<b>Total</b>		<b>\$ 2,585,276,739.00</b>

Figure 9: Paid Aid Commitment Guatemala and Haiti

country_name	year	h_aid
Honduras	2002	\$ 1,635,401.00
Honduras	2003	\$ 187,100.00
Honduras	2004	\$ -
Honduras	2005	\$ 677,891.00
Honduras	2006	\$ 179,500.00
Honduras	2007	\$ -
Honduras	2008	\$ 3,889,221.00
Honduras	2009	\$ 1,553,005.00
Honduras	2010	\$ 381,597.00
Honduras	2011	\$ 200,000.00
Honduras	2012	\$ 50,000.00
Honduras	2013	\$ -
Honduras	2014	\$ 3,852,024.00
Honduras	2015	\$ 2,359,336.00
Honduras	2016	\$ 3,915,740.00
Honduras	2017	\$ 742,093.00
Honduras	2018	\$ 1,475,584.00
Total		\$ 21,098,492.00

country_name	year	h_aid
Jamaica	2002	\$ 110,117.00
Jamaica	2003	\$ -
Jamaica	2004	\$ 1,902,044.00
Jamaica	2005	\$ 188,756.00
Jamaica	2006	\$ 8,780,000.00
Jamaica	2007	\$ 307,546.00
Jamaica	2008	\$ -
Jamaica	2009	\$ -
Jamaica	2010	\$ 19,904.00
Jamaica	2011	\$ -
Jamaica	2012	\$ -
Jamaica	2013	\$ -
Jamaica	2014	\$ -
Jamaica	2015	\$ -
Jamaica	2016	\$ -
Jamaica	2017	\$ 191,571.00
Jamaica	2018	\$ -
Total		\$ 11,499,938.00

Figure 10: Paid Aid Commitment Honduras and Jamaica

country_name	year	h_aid
Nicaragua	2002	\$ 1,314,925.00
Nicaragua	2003	\$ 256,200.00
Nicaragua	2004	\$ 548,352.00
Nicaragua	2005	\$ 579,277.00
Nicaragua	2006	\$ 506,332.00
Nicaragua	2007	\$ 14,198,664.00
Nicaragua	2008	\$ -
Nicaragua	2009	\$ 2,069,776.00
Nicaragua	2010	\$ 64,644.00
Nicaragua	2011	\$ 6,971,615.00
Nicaragua	2012	\$ -
Nicaragua	2013	\$ 157,752.00
Nicaragua	2014	\$ -
Nicaragua	2015	\$ -
Nicaragua	2016	\$ 842,263.00
Nicaragua	2017	\$ 764,356.00
Nicaragua	2018	\$ 4,194,743.00
Total		\$ 32,468,899.00

country_name	year	h_aid
Panama	2002	\$ -
Panama	2003	\$ -
Panama	2004	\$ 20,000.00
Panama	2005	\$ 153,000.00
Panama	2006	\$ 88,000.00
Panama	2007	\$ -
Panama	2008	\$ -
Panama	2009	\$ -
Panama	2010	\$ -
Panama	2011	\$ -
Panama	2012	\$ 10,000.00
Panama	2013	\$ -
Panama	2014	\$ 737,265.00
Panama	2015	\$ 476,748.00
Panama	2016	\$ 908,314.00
Panama	2017	\$ 6,659,809.00
Panama	2018	\$ 2,858,427.00
Total		\$ 11,911,563.00

Figure 11: Paid Aid Commitment Nicaragua and Panama

country_name	year	h_aid
Venezuela	2002	\$ 2,448,719.00
Venezuela	2003	\$ 149,392.00
Venezuela	2004	\$ -
Venezuela	2005	\$ 443,627.00
Venezuela	2006	\$ 152,432.00
Venezuela	2007	\$ 139,919.00
Venezuela	2008	\$ 59,713.00
Venezuela	2009	\$ 42,369.00
Venezuela	2010	\$ 51,011.00
Venezuela	2011	\$ 96,915.00
Venezuela	2012	\$ -
Venezuela	2013	\$ 51,282.00
Venezuela	2014	\$ 798,236.00
Venezuela	2015	\$ -
Venezuela	2016	\$ -
Venezuela	2017	\$ 603,865.00
Venezuela	2018	\$ 2,306,664.00
<b>Total</b>		<b>\$ 7,344,144.00</b>

Figure 12: Paid Aid Commitment Venezuela

### Data Collection Instruments and Analysis Procedures

#### *Quantitative Approach*

Quantitative information was analyzed using a statistical software tool (STATA). Data from various sources was consolidated into Microsoft Excel for data clean up. Once data clean-up was complete, the data were merged and transferred into STATA. The main statistical analysis method used in this study was random-effects (RE) regression using panel data. Preliminary analysis was conducted using both fixed effects and random effects. I ran the Hausman Test to choose between fixed effects model or a random effects model.

$H_0$ : There is no correlation between individual specific effects and independent variables.

	Coefficients		(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
	(b) fe	(B) re		
regimetypesq	.0261113	.0277267	-.0016154	.
life_exp	-.0042473	-.004744	.0004967	.0003783
lgni_perca~a	-.0016628	-.0022413	.0005785	.
h_aid	-6.55e-11	-7.27e-11	7.19e-12	4.23e-12

b = consistent under  $H_0$  and  $H_a$ ; obtained from xtreg  
B = inconsistent under  $H_a$ , efficient under  $H_0$ ; obtained from xtreg

Test:  $H_0$ : difference in coefficients not systematic

chi2(3) = (b-B)'[(V\_b-V\_B)^(-1)](b-B)  
= 1.05  
Prob>chi2 = 0.7896  
(V\_b-V\_B is not positive definite)

Figure 13: Hausman Test

The results of the Hausman tests provides support for using RE rather than a FE approach ( $p=.7896$ ). This means that the FE and RE coefficients are not significantly different from each other. After reviewing the outputs of the fixed effects regressions as well as the results of the Hausman test, my committee determined that random-effects regression was preferred because most of the variation was across nations, rather than over time, and fixed effects would have removed most of that variation. It is critical to note that the RE will give the same outcome as the FE under some conditions. To be sure, I consulted a statistical expert as well as my dissertation Chair to provide insight on

the best approach to use and they both recommended the random-effects approach particularly since it is a type of generalized least squares (GLS) regression that is more appropriate to address serial autocorrelation bias.

Panel data is also referred to as cross-sectional time-series or longitudinal data because it tracks a particular entity over time. Panel data allows for control of variables (like culture, geography, religion) that cannot easily be measured or observed. RE regression was used to observe the relationship between humanitarian aid and the dependent variable (corruption) from 2000 to 2018. The unit of analysis/entities for this study was selected countries (Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, and Venezuela).

RE regression was used to explore the relationship between humanitarian aid and corruption, allowing me to assess the effect of variations in the level of humanitarian aid. As is evident from Figures 9 through 13, there was considerable change in humanitarian aid over years within countries and across countries, with the range reaching an order of magnitude in all cases, and sometimes two orders of magnitude.

I also controlled for factors commonly associated with the level of corruption. These were regime type, life expectancy, GNI per capita, and quality of governance (the World Bank governance indicators excluding corruption). RE regression was also selected because each country in this study is different and has unique characteristics that may affect the perception of corruption.



### *Study Variables*

Below are the descriptions of the variables used in the statistical regression models of this study.

- **Corruption data (dependent variable):** This study utilized the V-Dem Public sector corruption index for regression analysis. This index measures the extent of corruption perpetuated by public sector officials. Specifically, it asks “to what extent do public sector employees grant favors in exchange for bribes, kickbacks, or other material inducements, and how often do they steal, embezzle, or misappropriate public funds or other state resources for personal or family use” (Varieties of Democracy Project, 2021, p. 297). This index is based on an average of the public sector bribery (v2excrptps) and embezzlement indicators (Varieties of Democracy Project, 2021). The V-Dem public sector corruption index ranges from 0 (low) to 1 (high). A lower score indicates a normatively better situation (e.g. more democratic) and higher scores a normatively worse situation (e.g. less democratic). It covers data from all countries from 1900 to present. This study examined data from nine countries from 2000 to 2018.

Notably, while I reviewed and utilized the Transparency International’s Corruption Perceptions Index as a supplemental measure of corruption, I did not use it in regression analysis because of their change in measurement technique in 2012, right in the middle of the time-period I am using for this analysis.

- **Paid humanitarian aid:** The data on international humanitarian aid trends and aid to individual countries was gathered from the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) financial tracking service. The financial tracking service is a comprehensive source of all reported humanitarian aid contributions (OCHA, 2021). The database, established in 1992, is maintained within the OCHA as a follow-up to UN General Assembly Resolution 46/182<sup>16</sup> (OCHA, 2021). Only paid contributions were included as part of the trend and regression analyses for this study. Pledges and commitments were omitted as those can change and may be delayed. For any years when paid humanitarian aid was zero, \$1, 000 was added so that when taking the log of aid, the result was still well-defined.
- **GNI per capita:** The GNI per capita information utilized in this study was collected from the World Bank International Comparison Program database. The World Bank explains that GNI per capita is “based on purchasing power parity (PPP)” and comprises a country’s GDP and the income it receives from overseas sources (World Bank, 2014). GNI per capita is the “gross national income divided by mid-year population” (United Nations Children’s Fund (UNICEF) Economic Indicators, 2019), which allows researchers to estimate the average income (purchasing power) of a person in a specific country.

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<sup>16</sup> UN General Assembly Resolution 46/182: Strengthening of the coordination of humanitarian emergency assistance of the United Nations.

- **Life expectancy:** Data for life expectancy was collected from the V-Dem database.

This variable is more comprehensive than other sources, in that it draws on several databases, including the United Nations Population Division and the World Bank. Life expectancy is a key indicator of the health of a population in a country because it measures the average number of years that an individual is expected to live (or average age of death of a population).

- **Regimes of the world index:** This variable from V-Dem assesses “How can the political regime overall be classified considering the competitiveness of access to power (polyarchy) as well as liberal principles?” (Varieties of Democracy Project, 2021, p. 283). The categories included in this study include closed autocracies, electoral autocracies, and electoral democracies. Refer to Figure 14 for the classifications used for regimes of the world. Note, no liberal democracies were included in the study selection. Thus, this variable has the following values: Electoral Democracy: 0; Electoral Autocracy: 1; Closed Autocracy: 2. Because preliminary analysis found the effect of regime type was non-linear (closed autocracy was quite different than the electoral regimes) the regime variable appears in the regressions as “regime-squared.”

Closed Autocracy	Electoral Autocracy	Electoral Democracy	Liberal Democracy
No free and fair, de-facto multiparty elections or minimal institutional prerequisites not fulfilled		Free and fair and multiparty elections and minimal institutional prerequisites fulfilled	
No multiparty elections for the chief executive	Elections for the chief executive with a minimal level of multiparty competition	Liberal principles not satisfied	Liberal principles satisfied

**Figure 14: Regimes of the World Classifications**

Source: Lührmann, Lindberg, & Tannenberg (2017).

- **Voice and accountability:** This is a World Bank Worldwide Governance Indicator (WGI) of governance. It is one of the six broad dimensions of governance that are measured from 1996 to the present. This variable is critical in determining how the populace holds their government accountable. Specifically, it captures “perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media” (Kaufmann, Kraay, & Mastruzzi, 2007, p. 4).
- **Regulatory quality:** Regulatory quality captures “perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development” (Kaufmann, Kraay, & Mastruzzi, 2007, p. 4).

- **Government effectiveness:** This is one of the six broad dimensions of governance that captures the “perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies” (Kaufmann, Kraay, & Mastruzzi, 2007, p. 4).
- **Political stability and absence of violence/terrorism:** This WGI of governance indicator captures the “perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism” (Kaufmann, Kraay, & Mastruzzi, 2007, p. 4).
- **Rule of law:** This is the perception “of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence” (Kaufmann, Kraay, & Mastruzzi, 2007, p. 4).

### *Analytical Procedures*

All statistical analyses were performed using STATA statistics version 13.0. There was a total of 167 observations analyzed across nine countries from 2000–2018.<sup>17</sup> Descriptive statistics were generated for each of the variables: frequency distribution, score range,

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<sup>17</sup> The data for GNI per capita was missing for Venezuela for 2015–2018, so those years were dropped from the models.

minimum score, maximum score, mean, and standard deviation. (refer to Table 4: Summary Statistics Study Variables)

**Table 4: Summary Statistics Study Variables**

Variable	count	mean	sd	min	max
vdemcorruption	171	.6585439	.2328874	.141	.977
regimetypesq	171	.3508772	.5474399	0	4
life_exp	171	72.76316	5.637019	32.5	79.5
lgni_percapita	167	7.897705	.8327764	5.940171	9.572898
h_aid	171	1.66e+07	1.42e+08	1000	1.85e+09
accountability	171	.1006253	.4863868	-1.335518	.6903523
effectiveness	171	-.3058683	.5914091	-2.078492	.4967112
pol_stability	171	-.2631883	.4290152	-1.986139	.4406607
rule_law	171	-.6259891	.396116	-1.794591	0
reg_qual	171	-.0799268	.4084852	-1.353273	.47141
<i>N</i>	171				

RE regression was used to evaluate the association of corruption perception, paid humanitarian aid, GNI per capita, life expectancy, regimes of the world, government effectiveness, voice and accountability, regulatory quality, political stability and absence of violence/terrorism, and rule of law. Statistical significance was set at  $p$  value  $< .05$ . Normality tests were conducted on some of the data, prior to testing the hypotheses. Specifically, the Shapiro-Wilks test for normality was conducted for all the variables in the study to detect anomalies that may violate the assumptions of linear regression. It was found that paid humanitarian aid and GNI per capita were not normally distributed; thus,

a log transformation of the data was conducted to reduce statistical error. Finally, lag variables were created for paid humanitarian aid to deduce the lagged effects of humanitarian aid on corruption perception.

### *Qualitative Approach*

Corruption is a subjective phenomenon that is difficult to measure. As such, different factors were analyzed to obtain a measure of objectivity for corruption. Through this approach, I was able to fully understand the complex nature of the study aim, build, and test hypotheses, and explain the difficult to quantify variables of power, influence, and corruption present in the four case countries. The primary qualitative data collection methods used to examine the specific aims were a) semi-structured interviews (conducted remotely because of COVID-19 travel restrictions) and b) document reviews. Semi-structured interviews allowed the interviewer to obtain in-depth answers by probing the interviewee to clarify responses.

### *Semi-Structured Interviews*

To obtain valid and reliable data from different perspectives, the interviewed individuals represented target populations with a role in disbursing, receiving, or using humanitarian aid in the Western Hemisphere. Endacott (2005) indicates that “three ethical principles underpin data collection: autonomy, confidentiality, and informed consent” (p. 125). As

such, interviewees had the freedom to participate or withdraw from the study. Several factors were considered for the semi-structured interviews:

- **Structure of interviews:** The interview questions were open-ended to allow the interviewer to build on a question, and to allow the participant to elaborate on their response.
- **Location of interviews:** Participants were given the option to select the location for the interview. In addition, the participant had the option to choose a Skype or a telephone interview because of social distancing due to the COVID-19 pandemic. This allowed the participant to be more comfortable and less threatened by the interview process.
- **Transcription:** With the permission of the participants, the interviews were recorded. Following the interviews, the recordings were converted to written transcripts. Excerpts from the transcripts were utilized to highlight insights from aid practitioners.
- **Privacy:** Interview participants were given the option of confidentiality so that the interviewer might obtain more thoughtful responses.

Prior to data collection, all necessary materials, including recruitment emails, interview questions, and consent forms, were submitted to and approved by the Institutional Review Board (IRB) at George Mason University (GMU). The drafted questions were reviewed by both international development practitioners and dissertation committee members. The questions were revised based on the feedback



received. The final questions were administered to GMU doctoral students to ensure that they were clear, user-friendly, and to ensure that order bias was eliminated. Feedback from the test group was incorporated to improve the study questionnaire.

The interview questions were drafted to gather information on how much foreign aid reaches constituents and intended recipients. The questionnaire consisted of 14 questions about the structure of the organization, funding, geographical reach of the humanitarian activities, how much corruption they experienced through requests for bribes or facilitating payments, and about transparency and accountability programs that their organizations had implemented. Understanding that the topic is sensitive and that participants may be unable or unwilling to answer direct questions about corruption, redundancy was built into the questionnaire by asking the same question in different ways and asking for clarification. In addition, to eliminate order bias, the questions were sequenced to prevent previous questions from influencing the responses of questions asked afterwards. The full list of questions can be found in Appendix A. Examples of the questions include:

1. When did you start working in [*insert country name*]?
2. What role did your organization play in providing humanitarian assistance?
3. Did your organization have specific goals in providing humanitarian assistance?
4. In your experience, what procedures have been most successful in promoting accountability for your organization when delivering humanitarian assistance, to ensure the humanitarian aid is used as intended?

5. What programs or procedures has your organization implemented to manage accountability of humanitarian aid?

#### *Recruitment, Consent Process, and Data Collection*

Upon receiving IRB approval, I identified prospective participants: the humanitarian assistance program coordinator in each organization was contacted by sending a letter of introduction (see Appendix B: Recruitment Email) informing participants of the purpose of the research study, my name and contact information, as well as the dissertation chair's name and contact information. The letter was sent to 40 prospective participants. A follow-up call was made to each prospective participant to confirm receipt of the letter and to determine their interest in participating.

Interested participants then scheduled a time for an interview. Individuals not interested in participating were immediately removed from the list. The approved informed consent form was sent to the participant via email with instructions to read, sign, and return it before the interview date. All participants signed the approved informed consent form prior to participating in the interview.

A semi-structured interview was conducted with one person from each of the organizations that agreed to participate in the study and signed the informed consent form. The interviews were conducted via Skype or via telephone. With permission, all

interviews were recorded and transcribed. Copies of signed informed consent forms are stored in a password protected folder.

The findings from the semi-structured interviews were supplemented with a review of the organization's documents as well as quantitative trend analysis of key data points such as the amount of aid going into each country and levels of corruption in each country.

#### *Semi Structured Analysis*

Responses from the semi-structured interviews were transcribed. Prior to conducting the interviews, I developed clearly defined themes to enhance reliability and stability across the different interviews. Though semi-structured interviews elicited more open-ended responses, establishing a code allowed me to identify themes, repeating ideas, and relevant information (Auerbach & Silverstein, 2003). Some of the themes focused on were:

- Introduction and organization of specific goals/role in providing humanitarian assistance
- Accountability programs/transparency procedures
- Impact of humanitarian assistance on corruption
- Limitations encountered and lessons learned.

### *Document Review*

Document review was used as a method of gathering quantitative data. Using document review in addition to semi-structured interviews and quantitative data analysis reduced potential bias and enhanced credibility in the study. This method is called triangulation. Triangulation in social science research refers to the observation of the research issue from different points to increase credibility and validity of findings (Noble & Heale, 2019).

I systematically reviewed publicly available documents and reports from international organizations, humanitarian organizations, and government agencies regarding humanitarian aid programs, anti-corruption programs, transparency programs, and corruption perception reports. I was able to use information derived from the document review to corroborate findings from the data analysis and supplement information provided during the semi-structured interviews. Reviewing these documents allowed the me to develop a deeper understanding of the contextual factors at play.

### *Data Interpretation*

This study utilized various data collection procedures to gather data and information. Each method required review and analysis to prevent bias and enhance reliability. Interviews were performed independently of the quantitative data analysis methods. However, upon completion of each data collection procedure and analysis, I

utilized triangulation to compare findings to determine if there were consistent themes and reliable findings.

The following chapters first present the results of the quantitative data analysis in Chapter 5, then the results of the qualitative research and analysis in Chapter 6. The next chapter discusses the quantitative impact of humanitarian aid on corruption in countries receiving aid. While Chapter 6 highlights insights and findings garnered from some of the humanitarian aid practitioners interviewed for this study.

## CHAPTER 5: QUANTITATIVE FINDINGS

This chapter presents a quantitative analysis of the relationship between changes in humanitarian aid and changes in measured perceptions of corruption. I look at nine countries in Central America and the Caribbean with a history of corruption and of national disasters that prompted infusions of humanitarian aid. I develop a series of different regressions, using various ways to measure the volume of humanitarian aid and different control variables.

The data for each country is examined for a nineteen-year period, from 2000 - 2018 (excepting Venezuela, which was for 2000-2015), and was gathered from publicly available sources including the World Bank and the V-Dem project. Using the V-Dem public corruption index and paid humanitarian aid contributions as variables, I first ran a trend analysis to ascertain the trends in humanitarian aid and corruption in each of the countries selected.

It is important to note that both of the V-Dem corruption measures--the corruption perceptions index and the public sector corruption index--were assessed in the regression models to ensure that both measures gave the same results. Additionally, for humanitarian aid I only used the actual aid distributions (e.g. aid delivered in a given year) rather than aid promised or “committed,” because pledged or promised aid does not always materialize and sometimes it is paid after some lag.

Figure 15 through Figure 19 show the trends in humanitarian aid (blue columns) and the V-Dem corruption index (Orange line) in each country. Looking simply at these two variables, we see that, although in most countries there was a sharp rise in corruption perception in 2017-2018, the long-term trend in corruption perception in each country appears quite independent of the level of humanitarian aid.

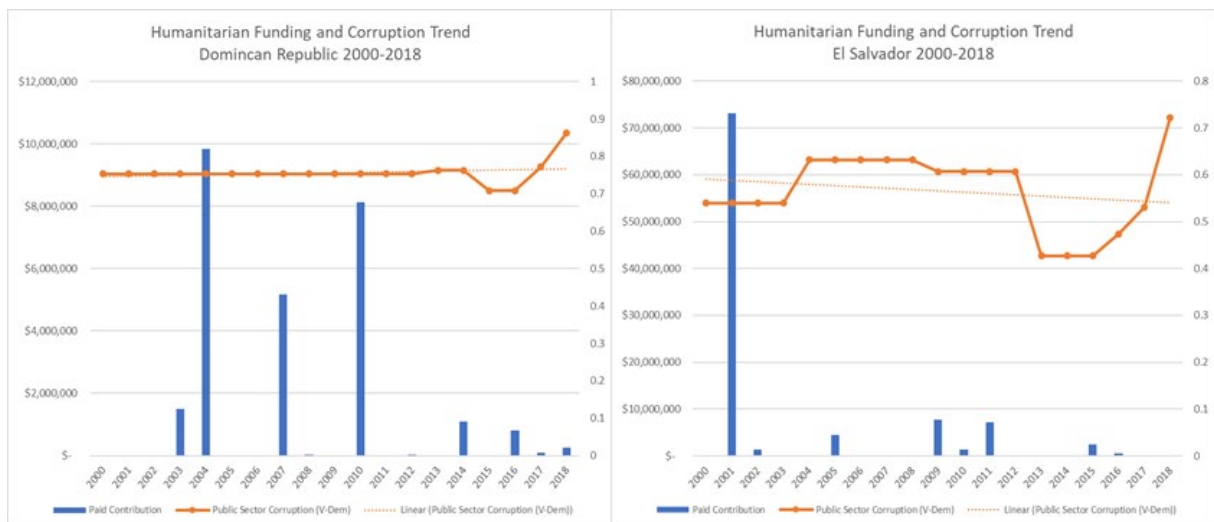


Figure 15: Dominican Republic and El Salvador: Humanitarian Aid and Corruption Trend

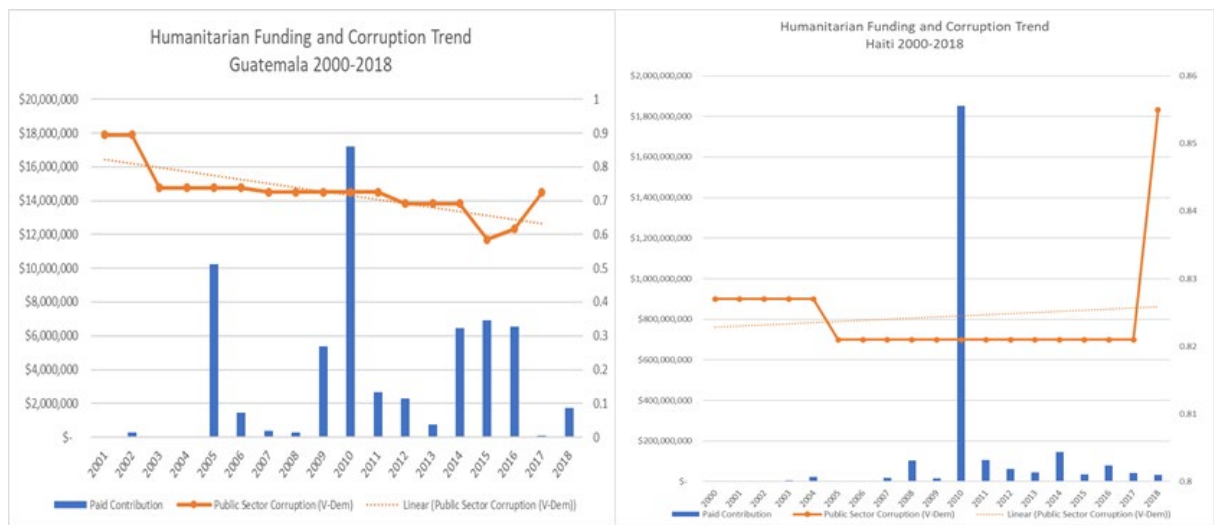


Figure 16: Guatemala and Haiti: Humanitarian Aid and Corruption Trend

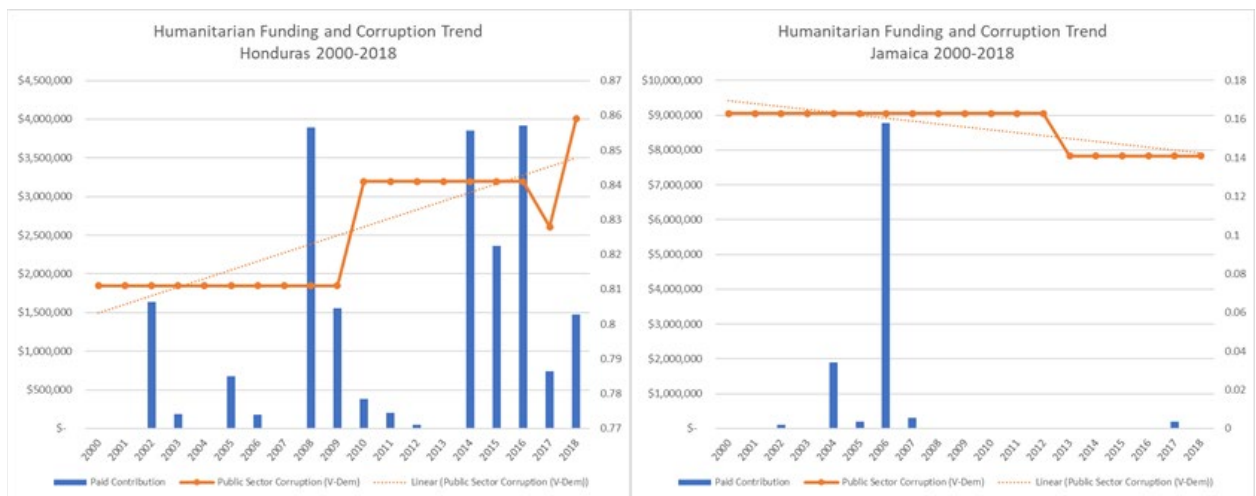


Figure 17: Honduras and Jamaica Humanitarian Aid and Corruption Trend



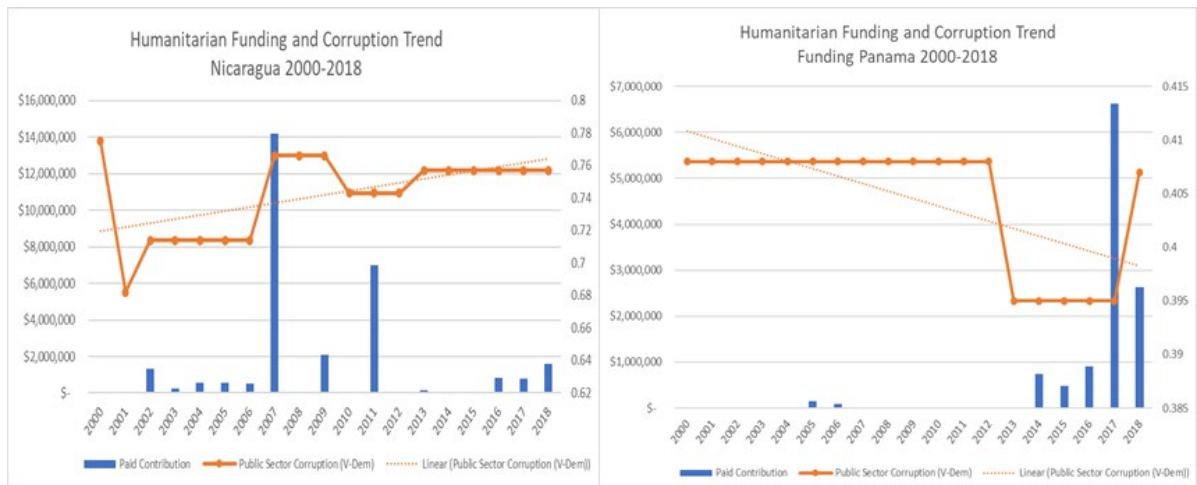


Figure 18: Nicaragua and Panama Humanitarian Aid and Corruption Trend

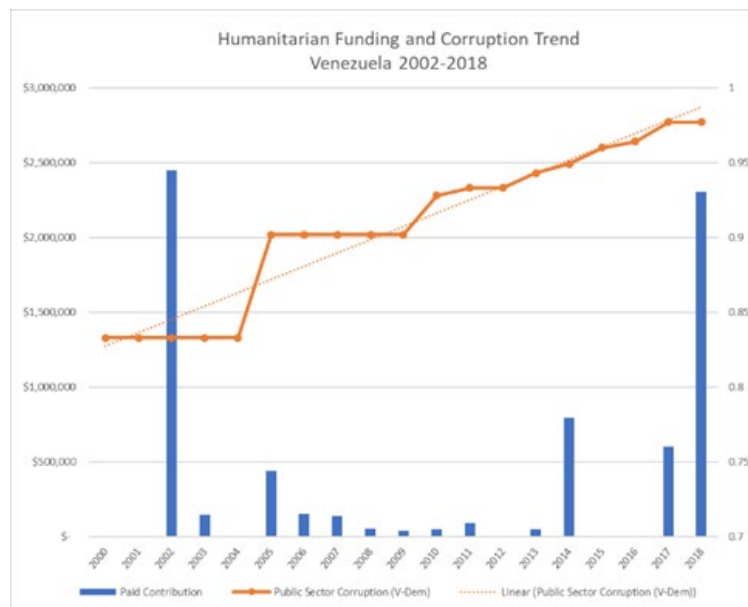


Figure 19: Venezuela Humanitarian Aid and Corruption Trend

The trends show that humanitarian aid did not increase corruption perception in the countries receiving aid. The trends also revealed that large increases in humanitarian aid are not followed by significant changes or increases in the perception of corruption. The results were consistent for the V-Dem corruption and the TI corruption rank<sup>18</sup>.

I expected to find a corresponding increase in corruption perception when there was an influx of paid humanitarian aid in each country. Specifically, the study hypothesis was that humanitarian aid facilitates corruption in countries receiving aid. The results of the trends analysis are opposite of what was expected but are consistent across all cases evaluated. Thus, the trends in (Figure 15 to Figure 19) are the opposite of what was expected but are consistent across all cases evaluated. In some cases, like in El Salvador, after an influx of humanitarian aid in 2009, it appears that the perception of corruption decreased. Similarly, in Panama in 2017, after an influx of aid, corruption decreased in 2018. After a large influx of humanitarian aid to Venezuela in 2002, corruption perception did not change. Most interestingly is the case of Haiti, where after an influx of aid in 2010, corruption perception seemed to be stable with no change (see: Figure 16). Since the trend analysis did not reveal a pattern, further analysis through regression analysis was required, controlling for additional variables, lags, and interactions.

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<sup>18</sup> CPI rank was used to compare V-dem findings but because the CPI index changed its measurement in 2012, as noted in the text, this variable was not included in the regression results.

Understanding that there are unique characteristics within each country that could impact the results, I conducted GLS regression analyses using a random effects (RE) model and a fixed model that controlled for time invariant factors. The results of a Hausmann test refer to (Figure 13: Hausman Test) indicated that the random effects model was preferred for this study. The next section reviews the models used and the findings of those regressions.

### **Regression Models and Findings:**

*Model 1: Base Model (v-dem public sector corruption index, humanitarian aid variable, log GNI per capita, life expectancy, and regime type).*

The first model utilized for this study, shown as equation 1, was a RE regression of the V-Dem corruption perceptions index (the dependent variable) with paid humanitarian aid as the primary independent variable and several control variables for level of economic development and political context: these were the log of GNI per capita, life expectancy, and regime type.

#### **Equation 1: Baseline Model**

$$(\text{V-DEM corruption}) = a + B(\text{HumAid}) + C_n(\mathbf{X}_n) + e$$

where  $\mathbf{X}$  is a vector of  $n$  control variables and  $e$  is the error term

The results of this model are shown in Figure 20. After controlling for other variables, humanitarian aid did not have a significant association with corruption perception ( $p=.200$ ). I found that regime type did have a significant association with corruption perception. A higher regime score (less democratic regime) is associated with an increase in the perception of corruption by .027 ( $t=2.64$ ,  $p=.008$ ). It is important to note that there were no liberal democracies in the data set, so a generalization cannot be made on how liberal democracies might impact corruption perception. Life expectancy, and GNI per capita did not have significant associations with corruption perception in this model, perhaps because variation in these variables was modest across these countries and years. In model 1a, The  $R^2$  overall is .28 which means that 28% of the variation across country-years is explained by this model.

Figure 20: Model 1a

```
. xtreg $ylist $xlist1, re

Random-effects GLS regression           Number of obs   =       167
Group variable: country_id              Number of groups  =        9

R-sq:  within = 0.0484                   Obs per group: min =       15
      between = 0.3028                      avg =      18.6
      overall  = 0.2807                      max =       19

                                         Wald chi2(3)      =        .
corr(u_i, X)  = 0 (assumed)              Prob > chi2       =        .
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0277267	.0105144	2.64	0.008	.0071188	.0483346
life_exp	-.004744	.0032369	-1.47	0.143	-.0110881	.0016001
lgni_percapita	-.0022413	.0134391	-0.17	0.868	-.0285815	.0240989
h_aid	-7.27e-11	5.68e-11	-1.28	0.200	-1.84e-10	3.86e-11
_cons	1.011182	.2082004	4.86	0.000	.6031169	1.419247
sigma_u	.19662298					
sigma_e	.04527775					
rho	.94964282	(fraction of variance due to u_i)				

Model 1b, shown in Figure 21, was a RE regression of corruption perception (dependent variable), with the log of paid humanitarian aid as the primary independent variable, and the same control variables: log GNI per capita, life expectancy, and regime type. In this regression, humanitarian aid was logged because of the great range in the dollar values of aid which were near zero in some years and tens or hundreds of millions of dollars in others. Results nonetheless remained virtually the same; humanitarian aid was not significantly associated with corruption level, overall  $R^2$  was again about .26, and only regime type was a significant predictor of corruption. As in the previous model, a less

democratic regime increases corruption perception by .027 ( $t=2.61$ ,  $p=.009$ ) Life expectancy, and GNI per capita again did not have significant associations with corruption perception in this model.

**Figure 21: Model 1b**

```
. xtreg $ylist $xlist2, re
```

Random-effects GLS regression	Number of obs	=	167
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0479	Obs per group: min =		15
between = 0.3229	avg =		18.6
overall = 0.2570	max =		19
corr(u_i, X) = 0 (assumed)	Wald chi2(4)	=	8.49
	Prob > chi2	=	0.0752

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
regimetypesq	.0273439	.0104837	2.61	0.009	.0067963 .0478915
life_exp	-.0010028	.0014646	-0.68	0.494	-.0038734 .0018678
lgni_percapita	-.0077073	.0118826	-0.65	0.517	-.0309968 .0155821
lh_aid	-.0011406	.0011057	-1.03	0.302	-.0033077 .0010264
_cons	.7942798	.1416061	5.61	0.000	.516737 1.071823
sigma_u	.21610165				
sigma_e	.04528813				
rho	.95792872	(fraction of variance due to u_i)			

In Model 1c, I measured humanitarian aid not in dollars, but as a percentage of the GDP of the receiving country. For comparisons across countries, this might be a more effective way to judge variations in humanitarian aid. Other variables remained the same. The regression results are shown in Figure 22. Again, the results remain almost the same:

regime type is the only explanatory factor that is significant, and the model has an overall  $R^2$  of .28.

Figure 22: Model 1c

```
. xtreg $ylist $xlist3, re
```

Random-effects GLS regression	Number of obs	=	167
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0485	Obs per group: min =		15
between = 0.3010	avg =		18.6
overall = 0.2801	max =		19
corr(u_i, X) = 0 (assumed)	Wald chi2(4)	=	9.27
	Prob > chi2	=	0.0547

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
regimetypesq	.0278996	.0105212	2.65	0.008	.0072784 .0485207
life_exp	-.004908	.0033173	-1.48	0.139	-.0114097 .0015937
lgni_percapita	-.0021664	.0134482	-0.16	0.872	-.0285245 .0241916
new_haid	-.8791594	.6785435	-1.30	0.195	-2.20908 .4507614
_cons	1.022448	.2128057	4.80	0.000	.6053564 1.439539
sigma_u	.19398296				
sigma_e	.04527628				
rho	.94833731	(fraction of variance due to u_i)			

For model 1d, I repeated the previous regression, but this time used the log of humanitarian aid measured as a percent of receiving country GDP, as that percentage still varied greatly across cases. As shown in Figure 23, once more, the results remained virtually the same.

Figure 23: Model 1d

```
. xtreg $ylist $xlist4, re
```

Random-effects GLS regression	Number of obs	=	167
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0473	Obs per group: min =		15
between = 0.3518	avg =		18.6
overall = 0.2794	max =		19
	Wald chi2(4)	=	8.31
corr(u_i, X) = 0 (assumed)	Prob > chi2	=	0.0809

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0268106	.0104036	2.58	0.010	.0064199	.0472012
life_exp	-.0009613	.0014532	-0.66	0.508	-.0038095	.001887
lgni_percapita	-.008697	.0115272	-0.75	0.451	-.0312899	.0138958
lnnew_haid	-.0011386	.0010997	-1.04	0.300	-.003294	.0010167
_cons	.7720542	.1515473	5.09	0.000	.475027	1.069081
sigma_u	.26421747					
sigma_e	.04530503					
rho	.97143823	(fraction of variance due to u_i)				

```
.
```

In the four regressions in the Model I (Figure 20 through Figure 23), I consistently found that humanitarian aid does not have a significant association with corruption perception. Regime type seemed to be a better predictor of corruption perception, in that in the 4 regressions in this section, a less democratic regime type consistently increased the perception of corruption.



**Table 5: Summary of Base Model Regressions**

	(Model 1a)	(Model 1b)	(Model 1c)	(Model 1d)
	vdemcorruption	vdemcorruption	vdemcorruption	vdemcorruption
regimetypesq	0.0277** (2.64)	0.0273** (2.61)	0.0279** (2.65)	0.0268** (2.58)
life_exp	-0.00474 (-1.47)	-0.00100 (-0.68)	-0.00491 (-1.48)	-0.000961 (-0.66)
lgni_percapita	-0.00224 (-0.17)	-0.00771 (-0.65)	-0.00217 (-0.16)	-0.00870 (-0.75)
h_aid	-7.27e-11 (-1.28)			
lh_aid		-0.00114 (-1.03)		
new_haid			-0.879 (-1.30)	
lnew_haid				-0.00114 (-1.04)
_cons	1.011*** (4.86)	0.794*** (5.61)	1.022*** (4.80)	0.772*** (5.09)
N	167	167	167	167
R <sup>2</sup>	.25	.26	.28	.29

*t* statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

### *Model 2: Base Model Including 5 World Bank Governance Indicators (WBGI)*

Model 2 was expanded to include additional control variables to better capture the political context. I have added 5 of the 6 World Bank Governance Index dimensions of governance. Control of corruption<sup>19</sup> was excluded in these models because it captures the same elements as the dependent variable in this study. Adding the governance

---

<sup>19</sup> The WGI control of corruption indicator “captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests” (World Bank, 2021, p. 1).

indicators greatly increased the explanatory power of the regression, as overall  $R^2$  rose to .37, which means that 37% of the variation between countries is explained by this model.

**Equation 2: Baseline with *WBG***

$$(\text{V-DEM corruption}) = a + B(\text{HumAid}) + C_n(\mathbf{X}_n) + D_n(\mathbf{Y}_n) + e$$

where  $\mathbf{X}$  is a vector of  $n$  control variables, and  $\mathbf{Y}$  is the vector of 5 World Bank Governance Indicators, and  $e$  is the error term.

As shown in Figure 24, though this model has greater explanatory power overall, humanitarian aid still did not have a significant association with corruption perception. Like the models 1a through 1d, regime type had a statistically significant association with corruption perception, specifically, a less democratic regime type is associated with an increase in the corruption perception by .172. ( $t=5.51$ ,  $p<.0001$ ). One of the five governance indicators, however, also had a separate impact on corruption perception. An increase in accountability decreased corruption perception by .171 ( $t=-1.98$ ,  $p<.048$ ) for every unit change in the accountability index. This relationship indicates that the more people believe they can hold their elected officials accountable, the lower corruption perception is.

Figure 24: Model 2a

```
. xtreg $ylist $xlist5, re

Random-effects GLS regression           Number of obs   =       167
Group variable: country_id              Number of groups =        9

R-sq:  within = 0.0140                  Obs per group: min =       15
      between = 0.4748                      avg =      18.6
      overall  = 0.3667                      max =       19

                                         Wald_chi2(8)     =        .
corr(u_i, X)  = 0 (assumed)              Prob > chi2      =        .
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.1726011	.0313193	5.51	0.000	.1112164	.2339857
life_exp	.003086	.0065524	0.47	0.638	-.0097565	.0159284
lgni_percapita	-.0184297	.0264868	-0.70	0.487	-.0703429	.0334835
accountability	-.1708065	.0863905	-1.98	0.048	-.3401289	-.0014841
effectiveness	-.1647935	.093828	-1.76	0.079	-.348693	.019106
pol_stability	.0705748	.0606113	1.16	0.244	-.0482212	.1893709
rule_law	.019456	.0912545	0.21	0.831	-.1593997	.1983116
reg_qual	.1659986	.1163311	1.43	0.154	-.0620061	.3940033
h_aid	-1.13e-11	1.55e-10	-0.07	0.942	-3.15e-10	2.92e-10
_cons	.5223907	.4571594	1.14	0.253	-.3736252	1.418407
sigma_u	0					
sigma_e	.04587028					
rho	0	(fraction of variance due to u_i)				

Model 2b, shown in Figure 25, uses the log of humanitarian aid to measure assistance, but again shows similar results to Model 2a. Regime type and accountability are significantly associated with corruption perception (at the  $p < .05$  level), but humanitarian aid is not.

Figure 25: Model 2b

```
. xtreg $ylist $xlist6, re
```

Random-effects GLS regression	Number of obs	=	167
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0108	Obs per group: min =		15
between = 0.4777	avg =		18.6
overall = 0.3686	max =		19
	Wald chi2(9)	=	91.66
corr(u_i, X) = 0 (assumed)	Prob > chi2	=	0.0000

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
regimetypesq	.169536	.0315783	5.37	0.000	.1076437 .2314282
life_exp	.0033624	.0044729	0.75	0.452	-.0054044 .0121292
lgni_percapita	-.0193034	.0257986	-0.75	0.454	-.0698678 .0312609
accountability	-.1787893	.0840079	-2.13	0.033	-.3434418 -.0141369
effectiveness	-.1551018	.0947296	-1.64	0.102	-.3407684 .0305648
pol_stability	.0759422	.0609884	1.25	0.213	-.0435929 .1954772
rule_law	.0208033	.0911303	0.23	0.819	-.1578087 .1994154
reg_qual	.1675309	.116108	1.44	0.149	-.0600365 .3950983
lh_aid	.0030961	.004456	0.69	0.487	-.0056375 .0118296
_cons	.4808242	.3425169	1.40	0.160	-.1904967 1.152145
sigma_u	0				
sigma_e	.04591328				
rho	0	(fraction of variance due to u_i)			

Model 2c (Figure 26) runs the same regression but measuring humanitarian aid as a percentage of the receiving country's GDP. The results are essentially the same as in 2a and 2b, regime type and accountability are significantly associated with corruption perception (at the  $p < .05$  level).

Figure 26: Model 2c

. xtreg \$ylist \$xlist7, re					
Random-effects GLS regression			Number of obs	=	167
Group variable: country_id			Number of groups	=	9
R-sq: within = 0.0139			Obs per group: min	=	15
between = 0.4750			avg	=	18.6
overall = 0.3667			max	=	19
corr(u_i, X) = 0 (assumed)			Wald chi2(9)	=	90.90
			Prob > chi2	=	0.0000
vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
regimetypesq	.1726307	.031322	5.51	0.000	.1112407 .2340206
life_exp	.0032231	.0065847	0.49	0.624	-.0096827 .0161289
lgni_percapita	-.0186036	.0264697	-0.70	0.482	-.0704834 .0332761
accountability	-.1714423	.0863592	-1.99	0.047	-.3407031 -.0021814
effectiveness	-.1647606	.0938646	-1.76	0.079	-.3487319 .0192107
pol_stability	.0704846	.0605999	1.16	0.245	-.0482891 .1892583
rule_law	.0194548	.0912639	0.21	0.831	-.1594192 .1983289
reg_qual	.1658519	.1163139	1.43	0.154	-.0621192 .393823
new_haid	-.0793956	1.812617	-0.04	0.965	-3.632059 3.473268
_cons	.5137315	.4596599	1.12	0.264	-.3871853 1.414648
sigma_u	0				
sigma_e	.04587449				
rho	0	(fraction of variance due to u_i)			

Finally, Model 2d (Figure 27) repeats the regression using the log of humanitarian aid as a percentage of the receiving country's GDP; again, the results are robust with no changes.

Figure 27: Model 2d

```
. xtreg $ylist $xlist8, re
```

Random-effects GLS regression	Number of obs	=	167
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0169	Obs per group: min =		15
between = 0.4850	avg =		18.6
overall = 0.3699	max =		19
	Wald chi2(9)	=	92.16
corr(u_i, X) = 0 (assumed)	Prob > chi2	=	0.0000

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
regimetypesq	.1746622	.0312991	5.58	0.000	.1133171 .2360074
life_exp	.0036555	.0044741	0.82	0.414	-.0051136 .0124246
lgni_percapita	-.0238288	.0263589	-0.90	0.366	-.0754913 .0278338
accountability	-.1626986	.0841191	-1.93	0.053	-.3275689 .0021717
effectiveness	-.1744951	.0941991	-1.85	0.064	-.3591219 .0101316
pol_stability	.0641047	.0608075	1.05	0.292	-.0550757 .1832852
rule_law	.0167416	.0910737	0.18	0.854	-.1617595 .1952427
reg_qual	.1606553	.1160985	1.38	0.166	-.0668936 .3882042
lnew_haid	-.003981	.0044559	-0.89	0.372	-.0127143 .0047523
_cons	.4656507	.3432245	1.36	0.175	-.207057 1.138358
sigma_u	0				
sigma_e	.04592857				
rho	0	(fraction of variance due to u_i)			

In sum, for all the models adding the World Bank governance indicators as controls, overall  $R^2$  is .37, regime type remains significant, with a less democratic regime type consistently having slightly higher corruption perception, but in 3 of the models (Figure 24– Figure 26), corruption perception is lower where accountability is found. Most importantly, there is no evidence that changes in humanitarian aid, however measured, are significantly associated with changes in corruption perception.

**Table 6: Summary of Baseline with WBGI Regressions**

	(Model 2a)	(Model 2b)	(Model 2c)	(Model 2d)
	vdemcorruption	vdemcorruption	vdemcorruption	vdemcorruption
regimetypesq	0.173***	0.170***	0.173***	0.175***
	(5.51)	(5.37)	(5.51)	(5.58)
life_exp	0.00309	0.00336	0.00322	0.00366
	(0.47)	(0.75)	(0.49)	(0.82)
lgni_percapita	-0.0184	-0.0193	-0.0186	-0.0238
	(-0.70)	(-0.75)	(-0.70)	(-0.90)
accountability	-0.171*	-0.179*	-0.171*	-0.163
	(-1.98)	(-2.13)	(-1.99)	(-1.93)
effectiveness	-0.165	-0.155	-0.165	-0.174
	(-1.76)	(-1.64)	(-1.76)	(-1.85)
pol_stability	0.0706	0.0759	0.0705	0.0641
	(1.16)	(1.25)	(1.16)	(1.05)
rule_law	0.0195	0.0208	0.0195	0.0167
	(0.21)	(0.23)	(0.21)	(0.18)
reg_qual	0.166	0.168	0.166	0.161
	(1.43)	(1.44)	(1.43)	(1.38)
h_aid	-1.13e-11			
	(-0.07)			
lh_aid		0.00310		
		(0.69)		
new_haid			-0.0794	
			(-0.04)	
lnew_haid				-0.00398
				(-0.89)
_cons	0.522	0.481	0.514	0.466
	(1.14)	(1.40)	(1.12)	(1.36)
N	167	167	167	167
R <sup>2</sup>	.37	.37	.37	.37

*t* statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

### *Model 3: Base Model Including Lag Variables*

Understanding that the impact of humanitarian aid on corruption perception may not be immediately apparent in the following year, it is important to also test for lagged effects. I therefore created lag variables for humanitarian aid to assess their relationship with corruption perception over time. The models in this section (Figure 28 - Figure 31) included the lag variables. The equation for these models is shown as Equation 3.

#### **Equation 3: Baseline *With lags***

$$(\text{V-DEM corruption})_t = a + B_1(\text{HumAid})_t + B_2(\text{HumAid})_{t-1} + B_3(\text{HumAid})_{t-2} + C_n(\mathbf{X}_n)_t + e$$

where  $\mathbf{X}$  is a vector of  $n$  control variables, and  $e$  is the error term.

In model 3a, shown in Figure 28, which examines lagged effects in the same model as Model 1a, overall  $R^2$  drops back to .31. As in Model 1, only regime type is significant; none of the lag effects of humanitarian aid are even close to statistically significant.



Figure 28: Model 3a

```
. xtreg $ylist $xlist1 $haidlags, re
```

Random-effects GLS regression	Number of obs	=	149
Group variable: country_id	Number of groups	=	9
R-sq: within	=	0.0241	Obs per group: min
between	=	0.3695	avg
overall	=	0.3112	max
			13
			16.6
			17

In model 3b ( Figure 29), I measured intervention by the log of humanitarian aid.

This turns out to be a poor specification, as overall  $R^2$  plunges. However, again none of the lag effects of aid are significant.

Figure 29: Model 3b

```
. xtreg $ylist $xlist2 $loghaidlags, re
```

```
Random-effects GLS regression           Number of obs   =       149
Group variable: country_id              Number of groups  =        9

R-sq:  within  = 0.0512                  Obs per group: min =       13
       between = 0.1565                      avg   =      16.6
       overall  = 0.0638                      max   =       17

                                           Wald chi2(6)     =       7.39
corr(u_i, X)  = 0 (assumed)              Prob > chi2      =      0.2862
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0219582	.010816	2.03	0.042	.0007592	.0431572
life_exp	.0000159	.001439	0.01	0.991	-.0028044	.0028363
lgni_percapita	-.0008785	.012901	-0.07	0.946	-.0261639	.024407
lh_aid	-.0003548	.0012243	-0.29	0.772	-.0027543	.0020448
lag_laid	-.0017051	.0011594	-1.47	0.141	-.0039774	.0005672
lag2_laid	-.0008707	.0011379	-0.77	0.444	-.0031009	.0013596
_cons	.6876393	.1467807	4.68	0.000	.3999543	.9753242
sigma_u	.2147956					
sigma_e	.04346557					
rho	.96066214	(fraction of variance due to u_i)				

In model 3c (Figure 30) we measure humanitarian aid as the percentage of the receiving country's GDP; the model results are essentially the same as model 3a. Finally, in model 3d (Figure 31) we use the log of aid as percent of GDP; but with no difference in the outcomes of the regression.

Figure 30: Model 3c

```
. xtreg $ylist $xlist3 $newhaidlags, re
```

```
Random-effects GLS regression           Number of obs   =       149
Group variable: country_id              Number of groups  =        9

R-sq:  within = 0.0241                  Obs per group: min =       13
      between = 0.3695                      avg =      16.6
      overall  = 0.3110                      max =       17

                                           Wald chi2(6)      =       3.85
corr(u_i, X)  = 0 (assumed)              Prob > chi2       =      0.6973
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0208181	.0108292	1.92	0.055	-.0004066	.0420429
life_exp	-.0009881	.0037857	-0.26	0.794	-.0084079	.0064317
lgni_percapita	-.0052316	.0143759	-0.36	0.716	-.0334077	.0229446
new_haid	-.1669732	.7671138	-0.22	0.828	-1.670489	1.336542
lag_new_haid	.010739	.2914132	0.04	0.971	-.5604204	.5818984
lag2_new_haid	.0250749	.291587	0.09	0.931	-.5464252	.596575
_cons	.7623752	.2497796	3.05	0.002	.2728162	1.251934
sigma_u	.26608343					
sigma_e	.04409214					
rho	.97327473	(fraction of variance due to u_i)				

**Figure 31: Model 3d**

```
. xtreg $ylist $xlist4 $lognewhaidlags, re
```

```
Random-effects GLS regression           Number of obs   =       149
Group variable: country_id             Number of groups =        9

R-sq:  within = 0.0492                  Obs per group: min =       13
      between = 0.3472                      avg =      16.6
      overall  = 0.1625                      max =       17

                                           Wald chi2(6)      =       7.28
corr(u_i, X)  = 0 (assumed)              Prob > chi2       =     0.2958
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0221453	.0108779	2.04	0.042	.0008249	.0434657
life_exp	-.0000163	.0014464	-0.01	0.991	-.0028513	.0028187
lgni_percapita	-.0049108	.0124217	-0.40	0.693	-.0292569	.0194353
lnew_haid	-.0003733	.0012327	-0.30	0.762	-.0027895	.0020428
lag_lnew_haid	-.0016805	.0011637	-1.44	0.149	-.0039613	.0006002
lag2_lnew_haid	-.0008144	.0011361	-0.72	0.473	-.0030411	.0014122
_cons	.6528506	.150203	4.35	0.000	.358458	.9472431
sigma_u	.19892471					
sigma_e	.04351121					
rho	.9543408	(fraction of variance due to u_i)				

Consistent with the regressions in Models 1 and 2, the regressions in Model 3 indicate that humanitarian aid did not have a significant association with the perception of corruption. In practical terms, these models indicate that none of these measures of humanitarian aid are good predictors of corruption perception. All the other variables in these models (paid humanitarian aid, life expectancy, log GNI per capita, 1 year lag of humanitarian aid, and 2-year lag of humanitarian aid) had no significant relationships with corruption perception.

Table 7: Summary of Baseline Regressions With lags

	(Model 3a)	(Model 3b)	(Model 3c)	(Model 3d)
	vdemcorruption	vdemcorruption	vdemcorruption	vdemcorruption
regimetypesq	0.0208	0.0220*	0.0208	0.0221*
	(1.92)	(2.03)	(1.92)	(2.04)
life_exp	-0.00102	0.0000159	-0.000988	-0.0000163
	(-0.28)	(0.01)	(-0.26)	(-0.01)
lgni_percapita	-0.00515	-0.000878	-0.00523	-0.00491
	(-0.36)	(-0.07)	(-0.36)	(-0.40)
h_aid	-1.49e-11			
	(-0.23)			
lag_aid	1.12e-12			
	(0.04)			
lag2_aid	2.04e-12			
	(0.08)			
lh_aid		-0.000355		
		(-0.29)		
lag_laid		-0.00171		
		(-1.47)		
lag2_laid		-0.000871		
		(-0.77)		
new_haid			-0.167	
			(-0.22)	
lag_new_haid			0.0107	
			(0.04)	
lag2_new_haid			0.0251	
			(0.09)	
lnew_haid				-0.000373
				(-0.30)
lag_lnew_haid				-0.00168
				(-1.44)
lag2_lnew_haid				-0.000814
				(-0.72)
_cons	0.764**	0.688***	0.762**	0.653***
	(3.14)	(4.68)	(3.05)	(4.35)
N	149	149	149	149
R <sup>2</sup>	.31	.06	.31	.16

t statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

*Model 4: Base Models Including 5 World Bank Governance Indicators and Lags*

In this section we examine models that were expanded from model 3 to include 5 of the 6 WGI dimensions of governance measures. The models in this section evaluated the association of corruption perception with humanitarian aid (including one and two-year lags) regime type, life expectancy, log GNI per capita, voice and accountability, government effectiveness, political stability and absence of violence/terrorism, and rule of law.

**Equation 4: Baseline with *WBGI and lags***

$$(V\text{-DEM corruption})_t = a + B_1(\text{HumAid})_t + B_2(\text{HumAid})_{t-1} + B_3(\text{HumAid})_{t-2} + C_n(\mathbf{X}_n)_t + D_n(\mathbf{Y}_n) + e$$

where  $\mathbf{X}$  is a vector of  $n$  control variables,  $\mathbf{Y}$  is the vector of 5 World Bank Governance Indicators, and  $e$  is the error term.

The overall  $R^2$  of model 4a (Figure 32) is .42, which means that 42% of the variation in corruption perception is explained by this model, which is the best result yet. The only significant variables, however, are regime type, which has a large effect—a .20 change in corruption perception as we move from more to less democratic regimes – and government effectiveness. But humanitarian aid, and its lags, are not close to being significant.

Figure 32: Model 4a

```
. xtreg $ylist $xlist5 $haidlags, re
```

Random-effects GLS regression	Number of obs	=	149
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0137	Obs per group: min =		13
between = 0.5818	avg =		16.6
overall = 0.4244	max =		17
	Wald chi2(8)	=	.
corr(u_i, X) = 0 (assumed)	Prob > chi2	=	.

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.1944946	.0312627	6.22	0.000	.1332208	.2557684
life_exp	.0122226	.008191	1.49	0.136	-.0038316	.0282767
lnni_percapita	-.0063537	.0274195	-0.23	0.817	-.0600949	.0473875
accountability	-.054343	.1343975	-0.40	0.686	-.3177573	.2090713
effectiveness	-.2432526	.0958223	-2.54	0.011	-.431061	-.0554443
pol_stability	.0822583	.0661624	1.24	0.214	-.0474176	.2119342
rule_law	-.1508645	.160401	-0.94	0.347	-.4652447	.1635157
reg_qual	.1655514	.1166536	1.42	0.156	-.0630855	.3941882
h_aid	1.39e-10	1.76e-10	0.79	0.429	-2.05e-10	4.83e-10
lag_aid	-7.94e-11	1.03e-10	-0.77	0.442	-2.82e-10	1.23e-10
lag2_aid	-8.24e-11	1.02e-10	-0.80	0.421	-2.83e-10	1.18e-10
_cons	-.3994404	.6308718	-0.63	0.527	-1.635926	.8370457
sigma_u	0					
sigma_e	.0446483					
rho	0	(fraction of variance due to u_i)				

Model 4b (Figure 33) repeats the analysis using the log of humanitarian aid; as in the previous models the coefficients and  $R^2$  are essentially the same.

Figure 33: Model 4b

```
. xtreg $ylist $xlist6 $loghaidlags, re
```

Random-effects GLS regression	Number of obs	=	149
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0131	Obs per group: min =		13
between = 0.5718	avg =		16.6
overall = 0.4247	max =		17
corr(u_i, X) = 0 (assumed)	Wald chi2(11)	=	101.12
	Prob > chi2	=	0.0000

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
regimetypesq	.1890169	.0322343	5.86	0.000	.1258389 .2521949
life_exp	.0077228	.0048231	1.60	0.109	-.0017304 .0171759
lgni_percapita	-.0008091	.0272264	-0.03	0.976	-.0541719 .0525538
accountability	-.0642366	.1313428	-0.49	0.625	-.3216637 .1931906
effectiveness	-.2104564	.0970239	-2.17	0.030	-.4006198 -.020293
pol_stability	.0909066	.0656873	1.38	0.166	-.0378381 .2196513
rule_law	-.1429527	.1608635	-0.89	0.374	-.4582394 .1723341
reg_qual	.1799888	.1175114	1.53	0.126	-.0503293 .4103068
lh_aid	.0068459	.0048786	1.40	0.161	-.002716 .0164078
lag_laid	-.0025417	.0047441	-0.54	0.592	-.0118398 .0067565
lag2_laid	.0001705	.0044961	0.04	0.970	-.0086417 .0089828
_cons	-.1467474	.4322003	-0.34	0.734	-.9938444 .7003495
sigma_u	0				
sigma_e	.0441355				
rho	0	(fraction of variance due to u_i)			

Models 4c (Figure 34) and 4d (Figure 35) then repeat these regressions measuring humanitarian aid as its percentage of the GDP of the receiving country, and the log of that measure. Again, the analysis is remarkably robust; the coefficients and overall  $R^2$  remain the same regardless of how humanitarian aid is measured. And as before, humanitarian aid, even lagged, is not close to being significant as a predictor of corruption perception.



Figure 34: Model 4c

```
. xtreg $ylist $xlist7 $newhaidlags, re
```

```
Random-effects GLS regression           Number of obs   =       149
Group variable: country_id             Number of groups  =        9

R-sq:  within = 0.0137                  Obs per group: min =       13
      between = 0.5820                  avg           =      16.6
      overall  = 0.4245                  max           =       17

                                         Wald chi2(11)    =     101.06
corr(u_i, X)  = 0 (assumed)             Prob > chi2      =     0.0000
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.1946624	.0312696	6.23	0.000	.133375	.2559497
life_exp	.0125119	.0082695	1.51	0.130	-.003696	.0287199
lgni_percapita	-.006451	.0274055	-0.24	0.814	-.0601648	.0472627
accountability	-.0554015	.1343425	-0.41	0.680	-.3187079	.207905
effectiveness	-.2433485	.0957549	-2.54	0.011	-.4310247	-.0556724
pol_stability	.081798	.0660955	1.24	0.216	-.0477467	.2113427
rule_law	-.1510739	.1603795	-0.94	0.346	-.465412	.1632641
reg_qual	.1654331	.1166027	1.42	0.156	-.0631039	.3939701
new_haid	1.716432	2.064351	0.83	0.406	-2.329621	5.762486
lag_new_haid	-.9165771	1.203601	-0.76	0.446	-3.275593	1.442438
lag2_new_haid	-.925545	1.193952	-0.78	0.438	-3.265649	1.414559
_cons	-.4202559	.6368178	-0.66	0.509	-1.668396	.827884
sigma_u	0					
sigma_e	.04464655					
rho	0	(fraction of variance due to u_i)				

Figure 35: Model 4d

```
. xtreg $ylist $xlist8 $lognewhaidlags, re
```

Random-effects GLS regression	Number of obs	=	149
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0256	Obs per group: min =		13
between = 0.5881	avg =		16.6
overall = 0.4295	max =		17
	Wald chi2(11)	=	103.13
corr(u_i, X) = 0 (assumed)	Prob > chi2	=	0.0000

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.1995374	.0314212	6.35	0.000	.137953	.2611218
life_exp	.0076738	.0048024	1.60	0.110	-.0017387	.0170863
lgni_percapita	-.016384	.0292929	-0.56	0.576	-.0737971	.0410291
accountability	-.0523291	.1307438	-0.40	0.689	-.3085824	.2039241
effectiveness	-.2427418	.0955079	-2.54	0.011	-.4299338	-.0555497
pol_stability	.0902576	.0653845	1.38	0.167	-.0378936	.2184088
rule_law	-.148936	.1600781	-0.93	0.352	-.4626833	.1648114
reg_qual	.1824484	.1169115	1.56	0.119	-.046694	.4115908
lnew_haid	.0010784	.0049053	0.22	0.826	-.0085359	.0106927
lag_lnew_haid	-.0063313	.004711	-1.34	0.179	-.0155646	.002902
lag2_lnew_haid	-.0036587	.0044427	-0.82	0.410	-.0123661	.0050488
_cons	-.0954473	.4223667	-0.23	0.821	-.9232707	.7323761
sigma_u	0					
sigma_e	.04417996					
rho	0	(fraction of variance due to u_i)				

In sum, for all the models (Figure 32– Figure 35) adding the World Bank governance indicators as controls, overall  $R^2$  is  $\sim .42$ . Regime type remains significant, with less democratic regimes associated with an increase in the perception of corruption. Similarly, government effectiveness consistently reduced corruption perception.

**Table 8: Summary of Baseline Regressions with WBGI and lags**

	(Model 4a)	(Model 4b)	(Model 4c)	(Model 4d)
	vdemcorruption	vdemcorruption	vdemcorruption	vdemcorruption
regimetypesq	0.194***	0.189***	0.195***	0.200***
	(6.22)	(5.86)	(6.23)	(6.35)
life_exp	0.0122	0.00772	0.0125	0.00767
	(1.49)	(1.60)	(1.51)	(1.60)
lgni_percapita	-0.00635	-0.000809	-0.00645	-0.0164
	(-0.23)	(-0.03)	(-0.24)	(-0.56)
accountability	-0.0543	-0.0642	-0.0554	-0.0523
	(-0.40)	(-0.49)	(-0.41)	(-0.40)
effectiveness	-0.243*	-0.210*	-0.243*	-0.243*
	(-2.54)	(-2.17)	(-2.54)	(-2.54)
pol_stability	0.0823	0.0909	0.0818	0.0903
	(1.24)	(1.38)	(1.24)	(1.38)
rule_law	-0.151	-0.143	-0.151	-0.149
	(-0.94)	(-0.89)	(-0.94)	(-0.93)
reg_qual	0.166	0.180	0.165	0.182
	(1.42)	(1.53)	(1.42)	(1.56)
h_aid	1.39e-10			
	(0.79)			
lag_aid	-7.94e-11			
	(-0.77)			
lag2_aid	-8.24e-11			
	(-0.80)			
lh_aid		0.00685		
		(1.40)		
lag_laid		-0.00254		
		(-0.54)		
lag2_laid		0.000171		
		(0.04)		
new_haid			1.716	
			(0.83)	
lag_new_haid			-0.917	
			(-0.76)	
lag2_new_haid			-0.926	
			(-0.78)	
lnew_haid				0.00108
				(0.22)
lag_lnew_haid				-0.00633
				(-1.34)
lag2_lnew_haid				-0.00366
				(-0.82)
_cons	-0.399	-0.147	-0.420	-0.0954
	(-0.63)	(-0.34)	(-0.66)	(-0.23)

$N$	149	149	149	149
$R^2$	.42	.42	.43	.43

$t$  statistics in parentheses\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

*Model 5: Baseline with Interaction of Humanitarian Aid with Accountability*

As one last test of robustness, we look at the interaction effect of the WGI indicators that were significant in prior models, specifically, accountability and effectiveness. After all, perhaps humanitarian aid only worsens corruption perception in regimes that are already fairly corrupt, but not in regimes with low corruption. We therefore examine the interaction between humanitarian aid and the WGI indicators that were consistently significant: government accountability and government effectiveness.

In Equation 5 we assess the interaction of accountability and humanitarian aid:

This is shown in Equation 5:

**Equation 5: Baseline with *Interaction of Humanitarian Aid with Accountability***

$$(V\text{-DEM corruption}) = a + B(\text{HumAid}) + C_n(\mathbf{X}_n) + D(Y) + E(\text{HumAid} * Y) + e$$

where  $\mathbf{X}$  is a vector of  $n$  control variables,  $Y$  is the World Bank accountability indicator, and  $e$  is the error term.

Model 5a regressed V-Dem corruption perception on humanitarian aid, regime type, life expectancy, log GNI per capita, accountability, humanitarian aid, and interaction1 (h\_aid\*accountability). The results are shown in Figure 36. Overall  $R^2$  is about the same as model 1, as are the other results. The interaction is not significant, and neither is humanitarian aid.

Figure 36: Model 5a

```
. xtreg $ylist $xlist10, re
```

Random-effects GLS regression	Number of obs	=	167
Group variable: country_id	Number of groups	=	9
R-sq: within = 0.0534	Obs per group: min =		15
between = 0.2902	avg =		18.6
overall = 0.2587	max =		19
	Wald chi2(5)	=	.
corr(u_i, X) = 0 (assumed)	Prob > chi2	=	.

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
regimetypesq	.0291916	.0108829	2.68	0.007	.0078614 .0505218
life_exp	-.0043633	.0032591	-1.34	0.181	-.010751 .0020244
lgni_percapita	-.0045388	.0138138	-0.33	0.742	-.0316132 .0225357
accountability	.013024	.0235403	0.55	0.580	-.0331142 .0591622
h_aid	-4.16e-10	5.29e-10	-0.79	0.432	-1.45e-09 6.20e-10
interactionl	-4.91e-10	7.48e-10	-0.66	0.511	-1.96e-09 9.76e-10
_cons	1.000288	.2116591	4.73	0.000	.5854439 1.415132
sigma_u	.22142475				
sigma_e	.04545264				
rho	.95956653	(fraction of variance due to u_i)			

In models 5b, 5c, and 5d, shown in Figure 37 to Figure 39, we repeat the now familiar pattern of measuring intervention first by log of humanitarian aid, then by aid as a percentage of GDP, then with the log of that percentage. In all cases, the results remain the same: neither humanitarian aid nor the interaction is significant.

Figure 37: Model 5b

```
. xtreg $ylist $xlist11, re
```

```
Random-effects GLS regression           Number of obs   =       167
Group variable: country_id              Number of groups  =        9

R-sq:  within = 0.0527                  Obs per group: min =       15
      between = 0.2995                      avg =      18.6
      overall  = 0.2572                      max =       19

                                         Wald chi2(5)      =        .
corr(u_i, X)  = 0 (assumed)              Prob > chi2       =        .
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0287058	.0109388	2.62	0.009	.0072662	.0501454
life_exp	-.0038486	.0034515	-1.12	0.265	-.0106134	.0029163
lgni_percapita	-.0033355	.0138975	-0.24	0.810	-.0305742	.0239032
accountability	.0090046	.0235281	0.38	0.702	-.0371096	.0551189
lh_aid	-.0007164	.0011913	-0.60	0.548	-.0030512	.0016185
interaction1	7.84e-11	8.62e-11	0.91	0.363	-9.05e-11	2.47e-10
_cons	.961332	.2220218	4.33	0.000	.5261773	1.396487
sigma_u	.19633061					
sigma_e	.04546056					
rho	.94911249	(fraction of variance due to u_i)				

Figure 38: Model 5c

```
. xtreg $ylist $xlist12, re
```

```
Random-effects GLS regression
Group variable: country_id
```

```
Number of obs   =    167
Number of groups =     9
```

```
R-sq:  within = 0.0527
       between = 0.2881
       overall = 0.2626
```

```
Obs per group: min =    15
                avg  =   18.6
                max  =    19
```

```
corr(u_i, X)    = 0 (assumed)
```

```
Wald chi2(5)    =      .
Prob > chi2     =      .
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0295561	.0109135	2.71	0.007	.008166	.0509462
life_exp	-.0049125	.0033381	-1.47	0.141	-.011455	.00163
lgni_percapita	-.0042545	.0137622	-0.31	0.757	-.031228	.022719
accountability	.0123757	.0233666	0.53	0.596	-.033422	.0581735
new_haid	-4.25055	5.511097	-0.77	0.441	-15.0521	6.551001
interaction1	-4.07e-10	6.53e-10	-0.62	0.533	-1.69e-09	8.73e-10
_cons	1.037721	.2209313	4.70	0.000	.6047034	1.470738
sigma_u	.23641334					
sigma_e	.04546928					
rho	.96432882	(fraction of variance due to u_i)				



Figure 39: Model 5d

```
. xtreg $ylist $xlist13, re
```

Random-effects GLS regression  
Group variable: country\_id

Number of obs = 167  
Number of groups = 9

R-sq: within = 0.0525  
between = 0.3107  
overall = 0.2635

Obs per group: min = 15  
avg = 18.6  
max = 19

corr(u\_i, X) = 0 (assumed)

Wald chi2(5) = .  
Prob > chi2 = .

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0283113	.0108454	2.61	0.009	.0070548	.0495679
life_exp	-.0036644	.0034322	-1.07	0.286	-.0103914	.0030626
lgni_percapita	-.004206	.0137772	-0.31	0.760	-.0312088	.0227968
accountability	.0102422	.0233619	0.44	0.661	-.0355463	.0560308
lnew_haid	-.0007404	.0011832	-0.63	0.531	-.0030594	.0015786
interaction1	7.46e-11	8.56e-11	0.87	0.384	-9.32e-11	2.42e-10
_cons	.93739	.2307826	4.06	0.000	.4850645	1.389716
sigma_u	.23450383					
sigma_e	.04547166					
rho	.96376302	(fraction of variance due to u_i)				

**Table 9: Summary of Baseline Regressions with Interaction of Humanitarian Aid with Governance**

	(Model 5a)	(Model 5b)	(Model 5c)	(Model 5d)
	vdemcorruption	vdemcorruption	vdemcorruption	vdemcorruption
regimetypesq	0.0292**	0.0287**	0.0296**	0.0283**
	(2.68)	(2.62)	(2.71)	(2.61)
life_exp	-0.00436	-0.00385	-0.00491	-0.00366
	(-1.34)	(-1.12)	(-1.47)	(-1.07)
lgni_percapita	-0.00454	-0.00334	-0.00425	-0.00421
	(-0.33)	(-0.24)	(-0.31)	(-0.31)
accountability	0.0130	0.00900	0.0124	0.0102
	(0.55)	(0.38)	(0.53)	(0.44)
h_aid	-4.16e-10			
	(-0.79)			
interaction1	-4.91e-10	7.84e-11	-4.07e-10	7.46e-11
	(-0.66)	(0.91)	(-0.62)	(0.87)
lh_aid		-0.000716		
		(-0.60)		
new_haid			-4.251	
			(-0.77)	
lnew_haid				-0.000740
				(-0.63)
_cons	1.000***	0.961***	1.038***	0.937***
	(4.73)	(4.33)	(4.70)	(4.06)
N	167	167	167	167
R <sup>2</sup>	.26	.26	.26	.26

*t* statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

#### *Model 6: Baseline with Interaction of Humanitarian Aid with Effectiveness*

I assessed the interaction effect of humanitarian aid and the WGI effectiveness indicator.

This is shown in Equation 6:

#### **Equation 6: Baseline with *Interaction of Humanitarian Aid with Effectiveness***

$$(\text{V-DEM corruption}) = a + B(\text{HumAid}) + C_n(X_n) + D(Y) + E(\text{HumAid} * Y) + e$$

where  $\mathbf{X}$  is a vector of  $n$  control variables,  $\mathbf{Y}$  is the World Bank effectiveness indicator, and  $e$  is the error term.

Model 6a regressed V-Dem corruption perception on humanitarian aid, regime type, life expectancy, log GNI per capita, effectiveness, humanitarian aid, and interaction2 (h\_aid\*effectiveness). The results are shown in Figure 40, overall  $R^2$  is .29. Regime type is the only explanatory factor that is significant. The interaction is not significant, and neither is humanitarian aid.

**Figure 40: Model 6a**

```
. eststo:xtreg $ylist $xlist15, re
```

```
Random-effects GLS regression              Number of obs      =       167
Group variable: country_id                 Number of groups   =        9

R-sq:  within  = 0.0559                    Obs per group: min =       15
       between = 0.2937                      avg      =      18.6
       overall  = 0.2709                      max      =       19

corr(u_i, X)  = 0 (assumed)                Wald chi2(5)       =        .
                                                Prob > chi2        =        .
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0295898	.0108135	2.74	0.006	.0083957	.0507839
life_exp	-.0050207	.0035594	-1.41	0.158	-.011997	.0019556
lgni_percapita	-.0042859	.0141541	-0.30	0.762	-.0320274	.0234556
effectiveness	.0045502	.018779	0.24	0.809	-.032256	.0413565
h_aid	-6.54e-10	5.48e-10	-1.19	0.233	-1.73e-09	4.20e-10
interaction2	-3.56e-10	3.36e-10	-1.06	0.290	-1.01e-09	3.04e-10
_cons	1.048883	.2179252	4.81	0.000	.621757	1.476008
sigma_u	.14992313					
sigma_e	.0453547					
rho	.91615516	(fraction of variance due to u_i)				

In models 6b, 6c, and 6d, shown in Figure 41-Figure 43, we repeat the regressions first by log of humanitarian aid, then by aid as a percentage of GDP, then with the log of that percentage. In all cases, the results remain the same: neither humanitarian aid nor the interaction variable are significant.

**Figure 41: Model 6b**

```
. eststo:xtreg $ylist $xlist16, re
```

Random-effects GLS regression  
Group variable: country\_id

Number of obs = 167  
Number of groups = 9

R-sq: within = 0.0493  
between = 0.3060  
overall = 0.2797

Obs per group: min = 15  
avg = 18.6  
max = 19

corr(u\_i, X) = 0 (assumed)

Wald chi2(5) = .  
Prob > chi2 = .

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0292089	.0108917	2.68	0.007	.0078615	.0505562
life_exp	-.0044153	.0036845	-1.20	0.231	-.0116369	.0028063
lgni_percapita	-.0028051	.0142928	-0.20	0.844	-.0308185	.0252083
effectiveness	-.0023553	.0184944	-0.13	0.899	-.0386035	.033893
lh_aid	-.0006212	.0012248	-0.51	0.612	-.0030218	.0017795
interaction2	3.92e-11	4.01e-11	0.98	0.328	-3.94e-11	1.18e-10
_cons	.997367	.2251978	4.43	0.000	.5559875	1.438747
sigma_u	.14107147					
sigma_e	.0454905					
rho	.90581092	(fraction of variance due to u_i)				

Figure 42: Model 6c

```
. eststo:xtreg $ylist $xlist17, re
```

```
Random-effects GLS regression           Number of obs   =       167
Group variable: country_id             Number of groups  =         9

R-sq:  within = 0.0545                  Obs per group: min =        15
      between = 0.2905                  avg =             18.6
      overall  = 0.2695                  max =             19

                                         Wald chi2(5)      =         .
corr(u_i, X)  = 0 (assumed)             Prob > chi2       =         .
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0293316	.0107465	2.73	0.006	.0082688	.0503943
life_exp	-.0053016	.0036526	-1.45	0.147	-.0124606	.0018573
lgni_percapita	-.0041771	.0140009	-0.30	0.765	-.0316183	.0232641
effectiveness	.0066243	.0187629	0.35	0.724	-.0301503	.0433988
new_haid	-5.86913	5.228296	-1.12	0.262	-16.1164	4.378142
interaction2	-2.60e-10	2.70e-10	-0.96	0.335	-7.89e-10	2.68e-10
_cons	1.068755	.2292937	4.66	0.000	.6193473	1.518162
sigma_u	.17616594					
sigma_e	.04540879					
rho	.93769841	(fraction of variance due to u_i)				

Figure 43: Model 6d

```
. eststo:xtreg $ylist $xlist18, re
```

```
Random-effects GLS regression           Number of obs   =       167
Group variable: country_id              Number of groups  =         9

R-sq:  within = 0.0503                   Obs per group: min =        15
      between = 0.3220                               avg   =       18.6
      overall  = 0.2843                               max   =        19

                                           Wald chi2(5)      =         .
corr(u_i, X)  = 0 (assumed)              Prob > chi2       =         .
```

vdemcorruption	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
regimetypesq	.0278678	.0107002	2.60	0.009	.0068958	.0488397
life_exp	-.0037494	.0036805	-1.02	0.308	-.0109631	.0034643
lgni_percapita	-.0038029	.014035	-0.27	0.786	-.0313109	.0237052
effectiveness	.0009602	.0183718	0.05	0.958	-.0350478	.0369682
lnnew_haid	-.0007126	.0012041	-0.59	0.554	-.0030726	.0016475
interaction2	3.27e-11	3.99e-11	0.82	0.413	-4.55e-11	1.11e-10
_cons	.9421906	.2334397	4.04	0.000	.4846571	1.399724
sigma_u	.17694418					
sigma_e	.04550218					
rho	.93797281	(fraction of variance due to u_i)				

**Table 10: Baseline with Interaction of Humanitarian Aid with Government Effectiveness**

	(Model 6a)	(Model 6b)	(Model 6c)	(Model 6d)
	vdemcorruption	vdemcorruption	vdemcorruption	vdemcorruption
regimetypesq	0.0296**	0.0292**	0.0293**	0.0279**
	(2.74)	(2.68)	(2.73)	(2.60)
life_exp	-0.00502	-0.00442	-0.00530	-0.00375
	(-1.41)	(-1.20)	(-1.45)	(-1.02)
lgni_percapita	-0.00429	-0.00281	-0.00418	-0.00380
	(-0.30)	(-0.20)	(-0.30)	(-0.27)
effectiveness	0.00455	-0.00236	0.00662	0.000960
	(0.24)	(-0.13)	(0.35)	(0.05)
h_aid	-6.54e-10			
	(-1.19)			
interaction2	-3.56e-10	3.92e-11	-2.60e-10	3.27e-11
	(-1.06)	(0.98)	(-0.96)	(0.82)
lh_aid		-0.000621		
		(-0.51)		
new_haid			-5.869	
			(-1.12)	
lnew_haid				-0.000713
				(-0.59)
_cons	1.049***	0.997***	1.069***	0.942***
	(4.81)	(4.43)	(4.66)	(4.04)
N	167	167	167	167
R <sup>2</sup>	.29	.28	.27	.28

t statistics in parentheses

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

In sum, across all variations of measurement and models, we do not find any situation or specification in which humanitarian aid is a significant predictor of the V-Dem measure of public corruption.

The efforts of aid providers to maintain control and minimize corruption, discussed in Chapter 6, are at least preventing their aid efforts from making corruption

perceptibly worse. Some countries remained more corrupt than others, and some countries maintained an upward trend in corruption across the period observed, but there were no cases in which a surge in humanitarian aid could be significantly associated with a change in perceived corruption.

### Discussion

To my knowledge this is the first study that examined the impact of humanitarian aid on the perception of corruption in countries in Central America and the Caribbean. Based on the regression analysis utilized in this study, I consistently found that humanitarian aid does not have a significant association with the perception of corruption. When investigating for the impact of lagged independent variables, I found that adding lags did not influence the regression models. Other factors explain the increase of corruption perception, not an increase or decrease in humanitarian aid. For example, in models 2, 3, 4 and 5, a less democratic regime had significant associations in increasing corruption perception. This seems to be the explanatory variable for the perception of corruption.

Similarly, four of the eight regressions with World Bank Governance Indicators, showed that an increase in the perception of government effectiveness had a significant association in decreasing the perception of corruption. This supports the assertion that when people believe the quality of public services are independent from political



pressures, the perception of corruption decreases. A final explanatory variable for perception of corruption appears to be accountability. In three of the eight regressions World Bank Governance Indicators, government accountability appears to reduce perception of corruption. This is an indication that the more people believe they can hold their elected officials accountable by selecting their government the lower corruption perception is.

It is important to note that the corruption variable assessed the perception of corruption and not the actual occurrence of the phenomenon. Corruption remains an illicit activity that is unobserved, so adequately quantifying it remains an issue. Additionally, cultural and definition factors might be affecting what is defined as corruption. For example, some countries might find it appropriate to gift a public official with money as a sign of appreciation for providing services while other countries define that as a bribe. So, the perception of corruption variable may not be capturing actual occurrence of corruption. Additionally, because of customs and cultural norms, the definition of corruption across the countries might be utilized differently.

This study only analyzed humanitarian aid thus the findings cannot be generalized to include bilateral aid, development aid, or all foreign aid. Various types of aid are disbursed and handled differently. Specifically, study participants indicated that during a humanitarian crisis, humanitarian aid is not given directly to governments. Rather, aid is given to international organizations, NGOs, and other aid practitioners. Aid practitioners

then work with governments to gain access, obtain buy-in for the work to identify those in critical need. This reduces opportunities for public sector officials to pilfer resources and humanitarian aid. Additionally, I found that in some cases, some organizations do not differentiate between humanitarian aid and development aid. Humanitarian aid is also defined differently, which is why only one source of data was utilized in this study. The financial tracking service is a comprehensive source that provides visibility into humanitarian contributions and activities (OCHA, 2021). The information is continuously updated by UN entities, NGOs, the Red Cross, and civil society organizations, thus it remains timely, centralized, and accurate (OCHA, 2021).

While it is not definitive by any measure, it is a relief to quantitatively determine that humanitarian aid is not increasing corruption in the countries receiving such aid. For the nine countries assessed, humanitarian aid did not have a significant association with corruption perception. Even countries with already high levels of corruption did not seem to have significant increases or decreases in the perception of corruption when there was an influx of humanitarian aid. There are other factors within the countries that are contributing to the high levels of the perception of corruption and aid is not among them. These findings cannot be generalized globally because only countries in the Western Hemisphere were evaluated. However, it provides a starting point for how the impact of humanitarian aid on corruption can be assessed in other parts of the world.

In summary, using trend and regression analysis, my quantitative findings tested my study hypothesis to see if humanitarian aid facilitates corruption in countries receiving aid. I analyzed data from nine countries over a nineteen-year period and consistently found that humanitarian aid does not facilitate corruption in countries receiving aid. While these findings were unexpected, they were comprehensive and robust. There was not relationship or trend between humanitarian aid and corruption perception. To find out why the expected relationship between humanitarian aid and corruption perception did not exist, I interviewed some humanitarian aid practitioners to discuss how they monitor aid and seek to limit corruption when bringing humanitarian aid to low-income and corrupt countries. The following chapter will highlight the findings and the themes garnered from humanitarian aid practitioners interviewed for this study.

## CHAPTER 6: VOICES FROM THE FIELD

This study utilized a mixed method approach to gather information on the impact of humanitarian aid on corruption. In addition to quantitative data analysis and document reviews, I conducted semi-structured interviews with humanitarian aid practitioners as a supplemental approach to obtain information. This chapter is broken out into the 4 themes ascertained from the interview responses.

- Introduction and organization of specific goals/role in providing humanitarian assistance
- Accountability programs/transparency procedures
- Impact of humanitarian assistance on corruption
- Limitations encountered and lessons learned.

I created a humanitarian aid database from information collected from the FTS spreadsheet. Specifically, information was derived from humanitarian donors that gave money to the countries included in my study. I then created a shortlist of the 20 most generous and lowest 20 donors for each country. Using the shortened list, I found the names, titles and contact information for humanitarian aid practitioners per organization. In addition, I obtained referrals from my colleagues within the Department of State and at the Schar School of Policy and Government.

I then sent a recruitment email to potential participants. In total, I contacted 40 potential participants via email and successfully interviewed 15 individuals. Individuals that were contacted directly without a referral were reluctant to participate in the study. Specifically, 25 people contacted via this method either did not respond to my email or indicated no interest in participating. In total, 15 individuals that I was referred to, agreed to participate in the study. As a COVID-19 precaution, the semi-structured interviews were conducted remotely via telephone or Zoom. Seven of the 15 respondents consented to being recorded. Due to the nature of the questions, the participants' privacy was preserved, and their identities kept confidential. Thus, each respondent are addressed by their participant identification (I through V). In addition to analyzing the common themes that arose from the interviews, I also selected five interviewees to highlight directly. These practitioners all had direct field experience and represented five different sectors of humanitarian aid organizations: U.S. government, intergovernmental organizations, international non-governmental organizations, non-governmental organizations, and the private sector. Study participant breakdown is as follows:

- 6 government officials (U.S. Department of State)
- 2 USAID contractors/practitioners
- 1 United Nations
- 6 individuals with an NGO affiliation

Some of the participants had worked in different types of humanitarian organizations and regions, so those perspectives were leveraged and included as insights in the discussion. Four participant responses were not highlighted based on the respondents' request or a lack of direct experience with humanitarian aid. Specifically, two of the participants from the Department of State did not want to be recorded and explicitly requested not to be quoted in the study. While I did not highlight their individual responses, their insights were useful in elucidating common themes. Additionally, two of the Department of State respondents worked for the Bureaus of Diplomatic Security in Haiti and their responses proved fruitful for understanding the context in which humanitarian aid workers operate.

Although 15 participants was a lower number than I anticipated, they did represent a variety of roles in a range of different organizations. Moreover, despite these differences, many of the participants held common views regarding the questions I asked, enabling me to still glean a few common themes from their responses.

### **Selection of Voices**

This chapter highlights the insights of 5 (Table 11) respondents of the 15 participants. In selecting the voices highlighted below, I had three criteria to consider. First, I only selected participants who expressly gave me permission to quote them directly in my research. From those, I made sure to include the insights from aid

practitioners that had field experience. Finally, I wanted to represent a broad spectrum of the different types of organizations that would be involved in humanitarian aid operations. Specifically, the highlighted responses are from practitioners associated with the U.S. State Department officials, the UN, NGOs, and the private sector as contracted by USAID. With the exception of religious organizations, which I tried unsuccessfully to recruit, these organizations represent the most common organizations that conduct humanitarian aid operations.

The interviews yielded insights into the role of different types of humanitarian aid providers and the challenges humanitarian aid practitioners encounter when they are planning and disbursing aid. By design, humanitarian aid workers seek to save lives and restore order as quickly as possible. Thus, in a crisis, little opportunity and leeway is available to establish distribution frameworks in the country receiving aid. Humanitarian aid agencies leverage their toolkits and existing networks within the respective countries to identify those in need of critical aid and disburse it accordingly. In some cases, they rely on other aid agencies, religious organizations, and even local and state government agencies to disburse aid.

**Table 11: Study Participants Highlighted in Discussion**

Participant ID	Title
<b>Participant I</b>	Deputy Special Representative of the secretary-general for the United Nations Stabilisation Mission in Haiti (MINUSTAH)
<b>Participant II</b>	Senior Military Advisor on rotation to the Department of State
<b>Participant III</b>	Chief of Party, USAID contractor
<b>Participant IV</b>	Vice President, humanitarian aid contractor/practitioner
<b>Participant V</b>	Senior Manager, International Committee of the Red Cross/Red Crescent (ICRC)

### **Introduction and Role in Providing Humanitarian Assistance**

As noted above, I conducted 15 interviews overall representing a range of roles and organizations. Below I present the introductions of the voices I chose to highlight to give more explicit detail on the types of participants with whom I spoke and the nature of their roles in the field.

**Participant I:** Deputy Special Representative of the Secretary-General for the United Nations Stabilisation Mission in Haiti (MINUSTAH)

Participant I is a retired, senior level United Nations (UN) official who has spent most of his career working in development and humanitarian assistance, specializing in peace and state-building activities in extremely fragile environments. He was candid about his experiences in Haiti as well as from other countries where he has worked.

Importantly, Participant I was on the ground in response to the catastrophic 2010 earthquake in Haiti. Some questions were tailored to gain an understanding of his experiences in Haiti.



Question 2: **When did you start working in Haiti and in what capacity did you work in Haiti?**

I was particularly responsible for what they call resident and humanitarian coordinator. I oversaw all the UN agencies, basically supporting both the humanitarian and developmental effort in the country, as well as some of the other aspects of the work of the mission in particular around the whole issue of community, violence reduction.

I specialized on peace and state-building in extremely fragile environments. Haiti would qualify as a fragile environment. Somalia probably would qualify for that as well. For reference, I have worked also in the Congo, Afghanistan (twice), Sudan, Angola, and many other places in Africa.

When asked what role the UN played in Haiti during the response the earthquake, Participant I explained that a Nexus approach was used to deliver humanitarian aid and development assistance.

I do believe that the UN played a prominent role in terms of the provision of humanitarian assistance and development assistance. The approach implemented did not distinguish here between humanitarian and

development assistance; that is to say, it is part of the same set of interventions, which included peace dynamics.

We are talking about interventions by the UN and the international community more generally in these types of fragile environments as a nexus approach. Nexus approach means that you simultaneously address humanitarian, developmental and peace building, or peacemaking efforts. This is already quite an important conclusion. The role that the United Nations played was reasonably comprehensive at the same time, though it overlooked some of the more fundamental tasks that needed to be undertaken.

**Participant II:** Senior Military Advisor on rotation to the Department of State

Participant II is an Army Lieutenant Colonel who has served in the army for 21 years in a variety of roles. The role that directly relates to this study is his work as a senior military advisor to the Bureau of Population, Refugees, and Migration (PRM) at the Department of State. In this role, he provided advice to the assistant secretary on civil military related issues in fragile areas that are prone to conflict. In addition, he was detailed to serve as refugee coordinator for the United States embassy in Dhaka, Bangladesh.

Regarding his experience in Haiti or the Western Hemisphere, Participant II did not work directly in Haiti or any other country in the Western Hemisphere. However, he has insight into the inner workings of the Department of Defense's (DoD) and the Department of State's approach to providing humanitarian assistance.

Most of my work was in Washington, DC, and within the DoD or at the DoD commands that are in places like Stuttgart, Germany, and Hawaii. The one, significant exposure I had in the field was in Bangladesh, where I took my military advisor hat off and I was detailed for a specific mission to serve as refugee coordinator for the US Embassy in Dhaka, Bangladesh. There, I split time between Dhaka, where the NGO and UN field offices were, and Cox's Bazar, which is on the border with Myanmar or Burma, which is where the refugee camps [were located] that the Bangladeshi government established for the Rohingya Muslim majority that was forced across the border in a campaign of ethnic cleansing, or genocide.

I was also substantively engaged [in] Ukraine, having spent some time in the capitol Kiev. However, I did not go to the conflict zone. I have also worked in East Africa, in Somalia and the Horn, and then West Africa with the situation in Nigeria and the surrounding areas.

He was asked to explain more about his role as a refugee coordinator, which included monitoring and evaluation. Participant II explained that biggest responsibility of a refugee coordinator is to monitor and evaluate the activities of the organizations that are receiving aid funding. This included monitoring the performance of non-governmental organizations (NGOs) and international organizations. As part of that monitoring and evaluation, participant II wanted to ensure that aid was being implemented effectively and efficiently. To accomplish that, his team evaluated and monitored risk factors, which included corruption.

**Participant III:** Chief of Party, USAID contractor

Participant III is a Chief of Party for a well-known humanitarian and development organization that is based in the Washington, DC, area. His organization is one of USAID's leading implementers of development programming and assistance overseas. He has worked for this company for 17 years in a variety of roles both domestically and in the field. He was the chief of party (project director) for the Haiti earthquake recovery program with USAID's Office of Transition Initiatives (OTI). Since then, he has served in other field-based assignments, including Syria (based out of Jordan). He is now working on a community support program in Lebanon to address some of the tensions that exist in Lebanese communities as a result of the sustained presence of Syrian refugees.

Participant III was deployed to Haiti immediately after the earthquake in 2010; therefore, some questions were tailored to his experiences. When asked about his duration in Haiti, Participant III responded:

I arrived in Haiti beginning of February 2010, I do not remember the exact date. I arrived, maybe about three weeks after the earthquake. I was there until approximately August or September of 2013. I was there for about three and a half years.

When asked about the role his organization played in Haiti, Participant III indicated that their response was not necessarily classified as a humanitarian assistance program. In fact, his project was similar to the UN's mandate of providing a comprehensive developmental and humanitarian solution.

I would not categorize it as humanitarian assistance. USAID has different bureaus and offices that have different mandates. They have what used to be known as the office of foreign disaster assistance, OFDA—that was providing humanitarian assistance. They also have had their mission in Haiti that was providing, long-term development assistance, even before the earthquake, working on more sustainable development projects.

The project that I was working on was being implemented in collaboration and partnership with USAID's OTI. OTI's mandate in Haiti as well as all countries is to serve that role of the missing middle in the continuum between humanitarian assistance and long-term sustainable development.

Through the OTI program, we were doing three things.

1. One of them I think we called "enabling the government of Haiti to function"—that was really focused on providing infrastructure support to rebuild some of the government buildings that had collapsed or at least provide them with temporary quarters for them to work in through like prefab construction.
2. Another component started off as a cash for work program that transitioned into temporary jobs that transitioned into community stabilization.
3. And then the third was—I think that was our media components—and it was really focused on communications, whether it be working with the government of Haiti to communicate important information about recovery efforts.

**Participant IV:** Vice President, humanitarian aid contractor/practitioner

Participant IV is currently a vice president of an organization that provides stabilization assistance to economic development, governance, and environmental work. Prior to her current role, Participant IV served directly with USAID's OTI from 2009 until 2019. In that role, she served as the country representative for USAID's office of transition initiatives, Haiti Recovery Initiative (HRI) program. She was in Haiti in response to the 2010 earthquake from July 2011 through October 2013. She also served in Afghanistan overseeing OTI's Middle East and global portfolios.

Participant IV explained that HRI's objective was to build back better. To accomplish this goal, they worked to diversify the population, implement independent media, and promote investments.

The purpose of the HRI program was to help rebuild a couple of different areas in Haiti. The first was independent media. We did a lot of work around cholera at the time and public health. We were also charged with rebuilding the Parliament, the presidential offices, and getting government up and running again.

At the time, the US strategy was to diversify the population based in Port-au-Prince to the West, around Saint Marc and to the North, Cap-Haitien. Secretary Clinton had invested heavily in the Caracol industrial park in the

North of Haiti. Our program was the only USAID program brought into help get that industrial park up and running by providing job training and what they referred to as stabilization in the North of Haiti. Where they anticipated having this big industrial park would attract huge Western investments in the otherwise very desolate area of the North.

They wanted us to work with communities to ensure that those communities received benefits as well: that everything that was not just going into the park, that jobs are made available to people in those communities and that there were infrastructure improvements in those communities, that the mayor's offices received support.

It was a whole of Caracol Northern corridor approach to stabilizing and increasing support for that industrial park.

**Participant V:** Senior manager, International Committee of the Red Cross/ Red Crescent (ICRC)

Participant V is a senior manager with the ICRC. This respondent has been working in the humanitarian and international development sector since 2004. She specializes in monitoring systems. She currently serves as a donor engagement advisor



for the ICRC and is based out of Washington, DC. Prior to her current role, she worked to assist displaced persons through the State Department's PRM. She has humanitarian assistance field experience in several countries, including South Sudan, Democratic Republic of the Congo, Sri Lanka, Iraq, and Jordan, although no field experience in Haiti.

When asked about the ICRC's role in providing humanitarian assistance, Participant V explained that the ICRC takes a neutral and independent approach to providing humanitarian assistance to those affected by conflict by providing protection and assistance.

The ICRC's approach to providing humanitarian assistance is remarkably different from the other organizations represented in this study. Specifically, they only partner with local member Red Cross and Red Crescent societies to deploy humanitarian assistance. This approach allows them to maintain consistency and to uphold international law and organizational standards.

The ICRC was established in 1863 and is basically the origin of the Geneva convention. The idea of the ICRC was essentially written into the Geneva convention as the organization that is meant to uphold those rules of war and to promote respect for international humanitarian law and also to

provide those affected by conflict in other situations of violence to help protect them and also provide them with assistance.

The way that the ICRC works is a bit different from how a lot of development or humanitarian organizations work in that, because we are an independent and neutral organization. We take direct action to respond to emergencies to promote respect for international humanitarian law and its implementation of national law. The main kind of partners or organizations that we partner with are the local Red Cross and Red Crescent society that make up part of the international movement, it is referred to, as part of the IFRC—the International Federation of Red Cross and Red Crescent Societies.

While not all respondents highlighted had a presence or experience directly in the countries being evaluated in this dissertation, each has field experience in a fragile country or conflict area. For example, Participant II was based in Bangladesh, Somalia, and Nigeria, while Participant V served in South Sudan, Democratic Republic of the Congo, and Iraq. Combined, their insights into the approach for providing humanitarian assistance offers a comprehensive view into how humanitarian aid is disbursed. In general, most respondents depend on existing networks and relationships to deploy aid

to communities in need. They work with local and international stakeholders to ensure that humanitarian assistance is provided effectively, efficiently, and on time.

The ICRC is unique in that it only utilizes those in its immediate network to deploy aid. The UNDP coordinates its response with the international community, other UN agencies, NGOs, and government agencies to establish a coordinated structure to deploy humanitarian assistance. Similarly, the State Department OTI leverages the expertise of contractors and local staff to meet its mission and objectives on the ground. They work with international organizations like the UN Development Programme, Premiere Urgence International, Chemonics International, and the International Organization for Migration to reach communities and people in need of assistance. The State Department's PRM also leverages the expertise and international community networks by providing them funding associated with contractual obligations.

The next section highlights the different programs and procedures used to promote transparency and accountability.

### **Resource Allocation, Accountability Programs, and Transparency Procedures**

Corruption is hardly a new phenomenon. The international community and policymakers have struggled to find an effective mechanism to deter corruption or consistently punish those who engage in corruption. While corruption has existed for ages, the anti-corruption movement is experiencing renewed interest. The international

community has recently tried to deal with public corruption through legislation aimed at reducing its incidence. International organizations, like the UN, World Bank, and Transparency International have been at the forefront of the anti-corruption movement. In the 2016 Global Declaration Against Corruption, world leaders declared their shared ambition to control and eradicate corruption. They acknowledged that to tackle extremism, poverty, and promote prosperity, corruption must be controlled.

Due to corruption's complex nature, it cannot be eradicated with a one size fits all approach. Corruption's pervasiveness and complexity has meant that many countries and organizations have failed to control corruption. Several approaches for controlling corruption include working with corporations to institute anti-corruption practices, working with international agencies like the UN to investigate corruption and implement best anti-corruption practices, and partnering with neighboring countries and the international community to hold corrupt leaders accountable. Still, most anti-corruption programs fail. Scholars and practitioners alike agree that the overall failure of anti-corruption reforms is the result of an implementation problem, finding a lack of will among actors to change existing laws, report corruption, or hold corrupt individuals accountable (Lawson 2009; Fjeldstad & Isaksen 2008; Svensson, 2005; Riley 1998; Kpundeh 2004; Ittner 2009). To remedy the lack of effectiveness, one must understand the current framework and identify the gaps in the current approach. Anti-corruption practitioners approach controlling corruption using two methods: 1) seeking eradication

of corruption and 2) integrity building or good governance. This section highlights the different approaches that respondents utilized to control corruption and promote transparency. Each participant was asked how they disbursed humanitarian aid.

Participants indicated that during a crisis, humanitarian aid was rarely given directly to government officials. Donor organizations disbursed the aid in form of grants, contracts, and in-kind support, to contractors, NGOs, international organizations, local community-based agencies, and civil society. Most organizations preferred to utilize local staff, contract local community-based organizations and leverage NGOs to provide aid. Organizations supplemented that approach with providing food, in kind support, and as well as expertise directly. Below are highlights from some of the study participants:

**Participant I:** Humanitarian aid funding was expended simultaneously through different channels. In some cases, directly to the government. Some money will go through NGO, some will directly go to civil society. The UN, although it is seen as a donor, it, in fact it does handle donor money, but the UN doesn't print its own money. It gets money from the international community, and then it is in a sense, given in trust and then the UN subcontracts either the government or, international or local organizations to dispense that money.

Ideally you would like to empower the government to make these expenses, but in many cases, particularly humanitarian cases, the government does not have the capacity because it is a fragile state or because it is a state in conflict.

The money is therefore channeled through non-governmental organizations. Preferably we use national (NGOs), because they are closest to the people and they are the most sustainable and the most cost-effective presumably, but also international NGOs, play an important role there and sometimes directly UN agencies. In summary, during humanitarian operations, **very rarely do we expend money through the government structures.**

**Participant II:** The State Department writes checks to international organizations as well as some international non-governmental organizations. We give them large sums of money (in the millions, hundreds of thousands, and sometimes tens of millions). It is up to those organizations to then turn around and distribute.

In some cases, the money would go towards the purchase of things like shelter, like schools, or to things that need to be built or maintained, which will then be useful for aid. Aid can take the form of food such as the classical bag of rice but in other cases there would just be cash payments that are made to individuals in need. So, instead of buying shelter, equipment, clothes, and food, we just give them cash and that seems to be increasingly popular way to do it. There has been a lot of research saying that it is very effective.

**Participant III:** In our case (USAID contractor), we had a model of working that was focused mostly on in-kind assistance because of the weak institutions that exist in Haiti, whether it be from the government or from even the local NGOs or community-based organizations. There was very little money that was transferred from our organization. It was mostly in-kind assistance.

For example, related to our “enabling the government of Haiti to function” component, the infrastructure that we provided was not done through on budget support to the government entities that we were supporting. We took care of the tendering and implementation of those construction

projects. The recipient or the beneficiary got the building, but they were not part of the management of the funds to realize that project.

**Participant IV:** The OTI program that I managed when it was all said and done was over \$125 million. The way OTI works is through small grants that are in kind, where we procure goods for community members. There is no cash. We will go in. We will rehab the building. We will buy all the supplies for the camp. We basically purchase everything; it was a hundred percent in kind. In some cases, we provide small grants, where we do kind of a hybrid where we do some procurement, and we provide recipients with some cash.

There are instances where we do short-term technical assistance. We provide consultants or groups to come in and help support a community member or a local group in implementation of an activity and then we have what we call direct procurement of goods and services basically that is more services focused.

A big component of our programming, which was the highest risk, was the cash for work program. When I went down in 2011, it had been a big



strategic investment: the US government made a post-earthquake to get cash into people's pockets immediately. As you can imagine, controls around cash for work are incredibly difficult. That was where we had what I think was the highest rate of potential misuse and leakage of funding.

**Participant V:** The ICRC directly implements all the programs that we fund. We are not giving funds to some other entity or organization. Rather, we take the funds that we have, and we implement projects directly. As you can imagine, a huge, I don't know what the percentage is, but over 90 percent of our global staff are from the countries where we work.

We are working in partnership with people who work in those countries and in partnership with the national societies to implement programs directly. The way our funding works is that every year we assess the situation and assess the humanitarian needs in a context and we put together a plan for that year for how we plan to address those needs. Considering what our value added is, noting that of course there are other humanitarian organizations in these conflicts that are also operating, so then making sure that what we're planning to do doesn't overlap with or doesn't somehow duplicate what's already being done. We really hone in on our value added.

Transparency and accountability are essential to limiting corruption. As such, study participants were asked how they ensured that aid reached the intended recipients. Specifically, if they implemented any transparency and accountability programs to limit waste and reduce malfeasance. Participants indicated that humanitarian organizations abide by the tenets of the international humanitarian assistance that were established in 1965, (discussed in Chapter 3 of this dissertation). In addition, they utilize the Sphere Handbook to improve the quality of responses and promote accountability. The Sphere Handbook first created in 1997, was developed and is utilized by humanitarian organizations and practitioners as a cornerstone of giving aid. One of the principles of conducts humanitarian aid practitioners ascribe to is to disburse aid without espousing political or religious interests (Sphere Project, 2000). Furthermore, humanitarian practitioners are obligated to hold themselves accountable. As such, all participants reported that their respective organizations had transparency and accountability measures in place.

Several participants indicated that they utilized independent monitors to assess effectiveness of their implementation efforts. Additionally, participants reported that they have programs for team members to anonymously report abuse and corruption. Organizations have implemented risk management units and processes to proactively assess opportunities for waste and leakage in implementation. Further, they recognized

that implementation of humanitarian aid is not neutral or impartial, so they had to be aware of the interests of implementation partners. All participants reported that enforcement of zero tolerance policy programs within their organizations helped deter corrupt acts. The response of some participants are highlighted below:

**Participant I:** First of all, to get to the population you have to choose an implementation mechanism that is most likely to be able to access the populations. You are presuming if the UN is neutral and is impartial, that the same would be true for those implementing parties. **That is not necessarily the case because by virtue of being able to access the population these people are often local players; and that means they have the trust of not just the local population but often those that are in charge locally.**

So, you are working with organizations that are often hybrids in terms of their objectives and composition. You do not have that choice: either you access the population, or you do not access the population. When I was working in Afghanistan, I was having meetings with known, big warlords who were linked into the drug trade. These were very, very bad men or almost always men, of course, very bad people who would not hesitate for one millisecond to kill or, or worse.

But the only way you could get to the population is by having these people not stand in your way, or even sometimes facilitating the transport of your relief items into these areas. It is very complicated. Lessons learned from that is that you must be very careful in how you select your implementing Partners, NGOs, local NGOs in particular. We established a **Risk Management Unit (RMU)**.

The RMU is now a feature that the UN is introducing in more and more operations. It looks at identifying and mitigating the risk of the local parties and risk in the broadest sense of the word. Risk In terms of fiduciary, financial risk, political risk, reputational risk, and physical risk. Based on that risk assessment, and we categorize the implementing partners. Nothing is risk-free, but at least it allows us to complete our due diligence in terms of the selection of our implementing partners. This can minimize or at least manage that risk a bit better. This is a sort of a piece of innovation that certainly has helped significantly in bringing down or reducing the amount of corruption.

**Participant II:** We want to ensure that US government taxpayer money is used in the most effective way that it possibly can. Part of that is just operational effectiveness. Is the organization able to meet the needs? We had measures of effectiveness written into the contracts or the proposals that did the NGOs submit to the State Department for funding. These are the measures of effectiveness that they are going to be evaluated upon. Now getting away from operational effectiveness to prevention of fraud or any kind of tie to corruption, there is also a concept called **risk management**.

Anytime that we are giving this kind of humanitarian aid, to these organizations in these populations in need, there is going to be a level of risk. It is impossible to eliminate risk. So, then we must manage it. That is also written into the proposal contract. How that NGO is going to mitigate the risk associated with the funds falling into the hands of extremist groups or things of that nature.

**Participant III:** Our organization operates according to very high standards of business conduct. It is something that is ingrained in us as project leaders that we then share with our staff. It is part of our values of an organization, and we have a zero-tolerance policy. All our systems and culture of the

organization lead towards the highest possible standards of business conduct. We had a couple of instances where even minor infractions of our standards of business conduct were met by termination of staff.

We also had a model of working that was focused mostly on in kind assistance because of the weak institutions that exist in Haiti, whether it be from the government or from even the local NGOs or community-based organizations. There was very little money that was transferred from our organization. It was mostly in-kind assistance. For example, related to our enabling the government of Haiti to function component, the infrastructure that we provided was not done through budget support to the government entities that we were supporting.

We took care of the tendering and implementation of those construction projects. The recipient or the beneficiary got the building, but they were not part of the management of the funds to realize that project.

**Participant IV:** I do not think it is possible to work in Haiti and be a hundred percent without, funds being funneled or misused. We put in place so many measures for watching where money goes. **I think the third-party**

monitoring, where an outside organization comes in to verify delivery of goods, is critical. We used independent monitoring, where teams that went out and conducted independent monitoring of the projects.

It might not be that we have an outside party, per se. Where you really need the third-party monitoring is where you suspect your own program teams, or the actual implementer of the assistance, might have the problem.

The other thing is we had a close relationship with the office of the inspector general at USAID. There are very few countries in the world where Office of Inspector General (OIG) has Investigators posted on the ground, so they are intimately aware of all the programming that USAID was doing. You normally find the OIG in a regional hub for USAID like West Africa, East Africa, Asia. They have five investigators in Haiti. OIG has a presence in countries where you have got a huge portfolio. In a conflict or a humanitarian emergency response and there are hundreds of millions of dollars flowing. We worked very closely with them too, where we suspected there were issues. They did investigate all of them.

**Participant V:** The ICRC directly implements all the programs that we fund. We do not outsource implementation. We do not give funds to some other entity or organization. Rather, we take the funds that we have, and we implement projects directly. Over 90 percent of our global staff are from the countries where we work.

We provide very thorough midterm reports as well as annual reports to our donors. In addition, we have a variety of policies to ensure that there is both transparency and accountability. There are policies, guidelines, and strategies to make sure that our management is sound and that the fundamental principles that the ICRC upholds, and the values are respected.

In summary, some participants indicated that their organizations provided funding to international organizations or local NGO to implement humanitarian goals and objectives. They embedded language about strategic objectives into contractual agreements to provide some oversight into how those funds were disbursed. In other cases, like with the UN, OTI, and the USAID contractor, they worked directly with other organizations to disburse aid. They used a combination of small grants to procure goods and services to those in need. In one case, the respondent indicated that her



organization (ICRC) directly provided services through local staff or members or the ICRC. Rarely, they disbursed aid through cash programs or directly to the host government.

### **Impact of Humanitarian Assistance on Corruption**

Humanitarian aid can be effective if the right conditions exist; however, inconsistent implementation of anti-corruption laws and corrupt officials limit the effectiveness of such aid programs. This section highlights the responses provided by participants when asked if they believed humanitarian aid contributed to corruption in countries receiving aid. Study participants believed that to an extent, humanitarian aid contributed to corruption. However, they believed that the transparency and accountability measures that their organizations had implemented minimized corruption. They also asserted that the impact of humanitarian aid was more positive than not in countries receiving aid. Participants indicated that since humanitarian organizations did not give aid to public sector officials directly opportunities for malfeasance in the public sector was reduced. Study participants acknowledged that during a crisis there are a lot of desperate people that are incentivized to take advantage of the crisis to advance their interests. Some respondents indicated that in Haiti, they noticed that the magnitude of the disaster was so devastating that people genuinely wanted to help and save lives. Thus, for the first few months it seemed as though there was a moratorium on corruption, bribery, and theft. Their responses are illuminating and show that

humanitarian organizations are aware of the occurrence of corruption and have taken proactive steps to reduce corruption and malfeasance.

**Participant I:** It's too simple to talk about corruption, malfeasance, whatever, because there is sometimes really no way around it and the bad people are always one step ahead of those that provide the assistance or of the beneficiary. There is no way that you can have a full proof system.

Humanitarian operations, very rarely do we expend money through the government structures. One thing that has helped with reducing corruption is the increased use of cash and electronic money because it cuts out basically most of the middlemen. It means that the populations that you help, get direct access to resources.

**Participant II:** To an extent humanitarian aid is contributing to corruption because by providing humanitarian assistance over protracted periods of time it introduces a lot of external resources that they need. There are going to be winners and losers. Anytime you have the infusion of all these external resources, incentivizes people to make sure that they land as a winner and not as a loser.

**Participant III:** I think it did, for sure. But I will say that with a caveat because after Haiti, the world's next complex crisis was Syria. Do not forget, the Haiti earthquake was our generation's largest humanitarian disaster. You had the tsunami, the Haiti earthquake, and then the Syrian crisis.

What happened in Haiti was kind of an order of magnitude concentrated in an area that the world just had not seen before. I think we have to take all of the criticism with this kind of contextual understanding that it was almost unavoidable. But at the same time, I think more good was done than harm.

I think after Haiti, the international community got a lot better in terms of monitoring, evaluation, and third-party verification to ensure that the assistance was reaching its intended beneficiaries. And I remember some of those lessons learned from Haiti being applied to Syria in terms of that third-party verification and the donors are paying a premium now to ensure that the money reaches its intended beneficiaries. But I think it is worth it.

**Participant IV:** To be honest, I do not have as many concerns about humanitarian assistance in non-conflict environments as I do in complex environments. I firmly believe having worked on Syria for the last seven

years, since I left Haiti, basically, **humanitarian assistance has fueled violent extremism and corruption**. It has been a real problem.

I completely understand why people have that perception. I think in Haiti, like in a lot of the countries where I have worked, where corruption is socially accepted and part of the social fabric of a culture, it is really hard coming in as an international development professional, to have cultural sensitivity to how to get things done but also ensure that you are not feeding into that culture. It is very easy to, if you do not fit into that culture to have your work go nowhere.

Figuring out that balance is not as clear cut as people think it is because you must learn to be a part of that culture before you can help change the mindset around it. Unfortunately, in emergency responses you do not have the time to do that. That requires time and presence and the ability to not be rushing around on urgent lifesaving measures. It is something that I think is a charge to all of us as development professionals that we need to stay attuned to.

**Participant V:** I think that the answer is yes. I think it does not have to, if carried out with good controls in place. I think that it is not a problem that is unique to humanitarian aid. It could be humanitarian aid, it could be development aid, it could be World Bank loans. Anytime you are talking about resources you have to set up ways to ensure that those resources are used for their intended purpose. There is always going to be bad actors who are going to try to get a piece of the pie.

I think it is an issue, whenever there's groups of people looking at how to best allocate resources that are scarce. There is always going to be this issue of ensuring that there is not corruption; that there is not any sort of misuse of aid.

It is not unique to the humanitarian world. That said, in humanitarian arena because you are often working in contexts after a crisis, and where there is an ongoing armed conflict, there is a lot of chaos. There is a lot of uncertainty because it is hard to know who is in charge.

Therefore, there is so much focus on professionalizing humanitarian sector, that it's not good enough to be doing good. You have to do it well.

Otherwise, you could potentially contribute to unintended consequence, that the aid is somehow providing a conflict and that is certainly not what is intended.

For continual improvements and for humanitarian aid programs to learn from past experiences so that they do not repeat the same mistakes, they need to capture lessons learned. Typically, lessons learned are captured throughout the life of the project: when a phase of project implementation is completed or when the final deliverable is submitted. Lessons learned are documented and captured to leverage knowledge from past experiences. In the next section, each participant will highlight what information they garnered to improve humanitarian operations and analyze implementation successes or failures.

### **Limitations Encountered and Lessons Learned**

Lessons learned ought to occur for every project. Humanitarian aid practitioners utilize lessons learned to ensure that project implementers learn from project failures and identify process improvement. Lessons learned can help aid program streamline delivery, manage delivery schedule, improve quality of program deliverables, prevent corruption, enhance cost effectiveness, and improve the decision-making processes. Innovative ideas from one project could be implemented as a best practice for different

implementation projects. As such, each participant was asked about lessons learned from their humanitarian program implementation.

**Participant I:** I believe that we are underestimating, or we are not pursuing sufficiently again, the whole issue of the government's responsibility as part of delivery.

At the end of the day, the state or the government is responsible for its citizens. The most basic rights include the right to life. We cannot let them off the hook. If you want to be a sovereign country, if you want to tell the international community what to do, you are responsible for your people and you can't just get off the hook by saying that you are incompetent. No.

The international community cannot stand in the place of the state in terms of providing those basic services. The state has to play a role over and beyond even the coordination, I would say. But then the whole issue of accountability and corruption of course comes up, but ultimately, they need to be held accountable for this.

The sooner we can find a more sustainable role of the government or the state structure, I would prefer to call it in that the better it is, obviously. I

think countries, let themselves get off the hook too easily. I think that it is a very big lessons learned, and we need to be a lot tougher with governments. We have all these mechanisms and international laws and legislations.

This is what the Somali president, one of the first Somali presidents (Hassan Sheikh) that I worked with in 2013 told me. He said, yes, we are incompetent. Yes, there's impunity and we probably waste a lot of your money. But there was only one Somali state and if you do not treat us like a state, we will never be a state.

**Participant II:** Well, honestly, one of the biggest challenges within the US government is an organizational bureaucratic one. It is the structure and division of responsibility between the State Department and USAID.

This division of responsibility results in inefficiency and even worse, it generates animosity between the two organizations as they compete for influence and resources both in Washington, DC, and in the field. It might be hard to put your hands around why that would be such a big deal, but it really is. I spent probably half of my time trying to untangle that.



Another challenge is that we do not give humanitarian funds directly to the host governments. However, those host governments are very important because they have to approve all activities that happen on their soil. It is this humanitarian diplomacy that has to occur between the State Department and those host governments to urge them and influence them to accept.

**Participant III:** We needed better coordination. They tried to use the international Haiti reconstruction commission (IHRC) as a sort of coordinating body where project ideas came in, were channeled, and funded. I do not feel like that had much of an impact.

There were so many competing interests. It is hard to untangle it all. There were a lot of well-intentioned people and organizations in Haiti after the earthquake. Many of those actors were bringing resources to the table, whether it be through donor funding or charities or personal donations and I felt that there was like an attempt to coordinate among the various actors. However, coordination is something we talk about a lot as practitioners of developments, but in practice, I feel like we are not very good at it.

**Participant IV:** There were so many. Performing humanitarian assistance in highly political conflict-ridden environments can be incredibly dangerous. My frustration with the humanitarian community in Syria and Iraq, is there the sense that they stay neutral. They think they are neutral, but their engagement is political. Humanitarians need to get used to that because there's never neutrality when there's ongoing conflict.

Aid practitioners can consult with people that they think are the community in that area and yet 50 percent of the people will not be consulted. They will not feel like the implementation applied to them because they were the 50 percent that were not consulted. There is no way to verify who is from that community and who is not.

So, figuring out how to develop a small group of Haitian businesses...I think we did effectively after three years at it in Haiti. We had brought CEEPCO contracting and some of the bigger Haitian American businesses that were known engineering and construction firms to partner with these smaller ones. That was a key lesson learned.

We learned a lot about engineering and infrastructure in post emergency response. There were a lot of things that we were not able to do permanently given the nature of the emergency response. The amount of assistance that was going in after the earthquake, the amount of distribution of material and money was so un-strategic in so many ways. It was necessary given the urgency of the response, but it just created the sense amongst Haitians that, if you are not going to pay me, why would I do it? Or what is in it for me?

**Participant V:** I think one important aspect of humanitarian assistance is that you realize that from the outset that you are going into a context where your very presence, and the fact that you have resources that you are bringing could create some negative incentives and unintended negative consequences.

You have to be very careful in ensuring that you have assessed, and that assessment is done in a neutral, impartial way, that you are assisting those who are really most at need and that you hold very steady. And basically say, no, these are the communities we have assessed that are the ones that have the greatest needs. These are the communities that will be receiving

assistance and to ensure that you get access to those communities. Part of the reason we do our programming directly is to ensure that the assistance gets to those it was intended for. So that there is not various situations that people controlling access to a certain area or controlling access to health centers, or markets or schools that there is not a diversion of aid or skimming off the top.

### Discussion

This chapter highlighted feedback from humanitarian aid practitioners that were interviewed for this study. Although responses from five of 15 respondents were highlighted above, my interview found common themes across different participants. In this section, I will discuss the important insight garnered from all the interviews.

Despite working for different organizations and serving in distinct countries, these respondents had similar responses. They indicated that humanitarian aid organizations work in environments plagued with corruption and based on lessons learned they have deliberately developed and implemented comprehensive strategies to limit corruption and waste. Specifically:

- They have implemented monitoring and evaluation programs to ensure that aid reaches intended targets.
- They utilize third party independent monitors to assess efficiency and effectiveness.

- When possible, they directly procure goods and services and limit the use of cash programs.
- They have started using cash programs more but use verifications systems to ensure that there is not fraud and misuse.
- In one case, the organization aids directly through local staff and does not outsource their implementation.
- Each organization has a process for reporting corruption, abuse, and misuse of funds.
- Most importantly, every organization reported that during a humanitarian crisis, they do not fund governments directly. They partner with them for access to recipients, they obtain permission to work in the country and even obtain buy-in for the work that they are going to do.

Although, it seemed like systems have been implemented to reduce waste and eliminate corruption, some participants indicated that more could be done. Specially, participants expressed frustrations with the systems instituted by humanitarian organizations to reduce corruption and waste. They indicated that the systems are not implemented consistently. Therefore, waste and misuse are not reported consistently and in a timely manner, which allows perpetrators to continue the illicit activities without detection. In one example given by an official that worked in the Bureau of Population, Refugees, and Migration (PRM) at the Department of State, the perpetrator fled his post

after syphoning humanitarian aid funds and had already resumed another humanitarian aid position before his previous organization completed his background check. By then, he had already resumed his nefarious behavior of syphoning funds from the aid organization.

Another issue highlighted by the practitioners, is the issue of gate keepers and humanitarian aid diverters. Apart from the ICRC, participants in this study indicated they worked with local NGOs to implement humanitarian solutions. In some cases, those local NGOs might divert aid to or prioritize providing services to one locale because of their political or personal interests. Unfortunately, during a crisis, humanitarian organizations may not have time to complete a comprehensive risk analysis profile including an evaluation of power structures prior to arrival in country.

Additionally, aid practitioners mentioned that sometimes when you are in a country providing aid, there is a cultural way of conducting business. Specifically, quality and transparency standards may differ from what aid practitioners are used to in their countries of origin, therefore during implantation of a humanitarian aid solution, practitioners have to navigate the motives and interests of the different local parties involved. Some officials or implementation partners that are associated with the humanitarian aid organization may collude with government officials or other agencies to pay bribes to prioritize their projects, select implementation partners, or obtain funding. Those payments are bribes which are indirectly paid for by humanitarian funds. One

participant asserted that humanitarian aid had fueled violent extremism and corruption. He explained that in Syria, it is an issue that humanitarian practitioners are monitoring. This dissertation did not assess any countries that are in conflict. However it is an interesting point to note.

Several participants indicated that during a crisis like the 2010 earthquake in Haiti, there were no systems in place for NGOs or aid programs for coordination and communication. Therefore, practitioners had to create these and develop methods for coordination while simultaneously providing life-saving support. They admitted that there was probably leakage from programs like cash for work, rubble clearing, and resource distribution to aid recipients. However, that was not their priority at the time. Therefore, those that stole resources as ghost workers were not held accountable. An official from the Bureau of Diplomatic Security indicated that conditions were so devastating that even local staff that worked at the embassies could not wear their uniforms outside of the embassy lest they become victims of kidnapping or other crimes. At times, the local staff had to sleep at the embassy because there was increased danger after 9:30pm.

Furthermore, practitioners interviewed expressed frustration at the competing priorities by different aid practitioners. Specifically, study participants indicated that this discouraged transparency and communication. One official from PRM mentioned that the implementation of humanitarian aid delivery was disjointed and competitive. Rather

than working collaboratively, USAID and PRM officials wasted cycles justifying their need for funding and trying to prioritize their goals.

Finally, several participants mentioned that more needed to be done to hold the governments of countries receiving aid accountable. They asserted the inability or the unwillingness for government officials to provide basic services to their citizens or address public sector corruption was challenging and frustrating. It creates a cycle whereby the need for humanitarian aid and services is created and the government is absolved of responsibility. Poorly paid public officials are not motivated to address corruption because they depend on ill-gotten funds to supplement their income.

In the following chapter I will use Haiti as a case study in assessing humanitarian aid and corruption. I will begin by giving an in-depth background of the country before delving into issues of corruption within Haiti.



## CHAPTER 7: CASE STUDY - HAITI

During the data analysis, Haiti was determined to be an outlier because it is the only country in the study that had both French and United States influence on its governance system, the highest corruption perception ranking, the highest influx of aid, the lowest GNI, the lowest life expectancy, and had the most devastating humanitarian crisis in the last 20 years (the 2010 earthquake). As a result, Haiti was singled out for further evaluation. Haiti was the perfect case study because the World Bank Reports that “Haiti is extremely vulnerable to natural hazards (mainly hurricanes and earthquakes), with more than 96% of the population at risk” (World Bank, 2019, p.1). An estimated \$1.8 billion of humanitarian aid assistance was paid in response to the 2010 7.3 magnitude earthquake that the country experienced. However, much of the relief and rebuilding efforts seemed to have stalled. So, where did the aid go? Were the funds syphoned by Haitian government officials?

To answer these questions, we must understand corruption in Haiti. It is important to have a historical understanding of how the country was founded and the lasting impact that history has had on its governance structure, political structure, and economic stability. This would enable us to gain insight on how humanitarian aid intersects with corruption within the country. A history and pattern of poor governance,

compounded with mismanagement and corruption, has plagued the development of political and economic systems in Haiti (Ramachandran & Walz, 2015).

### Country Overview

Haiti is the second most populous country located in the Caribbean. The World Bank indicates that it is the “poorest country in the Western Hemisphere” (World Bank, 2019). Haiti is the world’s first black-led republic and independent Caribbean nation. Its vibrant, complex, and tumultuous history has contributed to its problems today. Haiti has a history of instability that dates to the “1791 slave revolt and subsequent insurrection against the French colonizers that led to independence in 1804” (Barrett, 2018, p. 516). During the Haitian revolution (1791-1804), slaves and free Haitians fought to obtain their independence from the French. Though by 1947 Haiti paid off the mandatory reparations, which were a result of their independence in 1804, the young nation failed to consolidate its institutions and develop sufficiently. As Kohli (2004), explains that after the “French colonial rule, Haiti continued to struggle with underdevelopment, weak institutions and neopatrimonial politics” (Kohli, 2004, p. 9).

Similarly, the United States occupation from 1915 to 1934 left “Haiti with little local control over industry or trade” (Ramachandran & Walz, 2015, p. 27). Both France and the United States left Haiti without transitioning institutions to the Haitian people. Thus, Haiti gained independence and autonomy without knowledge and experience in

governance. Buss (2015) indicates that Haiti's "fatal flaw has been the social, cultural, and historical context that has led to domination by economic and political elites who have little interest in advancing Haiti" (Buss, 2015, p. 1). The World Bank (2014) reports that with the richest 20% of the population holding more than 64% of its wealth, Haiti is the most unequal country in Latin America and the Caribbean. Without governance experience, accountability, and transparency, corruption has become a systemic and endemic issue in the Caribbean nation.

In addition to endemic corruption and opaque judicial processes, Haiti has high poverty rates, poor infrastructure, limited access to healthcare and is vulnerable to natural disasters (hurricanes and earthquakes). Fifty-three percent of the population in Haiti live below the poverty rate of \$2.41 a day, while an estimated 22% fall below the extreme poverty rate of less than \$1.12 daily (World Bank, 2020). Haiti is ranked as a low-income country with a gross national income (GNI) per capita of \$1,330 (World Bank, 2019).

Lack of infrastructure, poverty and natural disasters also disrupt the government's ability to provide decent services for its citizens. A large percent of the Haitian national treasury revenue (approximately 70 percent) is derived from foreign aid (Ramachandran & Walz, 2015). However, a significant portion of those funds do not reach the Haitian people. In January 2010, Haiti was devastated by a 7.0 magnitude earthquake that created a humanitarian crisis. In response, hundreds of millions of dollars in foreign aid

were sent to address the humanitarian crisis left in its wake. However, most of those funds never reached the people directly affected and displaced. Despite the funds pouring in, one year after the earthquake much of the rubble remained unmoved. Oxfam found that the Haitian government was doing little to use the aid to help those in dire need (Oxfam, 2011). Had the aid not been available, recovery and rebuilding would not have been possible. However, once aid was made available, corruption and inefficiency may have played a role in impeding recovery and rebuilding efforts.

Different assessments and independent reports have found irregularities and inconsistencies with how aid monies were spent in Haiti. For example, the Red Cross reported that 95% of donations had been spent on humanitarian programs. However, a 2015 report by National Public Radio (NPR) and ProPublica found that 25% (\$125 million) of \$500 million the Red Cross raised went toward internal expenses and another \$70 million was spent on program expenses used to evaluate Haitian programs. Only 6 of the 130,000 homes funded were built. When, pressed for more visibility on how the funds were spent, the organization failed to provide details. NPR and ProPublica found that an over reliance on foreigners who did not speak French or Creole and/or a lack of expertise may have contributed to the Red Cross' inability to meet its targets. In another example, Haitian officials (including current President Moïse) have allegedly syphoned up to \$2 billion in reconstruction funds from the PetroCaribe loans that were intended to help with reconstruction efforts. These funds are necessary for infrastructure development,

emergency preparedness, and most critically providing homes from those displaced in the 2010 earthquake. However, mismanagement and greed have resulted in misappropriation of the funds, which the country ultimately must pay back.

### Corruption in Haiti

As with anywhere else, corruption that occurs in Haiti is highly subjective and difficult to evaluate. Corruption in Haiti is particularly dire as the country is facing a financial recession that is exacerbated by poverty (Payton, 2019). Haiti is currently ranked the 168<sup>th</sup> most corrupt country in the world (out of 180). Many of the nation's problems with corruption, poverty, and kleptocracy stem from its colonial roots. There have been ongoing discussions and empirical studies on the role and impact colonialism has on corruption in low-income and lower middle-income countries. Specially, some argue that corruption in low-income and lower middle-income countries stem from deep historical roots that can be traced to the colonial experience.

Using British imperialism as an example, Subrahmanyam argues that imperialism "undermined colonial democratization and development through its focus on maintaining physical order and control, and sustaining economic extraction" (Subrahmanyam, 2006, p 84). Angeles & Neanidis (2015) explain that when Europeans colonized countries, they disrupted the nature and power of local elites and formed more powerful elites which allowed them to benefit from corruption without punishment.

Colonialism introduced corruption by repudiating indigenous values, standards, and checks and balances (Ezeanya, 2012) without consequences. This means that all systems that were put in place by pre-colonial leaders were subsequently removed by colonial powers without regard to the social, economic, or political reverberations that are felt today. The presence of a weak democratic infrastructure after decolonization has resulted in ample avenues for autocrats, power elites, politicians, and public servants to launder money, create corrupt networks, and to participate in bribery schemes.

Slaves revolted against their French masters during the Haitian Revolution between 1791 and 1804. Haitians were able to achieve independence but left the political, social, and economic structures created by the French colonists in ruins. Additionally, they were required to pay indemnity to France in the treaty that ended further hostilities. This left the country in perpetual debt and ingrained the plantation model developed by the French. This model of wealth generation extracts riches by dehumanizing the poor/indentured. Power and control of the political and economic spheres of the country were tightly controlled by a small group of elites. Haiti ended slavery but maintained the plantation structures of vast landholdings controlled by a privileged few to generate income for the crippling indemnity exacted by the French.

When Haiti gained independence most of its leaders had little to no experience in governing. Many of its currently elected politicians still do not have much knowledge of good governance. Haiti thus gained independence and autonomy without knowledge and

experience in governance. As a result, when it comes to governing, they failed to create an effective leadership structure. Instead, they had a series of personalist, dictatorial regimes. Ample resources without governance experience, accountability, and transparency lead to corruption.

The tight reign and exclusivity on power by elites became even more problematic when François Duvalier (“Papa Doc”) became president in 1957. His regime was known for ruthlessness, corruption, and contempt for the rule of law (Payton, 2019). Papa Doc terrorized his opponents and the populace and declared himself “president for life”. He subsequently served as a politically savvy autocratic ruler of Haiti until his death in 1971. Any opposition or uprising was violently suppressed. During his administration, corruption blossomed as Duvalier expanded a system of state-controlled monopolies.

This expansion included the control of basic commodities, the supply and pricing of goods in the domestic market, and taxes levied on consumer groups, which were disproportionately more severe for lower-income families. Profits, taxes, and benefits gained from the monopoly were transferred to the Duvalier family and used to “pay for cash payments, gifts, luxury cars, villas, and overseas shopping trips” (Payton, 2019, p. 185). While it is impossible to know how much Papa Doc stole from the country, estimates by the International Monetary Fund are as high as \$10 million (equivalent to \$68 million in 2019) (Payton, 2019). This theft of wealth and resources continued even

after Papa Doc's passing with the transition of power to his son, Jean-Claude Duvalier "Baby Doc", in 1971.

Despite François Duvalier's tactics, the United States continued its foreign policy of seeking to prevent communism and assure America's long-term influence in Haiti. As part of its effort to maintain its influence, the U.S. government offered agricultural, health and educational services through non-governmental agencies. This approach successfully prevented communism from taking hold but did little to deter the flow of money to Duvalier's family coffers. It also created a network of agencies that the U.S. and international communities still use to distribute aid and prioritize funds. This outdated network and ineffective approach to humanitarian aid giving is still in place today.

Once power transitioned to Jean-Claude Duvalier in 1971, efforts were made by the new regime to implement economic reforms and encourage foreign investment. Foreign investment accelerated, financial restructuring was implemented, and international aid restarted. However, under Jean-Claude Duvalier's rule, corruption and kleptocracy persisted. The regime nationalized Ciment d'Haiti by reporting that the French had been mismanaging funds. Baby Doc's administration also took control and management over other domestic industries, including flour mills, edible oil plants, and sugar factories (Payton, 2019). While the takeover was strategic, failure and mismanagement were inevitable as those in charge of management were incompetent. Funds were misdirected, which led to an economic recession. Baby Doc and his cronies



lived lavish lifestyles and were accused of stealing millions during his 15-year reign. Transparency International estimates in the 2004 Global Corruption Report that Jean-Claude Duvalier embezzled an astounding \$300-\$800 million while in power (Transparency International, 2004). The economic recession coupled with the lavish lifestyles and rampant corruption ultimately led to disenfranchisement and an outcry by the Haitian people that forced Jean-Claude Duvalier out of office in 1986. After 25 years in exile, Jean-Claude Duvalier was charged with corruption by Haitian authorities in 2011. Baby Doc Duvalier died of a stroke in 2014 without facing the consequences of his theft and abuse of power.

Even after the Duvalier era, Haiti's problems persisted. Little has been done to reset the country's political, economic, and social frameworks. The country has been plagued by political turmoil encompassing presidential overthrows, coup d'états, short term democratic leaders, rebellions, and lack of trustworthy leadership. Poor governance was further exacerbated by disasters, persistent poverty, human rights abuses, and systemic corruption. Today, the Haitian people, frustrated by the legacy of corruption and ineptitude, are demanding the resignation of President Jovenel Moïse after allegations of corruption.

### Humanitarian Actors in Haiti

In countries with high levels of poverty, poor environmental policies, inadequate emergency response infrastructure, and poor governance, a natural disaster can be life threatening because inefficiencies and corruption lead to slower recovery and could contribute to a humanitarian crisis. A combination of corruption, lack of emergency preparedness and response infrastructure, and poor governance has limited the Haitian government's ability to respond to humanitarian events and natural disasters. Haiti is particularly vulnerable to natural disasters, having experienced over 15 natural disasters between 2001 and 2019. As a result of these factors, it is considered the "Republic of NGOs" with an estimated 10,000 non-governmental and humanitarian organizations operating in Haiti (Kristoff & Panarelli, 2010; Lee, 2016).

In January 2010, Haiti was devastated by a 7.3 magnitude earthquake that created a humanitarian crisis. An estimated 220,000 people were killed (some estimates are higher), over 300,000 people were injured, and 2.3 million people were displaced. In response, billions of dollars in humanitarian aid were pledged to address the humanitarian crisis left in its wake. The earthquake mobilized a massive humanitarian response in the form of bilateral aid, multilateral aid, private donations dispensed towards humanitarian aid, and associated redevelopment efforts. The Office of the Special Envoy for Haiti reports that bilateral and multilateral donors promised \$13.34 billion in humanitarian and recovery funding for the period 2010 to 2020 (Ramachandran

& Walz, 2015, p. 32). The Office of the Special Envoy for Haiti reported that \$6.43 billion had been disbursed thus far. However, FTS reports that only \$2.5 billion in humanitarian aid has been reported as paid to Haiti from 2000-2018. Of that, \$1.8 billion was paid in 2010 (see Figure 41). Further assessment of the humanitarian data found that only \$4.5 billion was pledged, committed, and paid in 2010. This is an indication that there are some inaccuracies in the amount of aid pledged and paid to Haiti. The amount in FTS only includes funds for humanitarian response and not total aid given to Haiti.

Figure 44: Haiti: Humanitarian Aid Data 2000 - 2018

Year	Commitment	Paid Contribution	Pledge	Grand Total
2000	\$ -	\$ -	\$ -	\$ -
2001	\$ 110,174	\$ -	\$ -	\$ 110,174
2002	\$ 122,184	\$ 50,000		\$ 172,184
2003	\$ 36,334,919	\$ 5,364,279		\$ 41,699,198
2004	\$ 55,651,265	\$ 23,786,576		\$ 79,437,841
2005	\$ 10,817,898	\$ 4,487,858	\$ 136,187	\$ 15,441,943
2006	\$ 23,354,536	\$ 3,332,679		\$ 26,687,215
2007	\$ 23,869,458	\$ 17,133,987	\$ 3,048,953	\$ 44,052,398
2008	\$ 115,246,611	\$ 105,069,872	\$ 647,668	\$ 220,964,151
2009	\$ 22,221,147	\$ 15,362,416		\$ 37,583,563
2010	\$ 1,748,168,823	\$ 1,851,357,987	\$ 921,175,483	\$ 4,520,702,293
2011	\$ 355,982,041	\$ 107,116,507		\$ 463,098,548
2012	\$ 70,908,781	\$ 62,529,222	\$ 4,954,255	\$ 138,392,258
2013	\$ 49,922,958	\$ 46,126,110		\$ 96,049,068
2014	\$ 49,978,736	\$ 145,474,133		\$ 195,452,869
2015	\$ 39,515,632	\$ 35,036,094		\$ 74,551,726
2016	\$ 158,567,139	\$ 79,601,765	\$ 6,134,304	\$ 244,303,208
2017	\$ 60,518,024	\$ 42,007,272		\$ 102,525,296
2018	\$ 42,695,217	\$ 32,151,305		\$ 74,846,522
<b>Grand Total</b>	<b>\$ 2,863,985,543</b>	<b>\$ 2,575,988,062</b>	<b>\$ 936,096,850</b>	<b>\$ 6,376,070,455</b>

The Haitian government was bypassed with most aid disbursed directly to humanitarian agencies, non-governmental organizations, and private contractors. This information was corroborated by humanitarian aid practitioners, who all indicated that during a humanitarian crisis, aid is not given directly to the countries. Even with the conflicting aid numbers, almost 10 years later, redevelopment efforts are still lacking. Much of the funding had not reached those affected by the earthquake. In 2011, the United Nations Evaluation Group and OECD evaluated the earthquake response and found that over a year after the earthquake, at least 800,000 people were still sleeping in tents or in the open.

With so many humanitarian actors operating in Haiti, it is difficult to understand the process used to disburse assistance. This study found that the scale of the disaster was so severe that humanitarian organizations focused on life saving measures first. Additionally, with so many NGOs responding to the disaster coordinating and efficiency became a problem. Some NGOs focused on cash for work programs for rubble removal, while others tried to provide food and shelter to disaster victims. In conjunction to these lifesaving objectives, they were creating transparency and communication infrastructure to ensure that there was not waste. Haitian organizations were largely overlooked and excluded. Reports and assessments show that the top recipients of humanitarian aid in Haiti were U.S. based agencies or organizations. With so many non-state actors receiving aid, there is little transparency in how aid dollars are spent.

## Discussion

When Haiti was removed as a country in the regression analysis, life expectancy became a significant indicator of corruption in the base model (V-Dem corruption (dependent), regime type, log GNI per capita, accountability, and paid humanitarian aid (independent variables)). While the overall results were the same, humanitarian aid does not facilitate corruption perception, other significant indicators like life expectancy, accountability, and GNI per capita became stronger predictors of corruption perception. I could not run a statistical regression on the data for just Haiti because it included only 19 observations (refer to Table 12).

Table 12: Summary Statistics Haiti

Variable	count	mean	sd	min	max
vdemcorruption	19	.8243684	.0078896	.821	.855
regimetypesq	19	1.157895	.6882472	1	4
life_exp	19	59.81053	7.047844	32.5	65.3
lgni_percapita	19	6.389788	.2902562	5.940171	6.721426
h_aid	19	1.36e+08	4.18e+08	1000	1.85e+09
accountability	19	-.7919933	.2938361	-1.335518	0
effectiveness	19	-1.548859	.4636146	-2.078492	0
pol_stability	19	-.9874917	.4750013	-1.986139	0
rule_law	19	-1.296537	.3888558	-1.794591	0
reg_qual	19	-.9945752	.2945971	-1.353273	0

I concluded that corruption perception in Haiti remains high whether or not there was an influx of aid. In fact, both V-Dem and CPI trend analysis show that perception of

corruption in Haiti steadily decreased after an influx of humanitarian aid in 2010. This finding is the opposite of the hypothesis that humanitarian aid increases corruption in countries with systemic and endemic corruption. Humanitarian aid does not increase corruption perception in Haiti. It is apparent that other factors such as weakened infrastructure, low transparency measures, cultural influences, and poor governance are contributing to the continuing perception of corruption. Cultural norms and customs are critical in national identity and are difficult to change (Sanyal & Samanta, 2000). Salmon and Serra (2016) explain that “the correct functioning of a society and organization relies on the establishment and enforcement of norms and guiding behaviors of its members (Salmon & Serra, 2016, p. 74). Thus, when it is considered the norm to demand bribes and payments for public services, without social enforcement mechanisms in place to deter the behavior, illicit behavior is not deterred. Their study found that subjects who identify culturally with high corruption countries had an increased propensity to engage in corruption than their counterparts from low corruption countries (Salmon & Serra, 2016). Similarly, Sims et al. (2012) found that citizens in a collective culture may be unwilling to create disharmony and question those in power, thus, the relationship between human development and national culture of a country has an impact on national corruption in that country (Sims et al., 2012, p. 96).

Three of the five humanitarian aid practitioners highlighted in this study were present in Haiti after the 2010 earthquake. They were able to give firsthand

accounts of the conditions on the ground. Participant I indicated that Haiti was considered a fragile state. Participant III indicated that implementing controls around cash program was incredibly difficult. He mentioned that the humanitarian effort was so massive that coordination and communication was extremely difficult. Additionally, other participants also asserted that there was a different norm for conducting business in Haiti. Specifically, it was customary to bring gifts to meetings with public officials. However, humanitarian aid practitioners had to be cognizant of this and were diligent about not knowingly contributing to facilitation payments, gifts, or bribes.

Finally, we should also consider that because the perception of corruption and the indicators used to analyze corruption are not assessing the actual occurrence of corruption, this could be affecting the results of the regression analysis. In the next chapter I discuss some of the limitations with the study, policy implications, and potential next steps.

## CHAPTER 8: CONCLUSION AND DISCUSSION

This study found that humanitarian aid does not facilitate or contribute to corruption perception in countries receiving humanitarian aid. However, the presence of corruption could hamper the ability of governments to provide basic services to their constituents because of weakened infrastructure, lack of transparency, and theft of resources. As such, when there is a disaster that requires emergency services, the governments are incapable of providing care for their citizens. This prompts international humanitarian aid organizations to provide lifesaving interventions in countries. Humanitarian practitioners work in environments plagued by high levels of corruption, so they have adapted their implementation approach to minimize waste and eliminate corruption. However, the underlying issue remains, the plague of corruption that has handicapped countries' democracies, infrastructure, and ability to provide social services. Thus, possible solutions for reducing corruptions must be addressed so that governments can be more prepared in providing humanitarian solutions to their own citizens without depending on external solutions for problems within their own borders. For the legitimacy of the humanitarian mission and government buy-in, it is also crucial for the respective government to be able to drive the recovery process. This presents a conundrum since organizations need the government to manage the process and eventually take over and maintain operations once the immediate lifesaving mission has



concluded. However, organizations do not fully trust governments and public sector officials because of entrenched corruption. This scenario creates a cycle where humanitarian organizations transfer responsibility to other NGOs, and bypass government institutions.

This dissertation found that an increase in perceived government effectiveness reduces corruption perception. This aligns with other findings that indicate that effective governance reduces corruption and waste. Per Makinde (2013), lack of leadership, discipline, and foresight contribute to poor governance. The presence of characteristics of good governance deters acts of corruption. Specifically, good governance is “participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law” (United Nations economic and social commission for Asia and the Pacific, 2013. P. 1). There are several citizens involved in the governance process, including influential landlords, non-governmental organizations, research institutes, religious leaders, media, lobbyists, international donors, and multi-national corporations. Because of the convergence of multiple actors there are several interests at play and multiple opportunities for corruption to impact the governance process. My study finds that when people believe that their public officials are independent from the pressures of political pressures, their perception of corruption is lower.

### **Policy Implications and Solutions**

Corruption is a global problem that is not limited to any region, country, or type of government. The impact of corruption is far reaching and endemic to the fabric of a nation and impossible to eradicate with one approach. Shelley (2014) explains that to effectively address corruption, a robust approach is needed, where government, media, business, academic, and public communities must work with each other. The international community has struggled to measure and control corruption. Part of their limitation stems from the lack of will of countries with endemic corruption to implement anti-corruption policies and to hold corrupt officials accountable. Controlling and deterring corruption is a multifaceted approach that needs to be adapted on a case-by-case basis since corruption manifests itself differently in each country. In some cases, the lure of wealth and power is far greater than the fear of a “swat on the arm” for wrongdoing. Shelley (2014) explains that “corruption, crime and terrorism will remain critical security challenges in the 21<sup>st</sup> century because of globalization, technological advances, economic and demographic inequalities, sectarian violence and climate change” (Shelley, 2014, p.1). Shelley (2014) further highlights that the failure of nineteenth and twentieth century institutions to develop coherent responses when these issues first emerged has contributed to these challenges.

### *Risk Management Assessment*

Humanitarian aid practitioners reported that the implementation of a Risk Management Unit (RMU) and risk analysis before arriving in a country has helped humanitarian agencies identify, rate, and mitigate each risk associated with the implementation of their solutions. During a crisis, risk management protects aid recipients and aid practitioners alike. By nature of the work, humanitarian aid is delivered in the most dangerous and unstable locations, so their organizations must evaluate physical, security, financial, and political risks which may impact their ability to deliver humanitarian aid safely, efficiently, and successfully to intended targets. Corruption and theft are risks that could affect the ability for designated aid to reach vulnerable populations. To accomplish aid distribution and program implementation, humanitarian organizations utilize the risk management approach implemented by The Global Interagency Security Forum to manage and mitigate risks. Other organizations like the United Nations utilize risk management strategies to control risks, strategically plan, effectively make decisions that could affect the schedule, cost, and scope of humanitarian aid projects.

Risk management is not yet implemented globally, therefore, I recommend that it be included as part of the portfolio for all NGOs and aid organizations that are providing humanitarian aid. Further, I recommend that aid organizations include the assessment of government political will to address corruption perception, perception of effectiveness, and financial transparency measures as part of their risk assessment when developing a

humanitarian aid approach for each country. Risk assessment should be completed prior to arriving in a country. This should be possible because a lot of the information is readily available through publicly available data. Once the assessment is complete, the risk mitigation plan should be developed.

### *Political Will*

Countries with rampant corruption in the public sector lack the will or the capacity to combat it. Part of this is attributed to a lack of political will of their leaders, while another factor is the strong hold organized crime has on politicians, the economy, and the public sector. Spector (2012) highlights that without domestic political will to implement anti-corruption measures throughout the government, efforts will fall short. International organizations and the international community must take a stricter stance towards countries with endemic corruption. Donors and humanitarian organizations should review a country's political will and consistent implementation of anti-corruption laws as part of their efforts to providing aid or tackling corruption. Political will of a country to address corruption could be done by assessing how consistently anti-corruption measures are implemented, how many officials are held accountable for corrupt practices, or how amendable officials are for independent monitors to assess/audit corruption in public sector services.

Additionally, while countries have policies and laws that make corruption a crime, there is no infrastructure or mechanism in place to assess progress against national goals. Countries should work with independent third-party auditors to assess corruption throughout the public sector. Countries assessing themselves have several opportunities to ignore or omit corruption in their reports. This approach also eliminates the fear of retaliation that whistle blowers may have, if the audit and reports are being collected and monitored by a neutral third party. It is important to note that while in theory this approach might work, in reality, public sector officials may not make themselves available for audits, assessments, or reports, which will limit the information necessary for independent monitors to complete accurate reports.

In fact, many countries with endemic corruption have drafted and implemented anti-corruption laws, policies, and agendas but they are still riddled with corruption scandals and allegations. So, my recommendation does not include the creation of more policies. In fact, some countries have made real efforts to combat this issue but have made very little progress. As a result, these countries have abandoned their efforts and returned to the status quo. They have unfortunately learned how to tolerate it and accept it as part of doing business. Additionally, without law enforcement and capacity to police people, borders and crime, corruption will continue undeterred (Shelley, 2014). As a result, corruption in low-income countries has long been accepted as the norm.

To change this situation, international organizations like the World Bank, OECD Anti-Corruption Initiative, United Nations Office on Drugs and Crime (UNODC) and the International Monetary Fund have made corruption a priority agenda item. They leverage best practices, form coalitions, draft conventions, and help countries assess public sector corruption. The World Bank collaborates with partners such as the IMF, G20 Anti-Corruption Working Group, the Financial Accountability Task Force, and the OECD Anti-Corruption Task Team to promote fiscal transparency through the Global Initiative on Fiscal Transparency (GIFT). However, they are still struggling to make significant advances in the war on corruption. As such, they have been forced to reassess their approach and reaffirm their commitment to tackling global corruption. In addition to conventions, recommendations, and anti-corruption policies, they need to work directly with nation states (States) to implement anti-corruption measures, guidelines, and recommendations.

Specifically, the most critical tool in fighting corruption globally has been the United Nations Convention Against Corruption (UNCAC). In 2003, the United Nations negotiated a multilateral treaty with its member states. UNCAC was promoted by the UN Office on Drugs and Crime (UNODC). Resolution 58/4 was adopted by the UN General Assembly on October 31, 2003. To date, UNCAC is the only legally binding anti-corruption instrument that is universal. The Convention has been signed by 140 countries as of October 2017, with 183 parties of which 178 are UN member states ([UNODC](#), 2018). It

addresses domestic and foreign bribery, embezzlement, trading in influence, and money laundering. The Convention obligates signatories to take the following public and private anti-corruption measures:

- **Prevention:** Establish anti-corruption bodies and enhance transparency in political financing. Further, signatories must ensure public services promote transparency, efficiency and merit-based recruitment
- **Criminalization:** Establish criminal and other offenses to cover a wide range of acts of corruption (like bribery and embezzlement), trading in influence and the concealment and laundering of the proceeds of corruption, if these are not already crimes under domestic law
- **International Cooperation:** Render specific forms of mutual legal assistance in gathering and transferring evidence for use in court, to extradite offenders
- **Asset Recovery:** Support the tracing, freezing, seizure and confiscation of corrupt assets ([UNODC](#), 2018).

Further, UNODC actively seeks to help States ratify and implement the Convention. It accomplishes this by working directly with the States through the Conference of the States Parties (COSP). This process allows States to have a feedback loop with the UNODC as they try to implement the UNCAC obligations. Additionally, in accordance with “paragraph 36 of the terms of reference of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption

implementation review of signatories” (UN, 2014, p. 2), the UN assesses the progress signatories have made to implement the obligations and recommendations of the Convention. However, despite being signatories of the UNCAC, many leaders of countries with endemic corruption lack the willingness to adapt existing laws, report corruption, or hold corrupt individuals accountable (Lawson 2009; Fjeldstad & Isaksen 2008; Svensson, 2005; Riley 1998; Kpundeh 2005; Ittner 2009).

I recommend that the UN, as well as the international community, evaluate the effectiveness of the UNCAC to determine if it is a useful tool for reducing corruption. Further, an evaluation needs to be conducted to determine how many of the signatories are taking steps to implement recommendations and obligations, and whether any sanctions or measures could be taken. Additionally, anti-corruption experts need to understand that even though public sector officials are not corrupt, they may still not act with integrity (Heywood, 2018). Heywood (2018) also asserts that rather than striving for large scale changes, successful anti-corruption initiatives can be small. He explains that this is critical “when political will at the national level is lacking” (Heywood, 2018, p. 11).

### *Multinational Corporations*

Multinational Corporations (MNCs) are notorious for blurring the lines between private and public interests. Scholars are finding a direct link between private sector profits and public-sector greed. Heywood (2018) explains that to make meaningful progress in



addressing corruption, the current approach needs to be evaluated. Specifically, the role of private sector actors as well as a more precise list of issues that are of concern need to be considered. For instance, multinational corporations play a critical role in the global economy, and they predictably intersect with the financial sector. As such, it is important to note that occurrence of corruption is not limited to elected officials or public officials. Private sector leaders and employees participate in and are complicit in the acts of stealing, receiving bribes, cronyism, and nepotism—despite legislation like the Foreign Corrupt Practices Act (FCPA) of 1977, which was “enacted for the purpose of making it unlawful for certain classes of persons and entities to make payments to foreign government officials to assist in obtaining or retaining business” (The United States Department of Justice, 2017).

MNCs still find avenues to obtain and retain business through off-record agreements or collusion. Western corporations are profit-driven and strive to ensure that they remain competitive while reducing costs. To accomplish this goal, they move some parts of production offshore. In some cases, corporations obtain tax concessions from host countries that serve as incentives to establish a local presence. However, the process is not always smooth or seamless, and corporate representatives may participate in underhanded methods to win bids and contracts.

To comprehensively address corruption, evaluation of MNC interests and investments in countries with endemic corruption must be conducted.

### **Study Limitations and Future Research**

As with any research study, there are a few limitations that impacted the data and subsequent findings. The COVID-19 pandemic hampered my ability to travel to assess humanitarian operations on the ground. As such, the study scope and approach changed. Specifically, I expanded the scope from focusing on data from Haiti to include 8 other countries in Central America and the Caribbean (Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, and Venezuela). This study was limited to only countries in Central America and the Caribbean and cannot be expanded globally. The countries in the study did not include any that have ongoing military conflicts. Therefore, my findings may not be expanded to include humanitarian activities in war-torn countries.

As a result of COVID-19 travel restrictions and social distancing precautions, I incorporated socially distanced semi-structured interviews as a qualitative method. The year 2020 was unusually chaotic globally, and for aid practitioners, as such participation was low. I had a difficult time getting in contact with individuals via their work email addresses, as many were out of the office or on leave, therefore sample size for interviews was 15 out of 40 people contacted. I had considered that this would be an issue since there was no incentive to participate or respond to interview questions. All the study interviews were conducted remotely via phone or zoom and recorded when possible. As a result of this, I was limited in my ability to build a natural rapport with each

participant and was unable to observe the participants in person. Some participants did not agree to be recorded, and others required their interview to be on background only; therefore, I could not glean as much information from them as originally intended. I accounted for this limitation by expanding quantitative data analysis duration and expanded country coverage. Specifically, I change the study duration from 2012-2018 to 2000 to 2018 and from 4 countries to 9 countries. The quantitative methods became the main data analysis method while the interviews provided supplemental information.

Another limitation of the interviews pertained to the responses. I had to consider that interview responses are subjective and may not always be corroborated. I tried to mitigate this limitation by asking clarification questions and obtaining more background information on each participant. Additionally, many of the responses contained common elements even though they were from disparate organizations and different experiences. I am, therefore, confident about the responses provided by the participants.

The corruption data is limited in that it does not measure actual corruption. Rather, it measures the perception of corruption in a specific country. The perception of corruption and the actual occurrence of corruption are not the same, and in many cases may be quite different. In addition, the CPI only measures public sector corruption, overlooking the role that the private sector has in endemic corruption (Hough, 2017). Finally, CPI rank was eliminated as a variable to assess trends in corruption over time for two main reasons: 1) TI changed the way CPI was calculated in 2012, and 2) TI indicated

that pre-2012 years could not be compared with subsequent years. Under the previously used methodology, CPI scores were not comparable over time (TI, 2012). These two factors were critical in eliminating the CPI as a data source for regression analysis. The CPI rank was used to assess a country's trend in ranking over time, with the caveat that the rank could not be utilized for statistical regression analysis since the rank is relative to all other countries and does not indicate an actual score. As an alternative, I utilized the V-Dem public sector corruption index as a dependent variable for regression analysis.

Humanitarian aid data and information in the FTS is limited to what is reported by government donors, UN-administered funds, UN agencies, NGOs, and other humanitarian actors (OCHA, 2021). Additionally, what constitutes humanitarian aid may differ depending on the definition of a humanitarian disaster or event an organization or country utilizes. OCHA tried to mitigate this limitation by working with organizations through the Inter-Agency Standing Committee to collectively determine what humanitarian aid is. Finally, I noticed that the different sources of humanitarian aid reviewed had inconsistent values for the total humanitarian aid allocated to a respective country per year. To ensure consistency, I utilized the information on paid contributions in my trend and regression analysis. Paid contributions consist of the payment or transfer of funds or in-kind goods from the donor towards the appealing agency (OCHA, 2021). This information is often consistent both from a donor and recipient perspective and

eliminates the inclusion of pledges or commitments that may not always be remunerated.

### Conclusion

In conclusion, this dissertation sought to fill the gap in existing literature pertaining to impact of humanitarian aid on corruption in countries receiving aid. Specifically, I sought to answer the following research questions: What is the impact of humanitarian aid on corruption?

- Study Finding 1: I found that an influx of aid does not increase corruption perception and that the trends of incoming humanitarian aid and corruption perception are not related. Interview participants reported that corrupt governments are bypassed during a humanitarian crisis, and that donors work directly with NGOs, international organizations, and religious agencies to implement humanitarian solutions.
- Do differences in the amount of humanitarian aid given impact corruption in countries that receive aid?
  - Study Finding 2: The amount of aid given to a country did not have a corresponding increase or decrease on the public sector corruption perception of a given country. Other factors like regime type and government

effectiveness served as better predictors or explanatory variables for corruption perception.

- What measures did aid agencies take to reduce opportunities for corruption in the delivery of humanitarian aid?
  - Study Finding 3: Participants reported that humanitarian organizations work in environments plagued by corruption. Lessons learned from Haiti, Syria, and South Sudan forced humanitarian organization to increase collaboration and transparency measures with other agencies. Specifically, all participants interviewed indicated that their organizations have anti-corruption measures in place. They all had a process for reporting corruption, abuse, and misuse, and they all utilize a form or risk management to manage and mitigate operational risks for program implementation.
  - Study Finding 4: Aid practitioners utilize monitoring and evaluation programs and rely on independent third-party monitors to assess program delivery and to reduce waste. These efforts help reduce corruption as the organizations have instituted transparency and accountability initiatives as part of their core values.
  - Study Finding 5: coordination and collaboration are lacking and could be improved. Participants explained that competition for resources and

information hampered efforts to effectively deliver aid in Haiti. Some of the lessons learned gleaned have been implemented but more work is needed to streamline communications across agencies without fear or losing resources or funding to competitors.

### **Next Steps**

While my study found that humanitarian aid does not increase corruption perception, I also found that government effectiveness and regime type are good explanatory variables for the phenomena. However, my findings were limited to the nine countries evaluated in Central America and the Caribbean and do not include any countries that are in protracted conflicts like Afghanistan, Syria, Iraq, or Yemen. As a next step, the effectiveness of humanitarian aid in countries with protracted violence should be evaluated. Understanding the impact of humanitarian aid on corruption during protracted violence or in conflict situations will help fill a gap for some of the world's most vulnerable populations. Economic instability may contribute to de-democratization as citizens become disenfranchised by the failed and corrupt States they live in. This instability may result in violence. While corruption may not directly cause conflict or violence, it significantly contributes to poverty and general lawlessness, creating a fertile ground for marginalized communities. Violence and instability then result in other critical issues like more human migration, the refugee crisis, and the displacement of women

and children. I also think my study approach could be expanded to include other countries with similar internal conditions to the ones evaluated in this study.



## APPENDIX A: DISSERTATION QUESTIONNAIRE

Thank you so much for agreeing to participate in my research study. I would like to record our discussion so that I can transcribe it later if that is okay with you. The audio tapes will be erased 5 years after the completion of the study.

All your comments will be kept confidential as will your name and organization unless you explicitly give permission to be quoted by name. During the interview, you may skip any question that you do not wish to answer or that makes you feel uncomfortable.

### **Study Objective:**

- Understand the impact of humanitarian aid on corruption in countries receiving aid, to reduce malfeasance and waste in aid distribution.

### **Questions:**

#### **Section I:** Who they are and what they do/how they do it

1. When did you start working in Haiti?
2. What role did your organization play in providing humanitarian assistance in Haiti?
3. Did your organization have specific goals in providing humanitarian assistance in Haiti?
4. What organizations do you partner with?
5. What geographical areas do you cover?

#### **Section II:** How they report, allocate resources, and adapt to the landscape. These include procedures with regards to transparency and resource allocation

6. How does your organization disburse humanitarian aid – via your own people direct to communities, or through the recipient government (national or local), or through other NGOs?

7. In your experience, what procedures have been most successful in promoting accountability for your organization when delivering humanitarian assistance, to ensure the humanitarian aid is used as intended?
8. What programs or procedures has your organization implemented in Haiti to manage accountability of humanitarian aid?
9. What are some lessons learned/challenges that you gained from your experience in providing humanitarian aid in Haiti?

**Section III: Perception of NGO landscape after 2010.**

10. The 2010 earthquake was a devastating event, evoking a large humanitarian effort. In your experience, did your organization change the way it operated in Haiti in response to the earthquake? Did other NGOs generally also change their operations?
11. Did the 2010 earthquake change the situation regarding humanitarian aid and corruption? If so, how did it do so?

**Section V: Open Ended**

12. Is there anything else that you would like to express about your experience in Haiti?
13. Do you have any other concerns about the role of humanitarian aid in Haiti?
14. Do you have any current or former colleagues you think would be interested in contributing to this research?

## APPENDIX B: RECRUITMENT EMAIL

Good Afternoon,

My name is Simi Fasehun, and I am a Doctoral student at George Mason University in the Schar School of Policy and Government. I am currently working on my dissertation entitled “The role of humanitarian aid in facilitating corruption. A look at countries in the Western Hemisphere.” I am studying the impact of humanitarian aid on corruption in countries receiving aid, in order to reduce malfeasance and waste in aid distribution.

Given your unique experience in providing humanitarian assistance in the Western Hemisphere, I am requesting the opportunity to speak with you or a representative of your organization about your experiences and opinions on this topic. I reside in the Washington DC area and would welcome your participation between now and October 2020.

This would be an unstructured interview, carried out by phone or via internet, and should take no more than 30–60 minutes. All your responses will be kept confidential, as will your agency, unless you give explicit permission to quote you.

This research project has been reviewed and approved by the Institutional Review Board (IRBNet number: 1603492-1) at George Mason University and is being conducted under the guidance of Dr. Jack Goldstone, Director, Center for the Study of Social Change,

Institutions and Policy at George Mason University. You may contact him at

[jgoldsto@gmu.edu](mailto:jgoldsto@gmu.edu) or 703-993-1409.

I am available via e-mail at [sfasehun@masonlive.gmu.edu](mailto:sfasehun@masonlive.gmu.edu), or by telephone at 515-451-3110. I appreciate your consideration to participate in this research project and look forward to hearing from you soon.

Sincerely,

Simi O. Fasehun

Public Policy Ph.D. Candidate

Schar School of Policy and Government

George Mason University

## **APPENDIX C: INFORMED CONSENT FORM**

**STUDY TITLE:** Impact of Humanitarian Aid on Facilitating Corruption: A Look at Nations in Central America and the Caribbean

### **INFORMED CONSENT FORM**

This is a research study. Please take your time in deciding if you would like to participate. Feel free to ask questions at any time.

### **INTRODUCTION**

The purpose of this study is to understand the impact of humanitarian aid on corruption in countries receiving aid. The goal of this study is to reduce malfeasance and waste in aid distribution. Results of this study will aid in the efficiency and structure of humanitarian aid by limiting malfeasance in aid disbursement. You are being invited to participate in this study because you are part of an organization that provides humanitarian assistance to nations in the Western Hemisphere.

### **DESCRIPTION OF PROCEDURES**

If you agree to participate in this study, your participation will last for one 30-minute to an hour interview. During the study, you may expect the following study procedures to be followed: you will be expected to respond to interview questions that will be recorded in an audio file. You may skip any question that you do not wish to answer or that makes you feel uncomfortable.

Prior to the start of the interview, you will be asked whether you wish the conversation to be on the record, or off the record. If you choose your comments to be off the record, your remarks will not be identified with you or your organization. In the case that you agree to an on the record interview, you may ask that certain comments or replies be off the record. We will send you comments that are directly quoted to ensure that you are quoted correctly.

### **RISKS**

There are no foreseeable risks from participating in this study.

### **BENEFITS**

If you decide to participate in this study, there may be no direct benefit to you. It is hoped that the findings from this study will be helpful to professionals in the humanitarian aid enterprise seeking to ensure such aid reaches its goal with as little

corruption and waste as is Understanding how humanitarian aid was disbursed and utilized after natural disasters in Haiti, the Dominican Republic, Panama, and Nicaragua will provide a clear test case for how corruption affects humanitarian aid in a low-income nation.

### **CONFIDENTIALITY**

The data in this study will be confidential. All your comments will be kept confidential as will your name and organization unless you explicitly give permission to be quoted by name.

The Institutional Review Board (IRB) committee that monitors research on human subjects may inspect study records during internal auditing procedures and are required to keep all information confidential.

The de-identified data could be used for future research without additional consent from participants. Audio recordings will be stored in password protected files that will only be accessible to the researchers. Data will be locked and stored, to maintain the confidentiality of the data, with only the researcher having access to the raw data. Audio files will be deleted 5 years after completion of study.

While it is understood that no computer transmission can be perfectly secure, reasonable efforts will be made to protect the confidentiality of your transmission. Participants may review Skype's website for information about their privacy statement:

<https://privacy.microsoft.com/en-US/privacystatement/>

### **PARTICIPATION**

Your participation in this study is completely voluntary and you may refuse to participate or leave the study at any time. If you decide to not participate in the study or leave the study early, it will not result in any penalty or loss of benefits to which you are otherwise entitled.

### **CONTACT**

This research is being conducted by Simi Fasehun, Ph.D. candidate in the Schar School of Policy & Government, at George Mason University. She may be reached at 515-451-3110 for questions or to report a research-related problem. The research is under the advisement of Dr. Jack Goldstone, 703-993-1409. You may contact the George Mason University Institutional Review Board office at 703-993-4121 or [irb@gmu.edu](mailto:irb@gmu.edu) (IRBNet number: 1603492-1) if you have questions or comments regarding your rights as a participant in the research.

This research has been reviewed according to George Mason University procedures governing your participation in this research.

**CONSENT**

I have read this form, all of my questions have been answered by the research staff, and I agree to participate in this study.

☐ I agree to be recorded during the interview. ☐ I do not agree to be recorded.

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Signature

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Date of Signature

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