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PCED | Philippine Center for
Economic Development

present a seminar on

**The supply-side of international corruption:
A new measure and a critique**

by

Prof. Lucio Picci
Department of Economics
University of Bologna

26 April 2017, Wednesday

4:00-5:00 p.m. – Room 303

Abstract:

I consider the “supply-side” of corruption in the context of international bribery, which I define as firms bribing public officials abroad. I present the “Bribe Payers Corruption Index” (BPCI), a non perception-based measure of cross-border corruption, which is derived from Escresa and Picci (2015). This index is coherent with a simple analytical framework based on the distinction between the propensities to corrupt, and observed levels of corruption. The BPCI is compared with a widely known indicator of the supply-side of corruption, Transparency International's “Bribe Payers Index” (TI-BPI), which I demonstrate to be flawed. Whereas, according to the TI-BPI, firms from corrupt countries are more likely to bribe abroad, the opposite emerges when the BPCI is considered. I explain and discuss such result, whose implications are framed within the global discourse on the supply-side of international corruption.

About the Speaker:

Lucio Picci is Professor of economics at the University of Bologna, Italy, and holds a Ph.D. in economics from the University of California at San Diego. His research interests are at the intersection between political economy, public governance and the economics of innovation, with a focus on the study of corruption and of reputational incentives in public governance. Over the years, he has worked, or consulted, for international organizations such as the World Bank and the European Commission, and for several branches of the Italian government. His work has been published in American Journal of Political Science; Journal of Business & Economic Statistics; Research Policy; The Review of Economics and Statistics; and The World Bank Economic Review. His latest book, Reputation-based Governance (Stanford University Press, 2011) proposes a model of public governance which hinges on the presence of strong reputational incentives.



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