

REPLY TO THE COMMENT:

Antti Talvitie

OBSERVED DIFFERENCES IN CORRUPTION BETWEEN ASIA AND AFRICA: THE INDUSTRIAL ORGANIZATION OF CORRUPTION AND ITS CURE

I was given the opportunity to read Dr. Moloney's revised comments. I add three observations, but I see no reason to change either the paper or my original reply. First, her opinion that my "observation flows from the World Bank's 1997 World Development Report" is not true. The paper was based on direct real world observations not reading the WDR or other reports. The main ideas of the paper were developed before (see the quote from Winnicott below). The second is that the 'talking cure' works best with motivated participants. If there is no motivation to end corruption, efforts at cure will fail. The paper has a lengthy discussion of the merits and demerits of the intellectual approaches combined with punishment, and of the 'talking cure'. The latter is difficult and slow in comparison to the results-oriented approaches (which invariably lead to failure and unintended consequences). Often, erroneously, giving intellectual instructions and naming projection "analysis" are preferred to study and real analysis that enable emotional communications to set change in motion. Third, unlike Dr. Moloney claims, the paper's theory about corruption is well and correctly conceptualized and does not fade in to Barbra Streisand lyrics.

The anonymous reviewer has made thoughtful comments. They should be published along with the reviewer's name to do justice to the comments and the paper.

The reviewer asks for the author's method and the papers theoretical purpose. The latter is clear: to provide a method to analyze and cure corruption. As for the method, Donald Winnicott is the source of it (Winnicott (1945): "*Primitive Emotional Development*"; *International Journal of Psychoanalysis* 26): "I shall not first give an historical survey and show the development of my ideas from the theories of others, because my mind does not work that way. What happens is that I gather this and that, here and there, settle down to clinical experience, form my own theories and then, last of all, interest myself in looking to see where I stole what. Perhaps this is as good a method as any." Observation and gathering data, "this and that... here and there", combined with practical experience, was the scientific method used.

Reviewer's recommendation to split the paper into several papers would lose its meaning and would only serve ignorance: corruption is a complex issue that must be dealt with in a comprehensive way rather than water it down into small focused studies that would result in recommendations for narrowly-focused remedies (and normally without results). The paper's strength is its inclusive and comprehensive position.

I am pleased that the reviewer agrees with many of the points made, although he disagrees with some details. I have toned down references to “all data” and “objective standards”. However, the reviewer fails to present data or otherwise convince that the concept and the analyses in the paper are invalid.

Africa is many countries, so is Asia. The conclusions note that “as broad-brush generalations” the paper does not violate facts. I believe this to be true. It is recognized—and noted—that, in some dimensions in the involved regions, within group variances are larger than between group variances. But, comparatively the Asian countries have done better economically than African countries. The African countries rank consistently well above 150 in GDP/capita while the Asian countries, with some exceptions, rank below 100 (exceptions: India and the Philippines). In poverty, most African countries are in top 50 (save Ghana as #74), while the Asian countries, again with the exceptions noted, are below 120. FDI (Fig 1) in the paper packs the multiple dimensions into one piece of evidence without denying that profitable investments are possible in Africa.

The comment on designing contracts to deal with variable cost corruption is interesting; the low FDI in Africa reflects that design. I do know of two cases in which higher interest rate was written into the contract effective if the client country backslides or reneges on its newly instituted governance practices -- a fixed cost safeguard.

Regarding the reviewer’s reference to Korea and the emotional forces at play there, the first para on p. 22 states that “the forces that help build good enough governments are the same that can act as agents of corruption and as safeguards against it”. Violence is often tied to corruption and it is a grave problem in most of Africa, and as the paper notes violence is a grave problem in corruption regardless of country. (The approximate crime index for Asia, excluding Japan is 45, Africa 80, South America 58; Europe 40, and the US 65. The murder rate per 100,000 population for the same regions are: 3.1; 18; 20; 3.5; 4.8).

The reviewer asks for definitions of ‘leader’, ‘talking cure’, and ‘plastic change’. The first two require no explanations; in neurobiology (auto)plastic change is a permanent change in regions of the brain, that enable (thoughtful) responses to stimulation (I argued that corruption is an emotional dysfunction, a maladaptive response). (Allo)plastic change refers to a change in the external environment, which, by implication, would be thoughtful result of a thoughtful (auto)plastic response and change.

In the last paragraph the reviewer questions the proposal for applying the ‘talking cure’. That is in fact being used (see fn 25). Ongoing work in two countries shows the usefulness, richness and difficulty of the proposed method. That work shows that the difficulties are bilateral: the ‘organizer entity’ has institutional barriers to apply it, and some politicians and government officials in the client have shown ingenuity to resist, torpe-

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do, or desecrate change. That work may be reported in the future; for now it is noted that some of the 'organizer entity's' institutional practices seem self-inflicted wounds and damaging.

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