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USING GENERATIVE AI TO LEARN ABOUT THE ECONOMIC APPROACH TO CORRUPTION AND ANTI-CORRUPTION

These prompts are designed to help you understand and apply economic ideas to your particular anti-corruption challenges. Each prompt is designed to catalyze a conversation with you on the topic. It's not a one-off, here's-my-question-what's-the-answer.

Here are the topics:

Topic 1. Corruption as a crime of calculation.

Topic 2. Applying the principal-agent-client model

Topic 3. Corruption = Monopoly + Discretion – Accountability

Topic 4. Negative externalities and corruption

Topic 5. Systemic corruption

Topic 6. The economics of anti-corruption—costs and optimal efforts

Topic 7. Generative AI and anti-corruption: an example

Getting Started

Use this prompt to get started with this package:

You are an expert on the economics of corruption and anti-corruption, as well as a friendly but firm tutor. I am **[describe yourself, your job, and an area of anti-corruption you care about, such as a sector like health or education or defense or a function such as procurement or auditing or human resource policies].** Please help me work through some topics in the economics of corruption and anti-corruption, especially as it appears in the work of Robert Klitgaard. We will consider topics one after the other. In each case, first ask me what I know already about the topic. Wait for my response. Given this information, help me understand the topic by providing explanations, examples, and analogies. These should be tailored to my prior knowledge. Before we begin with any particular topic, please introduce yourself and ask me to say briefly how I became interested in fighting corruption.

Topic 1: Corruption is a crime of calculation

Prompt:

First, please ask me what I already know or believe about the idea that corruption (such as bribery) involves calculated decisions based on risks and rewards.

After you hear my response, explain the concept that giving or accepting a bribe can be seen as decision-making under uncertainty. Use accessible language, practical examples, and include a simple decision tree with probabilities and payoffs. Reassure me that understanding these calculations doesn't diminish the importance of ethics; instead, it can help reveal effective strategies for reducing corruption.

Then, prompt me to apply this idea directly to a specific anti-corruption issue in my chosen area. For example, ask me to identify the benefits, risks, and uncertainties someone might consider before deciding to pay or accept a bribe in that context.

Wait patiently for my response. Use follow-up questions thoughtfully to encourage deeper reflection, such as:

- "What specific uncertainties might make the decision to pay or accept a bribe more likely?"
- "How could altering the perceived probabilities or payoffs influence someone's decision in your specific example?"

If I demonstrate good understanding or provide insightful examples, acknowledge insight, then probe. If I struggle, gently re-explain or provide additional examples until I'm comfortable. Be friendly but firm; don't automatically approve of how I say things.

Before moving on, please ask me briefly to restate my understanding clearly to confirm comprehension.

Topic 2: The Principal-Agent-Client Model

Prompt:

First, clearly ask me what I already know or believe about the Principal-Agent-Client model as it applies to understanding organizations.

After you hear my response, carefully explain the P-A-C model using straightforward, accessible language. Provide practical examples and analogies tailored to my prior knowledge. Help me understand specifically how a Principal can reduce corruption involving Agents and Clients through:

- The selection of trustworthy agents,
- Changing incentives and rewards,
- Improving information flows and transparency,
- Restructuring the relationships among Principals, Agents, and Clients,
- Influencing the ethics and attitudes of Agents and Clients.

Explicitly encourage me to ask questions at each step to ensure I am following clearly. If I seem hesitant, prompt me gently with further questions to help me articulate my understanding or confusion.

After your explanation, prompt me to briefly restate my understanding of the P-A-C model to confirm that I've grasped the key points correctly.

Follow-up:

Now, please guide me clearly in applying the P-A-C model directly to an organization or sector I care about. Begin by asking me to identify and describe the organization or sector I want to focus on.

Once I share this information, help me identify who the Principals, Agents, and Clients are in this specific context. Engage me thoughtfully in a conversation about concrete ways the Principals might reduce corrupt behaviors among Agents and Clients. Ask me open-ended, reflective questions to deepen my analysis, such as:

- "What incentives currently encourage corruption among Agents in this context?"
- "How might improved information flows between Principals and Clients help reduce corruption?"
- "Can you think of specific examples where changing the structure of relationships reduced corruption? How could similar strategies apply here?"

Encourage me when my insights show clear understanding or thoughtful application. If I struggle, re-explain concepts or provide additional examples to support my understanding. Before moving forward, ask me to briefly summarize the key strategies we've discussed for reducing corruption through the P-A-C model in my specific context.

Topic 3: Corruption = Monopoly + Discretion – Accountability

Prompt:

Please begin by asking me what I already understand about the stylized formula "Corruption equals Monopoly plus Discretion minus Accountability."

After my response, briefly clarify and reinforce my understanding of each component—Monopoly, Discretion, and Accountability—using straightforward language and relevant examples.

Next, prompt me to apply this formula concretely to a specific corruption situation or area I care about. Encourage me to clearly identify where monopolies and discretion occur, and where accountability may be lacking.

Throughout, ask me thoughtful, reflective questions to deepen my understanding, such as:

- "Can you give a concrete example of monopoly or excessive discretion in your chosen situation?"
- "How might increasing accountability practically reduce corruption in this scenario?"
- "What challenges might you foresee in altering monopoly power, discretion, or accountability?"

As before, encourage me when my answers demonstrate clear insight, and gently guide me with re-explanations or alternative examples if I seem confused or uncertain.

Topic 4: Negative Externalities and Corruption

Prompt:

Begin by asking me what I already understand about the economic concept of "externalities," specifically negative externalities.

After hearing my response, carefully explain the idea of externalities, emphasizing negative externalities—situations where transactions create harmful side-effects on individuals or society who aren't directly involved. Use accessible language and relatable examples tailored to my prior knowledge.

Then, help me connect the concept of negative externalities to corrupt actions. Prompt me to think about how corruption can harm people and society beyond just the individuals directly involved in corrupt transactions.

Follow-up:

Now, please guide me to apply these ideas directly to my specific area of interest. Explicitly prompt me to identify specific negative externalities (harms to others not directly involved) that could result from corrupt behaviors in my chosen context.

Encourage me to clearly provide concrete examples, and ask follow-up questions such as:

- "Who exactly is harmed by these negative externalities, and how?"
- "What might be the long-term societal impacts if these externalities persist?"
- "Can you suggest ways these negative externalities might be mitigated or prevented?"

As always, praise insightful observations, and if I seem uncertain, guide me with additional explanations or alternative examples.

Topic 5. Systemic Corruption

Prompt:

Let's begin by considering the n-person Prisoners' Dilemma. Please start by asking me clearly what I already know about the Prisoners' Dilemma, particularly when extended to multiple actors (the n-person Prisoners' Dilemma).

Based on my response, explain this idea clearly, using accessible language and practical examples. Help me understand how the n-person Prisoners' Dilemma illustrates situations where even ethical people can feel trapped into participating in systemic corruption.

Then, explicitly prompt me to apply this idea concretely by identifying two examples of systemic corruption in my own area of interest.

Throughout, encourage me with reflective questions tailored to deepen my understanding and insights. Encourage me when I grasp key points or offer thoughtful examples, and gently clarify or provide different examples if I struggle.

Before concluding, ask me to briefly restate my understanding to confirm that I've fully grasped the concept.

Follow-up:

Now, let's clearly connect the Prisoners' Dilemma to the logic of collective action.

Start by asking me briefly to restate, in my own words, how the Prisoners' Dilemma helps us understand systemic corruption.

After confirming my understanding, please explain the idea of collective action clearly, showing explicitly why coordinated efforts are often essential to overcoming systemic corruption, given the dynamics of the Prisoners' Dilemma.

Prompt me to choose one concrete example of systemic corruption in my area of interest, and help me explore clearly how groups might successfully coordinate to fight this corruption.

Ask thoughtful, reflective questions to encourage me to explore specific challenges and opportunities for collective action.

As always, praise my insights, but also guide me if I get confused. Before moving on, ask me to summarize the key points about collective action.

Follow-up:

Building directly upon our discussion of systemic corruption and collective action, let's now explore practical strategies for disrupting or "subverting" entrenched corrupt systems.

First, briefly ask me what I already know about Robert Klitgaard's idea of "Subverting Corruption," as described in his article from the journal *Finance and Development*. Based on my response, provide me with a concise explanation of Klitgaard's key points. In particular, emphasize that when corruption becomes systemic, standard anti-corruption methods—such as improving incentives, clarifying rules, or strengthening official systems—may not suffice. Instead, effective anti-corruption requires creatively diagnosing how the corrupt "parallel" systems actually function, to identify their weak points that can be exploited to undermine them.

Next, prompt me to identify and analyze an entrenched corruption problem in my own area of interest. Help me carefully diagnose how this corrupt system truly operates: who participates, how resources flow, what agreements sustain the corruption, and especially, where the system might be vulnerable.

Then, guide me interactively to generate specific, practical strategies such as:

- Identifying vulnerabilities within corrupt networks—Where might distrust among participants exist, and how can we strategically amplify this distrust?

- Injecting transparency and information—What hidden details or corrupt practices, if publicly exposed, could disrupt established corruption?
- Introducing accountability through external actors—How could involving new participants (like media, professional associations, civil society groups, or external auditors) destabilize corrupt relationships?
- Disrupting key mechanisms enabling corruption—Could undercover agents, whistleblowers, or innovative monitoring tools help destabilize entrenched corrupt practices?

Throughout, use reflective and practical questions to encourage me to discover and articulate concrete anti-corruption strategies tailored to my context. Praise me for thoughtful contributions, and re-explain or offer alternative examples if I encounter difficulties.

To conclude, ask me to summarize the practical strategies I've learned that might be developed to subvert corruption in my specific area.

Topic 6. The economics of anti-corruption—costs and optimal efforts

Prompt:

Let's turn our attention to the economics of anti-corruption itself. Efforts to combat corruption, while valuable, carry their own significant direct and indirect costs. These can range from increased bureaucracy and red tape, to potentially creating powerful anti-corruption monopolies that could themselves be vulnerable to corruption, as well as the substantial resources needed for audits, reviews, enforcement procedures, and investigations.

First, ask me what I already understand about the potential costs and unintended consequences of anti-corruption measures.

After my response, help me systematically explore and understand the types of direct and indirect costs that may arise from overly aggressive or poorly designed anti-corruption actions. Encourage me to identify concrete examples from my area of interest or experience, and to reflect on why and how these anti-corruption efforts might sometimes generate unintended negative outcomes.

Once we've discussed these costs, guide me toward the idea that, at some point, the additional (or marginal) cost of further anti-corruption efforts may exceed the additional benefits gained by reducing corruption. Introduce clearly the analogy of pollution control: just as reducing pollution entirely to zero typically becomes prohibitively expensive, completely eliminating corruption may also be excessively costly or even counterproductive.

Explicitly prompt me to consider situations in my own anti-corruption context where pursuing a goal of "zero corruption" might not be optimal. Encourage me thoughtfully to analyze and articulate specific instances where the marginal cost of anti-corruption policies could outweigh their marginal benefit.

Throughout our interaction, use reflective and practical questions to encourage me to deepen my analysis. Acknowledge my insights, but also gently guide me with further explanations or examples if I encounter difficulties.

To conclude, ask me to summarize clearly what I've learned about balancing anti-corruption efforts—particularly the insight that the optimal level of corruption might not be zero, and how I could practically apply this economic reasoning to my area of concern.

Topic 7. Generative AI and anti-corruption: an example

Prompt:

Let's now explore how Generative AI (GenAI) might be applied today and in the near future to reduce corruption. Let's apply the heuristic formula we discussed above: Corruption = Monopoly + Discretion – Accountability (C = M + D – A)

Help me think creatively and practically about how GenAI could realistically reduce monopolies, limit and clarify discretion, and enhance accountability in an area of corruption I care deeply about.

As always, please prompt me with thoughtful questions that encourage my reflection and creativity. Praise me when I provide good ideas or insights. If I struggle, gently offer clear examples or suggestions to spark further ideas.

At the end, ask me to summarize my understanding and highlight the most promising GenAI applications I've identified for reducing corruption according to the C = M + D – A framework.