Corruption, Contention, and Reform

Michael Johnston argues that corruption will persist, and even be the rule rather than the exception, until those with a stake in ending it can act in ways that cannot be ignored. This is the key principle of "deep democratization," enabling citizens to defend their interests by political means. The author analyzes four syndromes of corruption in light of this principle: Official Moguls in Egypt and Tunisia; Oligarchs and Clans in the Philippines; Elite Cartels in Argentina; and Influence Markets in France, Australia, and the USA. Johnston argues that different kinds of corruption require distinctive responses, each bearing specific risks. Focusing on recent events, including the global economic crisis and the Arab Spring, he shows that we can assess vulnerabilities to corruption and the effects of reforms, and use this information to identify new practices. His book offers a fundamental reappraisal of ways to check abuses of wealth and power.

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The Power of Deep Democratization

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For Betsy,
and for our family,
past, present, and future

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Preface

Today a child will not be vaccinated against contagious diseases. A family will not have clean water. A young university graduate will not be given a fair shot at a job for which she is well trained. A small business owner will pay inspectors to avoid large fines for health and safety violations that do not exist, while a nightclub owner across the street pays other inspectors to ignore the fact that fire exits are blocked. A journalist with solid evidence about problems in regional government will wonder why his editor shows no interest in publishing the story. A local investor with a plan for improving a poor neighborhood will be denied essential licenses and permits – again. A young opposition leader will search for support against long-time incumbents who have campaign budgets several times as large as his. A researcher whose university laboratory is funded by a large corporation will publish findings friendly to that company's interests. A banker with a track record of making bad loans will be thinking about ways of spending a large bonus. A general from a developing country will close the deal on the purchase of a townhouse in the 16th *arrondissement* of Paris – using funds intended to support vaccinations for small children.

These scenarios and many more like them will play out in societies around the world, rich and poor, democratic and authoritarian. More often than in years past they may eventually make headlines, and draw the attention of citizens, journalists, organizations, and officials determined to reduce abuses of wealth and power. In time a few of the perpetrators and beneficiaries of such schemes might even go to jail. Yet the overall pattern of benefits for the "haves" at the expense of the have-nots is unlikely to change. Corruption is far from the only cause of that pattern; perfectly honest and transparent government might become a global reality tomorrow, and yet the next day, or next year, would not necessarily be very different. Indeed, some of the events above do not clearly fit most people's conceptions of corruption,

although I will try to make a case in chapters to come that they have key elements in common.

Doing research on corruption is a humbling process in at least two ways. One has to do with the sheer tenacity of the problem, and the speed at which it can spread and change forms. The other is that the more closely I look at the problem the more respect I have for those who are living with, and resisting, serious corruption in circumstances far more difficult and risky than anything I encounter in a small village in upstate New York. I have had the privilege of working with many such people, and seeing a little of what they confront, in Thailand, the Philippines, Colombia, Ghana, and many places in between. While our analytic schemes require the best theory and data we can assemble, corruption itself, and the challenge of reform, will always have a human face.

In the pages to come I am at times critical of the past generation's anti-corruption movement, but it is criticism from a friend. Anti-corruption efforts would not have gotten as far as they have were it not for the efforts of innumerable smart, hard-working, and courageous people. That they – we – are still searching for ways to control corruption in diverse societies does not mean the movement has failed: after all, a generation ago corruption was not even widely discussed, and certainly received little attention from any but a handful of researchers and institutions. Today's heightened awareness, in itself, is a major accomplishment. But after such an eventful generation it may be time to take a step back, look again at the bigger picture, and think about reform in new ways.

This book builds upon my 2005 work *Syndromes of Corruption*, carrying forward its fourfold scheme of contrasting types of corruption problems. This time the issue is what they might tell us about reform – what to do, what not to do, and how we might judge whether we are having any effect. Two key arguments run through these pages: first, that lasting corruption control requires deep democratization – not building democracy in an electoral or constitutional sense, but rather enabling and encouraging citizens to check abuses of wealth and power through political advocacy of their own interests. That challenge will take on contrasting forms depending upon the syndrome of corruption that confronts us in a given time and place, and what may be a fine idea in Country A may be a very unwise measure in Country B. The second argument is that instead of building a grand public reform strategy and

then trying to rally citizen support for it, we should select (and at times defer) specific reforms depending upon which ones will best help citizens become effective advocates for their own interests and well-being. The reform scenarios that result are more indirect and gradual than many (including me) might wish. But they seem likely to be more sustainable than short-term anti-corruption projects implemented from above and, in many parts of the world, driven more by the interests of well-meaning donors than by those at the grassroots. They may also emulate the much longer historical experiences of many of today's apparently well-governed societies, many of which brought serious corruption under control in the course of contention over other issues. That does not mean those societies have solved the corruption problem; indeed, in Chapter 7 I will argue that corruption in – and emanating from – the world's market democracies may be among the most worrisome and elusive of all. It does, however, serve as a reminder of important issues of fairness and justice, which is why corruption is worth our attention in the first place.

Acknowledgments

My previous book brought me an impressive amount of useful feedback, both critical and positive. It also brought surprising and, again, humbling recognition: in 2009 *Syndromes of Corruption* received the Grawemeyer Award for Ideas Improving World Order, presented by the University of Louisville. That response to the previous book does not necessarily imply any sort of endorsement of this one, but the gratifying and, to me, amazing vote of confidence it conveyed did much to sustain my more recent work. I thank all who were associated with the Award, including first and foremost the Grawemeyer family, President James Ramsey and Allan Dittmer of the University administration, Professor Rodger Payne of the Louisville Political Science Department, Arlene Brannon, and Denise Fitzpatrick.

In March of 2010 I had the opportunity to spend a few weeks at the Quality of Government Institute at the University of Gothenburg, Sweden. In addition to a pleasant stay in a handsome old university city, that visit offered numerous chances to try out ideas with a large number of accomplished researchers who shared my interests but also possessed a range of experiences far greater than my own. Sincere thanks to Professor Bo Rothstein for that invitation, and for the hospitality and support so freely given by his colleagues and team.

Many others – and I sincerely hope I have remembered them all! – contributed to this project in various ways. Some crunched their way through draft chapters, others influenced the work through their own research and suggestions, and still others included me in various projects or gave essential advice on research that shaped these chapters. In many cases they did all of those things. For their good advice, and for their ability to withstand my academic prose, I thank Ronnie Amorado, Cleo Calimbahin, Jaime Faustino, Angela Garcia, Aranzazu Guillan Montero, Jerry Hyman, Jennifer Kartner, Lawrence Lessig, Luigi Manzetti, Illan Nam, Steven Rood, Bruce Rutherford, Frederic Schaffer, Viviana Stechina, Hana Takada, and Maryse Tremblay.

Participants in a long series of seminars for United States Government agencies, similar sessions at the World Bank, the Fulbright/Hubert H. Humphrey Fellows program at Syracuse University, and a seminar on Argentina at Georgetown University have helped improve these chapters in many ways. Roderick M. Hills, founder of the Hills Program on Governance, Center for Strategic and International Studies, in Washington, DC, provided support, encouragement, and access to a long list of knowledgeable people. Sahr J. Kpundeh and Steve Ndegwa have enabled me to participate in research projects, and hosted discussion sessions of our findings, at the World Bank. Janos Bertok and his colleagues at the Organization for Economic Cooperation and Development (OECD) in Paris were kind enough to invite me to spend a few weeks in residence working on ideas that figure heavily into Chapter 3 of this book. A portion of the research behind several chapters was funded by the United States Government; the findings reported here do not necessarily reflect its views or policies.

I am also indebted to many people at Cambridge University Press, including John Haslam, Carrie Parkinson, Fleur Jones, Christina Sarigiannidou, and Sarah Turner, for their help and unfailingly good advice, and to two anonymous reviewers for their useful criticisms and suggestions.

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To all, and to those who, today and every day, give the challenge of reform its compelling human dimensions, huge thanks.