

## *Heterodox Economics Newsletter*

INTERNATIONAL HANDBOOK ON THE ECONOMICS OF CORRUPTION, edited by Susan Rose-Ackerman, Edward Elgar, 2007; ISBN: 978-1847207456; 656 pages.

CORRUPTION, DEVELOPMENT AND INSTITUTIONAL DESIGN, edited by János Kornai, László Mátyás and Gérard Roland, Palgrave MacMillan, 2009; ISBN: 978-0230546998; 296 pages.

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The *International Handbook on the Economics of Corruption* is a comprehensive volume on the subject, which was first pioneered by the editor, Susan Rose-Ackerman. This handbook will soon be followed by a second volume. The works fill a significant gap in the literature on the economics of corruption. The literature has been growing since the late 1990s, but remains a relatively smaller field in economics and is not even taught in most universities.

Although the book contains too many chapters to review in depth, most chapters are well worth reading. Many of the chapters are literature reviews which serve as an important resource on various aspects of corruption, including (but not limited to) the causes and consequences of corruption, democratic institutions and corruption, and decentralization and government accountability. Other chapters have to do with measures of corruption or institutions, anti-corruption programs, and models of corruption, including different hierarchical models of corruption, models of corruption in centrally planned economies, and neoclassical and other political economic models of corruption.

Some chapters in the book include empirical examinations of factors that might explain corruption or anti-corruption measures, and there is an entire section that uses surveys and experiments to explain corruption. The final section looks specifically at anti-corruption policies. An entire journal article could be dedicated to reviewing this book, which in total contains five sections and nineteen chapters on the economics of corruption. Suffice it to say that the volume is a must-have resource for economists studying corruption alone or as a facet of development or regulation.

The second book we examine is *Corruption, Development and Institutional Design*, edited by János Kornai, László Mátyás and Gérard Roland. The book is not solely focused on corruption, but examines corruption as an element of development. The book also looks at the institutional supply of productive factors in development and public utility reform.

*Corruption, Development and Institutional Design* is a volume that grew out of a meeting of the International Economic Association (IEA) in 2005, which focused on institutional change, focused in part on post-Socialist transition. The volume is an interesting collection of essays that examine an array of issues, including the effect of electoral rules on corruption, corruption fighting changes in Russia, the relationship between democracy and the lack of democracy in the Middle East and North Africa, development in the Czech Republic and Russia, risk-taking among Chinese entrepreneurs, 'brain drain', optimal immigration policy, regulation of water utilities, performance of infrastructure companies, and evolution of the energy sector in the UK.

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Both books are a reflection of what they set out to be; the *International Handbook on the Economics of Corruption* is truly a handbook and desk reference for economists studying corruption, while *Corruption, Development and Institutional Design* is a collection of articles from an important conference. If one is interested in learning more about corruption, the first book is highly recommended. The latter book does not follow a very unified theme but may be useful for those who follow the activities of the IEA or who are interested in one or more specific topics covered.