1 | *Reform in an imperfect world*

If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.

– James Madison, *The Federalist Papers*, 51

Restraining power

Let us begin with a simple proposition about a complicated problem. Corruption will continue – indeed, may well be the norm – until those with a stake in ending it are able to oppose it in ways that cannot be ignored.

Corruption is tenacious – often sustained by powerful incentives and, at times, protected by violence. The contemporary anti-corruption movement enjoys broad-based support, and can point to genuine accomplishments in terms of analysis and public awareness over the past generation. Yet particularly where reform has been most urgently needed, lasting reductions in corruption have been elusive (Mungiu-Pippidi 2006; Birdsall 2007; DFID 2009; United Nations 2010). The difficulty of measuring corruption makes any such judgment impressionistic: we can never know just how much corruption a society experiences, and tracing trends is even more difficult. Still, despite successes at the level of specific programs and agencies it is difficult to point to sustained and significant reductions in corruption in whole societies. Hong Kong and Singapore have had widely recognized success, but both are city-states whose undemocratic regimes could force extensive change, and where the economic benefits of reform could rapidly become apparent. Botswana teaches us important lessons about the value of socially rooted leadership but its

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population, spread over a large area, is just a quarter of Hong Kong's. Japan and Belgium are perceived as having made steady progress, but already had solid national institutions in place. Korea, Indonesia, Ghana, and Taiwan are promising cases worth watching closely. Overall, however, the results of a generation's hard work in pursuit of reform are not encouraging.

At the same time, a longer view shows that entrenched corruption need not be a permanent condition. Had there been corruption rankings in the seventeenth century England would have been near the bad end of the scale. At times during the eighteenth century Denmark and Sweden were seen as extensively corrupt (see Rothstein 2011, discussing Rothstein 1998; Heidenheimer 2002: 4, 5; Frisk Jensen 2008). In the nineteenth century the United States and the United Kingdom again with its electoral "Old Corruption" (O'Leary 1962; Rubinstein 1983; Summers 1993) would have received poor ratings. Australia's first seventy years were marked by frequent scandals, and the following half-century featured a long struggle for reform (Curnow 2003). Chile, Canada, Finland, and the Netherlands – all, like Australia, well-regarded today – have experienced times of significant corruption too (Kernaghan 2003; Tiihonen 2003; van der Meer and Raadschelders 2003; Rehren 2004; Kerkhoff 2012). Progress usually was slow (although on Sweden's "big bang," see Rothstein 2011: 111–18) and indirect, driven by interests and ideas that had as much to do with self-interest as with civic virtue. Even where laws and accountability measures hold corruption in check today, those safeguards are not what brought the problem under control in the first place. More often those reforms were outcomes of political contention over questions of who is to govern whom, by what right, through what means, and within what limits.

Most effective limits emerged over generations or centuries. Today's highly corrupt societies have not got that much time. They exist in a different world – one in which risks and opportunities emerge rapidly and external influences are impossible to ignore (Rose-Ackerman 1999). If reformers wish to emulate the historical processes of checking power with power, and if they did so in ways that reflect the contrasting realities of diverse societies, what might reform look like? How could we know whether we were succeeding? Do we risk doing harm in the course of seeking better government? And how can we ensure that support for reform will last?

Deep democratization

This is a book about the politics of corruption control. It does not propose strikingly new corruption controls, but rather offers a different perspective on reform as a long-term social and political process. In that connection it develops two parallel arguments: first, that even the best anti-corruption ideas need strong political and social foundations – the support of people and groups with lasting reasons, and the ability, to defend themselves politically against abuses by others or, as Madison had it, to "*oblige* [government] to control itself."[1] Second, corruption itself, like the societies in which it occurs, comes in contrasting forms, confronting us with qualitatively different challenges and opportunities. Some situations are so fragile that reforms may be more of a stress than a benefit. Others, including the affluent market democracies that have been the source of most reform ideas, can experience corruption that is embedded in legal activities – and those are just two possible contrasts. Thus reformers must have political strategies as well as good ideas for corruption control; and as for the latter, what might seem to be a good reform idea in country A may well be impossible in B, irrelevant in C, and downright harmful in D.

Where do those arguments lead us? I will offer an argument that lasting corruption control is more likely to succeed as a part, and outcome, of *deep democratization* (an initial discussion appears in Johnston 2005a: Chapter 8). "Deep democratization" does not mean that democracy itself, or processes like competitive elections, will control corruption. Like many others (Philp 2001) I have argued that democracies have their own distinctive varieties of corruption (Johnston 2005a: chapters 3, 4). India's history suggests not only that democracy, in itself, is unlikely to control corruption, but also that where economic development – not just growth, but also workable economic institutions – is strikingly uneven or lacking, democracy can make some varieties of corruption worse (Sun and Johnston 2010).

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[1] Italics added. Madison's immediate point was the separation of powers envisioned within the proposed United States Constitution, but in both Federalist 10 and 51 he emphasizes that countervailing political forces and interests are essential sources of vitality for that scheme. In the latter, for example, just before the passage quoted at the beginning of this chapter, Madison argues that "Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place" (cf. "Publius" 1987: 319).

Moreover, corruption control has at times been built on undemocratic foundations: Pinochet's Chile and Lee Kwan Yew's Singapore come quickly to mind.

Instead, deep democratization is a continuing process of building workable rules and accountability by bringing more voices and interests into the governing process. It is "deep" in a double sense: it draws force from many levels of society, reflecting the lasting interests of the humblest as well as the elites; and it extends deep into the institutions and processes of government, making those social interests a factor in policy-making and implementation, not just slogans at election time. The clash of interests and values; contention over the acceptable sources and uses of wealth and power, and over accountability; and disputes over the nature and significance of rights are of the essence in deep democratization and, I will suggest, in checking corruption. Those sorts of political energy are not easily sustained solely through appeals to virtue; the defense of one's own interests – property, rights, personal safety, the chance to earn a living – is a more lasting motivation when it comes to confronting the wealthy and powerful.

Deep democratization is a long and complex process involving the mutual interplay of many motivations and activities. Societies do not vary, in corruption terms, on a more-versus-less continuum only; there are, instead, contrasting syndromes of corruption (Johnston 2005a), and change among them is qualitative as well as (or instead of) just quantitative. Similarly, the essential tasks of deep democratization change and evolve in different sorts of settings (see Chapter 2). Some of the key processes are economic: material well-being is a strong motivating interest, and we have good reason to think that controlling corruption can help build more prosperous, open, and fair economies. At the same time diversification of economic activities can help intensify demands for better government (Chavez 2003). Similarly, bringing more voices to the table can help build more open institutions and processes. There is no single starting point: change, particularly where there are significant corruption problems, takes many paths from numerous points of departure – deep democratization is unlikely to reach any definitive end point. Indeed, today's liberal democracies are hardly reform ideals; I will suggest in Chapter 7 that they confront us with particularly difficult corruption challenges. The political malaise seen in many of today's established democracies suggests that they fall well short of the ideals sketched out above.

Deep democratization amounts to gaining meaningful influence in processes of rule-making (for a similar argument see Acemoglu and Robinson 2012). Any such process is likely to be contentious – after all, agreements strong enough to protect one group will likely restrain someone else – and disorderly, but broadening the range of groups that must be heard and interests that must be considered is a democratizing process. Deep democratization will more likely revolve around countless group and personal grievances than any overriding vision of good government. In extensively corrupt societies deep democratization is unlikely to attain breakthroughs in political morality or anything like fully open, rational government. It *can* (though by no means must) culminate in settlements and accommodations that institutionalize accountability and limits on power (Ostrom 1990). Where such arrangements acquire legitimacy and credibility it is primarily because, from the standpoint of those who built them, they work.

We will explore these themes at several levels. In this opening chapter I will consider basic definitions and revisit the idea of contrasting syndromes of corruption. Chapter 2 expands on the notion of deep democratization to identify four key tasks it involves: increasing pluralism, opening up safe political and economic space, reform activism, and maintaining accountability. Those tasks vary in importance across societies depending upon the particular syndrome of corruption they experience, as well as upon their degree of fragility. Chapter 3 takes up that issue of fragility, not as a fifth corruption syndrome (fragility in various forms may be linked to at least three of the four syndromes) but rather as a set of circumstances that must be addressed before many of the four tasks above can be launched. That chapter considers societies where a functioning state and legal frameworks are lacking, where social and political trust are weak, and where reform itself can be a significant systemic stress, at times doing significant damage. It proposes two rules for reformers: "first, do no harm"; then, by providing some basic services, begin to build trust. It also takes up the critical issue of assessing progress, or lack of it – suggesting, not that we devise yet another corruption index, but rather that we gather and benchmark indicators of government performance, wherever possible working with citizens.

In chapters 4–7 the emphasis shifts to the four contrasting syndromes of corruption – Official Moguls (Egypt and Tunisia), Oligarchs and Clans (the Philippines), Elite Cartels (Argentina), and Influence Markets

(Australia, France, and the United States) – and their implications for deep democratization and reform. In a chapter considering each syndrome I will examine one or more societies, identifying the major challenges of deep democratization as well as steps to be avoided. The cases collectively do not cover all regions of the world, if only because the emphasis is on examples of the four syndromes rather than on geographical categories. However, I have made some effort to take up regions not extensively discussed in the earlier 2005 volume; thus, that book did examine cases from Africa (Botswana) and East Asia (China, Japan). This book will include North Africa and the Islamic world, via discussions of Tunisia and Egypt, as well as Latin America (Argentina). The final chapter, on Influence Markets, does devote more attention to the United States than to other societies; that is so because some of the possible implications of that syndrome of corruption – notably, growing economic inequality and distortions of democratic processes – are arguably on display more vividly in the American case than in most others (on that comparative claim see Hacker and Pierson 2010; see, more generally, Lessig 2011). A final chapter examines the challenges of maintaining support and coherence for reform over the long run, and discusses challenges confronting the next generation of reformers.

What do we mean by "corruption"?

What is corruption, and what do diverse types have in common? Those questions are hardy perennials; indeed, in its own way defining corruption is as difficult as controlling it (landmarks in the debate include Nye 1967; Heidenheimer 1970; Scott 1972; Thompson 1993, 1995; Philp 1997, 2002; Warren 2004). For the complex comparisons to come we need a systemic view that is not restricted to a few specific kinds of conduct, that accommodates divergent outlooks on how wealth and power should and should not be used, and yet is not so general that it lacks meaning.

Corruption implies deterioration or impropriety as judged by some set of standards, and is thus an inherently normative idea (see Johnston 2005b). Most uses of the term, but not all, apply to the roles and powers of government, and in practice the issues of standards and transgression can be matters of much dispute. The idea is thus inevitably political as well. Most contemporary definitions apply to specific actions or people, but it was not always thus: at times corruption was seen as a collective

state of being. Thucydides, in his accounts of the Peloponnesian War, tells us that Athens as a whole fell into a state of corruption when its leaders, betraying the values by which they claimed the right to lead, invaded the island of Melos (Thucydides 1954; Dobel 1978; see also Warren 2004). In this "classical" view, when leaders or citizens undermine society's claim on the loyalty of citizens, its basic system of order has been corrupted (Dobel 1978). That outlook seems quaint in an age when the state is often viewed, factually and normatively, in liberal terms – as an arena in which people and groups pursue their own interests, and in which collective well-being is a byproduct of individual choices rather than an overarching good. In that setting political ethics are usually seen as having more to do with process than with goals and outcomes, or the overall moral state of society.

When a public trust is abused for private gain, most would agree that corruption has occurred. In day-to-day terms that makes sense: most notions of corruption emphasize rules for the process of governing, not what government ought to accomplish. But because of that implied neutrality with respect to specific people, interests, and outcomes, those standards are often assumed to be non-political – as serving all, rather than reflecting anyone's particular (in more than one sense) interests. Ironically, both scoundrels and reformers frequently reaffirm that view – the former, when they dismiss allegations of corruption as "politically motivated" and therefore as bogus, and the latter with their longstanding insistence that good government requires keeping administration and politics separate. But *where do those standards come from*, and who has a stake in seeing them upheld? Can they really be anything *but* political? These questions underlie the basic of deep democratization as a way to check corruption.

In fact the contemporary behavior-oriented conception of corruption has limitations and problems. Even the most outwardly successful liberal states, with their relatively strong institutions and well-defined rules, have governance problems. Their "Influence Markets" syndrome of corruption (Johnston 2005a, chapters 4, 7 of this book) is fraught with subtleties: it can be hard to say whether those societies have limited their corruption or whether they have merely removed most of the remaining restraints on the uses and pursuit of wealth. Ironically, it is in those societies – supposedly, where law and accountability are strongest and public–private distinctions clearest, that it can be most difficult to say what, exactly, is corrupt (see Chapter 7). What constitutes the

"abuse" of power, or unacceptable connections to wealth – *and who gets to decide*? Even in relatively settled societies those standards are open to dispute, manipulation, and change. In the global arena that has emerged over the past generation, many of the most controversial uses of wealth and power take place in sectors, and involve roles, that are neither clearly public nor private, and that are so rootless it is hard to claim they are accountable to anyone (Wedel 2009).

Perhaps the notion of corruption as a systemic or collective attribute is not as *passé* as it seems. In American politics, for example, large-scale flows of political money have persuaded solid majorities that democracy has been fundamentally corrupted. That the overwhelming portion of such funds are given, spent, and disclosed in completely legal ways does not change the fact that the popular credibility of important guarantees and institutions is under threat. Perhaps we should look beyond specific actions to include more systemic aspects of governance and justice – to contemplate the sorts of issues Mark Warren (2004: 329) raises by arguing that in a democracy corruption fundamentally means "a form of duplicitous and harmful exclusion of those who have a claim to inclusion in collective decisions and actions." A "claim to inclusion" is central to deep democratization; perhaps (to pursue the American example a bit further) the core corruption problem is not whether specific funds are raised and spent legally, but whether citizens believe they still have a place at the table. That sense of corruption, and the question of what to do about it, points directly to whether people and groups can assert and defend their interests politically, and suggests that our definition of corruption must explicitly make room for disagreement and contention.

Two aspects of any definition are *conceptualization* (sometimes called an "essential" definition) – the basic idea we have in mind – and a *nominal definition*, or an expression of that idea in words. As for conceptualization, I do not find it useful to limit corruption to a characteristic of a particular action. So many historical, political, cultural, and situational considerations enter into that sort of judgment that we must analyze the issues and disagreements they raise, rather than attempt to resolve such differences in advance. Instead, I suggest that corruption is a continuing *systemic* problem: that of delineating acceptable domains, uses, and connections between power and wealth. That can be a controversial issue; it confronts every society, and can be resolved in a variety of ways, yet is unlikely ever to be settled once and

for all. Within that conceptual frame, my nominal definition of corruption is *the abuse of public roles or resources for private benefit* – but, with those contrasting values, situations, and interests very much in mind, emphasizing that in practice "abuse," "public," "private," and even "benefit" are very much open to dispute.

For answering precisely questions like "what is a corrupt act," that definition will be unsatisfying. But disagreements over the meaning of "abuse," for example, are not just noise. They are manifestations of the clashing interests, standards, and conceptions of power that bring the basic idea of the abuse of power to life in the first place. And they can signal important underlying problems: disputed or shifting boundaries between the "public" and the "private," for example, may reflect weaknesses in key institutions, the effects of important changes in policy, or deep social divisions over the role of government. As Acemoglu and Robinson (2012: 332) note, "Inclusive economic and political institutions do not emerge by themselves. They are often the outcome of significant conflict between elites resisting economic growth and political change and those wishing to limit the economic and political power of existing elites." If we wish to understand corruption issues in real societies – that is, if we want to know how and why those with wealth and power are, or are not, called to account – political contention is not a definitional complication but rather a prime concern.

What our definition loses in terms of precise boundaries may thus be regained by the way it points out key questions: where *the basic idea of limits* upon power originates, who sets and contests those limits, and how accountability becomes credible, valued, and effective. Those issues will never be settled once and for all, any more than corruption will ever be defined to everyone's satisfaction or completely eradicated. Why reform entails fundamental political changes, what "deep democratization" means in practice, and how we get there from here[2] will be central questions in the chapters to come.

Why is corruption so tenacious?

The contemporary anti-corruption movement does not lack smart, committed leadership or supporters. In many societies people fight corruption imaginatively and, sometimes, at considerable personal

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[2] I thank an anonymous reviewer for suggesting that way of framing the argument.

risk. Nor is there a dearth of knowledge or good ideas: new research and data have advanced our understanding dramatically over the past generation. Still, a generation of reform effort has produced mixed results at best. Let us consider three basic reasons for that: problems inherent in corruption activities themselves; gaps in our understanding of political dimensions of the issue, including difficulties of collective action and trust; and the fact that corruption can occur in contrasting forms, reflecting different combinations of causes, across diverse societies.

Deeply rooted, yet often elusive

One inherent difficulty in checking corruption is that, as we have seen, there is no consensus as to what the term means. It is used so indiscriminately in politics that it is easily dismissed as a big word for "people and policies I don't like." Not surprisingly, therefore, people disagree about what "better government" would mean in practice and how we might put it in place.

Other issues have to do with power and political economy. Reformers often confront powerful, wealthy interests all too willing and able to defend their advantages. At the highest levels modern corruption increasingly respects no international boundaries, feeds upon new technologies, and evolves far more rapidly than can our efforts to contain it. Similarly, there is a pervasive imbalance of incentives. Corruption generally benefits the "haves" and their clients at the expense of the have-nots, offering gains that are tangible, immediate, highly concentrated, and sometimes quite large. The harm, by contrast, is often widely shared, long-term, and/or intangible. Corruption hurts most people most of the time, but for any one citizen on any one day there may seem little point in fighting it – particularly where doing so can be dangerous. As we saw in the "Arab Spring" uprisings of 2011, and as we will discuss in later chapters, when the issue *does* become compelling in such risky settings, it is often part of a sweeping range of accumulated grievances, and may be touched off by symbolic events.

At times corrupt benefits trickle downward to some of the population. The cost of those crumbs from the high table usually outweighs their value, particularly over time, as they are often distributed in order to control rather than to help. It is hardly surprising that people in need will accept them, but they help corrupt leaders buy support, compromise or misuse the courts and law enforcement, and divide the