

Rousseau, Richard

**Article**

## Political corruption in contemporary democracies: Newness, scale and varieties

IBSU Scientific Journal (IBSUSJ)

**Provided in Cooperation with:**

International Black Sea University, Tbilisi

Suggested Citation: Rousseau, Richard (2008) : Political corruption in contemporary democracies: Newness, scale and varieties, IBSU Scientific Journal (IBSUSJ), ISSN 1512-3731, Vol. 2, Iss. 1, pp. 80-98

This Version is available at:

<http://hdl.handle.net/10419/54627>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

---

---

## Political Corruption in Contemporary Democracies: Newness, Scale and Varieties

Richard ROUSSEAU

**Abstract:** *A rise in corruption and in the exposure of corruption in recent decades is observable in contemporary democracies, especially on the European continent. Anti-corruption campaigns on the part of magistrates and others have increased in the past two decades, and as a consequence revelations about corruption have become more widespread. This has not just been at national level, but at the supranational and international levels, e.g. the EU. This article exposes this phenomenon in democratic countries and examines the possible remedies and solution adapted to highly develop societies.*

**Keywords:** developed countries; democracy, corruption, solutions

One cannot easily study a phenomenon, which, by its nature, is clandestine. One is therefore dependent upon assessing the newness, scale and varieties of corruption either from different case studies or from perceptions.

Most studies on corruption suggest that political corruption in contemporary democracies has increased in the past two decades to the point that one can speak of it as a new issue. Many of the world experts on corruption are explicit on this point. The 1990s were marked by the exposure of a considerable number of high-profile corrupt practices in Italy, Germany, Britain, Belgium, France, Spain and Greece. In Central and Eastern Europe (CEE), despite the unreliability of official statistics and media reports, the sheer number of cases and convictions suggest that corruption has increased (Thompson, 2000; Levi, Michael, and David Nelkin, 1996). The EU saw the resignation of the entire Commission after allegations of corruption leveled at particular commissioners, and there has been a big rise in international corruption. Some European authors on corruption are more cautions. They argue that it is impossible to tell whether or not there has been a rise in corruption in their countries, or

---

Richard ROUSSEAU is an assistant professor and director of the Masters Program in International Relations of the Department of Political Science at Kazakhstan Institute of Management, Economics & Strategic Research, Kazakhstan

whether one is talking about a rise in anti-corruption activities, media interest and exposure, with a concomitant decline in levels of public trust (Ireland, the Netherlands, Japan, Sweden, US, Portugal) (Sampford, 2006; Jamieson, 1996). Nevertheless, in this paper I argue that, as an issue, political corruption in contemporary democracies has become much more prominent in the past two decades. In the second part, we look at remedies and solutions that are available to decision-makers.

## **Scale**

If political corruption is a relatively new issue, establishing the exact scale of the phenomenon is much more complex, especially comparatively. The comparative scale of corruption produced by Transparency International's Index, for example, can be relied on for consistency only with considerable difficulty (Transparency International reports, 2001, 2002, 2003, 2004, 2005, 2006). In addition to the factor already mentioned, perceptions may be influenced by scandals generated by the exposure of corruption – but the degree of scandals is determined by various factors, including expectations amongst the national public. There is also problem of the impact of the level at which corruption occurs on the overall perceived scale of corruption. Put bluntly, the bigger the names exposed the more likely it is that the perceived scale of corruption in the country will be higher (Germany, where there is little routine sub-national corruption but big names at the top have been exposed, might be cited as an example here) (Sampford, 2006: 57). What is clear about the scale of corruption is that it can, on the one hand, become all encompassing, stretching from the periphery to the centre and involving a large number of politicians, bureaucrats, entrepreneurs and others. In other words, it becomes pervasive at both the lower and higher levels (Italy, CEE). On the other hand, it might involve politicians mainly at the highest level (Germany, Japan) or mainly at the lower levels. The latter is most likely to be the case where one party has been dominant for long periods of time (US, Sweden, Portugal).

## **Varieties**

The types of political corruption are rich and diverse (Rose-Ackerman, 1999: 32; Bac, 1998). The main varieties concern corruption arising from:

-- The power of politicians to take decisions concerning the allocation of public money or to take other commercially charged decisions (a tendency reinforced where the decision-making criteria are

insufficiently explicit). Such corruption may arise where politicians have a role in making decisions with a direct impact on certain business or other interests (Ireland, Japan, US, Sweden, Portugal, Greece). Otherwise, it may take place through the use of kickbacks and other illegal devices for the award of public contracts, the proceeds of which can be channeled into party coffers or individuals' pockets (Italy, Ireland, Germany, Japan, Belgium) (Della Porta and Alberto, 1999);

-- The exercise of discretion by civil servants over commercial decisions, especially in a context of lax systems of accountability and ambiguous policy objectives (Ireland, Greece);

-- The violation of party finance laws, by undisclosed and therefore illegal donations, usually to influence policies. Beneficiaries can be individuals, parties and election campaigns (Italy, Germany, Japan, Britain, Belgium, France, US, Portugal, CEE, Spain, Greece);

-- The power to supply public services, permits and resources (Italy, Greece);

-- The power of public officials to investigate private conduct and impose penalties (e.g. tax inspectors in Italy and Greece; the police in Britain);

-- The power of elected representatives to influence legislation in favor of selected groups or individuals in return for financial or other gain (Italy, Ireland, Japan, Britain, US, CEE) (Johnson, Roberta Anne, 2004: 123-132);

-- The power to bestow patronage or honors and to determine the post-retirement employment of public officials (Japan, Britain);

-- The power to influence the allocation of EU grants, structural funds and subsidies (Italy, Portugal, Greece);

-- The implementation of customs and immigration controls at national borders (CEE, Greece).

### **Causes of Corruption**

The cases of corruption are multifarious and it is, of course, important to distinguish between factors that facilitate the growth of corruption (that is historical, structural and cultural factors) from those that are more direct causes. The development of corruption is dependent not just on the presence of certain structural/historical variables but also on the

number and nature of opportunities and the risk and consequences of detection. However, some factors fall into both categories.

### **Political Culture**

The development of corrupt practices is more likely where cultural attitudes are not strongly supportive of a country's democratic institutions (Italy, Belgium, Portugal, Greece) or democracy more generally. In the German case, for example, it is argued that the public does not value democracy for its own sake because it did not acquire democracy by itself. The latter point is especially pertinent in countries with an authoritarian or dictatorial historical legacy, and of note is that in CEE those countries which are considered to be the most corrupt are those which are currently least democratic in their institutional arrangements (Husted, 1999; Johnston, Michael, 2005; Kidd, and Frank-Jürgen, 2003).

Corrupt practices are also more likely to develop where societal culture is particularistic, where the prevailing view is that law and its enforcement is ultimately negotiable, and where 'pork barrel' politics is common (Italy, Ireland, Japan, Belgium, Portugal, Spain, Greece, US). In these countries there may be insufficient public pressures on politicians to act responsibly.

Yet, even in countries which do not belong in this category, attitudes to culture is (that is, the norms and values of politicians and civil servants) becoming an issue (Britain, the Netherlands, Germany). In some countries cultural attitudes toward the moral probity of public servants may give rise to complacency and the assumption that such officials can be trusted (Britain), or else to the view that corrupt practices can be justified if they help to oil the cogs of an inefficient state machine (France) (Husted, 1999).

In addition, a society characterized by the presence of patron-client relationships and where personal connections are important can facilitate the development of corrupt exchanges (Italy, Ireland, Japan, Belgium, France, Portugal, Greece, Spain). Strong traditions of freemasonry and secrecy (Italy, Portugal), the presence of organized crime (Italy, Ireland, Japan), and countries where there is an absence of clear criteria or transparency relating to public appointments (Portugal, Spain) are often symptomatic of the presence of clientelistic practices (Kurer Oskar, 1993).

### **Political Structures and Institutions**

The political factors outlined above are more likely to have an impact in the context of highly centralized political system, a long-standing

power elite (see below), and in countries where the state has been insufficiently modernized (Italy, Ireland, Japan, Belgium, France, Portugal, Greece) (Heidenheimer and Michael, 2001: 159-172).

Where there is strong executive authority and elite inter-penetration with the presence of loyal inner circles, advisers and cabinet (sometimes reinforced by transfers of civil servants to political posts and the private sector), cohesion can be fostered, with a tendency toward protection from outside scrutiny and bureaucratic checks (France, Belgium, Italy, Ireland, Japan, Britain, Portugal). A wide dispersal of power, however, is not necessarily an answer to these problems. Federalism in the US, for example, 'multiplies the point of access and influence and thus disperses opportunities for corruption' (Williams, 1981). In Spain too, the decentralization of power that accompanied economic structural changes (in the relationship between the public and private sectors) multiplied decision-making centers and thus opportunities for corrupt practices.

The political cultural factors outlined above will also have a greater impact depending on the effectiveness of mechanisms of prevention and exposure. One should note in particular the difficulties in exercising, and therefore the declining efficacy of, the scrutiny role performed by legislatures (Italy, Ireland, Britain) (Stapenhurst and Sahr, 1999: 86). Prevention and exposure may relate to the judiciary's effectiveness, its activism (which may be shaped by how far culture and society tolerate it) and its degree of politicization or autonomy (which has an impact on its investigative capacities) (Italy, Belgium, France, Portugal, Spain). They may also relate to the protection of whistleblowers (for which few countries have provision). Finally, prevention and detection may relate to the role played by less formal institutions such as the media and the degree to which media personnel engage in investigative journalism and exposure (Belgium and France are good examples of countries with traditionally weak media). Since the exposure of Watergate the US has been held up as an example of an idealistic and crusading media, but, as Williams (Williams, 1981: 72) points out, serious investigative journalism is very costly. He also It is noteworthy that the most interesting recent development is the growth of unofficial Internet sites dedicated to corruption exposure. Moreover, despite the prominence of corruption scandals in recent years, it has in the past often been difficult to generate a focus on public concern and give corruption prominence.

Nevertheless, in general, the attitudes of the media have certainly changed: there is no longer the respect of those in authority, and the media

tend to be more aggressive, inquisitive and willing to scrutinize and expose corrupt practices even in countries (Portugal, France) where previously this hardly existed.

### **Party System, Party Government, Political Parties and Politicians**

Where the party system facilitates the domination in government of a single party or parties (e.g. Italy, Japan), it can provide a fertile bed for corruption because there would appear to be a correlation between corruption and longevity in power. Party dominance also has a bearing on the role of political parties in relation to the state and civil society (Naresh, 2006; Adediji, 1991; Amundsen, 1999). The penetration of a clientelistic mode of managing power can reduce drastically the societal and bureaucratic protections and controls against the growth of corruption (Italy, Japan, Belgium). These countries are more extreme example, but it is important to note that the decline of traditional bureaucratic controls and supervision was, from the 1980s onwards, a generalized phenomenon that accompanied the shift toward private-sector techniques of management or, to use fashionable expressions, privatization or 'neoliberalism' (Britain) (Mills, 1987).

Irrespective of the more indirect facilitators of corruption, it is political parties' need for funding in order to be electorally successful that constitutes one of the main direct causes of corruption. In situations where the cost of successful election campaigns has risen, where funding (and notably state funding) is inadequate, and where party finance laws are insufficiently robust, parties and politicians will be susceptible to entering into corrupt exchanges (Italy, Ireland, Japan, Belgium, France, Portugal, Spain, and even Germany where parties, compared with elsewhere, are generously funded by the state). This tendency has arguably been reinforced by the decline in the intensity of ideological conflict that occurred in the 1990s. This, by narrowing the political spectrum, makes it more difficult for politicians to rely on ideological differences to mobilize the electorate (Shah, 2004).

This tendency is reinforced at the level of the single politician where the system of election may encourage individual campaigns and dependence on individually built-up resources (notably but not only in PR systems with preference votes). The role of politicians, moreover, is significant, because where, at the highest level, they fail to provide visible ethical leadership; this can have a filter down effect on the population leading to a fall over

time in ethical standards (Italy, Ireland, Japan, Britain, the Netherlands, Belgium, France, Portugal). The rising levels of corruption in Italy, for example, can be partly explained by the gradual replacement (in the context of continuity of a political class) of existing politicians and administrators by people with lower moral caliber.

### **Political Economy: The Public and Private Sectors**

From a political economy perspective, the direct cause of corruption lies in the relationship established between entrepreneurs on the one hand, and politicians and bureaucrats on the other. It should be noted, however, that it is difficult to establish with any certainty the likely impact of the state of the economy. On the one hand, a long period of economic growth can provide opportunities for quick enrichment which are less than legal. On the other hand, a decline in economic growth can result in rising demands on the state to take corrective measures, and this can provide fresh opportunities for politicians and state officials to indulge in corrupt practices (Hancock, 1989; Hines, 1995; Jacoby and Eells, 1977)

Nevertheless, the willingness of entrepreneurs, politicians and bureaucrats to enter into such relationships will depend, most obviously, on the ethical climate on the country in question. But more profoundly, it will depend on the degree of legislative certainty, and on the degree to which public action is efficient and impartial – qualities that entrepreneurs need in order to compete and thrive. Where these conditions are not present, or where they are in decline, or where there is simply disorganization and mismanagement, a system of corrupt exchanges offers entrepreneurs the possibility of re-establishing those conditions that are critical to rational business decision-making (OECD, 1996; Rose-Ackerman and Stone, 1996). Where business and commercial sectors are highly or over-regulated, they are prone to corruption because companies seek political allies to help them circumvent regulations or win public contracts (e.g. Germany). This is not to suggest that public regulation is always and everywhere associated with corruption. Indeed, a growth in corruption can also be identified where there has been privatization and a drive toward deregulation of commercial activity. There is, of course, an international dimension here. International liberalization and the increasing openness of economies (resulting in greater import and export flows) have increased the propensities toward international corruption, although, as Andvig suggests, greater openness may, in the long-term, result in a reduction (Andvig and Kalle, 1990; Andvig, 1991).



This broader context has, at the same time, reinforced national trends and the magnitude of problems deriving from these trends. As mentioned above, since the 1980s private-sector management techniques increasingly prevail in the public sector. This has caused turbulence in the existing ethical environment and confusion amongst public servants about the standards of conduct to which they should be adhering. This applies not only to advanced democracies (e.g. Britain, France), and countries which have undergone 'democratization' in the recent past (Spain, Greece), but also those countries undergoing 'democratization' (or 'democratic consolidation') and 'transition.' In CEE, the transformation is comprehensive and radical, the degree of confusion considerable, and the opportunities for corruption high (Karlins, 2005; Charlick, 1993; Damary, 2000; Kaufman and Kaliberda, 1996; Rose-Ackerman, 1995).

The factors outlined above summarize the indirect and more direct causes of corruption in contemporary politics. Their significance and impact will, of course, vary from one country to another and I would also emphasize that as long as it lies undetected, corruption is bound to increase simply because once the phenomenon is established it becomes self-generating. This throws a spotlight on the dynamics of corruption.

### **Dynamics of Corruption**

The reason why corruption, once established, becomes self-generating, is because of the inverse relationship between the amount of corruption that exists and the risk of indulging in it oneself. When corruption is a marginal phenomenon, there are few reliable partners, the risk of being caught is therefore higher, it is less easily defended or justified and the likelihood of severe admonishment or punishment greater. However, once corruption begins to spread, the potential partners are manifold, the risk of being caught diminished, the likelihood of being able to defend one's actions and escape conviction is greater, as a decline in ethical standards sets in across society and the political system. As it was often observed in Italy, as entrepreneurs and politicians became socialized in the practices of corruption, the networks grew and gained in solidity. Corruption feeds on itself and can be defended on the grounds that 'everybody does it' (Italy, Ireland, Japan, Britain). In this way, corruption can become systemic, or a culture of corruption ingrained (Japan, Italy, CEE) because it is not rational for an individual (especially an entrepreneur) to stay outside of the 'circle of corruption' (Andreski, 1978; Jagannathan, 1986). At the heart of the process is the so-called 'business

politician.' This is someone who tends to view public resources as personal property; who therefore distributes rewards on the basis of loyalty; who develops electoral and party followings often using corrupt methods; and who may also use corrupt methods to ensure that the corrupted partner respects the exchange and does not squeal. Here the role of organized crime (and thus, if nothing else, the threat of violence) is sometimes important to ensuring that officials act corruptly and that the corruption process runs smoothly, as shown in Nelken's (Nelken, 1997) account of the misuse of EU structural funds. In general, the idea is to create an image of being 'powerful' (Italy).

A key aspect of the dynamic of corruption, then, is not just the corrupt exchange itself but the development by the participants (and notably politicians) of various protection mechanisms which can prevent discovery or hinder or sabotage investigations (Italy, Japan, Belgium, EU). These may include efforts to exploit inadequate legislation based on trust, or the insistence that any revelations are isolated examples and that core moral values remain intact (Britain before the 1980s and 1990s). Using whatever method, however, the general objective is the same: to attempt to divert responsibility to avoid prosecution. For example, in France, in Evans' words (Evans, 1996), 'the salient feature is a continuous passing of the buck, a refusal by the notables, whether national or local, to accept responsibility.'

### **Anti-Corruption Laws and Campaign, Remedies and Solutions**

Anti-corruption campaigns on the part of magistrates and others have increased in the past two decades, and as a consequence revelations about corruption have become more widespread. This has not just been at national level (e.g. Italy, Ireland, Japan, CEE, Spain), but at the supranational and international levels (e.g. the EU's launch of explicit anti-corruption strategies in post-communist countries). In the US it happened somewhat earlier, triggered by Watergate, something which marked the beginning of an explicit FBI strategy to uncover corruption of politicians at both the federal and state levels, and legislative attempts to prevent and control corruption (Langan and Cooksey, 1995).

The reasons for this increase in activity are not easy to identify. Part of the explanation, of course, is that there has been an increase in corruption and varieties of corruption, as I argue in this paper. There has also been a degree of international diffusion, with institutional and political learning by some countries as a result of intense media coverage of corruption in those

countries where its exposure has had a dramatic impact on the political class. The exposure of corruption in Italy has had a noticeable effect, especially in northern Europe, because it was first uncovered in the 'moral capital,' Milan, which had always had the image of being a "northern European city" in contrast with Rome. This rang alarms bells in other European cities. However, it is also true that the rapid spread of corruption and organized crime in the newly 'democratizing' countries of CEE has also generated considerable concern.

Other factors causing the increase in anti-corruption activity relate to the increase in the autonomy, capacity and willingness of magistrates to investigate corruption (e.g. Italy and France). This is not to suggest that prior to the recent period there was no judicial anti-corruption activity. However, it would appear that in many countries this activity has been more successful than in the past in exposing corruption and that the explanation for this, in turn, lies in the reduce ability of the corrupt (politicians and others) to withstand or undermine judicial investigations (e.g. Italy and France) (Pope, 1995).

It is undoubtedly because of this that in a number of countries politicians have launched, against the judicial branch, accusations of a witch-hunt, while trying to save themselves through general amnesties and other abuses of power. The case of Silvio Berlusconi, with a number of charges (including corruption and illegal financing of political parties) outstanding against him, is exemplary of this. Having been elected Prime Minister in the 2001 elections, he then managed to use his position to secure legislation considerably tightening the conditions under which certain kinds of evidence are admissible in court. The expected result of this was that the increased amount of time that the cases against him and his associates required was such that the charges were in the end dropped under the statute of limitations (Krastev, 2004; Shah, 2004).

Meanwhile, anti-corruption efforts can be undermined because of a lack of conviction behind clean-up campaigns, and their consequent failure to make an impact. In Britain, for example, complacency led to the view that the scale of the problem had been exaggerated by public perception. The focus, therefore, was on improving standards of behavior rather than on tighter regulation, and this was accompanied by poor investigation of alleged cases of corruption and a constant failure to implement anti-corruption recommendations or to monitor the implementation of certain measures once approved (Naresh, 2006: 840). In several countries there have been many acquittals and the survival or return of some of the old

elites, suggesting that old practices may be continuing (e.g. France, Italy).

Anti-corruption efforts need not necessarily take the form of a campaign by magistrates and others to eliminate existing corruption. They can also take the form of measures aimed at preventing its appearance in the future. The most important examples include:

- Legislation (or codes of conduct) on ethics in public office and incompatibility of office (Ireland, Britain, the Netherlands, Belgium, France, Sweden, US, Portugal, CEE, Spain, Greece);
- ‘vulnerability’ investigations (Netherlands);
- Amendment of laws providing immunity from investigation by magistrates for members of parliament (Italy, Belgium);
- Amendment of laws of party financing, contributions to parties, campaign funding (Italy, Japan, Germany, Britain, the Netherlands, Belgium, France, US, Sweden, Greece);
- Electoral reform (Italy, Japan);
- Privatization of enterprises, deregulation, amendment of laws on public procurement (Italy, Japan, Greece);
- Depoliticization of the civil service and public enterprises (Belgium);
- Depoliticization of the judiciary and an increase in judicial independence (Belgium, Portugal);
- Establishment of local chapters of TI in order to devise anti-corruption strategies (CEE);

Tighter regulation of firms in their business dealings with foreign companies and states (US) (Huther and Shah, 1998; Keefer and Knack, 1996).

## **Impact of Corruption and Exposure of Corruption**

The impact of corruption, and the impact of the exposure of specific instances of corruption, may, or may not, coincide. Therefore, if only from an analytical perspective, it is useful to separate the two sets of impact.

### **Impact of Corruption**

There are several effects deriving from the presence of corruption in a country's political system (Klitgaard, 1988):

- A financial drain on the state, contributing in some countries to a rise in public debt (Italy, Belgium) and/or a growth tax burden (Italy, Ireland) (Bayley, 1966);
- Capital flight and lower levels of domestic and foreign investment,

a direct potential consequence of the presence of tax evasion schemes (Ireland, CEE). In the countries of CEE a decline in foreign investment can make it more difficult to carry through social and economic reform, thus creating a vicious circle (Mauro, 1997, 1998);

- An undermining of the safeguard of collective responsibility, a consequence of the failure of cabinet members to act over doubts about the probity of senior colleagues (Italy, Ireland) (Gould and Amaro, 1983);

- A decline in trust, either in the political system as a whole, or in specific institutions, and notably parties and parliament (and, of course, the politicians staffing them). This can lead to growing voter apathy (registered in higher abstention rates) (Italy, Ireland, Japan, Belgium, Germany, France, US, Sweden, CEE). It can also produce support for parties of the extreme right (Italy, Belgium, France), even if these parties are not necessarily free from corrupt practices themselves once in office (France) (Kang, 2002; Mungiu-Pippidi, 2006)

### **Impact of Exposure to Corruption**

The impact of exposure of corruption will depend on a series of factors that emanate from the particular country's mores and traditions as well as the prominence of other important issues at the time. The seriousness of the offence will be only one of these factors and not necessarily the main determinant. The impact can be registered at different levels of society and the system:

Political parties. First, there can be a financial impact, if the parties have become increasingly dependent upon corruption as a source of funds (Italy, Germany – where the parties were ordered to repay corrupt receipts). Second, there can be an organizational impact, where exposure can undermine the membership base and leave parties close to collapse, especially where they have increasingly attracted members for instrumental reasons (or illicit gains) rather than because of ideological or policy commitment (Italy) (Bac, 1996).

Party system. Where the effects on individual political parties are cumulative, widespread and involve the principal parties in the party system, this can cause changes in the nature of competition between parties (Italy, Germany) and even a transformation of the party system (Italy) (Brooks, 1978).

Electorate. At one extreme, the exposure of corruption can cause outrage amongst the electorate, voting those politicians and parties responsible out of office in a form of popular revolt against the

establishment (Italy). At the other extreme, the impact can be relatively insignificant with little effect on voting behavior. In between the extremes, corruption can be an issue in elections (e.g. Belgium, Spain) whose overall impact, however, is difficult to evaluate (World Bank, 1997; Tanzi, 1998; Schaffer, 1986).

**Political system.** Exposure of corruption can lead to high levels of political instability as prime ministers, governments and personnel are brought down (Italy, Japan) (Rose-Ackerman, 1999).

**Nation-state.** The exposure of corruption can increase existing territorial divisions. For example, in Italy it increased the hostility of the north of the country toward the south by helping to fuel support for an autonomist Northern League that saw in Tangentopoli further evidence of the way in which northern prosperity was being undermined by a Rome-based 'partitocracy'. In Germany, it caused disillusionment of the east towards western Germany, since corruption was uncovered almost entirely in the west (Doig and McIvor, 2003).

**Political culture.** The impact in terms of declining levels of public trust, disaffection with politics and voter apathy has been noted in the section on the impact of corruption. What is more questionable is the extent to which the exposure of corruption has caused a genuine debate on the cultural roots which facilitate the emergence of corruption (examples of this absence are Italy and Ireland) (Heidenheimer and Johnston, 2001).

## **Conclusion**

There seems to be little doubt that there has been a rise in corruption in recent decades and, in the late 1990s and the beginning of the 21st century, a rise in the exposure of corruption. There have been an increasing number of anti-corruption actions and measures, and in some countries (e.g. Italy, Japan, Belgium) this has led to a number of high profile arrests and convictions.

Yet, the extent to which this anti-corruption drive has been successful remains very much an open question. Italy, for example, witnessed the removal of a large part of the political class, yet many elites have survived or returned and many of the problems that bedeviled the political system remain. In France, there is little visible impact at the elite level of the corruption scandals of the 1980s and 1990s, beyond failed prosecutions, amnesties and political comebacks. In Portugal, the special anti-corruption agency established as early as 1979 was wound up in 1992

despite (or rather because of) having a large amount of evidence of corruption which included links to politicians, and there is a continuing impression amongst the population that both politicians and magistrates are corrupt. In Greece only a very small number of those who have been taken to court have ended up being punished.

This is not to suggest that anti-corruption campaigns are completely ineffective. They can serve an important purpose in raising public awareness and creating a climate in which anti-corruption laws and solutions can be carried through. However, it is also evident that there are limits to the long-term impact of exposure of corruption, after which populations can become cynical, and support for these campaigns and solutions can wane (Italy, Japan, CEE). Although corruption may be considered serious, other (socio-economic) objectives may be more important to publics than governments fighting corruption, and the danger is that with the loss of salience of the issue it results in a downgrading of the fight against it. Evidently, one can dwell on the ineffectiveness of some anti-corruption measures and the need for stronger laws to make it easier to prosecute corrupt politicians and officials. Nevertheless, because corruption is so difficult to detect (due to its clandestine nature) and then to prove, legal sanctions are unlikely ever to be a significant deterrent. For that reason, in the late 1980s the US Senate Ethics Committee argued that what was important was the appearance of impropriety and that the benchmark was less what was legally possible than what a reasonable, non-partisan, fully-informed person would do. This suggests a possible response to the fundamental dilemma pointed out by Britain's National Institute of Law Enforcement and Criminal Justice (referred to by Doig, 2003): that while there are three controllable elements to corruption (opportunity, incentive and risk), there always remains one uncontrollable element, namely, personal honesty.

This is not to suggest that there is no room for legislative improvement. In the Netherlands, for example, the phrasing of anti-corruption articles in the penal code has been tightened by moving away from a dogmatic requirement to prove that a public official knew that a gift received was a relation to a favor bestowed. To secure a conviction now it is sufficient to show that the civil servant should have known this. In Belgium too (where the penal code makes a distinction between passive and active corruption, and where it is difficult to prove that corruption actually occurred) revision of the code has made corruption allegations easier to prove.

This, however, points to a deeper problem. That is, it is not just a matter of honesty and what a 'reasonable' person would be expected to do, but of culture, because some societies may have distinctive cultural traits that make certain practices more acceptable than they would be in other societies. In Japan, for example, many voters (especially conservative voters in rural and small-town areas) expect the delivery of gifts from their elected members. Meanwhile, local politicians or power brokers expect even larger gifts from those above for delivering their own support, something that shows how popular and elite attitudes can reinforce each other. In Portugal, former ministers accused of corruption reacted indignantly to the charges, seemingly unaware that what they had done was wrong because of their immersion in a patrimonial culture of *amiguismo*. This issue may be even more problematic in relation to the EU because, as Nelken notes (Nelken, 1997), the tendency towards corrupt practices is influenced by the lack of real association or belief in a supranational state: the extortion, therefore, is from something which the perpetrators do not see as their own. What is noticeable is that, despite the spread of corruption and its exposure, there has been an absence of any serious reflection or debate in the various countries on the cultural traits that facilitate the emergence of corruption and how they might be tackled.

There would appear to be two interrelated levels that need to be tackled: the individual and the system (or broader society). It is possible to portray ideas for both these levels. With respect to the individual, for example, the Nolan Committee in Britain called for the respect of seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. These principles should, the committee argued, be underpinned by codes of conduct, internal systems and guidance and education in specific areas. With respect to the system, Transparency International has defined the fundamental parts of a 'National Integrity System' (as outlined in Transparency International reports, 1998, 1999, 2000, 2001). These include: political democracy; partnership between government and organizations; modern administration with a tradition of reform; administrative law aimed at the probity and accountability of decision-makers; channels for reporting corruption, and monitoring procedures; an independent judiciary; an open, competitive and transparent system of public procurement; private sector self-regulation with rules and legal deterrence against corruption; an alert and free media; independent anti-corruption agencies, and cooperation with other countries to combat international corruption.



These are obvious ideals. While they provide countries with a benchmark by which to evaluate their current situation relative to the state of other nations, they provide only general guidelines as to how a state can regulate institutions, personnel and activities in such a way as to minimize corruption. Yet, they do underline certain important points.

First, addressing individual behavior and responsibility is paramount, difficult as this may be. Second, laws and regulations should not be merely restrictive, but should attempt to reinforce the importance of moral and ethical behavior. Doig, using the research of authors such as Anechiarico and Jacobs (Anechiarico and James, 1996), emphasizes the limitations of an exclusive reliance on anti-corruption laws and regulations, in view of the assumption on which they are formulated – that public officials are not to be trusted – and the effect this is likely to have on the behavior of politicians and the attitudes of the public. Third, the broader emphasis of any anti-corruption campaign should be on trying to promote and improve a common ethical culture, something that requires education and cultural change.

This does not mean hoping to return to a golden age when corruption did not exist. Proceeding on that false assumption (as has happened in the British case) makes achievement of the objective more difficult, for if corruption can be considered a profession, then it probably has greater claim than does spying to be the second oldest. In that case, the task of overcoming it is a long-term one based on education, integrity policies and cultural change, and thus far this approach is most noticeable in countries with good corruption records, such as Sweden and the Netherlands. This suggests that processes such as European integration have an important role to play in gradually modernizing some states and cultures and undermining their patrimonial and clientistic practices, this, however, will require the institutions of the EU themselves to develop a better image in relation to corruption.

## References

1. Adediji O. (1991), "Role of Government in Bureaucratic Corruption: The Case of the Politicization of the Civil Service," *Quarterly Journal of Administration*, 25 D (2): 208-219.
2. Amundsen Inge (1999), *Political Corruption: An Introduction to the Issues* Bergen, Chr. Michelsen Institute, Working Paper.
3. Andreski S. (1978), *Kleptocracy as a System of Government in Africa*, in Heidenheimer, Arnold J., Jophnson, Michael, and Le Vine, Victor (eds.), *Political Corruption: A Handbook*. New Brunswick NJ USA, Transaction Press.

4. Andvig Jens and Kalle Moene (1990), "How Corruption may Corrupt," *The Journal of Economic Behavior and Organization* (13): 63-76.
5. Andvig Jens C., (1991), "The Economics of Corruption: A Survey," 46(43) *Studi Economici*, 57-94.
6. Anechiarico, Frank and James B. Jacobs, (1996), *The Pursuit of Absolute Integrity: How Corruption Control Makes Government Ineffective*, Chicago: The University of Chicago Press.
7. Bac M., (1998), "Corruption, Supervision and the Structure of Hierarchies," *Journal of Law, Economics, and Organization* 12 (2), pp. 277-298.
8. Bac M., (1998), *The Scope, Timing, and Type of Corruption*, *International Review of Law and Economics*, vol. 18, Issue 1 (March): 101-120.
9. Bardhan Pranab, (1997), "Corruption and Development: A Review of Issues," *Journal of Economic Literature*, vol. 35, Issue 3, (September), pp. 1320-1346.
10. Bayley David, (1966), "The Effects of Corruption in a Developing Nation," *The Western Political Quarterly*, vol. 10 No. 4, pp. 719-32.
11. Brooks R. C., (1978), *The Nature of Political Corruption*. in Heidenheimer, Arnold J., Johnson, Michael, and Le Vine, Victor (eds.), *Political Corruption: A Handbook*, New Brunswick NJ, USA: Transaction Press.
12. Charlick Robert, (1993), *Corruption and Political Transition: A Governance Perspective*, *Corruption and Reform*, vol. 7, No. 3, pp. 177-187.
13. Damary R., (2000), *Russia: The Transition to a Market Economy and the Emergence of Russian Business Practice*, These.
14. Della Porta, Donatella, and Alberto Vannucci, (1999), *Corrupt Exchanges: Actors, Resources, and Mechanisms of Political Corruption*, New York, NY: Aldine de Gruyter.
15. Doig, A. and McIvor, S., (2003), "The National Integrity System: Assessing Corruption and Reform," *Public Administration and Development* 23: 317-332.
16. Evans P.B. and J.E. Rauch (1996), *Bureaucratic Structures and Economic Performance in Less Developed Countries*, Mimeograph, UC San Diego.
17. Gould, David J. and Amaro Reyes Jose A., (1983), *The Effects of Corruption on Administrative Performance*, World Bank Staff Working Paper, Washington, DC, The World Bank, No. 580.
18. Hancock Graham, (1989), *Lords of Poverty: The Power, Prestige, and Corruption of International Aid Business*, New York: The Atlantic Monthly Press.
19. Heidenheimer, Arnold J., and Michael Johnston, eds., (2001), *Political Corruption: Concepts & Contexts*, New Brunswick, NJ: Transaction Publishers.
20. Hines J.R., (1995), *Forbidden Payment: Foreign Bribery and American Business after 1977*, National Bureau of Economic Research Working Paper, No. 5266, Cambridge Ma, USA
21. Husted B., (1999), "Wealth, Culture, and Corruption," *Journal of International Business Studies*, XXX (2): 339-60.
22. Huther J. and Shah A., (1998), *A Simple Measure of Good Governance and its Application to the Debate on the Appropriate Level of Fiscal Decentralization*, World Bank Working Paper Series, No. 1894, Washington D.C.

23. Jacoby N., Nehemkis P. and Eells, R., (1977), *Bribery and Extortion in World Business*, New York, MacMillan.
24. Jagannathan N. Vijay, (1986), *Corruption, Delivery Systems, and Property Rights*, 14(1) *World Development*.
25. Johnson, Roberta Anne, (2004), *The Struggle against Corruption: A Comparative Study*, New York, NY: Palgrave Macmillan.
26. Johnston, Michael, (2005), *Syndromes of Corruption: Wealth, Power, and Democracy*, (Cambridge, UK; New York, NY: Cambridge University Press).
27. Kang, David C., (2002), *Crony Capitalism: Corruption and Development in South Korea and the Philippines*, Cambridge, UK; New York, NY: Cambridge University Press.
28. Karlins, Rasma, (2005), *The System Made Me Do It: Corruption in Post-Communist Societies*, Armonk, NY: M.E. Sharpe.
29. Kaufman D. and Kaliberda A., (1996), *Integrating the Unofficial Economy into the Dynamics of Post-Socialist Economies: A Framework of Analysis and Evidence*. In B. Kaminski (ed.), *Economic Transition in Russia and the New States of Eurasia*, Armonk, NY: M. E. Sharpe.
30. Keefer P. and Knack St.,(1996), "Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures," *Economics and Politics*, VII, (November): 207-227.
31. Kidd, John, and Frank-Jürgen Richter, eds., (2003), *Fighting Corruption in Asia: Causes, Effects, and Remedies*, River Edge, NJ: World Scientific.
32. Klitgaard, Robert E., (1988), *Controlling Corruption*, Berkeley, CA: University of California Press.
33. Krastev, Ivan, (2004), *Shifting Obsessions: Three Essays on the Politics of Anticorruption*, Budapest, Hungary: Central European University Press.
34. Kurer Oskar, (1993). "Clientelism, Corruption, and the Allocation of Resources." 77(2) *Public Choice*, 77(2): 259-273.
35. Langan Patricia, and Cooksey Brian, (1995), *The National Integrity System in Tanzania*, Washington, D.C., EDI-World Bank.
36. Langseth P. & Staphenurst R., (1997), *National Integrity System Country Studies*, Washington DC., World Bank Institute Working Paper
37. Levi, Michael, and David Nelkin, (1996), *The Corruption of Politics and the Politics of Corruption*, Oxford, UK; Cambridge, MA: Blackwell Publishers.
38. Mauro P., (1997), *The Effects of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis*, Corruption and the Global Economy, Washington D.C.: Institute for International Economics.
39. Mauro Paolo, (1998), *The Effects of Corruption on Growth, Investment, and Government Expenditure*, IMF Working Paper, Washington, IMF, No. 96/98.
40. Mungiu-Pippidi, Alina, (2006), "Corruption: Diagnosis and Treatment," *Journal of Democracy*, vol. 17, no. 3, July, pp. 86-100.
41. Mills Edwin S., (1987), "Bureaucratic Corruption as a Constraint on Voter Choice: Comments," 55 (12) *Public Choice*, pp. 161-162.
42. Nelken, David, (1997), "The globalization of crime and criminal justice:

prospects and problems,” in M. Freeman (ed.) *Law and Opinion at the end of the 20th Century* (Oxford UP), pp. 251-79

43. Naresh, Ragan, (2006), “Public Corruption,” *American Criminal Law Review*, vol. 43, no. 2, Spring, pp.825-868.

44. OECD, (1996), *Implementation of the Recommendation on Bribery in International Business Transactions*, Working Papers No. 34, vol. 4. Paris, OECD.

45. Pope Jeremy, (1995), *Elements of a Successful Anti-corruption Strategy*, Integrity Workshop, Mukono, Uganda, 27-28 November.

46. Rose-Ackerman S., (1995), *Second Generation Issues in Transition: Corruption*, in Bruno, Michael and Pleskovic, Boris (eds.), *Proceedings of The World Bank Annual Conference On Development Economics 1995*, Washington, pp. 373-380.

47. Rose-Ackerman S. and Stone A., (1996), *The Costs of Corruption for Private Business: Evidence from World Bank Surveys*, Washington, D.C, The World Bank.

48. Rose-Ackerman, Susan, (1999), *Corruption and Government: Causes, Consequences, and Reform*, New York, NY: Cambridge University Press.

49. Sampford, Charles, et.al., eds., (2006), *Measuring Corruption*, Aldershot, England; Burlington, VT: Ashgate.

50. Schaffer B., (1986), “Access: a Theory of Corruption and Bureaucracy,” *Public Administration and Development*, vol. 6, pp. 357-376.

51. Shah, Anwar, (2004), “Combating Corruption: Look Before You Leap,” *Finance and Development*, December, pp. 40-43.

52. Staphenurst, Rick, and Sahr John Kpundeh, eds., (1999), *Curbing Corruption: Toward a Model for Building National Integrity*, Washington, DC: World Bank.

53. Tanzi V., (1998), *Corruption around the world: Causes, Consequences, Scope and Cures*. *International Monetary Fund Staff Papers*, vol.45, no.4, (December).

54. Thompson, John B., (2000), *Political Scandal: Power and Visibility in the Media Age*, Malden, MA: Blackwell.

55. Transparency International, (2001, 2002, 2003, 2004, 2005, 2006), *A National Integrity Source Book*, Berlin, Transparency International.

56. Williams R. J., (1981), “Political Corruption in the United States,” *Political Studies*, Vol. 29, No. 1 (March), pp. 126-129.

57. World Bank., (1997), *The State in a Changing World: World Development Report*, Oxford: Oxford University Press.