

Name of Researcher:	McLaren, John
Citizenship of Researcher:	USA
Telephone Number of Researcher:	804-924-3994
E-mail Address of Researcher:	jmclaren@virginia.edu
Employer or Sponsoring Organization:	University of Virginia
Address of Employer or Sponsoring Organization:	Department of Economics Rouss Hall University of Virginia Charlottesville, VA 22903-3288
Title of Project:	Corruption and the Organization of Tax Administration: Non-Smithian Beliefs from Specialization
Type of Product (e.g., Book, Paper, Documentary Film, Serial Article):	Chapter of a Book
Précis of 100 Words or Less:	The chapter by McLaren examines formally an idea that has appeared less formally in policy discussions: that corruption can be fought by an increase in functional specialization within a tax bureaucracy. If auditors specialize geographically, then each will audit completely a small number of taxpayers. If they specialize functionally, then each will do part of the audit for a large number of taxpayers, working as part of a team. The idea is then that if an audit must be performed by a team of officers, collusion between the taxpayer and the officials will be more difficult to sustain than would be collusion between the taxpayer and a single auditor. A larger conspiracy is more difficult to maintain, at least in part because the benefits must be spread more thinly. The paper presents a simple model in which the tradeoffs are easy to see, and indicates under what conditions such an increase in specialization is likely to be cost-effective.
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