



Catharina Groop

Accountability and Corruption

A Study into Political Institutions as Referees Between
Principals and Agents



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FOREWORD

“Surely it is an odd way to spend your life - sitting alone in a room with a pen in your hand, hour after hour, day after day, year after year, struggling to put words on pieces of paper in order to give birth to what does not exist, except in your head. Why on earth would anyone want to do such a thing?” These are the words of Paul Auster, renowned author of a number of novels, plays and collections of poems.

Why indeed does anyone choose to spend the greater part of their working day and year in such a way? Although not a renowned author, my own reasons for doing so have been quite straightforward. Throughout my studies and my working life I have taken an interest in issues related to development and why some countries achieve their development goals seemingly without an effort, whereas others struggle on. The relationship between corruption and development caught my interest while working in southern Africa, as did the question of how corruption could be counteracted. Against the above, I was thrilled to be given the opportunity to delve into these linkages academically, and also gladly set forth on this (more or less) lonely path.

Many people have provided support and guidance along the way. I would like to express my gratitude towards Professor Lauri Karvonen for believing in me at the onset, and for welcoming me back to Finland and Åbo Akademi University. I’m also very grateful towards my supervisor, Professor Carsten Anckar, for much valued advice during my doctoral studies and for being an approachable and supportive superior also in other respects. A sincere thank you goes out to my co-supervisor, Assistant Professor Staffan Andersson, for his support and invaluable advice, particularly concerning issues related to corruption. I am also indebted to Professor Emeritus Dag Anckar, who has provided precious feedback and advice at numerous occasions. Furthermore, I’m obliged to Professor Fernando Jiménez and Dr. Svante Ersson who, in the capacity of pre-examiners, have provided helpful advice and feedback. My colleagues and friends at the Department of Political Science have also supported me and brightened up my days. A sincere thank you goes out to each and every one!

My outermost gratitude is extended to all the individuals who so willingly have shared their expertise and answered my interview questions during my travels. Thank you for welcoming me into your countries and for setting aside the time to talk to me! These trips would not, of course, have been possible without proper funding, wherefore my gratitude also is extended to *Seniorernas Råd* (Åbo Akademi University), the Democracy: A Citizen Perspective project (Åbo Akademi University) and *Enheten för Forskning & Utbildning* (Åbo Akademi University) which have funded my trips to collect data. These same entities have also provided other financial support (in the form of scholarships and travel grants) to attend courses and conferences during the course of my doctoral studies.

Many people have made sure that my life over the past few years has included other things than books and an increasingly worn key-board. These include dear friends near and afar who have cheered me on and put a smile on my face. Among these, a special thank you goes to Yrsa Neuman and Signe-Anita Lindgrén. A heartfelt thank you also goes out to my family in Hangö for always being there for me and believing in me.

Last, but not least, I am immensely indebted to husband Kim and our children Julia and Simon, who have been my faithful supporters and my rock during this entire process.

Åbo, 30.3.2013

Catharina Groop

LIST OF ABBREVIATIONS

BAK	Austrian Federal Bureau of Anti-Corruption (<i>Bundesamt zur Korruptionsprävention und Korruptionsbekämpfung</i>)
BAM	Botswana Alliance Movement
BCP	Botswana Congress Party
BDP	Botswana Democratic Party
BEEPS	Business Environment and Enterprise Performance Survey
BMI-BIA	Federal Bureau of Internal Affairs (Austrian Federal Ministry of the Interior)
BNF	Botswana National Front
BPI	Bribe Payers' Index
BPP	Botswana People's Party
CC	Control of corruption (component of the Worldwide Governance Indicators)
CDSPI	Comparative Data Set of Political Institutions
CL	Civil Liberties
CPI	Corruption Perception Index
CPIA	Country Policy and Institutional Assessments
CVS	Crime Victimization Survey
DA	District administration (Botswana)
DC	District commissioner (Botswana)
DCEC	Directorate of Corruption and Economic Crime (Botswana)
DDC	District development committee (Botswana)
DPSM	Directorate of public service management (Botswana)
FH	Freedom House
FPÖ	Freedom Party of Austria (<i>Freiheitliche Partei Österreichs</i>)
FPTP	First-past-the-post (electoral system)
GCB	Global Corruption Barometer
GDP	Gross domestic product
GRECO	Group of States Against Corruption
ICAC	Independent Commission Against Corruption (Hong Kong)
ICRG	International Country Risk Guide
IEC	Independent Electoral Commission (Botswana)
MFDP	Ministry of Finance and Development Planning (Botswana)
MISA	Media Institute of Southern Africa

MLG	Ministry of Local Government (Botswana)
MLH	Ministry of Lands and Housing (Botswana)
MOA	Ministry of Agriculture (Botswana)
MP	Member of Parliament
MTI	Ministry of Trade and Industry (Botswana)
NDB	National Development Bank (Botswana)
NGO	Non-governmental organization
ORF	Austrian Broadcasting (<i>Österreichischer Rundfunk</i>)
P/A	Principal-agent
PAC	Public Accounts Committee (Botswana)
PR	Political Rights
PR	Proportional representation
PRS	Political Risk Services
QoG	Quality of Governance Database
SADC	Southern African Development Community
SF	Statistics Finland
SPÖ	Social Democratic Party of Austria (<i>Sozialdemokratische Partei Österreichs</i>)
TI	Transparency International
UNCAC	United Nations Convention Against Corruption
UnvG	Austrian Federal Incompatibility Act (<i>Unvereinbarkeitsgesetz</i>)
VIF	Variance inflation factor
WB	World Bank
WBI	World Bank Institute
WGI	Worldwide Governance Indicators
WVS	World Values Survey
ÖVP	Austrian People's Party (<i>Österreichische Volkspartei</i>)

1

INTRODUCTION

Corruption can be described as one of the great plagues of our time. As a consequence of corruption, people entitled to public services such as health care, water and electricity are overcharged or deprived of services altogether, children are bereaved of an education, communities lose their livelihoods, and victims of natural disasters go without assistance. Corruption also has severe consequences for entire nations in that democracy is weakened, institutions lose their legitimacy, development is stymied and inequality soars.¹

Not only are the effects of corruption disastrous, but corruption is also fairly common in certain societies. According to Transparency International, poor Mexican families pay about 20% of their income as bribes, 44% of parents in Ghana, Madagascar, Morocco, Niger, Senegal, Sierra Leone and Uganda have paid “school fees” despite the fact that schooling is free of charge, and 84% of Bangladeshis have encountered corruption within public and private sector institutions.² Corruption is also common in many countries characterized by higher levels of human and economic development. According to the Global Corruption Barometer, almost 20% of Greeks and 10% of Italians pay bribes to access medical services³, to take two examples.

¹ Andvig, J.C., Fjeldstad, O-H. et al. (2000); Transparency International at <http://www.transparency.org.uk/corruption/statistics-and-quotes/destabilising-impact-of-corruption> (26.11.2012); and the World Bank at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICSECTORANDGOVERNANCE/EXTANTICORRUPTION/0,,contentMDK:20222075~menuPK:1165474~pagePK:148956~piPK:216618~theSitePK:384455~isCURL:Y,00.html> (26.11.2012).

² Transparency International at <http://www.transparency.org.uk/corruption/statistics-and-quotes/destabilising-impact-of-corruption> (26.11.2012).

³ Transparency International at <http://files.transparency.org/content/download/399/1640/Tabulations+by+country.zip> (20.3.2013)

Although prevalent in certain societies, corrupt practices are nevertheless regarded as reprehensible by a majority of individuals.⁴ Corruption can, therefore, be described as a serious and urgent problem in need of a solution.⁵ The search for such solutions has intensified over the past few decades, not least among academics representing a great variety of disciplines, including the political sciences.

Political scientists have taken an interest in, among other things, political institution-building as a solution to the problem of corruption, arguing that political institutions constitute rules which human beings conform to, and therefore influence the extent to which corruption occurs in a given society. Research into the relationship between political institutions and corruption has, however, produced rather divergent results with regards to whether particular political institutions have a reducing or increasing effect on the occurrence of corruption. Furthermore, much of this research has disregarded the very pathways through which political institutions might affect levels of corruption.

1.1 The purpose of the thesis

This thesis constitutes an attempt to provide a few substantial pieces to the complex jigsaw puzzle that counteracting corruption undeniably constitutes. It strives to do so by studying political institutions, the purpose being to establish the causal mechanisms through which certain political institutions might safeguard against corruption.

Achieving the purpose requires a two-pronged approach which involves finding answers to two concrete research questions, the first of which constitutes a stepping stone towards answering the second.

⁴ This is confirmed through data from the World Values Survey, indicating that 68% of respondents find that accepting a bribe never is justifiable, see World Values Survey at <http://www.wvsevsdb.com/wvs/WVSanalyzeQuestion.jsp> (16.11.2011).

⁵ For further discussions about the negative effects of corruption see e.g. Azfar, O., Lee, Y. & Swamy, A. (2001); Gray, C. & Kaufmann, D. (1998); Lundahl, M. (1997); Kaufmann, D. (2005); Mauro, P. (1995); or Knack, S. & Keefer, P. (1995). It should, however, be noted that also opinions to the contrary have been expressed. For discussions about the potential benefits of corruption, see e.g. Nye, J.S. (1967); or Leff, N.H. (1970).

Both research questions are linked to the very relationship between political institutions and levels of corruption, although at different levels. The first research question is aimed at establishing whether a number of political institutions of interest to the study have a reducing effect on levels of corruption, the hypothesis being that they do.

The second research question is aimed at identifying the mechanism through which the political institutions of interest contribute towards reduced levels of corruption, the hypothesis being that political institutions which enhance accountability have a reducing effect on levels of corruption, see table 1.

Table 1: Research questions and hypotheses

	Research questions	Hypotheses
1	Do the political institutions of interest ⁶ have a reducing effect on levels of corruption?	The political institutions of interest have a reducing effect on levels of corruption
2	What are the mechanisms through which the political institutions of interest ⁷ affect levels of corruption?	The political institutions of interest reduce levels of corruption by enhancing accountability

The analysis is set within the framework of representative democracy, i.e. a form of government based on the delegation of power by the voters to their representatives, and beyond. As a consequence, representative democracy exhibits a multitude of chains of delegation involving delegating parties (or principals) who entrust representatives (or agents) with authority, and who want these agents to act in accordance with the rules and guidelines provided by the principal. Agents do not always have the best interest of the principal at heart, however. Instead, they may deviate from the rules outlined by the principal in a number of ways. One such deviation is engagement in activities for personal benefit, such as corrupt activities. The

⁶ The main quantitative analysis takes an interest in parliamentarism, federalism, party-centred electoral systems and large bureaucracies. For a more thorough discussion about why these political institutions are singled out as the potential main determinants, see chapter 4.3.

⁷ Within the framework of the qualitative analysis only three political institutions (parliamentarism, federalism, and party-centred electoral systems) are included. For a more thorough discussion with regards to why the qualitative analysis focuses on these, see chapter 4.4.

thesis takes an interest in a multitude of chains of delegation and accountability, inherent to the political institutions of interest to the study. The study argues that political institutions not only (i) establish such lines of delegation and accountability between principals and agents, but also (ii) provide rules and procedures according to which accountability is to be exercised. Political institutions thereby provide principals with tools for holding agents accountable, (i) making it possible for the principals to obtain information about the agents and their actions, (ii) forcing the agents to justify their actions and behaviour vis-à-vis the principals, and (iii) making it possible for the principals to sanction agents, should these deviate from their duties and what is expected by the principal. The thesis studies how principals as well as other actors hold agents accountable using specific accountability mechanisms aimed at ensuring that agents have the interest and priorities of the principal at heart and act accordingly. These accountability mechanisms can be used *ex ante* (before power has been entrusted or delegated) as well as *ex post* (after power has been delegated).

Theoretically, this line of argument is based on institutional theory, which regards political institutions as rules, procedures and operating practices with an impact on human behaviour, as well as a body of research which regards political institution-building as a tool to ascertain successful delegation, i.e. increasing the ability of the delegating party (or principal) to ensure that the actor to whom power is delegated (or agent) does not deviate from the “contract” between the two.

1.2 Methods and data

Quantitative as well as qualitative methods are used to test the research hypotheses. Answers to the first research question are sought quantitatively using multiple regression analysis. The aim of the statistical analysis is to establish the overall strength of the relationship between the political institutions under scrutiny and levels of corruption, and to identify political institutions with a corruption-reducing effect. This is done controlling for the effect of other variables which are believed to affect levels of corruption. The statistical analysis therefore serves an important way station on the path towards answering the second research question.

Answers to the second research question are sought qualitatively by means of case studies. These case studies are warranted given the fact that much of

recent, comparative research into the linkages between political institutions and corruption is quantitative by nature and therefore does not provide detailed answers as to how political institutions affect levels of corruption. Case studies, however, allow for in-depth analysis of the interface and interaction between the variables.

The case studies use principal-agent relationships and institutional lines of accountability inherent to the political institutions of interest as their point of departure, analysing the extent to which principals are able to hold agents accountable. The studies focus on a number of accountability mechanisms available or unavailable to principals. Institutional lines of accountability characterized by de facto access to many such mechanisms are described as strong, whereas lines characterized by access to fewer such mechanisms are described as semi-strong or weak. These lines are then juxtaposed to available data on corruption to establish whether strong lines go hand in hand with low(er) levels of corruption and vice versa.

The cases included, Austria and Botswana, have been selected with a point of departure in the statistical analyses. Austria constitutes a country well predicted by the best fitting statistical model, wherefore the focus within this case study lies on the extent to which the political institutions of interest to the thesis can be argued to enhance or impede accountability, thus influencing levels of corruption. Botswana, however, constitutes an outlier within the statistical analysis, wherefore this case study analyses (i) linkages between the political institutions of interest to the thesis and corruption, as well as (ii) other determinants of corruption.

The combination of different methods allows the object under scrutiny to be approached from different angles and at different depth. It also allows different voices to be heard, including those with first-hand insights into particular country contexts, institutional structures, preconditions for accountability as well as the very faces of corruption. The advantages of mixed-method strategies have been emphasized by, among others, Lieberman, who advocates for so called nested analyses, i.e. combining “the statistical analysis of a large sample of cases with in-depth investigation of one or more of the cases contained within the large sample”⁸. Nested analysis, Lieberman claims, is beneficial since the two methods “can inform each

⁸ Lieberman, E.S. (2005, 436).

other to the extent that the analytic payoff is greater than the sum of the parts⁹.

Because of the strategy to employ quantitative as well as qualitative methods, a broad array of different types of data is employed. Whereas the statistical analysis uses quantitative data such as broad international indices of corruption and democracy, or institutional data emanating from academic databases¹⁰, the qualitative analysis is based on scholarly analyses of institutional structures and levels of corruption, national statistics, data published by different authorities and organizations at the national and international levels, and in-country semi-structured interviews. Due to the sensitive nature of the topics raised during the in-country interviews (as well as later communication with the interviewees), interviewees have been granted anonymity.

Issues related to the validity and reliability of the data used and the results obtained are discussed in the thesis, particularly in connection to the measurement of corruption and the findings of the quantitative and qualitative analyses.

The time frame for both analyses is that of 2000-2005. As a result, the institutional characteristics of a given country are registered for the year 2000, whereas outcomes in terms of corruption are registered five years later (mid-2000s).¹¹ Democratic countries exhibiting stable political institutions during the period of interest to the thesis are included, the argument being that political institutions which constitute more than a mere façade exist primarily in democratic countries.¹²

⁹ Lieberman, E.S. (2005, 436).

¹⁰ Described in greater detail in chapters 2.2.2 and 4.1.2.

¹¹ As will be noticed in chapter 5, however, the qualitative analyses include data from a slightly broader period in order to gain as full a picture as possible.

¹² The included countries have also been democratic and exhibited stable political institutions during one year prior to the year 2000, so as to avoid the inclusion of countries exhibiting major changes on the eve of the period under scrutiny, see chapter 4.1.1 for more detail.

1.3 Structure of the remainder

The remainder of the thesis is structured as follows. Chapter 2 discusses the many faces and the elusive character of corruption. It introduces the concept of corruption, discussing different definitions of corruption as well as the definition chosen for the purpose of the thesis. The chapter concludes with a discussion pertaining to ways of measuring corruption as well as measures suited for the purpose of the thesis.

Chapter 3 marks the start of a search for solutions to the problem of corruption. After an overview of different explanatory factors, the chapter discusses the risks involved when delegating tasks and authority, then scrutinizing political institutions as mechanisms through which processes of delegation can be regulated and rendered more successful, i.e. less liable to corruption. The chapter approaches accountability as the key to this process and also discusses accountability mechanisms available to the principal.

Chapter 4 includes a statistical analysis of the relationship between political institutions and corruption, the aim being to establish the strength and the nature of the relationship between a number of institutional variables, on the one hand, and corruption, on the other.

Chapter 5 examines two countries, both of which have managed to keep corruption from becoming entrenched. These countries are examined by means of case studies to gain an understanding of the factors which have contributed to them exhibiting low corruption levels. The case study of Austria, firstly, looks into institutional structures, conditions for accountability and outcomes in terms of corruption. The case study of Botswana, secondly, examines issues related to institutions and accountability as well as other factors contributing to outcomes in terms of corruption.

Chapter 6 concludes the thesis with a discussion pertaining to the findings of the thesis, whether the hypotheses of the thesis have been confirmed, and how the thesis contributes to the state of the arts.

CORRUPTION – A MULTIFACETED AND ELUSIVE PHENOMENON

The past two decades have witnessed a surge in the number of books, scholarly articles and news reports related to corruption. The word corruption has thus entered most people's vocabulary, yet many people have a rather vague idea of what corruption actually entails, and hesitate when requested to draw the line between corrupt and non-corrupt behaviour. A closer look at the concept of corruption is therefore warranted before attempts to find solutions can be made. Having discussed different ways of defining corruption, the chapter looks into ways of operationalizing the concept.

2.1 Definitions of corruption

2.1.1 Classical definitions

The word corruption is derived from the Latin verb *corrumpere*, which refers to something being broken, annihilated, destroyed, spoilt or weakened.¹³ In a broad sense, corruption “designates that which destroys wholesomeness”¹⁴ and has metaphorically been described as “a disease, a cancer that eats into the cultural, political and economic fabric of society, and destroys the functioning of vital organs”¹⁵. Corruption is also often figuratively associated with “slime, filth, [...] rottenness, gangrene, [and] pollution, whereas those engaging in corrupt behaviour are compared to vultures,

¹³ See University of Notre Dame Latin Dictionary at <http://www.archives.nd.edu/cgi-bin/lookup.pl?stem=corru&ending=> (28.11.2008).

¹⁴ Klitgaard, R. (1988, 23).

¹⁵ Amundsen, I. (1999, 1).

hyena [and] jackals.”¹⁶ As can be seen from this powerful imagery, corruption is often described normatively as a negative, undesirable phenomenon, which should be combated. Increasing consensus thus prevails regarding the necessity to stem corruption. The same cannot, however, be said about the very attributes of corruption, or where the boundary between corrupt and non-corrupt behaviour should be drawn. No universally accepted definition of the concept exists, and the different definitions employed by scholars and practitioners at times point in different directions with regards to whether an act should be regarded as corrupt or not.

Efforts to understand and define corruption are by no means limited to our day and age. Already Aristotle, Plato and later Machiavelli, among others, made efforts to capture the essence of the concept of corruption. These philosophers chiefly defined corruption in relation to the whole of society and its moral health. Over time, however, corruption has come to be described less in relation to society as a whole and more in relation to individuals and their behaviour.¹⁷

2.1.2 Behavioural definitions

Current debates about how to define corruption are still very much based on a categorization of early definitions of corruption, made by Heidenheimer.¹⁸ According to the categorization, which focuses on definitions used by social scientists, corruption can be defined (i) as contrary to the public opinion, (ii) as contrary to the public interest, (iii) as a breach of public office norms, and (iv) from the perspective of the market.

In what follows, these broad categories of definitions will be presented briefly along with what is perceived as their strengths and weaknesses. A few other attempts to define corruption will also be described before discussing the suitability of these definitions for the purpose of the thesis at hand, as well as the final choice of definition.

¹⁶ Brooks, R.C. (1910, 57). It should be noted that Brooks deplores “the levity with which the word [corruption] is bandied about”, saying that this contributes to the confusion as to what corruption actually entails.

¹⁷ A brief discussion on the viewpoints of these can be found in Johnston, M. (1996, 322).

¹⁸ Heidenheimer, A.J. (1970a).

2.1.2.1 Corruption as contrary to the rules and regulations of public office

Social scientists commonly use the rules and regulations applicable to public office-holders as a starting point when defining corruption. Corrupt behaviour, according to this perspective, entails violating the rules related to an official position. Many of these definitions thereby proceed from a legal perspective, implying that the concept of corruption refers to behaviour forbidden by law. These definitions also make a clear distinction between the official role of a person, on the one hand, and the private role, on the other, highlighting that it is behaviour within the framework of the former that is to be taken into account when determining whether an act constitutes corruption or not.¹⁹ One frequently quoted definition within this category is that by Joseph Nye, who regards corruption as “behavior which deviates from the formal duties of a public role because of private regarding (personal, close family, private clique) pecuniary or status-gains; or violates rules against the exercise of certain types of private-regarding influence”²⁰. This definition will be discussed in greater detail in chapter 2.1.3.

Public office-centred definitions have been praised as well as criticized. On the one hand, they are lauded for their (i) relative stability over time and (ii) clarity with regards to distinguishing between corrupt and non-corrupt behaviour in that the legislative framework or the set of rules applied determine whether an act constitutes corruption or not.²¹ Such clarity and stability may, however, be an illusion in that the rules related to public roles, and the relationships between public officials and private interests keep changing, as pointed out by Johnston.²²

Public office-centred definitions have also been criticized on other accounts. Definitions which proceed from a legal perspective are often regarded as narrow, thereby including only the most visible or condemnable types of corrupt behaviour, oftentimes excluding types of behaviour, which ordinary citizens commonly regarded as corrupt.²³ The types of corruption included

¹⁹ Gardiner, J. (2007, 25); Andersson, S. (2002, 28-29); and Sjölin, M. (2010, 33).

²⁰ Nye, J. (1967, 419).

²¹ Mény, Y. & de Sousa, L. (2001, 2824). See also Mény, Y. (1996, 310-311).

²² Johnston, M. (1996, 324).

²³ Sjölin, M. (2010, 35), see also Kurer, O. (2005, 225); and Meny, Y. & de Sousa, L. (2001, 2824).

in legislation also vary from one country to another, resulting in different interpretations of what constitutes corruption.²⁴ Moreover, public office-centred definitions have been criticised for assuming a clear distinction between the public and private roles of a public office-holder. Critics underscore that such a distinction is easier to make in some cultures than in others.²⁵ Lastly, critics highlight that these definitions, in using the abuse of rules as a starting point, presuppose the existence and enforcement of such rules, which is not the case in some countries.

2.1.2.2 Corruption as contrary to the public opinion

Definitions based on public opinion proceed from the kinds of behaviour which the (majority of the) public regard as corrupt. The concept is thus potentially broadened to include legal as well as illegal behaviour.²⁶ Definitions within this category tend to cover “more ground” but are problematic in the sense that the public opinion about different phenomena tends to change over time, and can be manipulated by those in power.²⁷ Determining who constitutes the public may also be a complicated task. Johnston highlights that there in fact are many publics and that their views on different issues tend to diverge.²⁸

Heidenheimer’s distinction between black, grey and white forms of corruption belongs in this category of definitions. Heidenheimer’s typology categorises (i) corruption condemned by the general public (the masses) as well as a majority of members of the elite as black, (ii) corruption condemned by a majority of members of the elite only as grey, and (iii) corruption tolerated by elites as well as the masses as white.²⁹

²⁴ Sjölin, M. (2010, 35).

²⁵ Mungiu-Pippidi, A. (ed.) (2011, 4).

²⁶ Sjölin, M. (2010, 34).

²⁷ Sjölin, M. (2010, 35-26).

²⁸ Quoted in Gardiner, J. (2007, 33), see also Kurer, O. (2005, 224).

²⁹ Heidenheimer, A.J. (1970b, 27), see also Bull, M.J. & Newell, J.L. (ed.) (2003, 2).

2.1.2.3 Corruption as contrary to the public interest

Definitions, which proceed from the public interest, are based on the assumption that public office-holders should serve the interest of the public. These definitions focus on outcomes rather than rules, i.e. whether the actions taken by public officials damage or benefit the public. As pointed out by Gardiner, an act may be legal but yet corrupt if it is harmful to the public, and vice versa.³⁰ Corruption, according to this view, entails behaviour focused on enhancing the private interests of the office-holder rather than those of the public.³¹ This is in line with Machiavelli who understood corruption as the “decay of the capacity of the citizens and officials of a state to subordinate the pursuit of private interests to the demands of the common good or public interest”³². Much later, such an approach to corruption was adopted also by Rogow and Lasswell, who state that “violations of the common interest for special advantage are corrupt”³³.

Defining corruption with a point of departure in the public interest has its own problems, including the challenges related to determining what the interest of the public actually is, which makes it difficult to draw the line between corrupt and non-corrupt behaviour.³⁴ Gardiner deems that such definitions inevitably are “broad and ambiguous”³⁵, whereas Kurer claims that these definitions fail the operationability test, given the difficulties involved in reaching an “agreement on what constitutes ‘damage to the public and its interest’”³⁶.

2.1.2.4 Market-centred definitions

Market-centred definitions regard corruption as an illegal market mechanism, i.e. “a way of getting hold of resources in order to maximize profit”³⁷. One definition of corruption falling into this category would be that of van Klaveren, who maintains that corruption should be conceived “in

³⁰ Gardiner, J. (2007, 32).

³¹ Sjölin, M. (2010, 34).

³² Philp, M. (2001, 45).

³³ Rogow, A.A. & Lasswell, H.D. (1970, 54).

³⁴ Sjölin, M. (2010, 36).

³⁵ Gardiner, J. (2007, 32).

³⁶ Kurer, O. (2005, 226), see also Scott, J.C. (1972, 3).

³⁷ Andersson, S. (2002, 28).

terms of a civil servant who regards his public office as a business, the income of which he will, in the extreme case, seek to maximize”³⁸.

As such, these definitions lay claims to being objective and non-normative.³⁹ Sjölin, however, emphasizes that they proceed from the assumption that “extra-legal” exchanges are unethical, and therefore cannot be called non-normative.⁴⁰ Andersson, for his part, underscores that market-centred definitions should in fact be regarded as attempts at explaining why corruption occurs, rather than actual definitions.⁴¹

2.1.2.5 Other definitions

A number of attempts have been made to formulate what are regarded as more operationable and less ambiguous and culturally relative definitions of corruption.

One such attempt is that by Kurer, who argues that approaching corruption from the point of view of distributive justice is a better way of arriving at a universally accepted definition. In his view, which he regards as an “upgrading of the public office definition”⁴², corruption entails “a holder of public office violating non-discrimination norms in order to gain a private advantage”⁴³. Such a definition, he claims, should be understood globally since impartiality is a practically universal principle. The boundary between discriminatory and non-discriminatory behaviour will, however, vary from one context to another. Kurer suggests that prevailing norms should be used to determine whether a particular non-discrimination rule has been violated

³⁸ Van Klaveren, J. (1970, 39).

³⁹ Another attempt at formulating a value-free definition of corruption is that of Leff, who states that “[c]orruption is an extra-legal institution used by individuals or groups to gain influence over the actions of the bureaucracy. As such the existence of corruption per se indicates only that these groups participate in the decision-making process to a greater extent than would otherwise be the case”, see Leff, N.H. (1970, 510).

⁴⁰ Sjölin, M. (2010, 36). Qizilbash, for his part, goes as far as stating that corruption cannot be defined in a value-free manner, see Qizilbash, M. (2001, 267).

⁴¹ Andersson, S. (2002, 28), see also Johnston, M. (1996, 323); Sjölin, M. (2010, 36); and Heywood, P. (1997, 422).

⁴² Kurer, O. (2005, 236).

⁴³ Kurer, O. (2005, 227).

and admits that the definition suggested thereby “suffers from all the problems of public office definitions”⁴⁴.

Brown emphasizes the need to “strip the definition of corruption back to more general, holistic fundamentals”, i.e. a base from which different actors can formulate their own specific definitions.⁴⁵ He regards his definition, “the abuse of entrusted power”⁴⁶, as a relationship-centred definition according to which corruption constitutes an abuse of a relationship of trust: “the power was not the office-holders to abuse at will, but rather a power held and wielded ‘on trust’”⁴⁷. According to Brown, a multitude of standards (e.g. legal, religious and moral) can be used to establish whether entrusted power has been abused.⁴⁸ Andersson and Heywood, however, list a number of problems connected to this seemingly straightforward definition, including the fact that only those who exercise entrusted power can be regarded as corrupt. As a result, they stress, a dictator whose power is not based on trust could not be regarded as corrupt.⁴⁹

Attempts have also been made to define different sub-categories of corruption such as political corruption, taking into account that politicians function in a slightly different setting than nominated public officials, and that the rules applying to the former often are less settled and precise than those applying to the latter.⁵⁰ These definitions have focused on political corruption as a “violation of the spirit and the principles of democracy”⁵¹, “duplicitous exclusion”⁵² (people being excluded from decisions which affect them), “mediated corruption”⁵³ (an open, accountable democratic process being sidelined for private or political gain), as well as “a violation of the duties of office and a negation of the values that should underlie the democratic political and administrative system founded on the rule of law,

⁴⁴ Kurer, O. (2005, 233).

⁴⁵ Brown, A.J. (2006, 59).

⁴⁶ Brown, A.J. (2006).

⁴⁷ Brown, A.J. (2006, 70).

⁴⁸ Brown, A.J. (2006, 73).

⁴⁹ Andersson, S. & Heywood, P.M. (2009, 748).

⁵⁰ Warren, M.E. (2006, 804).

⁵¹ Stapenhurst, R. & Pelizzo, R. (2004, 4).

⁵² Warren, M.E. (2006, 804).

⁵³ Thompson quoted in Johnston, M. (1996, 332).

such as the distinction between public and private interests, equality of treatment of citizens, transparency of transactions, and so forth”⁵⁴.

In quite general terms, many scholars are of the opinion that more work is needed to arrive at a universally accepted, operationable and unambiguous definition of corruption, applicable to a broader set of contexts.⁵⁵ Whether such a universal definition can be found is, however, questionable. Sjölin contends that the difficulties stem from diverging views on how the morality of an action should be evaluated in the first place. Public office-centred definitions, he says, proceed from deontological ethics, judging morality based on an action's adherence to rules. The same goes for market-centred definitions, which, despite their claim to non-normativity, have an implicit point of departure in deontological ethics. Public interest-centred definitions, on the other hand, proceed from teleological or consequentialist ethical theory, judging the morality of an action based on its consequences.⁵⁶ As a result, evaluations based on these tend to produce different results with regards to whether an act should be regarded as corrupt or not.

2.1.3 Type of definition of corruption selected

Given its focus on processes of delegation and lines of accountability inherent to certain political institutions, this thesis takes an interest in corrupt acts amongst public officials to whom the public, directly or indirectly, has delegated certain powers.⁵⁷ The United Nations Convention Against Corruption (UNCAC) defines a public official as:

“(i) any person holding a legislative, executive, administrative or judicial office of a State Party, whether appointed or elected, whether permanent or temporary, whether paid or unpaid, irrespective of that person's seniority; (ii) any other person who performs a public function, including for a public agency or

⁵⁴ Mény, Y. (1996, 311).

⁵⁵ Kurer, O. (2005). It should, however, also be emphasized that some scholars encourage the formulation of new, diverging definitions and see no need to find a universal one. Instead, they emphasize that the different perspectives enrich our understanding of the multifaceted concept that corruption constitutes, see Sjölin, M. (2010, 37).

⁵⁶ Sjölin, M. (2010, 42).

⁵⁷ For more information about processes of delegation and accountability between principals and agents, see chapter 3.

public enterprise, or provides a public service, as defined in the domestic law of the State Party and as applied in the pertinent area of law of that State Party; (iii) any other person defined as a “public official” in the domestic law of a State Party.”⁵⁸

The public officials of interest to the thesis include e.g. political candidates and representatives, ministers, bureaucrats, and heads of state and government.

Given their public role, these actors are expected to behave in accordance with certain public office rules and regulations. These rules are formal by nature, i.e. made by a recognized unit or actor, and “written down and legitimated through some formal process of decision-making”⁵⁹. As such the rules include legal provisions but also other formal documents aimed at standardizing behaviour among public office-holders, such as (legislative and administrative) ethics codes, codes of conduct, guidelines, recommendations and adopted principles.⁶⁰ Given that the countries analysed within the scope of the study are democracies, the thesis assumes the existence of some sort of rules and regulations of this kind, structuring the behaviour of public officials. This is of importance since these rules provide the benchmark according to which the differentiation between corrupt and non-corrupt behaviour is made. In the light of these facts, a public office-based definition of corruption suits the purpose of the study.

As already stated, however, definitions of this kind have been criticized on a number of accounts. One of the deficiencies highlighted in relation to public office definitions is that of legal provisions (as well as other formal rules) differing from one country to another. This fact is noted by the thesis, which contends that the benchmarks connected to most definitions of corruption seem to suffer from the same problems. The thesis also stresses that differences in terms of formal norms sometimes are overestimated. A quick overview of corruption-related legislation and institutions within the Southern African Development Community (SADC) (a region often described

⁵⁸ United Nations Office on Drugs and Crime (UNODC) (2004, 7-8), see also Andersson, S. (2002, 29).

⁵⁹ Food and Agriculture Organization (FAO) at <http://www.fao.org/docrep/w7483e/w7483e0b.htm> (14.3.2012).

⁶⁰ For a discussion about such documents, see the Gale Encyclopedia of Public Health at www.answers.com/topic/code-of-ethics (15.3.2012).

as culturally and normatively very distinct from the West⁶¹), for instance, shows that all member states have ratified the United Nations Convention Against Corruption (UNCAC)⁶², all member countries have signed the SADC Protocol against Corruption⁶³, all have adopted national legislation reflecting a commitment to combat corruption, and about 50% of them have established anti-corruption institutions of some kind.⁶⁴ Moreover, the national legal instruments display less normative and conceptual divergence with “western norms”⁶⁵ than anticipated in that they, for the most part, clearly distinguish between the public and the private roles of an official, and criminalize types of corruption such as bribery, conflict of interest, embezzlement, fraud and extortion. This finding is in line with Nye, who states that Western rules should be at least partly relevant also in non-Western societies.⁶⁶

Also Bayley acknowledges that non-Western societies often exhibit moral codes, which do not fully agree with western codes. He suggests, however, that the western denotative definition of corruption be used nevertheless, since elites in non-Western countries will be familiar with the Western concept of corruption and its different types, and since applying culture-specific definitions renders comparison of countries impossible.⁶⁷ The same line of thinking can be found with Heidenheimer, according to whom “[t]his “imposition” on the rest of the world of Western standards in evaluating behaviour may well be [...] a prerequisite to meaningful comparative

⁶¹ See Bayley, D.H. (1970, 523).

⁶² With the exception of Swaziland, which is a signatory only, see United Nations Office on Drugs and Crime (UNODC) at <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> (16.3.2012).

⁶³ In 2005, the Protocol had furthermore been ratified by 2/3 of the member states, see Transparency International at http://www.transparency.org/global_priorities/international_conventions/conventions_instruments/sadc_protocol (16.3.2012).

⁶⁴ Goredema, C. (2002, 22). It should also be noted that the United Nations Convention Against Corruption (UNCAC) as well as the SADC Protocol against Corruption entered into force in 2005. National legislation (with some exceptions) dates back to the 1990s, thus constituting fairly “young” legal instruments.

⁶⁵ As outlined e.g. in anti-corruption instruments by the Organization for Economic Co-operation and Development (OECD), the Council of Europe or the United Nations, see for instance the Organization for Economic Co-operation and Development (OECD) (2008).

⁶⁶ Nye, J. (1967, 419).

⁶⁷ Bayley, D.H. (1970, 523-524).

analysis of political corruption phenomena"⁶⁸. Also Galtung – having compared the corruption scores assigned to certain countries by nationals and non-nationals of these countries, and found only minimal divergence of opinion – states that “what counts as corruption in one part of the world, is understood similarly elsewhere. The degree of tolerance and acceptance of corruption may well vary significantly”⁶⁹.

This said, the thesis at hand remains cognisant of the fact that many countries in the world do not have clear rules with regards to corruption or have adopted such rules as a mere façade, that actors in many societies also are guided by standards originating from their proper culture, and that states may adopt legal frameworks at odds with cultural beliefs. These issues will, if need be, be touched upon within the qualitative analysis which – in an effort to provide a fuller picture of levels of corruption and factors contributing to these in a national context – also touches upon public opinion on what constitutes corruption.⁷⁰

Whereas many definitions of corruption have been described as vague and difficult to operationalize, public office-centred definitions are often perceived as relatively speaking clearer and more operationable, facilitating the task of distinguishing between corrupt and non-corrupt behaviour. Formal rules should also be a more stable benchmark over time than that of – for instance – public opinion. These are important characteristics of a definition, as a result of which public office-centred definitions are to be preferred to many other alternatives. Public office-based definitions, however, remain narrower in scope than for instance public interest-based and public opinion-based definitions. The thesis acknowledges that legislation often does not incorporate less tangible forms of corruption. In an effort to include a broader spectrum of types of corruption, the thesis therefore uses not only legislation as a benchmark but also takes other formal rules (including formal codes of conduct, guidelines etc.) which regulate public behaviour into consideration.

⁶⁸ Heidenheimer, A.J. (ed.) (1970b, 8).

⁶⁹ Galtung, F. (2006, 112).

⁷⁰ Such an approach is also recommended by Scott, according to whom “an adequate understanding of corruption generally requires a grasp of an entire network of influence”. Any analysis of corruption should therefore be embedded “contextually in a broader analysis of a regime’s political dynamics”, see Scott, J.C. (1972, 6).

Public office-based definitions of corruption proceed from the idea that corruption constitutes a deviation from a particular norm guiding public officials. As a result, they have been deemed unsuitable when analysing contexts where corruption is systemic, i.e. where corruption does not constitute an abuse of a rule but rather the rule itself⁷¹, something that is noted by the thesis. Given that the aim of the qualitative analysis is to study the factors contributing to low levels of corruption, the definition should be if not ideal then at least acceptable.

Based on the discussion above, a public office type of definition will be employed to capture the essence of the concept of corruption. Such definitions come in different shapes and forms, however, as a result of which the constituent parts of such a definition need to be discussed and specified. The (public office-centred) definition of corruption provided by Joseph Nye constitutes a good point of departure for this enterprise. As already stated above, Nye defines corruption as behaviour “which deviates from the formal duties of a public role because of private regarding (personal, close family, private clique) pecuniary or status-gains; or violates rules against the exercise of certain types of private-regarding influence”.⁷² Nye stresses that the definition includes “such behavior as bribery (use of a reward to pervert the judgment of a person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding uses) [and that] it does not include much behavior that might nonetheless be regarded as offensive to moral standards”⁷³. Nye acknowledges that his definition may not be ideal in non-Western societies where people also are strongly influenced by traditional norms. He maintains, however, that the rules which public officials are expected to adhere to tend to be expressed using more or less the same norms and concepts as those employed in his definition, making it “at least partly relevant”⁷⁴ also in non-Western societies.

The very focus and characteristics of Nye’s definition (juxtaposed to definitions proposed by a number of other scholars) merit some further

⁷¹ Persson, A., Rothstein, B. & Teorell, J. (2010, 2).

⁷² Nye, J. (1967, 419).

⁷³ Nye, J. (1967, 419).

⁷⁴ Nye, J. (1967, 419).

attention, however. As can be seen from the definition, Nye – first of all – highlights the distinction between public and private roles and duties. Nye’s definition accentuates the duties of a public role, implying that at least one of the parties involved in corrupt activities should be a public office-holder, bound by the rules and regulations applicable to such an office. Most definitions of corruption found in social science research and literature tend to have a similar focus in that corruption is defined in terms of, for instance, the “abuse of public power for private benefit”⁷⁵. Corruption which takes place exclusively within the private sector is thus often ignored by such definitions. The reason for this, according to Andvig and Fjeldstad, is that public sector corruption is perceived as “a more fundamental problem than private sector corruption, and because controlling public sector corruption is a prerequisite for controlling private sector corruption”⁷⁶.

Secondly, Nye also stresses that corrupt activities involve the search for gains or benefits, which can be monetary or non-monetary. Thompson and Philp stipulate that benefits also can be political.⁷⁷ Philp, finally, highlights that an actor “may act to avoid certain costs rather than to incur certain benefits”⁷⁸.

Another trait of corrupt behaviour, according to Nye, thirdly, is that of corrupt activities potentially benefitting not just the perpetrator him/herself but also family members, relatives and friends. Gardiner, however, points out that Nye’s definition does not cover situations where the benefitting entity is the office-holder’s party or ethnic group, something that also is highlighted by Scott⁷⁹.

Brooks, fourthly, stresses that corruption is intentional⁸⁰, something that is implied also in Nye’s definition, given its emphasis on gain.

⁷⁵ Transparency International quoted in Amundsen, I. (1999, 2). See also Mauro, P. (1998); Rose-Ackerman, S. (1999); Treisman, D. (2000); and Andvig, J.C., Fjeldstad, O-H. et al. (2000).

⁷⁶ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 14).

⁷⁷ Thompson quoted in Johnston, M. (1996, 332); and Philp, M. (2006, 46).

⁷⁸ Philp, M. (2006, 46).

⁷⁹ Gardiner, J. (2007, 26); and Scott, J.C. (1972, 4).

⁸⁰ Brooks, R.C. (1910, 59).

Fifthly, scholars also debate the legality or illegality of corrupt acts, something that Nye's definition only alludes to. Bardhan maintains that "just as clearly not all illegal transactions are corrupt, nor are all instances of corruption or bribery illegal"⁸¹. Kaufmann agrees with Bardhan: "an act may not necessarily be illegal for it to be regarded as corrupt in a broader sense"⁸². Lederman, Loayza and Reis Soares, however, insist upon the illegality of corruption: "there is no question that corruption is, before anything else, a type of crime"⁸³. The discussion pertaining to the legality or illegality of corrupt acts is illustrative of the problems involved in defining corruption. If defined broadly, corruption can refer to an abuse of the law as well as accepted, "unwritten" cultural norms. If such a broad definition is used, corruption can be both legal and illegal. A narrow definition, however, links corruption to a violation of the law or formal documents⁸⁴, making corruption a legal offense. Amundsen discusses the advantages and disadvantages of adopting a narrow (legalistic) or a broad definition of corruption. According to him "[a] strict and narrow definition of corruption [...] can be handy for fighting corruption when the problem is limited"⁸⁵. The narrow definition may, however, fail to capture important aspects of corruption, making a broad definition more suitable in the fight against high levels of corruption. Meier and Holbrook, on the other hand, recognize that adopting a narrow legalistic definition results in the exclusion of politically interesting actions but still maintain that narrower definitions have their advantages in that they provide a more precise concept which is "more amenable to reliable measurement"⁸⁶.

Sixthly, Mény describes corruption as a "form of secret social exchange"⁸⁷, implying that two or more parties are required for an act to be defined as corrupt. Nye does not take a clear stand on this issue but does regard misappropriation⁸⁸ as corruption, which could be interpreted as corrupt acts

⁸¹ Bardhan, P. (1997, 1321).

⁸² For examples, see Kaufmann, D. (2005, 82).

⁸³ Lederman, D., Loayza, N. and Reis Soares, R. (2001, 4).

⁸⁴ Such as, for instance, codes of conduct.

⁸⁵ Amundsen, I. (1999, 1).

⁸⁶ Meier, K.J. & Holbrook, T.M. (1992, 136).

⁸⁷ Mény quoted in Amundsen, I. (1999, 2).

⁸⁸ "The fraudulent appropriation of funds or property entrusted to your care but actually owned by someone else", see the Free dictionary by Farlex at <http://www.thefreedictionary.com/misappropriation> (25.3.2012).

not necessarily requiring two parties. This is the standpoint of Key, who discusses auto-corruption, i.e. power-holders playing the role of agents as well as third parties securing for themselves the “administrative privilege which would be secured by an outsider by bribery”⁸⁹. Key (supported by Brooks, Heywood and Johnston)⁹⁰ thereby maintains that also deeds by one actor should be regarded as corrupt. This line of thinking is, however, rejected by Grey and Kaufmann who maintain that fraud and embezzlement often are regarded as types of corruption but remain “malfeasance that a public official can carry out alone”⁹¹. Embezzlement and fraud should therefore, according to them, not be regarded as corruption from a strictly legal point of view, but rather as theft.⁹²

The issue of reciprocity between the parties involved in corrupt acts has also given rise to scholarly interest. Gerring and Thacker stress that corruption does not necessarily involve reciprocity: “It is important to note that corruption doesn’t always involve an exchange relationship; sometimes the beneficiary is an individual or group who take but give nothing in return”⁹³. In fact, the absence of reciprocity may be more common than actual exchanges due to the uncertainty involved in corrupt dealings and the fact that corrupt “contracts” are not legally binding, which makes enforcement of corrupt deals difficult.

Seventhly, Lapalombara and Scott stress that corrupt acts can be active as well as passive. They thus highlight that (i) failing to act in accordance with ones duties, or not enforcing laws and regulations may be just as corrupt an act as (ii) enforcing them in an arbitrary fashion.⁹⁴

Based on the discussions above, corruption is defined in line with Nye, as “behavior which deviates from the formal duties of a public role because of private regarding (personal, close family, private clique) pecuniary or status-gains; or violates rules against the exercise of certain types of private-regarding influence”⁹⁵. A few additions are, however, made to Nye’s

⁸⁹ Key, V. O. (1936, 48).

⁹⁰ Brooks, R.C. (1910, 58); Heywood, P. (1997, 426); and Johnston, M. (2007, 876).

⁹¹ Gray, C. & Kaufmann, D. (1998, 7).

⁹² Amundsen, I. (1999, 1).

⁹³ Gerring, J. & Thacker, S. (2004, 300).

⁹⁴ Lapalombara, J. (1994, 328); and Scott, J.C. (1972, 5).

⁹⁵ Nye, J. (1967, 419).

definition: (i) in accordance with Thompson, Gardiner and Scott, the thesis recognizes that benefits also may be political, and that the benefitting entities may include political parties and ethnical groups, (ii) in accordance with Key, Brooks, Heywood and Johnston, the thesis maintains that acts of corruption can involve one party only, thereby regarding embezzlement and fraud as forms of corruption, (iii) in accordance with Gerring and Thacker, the thesis stipulates that reciprocity is not a requirement for an act to be regarded as corrupt, and (iv) in line with Lapalombara and Scott, the thesis includes active as well as passive acts of corruption.

Despite certain voices to the contrary, the thesis considers this definition to cover also corrupt practices on the part of elected office-holders, whose duties undeniably remain much more fluid and elusive than those of non-elected ones. Regarding both categories of office-holders as covered by the definition finds support, however, in the fact that the duties of elected office-holders in many countries are stipulated in formal codes of conduct, which condemn certain types of behaviour on the part of, for instance, parliamentarians.⁹⁶ The Code of Conduct for British members of Parliament constitutes a good example. The Code specifies that the duties of members include “act[ing] in the interests of the nation as a whole [with] a special duty to their constituents [as well as behaving] with probity and integrity, including in their use of public resources”⁹⁷. Furthermore, the Code insists that Members, when “carrying out their parliamentary and public duties [...] will be expected to observe [a number of] general principles of conduct [...] applying to holders of public office”⁹⁸. These include the principles of selflessness, integrity, objectivity, accountability, openness and honesty. The code of conduct for members of the Ugandan Parliament contains similar

⁹⁶ According to Stapenhurst and Pelizzo, among others the Fiji Islands, Germany, Grenada, Israel, Japan, the Philippines, the United Kingdom, the United States of America, and India had formulated codes of conduct for parliamentarians and a number of countries are in the process of doing so, see Stapenhurst, R. and Pelizzo, R. (2004).

⁹⁷ British House of Commons at <http://www.publications.parliament.uk/pa/cm201012/cmcode/1885/188502.htm#a3> (30.11.2012).

⁹⁸ British House of Commons at <http://www.publications.parliament.uk/pa/cm201012/cmcode/1885/188502.htm#a3> (30.11.2012). The Code of Conduct for Members of the lower house of the Irish Parliament is another example, see The Standards in Public Office Commission at <http://www.sipo.gov.ie/en/CodesofConduct/TDs/> (30.11.2012).

elements⁹⁹, as does the code regulating the behaviour of the members of the Indian Council of States (Rajya Sabha). Among other things, the latter stipulates that members should “utilise their position as members of Parliament to advance the general well-being of the people”¹⁰⁰, “use public resources in such a manner as may lead to public good”¹⁰¹, subordinate their private interests to the duty of their public office, and “never expect or accept any fee, remuneration or benefit for a vote given or not given by them on the floor of the House, for introducing a Bill, for moving a resolution or desisting from moving a resolution, putting a question or abstaining from asking a question or participating in the deliberations of the House or a Parliamentary Committee”¹⁰².

Within the parameters established above, corruption occurs at different levels of the system and may take a number of guises.¹⁰³ Corrupt activities may occur at the very top of the political system or at lower levels. Corruption involving actors at the top of the political hierarchy is often called political corruption. Actors involved are in a position to influence legislation and policy formulation, and to award major contracts¹⁰⁴. As such, they have ample opportunity to abuse their positions for the benefit of their family, friends, allies or themselves.

⁹⁹ Parliament of Uganda at <http://www.parliament.go.ug/new/images/stories/constitution/rules%20of%20procedure%20for%20the%208th%20parliament%20of%20uganda.pdf> (17.4.2013).

¹⁰⁰ Rajya Sabha Secretariat (2005) at http://www.rajyasabha.nic.in/rsnew/members/code_conduct.pdf (22.2.2013).

¹⁰¹ Rajya Sabha Secretariat (2005) at http://www.rajyasabha.nic.in/rsnew/members/code_conduct.pdf (22.2.2013).

¹⁰² Rajya Sabha Secretariat (2005) at http://www.rajyasabha.nic.in/rsnew/members/code_conduct.pdf (22.2.2013). It may also be noted that the Parliament of South Africa has such a code of conduct which, however, focuses more on the financial interests of MPs as well as potential conflicts of interest arising because of these, see the Parliament of the Republic of South Africa at http://www.parliament.gov.za/live/content.php?Category_ID=83 (22.2.2013).

¹⁰³ All of these cannot be described within the framework of this thesis. Readers interested in in-depth analyses are referred to the meritorious work by other scholars, see e.g. Heidenheimer, A.J. (ed.) (1970a, 23); Key, V.O. Jr. (1936, 46); Knack, S. (2006, 5); and Langseth, P. (2006, 9).

¹⁰⁴ See Moody-Stuart, and Doig & Theobald quoted in Andvig, J.C., Fjeldstad, O-H. et al. (2000, 18).

Political corruption can be seen as having a negative impact on the work ethic at lower levels of the bureaucracy and is therefore usually a sign of a more wide-spread problem: “Political corruption is usually supported by widespread bureaucratic or petty corruption, in a pyramid of upward extraction. Furthermore, corruption in high places is regarded as contagious to lower level officials, as these will follow the predatory examples of, or even take instructions from, their principals”¹⁰⁵. Parallels are sometimes drawn between political corruption and grand corruption, and the two are at times used synonymously¹⁰⁶. The term “high-level corruption” is also sometimes used to designate the involvement of high level officials in large-scale (grand) corruption.¹⁰⁷

Corruption within the public administration, however, is often called bureaucratic corruption. Whereas political corruption is something the general public rarely sees or comes across, bureaucratic corruption may be prevalent in ordinary people’s lives “in their encounter with public administration and services like hospitals, schools, local licensing authorities, police, customs, taxing authorities”¹⁰⁸. Bureaucratic corruption is also sometimes distinguished from political corruption with regard to the amounts or the scope of the favours changing hands: “The sums involved are rather modest (adjusted to local conditions), and therefore bureaucratic corruption is frequently referred to as routine or “petty”. Even so, the sums involved may be considerable in particular cases and in aggregated terms”¹⁰⁹. Bureaucratic corruption is sometimes called low-level corruption and usually takes place during implementation rather than policy formulation, which is another factor differentiating it from political corruption.¹¹⁰

Corruption takes a multitude of shapes and forms. One of these is favouritism, which refers to the tendency of decision-makers to make biased decisions in favour of certain people. Favouritism is related to corruption in cases where this preferential treatment implies “a corrupt [...] distribution of resources”¹¹¹. Nye defines favouritism as the “bestowal of patronage by

¹⁰⁵ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 19).

¹⁰⁶ See, for instance, Andvig, J.C., Fjeldstad, O-H. et al. (2000, 18).

¹⁰⁷ Mauro, P. (1998).

¹⁰⁸ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 19).

¹⁰⁹ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 19).

¹¹⁰ Mauro, P. (1998, 13).

¹¹¹ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 17).

reason of ascriptive relationship rather than merit”¹¹². Nepotism is a particular type of favouritism in which “an office holder (ruler) prefers his proper kinfolk and family members (wife, brothers and sisters, children, nephews, cousins, in-laws etc.)”¹¹³.

Corrupt acts may also come in the guise of bribery. The word bribery is often popularly used to denote corruption more generally. The Encyclopaedia Britannica, however, defines bribery as the act or practice of giving, taking or promising “money or favor [...] in order to influence the judgment or conduct of a person in a position of trust”¹¹⁴. Nye moves along the same lines when defining bribery as the “use of a reward to pervert the judgment of a person in a position of trust”¹¹⁵. Amundsen, for his part, maintains that terms such as “kickback, baksheesh, sweeteners, grease-money [and] pay-offs”¹¹⁶ are used synonymously to the term bribe. The term speed money is also used more specifically when the purpose of the bribe is linked to speeding up processes. Speed money therefore “reduces delays in moving files in administrative offices and in getting ahead in slow-moving queues”¹¹⁷.

Corruption may also involve coercion as in the case of extortion when “money and other resources are extracted by the use of coercion, violence or the threats to use force”¹¹⁸. Extortion or blackmailing can take place from “below” by groups or individuals in society (such as mafias or other criminal groups) or from “above” when the state is the actor extracting the money or the resources.

2.2 Operationalization of corruption

Research into any phenomenon requires reliable data about the object under investigation. This normally goes without saying, as does the fact that researchers into a particular subject matter should know their subject matter well enough to be able to delineate where it starts and ends. When

¹¹² Nye, J.S. (1967, 419).

¹¹³ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 18).

¹¹⁴ Encyclopaedia Britannica at <http://search.eb.com/dictionary?va=bribe&query=bribe> (29.11.2008).

¹¹⁵ Nye, J.S. (1967, 419).

¹¹⁶ Amundsen, I. (1999, 11).

¹¹⁷ Bardhan, P. (1997, 1323).

¹¹⁸ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 17).

studying corruption, however, these seemingly obvious facts present themselves in a different light. This is due to the fact that (i) corruption constitutes a covert phenomenon, making it difficult to access data about its prevalence and nature, and (ii) the concept of corruption being void of a universal definition, making it difficult to know what kind of data to target in the first place. Capturing all the different faces of corruption using a single measurement is a challenge, something that – according to Johnston – “thoroughly [has] stymied the comparative study of corruption”¹¹⁹.

Much of early research into corrupt activities was qualitative and fairly narrow in scope due to these very problems. Since the 1990s, however, broader comparative studies have been made possible thanks to improved access to quantitative data covering a large number of countries. Access to such data does not, however, change the bottom line that data as a general rule is difficult to acquire due to the very nature of corrupt activities. Certain concerns have also been voiced with regards to the very quality of the quantitative data available.

In the following, different types of quantitative data available to researchers will be discussed, with a particular focus on issues related to the validity, comparability, country coverage, survey questions and overall suitability of a number of sources of data. Having assessed the suitability of different sources for the purposes of the thesis, attention is turned to the way in which corruption will be operationalized within the framework of the quantitative analysis at hand.

2.2.1 Overview of data sources and their characteristics

2.2.1.1 Experience- and perceptions-based data

Quantitative data on corruption is generated by a number of data providers, and comes in different shapes and forms. Such data is often divided into experience-based and perception-based data. Perception-based data uses perceptions of the prevalence or nature of corruption in a given context as a starting point, whereas experience-based data proceeds from actual

¹¹⁹ Johnston, M. (2007, 865). See also June, R. et al. (2008, 3).

experiences with corruption. The latter type of data is often perceived as more objective and reliable than the former.¹²⁰

Data sources (wholly or partially) based on perceptions of corruption include the control of corruption (CC) component of the Worldwide Governance Indicators (WGI) by the World Bank, the Corruption Perception Index (CPI) and the Global Corruption Barometer (GCB) produced by Transparency International (TI), the International Country Risk Guide (ICRG) by the Political Risk Services Group, and a number of indices which use the CPI as a source, including the Ibrahim Index of African Governance and the Index of Economic Freedom (produced by the Heritage Foundation and Wall Street Journal).¹²¹

Experience-based data, on the other hand, is provided e.g. through the Crime Victimization Survey (CVS) co-generated by the Dutch Ministry of Justice and the British Home Office, the GCB by TI and some of the Regional Barometers such as the Latinobarómetro and the Afrobarometer.¹²² The CVS includes crime statistics, such as the yearly number of suspicions, arrests, prosecutions or convictions in corruption cases, all of which at times have been used as proxies for corruption levels. It should, however, be remembered that such data may reflect other phenomena than that of corruption. Instead of reflecting a serious corruption problem, large numbers of prosecutions or convictions may reflect an efficient police force, public prosecution office or judiciary, or increased awareness about corruption and vice versa.¹²³ Miller also reminds users of official statistics that these can be manipulated for political (or other) ends and that crime statistics are “notoriously unreliable”¹²⁴.

¹²⁰ This is questioned by, among others, Arndt and Oman, who highlight that facts-based (as opposed to perception-based) measures should not be regarded as completely objective measures since their construction involves a number of subjective choices, see Arndt, C. & Oman, C. (2006, 31).

¹²¹ Perceptions-based data is often perceived as problematic, something that is discussed in greater detail in chapter 2.2.3.2.

¹²² June, R. et al. (2008, 64-71), see also Teorell, J. (2010, 62).

¹²³ Teorell, J. (2010, 73). For data, see, for instance, the United Nations at <http://www.unodc.org/unodc/en/data-and-analysis/Tenth-CTS-full.html> (4.4.2012) and the United Nations at <http://www.uncjin.org/Statistics/WCTS/WCTS6/Publication.pdf> (4.4.2012).

¹²⁴ Miller, W.L. (2006, 165).

2.2.1.2 Respondents

Quantitative data also differs with regards to the very persons, whose experiences or perceptions are being measured. Whereas some sources map out the views and experiences of international as well as national actors from different walks of life, others merely consult elites such as experts or business executives.¹²⁵ The former category includes sources such as the GCB by TI and the WGI by the World Bank, whereas the latter includes among others the Bribe Payer's Index (BPI) and the CPI by TI, or the Business Environment and Enterprise Performance Survey (BEEPS) by the World Bank.¹²⁶

2.2.1.3 Types of corruption captured

The scope of sources of corruption data also differs. Oftentimes, sources of data are portrayed as covering all or many of the different aspects of corruption but do in reality only provide data on a very limited number of types or aspects of the phenomenon. Few sources actually capture types of corruption other than mere bribes.

Data sources covering types of corruption other than bribery include the ICRG (which inquires into bribes, patronage, nepotism, secret party funding and conflict of interest) and the WGI (which includes data related to petty and grand corruption as well as state capture). Sources limited to capturing the prevalence of bribery include the BPI, the CPI¹²⁷, and the GCB by TI, the CVS¹²⁸, many of the Regional Barometers¹²⁹ and the World Values Survey (WVS).¹³⁰

¹²⁵ June, R. et al. (2008, 64-71).

¹²⁶ See Teorell, J. (2010, 64); and June, R. et al. (2008, 64-71).

¹²⁷ The methodology of the CPI states that sources apply a definition of corruption as "the misuse of public power for private benefit", which can be understood as them including data on bribery, kickbacks and embezzlement. However, a glance at the survey questions provided by the underlying sources shows that most focus on bribery and other "extra payments", or corruption in very general terms, see the Transparency International at http://www.transparency.org/policy_research/surveys_indices/cpi/2005/methodology (3.4.2012).

¹²⁸ Van Dijk, J., van Kesteren, J. & Smit, P. (2007).

¹²⁹ E.g. the Afro-, Asian, and Eurobarometers.

¹³⁰ The World Values Survey at <http://www.worldvaluessurvey.org/> (3.4.2012).

Many sources used in quantitative corruption research in fact focus mainly on issues other than corruption. These include the BEEPS (which mainly focuses on the investment climate and competitiveness), the Global Competitiveness Index (which focuses on competitiveness in a number of sectors), the Global Integrity Index (which maps out anti-corruption mechanisms), the ICRG (which chiefly takes an interest in political, economic and financial risks), and the Open Budget Index (which measures access to budget information).¹³¹

2.2.1.4 Sectors and contexts

The question whether the sources include corruption across the board or in certain sectors or contexts only is also of interest. The BEEPS, for instance, examines corruption in the business sector only, whereas the Global Integrity Index, the CVS and ICRG target corruption within the public sector. The CPI and the Country Policy and Institutional Assessments (CPIA) by the World Bank, for their part, include corrupt behaviour in the public and political sectors, and the financial, trade and public sectors, respectively, whereas the WGI examine instances in the public and private sectors.¹³²

2.2.1.5 Composite and non-composite sources

In certain cases, sources have been aggregated into broader composite indices. Composite indices include the WGI, the CPI, the Global Competitiveness Index, the ICRG, and the Ibrahim Index of African Governance. Non-composite sources such as the BPI, the GCB, the Global Integrity Index, the Open Budget Index, and data stemming from the regional Barometers and the WVS, are also available to users.

2.2.2 Discussion

The discussion above provides a few pointers with regards to sources available to researchers. From the point of view of the quantitative analysis at hand, many sources listed above can be excluded from the onset due to

¹³¹ June, R. et al. (2008).

¹³² June, R. et al. (2008, 64-71).

their main focus on issues other than corruption. These include the BEEPS, the Global Competitiveness Index, the Global Integrity Index, the ICRG¹³³, and the Open Budget Index. Priority should, furthermore, be given to sources including as wide a range of types of corruption as possible such as the WGI and sources which include as wide a range of respondents as possible, such as the GCB and the WGI. Experience- as well as perceptions-based data has its weaknesses.¹³⁴ As a result, both are deemed to be of use. The same goes for composite and non-composite data.

Since the control of corruption (CC) component of the WGI (i) consult a relatively speaking broad range of respondents (ii) on corruption-related phenomena beyond mere bribery, (iii) including behaviour within the public (and private) sectors, and also (iv) exhibiting considerable country coverage over time, it constitutes a worthy alternative considering the requirements of the quantitative analysis. The WGI will therefore be discussed in more detail below.

2.2.3 The Worldwide Governance Indicators (WGI)

2.2.3.1 Features and structure

The Worldwide Governance Indicators (WGI) are based on a research project by the same name, spearheaded by researchers from the Brookings Institution, the World Bank Development Research Group and the World Bank Institute.¹³⁵ The WGI data has been produced since 1996 and the indicators cover six dimensions of governance, one of which is 'control of corruption' (CC), which measures "the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests"¹³⁶. The WGI is a

¹³³ The ICRG corruption measure has also been criticized for taking into consideration the number of years the government of a country has been in power continuously, when estimating corruption levels, see Williams, A. and Siddique A. (2008, 139).

¹³⁴ See discussion in, for instance, Andvig, J.C., Fjeldstad, O-H. et al. (2000, 35).

¹³⁵ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007b, i); and the World Bank at <http://info.worldbank.org/governance/wgi/index.asp> (16.4.2012).

¹³⁶ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007b, 4). This definition was used in 2005, the year for which levels of corruption are recorded within the scope of this

composite governance index and data is thus based on a number of underlying sources. Respondents include experts from the public and private sectors and civil society organizations, as well as non-expert individuals.¹³⁷

In 2005, the CC dimension of the WGI covered 204 countries and was constructed using 31 variables measuring different aspects of corruption. These originated from 18 sources produced by 16 different organizations.¹³⁸ The sources included the views of private sector representatives (for example through the Global Competitiveness Report by the World Economic Forum), representatives of commercial business information providers (for example the Country Risk Service by the Economist Intelligence Unit), NGO representatives (e.g. Countries at a Crossroads and Nations in Transition by Freedom House), representatives of public sector organizations (for example the Country Policy & Institutional Assessments by the World Bank) as well as households (for instance the Voice of the People Survey by Gallup International).¹³⁹

A glance at the primary sources shows that these differ from one another to a certain extent. Some of the primary sources provide information about a broader spectrum of aspects of corruption, including bribery, nepotism, patronage¹⁴⁰, or even state capture¹⁴¹ whereas others focus on bribes / additional payments or do not, at least seemingly, take any interest whatsoever in particular forms of corruption. Some sources map out the prevalence of corruption in particular sectors or among certain categories of officials or

study. In 2008, the definition was changed to “perceptions of the extent to which public power is exercised for private gain”, see e.g. the World Bank at <http://info.worldbank.org/governance/wgi/index.asp> (16.4.2012); and Thomas, M. A. (2010, 36).

¹³⁷ See Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 36).

¹³⁸ See Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 37 and 46-88).

¹³⁹ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 36).

¹⁴⁰ E.g. the Business Risk Service Analyses by Business Environment Risk Intelligence; and the Political Risk Services analyses by the PRS Group, see Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 37 and 46-79).

¹⁴¹ E.g. the Business Environment and Enterprise Performance Survey (BEEPS) by the World Bank; and the Global Competitiveness Report by the World Economic Forum, see Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 50 and 80).

individuals¹⁴². Among these, some sources focus on the private sector and take a business perspective on corruption. Other sources, however, focus on corruption at the national level, without going into areas or sectors.¹⁴³

The authors have divided the different sources into representative and non-representative sources, depending on their country coverage. The 2005 CC component includes seven representative sources and twelve non-representative sources. The former category, which has greater country coverage, includes assessments by commercial business information providers as well as a survey of business executives, all publically available. The latter category, which exhibits sources with more variable country coverage, includes expert and NGO assessments as well as three household surveys. Representative sources are claimed to be given greater weight when sources are aggregated. This will be discussed in chapter 2.2.3.2.

The aggregation process of the WGI involves several steps. The process is described in great detail by the authors of the WGI as well as Arndt and Oman, wherefore only a brief overview will be provided within the framework of the thesis, see appendix 3.¹⁴⁴

2.2.3.2 Critique of the Worldwide Governance Indicators

Adserà et al. call an earlier version of the WGI “the most comprehensive and the closest to passing any internal validity test among the growing number of data that are being generated on corruption and governmental effectiveness”.¹⁴⁵ Arndt and Oman, in their thorough assessment of the WGI, maintain that – despite their shortcomings – the WGI are “[p]robably the most carefully constructed [...] governance indicators”¹⁴⁶ available. The WGI have, however, also been criticized on a number of accounts. The points of criticism levelled at the WGI are discussed below.

¹⁴² For instance the Afrobarometer, see Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 47).

¹⁴³ More information about the primary sources used to construct the 2005 Control of Corruption component, can be found in Appendices 4 and 5.

¹⁴⁴ See Kraay, A. (2007); and Arndt, C. & Oman, C. (2006).

¹⁴⁵ Adserà, A., Boix, C. & Payne, M. (2000, 33).

¹⁴⁶ Arndt, C. & Oman, C. (2006, 49).

Perceptions as a proxy for reality

In the 2005 version of the WGI, corruption was (as already noted) defined as “the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests”¹⁴⁷. This definition undeniably gives the impression that the aim is to capture actual incidence of corruption in states. Most of the indicators used to construct the CC component, however, measure perceptions rather than actual incidence of corruption.¹⁴⁸

The authors of the WGI consider the usage of perceptions of corruption as a proxy for actual incidence of corruption justified, given the problems related to measuring corruption objectively.¹⁴⁹ Perceptions-based data has, however, at times been claimed not to provide a reliable picture of the corruption landscape and changes occurring within it.¹⁵⁰ Johnston stresses that perceptions are not the same thing as reality, and also points out that issues and circumstances such as corruption scandals, culture chock, language limitations or dislike of a particular country or its government, ignorance, or the trustful or sceptical personality of the respondent may affect and distort perceptions.¹⁵¹ He also highlights that grand corruption may be difficult to detect, wherefore it is not always reliably documented using perceptions.¹⁵² Kurtz and Schrank, for their part, stress that

¹⁴⁷ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007b, 4).

¹⁴⁸ A glance at those questionnaires (related to the primary sources used for the 2005 CC component) which are publicly available shows that sources such as the Corruption Survey by the Political & Economic Risk Group, the World Competitiveness Yearbook by the Institute for Management and Development, the publications Nations in Transition and Countries at a Crossroads by Freedom House as well as the questions used from the Afrobarometer all include perceptions-based questions on corruption. The Voice of the People Survey by Gallup International and the Latinobarómetro both contain experience-based questions and these seem to be the ones used when constructing the CC component. This is not 100% certain, however, given that the authors of the WGI do not publicize the exact questions used by the primary sources, but rather provide a list of “concepts measured” by these, see Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 47-80).

¹⁴⁹ Kaufmann, Kraay & Mastruzzi, and Lambsdorff quoted in Razafindrakoto, M. & Roubaud, F. (2010, 1060).

¹⁵⁰ Andersson, S. & Heywood, P.M. (2009, 752), see also Duncan, N. (2006, 131).

¹⁵¹ Johnston, M. (2007, 874); and Teorell, J. (2010, 66).

¹⁵² Johnston, M. (2007, 874), see also Razafindrakoto, M. & Roubaud, F. (2010, 1063).

respondents, when accounting for their perceptions of corruption, may be influenced by factors such as the economic situation of a country. Times of prosperity would, according to them, make people less critical of government and thus less likely to perceive government and its officials as corrupt. During times of crisis, however, government is likely to be perceived as more corrupt.¹⁵³ Such tendencies may naturally result in measurement error. The authors of the WGI dismiss claims that governance estimates are affected by the economic situation of a country and provide what they regard as evidence to the contrary.¹⁵⁴

Experts also highlight that perceptions change very slowly and that data based on perceptions therefore is not reliable when analysing changes over time.¹⁵⁵ This is an important point, since users of corruption data often wish to establish whether strategies and interventions are bearing fruit.

Using perceptions as a proxy has also been criticized by a Razafindrakoto and Roubaud who, having compared experts' perceptions of corruption with the actual experiences of households in eight countries in sub-Saharan Africa, conclude that the two remain uncorrelated. Experts' perceptions, however, are correlated with many of the global corruption indices.¹⁵⁶ Razafindrakoto and Roubaud, furthermore, find that experts tend to overestimate levels of corruption experienced by ordinary citizens.¹⁵⁷ The authors stress, however, that their study only covers eight countries and that the results therefore have their limitations. As a consequence, Razafindrakoto & Roubaud do not categorically reject the usage of measurements based on perceptions.¹⁵⁸ Weber Abramo, finally, points to a certain level of agreement between perceptions-based and experience-based measures in some country contexts.¹⁵⁹

The usability of perceptions-based measures of corruption has been discussed extensively. When evaluating different types of data one must, however, bear in mind that also experience-based data has its

¹⁵³ Kurtz, M. J. & Schrank, A. (2007, 543).

¹⁵⁴ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 15).

¹⁵⁵ See, for instance, Miller, W.L. (2006, 168).

¹⁵⁶ Razafindrakoto, M. & Roubaud, F. (2010, 1063).

¹⁵⁷ Razafindrakoto, M. & Roubaud, F. (2010, 1057).

¹⁵⁸ Razafindrakoto, M. & Roubaud, F. (2010, 1060).

¹⁵⁹ Weber Abramo, C. (2008, 29).

weaknesses.¹⁶⁰ Such data is at times criticized for failing to capture grand or private sector corruption since respondents mainly include local (non-elite) actors.¹⁶¹ Miller also highlights that respondents may be unwilling or ashamed to admit that they have been involved in corrupt activities, as a result of which survey results do not reflect the true state of affairs.¹⁶² Furthermore, experience-based data including crime statistics may, as already mentioned, measure phenomena other than corruption.

Validity

Thomas, as well as Kurtz and Schrank, question whether the WGI really measure what they purport to measure.¹⁶³ Measures of a construct such as governance, Thomas highlights, are validated by showing that they “correctly represent the theoretical definition of the construct, and by evaluating whether the proposed measure has the same relationships with observable variables that the theory predicts the construct itself to have”¹⁶⁴. With the exception of the CC component, Thomas claims, the WGI are poorly defined and oftentimes divorced from existing theory. As a result, the validity of the indicators cannot be assessed.¹⁶⁵ This is corroborated by Kurtz and Schrank, who criticize the authors of the WGI for not having focused on “concept formation as a necessary prelude to both measurement and modelling”¹⁶⁶. Arndt and Oman, for their part, point to the components of the WGI being defined by the primary indicators on which they are based rather than using theory as a starting point.¹⁶⁷ This is also the view point of Knack, who calls the WGI conceptually imprecise and uncertain, stressing that composite indices in general “have no explicit definition, but instead are defined implicitly by what goes into them”¹⁶⁸. Since the primary sources of such indices change over time, their implicit definition also changes.

¹⁶⁰ See, for instance, Andvig, J.C. (2005).

¹⁶¹ Teorell, J. (2010, 70).

¹⁶² Miller, W.L. (2006, 170).

¹⁶³ Thomas, M. A. (2010); and Kurtz, M. J. & Schrank, A. (2007).

¹⁶⁴ Thomas, M. A. (2010, 38), where a construct is defined as an abstract idea, unobservable, which cannot be counted or measured directly.

¹⁶⁵ Thomas, M. A. (2010, 41).

¹⁶⁶ Kurtz, M. J. & Schrank, A. (2007, 563).

¹⁶⁷ Arndt, C. & Oman, C. (2006, 51).

¹⁶⁸ Knack, S. (2006, 18).

Whereas the validity of the WGI has been debated, the reliability of the indicators has been perceived as less of a problem.¹⁶⁹

Kaufmann et al. retort that defining governance in general, and its different components in particular, is a contentious issue, and that the authors are entitled to provide definitions of their own, based on existing definitions and understandings of the different components within the WGI. They therefore dismiss the criticism that the different aspects of governance have not been properly defined, and that it is unclear what they actually measure.¹⁷⁰

Respondents

The CC includes more heterogeneous sources (in terms of respondents and types of questions asked) than, for instance, the CPI.¹⁷¹ Arndt and Oman confirm that the WGI appear to be “reasonably diverse and representative of different stakeholders”¹⁷² but maintain that this is a mere façade since sources are assigned different weights¹⁷³. Sources which differ from the majority of expert assessments and surveys of firms are given less importance in the WGI components. In practice, this means that household surveys carry less weight than other sources. Such biases can, however, be found in most governance surveys, including the CPI, whose sample is “not only private sector oriented, it is also overwhelmingly male and economically well off”¹⁷⁴. Razafindrakoto and Roubaud acknowledge that the over-representation of expert opinions seems to be due to the greater availability of such appraisals, not deliberate selection choice.¹⁷⁵

From the point of view of the CC component, the claimed private sector bias could result in the focus lying mainly on “corruption affecting large companies, especially in international trade and foreign investment”¹⁷⁶ rather than the forms of corruption experienced by ordinary citizens. Kurtz and Schrank also emphasize that the firms consulted by indices such as the

¹⁶⁹ Kurtz, M. J. & Schrank, A. (2007, 544).

¹⁷⁰ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 26).

¹⁷¹ Razafindrakoto, M. & Roubaud, F. (2010, 1057).

¹⁷² Arndt, C. & Oman, C. (2006, 69).

¹⁷³ See the criticism of the aggregation process under “Aggregation procedure” below.

¹⁷⁴ Galtung, F. (2006, 112).

¹⁷⁵ Razafindrakoto, M. & Roubaud, F. (2010).

¹⁷⁶ Razafindrakoto, M. & Roubaud, F. (2010, 1060).

WGI are the ones which have managed to enter a particular market, potentially by corrupt means. Investors deterred by poor governance or corruption will not, however, be consulted. As a consequence, reporting will – according to Kurtz and Schrank – not necessarily reflect the true character of the corruption landscape.¹⁷⁷

In their response to the criticism, Kaufmann et al. maintain that according to their calculations, the perceptions of governance (including corruption) of business people and other members of society differ only little from one another, as a result of which claims about business sector bias are exaggerated. They also claim that Razafindrakoto and Roubaud's study (mentioned above) which finds that corruption assessments made by experts, on the one hand, and experiences of households, on the other, remain uncorrelated, should take into consideration that measurement error may occur in household surveys as well as experts' appraisals: any effort to collect corruption-related data, whether 'objective' or 'subjective', will therefore "involve an irreducible element of uncertainty"¹⁷⁸.

Comparisons over time

Users of indices such as the WGI are warned that these should not be used to measure trends, one reason being the rescaling procedure which "precludes the ability to track changes meaningfully over time".¹⁷⁹ This applies to governance estimates as well as rankings. Apparent changes over time may also in reality be due to new countries being added or new primary sources being included in or excluded from the WGI.

Kaufmann et al. acknowledge that adding new countries could in principle change the ranking of existing countries but maintains that this is unlikely to happen in practice unless these newcomers are radically different from countries already ranked.¹⁸⁰

¹⁷⁷ Kurtz, M. J. & Schrank, A. (2007, 542).

¹⁷⁸ Kaufmann, D., Kraay, A., & Mastruzzi, M. at <http://www.eldis.org/go/display&type=Document&id=43823#.UVs3YFf4a9s> (2.4.2012); and Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 14).

¹⁷⁹ Knack, S. (2006, 20), see also Arndt, C. & Oman, C. (2006, 61).

¹⁸⁰ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 4).

Cross-country comparisons

Arndt and Oman maintain that indices such as the WGI should not be used for cross-country comparisons due to unavoidable measurement errors, as well as assessments (in the extreme case) being based on completely different primary sources.¹⁸¹ The authors of the index maintain, however, that comparisons are possible as long as the margins of error are kept in mind.¹⁸² They also highlight that comparisons are possible despite differences in terms of primary sources since the aggregation procedure puts “the scores of these [...] into common units and permits comparison between them despite the absence of a common data source”¹⁸³. Furthermore, Kaufmann et al. highlight, several of the primary sources include quite general questions about corruption, minimizing definitional differences.¹⁸⁴

Aggregation procedure

The WGI is a composite index based on a number of underlying sources. Aggregate indices of this kind have been praised as well as criticized. Whereas some stress that combining multiple sources in such a fashion is a means towards (i) capturing more dimensions of corruption, (ii) avoiding measurement error, and (iii) ensuring greater country coverage, others point to clarity being lost in the process due to diverging definitions, scope and overall methodology.¹⁸⁵

Razafindrakoto and Roubaud do not criticize aggregation *per se*, but rather the very method through which primary sources are aggregated when constructing the WGI components.¹⁸⁶ The aggregation procedure is based on the assumption that the errors of the primary sources underlying the WGI

¹⁸¹ Arndt, C. & Oman, C. (2006, 29).

¹⁸² Arndt and Oman praise the authors for publishing these confidence intervals (containing the “true” governance score with a 90% probability) since it raises awareness among users of the problems involved in measuring governance and its different components. They highlight, however, that correlated errors may mean that confidence intervals should be broader than they currently are, which would render cross-country comparisons more difficult, see Arndt, C. & Oman, C. (2006, 61).

¹⁸³ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 6).

¹⁸⁴ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 7).

¹⁸⁵ Teorell, J. (2010, 69-70); and Knack, S. (2006, 15).

¹⁸⁶ Razafindrakoto, M. & Roubaud, F. (2010, 1059).

remain independent, something that is of importance since data sources are weighted depending on how correlated they are. Razafindrakoto and Roubaud as well as Arndt and Oman maintain that this assumption does not hold in that experts influence one another, thereby “contaminating” each other’s sources. Some primary sources are also claimed to systematically adjust their rankings to those assigned by other primary sources, or rely on the same information more generally.¹⁸⁷ These expert sources are thus likely to be highly correlated and, in accordance with the methodology of the WGI, accorded greater weights than sources expressing divergent views. As a consequence the sources based on experts’ perceptions would influence the governance estimates disproportionately.¹⁸⁸

The number of primary sources required to calculate a governance estimate has also been discussed. The WGI generates a governance estimate for a given country even if only one source is available for that country as opposed to, for instance, the CPI which requires three sources.¹⁸⁹ Arndt and Oman stress that relying on fewer sources increases the risk of erroneous grading, something that is corroborated by Iqbal and Shah.¹⁹⁰

Kaufmann et al., however, stress that “the mere fact that data sources “look at each other” does not by itself constitute evidence that these data sources will therefore make correlated errors”¹⁹¹. Furthermore, providing empirical evidence of the presence or absence of correlated errors is difficult since mere correlations may be due to a number of factors.¹⁹² Kaufmann et al. also stress that even if the errors of two data sources are somewhat correlated “it does not mean that we should discard them entirely from the aggregate

¹⁸⁷ Knack, S. (2006, 22), see also Andersson, S. & Heywood, P.M. (2009, 753); and Teorell, J. (2010, 68).

¹⁸⁸ Knack, S. (2006, 21); and Razafindrakoto, M. & Roubaud, F. (2010, 1059).

¹⁸⁹ Razafindrakoto, M. & Roubaud, F. (2010, 1058). The CC component for 2005 included 15 countries whose assessments were based on one source only, nine whose assessments were based on two sources only and 14 whose assessments were based on three sources, see Iqbal, K. & Shah, A. (2008) at <http://siteresources.worldbank.org/PSGLP/Resources/howdoworldwidegovernanceindicatorsmeasureup.pdf> (5.4.2012).

¹⁹⁰ Arndt, C. & Oman, C. (2006, 42); and Iqbal, K. & Shah, A. at <http://siteresources.worldbank.org/PSGLP/Resources/howdoworldwidegovernanceindicatorsmeasureup.pdf> (5.4.2012).

¹⁹¹ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a).

¹⁹² Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 17 and 20).

indicator – they jointly still might well contain useful information, just not as much information as they would if they were truly independent.”¹⁹³

With regards to some sources being assigned greater weight simply due to the fact that they are correlated, Kaufmann et al. acknowledge that the weighting scheme may favour some sources unduly. They therefore generate unweighted estimates on all six dimensions of the WGI and conclude that these are extremely highly correlated with the weighted ones and conclude that the criticism can be dismissed.¹⁹⁴

Lack of transparency

Arndt and Oman, and Knack highlight that users of governance indicators such as the WGI should be allowed to (i) understand how and why countries are assigned particular scores, and (ii) replicate the calculations made by the authors of the WGI. This is not possible, they claim, since neither the criteria used by the primary sources to rank countries, nor all the primary data are available to users.¹⁹⁵

The authors of the WGI find this criticism unfounded but admit that access to one primary source (the CPIA) cannot be ensured. All the remaining data has, however, been disclosed to users.¹⁹⁶

2.2.3.3 Discussion and choice of measure

As can be seen from the overview of the WGI provided above, the indicators have been criticized on a number of accounts. Some of the critique applies to all the components of the WGI whereas other issues concern certain components only, excluding the CC component.

The WGI have, first of all, been criticized for focusing on perceptions of corruption despite the fact that perceptions, as indicated above, have a number of claimed weaknesses. These include perceptions allegedly not being suitable for analysis of trends, and being distorted by externalities.

¹⁹³ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 17).

¹⁹⁴ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 21).

¹⁹⁵ Arndt, C. & Oman, C. (2006, 72); and Knack, S. (2006, 18).

¹⁹⁶ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007a, 27).

Since the thesis at hand does not focus on developments over time, and since all measures of corruption are likely to be “imperfect signals”¹⁹⁷ at best, these points of criticism are merely noted. The WGI have also been criticized for using perceptions of corruption as a proxy for actual incidence of corruption. Given that (i) the CC component does include a few sources which record experiences with corruption (see appendices 4 and 5), (ii) other studies use perception-data in this fashion, and (iii) experience-based data also has a number of weaknesses, a perceptions-based measure such as the CC component is regarded as an acceptable alternative when operationalizing corruption. The CC component is also regarded as a valid enough alternative, given that much of the criticism of the WGI as not passing the validity test constantly and explicitly excludes the CC component.

Claims that the WGI mainly convey the views of experts and business executives are also noted along with claims that certain types of corruption (such as corruption experienced by ordinary citizens) may not be captured by such assessments. In this context, it should be noted, however, that the CC component of the WGI does include the views of non-experts, and that sources focusing on the views of ordinary citizens only also are likely to miss certain types of corruption (such as grand corruption), wherefore the CC component is regarded as an acceptable option.¹⁹⁸

Criticism of the aggregation method used to construct the WGI is disregarded based on Kaufmann et al.’s statement that more or less the same estimates are generated using unweighted values. The fact that estimates for some countries are generated using very few sources is, however, noted.

More worrisome are the claims that the WGI should not be used for cross-country comparisons due to measurement errors. The thesis retorts this criticism by arguing that all measures of corruption are likely to contain

¹⁹⁷ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007b, 10).

¹⁹⁸ It is also worth while noting that other sources such as the CPI are characterized by an even more serious expert/private sector bias in that no non-expert sources are included, see Galtung, F. (2006). Galtung also criticizes the CPI on other accounts, e.g. for focusing on takers rather than givers of bribes, irregular country coverage since the organization relies on external sources, lack of consensus between the underlying sources, too narrow and imprecise a definition of corruption, unsuitability for studies of corruption over time and being used incorrectly. For discussions, see also Mény, Y. & de Sousa, L. (2001, 2827); Heywood, P. (1997, 425); and Andersson, S. & Heywood, P.M. (2009, 749).

errors of some kind and that comparative research into corruption cannot come to a halt while awaiting new measures. Researchers therefore have to make do with the measures available while keeping their weaknesses in mind when presenting their findings. The fact that many researchers do not discuss the methodologies underlying these measures points to little interest in or awareness of these issues, however.

Although not highlighted by the critics of the WGI, it is also noted that one of the original sources included in the WGI uses (anti-corruption and accounting) institutions as a proxy for corruption.¹⁹⁹ This is problematic given the fact that the independent variables of interest to the thesis are political institutions. Since this approach to measuring corruption seems to be restricted to one source only, however, the problem is regarded as minor.

As pointed out by Kurer, the ideal measure of levels of corruption should “capture the incidence of all practices that are corrupt according to the definition”.²⁰⁰ As already stated, however, such ideal measures of corruption are yet to be constructed, wherefore the phenomena captured by any corruption measure available are likely to differ substantially from those captured by the definition.²⁰¹ Williams and Siddique go as far as stating that “searching for a ‘perfect’ measure of governance is undoubtedly an exercise in futility, and it is unlikely such a measure will ever be developed”²⁰². Furthermore, they highlight that “the criticisms levelled at many of the indicators mentioned throughout this paper have been written more as a cautionary tale of their limitations, rather than as statements describing why they should never be used”²⁰³. This is echoed by one of the great authorities in corruption research, Michael Johnston, who states that “[i]t is unlikely that we will ever have valid, reliable, precise, subtle, and broadly comparable data on corruption – much less on all its various forms”²⁰⁴.

¹⁹⁹ The original source in question is the Country Policy & Institutional Assessments by the Asian Development Bank, see appendix 5.

²⁰⁰ Kurer, O. (2005, 234).

²⁰¹ Knack, S. (2006, 5).

²⁰² Williams, A. and Siddique A. (2008, 154).

²⁰³ Williams, A. and Siddique A. (2008, 154).

²⁰⁴ Johnston, M. (2007, 877).

Given the above as well as the fact that the WGI also have been lauded by a number of respected scholars²⁰⁵, corruption will – within the framework of this thesis – be operationalized using the WGI CC component.

²⁰⁵ Adserà, A., Boix, C. & Payne, M. (2000, 33); and Arndt, C. & Oman, C. (2006, 49).

SAFEGUARDING AGAINST CORRUPTION

This thesis approaches corruption as an undesirable and condemnable phenomenon, which certain countries have managed to keep from becoming entrenched, whereas others have not. Why some societies or countries have been more successful than others in this regard still attracts debate, however, and many are of the opinion that, despite considerable efforts by academics as well as practitioners, “knowledge about what causes governments to be clean and efficient [remains] in its infancy”²⁰⁶.

A wealth of scholarly work seems to pull in different directions, pointing to an elusive, multi-faceted problem and numerous potential explanatory variables. A number of these, however, are often regarded as those holding the greatest explanatory power²⁰⁷, wherefore these will be discussed briefly.

The first such variable is that of religious tradition. More precisely, a number of studies find a negative relationship between Protestantism and levels of corruption.²⁰⁸ Treisman suggests two distinct pathways through which religion is likely to affect levels of corruption. On the one hand, religion is likely to affect cultural attitudes to social hierarchy. In countries dominated by more “hierarchical” religions (such as Catholicism or Islam) people are less likely to challenge office-holders, which contributes towards increased levels of corruption. Where religions based on more egalitarian or

²⁰⁶ Adserà, A., Boix, C. & Payne, M. (2000, 5-6). See also Treisman, who states that “very little is known for sure about what causes corruption to be higher in one place than another”, Treisman, D. (2000, 400).

²⁰⁷ For lengthier discussions about the wide spectrum of explanatory variables, see Amundsen, I. (1999); Andvig, J.C., Fjeldstad, O-H. et al. (2000); Lambsdorff, J.G. (2005); Treisman, D. (2000), among others.

²⁰⁸ See e.g. Gerring, J. & Thacker, S. (2004); Kunicová, J. & Rose-Ackerman, S. (2001); Kunicová J. & Rose-Ackerman, S. (2005); Persson, T., Tabellini, G & Trebbi, F. (2003); Tavits, M. (2007); and Treisman, D. (2000).

individualistic principles (such as Protestantism) dominate, however, accountability is facilitated, which reduces levels of corruption. On the other hand, religion is also likely to affect levels of corruption because of the distinct relationships between different world religions and the state. Treisman stresses that a separation between the church and the state (characteristic of many Protestant countries) is likely to have contributed to a more critical view of the state as well as increased monitoring of the same. As a result, such countries are likely to exhibit lower levels of corruption than states where the church and the state remain intertwined (characteristic of states where, for instance, Islam dominates).²⁰⁹ Accountability and ease of monitoring of the state could thus be the avenues through which Protestantism contributes towards stemming corruption.

Economic causes of corruption have also been explored to quite an extent, and economic development is generally regarded as an important explanatory factor with regards to corruption.²¹⁰ Andvig et al., quoting Paldam and Treisman, go as far as stating that the single "most important determinant of corruption is economic development, measured by real GDP per capita"²¹¹. Andvig et al. conclude, however, that "[c]ausation runs from economic development to lower corruption, and from corruption to lower economic development"²¹², i.e. in both directions. Also Amundsen maintains that the direction of causality is hard to establish.²¹³

Economic development in itself may not, however, be enough to curb corruption. Unequal distribution of resources may in fact cause corruption even in the richest of nations.²¹⁴ The effects of economic development have been attributed to a number of pathways, including officials in economically developed countries running higher chances of being exposed, economic development increasing levels of education and literacy, developed countries to a greater extent being characterized by depersonalized

²⁰⁹ Treisman, D. (2000, 403).

²¹⁰ See e.g. Gerring, J. & Thacker, S. (2004); Kunicová, J. & Rose-Ackerman, S. (2001); Kunicová J. & Rose-Ackerman, S. (2005); Persson, T., Tabellini, G & Trebbi, F. (2003); Tavits, M. (2007); Treisman, D. (2000); and Lederman, D., Loayza, N. and Reis Soares, R. (2001).

²¹¹ Paldam and Treisman quoted in Andvig, J.C., Fjeldstad, O-H. et al. (2000, 83).

²¹² Andvig, J.C., Fjeldstad, O-H. et al. (2000, 83).

²¹³ Amundsen, I. (1999, 15-16).

²¹⁴ See, for instance, Nye (1967, 418).

relationships, and social stigma being greater in economically developed countries.²¹⁵

A history of British rule is also found to reduce levels of corruption.²¹⁶ One reason for this might be common law²¹⁷, found in Great Britain and its former colonies. According to David and Brierly as well as La Porta, common law to some extent developed “as a defense of parliament and property owners against the attempts by the sovereign to regulate and expropriate them, [whereas] civil law systems [...] developed more as an instrument used by the sovereign for state building and controlling economic life”²¹⁸. Due to the greater protection of property rights against the state under common law systems, these are found to contribute towards efficient government, and corruption being stemmed.²¹⁹ This may not be the only reason why former British colonies exhibit lower levels of corruption, however. According to Eckstein, the British have always emphasized the importance of following procedures²²⁰, and Treisman notes that judges have shown a willingness “to follow procedures even when the results threaten hierarchy”²²¹, something that is likely to increase the likelihood of venal actors being sanctioned. A British heritage may thus contribute towards curbing corruption through an emphasis on procedures as well as protecting individuals against encroachments by the state.

A number of studies also link ethnic fragmentation to increasing levels of corruption.²²² Mauro attributes this to bureaucrats in ethnically fragmented states favouring members of their own group²²³, whereas Treisman

²¹⁵ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 82-83).

²¹⁶ See e.g. Kunicová, J. & Rose-Ackerman, S. (2001); Kunicová J. & Rose-Ackerman, S. (2005); Swamy, A., Knack, S., Lee, Y. & Azfar, O. (2001); and Treisman, D. (2000).

²¹⁷ Defined as “The principles and rules of action, embodied in case law rather than legislative enactments, applicable to the government and protection of persons and property that derive their authority from the community customs and traditions that evolved over the centuries as interpreted by judicial tribunals”, see the Free Dictionary by Farlex at <http://legal-dictionary.thefreedictionary.com/Common+law> (08.12.2012).

²¹⁸ Quoted in Treisman, D. (2000, 402), see also La Porta, R., Lopez-de-Silanes, F., Shleifer, A. and Vishny, R. (1999, 232).

²¹⁹ Treisman, D. (2000, 402).

²²⁰ Eckstein, H. (1966, 265).

²²¹ Treisman, D. (2000, 403).

²²² These include, for instance, Lederman, D., Loayza, N. and Reis Soares, R. (2001).

²²³ Mauro, P. (1995, 693).

highlights the corrupt contracts between members of the same group, as well as possibilities to employ sanctions against actors who act against members of one's own group.²²⁴

Linkages between democracy and corruption have been brought to the fore by a number of scholars.²²⁵ These scholars point to levels of corruption decreasing with (i) increasing levels of democracy or (ii) length of democratic history.²²⁶ The linkage between levels of democracy and levels of corruption may not, however, be as straightforward as initially assumed. Amundsen, for instance, points out that countries experiencing rapid transformation such as democratic transition may in fact experience higher levels of corruption than stable democracies or authoritarian states.²²⁷ This is substantiated by Manow²²⁸ and Andvig et al. The latter point out that the relationship may in fact be bell-shaped since authoritarian regimes, contrary to newly democratized ones, are able to "control the levels of corruption and thus keep it at an economically viable level [...]. When authoritarian control is challenged and destroyed [...], but not yet replaced by democratic checks and balances, and by legitimate and accountable institutions, the level of corruption will increase and reach a peak before it is reduced with increasing levels of democratic governance"²²⁹. Also Treisman finds a non-linear relationship between democracy and levels of (perceived) corruption. He finds that levels of (perceived) corruption decline as Freedom House political rights (PR) values go from 7 to 6 and 3 to 1. Between PR values 3 and 6, however, he finds the effect of democracy on corruption to be more erratic.²³⁰

²²⁴ Treisman, D. (2000, 406).

²²⁵ See e.g. Gerring, J. & Thacker, S. (2004); Kunicová, J. & Rose-Ackerman, S. (2001); Kunicová J. & Rose-Ackerman, S. (2005); Tavits, M. (2007); Treisman, D. (2000); and Lederman, D., Loayza, N. and Reis Soares, R. (2001).

²²⁶ Treisman finds that levels of democracy only affect levels of corruption in countries which have been democratic (in practice: at least an electoral democracy) for 40 years or more, see Treisman, D. (2000, 434). This is also substantiated by Chang, E. & Golden, M. at http://www.golden.polisci.ucla.edu/recent_papers/elec_systems_05_04.pdf (7.12.2012).

²²⁷ Amundsen, I. (1999, 17-18).

²²⁸ Manow quoted in Lambsdorff, J.G. (2005, 20).

²²⁹ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 57-58).

²³⁰ Treisman, D. (2007, 228).

Sandholtz and Koetzle attribute the linkage between democracy and corruption to (i) institutional as well as (ii) normative components. The former category includes the fact that officials derive their powers from (and are expected to serve) the public which, in turn, is more able to control officials. Sandholtz and Koetzle also highlight the importance of freedom of speech and press in curbing corruption. The second category includes democratic norms which emphasize corruption as “antagonistic to basic democratic values”²³¹. According to Sandholtz and Koetzle, it is because of this fact that the public bothers to engage in monitoring and sanctioning officials.

The strong relationship between individual political institutions and levels of corruption has also been emphasized by scholars. How a number of political institutions have been found to interact with levels of corruption is discussed in chapter 3.2.3.

Before analysing linkages between political institutions and corruption, however, the chapter discusses corruption from a principal-agent perspective, describing how corruption, or behaviour which deviates from the formal duties of a public role, can be viewed through and analysed using a principal-agent lens. Such a perspective emphasizes (i) the public as the ultimate delegating party (or principal), (ii) the power-holder as the representative (or agent), (iii) the fact that the agent has duties towards the principal, and (iv) the fact that the agent can choose to do his duty or disregard it by focussing first and foremost on benefiting himself or people or groups close to him. This discussion points to a number of challenges and problems inherent to processes of delegation of power.

The chapter then turns to political institutions as solutions to those problems, introducing accountability as a pathway through which political institutions impact on levels of corruption. The hypothesis put forward is that political institutions, by enhancing or hampering accountability, render corruption more or less practicable and attractive.

²³¹ Sandholtz, W. & Koetzle, W. (2000, 38).

3.1 Delegation of power and its inherent risks

Democracy as a form of government signifies rule by the people. In ancient Greece, democracy took the form of direct self-government, i.e. citizens debating and making decisions related to issues of common interest.²³² The forms of democracy exhibited in modern states, however, most often differ from those of ancient Greece, one of the reasons being the difficulty of applying the idea of direct democracy to large states with millions of citizens.

Most modern democratic states have therefore adopted representative democracy, i.e. citizens delegating authority to representatives, who in their turn may delegate authority onwards.²³³ As a consequence, representative democracies exhibit a multitude of processes or chains of delegation. These are composed of different actors and exhibit varying length, but the citizens always constitute the main and ultimate delegating parties.

Delegation of power is a necessity in a large state; it is a way of ensuring that a broad range of services can be provided and that those “with the talent, training and inclination”²³⁴ to assume certain responsibilities are tasked with executing them.²³⁵ According to Kiewiet and McCubbins, “[delegation] is what allows firms to profit, economies to grow, and governments to govern”²³⁶.

The argument behind delegation of authority is that it contributes to efficient decision-making and execution. Delegation is, however, fraught with risks. At worst, delegation may turn into total abdication, i.e. the delegating party losing control over the party to whom authority has been delegated. According to McCubbins, Noll & Weingast, this may manifest itself in a number of ways, including the entrusted person shirking his duties, giving preference to his own (political) preferences rather than those of the delegating party, or engaging in downright corruption²³⁷, i.e. disregarding

²³² Hague, R. & Harrop, M. (2007, 43-44).

²³³ Lupia, A. & McCubbins M.D. (2000, 291-292).

²³⁴ Kiewiet, D. R. & McCubbins, M. D. (1991, 24).

²³⁵ Lupia, A. (2003, 33); or Brito Vieira, M. & Runciman, D. (2008, 71).

²³⁶ Kiewiet, D. R. & McCubbins, M. D. (1991, 24).

²³⁷ McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987, 247), see also Lupia, A. & McCubbins M.D. (2000, 294); and Strøm, K. (2003, 84).

his duty to the delegating party by focussing on activities benefitting himself or people or groups close to him.

Such problems can to a certain extent be avoided through mechanisms geared towards controlling the person to whom authority is delegated. This thesis takes an interest in the very mechanisms through which the delegating party – the principal – can avoid losing control over the person(s) or entities to which power is delegated – the agent(s). As will be discussed in the following, the thesis scrutinizes the ways in which political institutions structure the relationship between principals and agents, with view to ensuring that delegation does not equal abdication.²³⁸ Institutional design thus becomes a tool to ascertain successful delegation.

3.1.1 Delegation from principals to agents

As indicated above, processes of delegation may be studied using the principal-agent model, whereby the delegating party constitutes the principal, and the person(s) to whom power is delegated constitute(s) the agent(s).

The underlying idea of the model is that the principal (s)elects an agent to undertake tasks, which he / she, due to lack of time or expertise, cannot assume him- or herself. One of the assumptions governing the relationship is the fact that the interests of the principal and the agent are likely to diverge²³⁹, i.e. their interest with regards to how the delegated work should be carried out or what a reasonable output is, may differ. The principal naturally wishes to see the agent act in accordance with the principal's interests, thus avoiding unnecessary costs.²⁴⁰ The principal is, however, likely to have limited information about and insight into the character and the doings of the agent.²⁴¹ This becomes a challenge (the so called principal-

²³⁸ Lupia, A. & McCubbins M.D. (2000).

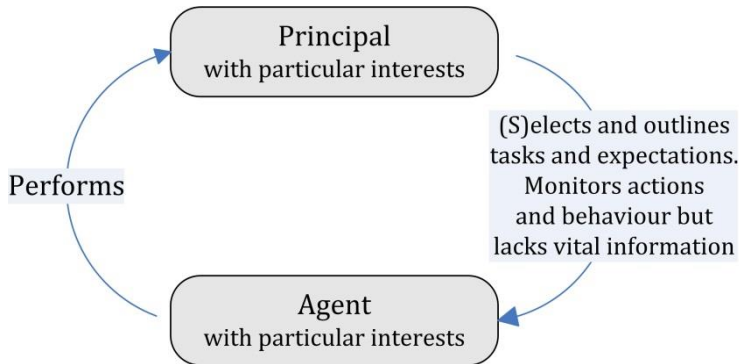
²³⁹ Groenendijk, N. (1997, 208).

²⁴⁰ Miller, G.J. (2005, 204).

²⁴¹ It should be noted that some scholars question whether information asymmetry and goal conflict should be regarded as constants in the principal-agent model. For instance Waterman and Meier discuss principal-agent relationships where principals have fair information about the personality and actions of the agent, or relationships where the interests of the principal and the agent do not diverge. The authors suggest that more attention should be paid to these very relationships, see Waterman, R.W. & Meier, K.J. (1998, 196).

agent problem) for the principal, who at worst has to expend considerable amounts of time, money and energy to ensure that the agent is acting in his interest (see figure 1).

Figure 1: Basic principal-agent model

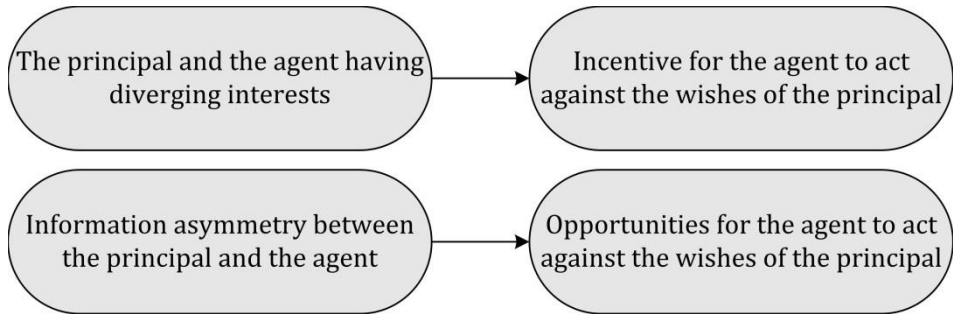


This is in line with Lupia and McCubbins, who state that acts of delegation share at least four common features. These include (i) the involvement of a principal tasked with delegating authority, and an agent to whom authority is delegated, (ii) the possibility of conflicting interests between the two, (iii) the possibility of the relationship being characterized by asymmetric information, and (iv) the prospect of solving the problems related to delegation through mechanisms embedded in the institutional design.²⁴² Lupia and McCubbins specify that the first three characteristics of principal-agent relationships contribute towards delegation at times being so problematic. Whereas conflicting interests provide the incentive to act against the instructions from or wishes of the principal, asymmetric information makes it possible for the agent to do so²⁴³, see figure 2.

²⁴² Lupia, A. & McCubbins M.D. (2000, 293-294).

²⁴³ See for instance Waterman, R.W. & Meier, K.J. (1998, 177).

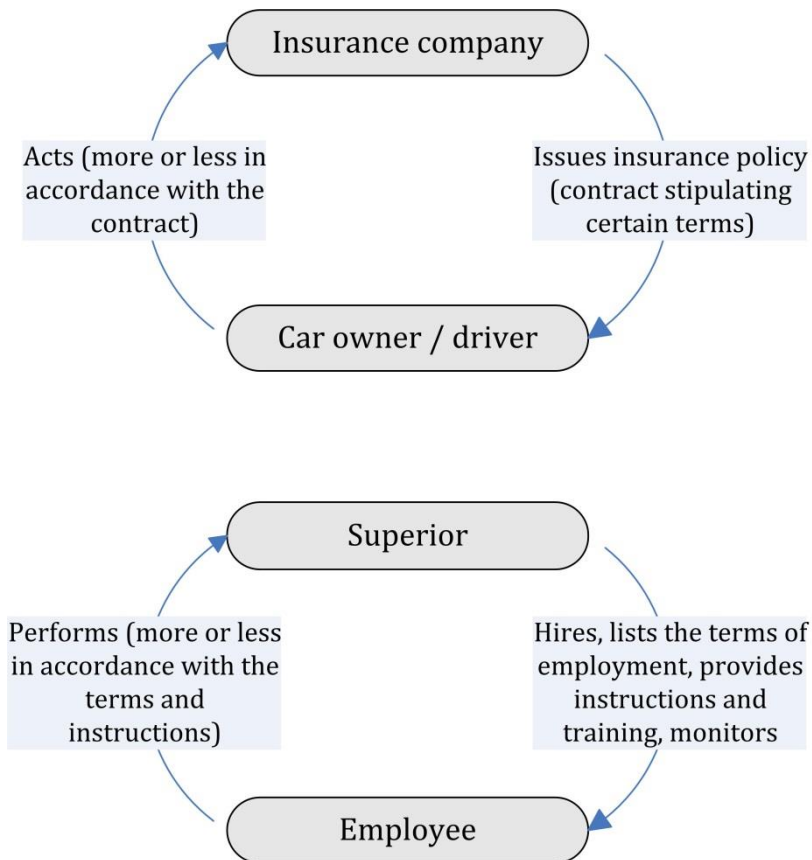
Figure 2: Linkages between (i) interests and incentives and (ii) information and opportunities



3.1.2 Application of the principal-agent model in the field of political science

The principal-agent model was originally applied to such seemingly different relationships as those within the firm (analysing the dynamics between superiors and employees) or between insurance companies and customers procuring car insurance, with a focus on the difficulties faced by the superiors / the companies in terms of overseeing the behaviour of the employees / the insured, see figure 3.

Figure 3: Early use of the P/A framework within the field of economics



The former model – for instance – helped to illustrate (i) the challenges involved in ensuring that the drivers did not engage in risky and costly behaviour (simply because they had insurance), and (ii) the mechanisms available to make behaviour involving risk less attractive.²⁴⁴

It was soon realized, however, that the principal-agent model had great potential in terms of gaining a better understanding of relationships, delegation of power, informational asymmetries, diverging interests and control mechanisms in a broader context. Within the field of political science, for instance, the model has allowed scholars to gain new insights into

²⁴⁴ Miller, G. J. (2005, 203).

interaction, relationships and processes of delegation and control within the state.²⁴⁵

As shown by a limited but convincing amount of work within the field of political science, politics may – as already stated – in fact be approached as an agreement between principals and agents. This is demonstrated by, for instance, (i) Strøm, who studies parliamentary systems and chains of delegation from principals (voters, political representatives and ministers) to agents (representatives, ministers and bureaucrats) within these, and (ii) Kiewiet and McCubbins, (iii) McCubbins, Noll and Weingast, and (iv) McCubbins and Schwartz, who all study the US Congress (as the principal) and the process of delegating powers to standing committees and other entities (agents).²⁴⁶ Of interest is also research by (v) Kassim and Menon, who analyse the delegation of powers from the EU member states (as principals) to the European Commission and Court of Justice (as agents) and that by (vi) della Porta and Vannucci, who scrutinize the interaction and exchanges between principals, agents and third parties in an Italian political context.²⁴⁷

The great potential for employing the principal-agent model within the field of political science is also underscored by Lupia and McCubbins, who state that “[i]f delegation is a key requirement of democracy, then discovering how principals adapt to the problems of delegation is essential to understanding of how democracy works”²⁴⁸. Advocates of the model also include Lane, according to whom the model offers new perspectives on the interactions between (i) voters (as principals) and politicians (as agents) as well as (ii) government (as the principal) and the bureaucracy (as the agent). Lane highlights that the contracts entered into in the political arena are ambiguous ones, difficult to monitor, providing agents with numerous opportunities to misbehave, be it in the form of shirking, corruption or other.²⁴⁹ As a result, mechanisms are needed to constrain these potentially unruly agents, channelling their behaviour in the right direction. Much in

²⁴⁵ Lane, J-E. (2008, 31).

²⁴⁶ See Strøm, K. (2003); Kiewiet, D. R. & McCubbins, M. D. (1991); McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987); and McCubbins, M.D., & Schwartz, T. (1984).

²⁴⁷ See Kassim, H. & Menon, A. (2003); and Della Porta, D. & Vannucci, A. (1999).

²⁴⁸ Lupia, A. & McCubbins M.D. (2000, 306).

²⁴⁹ Lane, J-E. (2008, 27 and 31).

line with the argument of this thesis, Lane regards political institutions as such mechanisms designed to structure the interaction between principals and agents, and avoid problems of delegation.²⁵⁰

The principal-agent model has also to some extent been used in studies which, like the one at hand, focus on the causes of corruption. In this context, Klitgaard's examination of the incentives created by institutions is widely quoted.²⁵¹ Studies by Groenendijk, Adserà, Boix and Payne, Andersson, and Andersson and Bergman also deserve a mention. Whereas Groenendijk applies the principal-agent model to representative democracies to demonstrate its usefulness beyond the bureaucratic context, Adserà et al. take an interest in accountability mechanisms as the very pathways through which political institutions affect levels of corruption.²⁵² Andersson, and Andersson and Bergman, finally, analyse processes of delegation and control as well as outcomes in terms of corruption in a number of Swedish counties.²⁵³

As can be seen from the brief overview provided for, the principal-agent model is applied to the study of political institutions as well as the study of corruption. It should be noted, however, that the model also has been criticized as unsuitable for certain types of corruption research. Persson, Rothstein and Teorell argue that the model cannot be used for analysing societies characterized by systemic corruption since "principled principals"²⁵⁴ acting in a non-selfish manner will be the exception rather than the rule. As a result, these societies will to a large extent lack actors willing to monitor agents and punish corrupt behaviour, and may instead see principals as well as agents pursuing their own narrow self-interests. When studying systemic or engrained corruption, therefore, the principal-agent framework loses its usefulness as an analytical tool.²⁵⁵ The study by Persson et al. points to this being the case in some African countries, where corruption, according to them, rather should be conceived as a collective action problem, i.e. actors (principals as well as agents) being aware of the

²⁵⁰ Lane, J-E. (2008, 4, 31 and 126).

²⁵¹ Klitgaard, R. (1988).

²⁵² Groenendijk, N. (1997); and Adserà, A., Boix, C. & Payne, M. (2000).

²⁵³ Andersson, S., (2008); and Andersson, S. & Bergman, T. (2009).

²⁵⁴ Persson, A., Rothstein, B. & Teorell, J. (2010).

²⁵⁵ Persson, A., Rothstein, B. & Teorell, J. (2010, 5).

negative effects of corruption for society as a whole but yet engaging in corrupt behaviour since it benefits them personally, making corruption the norm rather than the exception.²⁵⁶ The same line of argument is presented by Mungiu-Pippidi, who emphasizes that corruption, in some societies, does not lie exclusively with the agent as the principal-agent model presupposes, and that corruption in these contexts constitutes the norm rather than the exception.²⁵⁷ Also Andvig and Fjeldstad point to the principal-agent model breaking down in cases where the principal engages in corruption. The authors, in line with Waterman and Meier, also flag the challenges related to multiple principals with potentially inconsistent and/or unclear preferences.²⁵⁸ Tirole, finally, calls attention to the fact that the principal-agent paradigm was “developed for two-tier organizations”²⁵⁹ and that many organizations in fact exhibit more complex structures, which means that coalitions and collusion between actors must be taken into consideration.

Persson et al., Mungiu-Pippidi, Andvig et al., Waterman & Meier, and Tirole make important and valid inputs into the debate about how to define and analyse corruption, and are most probably right when criticising the usage of a model focusing on corruption as an exception in a context where corruption rather should be regarded as an institution in itself. The model does, however, remain useful when studying countries characterized by (relatively) low levels of corruption. Given that one of the aims of this thesis is to unveil mechanisms contributing to low levels of corruption, the model should contribute towards answering the research questions.

3.1.3 Agency problems and corruption as a form of agency loss

As already outlined, principal-agent relationships may be characterized by divergent preferences (the interests of the agent differing from those of the principal) and information asymmetries (the principal and the agent not having equal information). These features, inherent to the principal-agent relationship, may render the process of delegation and control very cumbersome and difficult to manage.

²⁵⁶ Persson, A., Rothstein, B. & Teorell, J. (2010, 3 and 11-12).

²⁵⁷ Mungiu-Pippidi, A. (ed.) (2011, 23).

²⁵⁸ Andvig, J.C., Fjeldstad, O-H. et al. (2000, 116-117); and Waterman, R.W. & Meier, K.J. (1998, 178).

²⁵⁹ Tirole, J. (1986, 181).

Limited information (also termed hidden information) about the personality, preferences or context of the agent(s), on the one hand, may lead to principal-agent problems in the form of adverse selection.²⁶⁰ Adverse selection refers to the difficulties faced by the principal with regards to seeing the true nature of the agent and determining whether it is wise to delegate to him/her. Such problems therefore occur before the principal has decided to enter into a principal-agent relationship with the agent (*ex ante*).

Limited information about the actions of the agent (also termed hidden action), on the other hand, leads to principal-agent problems in the form of moral hazard.²⁶¹ Moral hazard refers to the difficulties faced by the principal when it comes to making sure that the agent is behaving in accordance with the contract, i.e. what has been agreed upon with the principal. As opposed to problems of adverse selection, moral hazard problems, therefore, occur after the agreement or contract between the principal and the agent has been closed (*ex post*).

Adverse selection and moral hazard increase the risk of agency loss, defined as the difference between what the principal wants from the agent and what the agent actually delivers²⁶², see figure 4. Delegation always entails some level of agency loss since no agent will be able to act or produce outputs completely in accordance with the wishes of the principal. Delegating authority to an agent may still be worthwhile, however, as long as the principal deems that he is better off than he would be, had he not delegated at all.²⁶³

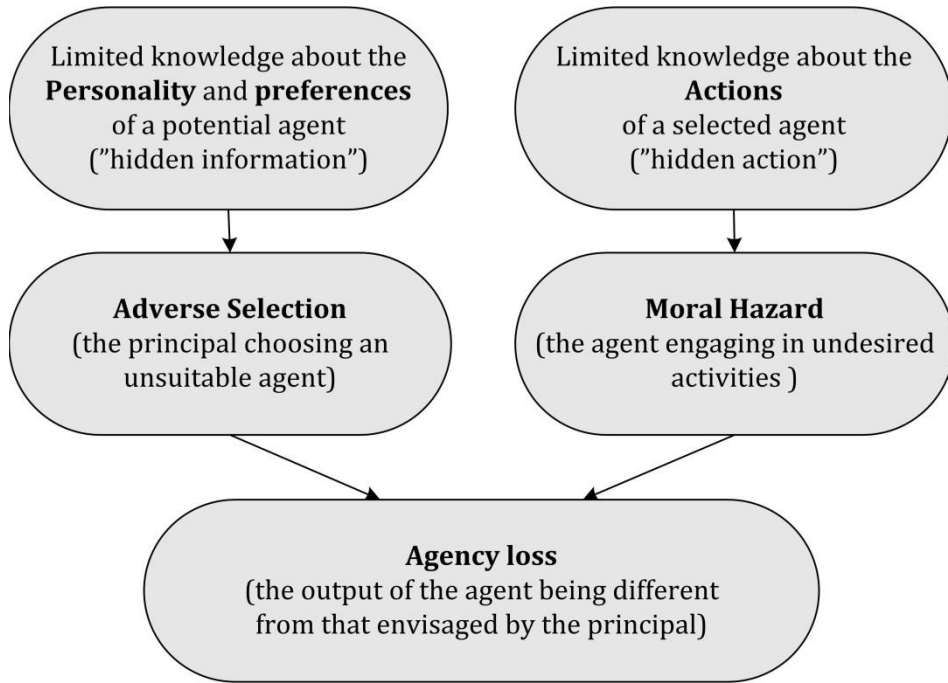
²⁶⁰ Strøm, K. (2003, 61-62); and Lane, J.E. (2008, 3).

²⁶¹ See Kiewiet, D. R. & McCubbins, M. D. (1991, 25); Strøm, K. (2003, 61-62); and Lane, J.E. (2008, 3).

²⁶² Lupia, A. (2003, 35).

²⁶³ Lupia, A. & McCubbins M.D. (2000, 296).

Figure 4: Informational challenges resulting in agency loss



This thesis has already briefly touched upon a number of ways in which an agent can behave contrary to the wishes of the principal. Only one of these, however, is of interest to the study, namely corrupt behaviour. The thesis regards corruption as a societal problem giving rise to considerable political, economic, social, and environmental costs.²⁶⁴ Corruption, therefore, may be beneficial for individuals or groups involved in corrupt practices in the short term, but will have considerable adverse effects on individuals, groups or society as a whole in the long term. Although prevalent and even institutionalized in certain societies, the thesis claims that a majority of individuals do condemn corruption. This is in line with data from the World Values Survey, indicating that 68% of respondents find that accepting a bribe never is justifiable.²⁶⁵

²⁶⁴ See e.g. Transparency International at http://www.transparency.org/news_room/faq/corruption_faq#faqcorr1 (16.11.2011); Treisman, D. (2000); or Gerring, J. & Thacker, S. (2004).

²⁶⁵ World Values Survey at <http://www.wvsevsdb.com/wvs/WVSanalyzeQuestion.jsp> (16.11.2011).

As a consequence, the thesis argues that also a majority of principals would prefer (s)electing non-corrupt agents, and operationalizes (i) adverse selection as the principal being unable to (s)elect “clean” agents, i.e. agents with no intention of favouring themselves (or their immediate family or friends) through corrupt behaviour, (ii) moral hazard as the principal being unable to keep agent(s) non-corrupt, and (iii) agency loss as increased levels of corruption.

3.2 Political institutions as problem-solvers

Delegation is a necessity in a modern-day state, but may also be perilous. Agents may regard the office as a holiday resort rather than a place to work²⁶⁶ or they may engage in undesired activities such as theft or corruption. Principals fear losing control over the agents.

Attention is now turned towards ways in which principals can avoid losing control over the actor(s) to whom power is (to be) delegated, the emphasis being on political institutions and how they contribute towards delegation not equalling abdication.

The discussion opens with a closer look at institutional theory and political institutions as entities. This is followed by an overview of research into whether and how political institutions have been found to affect levels of corruption.

3.2.1 Definition of a political institution

The thesis at hand is grounded in institutional theory, which argues in favour of institutions having an influence on human behaviour as well as the outcomes of different processes. Institutional theory is employed within the scope of a number of disciplines, including the political sciences, economics and sociology.²⁶⁷ As highlighted by Blondel, however, the political sciences

²⁶⁶ Aptly described as the agency becoming a “Club Med for government officials”, see McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987, 247).

²⁶⁷ Goldman, K., Pedersen, M.N. & Østerud, Ø. (red.) (1997, 99).

take a particular interest in institutions, institution-building and their effects.²⁶⁸

According to Blondel, political scientists often use the term “political institution” without providing a clear definition or specifying what should be included under its umbrella: “it [is] as if the meaning of the concept was self-evident and we should immediately recognize an institution when we [see] one”²⁶⁹. Kollman highlights that the confusion surrounding the concept partly is due to the fact that it can refer to a multitude of entities as well as procedures.²⁷⁰

This said, a number of scholars do provide definitions contributing to a clearer picture of the object under scrutiny. Kollman himself, first of all, defines political institutions as “codified constraints on behaviour”²⁷¹, specifying that institutions include rules and procedures regulating a number of processes and that they “determine who can legally do what, when, and how”²⁷². Hall and Taylor move along the same lines defining political institutions as the “rules, compliance procedures and standard operating practices that structure the relationship between individuals”²⁷³. Their emphasis lies on formal institutions, as does that of Levi, who defines political institutions as “[t]he formal arrangements aggregating individuals and regulating their behavior through the use of explicit rules and decision-making processes, maintained by an individual or a group of individuals who formally have been authorized to hold such power”²⁷⁴. Goldmann, Pedersen and Østerud regard political institutions as “key political structures and rules and norms [...] which actors conform to”²⁷⁵, whereas North defines political institutions as “the rules of the game in a society or, more formally, [...] humanly devised constraints that shape human interaction”²⁷⁶. Lane chooses to define political institutions simply as “enforced rules”²⁷⁷ and

²⁶⁸ Blondel, J. (2006, 716).

²⁶⁹ Blondel, J. (2006, 717).

²⁷⁰ Kollman, K. (2012, 6).

²⁷¹ Kollman, K. (2012, 5-6).

²⁷² Kollman, K. (2012, 5-6).

²⁷³ Hall and Taylor quoted in Bell, S. (2002, 2).

²⁷⁴ Levi quoted in Rothstein, B. (1994) (own translation from Swedish).

²⁷⁵ See Goldmann, K., Pedersen, M.N. & Østerud, Ø. (red.) (1997, 98) (own translation from Swedish).

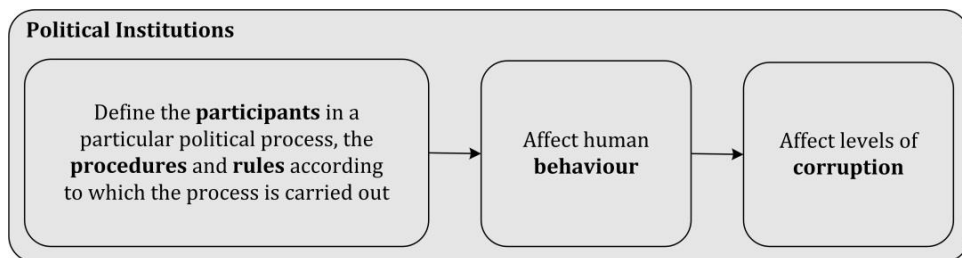
²⁷⁶ North, D.C. (1990, 3).

²⁷⁷ Lane, J-E. (2008, 28).

Groenendijk as “collectively binding working rules”²⁷⁸. Steinmo, finally, states that political institutions in the broadest sense are “simply rules”²⁷⁹, which define who is able to participate in the political arena, shape the political strategies of actors and influence what actors regard as possible and desirable.

In line with the definitions provided by Hall and Taylor above, this thesis regards political institutions as “rules, compliance procedures and standard operating practices that structure the relationship between individuals”²⁸⁰. As such, they define the participants in different political processes, and the rules and procedures according to which these processes are carried out. As a consequence, political institutions define how power can and should be exercised and by whom, i.e. provide pointers as to what is feasible and allowed. This, the thesis argues, has a bearing on levels of corruption, as can be seen from figure 5 below.

Figure 5: Proposed linkage between institutions, behaviour and corruption



The extent to which political institutions in fact shape the behaviour of individuals as well as key outcomes has, however, been debated also within the institutionalist camp. Goldman, Pedersen and Østerud distinguish between strands of institutionalism, which see actors as either primarily rule-abiding or rational utility-maximizing creatures:

- (i) The first strand of institutionalists regards individuals as primarily “guided by norms rather than consequences or interest”²⁸¹. This strand

²⁷⁸ Groenendijk, N. (1997, 207).

²⁷⁹ Steinmo, S. (2001).

²⁸⁰ Hall quoted in Bell, S. (2002, 2), see also Lane, J.E. (2008, 20).

²⁸¹ Goldman, K., Pedersen, M.N. & Østerud, Ø. (red.) (1997) (own translation from Swedish).

seems to argue that institutions are able to determine the actions of actors.

(ii) The latter strand argues that individuals are guided by interest, although “formal and informal institutions [...] restrict [their] strategic behaviour”²⁸². This strand seems to take a more moderate stance with regards to whether institutions determine behaviour, claiming the co-existence and co-influence of personal interest and a normative framework.

The thesis subscribes to the latter point of view and will be considering actors as influenced by structural factors (rules and norms) within society, as well as personal interest and consequence. By making this choice, it acknowledges that particular ends cannot be attained by institution-building alone. Institution-building is, however, regarded as a powerful tool towards achieving particular ends.

3.2.2 Entities categorized as political institutions

If defined as formal rules, compliance procedures and operating practices (see chapter 3.2.1), political institutions may come to include a variety of different entities. According to Goldmann, Pedersen and Østerud, early political scientists regarded the concept as encompassing political structures such as “voters, political parties, parliament, popularly elected authorities at a regional and local level, administration in a broader sense, supranational political and administrative organizations, courts of law, the ombudsman, the state auditor, interest groups and the media”²⁸³. Later, however, political institutions have often come to include an even broader range of entities, i.e. formal as well as informal structures.²⁸⁴

²⁸² Goldmann, K., Pedersen, M.N. & Østerud, Ø. (red.) (1997, 99) (own translation from Swedish).

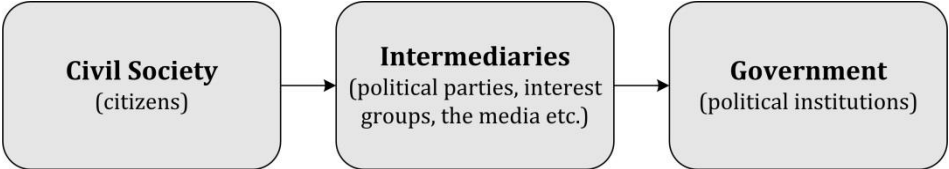
²⁸³ See Goldmann, K., Pedersen, M.N. & Østerud, Ø. (red.) (1997, 98) (own translation from Swedish).

²⁸⁴ See Goldmann, K., Pedersen, M.N. & Østerud, Ø. (red.) (1997, 98 and 222) Also note that structures according to the authors should be regarded as informal when roles depend on values, customs and tradition rather than written or unwritten rules.

As can be seen above, even the narrower lot of entities listed by Goldmann et al. includes a fairly broad range of political entities. The question remains: should all the entities listed by Goldmann et al. be regarded as formal political institutions?

Any effort to specify the entities to be included under the definition should make the distinction between government and civil society. Whereas government encompasses “the formal institutions, offices, processes and personnel through which the day-to-day running of a country, the maintenance of public order and the distribution of resources is managed and maintained”²⁸⁵, civil society can be defined as “the realm of social activity that is not to do with the state or the market”²⁸⁶. It goes without saying then, that institutions within civil society should not be included under formal political institutions of the state. The thesis also argues that “intermediaries” between government and civil society should be regarded as separate from the government machinery:

Figure 6: Distinction between civil society and state



As can be seen from figure 6, voters are regarded as part of civil society, and interest groups, the media and political parties as intermediaries in that they channel inputs provided by civil society. A similar distinction is also made by Hague and Harrop (who distinguish between society and government) and Axford, Browning, Huggins and Rosamond (who separate people and government).²⁸⁷

²⁸⁵ Axford, B., Browning, G., Huggins, R. and Rosamond, B. (1997, 330).
²⁸⁶ Axford, B., Browning, G., Huggins, R. and Rosamond, B. (1997, 123).
²⁸⁷ See Hague, R. & Harrop, M. (2007) table of contents; and Axford, B., Browning, G., Huggins, R. and Rosamond, B. (1997, vii). It should be mentioned, however, that these authors categorize the political entities listed by Goldmann et al. (1997) slightly differently.

3.2.3 Research into linkages between political institutions and corruption

Having discussed the different views on what political institutions are and the extent to which they might affect conduct and outcomes, attention is turned to the very linkages between political institutions and levels of corruption. In the following, the focus will lie on (i) research which points to a significant relationship between political institutions and levels of corruption, as well as certain pathways between the two variables, and (ii) the political institutions of interest to the thesis.

The linkages between political institutions and levels of corruption have been studied to a certain extent. Recent comparative research has, however, for the most part been quantitative. Although pathways between the variables often are alluded to or discussed briefly, little systematic, in depth research exists with regards to the mechanisms through which political institutions affect levels of corruption. This is particularly the case when it comes to how the political institutions in a given national context affect the prevalence of corruption.²⁸⁸

Much of existing research has focused on political institutions such as the executive, the legislature, electoral rules, the vertical division of power within the state, the bureaucracy, and anti-corruption commissions, as can be seen from table 2.

²⁸⁸ Exceptions exist, however. These include e.g. an analysis of exchanges between agents and corrupters in an Italian context, see della Porta, D. & Vannucci, A. (1999); and studies of corruption in a number of Swedish counties, see Andersson, S. (2008). See also Andersson, S. & Bergman, T. (2009).

Table 2: Focus of earlier research

Political Institutions	Aspects studied
The executive	Presidentialism / Parliamentarism / Semi-presidentialism
The legislature	Male / Female representation Unicameralism / Bicameralism
Electoral systems	Open / Closed proportional representation (PR) Interaction between electoral rules and district magnitude
Vertical distribution of power	Federalism / Unitarism Centralization /Decentralization
The bureaucracy	Size of the public sector Wages
Anti-corruption commissions	Mandate Independence Legal context

Some of the findings of scholarly research into the linkages between political institutions and corruption are rendered below.

3.2.3.1 Executives

Parliamentary systems and corruption

Parliamentary systems are often, but not always, associated with lower levels of corruption. Gerring and Thacker, find that parliamentarism reduces levels of corruption and argue that this is due to the fact that parliamentarism centralizes political power.²⁸⁹ The authors explore a number of causal pathways between (i) political institutions which foster centralization and (ii) levels of corruption. They find that these institutions are characterized by a number of traits likely to counteract corruption. These traits include (i) abstract standards and universalistic norms, i.e. broad rules that apply to all actors and which cannot be remodelled according to taste, (ii) focus on a national constituency and issues of national importance, something that renders the polity “less susceptible to special interests and personalistic pressures”²⁹⁰, (iii) strong parties at the national level, the argument being that partisanship can be linked to an avowed public obligation rather than individual interests, (iv) fewer veto points, which reduces the possibilities

²⁸⁹ Gerring, J. & Thacker, S. (2004, 295 and 326-7).

²⁹⁰ Gerring, J. & Thacker, S. (2004, 320).

for corrupt actors to block processes and decisions, and (v) fewer collective action problems since political power is concentrated “in the hands of national party leaders and central government bureaucrats”²⁹¹. According to Gerring and Thacker parliamentarism thus affects levels of corruption “through multiple channels”²⁹².

Also Lederman, Loayza and Reis Soares find that parliamentarian systems reduce levels of corruption.²⁹³ The authors are not explicit with regards to the pathways through which parliamentarism does so, however. They rather speak in general terms about political institutions which promote (i) political competition, (ii) checks and balances and (iii) transparency as contributing to improved accountability and thus reduced levels of corruption.²⁹⁴

Shugart, finally, finds that parliamentary systems engender strong parties which force politicians to “subordinate their pursuits to the party’s broader interests”²⁹⁵. As a consequence, Shugart argues, politicians are more likely to “provide policies aimed at broad national constituencies rather than at particularistic sectoral or regional constituencies”²⁹⁶, which reduces tendencies towards pork barrelling²⁹⁷. This said, Shugart does not regard parliamentarism as a panacea against particularism and corruption. Instead, he stresses that parliamentarism does not always engender parties which focus on a national constituency. According to him, large countries characterized by great regional disparities or income inequality may in fact be characterized by weak parties, focused on more limited constituencies. In such countries, Shugart argues, presidentialism may be the key to curbing pork barrel politics and corruption since presidentialism is characterized by a president with “strong reactive and sometimes proactive powers through

²⁹¹ Gerring, J. & Thacker, S. (2004, 316-325).

²⁹² Gerring, J. & Thacker, S. (2004, 325).

²⁹³ Lederman, D., Loayza, N. & Reis Soares, R. (2001, 32).

²⁹⁴ Lederman, D., Loayza, N. & Reis Soares, R. (2001, 7-8).

²⁹⁵ Shugart, M.S. (1999, 53).

²⁹⁶ Shugart, M.S. (1999, 53).

²⁹⁷ Pork-barrel legislation refers to “appropriations of public funds by Congress or other legislative bodies for pet projects that serve the interests local districts these legislators represent, rather than the interests of the larger population”, see US Legal Definitions at <http://definitions.uslegal.com/p/pork-barrel-legislation/> (11.4.2013).

which particularistic tendencies of a fragmented legislature can be partially counteracted”²⁹⁸.

Presidential systems and corruption

What does earlier research say regarding the relationships between presidentialism and corruption, or pathways between the two? In a study focusing on the causes of corruption, Kunicová and Rose-Ackerman regard presidential regimes as more prone to corruption than parliamentary regimes. They see this as a function of centralized control and poor opportunities for monitoring. More precisely, they stress that a president who controls the executive branch faces an abundance of possibilities to engage in activities for personal gain, and is more able to act upon these possibilities since monitoring of the executive by the legislature is more difficult than in a parliamentary system.²⁹⁹ Given their conclusion that closed list electoral systems are likely to engender increased levels of corruption, they state that presidentialism combined with closed lists should be an unfortunate combination when trying to curb corruption. This is tested and confirmed through statistical analyses.³⁰⁰

As already mentioned, Shugart highlights the importance of analysing the country context (and issues such as inequality and regional disparities in terms of development) when determining how best to counteract pork barrel, patronage and corruption.³⁰¹ He stresses that presidentialism may be the best option for countries characterized by parties which do not focus on a national constituency, especially if the country in question faces problems such as the uneven distribution of wealth and development.³⁰²

Some researchers, including Kaufmann et al., caution against hasty conclusions with regards to the relationship between presidentialism and corruption, however.³⁰³

²⁹⁸ Shugart, M.S. (1999, 84).

²⁹⁹ Kunicová J. & Rose-Ackerman, S. (2005, 586).

³⁰⁰ Kunicová J. & Rose-Ackerman, S. (2005, 594-595).

³⁰¹ Shugart, M.S. (1999, 54).

³⁰² Shugart, M.S. (1999, 84).

³⁰³ Kaufmann, Kraay & Zoido-Lobaton quoted in Adserà, A., Boix, C. & Payne, M. (2000, 16 and 31).

Semi-presidential systems and corruption

Linkages between semi-presidential systems and corruption have not been studied to the same extent as those between parliamentary and presidential systems, on the one hand, and corruption, on the other. Jung-Hsiang, however, points to a positive relationship between the two variables, something that the author attributes to the legislative powers of the president.³⁰⁴

Table 3: Sample of research into the linkages between executives and corruption

Institution	Authors	Effect on corruption detected
Parliamentarism	Gerring & Thacker	↓
	Lederman, Loayza & Reis Soares	↓
	Shugart	↓ in systems with strong parties focused a national constituency
Presidentialism	Kunicová & Rose-Ackerman	presidential systems + closed list proportional representation ↑
	Shugart	↓ in countries with weak parties + regional disparities + inequality
	Kaufmann, Kraay & Zoido-Lobaton	↓ (plausibly)
Semi-presidentialism	Jung-Hsiang	↑

↓ = reducing effect, = ↑ increasing effect

3.2.3.2 Legislatures

Female representation

Swamy, Knack, Lee and Azfar study the relationship between gender and corruption. They operationalize gender in a number of ways including the proportion of women in Parliament and the proportion of women in senior positions within the bureaucracy, and find that the greater the percentage of both, the less corruption, and find women to be engaged in corruption to a

³⁰⁴ Jung-Hsiang, T. (2006, 3797).

lesser extent than men.³⁰⁵ Although not explicitly focusing on causal pathways between gender and levels of corruption, the authors speculate that the relationship may be linked to differences in terms of socialization, access to network of corruption, or knowledge of how to engage in corrupt activities.³⁰⁶

Bicameralism

Testa examines the impact of bicameralism on levels of corruption among elected officials. She finds that the effects of bicameralism on levels of corruption depend on the division of power between chambers as well as the polarization of the elections. More specifically, the author maintains that bicameralism increases the cost of “buying” legislators, thus reducing levels of corruption. This does not, however, apply across the board. According to Testa, bicameralism only has this effect on levels of corruption when the “same party controls the two chambers and party polarization is high”³⁰⁷. Bicameralism has the opposite effect, however, “if the two chambers are controlled by different parties”³⁰⁸. Testa also maintains that amendment rights on the part of the second chamber have a negative effect on levels of corruption.

Table 4: Sample of research into the linkages between legislatures and corruption

Institution	Authors	Effect on corruption detected
Female representation	Swamy, Knack, Lee & Azfar	↓
Bicameralism	Testa	↓ if high party polarization + the same party controls both chambers + amendment rights

↓ = reducing effect, = ↑ increasing effect

³⁰⁵ Swamy, A., Knack, S., Lee, Y. & Azfar, O. (2001).

³⁰⁶ Swamy, A., Knack, S., Lee, Y. & Azfar, O. (2001, 2).

³⁰⁷ Testa, C. (2010, 181).

³⁰⁸ Testa, C. (2010, 181).

3.2.3.3 Electoral systems

Open / closed lists and corruption

A number of scholars have studied the linkages between open or closed proportional representation (PR), on the one hand, and corruption, on the other. Their results are, however, at times contradictory.

Chang takes an interest in electoral systems with open-list PR, arguing that candidates in these face greater uncertainty with regards to the electoral outcome as well as increased pressure to amass personal votes due to intra-party competition. As a result, he argues, candidates are in a dire need of resources to finance their campaigns, which in turn increases the risk of candidates engaging in corrupt activities. Chang finds support for his hypothesis through statistical analyses, which also show that the relationship between uncertainty and levels of corruption may in fact be U-shaped, i.e. those engaging in corrupt activities being either very uncertain or very certain about their chances for re-election.³⁰⁹ Whereas intra-party competition has an increasing effect on levels of corruption, Chang finds that inter-party competition serves to discipline candidates. As a result, corruption becomes less prevalent.³¹⁰ Chang thereby overthrows the view that electoral competition in any shape and form serves to reduce levels of corruption. Instead, he shows that the very type of electoral competition matters when it comes to whether a candidate is likely to engage in corrupt acts or not.³¹¹

This is in line with Carey and Shugart, who link electoral systems which force candidates to cultivate a personal rather than a party reputation to increases in terms of pork barrel and corruption.³¹² According to the authors, the value of a personal reputation tends to be high in systems with intra-party competition, and increases as district magnitude increases. The degree of intra-party competition, in turn, remains a functions of the extent to which (i) party leaders have control over access to the ballot and are able to rank candidates, (ii) candidates are elected on individual votes indepen-

³⁰⁹ Chang, E. (2005, 726).

³¹⁰ Chang, E. (2005, 719).

³¹¹ Chang, E. (2005, 727).

³¹² Carey, J.M. & Shugart, M.S. (1995, 433-434).

dent of co-partisans, and (iii) “voters cast a single intra-party vote instead of multiple votes or part-level votes”³¹³.

Persson, Tabellini and Trebbi maintain that the “details of electoral rules have a strong influence on political corruption”³¹⁴. They find that systems with party lists exhibit higher levels of corruption, whereas systems where voters vote for individual candidates exhibit lower levels of corruption. This is due to the fact that the latter create a more “direct link between individual performance and reappointment”³¹⁵, as a result of which representatives have an incentive to deliver and behave well. Under party lists, however, election outcomes depend on a candidate’s ranking on the list rather than his/her performance.³¹⁶

In a study focusing on the causes of corruption, Kunicová and Rose-Ackerman study (i) the opportunities for private gain, (ii) the incentives to engage in monitoring as well as (iii) the ability to monitor under different electoral systems. They come to the conclusion that the opportunities for incumbents to engage in activities for personal benefit are the greatest under plurality rule. In electoral systems characterized by closed list proportional representation, however, “opportunities for rent extraction are vested mainly with party leaders”³¹⁷. Incentives and ability to monitor incumbents are, however, also found to be the strongest in systems based on plurality rule. As a result, the authors conclude that plurality rule should be most conducive towards stemming corruption.³¹⁸ Statistical tests show that proportional representation in general and combined with presidentialism in particular, contribute towards increases in terms of corruption.³¹⁹

Rose-Ackerman takes an interest in the linkages between constitutional structures and their effect on (i) the provision of public goods and (ii) avoidance of corruption. She regards parliamentary systems with party-centred proportional representation and Westminster parliamentary systems as most able to avoid corruption. According to Rose-Ackerman, the

³¹³ Carey, J.M. & Shugart, M.S. (1995, 417).

³¹⁴ Persson, T., Tabellini, G & Trebbi, F. (2003, 960).

³¹⁵ Persson, T., Tabellini, G & Trebbi, F. (2003, 961 and 983).

³¹⁶ Persson, T., Tabellini, G & Trebbi, F. (2003, 961).

³¹⁷ Kunicová J. & Rose-Ackerman, S. (2005, 581).

³¹⁸ Kunicová J. & Rose-Ackerman, S. (2005, 581).

³¹⁹ Kunicová J. & Rose-Ackerman, S. (2005, 594-595).

former are able to curb corruption due to the fact that politicians have the incentives to provide broad-based public goods. She stresses, however, that systems with party-centred PR lack local accountability, which may be a problem if party leaders are corrupt.³²⁰ Westminster parliamentary systems, on the other hand, are able to reduce levels of corruption if they produce two parties alternating in power. As a result, the need to form coalitions (and thus the extortionary power of third parties) is reduced.³²¹

Lederman, Loayza and Reis Soares, however, find no significant correlation between closed lists and corruption.³²² Manow also claims that the relationship between party lists and corruption (claimed by Persson et al.) “breaks down (with respect to significance and magnitude) when restricting the sample to more mature democracies or countries with a high level of political freedom”³²³.

Interaction between electoral formula and district magnitude

A number of scholars also find interaction effects between district magnitude and the electoral formula. Persson, Tabellini & Trebbi find that large voting districts contribute towards decreased levels of corruption, whereas smaller voting districts contribute towards increased levels of corruption. This, according to the authors, is due to the fact that, in a large district, “an honest candidate is always available, for all ideological positions”³²⁴. In a small district, however, voters do not have as much choice and may prioritize policy over honesty, which is why dishonest candidates may be re-elected. As stated above, they also find that systems with party lists exhibit higher levels of corruption, whereas systems where voters vote for individual candidates exhibit lower levels of corruption. Persson et al. therefore maintain that institution-builders who worry about corruption should opt for open-list PR as well as larger districts. The authors highlight, however, that electoral systems often tend to combine party lists with large district magnitude or plurality with small districts, which is why changing from the former to the latter or vice versa will not make a great difference in

³²⁰ Rose-Ackerman, S. (2001, 42).

³²¹ Rose-Ackerman, S. (2001, 42).

³²² Lederman, D., Loayza, N. & Reis Soares, R. (2001, 22).

³²³ Quoted in Lambsdorff, J.G. (2005, 21).

³²⁴ Persson, T., Tabellini, G & Trebbi, F. (2003, 960 and 983).

terms of prevalence of corruption.³²⁵ This said, Persson et al. acknowledge that single features of the electoral system only provide partial answers and that the comprehensive design of the electoral system should be evaluated when discussing outcomes in terms of corruption.³²⁶

The interaction between voting rules and district magnitude is also studied by Chang and Golden, who maintain that closed lists affect levels of corruption differently in countries with large voting districts and countries with small voting districts. Directly contrary to Persson et al., they maintain that systems which employ closed-list PR face lesser corruption problems as district magnitude increases, whereas systems employing open-list PR face greater corruption problems as district magnitude increases.³²⁷ Chang and Golden see this as a function of closed-list PR forcing politicians to take the reputation of the party as a whole into consideration.³²⁸ Furthermore, Chang and Golden identify a cut-off point of 15 in terms of district magnitude, where corruption becomes greater in systems with open-list PR than in systems with close-list PR. As a result, corruption is found to be greater in systems with open-list PR once district magnitude goes beyond 15, and higher in systems with closed-list PR when district magnitude remains under 15.

³²⁵ Persson, T., Tabellini, G & Trebbi, F. (2003, 960).

³²⁶ Persson, T., Tabellini, G & Trebbi, F. (2003, 983).

³²⁷ Chang, E. & Golden, M. at http://www.golden.polisci.ucla.edu/recent_papers/elec_systems_05_04.pdf (07.12.2012).

³²⁸ Chang, E. & Golden, M. at http://www.golden.polisci.ucla.edu/recent_papers/elec_systems_05_04.pdf (07.12.2012).

Table 5: Sample of research into the linkages between electoral rules and corruption

Institution	Authors	Effect on corruption detected
Open / closed lists	Chang	Open list PR ↑
	Carey & Shugart	open lists ↑
	Persson, Tabellini & Trebbi	Party lists ↑
	Kunicová & Rose-Ackerman	PR + presidentialism ↑ plurality ↓
	Rose-Ackerman	Party lists + parliamentarism ↓ Westminster parliamentarism ↓ if two parties alternate in power
	Lederman, Loayza & Reis Soares	none
	Manow	none
Interaction between district magnitude and electoral rules	Persson, Tabellini & Trebbi	open lists + large district magnitude ↓ party lists + small district magnitude ↑
	Chang & Golden	Closed lists + increasing voting districts ↓ open list PR + increasing districts ↑

↓ = reducing effect, = ↑ increasing effect

3.2.3.4 Vertical division of power

Federal states and corruption

Research into the linkages between federalism and levels of corruption also produces results which are far from unequivocal. Certain researchers, firstly, maintain that federalism contributes to higher levels of corruption. These include Treisman, Kunicová & Rose-Ackerman, and Gerring & Thacker.

Treisman, firstly, finds that federal states are more susceptible to corruption than unitary or decentralized unitary states. He speculates that this might be due to different autonomous levels of government competing when it comes to extracting bribes, something that results in 'overgrazing', but acknowledges that more research is needed to understand the complex

linkage between federalism and levels of corruption.³²⁹ The finding that federal states are more prone to corruption than others is also corroborated by Kunicová and Rose-Ackerman. Their study only includes federalism as a control variable, however, as a result of which pathways between federalism and corruption are not brought up for discussion.³³⁰

Also Gerring and Thacker find that federal states (especially presidential ones) are more susceptible to corruption than other states.³³¹ The authors link federalism with a fragmented elective branch and public service, something that leads to divided authority, mixed messaged, overlapping jurisdictions, red tape and overall chaos. Gerring and Thacker argue that “malfeasance is easily buried in [this] chaos”³³², which explains why corruption should be more rife in federal states.³³³ They also regard federalism as more prone to intimate contacts and personalized relations and therefore contributing to increased levels of corruption.³³⁴

Certain studies, secondly, maintain that federalism only can contribute to lower levels of corruption as long as certain basic conditions are met. According to Lederman, Loayza and Reis Soares units within a federal system must be able to compete with each other: “competition [among agencies may drive] corruption to zero just as perfect competition among firms drives prices to marginal costs”³³⁵. This, however, only occurs provided that power is “decentralized into units which can substitute (and compete with) one another”³³⁶.

Centralized unitary states and corruption

Gerring and Thacker find that (centralized) unitarism contributes to corruption levels being reduced. They see this as a function of centralism and argue that institutions which foster centralism counteract corruption. Unitarism stems corruption through the same channels as parliamentarism,

³²⁹ Treisman D. (2000, 433).

³³⁰ Kunicová J. & Rose-Ackerman, S. (2005, 597).

³³¹ Gerring, J. & Thacker, S. (2004, 327).

³³² Gerring, J. & Thacker, S. (2004, 325).

³³³ Gerring, J. & Thacker, S. (2004, 324-325).

³³⁴ Gerring, J. & Thacker, S. (2004, 320).

³³⁵ Lederman, D., Loayza, N. & Reis Soares, R. (2001, 10).

³³⁶ Lederman, D., Loayza, N. & Reis Soares, R. (2001, 10).

namely by (i) providing for abstract standards and universalistic norms (ii) primarily being concerned with a national constituency and issues of national importance, (iii) engendering strong parties at the national level, (iv) a reduction in the number of veto points, and (v) collective action problems being done away with due to the “internalization of externalities”.³³⁷

Also Gerring, Thacker and Moreno find that unitarism reduces levels of corruption. In their article, they operationalize corruption in two ways, namely the World Bank control of corruption (CC) measure and the Political Risk Services (PRS) measure. The results are not, however, unambiguous in that unitary systems are found to be correlated with only one of the corruption measures, namely the PRS measure.³³⁸ The authors are reticent to speculate upon the causal pathways between unitarism and variables of good governance and point to the need for research into these.³³⁹

Decentralized unitary states and corruption

Linkages between decentralization and corruption have also received some scholarly attention. Banfield, firstly, suggests that that “decentralized political systems are more corruptible, because the potential corrupter needs to influence only a segment of the government, and because in a fragmented system there are few centralized forces and agencies to enforce honesty”³⁴⁰. Also Fan, Lin and Treisman associate decentralization with increased levels of corruption. They maintain, however, that this is the case especially in decentralized systems with multiple government and administrative tiers due to the complexity of the system and rent-seeking becoming uncoordinated.³⁴¹

Schleifer and Vishny suggest that states with a very centralized institutional structure and those with a very decentralized structure may experience less corruption than states at an intermediate level of institutional centralization.³⁴² The view that very decentralized structures are less prone

³³⁷ Gerring, J. & Thacker, S. (2004, 316-325).

³³⁸ Gerring, J., Thacker, S.C. & Moreno, C. (2007, 25).

³³⁹ Gerring, J., Thacker, S.C. & Moreno, C. (2007, 24).

³⁴⁰ Quoted in Andvig, J.C., Fjeldstad, O-H. et al. (2000, 85).

³⁴¹ Fan, C.S, Lin, C, & Treisman, D. at <http://www.sscnet.ucla.edu/polisci/faculty/treisman/Papers/pol%20dec%20and%20corruption.pdf> (07.12.2012).

³⁴² In Andvig, J.C., Fjeldstad, O-H. et al. (2000, 85).

to corruption is corroborated by Fisman and Gatti, who point to a need for research into pathways through which this occurs.³⁴³

Bardhan and Mokherjee, finally, stress that decentralization cannot be regarded as a panacea when it comes to improving accountability and safeguarding against corruption. Instead, more research should be conducted with view to the mechanisms through which decentralization might mitigate problems of corruption. The authors stress that factors such as literacy and information campaigns to empower community members, or improved monitoring by civic associations, the media and other actors are of importance to the effort of ensuring that decentralization does not increase corruption levels.³⁴⁴

Table 6: Sample of research into the linkages between vertical division of power and corruption

Institution	Authors	Effect on corruption detected
Federalism	Treisman	↑
	Kunicová & Rose-Ackerman	↑
	Gerring & Thacker	↑
	Lederman, Loayza & Reis Soares	Federalism + competing units ↓
Centralized unitarism	Gerring & Thacker	↓
	Gerring, Thacker & Moreno	↓
Decentralized unitarism	Banfield	↑
	Fan, Lin & Treisman	↑ if many government and administrative tiers
	Schleifer & Vishny	↓ in very centralized or very decentralized systems ↑ in semi-decentralized systems
	Fisman & Gatti	↓
	Bardhan & Mokherjee	↓ if citizens are empowered

↓ = reducing effect, = ↑ increasing effect

³⁴³ Fisman, R. & Gatti, R. (year unknown) at <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.196.1379&rep=rep1&type=pdf> (07.12.2012).

³⁴⁴ Bardhan, P. & Mokherjee, D. (2005).

3.2.3.5 Bureaucracies

Large state bureaucracy and corruption

Little consensus exists with regards to whether down- or upsizing the public sector reduces levels of corruption. Research points to (i) a positive relationship between public sector size and levels of corruption, as well as (ii) the complete absence of connections between the two.

Scott, first of all, stresses that “the larger the relative size and scope of the public sector, the greater will be the proportion of [corrupt] acts”³⁴⁵. This implies that corruption can be reduced by decreasing the size and scope of government. He receives support from Goel & Nelson, who relate the size of the public sector to the supply of opportunities for corruption. Their results point to “government size, in particular spending by state governments, [having] a strong positive influence on corruption”³⁴⁶. Also Scully regards large bureaucracies as relatively bigger suppliers of opportunities for corruption. Scully, however, questions whether the relationship is completely linear.³⁴⁷

Lapalombara maintains that “the very size and scope of governments in the twentieth century have generated a cornucopia of opportunities to fall into corrupt behavior”³⁴⁸. He maintains that corruption always has existed, but “not on the scale that becomes possible in an era of the regulatory-and-welfare state”³⁴⁹. Scandinavia excluded, he finds a positive relationship between levels of public expenditure and corruption. A large government apparatus, he highlights, entails large numbers of bureaucrats with access to and control over funds as well as possibilities for deviant behaviour. Furthermore, oversight of the bureaucracy tends to be hampered in many countries, (i) given the weakness of the legislature and ombudsmen, as well as (ii) civil society institutions, trade unions, the media and academic institutions being dependent on the state.³⁵⁰ Also Meier & Holbrook find a

³⁴⁵ Scott quoted in Gerring, J. & Thacker, S.C. (2005, 238).

³⁴⁶ Goel, R.K. & Nelson, M.A. (1998, 117). This study operationalizes corruption as the number of public officials convicted of abuse of public office.

³⁴⁷ Quoted in Goel, R.K. & Nelson, M.A. (1998, 111).

³⁴⁸ Lapalombara, J. (1994, 337-338).

³⁴⁹ Lapalombara, J. (1994, 338).

³⁵⁰ Lapalombara, J. (1994, 338).

relationship between the variables. They operationalize public sector size as the number of government employees and find a positive relationship between this variable and levels of corruption. This, the authors argue, is likely to be due to two factors, including (i) large governments providing more opportunities for corruption, but also (ii) large governments being characterized by inertia, which must be overcome through corruption.³⁵¹

A number of researchers, however, question whether public sector size has an effect on levels of corruption. Elliot, firstly, concludes that “types of government activities may be more important than the size of the budget”³⁵². Gerring and Thacker, secondly, test whether smaller public sectors contribute towards less corruption than bigger ones and find “no consistent relationship between the aggregate size of the public sector and political corruption”³⁵³ despite operationalizing public sector size in five different ways. Also Husted, finally, tests the hypothesis whether greater government expenditure as a share of GDP contributes to higher levels of corruption and concludes that government size is not related to corruption.³⁵⁴

Wages

Van Rijckeghem and Weder study the linkages between salaries in the civil service and corruption, and find that increasing salaries decreases corruption levels. They stress, however, that a “rather large increase in wages is required to eradicate corruption solely by raising wages”³⁵⁵.

³⁵¹ Meier, K.J. & Holbrook, T.M. (1992, 146). The study operationalizes corruption as the number of public officials convicted for violating laws against public corruption.

³⁵² Elliot, K.A. (1997).

³⁵³ Gerring, J. & Thacker, S.C. (2005, 233).

³⁵⁴ Husted, B.W. (1999, 354).

³⁵⁵ Van Rijckeghem, C. & Weder, B. (2000, 307).

Table 7: Sample of research into the linkages between aspects of the bureaucracy and corruption

Institution	Authors	Effect on corruption detected
Large public sector	Scott	↑
	Goel & Nelson	↑
	Scully	↑
	Lapalombara	↑
	Meier & Holbrook	↑
	Elliot	none
	Gerring & Thacker	none
	Husted	none
Increased wages	Van Rijckegheim & Weder	↓

↓ = reducing effect, = ↑ increasing effect

3.2.3.6 Anti-corruption commissions

Research into the effectiveness of anti-corruption agencies shows that it has been mixed, at best.³⁵⁶ Doig, Watt and Williams stress that the creation of these institutions does not have to follow the pattern used in Hong Kong (commonly held as the model³⁵⁷) and that they should be allowed to develop their mandate and mature independently from their supporters (which oftentimes in a developing country context are the donors). As long as these conditions are not met, the authors stress, anti-corruption agencies cannot be successful.³⁵⁸

De Maria studies anti-corruption agencies in an African context and concludes that they should diminish their corruption investigation roles and focus on anti-corruption education and prevention, thereby increasing their effectiveness. He stresses that these agencies and the entire “African anti-corruption project [are] crafted offshore in social and economic contexts not sufficiently replicated in the African experience”³⁵⁹ and therefore do not function optimally.

³⁵⁶ Jennett, V. (2007).

³⁵⁷ For instance when it comes to the mandate of the agency, including investigation, education and prevention.

³⁵⁸ Doig, A., Watt, D. and William, R. (2006, 171).

³⁵⁹ De Maria, B. at http://www.benafrika.org/downloads/demaria_africa_anticorrupt.pdf (27.05.2012).

Heilbrunn, finally, stresses that anti-corruption agencies, in order to be successful, must be independent and that their work must be supported by an adequate legal framework.

Table 8: Sample of research into the linkages between the establishment of anti-corruption agencies and corruption

Institution	Authors	Effect on corruption detected
Establishment of anti-corruption agencies	Doig, Watt and Williams	In their current form ↓
	De Maria	In their current form ↓
	Heilbrunn	If criteria are met ↑

↓ = reducing effect, = ↑ increasing effect

3.2.4 Political institutions of interest to the thesis

Much in line with previous research, the thesis at hand, takes an interest in the linkages between the executive, the electoral system, the bureaucracy and the vertical division of power, on the one hand, and corruption, on the other. This by no means ground-breaking approach is justified with the fact that the thesis at hand aims to build on existing research by systematically scrutinizing not only whether a relationship exists between the variables, but also the mechanisms through which institutions have a bearing on levels of corruption. This is done in the form of qualitative case studies, grounded in particular national contexts (see chapter 5). Such qualitative analyses are warranted since quantitative analyses of the relationship – as seen in the overview provided above – tend to provide contradictory results and since they shed little light on the fascinating interface between institutions and corruption.

As can be seen from table 9, the thesis takes an interest in the parliamentary, presidential or semi-presidential nature of executives, as well as vertical division of power from the point of view of federalism, centralized unitarism or decentralized unitarism. Electoral systems are studied with regards to their candidate- or party-centredness, and bureaucracies with regards to their size.

Presidentialism, parliamentarism, federalism, unitarism and the size of the public sector are included in the study due to the prominent role these institutional variables play in existing research and the significant relationships

uncovered between them and levels of corruption. Previous research also to a certain extent points to significant relationships between semi-presidentialism and decentralized unitarism, on the one hand, and levels of corruption, on the other, wherefore these are included. The inclusion of candidate and party-centred electoral systems, finally, stems from research pointing to (i) the type of vote cast, and (ii) the influence of party leaders over candidates as having a bearing on levels of corruption (see table 5).

*Table 9: Potential institutional determinants of corruption, of interest to the study*³⁶⁰

Political institutions	Categorization
The executive	Presidentialism / Parliamentarism / Semi-presidentialism
Electoral systems	Candidate / Party-centred
Vertical division of power	Federal / Unitary / Decentralized Unitary
The bureaucracy	Size of the public sector

As can be seen, the proposed set of institutional determinants does not include a number of institutions listed in table 2 or a number of other political institutions listed by Goldmann et al.³⁶¹ On what grounds are these not included among the potential institutional determinants of corruption? Although some of them could be included as such, they are omitted because of the structure and the purpose of the research assignment at hand. The study, first of all, takes an interest in the national rather than the supranational level, which explains why supranational political and administrative organizations are sidelined. Regional and local level authorities, secondly, are regarded as covered through the “vertical division of power”-dimension, whereas legislatures – although excluded as separate independent variables – are discussed as part of institutional lines of accountability inherent to the executive. Courts of law, anti-corruption agencies and the state auditor, finally, are excluded as potential determinants or independent variables but analysed within the framework of the broader qualitative analysis.

³⁶⁰ For definitions, see appendix 1.

³⁶¹ See Goldmann, K., Pedersen, M.N. & Østerud, Ø. (red.) (1997, 98).

3.3 Solving problems of delegation through institution-building

As can be seen from the discussion above, scholarly work points to significant relationships between a number of political institutions and levels of corruption. These relationships can and have been attributed to a number of pathways and mechanisms, such as particular institutions contributing towards (i) facilitating / hampering monitoring and accountability, (ii) increasing / decreasing the number of veto points, (iii) producing stronger / weaker parties, (iv) increasing / decreasing inter- or intra-party competition, (v) increasing / decreasing opportunities for malfeasance, (vi) contributing towards localism, personalized relationships or increased discretion at the local level as opposed to universalistic norms, or (vii) clarifying / blurring lines of authority.³⁶²

In the following, the interface between political institutions and corruption will be discussed, with a focus on the intervening factor of interest to this thesis, namely accountability.

3.3.1 The importance of accountability

The thesis at hand regards political institutions as entities capable of solving many of the problems arising through processes of delegation. As established in chapter 3.2.1, the thesis regards political institutions as “rules, compliance procedures and standard operating practices that structure the relationship between individuals”³⁶³. As such, they structure the relationship between principals and agents in different ways, rendering corruption more or less practicable and attractive.

In order to overcome principal-agent problems and minimize agency loss in the form of corruption, the principal must (i) reduce opportunities for corrupt behaviour by acquiring more and better information about the agent and his actions, and (ii) reduce incentives to engage in corruption by introducing sanctions (see figure 2). This, according to Schedler and Strøm, can be realized through political accountability, the guiding idea of which is to control power by bounding, restraining and disciplining it.³⁶⁴ The

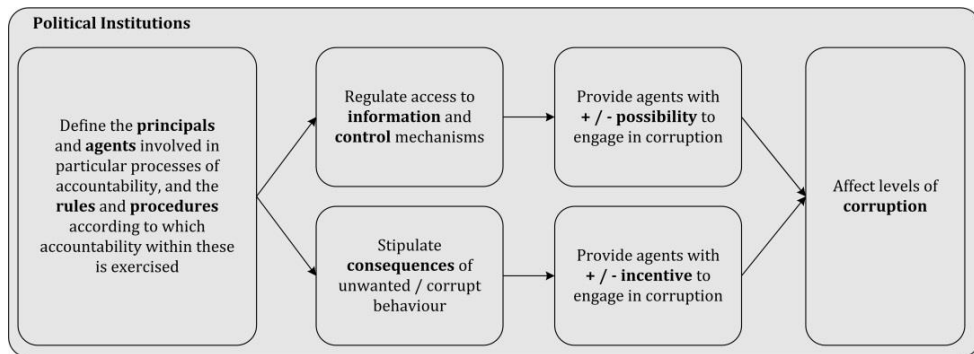
³⁶² See chapters 3 (under other determinants) and 3.2.3.

³⁶³ Hall quoted in Bell, S. (2002, 2), see also Lane, J.E. (2008, 20).

³⁶⁴ Strøm, K. (2003, 62); and Schedler, A. (1999, 18-19).

argument is thus, that political institutions can contribute towards containing corruption if they enhance accountability, see figure 7 below.

Figure 7: Proposed pathways between political institutions and levels of corruption



The linkage between political institutions, accountability and corruption has generated a fair amount of scholarly interest. A number of scholars subscribe to the very line of thinking of this thesis, namely that institutions which enhance accountability are likely to contribute towards lower levels of corruption. These include Lederman & al., firstly, who maintain that one of the channels through which political institutions affect corruption is that of political accountability, i.e. by making information available and encouraging punishment of corrupt individuals.³⁶⁵ Lederman & al.'s study is quantitative by nature and does not discuss the concept of accountability or its different components to a great extent. Neither is the study anchored in any particular country-context. Lindstedt and Naurin, secondly, study the linkages between transparency and corruption and conclude that transparency in itself is not sufficient to counteract corruption. The authors suggest that institutional circumstances ensuring that (i) the information is reached by the principal(s) and (ii) principals have access to sanctions are needed in order for transparency to have a reducing effect on corruption. This argument, which brings accountability to the fore, is substantiated through quantitative analyses.³⁶⁶ Tavits, thirdly, argues that institutions

³⁶⁵ Lederman, D., Loayza, N. and Reis Soares, R. (2001, 3).

³⁶⁶ Furthermore, the authors distinguish between agent-controlled transparency (agents controlling the release of information) and non-agent-controlled transparency (non-agents, such as the press, controlling the release of information),

which allow for greater clarity of responsibility and thereby improve the ability of voters to evaluate and punish politicians, exhibit lower levels of corruption.³⁶⁷ Finally, the relationship between accountability, on the one hand, and government performance and corruption, on the other, has been studied by Adserà, Boix and Payne. The authors operationalize accountability as democratic mechanisms of control (regular free and fair elections) and information (newspaper readership) and find that access to these enable citizens (as principals) to hold policy-makers (as agents) to account, which in turn reduces levels of corruption.³⁶⁸ Adserà et al. include institutions as control variables in some of their models but do not study accountability as a function of institutional design. The study also differs from the one at hand through its quantitative approach as well as the fact that it does not anchor the findings in a particular country context other than in passing.

According to Schedler, the concept of accountability has two dimensions, namely (i) an informational and explanatory dimension and (ii) an enforcement dimension.³⁶⁹ By the former, Schedler refers to the right of the principal to get adequate information, as well as the obligation of the agent to justify his actions vis-à-vis the principal. By the latter, Schedler refers to the possibility of principals to punish evil-doers. Strøm moves along the same lines when stipulating that accountability entails the right of the principal to (i) demand information, and (ii) impose sanctions when needed.³⁷⁰ Also McCubbins, Noll & Weingast, as well as Bergman et al., subscribe to the linkage between access to information and sanctions on the one hand, and reduced agency losses on the other. Whereas the former point out that “if detection and punishment are sufficiently likely, and the magnitude of the punishment sufficiently great, a non-complying action can be deterred”³⁷¹, the latter state that an accountability mechanism is a “device by which a principal can get info and sanction the agent”³⁷², see figure 8.

arguing that the latter seems to be less effective, see Lindstedt, C. & Naurin, D. (2010, 316).

³⁶⁷ Tavits, M. (2007, 218).

³⁶⁸ Adserà, A., Boix, C. & Payne, M. (2000, 3 and 41).

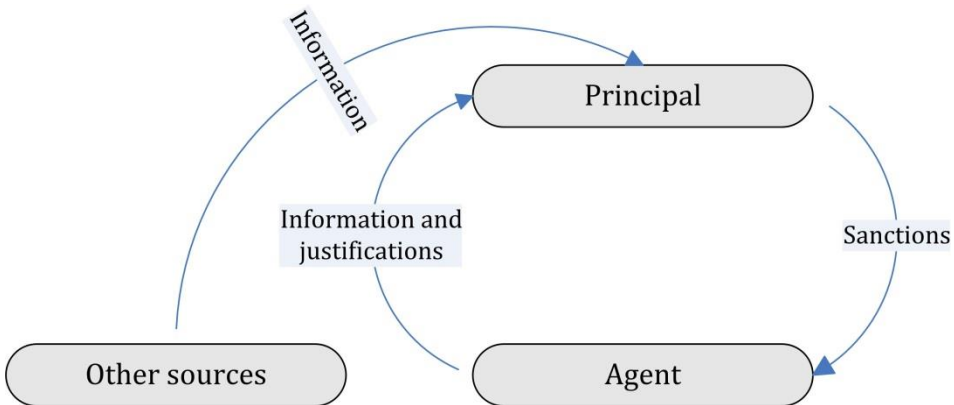
³⁶⁹ Schedler, A. (1999, 14).

³⁷⁰ Strøm, K. (2003, 62).

³⁷¹ McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987, 249).

³⁷² Bergman, T., Müller, W.C., Strøm, K. and Blomgren, M. (2003, 110).

Figure 8: Basics of accountability depicted



How then, do these dimensions of the concept contribute towards overcoming principal-agent problems? The problem of agents (due to asymmetric information) having the opportunity to engage in corrupt practices, firstly, is likely to be reduced since accountability gives the principal the right to ask for and receive, not just information about the character and the actions of the agent, but also justifications regarding the agent's reasons for choosing to act in a certain manner. The problems of agents (due to divergent interests) having the incentive to engage in corrupt practices, secondly, are likely to be reduced given the principal's right to sanction agents which deviate from their mandate (see figure 2).

Given the line of argument above, adverse selection (the likelihood of selecting a corrupt agent) and moral hazard (the agent engaging in corrupt activities) should be reduced by ensuring that the principal (i) has sufficient and reliable information about the agent and his actions, and (ii) can use (the threat of) sanctions *ex ante* to deter or change the incentives of a potential agent, or *ex post* to punish transgressions.

3.3.2 Accountability mechanisms

As discussed above, accountability entails the right to demand information and justifications, and to sanction evil-doers. However, (i) acquiring the information to establish what the agent's preferences are and what he or she is doing, and (ii) identifying the appropriate sanctions, are another thing altogether. A number of different strategies and techniques can be used to

acquire information about the agent. These techniques, (which, unfortunately, often are costly as well as inexact)³⁷³ are often called accountability mechanisms or control mechanisms since the guiding idea of accountability is to control power.³⁷⁴ Within the framework of this paper, the former term will be used.

Lupia, Strøm, McCubbins, Noll and Weingast, and Kiewiet and McCubbins discuss such accountability mechanisms.³⁷⁵ All of the scholars – although more or less explicitly – differentiate between mechanisms available to hold the agent accountable before entering into the principal-agent relationship, so called *ex ante* mechanisms, and mechanisms to be employed after the fact, namely *ex post* mechanisms.

The lines of reasoning as well as the accountability mechanisms listed by Strøm, Kiewiet and McCubbins, and Lupia differ little from one another. According to Lupia's account, problems of adverse selection can be tackled using different kinds of *ex ante* (proactive) accountability mechanisms, whereas moral hazard problems can be tackled using *ex post* (reactive) mechanisms.³⁷⁶ How corruption could be reduced by introducing such mechanisms is depicted in figure 9 below.

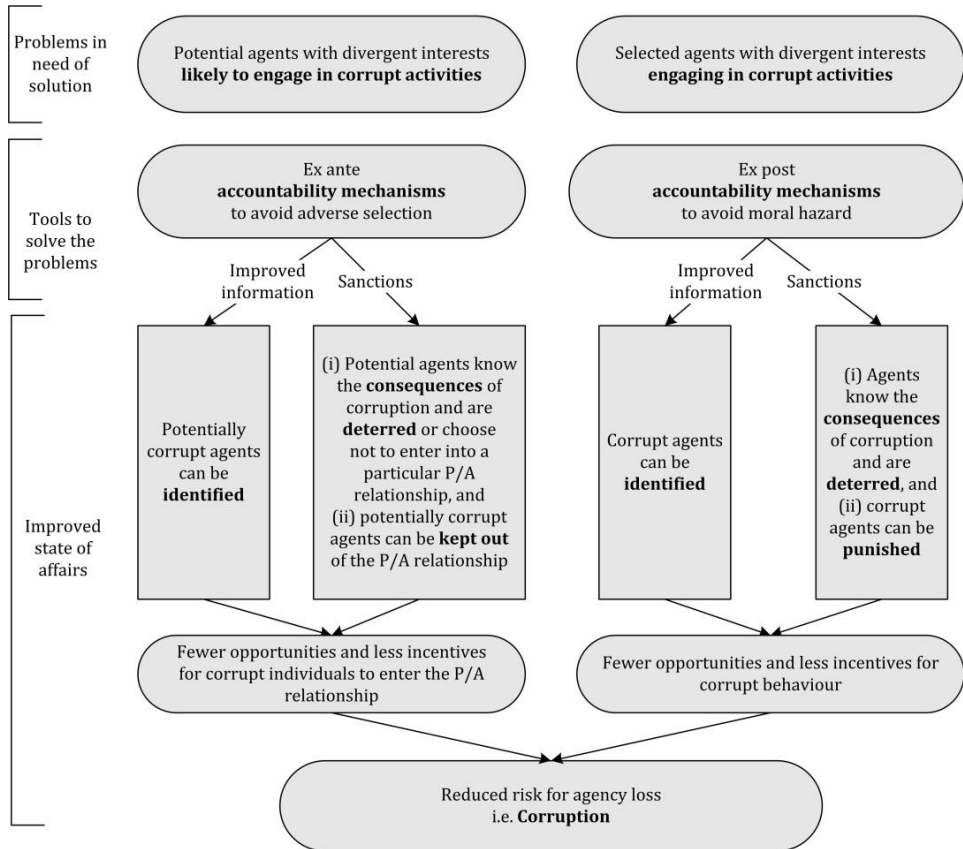
³⁷³ McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987, 253).

³⁷⁴ See e.g. McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987, 249); Strøm, K. (2003, 63); and Schedler, A. (1999, 18-19).

³⁷⁵ Strøm, K. (2003, 63); Lupia, A. (2003, 44); McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987, 249); and Kiewiet, D. R. & McCubbins, M. D. (1991, 28-36).

³⁷⁶ Lupia, A. (2003, 45).

Figure 9: Accountability mechanisms as solutions to principal-agent problems and agency loss in the form of corruption



Given the importance attributed to accountability mechanisms aimed at solving principal-agent problems, an overview of such devices is of importance to the thesis.

3.3.2.1 Ex ante accountability mechanisms

Ex ante mechanisms refer to efforts aimed at (i) acquiring and sharing information about a potential agent before entering into the principal-agent relationship, as well as (ii) affecting the incentives of a potential agent through the threat of sanctions. These mechanisms, firstly, include the possibility of a “contract” between the principal and the agent, the aim being to rule out uncertainty, and align preferences. The contract may be explicit or implicit, strict (giving the agent little leeway) or loose (allowing him considerable freedom of action), and the details included differ from one

delegational relationship to another.³⁷⁷ It can include clauses aimed at risk-sharing between the principal and the agent³⁷⁸, or specify rewards and sanctions (such as the risk of removal from office, or prosecution, should the agent deviate from the path outlined by the principal).³⁷⁹ Kiewiet & al., however, signal that sanctions may be a costly affair, and that rewards may backfire. Principals, therefore, always have to consider whether applying them is worth the effort.³⁸⁰

Ex ante mechanisms also include undertaking what the authors call screening and selection to sort out suitable agents from unsuitable ones.³⁸¹ Here, screening refers to the investigative activities undertaken by the principal to establish whether an agent is suitable or not, whereas selection refers to activities undertaken by the agent to demonstrate his suitability and willingness to work in accordance with the wishes of the principal.³⁸²

Kiewiet & McCubbins stress that all parties benefit from principals being able to “identify those individuals who possess the appropriate talents, skills or other personal characteristics prior to the establishment of the principal/agent relationship”³⁸³. *Ex ante* (proactive) mechanisms are therefore of great importance when trying to avoid agency losses more generally, and contain corruption more specifically. Acquiring requisite information without being able to observe the agent's performance is, however, likely to be a cumbersome task. Kiewiet & McCubbins stress that principals as well as agents have an incentive to embellish their character and misrepresent their level of competence and their preferences. The two therefore often have to rely on signals from the other actor rather than hard facts, and base their judgements on these.³⁸⁴

³⁷⁷ See, for instance, Brito Vieira, M. & Runciman, D. (2008, 66).

³⁷⁸ Lane, J-E. (2008, 6).

³⁷⁹ McCubbins, M. D., Noll, R. G., & Weingast, B. R. (1987, 249).

³⁸⁰ Kiewiet, D. R. & McCubbins, M. D. (1991, 28).

³⁸¹ See, for instance, Strøm, K. (2003, 63).

³⁸² Strøm, K. (2003, 63).

³⁸³ Kiewiet, D. R. & McCubbins, M. D. (1991, 30).

³⁸⁴ Such signals include general appearance, apparent enthusiasm for the job etc. and often end up saying little about the suitability of a candidate, see Kiewiet, D. R. & McCubbins, M. D. (1991, 30).

3.3.2.2 Ex post accountability mechanisms

Ex post mechanisms refer to after the fact efforts at gathering information to establish whether transgressions have occurred and sanctions are needed. These mechanisms, first of all, include reporting by the agent, which according to Kiewiet and McCubbins logically would be the easiest way to avoid agency problems. The authors remind us, however, that such accountability devices are difficult to manage since the information emanating from the agent risks being untruthful, too meagre or too abundant. There's also the imminent risk of agents putting more effort into reporting than into the work itself.³⁸⁵

Subjective information emanating from the agent, therefore, has to be supplemented by information gathered by other means and from other sources. These include direct and more or less constant monitoring by the principal (also called “police patrols”³⁸⁶ oversight), which may take the form of e.g. evaluations, audits and investigations, or more ad hoc monitoring by outsiders who come into contact with the agent in question and who may report irregularities to the principal (also called “fire alarm”³⁸⁷ oversight). *Ex post* mechanisms also include institutional checks by another agent, who has the mandate to veto the actions of the agent of interest.

Sanctions, as already stated, form an integral part of holding actors accountable. *Ex ante* mechanisms, on the one hand, are linked to sanctions in that they may specify the consequences of misuse of power, with the aim of changing the incentives of the agent before the establishment of the principal-agent relationship. Sanctions can also be used *ex ante* by the principal to keep potentially corrupt agents from entering the P/A relationship. *Ex post* mechanisms, on the other hand, are linked to sanctions in that unwanted behaviour, when detected, can be punished. According to Stuart, sanctions differ in terms of their level of coerciveness.³⁸⁸ The least coercive sanctions may involve the mere threat of public disclosure, whereas the most coercive ones may involve criminal prosecution and conviction (see figure 10).

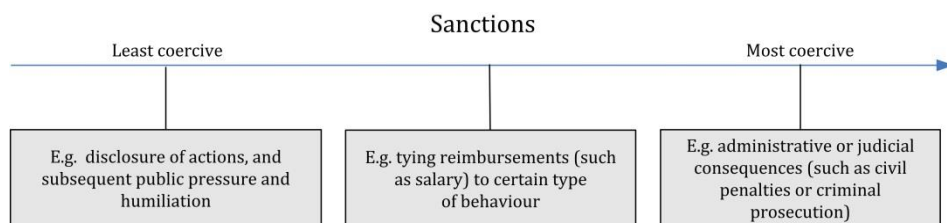
³⁸⁵ Kiewiet, D. R. & McCubbins, M. D. (1991, 32).

³⁸⁶ See e.g. Lupia, A. (2003, 49); or Kiewiet, D. R. & McCubbins, M. D. (1991, 33).

³⁸⁷ Strøm, K. (2003, 63).

³⁸⁸ Stuart quoted in Klitgaard, R. (1988, 81).

Figure 10: Typology of sanctions (based on Stuart)



Between these extremes, variants such as the corrupt agent being fired, facing fines or deteriorated job prospects can be found. Klitgaard emphasizes that very often corrupt officials tend to lose their job.³⁸⁹

Bergman et al. provide another perspective on sanctions available to punish corrupt individuals. According to them, the principal has at his disposal three types of sanctions: “(a) blocking or amending decisions made by the agent (veto power), (b) deauthorizing the agent (remove him from office or curtail his authority), and (c) imposing specific (monetary or other) penalties on the agent”³⁹⁰. The very sanctions provided for by the political institutions of interest to this thesis will be analysed within the framework of the country-specific analyses, see chapter 5.

As can be seen from the discussion above, principals have at their disposal a wide array of tools aimed at increasing insight into the character and actions of the agent as well as altering his incentives. Some of the tools are costly to use, however, and most provide approximate information at best. When choosing accountability mechanisms, the principal therefore has to weigh his options, deciding how much time, money and effort he is willing to expend to reduce agency losses. He may also have to change his approach from time to time since agents are likely to discover ways of circumventing his attempts to control them.³⁹¹

³⁸⁹ Klitgaard, R. (1988, 78).

³⁹⁰ Bergman, T., Müller, W.C., Strøm, K. and Blomgren, M. (2003, 110).

³⁹¹ Kiewiet, D. R. & McCubbins, M. D. (1991, 35).

3.3.3 Accounting parties

Due to the wide array of power structures established by the political institutions of interest, as well as the varying nature of the different accountability mechanisms, a multitude of actors are engaged in holding those in power accountable. Some of these actors are able to hold agents to account more directly whereas others do so more from the sidelines. These accounting parties will be discussed in more detail within the framework of the country-specific analyses.

The accountability-holders or accounting parties of interest to this study can be categorized in accordance with Schedler, O'Donnell, Diamond, Schmitter and Sklar, who distinguish between actors undertaking vertical and horizontal accountability.³⁹² Vertical accountability, Schedler, Diamond and Sklar emphasize, is exercised by non-state actors such as citizens, non-governmental organizations and the mass media, i.e. to a certain extent those affected by the decisions made by office-holders.³⁹³ Horizontal accountability, on the other hand, is exercised by state or semi-state agents, independent of the accountable party. These include the three branches of government (the legislature, the executive and the judiciary) as well as institutions such as Ombudspersons, Electoral Commissions, Human Rights Commissions, and Central Banks etc.³⁹⁴ The mandates of these accounting parties naturally vary. Some are empowered to use sanctions, whereas others only have a mandate to request information and/or justification.³⁹⁵

³⁹² See Diamond, L. et al. (1999, 3); Schedler, A. (1999, 23); O'Donnell, G. (1999, 38); Sklar, R.L. (1999, 53); and Schmitter, P.C. (1999, 60).

³⁹³ See Diamond, L. et al. (1999, 3); Schedler, A. (1999, 25); and Sklar, R.L. (1999, 53).

³⁹⁴ See Diamond, L. et al. (1999, 3); Schedler, A. (1999, 25); O'Donnell, G. (1999, 39); Sklar, R.L. (1999, 56); and Schmitter, P.C. (1999, 60).

³⁹⁵ Schedler, A. (1999, 18).

QUANTITATIVE ANALYSIS OF THE LINKAGES BETWEEN POLITICAL INSTITUTIONS AND CORRUPTION

Political institutions have been introduced as having a bearing on levels of corruption, an argument that should be examined closer. In the following, therefore, the relationship is analysed using statistical method, namely hierarchical multiple regression analysis. Multiple regression analysis is considered to be a suitable method given the intention to study the effect of a number of institutional (and other) independent variables on a single dependent variable (corruption).³⁹⁶ More precisely, multiple regression analysis allows for a study of (i) the total effect of the independent variables on the dependent variable, (ii) the effect of individual independent variables in separation from one another, and (through the hierarchical model) (iii) the relative importance of the institutional variables as opposed to the control variables. Before proceeding to the statistical analysis itself, however, the corner stones of the analysis as well as its solidity are discussed.

4.1 The corner stones of the analysis

4.1.1 Countries included

The underlying assumption of this dissertation is that political institutions are more than mere façades and that they, in so being, play an actual role in shaping values and behaviour. Such political institutions can be expected to exist primarily in democratic countries³⁹⁷, as a consequence of which the study focuses on these exclusively. Why are political institutions (as rules,

³⁹⁶ Allison, P. D. (1999, 1-2).

³⁹⁷ Karvonen, L. (2003, 16).

procedures and operating practices) more likely to have a bearing on behaviour in democratic states than in other types of regimes? The thesis argues that non-democratic states, firstly, often exhibit political institutions (rules and procedures) which do not apply in practice, which also means that they do not influence the behaviour of actors. When more than mere façades, secondly, these rules and procedures tend to influence the few only, since broad-based participation has not (yet) been ensured. Also, thirdly, in a non-democratic state these same rules can be altered arbitrarily and ad hoc by those in power wherefore their effects may not be consistent. Fourthly, democratic states with their emphasis on elections, the rule of law and the constitutional state, ensure that those who refuse to follow the procedures or abide by the rules can be held to account, which also means that these same rules and procedures do not remain mere empty boxes.

Democratic countries are identified using Freedom House's Freedom in the World categorization of countries as free, partly free or not free.³⁹⁸ Countries which have belonged to the first-mentioned category during the period of interest (2000-2005) as well as one year prior to the year in which political institutions are recorded are included in the study.³⁹⁹ A number of articles studying the causes of corruption have used the Freedom in the World Index for this purpose.⁴⁰⁰ Few of the studies, however, acknowledge the fact that levels of corruption are taken into consideration within one of the sub-components of the index. Given that levels of corruption only constituted a

³⁹⁸ See Karatnycky, A. (ed.) (2001).

³⁹⁹ A number of countries (including the Dominican Republic, India, Thailand and El Salvador) meet these criteria, but have entered the category of "free countries" only 2-3 years prior to the period of interest to the thesis. This may affect the efficiency of institutions, something that the thesis makes note of by conducting separate regression analyses (i) excluding these four countries, and (ii) including only countries which have been democratic for more than ten years. These analyses do not exhibit results which are radically distinct from those of the main analysis (see chapter 4.3) but rather a slight weakening of the explanatory power of the variables for federalism and party-centredness.

⁴⁰⁰ See e.g. Chang, E. & Golden, M. at http://www.golden.polisci.ucla.edu/recent_papers/elec_systems_05_04.pdf (7.12.2012); Kunicová J. & Rose-Ackerman, S. (2005, 591); or Tavits, M. (2007, 222).

minor issue in the overall index for the year 2000, the index is, nevertheless, deemed suitable for the purposes of the study.⁴⁰¹

The study further only includes democracies which, during the time frame of interest, have exhibited stable executives, electoral systems, vertical division of power, and bureaucracies. Stable in this context refers to countries not having crossed the borders between institutional categories, for instance by moving from a candidate-centred electoral system to a party-centred one. Countries exhibiting such changes during the period of interest or one year before institutions are recorded, have been excluded from the analysis. Countries exhibiting stable political institutions in line with the criteria listed above have been identified using data from Statistics Finland as well as the Comparative Data Set of Political Institutions (CDSPI), produced by Åbo Akademi University.⁴⁰²

Given the criteria listed above, 62 countries qualify for inclusion in the statistical analysis. These appear in appendix 2. Some of the analyses include fewer countries, however, mainly due to missing values. This results in the analysis at times including between 40 and 50 countries only, something that has to be taken into account when interpreting the results.

4.1.2 Variables

4.1.2.1 Institutional variables

The independent variables of the study include institutional as well as control variables. As mentioned above, the study takes an interest in political institutions such as executives, electoral systems, the vertical distribution of power and bureaucracies. These are operationalized based on previous research and access to data. Executives are divided into parliamentary, presidential and semi-presidential, whereas the vertical

⁴⁰¹ In the index for 2000, corruption was included in 1/14 questions on the civil liberties checklist and 1/22 questions of the overall index, see Karatnycky, A. (ed.) (2001).

⁴⁰² Public sector expenditure data is used to operationalize the size of the bureaucracy, see Statistics Finland at http://tilastokeskus.fi/index_en.html (16.10.2008); and Lundell, K. & Karvonen, L. (2003).

distribution of power is operationalized as states being federal, centralized unitary or decentralized unitary. Electoral systems are studied with regards to their candidate- or party-centeredness, and bureaucracies with regards to their size.

Data on electoral systems, executives, and the vertical division of power within states, originates from the Comparative Data Set of Political Institutions (CDSPI)⁴⁰³, whereas data on the bureaucracy originates from Statistics Finland.⁴⁰⁴ The former three constitute categorical variables, whereas the last-mentioned is a continuous variable. In order to be able to include the categorical variables in the regression analysis, institutional dummy variables are created.⁴⁰⁵ Information about the included variables is found in table 10.

⁴⁰³ Lundell, K. & Karvonen, L. (2003).

⁴⁰⁴ Public sector expenditure data used to operationalize the size of the bureaucracy, see Statistics Finland at http://tilastokeskus.fi/index_en.html (16.10.2007).

⁴⁰⁵ Including all dummies belonging to the same category will, however, result in a situation of extreme multicollinearity, wherefore at least one dummy from each category must be excluded from any given analysis, see Allison, P. D. (1999, 29).

Table 10: Description of institutional independent variables

	Type of variable	Categories / operationalization	Values ⁴⁰⁶	Year recorded	Source
Executive	Categorical	Parliamentarism	0-1	2000	CDSPI
		Semi-Presidentialism	0-1	2000	CDSPI
		Presidentialism	0-1	2000	CDSPI
Electoral system	Categorical	Candidate-centred	0-1	2000	CDSPI
		Party-centred	0-1	2000	CDSPI
Vertical division of power	Categorical	Federal state	0-1	2000	CDSPI
		Decentralized unitary state	0-1	2000	CDSPI
		Centralised unitary state	0-1	2000	CDSPI
Bureaucracy	Continuous	Public sector expenditure as a % of GDP	13.3-57.1	2000	SF

Abbreviations: CDSPI – Comparative Data Set of Political Institutions, SF – Statistics Finland

4.1.2.2 Control variables

Based on theory, a number of control variables are considered for inclusion in the analysis. Research, first of all, points to a strong, reducing relationship between wealth, democracy and Protestantism, on the one hand, and levels of corruption on the other.⁴⁰⁷ These variables, operationalized in different ways, therefore form part of the greater part of scholarly quantitative analyses. They are also included in the analysis at hand, given that bivariate regression analyses confirm their significant effect on levels of corruption.⁴⁰⁸

⁴⁰⁶ Only values for the cases included in the study are reflected in the table.

⁴⁰⁷ See e.g. Gerring, J. & Thacker, S. (2004); Kunicová, J. & Rose-Ackerman, S. (2001); Kunicová J. & Rose-Ackerman, S. (2005); Lederman, D., Loayza, N. and Reis Soares, R. (2001); Persson, T., Tabellini, G & Trebbi, F. (2003); Tavits, M. (2007); Swamy, A., Knack, S., Lee, Y. & Azfar, O. (2001); and Treisman, D. (2000).

⁴⁰⁸ The bivariate regression analysis indicates that Protestantism and GDP/capita (ln) are positively correlated with the corruption variable (indicating that they contribute to lower levels of corruption), whereas democracy is negatively related

Within the scope of this piece of research, wealth is operationalized as GDP/capita (ln)⁴⁰⁹, Protestantism as the share (%) of the population being Protestant, and democracy as the values for political rights and civil liberties from the Freedom in the World Index⁴¹⁰.

The continuous control variable for democracy is added despite the fact that only democracies are included in the study, the aim being to study (i) the very nature of political institutions, and (ii) the democratic context in which they exist, separately.⁴¹¹ This is warranted (i) given that a number of studies point to a relationship between levels of democracy and levels of corruption⁴¹², and (ii) to ensure that the political institutions of interest have an effect independent of that of their democratic context. In line with the discussion in chapter 3, the thesis expects levels of democracy as well as the political institutions (set within a democratic context) to have a bearing on levels of corruption. If departing from a description of liberal democracy provided by Diamond⁴¹³, democracy – firstly – should affect levels of corrup-

to corruption (also indicating that the variable contributes to lower levels of corruption), $p < 0.01$.

⁴⁰⁹ In line with the articles listed above, the analysis employs the logarithmic value, which also exhibits a higher standardized coefficient (B) than the non-logarithmic value.

⁴¹⁰ The variable is constructed as follows: (Value for Political Rights + Value for Civil liberties). Previous research has operationalized democracy as mere political rights or civil liberties scores, averaged Freedom in the World (PR or CL) scores over time as well as years of uninterrupted democracy (democratic history). When included in the quantitative analysis at hand, however, democratic history exhibits less explanatory power (lower standardized coefficients, B) than the Freedom in the World value, wherefore the latter is selected.

⁴¹¹ Regression analyses show that adding the continuous democracy variable as a control does not alter the R^2 or p-values of the overall model, or the unstandardized coefficients (B) or p-values of the individual institutional variables a great deal.

⁴¹² See e.g. Adserà, A., Boix, C. & Payne, M. (2000, 53); Lederman, D., Loayza, N. and Reis Soares, R. (2001, 26); and Tavits, M. (2007, 227).

⁴¹³ Diamond emphasizes the fact that (i) elected officials have control over the state, (ii) executive power is constrained, (iii) electoral outcomes are uncertain and groups are allowed to freely contest elections, (iv) minority groups are allowed to express their interests and practice their culture, (v) citizens have channels through which they can express their interests and values beyond parties and elections, (vi) information is accessible, (vii) freedom of belief, opinion, speech, assembly etc. prevail, (viii) citizens are politically equal under the law, (ix) liberties are protected by an independent and non-discriminatory judiciary, and (x) the rule of law prevails. Furthermore, Diamond emphasizes the importance of the Rechtsstaat or constitutional state, see Diamond (1999, 11-12).

tion e.g. through its repudiation of monopoly powers, and its emphasis on accountability, competitive elections, access to information, the rule of law, freedom of speech, and participation. Political institutions, secondly, should contribute towards safeguarding against corruption by providing rules and procedures outlining and specifying how, more precisely, actors may hold actors to account, participate, restrain etc.

Some research also points to a strong relationship between British colonial heritage and ethno-linguistic heterogeneity on the one hand, and corruption, on the other.⁴¹⁴ These control variables are not, however, included in the present analysis since bivariate regression analyses do not confirm these relationships.⁴¹⁵ More information on the included control variables can be found in table 11.

Table 11: Description of control variables

	Type of variable	Categories / operationalization	Values	Year recorded	Source
Democracy	Ordered categorical	FH (Political Rights + Civil Liberties)	2-5 ⁴¹⁶	2000	FH
Wealth	Continuous	GDP/capita (logarithmic value) USD	6.67 - 10.43	1995	QOG
Protestants	Continuous	% of Protestants / entire population	0-97.8	2000	QOG

Abbreviations: FH – Freedom House (Freedom in the World), QOG – Quality of Governance Database (non-logarithmic value)

⁴¹⁴ See e.g. Lederman, D., Loayza, N. and Reis Soares, R. (2001); Kunicová, J. & Rose-Ackerman, S. (2001); Kunicová J. & Rose-Ackerman, S. (2005); Swamy, A., Knack, S., Lee, Y. & Azfar, O. (2001); and Treisman, D. (2000).

⁴¹⁵ In the bivariate analysis, ethno-linguistic heterogeneity is operationalized as “total fragmentation”, i.e. ethnic, linguistic and religious fragmentation, and British colonial heritage as a dummy variable where the value 1 indicates that the country at some point in its history has been a British colony.

⁴¹⁶ The original variable ranges from 2-14, with low values indicating higher levels of democracy. Since only democracies are included in the study, however, the actual values range from 2-5.

4.1.2.3 Dependent variable

The study looks at the effects of political institutions on corruption. As already discussed in chapter 2.2.2.3, the quantitative analyses are conducted using the control of corruption (CC) component of the Worldwide Governance Indicators (WGI) as the dependent variable. The variable has already been discussed at length (see chapter 2.2.2). Some further information about the variable is, however, found in table 12.

Table 12: Description of the dependent variable

	Type of variable	Categories / operationalization	Values	Year recorded	Source
Corruption	Continuous	Worldwide Governance Indicators (corruption component)	1.841-4.993 ⁴¹⁷	2005	WB

Abbreviations: WB – World Bank (WGI) (scale changed from a -2.5 to +2.5 scale to a 0-5 scale)

4.2 The solidity of the analysis

When conducting regression analyses certain issues must be considered and assumptions met in order for the results to be reliable and correct. These include, among others, the normality assumption being respected (the distribution of residuals being normal at each value of the dependent variable), the absence of heteroscedasticity (i.e. the heterogeneous variance of residuals), the linearity assumption being respected, the absence of auto-correlation (dependence between cases), and independent variables not being too strongly correlated (multicollinearity).⁴¹⁸ These issues and assumptions are discussed below, before proceeding to the analysis itself.

⁴¹⁷ High values indicate low levels of corruption, and vice versa.

⁴¹⁸ Miles, J. & Shevlin, M. (2001, 85-109 and 113-135), see also UCLA Institute for Digital Research and Education at <http://www.ats.ucla.edu/stat/spss/webbooks/reg/chapter2/spssreg2.htm> (04.05.2012).

4.2.1 The normality assumption

Potential violations of the normality assumption are first examined. According to Miles and Shevlin, outliers may constitute a source of non-normality, wherefore these have to be identified.⁴¹⁹ The regression analysis shows that a number of cases constitute outliers.⁴²⁰ Based on the influence statistics (standardized DFBeta values), the case of Mongolia does exercise undue influence on the model.⁴²¹ Deleting this case in order to achieve greater normality is not an option, however, since the study takes an interest in cases which fit the model as well as cases which constitute outliers (see discussion in chapter 5.1). The study does, however, take note of this influential case.

Another way of checking whether the normality assumption is being respected is by observing the distance of the residuals from the line of best fit. This can be done by creating a scatter plot to check whether the distribution of residuals is normal at each value of the dependent variable.⁴²² "If the residuals are normally distributed, the residuals scatter plot will show the majority of residuals at the center of the plot for each value of the predicted score, with some residuals trailing off symmetrically from the center"⁴²³.

This scatter plot, when generated for the analysis in question, shows that the distribution of residuals is not completely normal, since the residuals above the zero line are more spread out than the ones below. The deviation from normality is, however, regarded as minor.

4.2.2 The absence of heteroscedasticity

Violations of the assumption of homoscedasticity are also identified using a residual plot to observe the variance of the residuals at the different values

⁴¹⁹ Miles, J. & Shevlin, M. (2001, 86).

⁴²⁰ See analysis in chapter 4.3. The outliers detected in the overall analysis include Chile, Mongolia and the United Kingdom.

⁴²¹ This is particularly the case with regards to the country's GDP/capita (ln) value (DFBeta -1,235) and bureaucracy value (DFBeta 1,043).

⁴²² Miles, J. & Shevlin, M. (2001, 89).

⁴²³ Princeton University Data and Statistical Service at http://dss.princeton.edu/online_help/analysis/regression_intro.htm (11.05.2012).

of the dependent variable. "Data are homoscedastic if the residuals plot is the same width for all values of the predicted [dependent variable], whereas heteroscedasticity is [...] shown by a cluster of points that is wider as the values for the predicted [dependent variable] get larger"⁴²⁴. The plot points to minor heteroscedasticity being present since the variance of the residuals seems to be slightly higher at the lower end of the predicted values and lower at the other end of predicted values. Miles and Shevlin point out that this is not of great concern from a statistical point of view. Instead, such patterns should be taken into consideration when developing the model since they may be a sign of, for instance, undetected interaction effects.⁴²⁵

4.2.3 The linearity assumption

Linearity is also studied using residual plots. A positive, although not perfectly linear, relationship can be detected from the graphs.

4.2.4 The absence of auto-correlation

The Durbin-Watson test is used to establish whether the independence assumption is being violated. Based on the observed value on the Durbin-Watson statistic (2.179), the conclusion is drawn that little or no auto-correlation distorts the analysis.⁴²⁶

4.2.5 Collinearity and multicollinearity

Potential relationships between continuous independent variables as well as continuous and categorical independent variables are first analysed using

⁴²⁴ Princeton University Data and Statistical Service at http://dss.princeton.edu/online_help/analysis/regression_intro.htm (11.05.2012).

⁴²⁵ Miles, J. & Shevlin, M. (2001, 103).

⁴²⁶ The Durbin-Watson test for correlated residuals has a range from 0-4, with a midpoint of 2. Values around 2 point to there being no autocorrelation in the sample. Values approaching 0 indicate positive autocorrelation and values approaching 4 indicate negative autocorrelation, see UCLA Institute for Digital Research and Education at <http://www.ats.ucla.edu/stat/spss/webbooks/reg/chapter2/spssreg2.htm> (04.05.2012); and Investopedia at <http://www.investopedia.com/terms/d/durbin-watson-statistic.asp#axzz1tts2pxJE> (04.05 2012).

correlation analysis. The analysis shows that moderate to strong relationships exist between certain independent variables. The strongest relationships are exhibited between the democracy and the GDP/capita (ln) variables ($r = -0.794$, $p < 0.01$), public sector expenditure and the GDP/capita (ln) variables ($r = 0.637$, $p < 0.01$), and the democracy and the public sector expenditure variables ($r = -0.546$, $p < 0.01$).⁴²⁷

Potential relationships between categorical independent variables are analysed using the chi-square (χ^2) test of association. These independent variables are not correlated, however. The relationship between parliamentarism and party-centred electoral systems is weak or non-existent with a χ^2 value of 0.975 and an associated probability value of 0.323 ($df = 1$). Cramer's V (showing the effect size) is also found not to be significant. As for the relationships between parliamentarism and federalism on the one hand, and federalism and party-centred electoral system on the other, these are analysed using the Fisher's Exact test.⁴²⁸ The analysis shows a weak or non-existent relationship between the respective variables with $p = 0.406$ and 1 (two-tailed hypotheses) respectively, and Cramer's V for both being non-significant.

Multicollinearity is checked by looking at tolerance and variance inflation factor (VIF) values in the main multivariate regression analysis. Most independent variables do not exhibit multicollinearity, the exceptions being the variables for GDP/capita and democracy. The former exhibits tolerance and VIF values of 0.286 and 3.495 respectively, whereas the latter exhibits tolerance and VIF values of 0.336 and 2.973. Although these values are considered to constitute minor breaches of the cut-off points suggested by Allison⁴²⁹, separate models temporarily excluding the control variables concerned, are tested (see chapter 4.3).

⁴²⁷ The relationship between a number of other independent variables is also significant ($p < 0.01$).

⁴²⁸ This is done since 50% of cells have an expected frequency of less than five, see Dancey, C. P. & Reidy, J. (2004, 276).

⁴²⁹ Tolerance values range from 0-1 with high values indicating low multicollinearity. Allison recommends that researchers beware of tolerance values below 0.4. Tolerance values of 0.4 correspond to VIF values above 2.50, see Allison, P. D. (1999, 141).

4.3 The bivariate and multivariate regression analyses

The elements and the solidity of the regression analysis thus discussed, attention is shifted to the relationship between the independent and dependent variables. An initial comparison of countries exhibiting high levels of corruption with countries exhibiting low levels of corruption reveals an interesting pattern; these two groups have different political institutions. Whereas the majority of the 10 most corrupt democracies in the world⁴³⁰ are presidential and unitary with candidate-centred electoral systems and small public sectors⁴³¹, the majority of the 10 least corrupt democracies⁴³² are parliamentary and unitary with party-centred electoral systems and a large public sector, see table 13.

⁴³⁰ Using the WGI CC component for 2005 (and including only democratic countries with stable political institutions, see chapter 4.1.1), these include (in alphabetical order) the Dominican Republic, El Salvador, Guyana, India, Jamaica, Mali, Marshall Islands, Mongolia, Panama and the Philippines.

⁴³¹ Institutional characteristics for the year 2000 have been used.

⁴³² Using the WGI CC component for 2005 (and including only democratic countries with stable political institutions, see chapter 4.1.1), these include (in alphabetical order) Australia, Austria, Canada, Denmark, Iceland, the Netherlands, New Zealand, Norway, Sweden, and the United Kingdom.

Table 13: The institutional structure of the least and the most corrupt democracies with stable political institutions

Institution	Categorization	Least corrupt 2005 (N) ⁴³³	Most corrupt 2005 (N) ⁴³⁴
Executive	Parliamentary	10	3
	Semi-presidential	0	0
	Presidential	0	7
Geographical division of power	Federal	3	1
	Decentralized unitary	3	2
	Centralized unitary	4	7
Electoral system	Party-centred	7	3
	Candidate-centred	3	7
Bureaucracy	Large public sector ⁴³⁵	9	1
	Small public sector	1	6

Sources: The Comparative Data Set of Political Institutions (Åbo Akademi), Statistics Finland and World Bank (WGI)

The table points to potential relationships between levels of corruption and political institutions, something that is confirmed through bivariate regression analyses, the result of which can be seen in table 14.

⁴³³ The political institutions of the ten least corrupt countries (in accordance with the WGI CC for 2005 and the list of countries included in this study) are mapped.

⁴³⁴ The political institutions of the ten most corrupt countries (in accordance with the WGI CC for 2005 and the list of countries included in this study) are mapped.

⁴³⁵ Defined as having public sector expenditure larger than the mean value of 35% of GDP.

Table 14: Bivariate regression analysis of the relationship between single political institutions and corruption

	N	R ²	Sig.	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
				B	Std. Error	Beta		
Parliamentarism	61	0.194	0.000	0.801	0.213	0.440	3.765	0.000
Semi-presidentialism	61	0.014	0.362	-0.345	0.375	-0.119	-0.919	0.362
Presidentialism	61	0.163	0.001	-0.810	0.239	-0.403	-3.386	0.001
Candidate-centred	61	0.073	0.035	-0.467	0.217	-0.270	-2.154	0.035
Party-centred	61	0.073	0.035	0.467	0.217	0.270	2.154	0.035
Federalism	61	0.087	0.021	0.802	0.337	0.296	2.377	0.021
Decentralized unitary	61	0.000	0.933	-0.023	0.268	-0.011	-0.085	0.933
Centralized unitary	61	0.036	0.146	-0.343	0.233	-0.189	-1.475	0.146
Public sector expenditure	44	0.392	0.000	0.052	0.010	0.626	5.204	0.000

a. Dependent Variable: WGI CC

As can be seen, some of the institutional variables exhibit significant relationships with the corruption variable when analysed in isolation from other variables, whereas others do not. The significant institutional variables include parliamentarism ($p < 0.01$), presidentialism ($p < 0.01$), candidate- and party-centred electoral systems ($p < 0.05$), federalism ($p < 0.05$) and the size of the bureaucracy (operationalized as public sector expenditure) ($p < 0.01$). These are included in further attempts to construct a sound model of the relationship between institutions and corruption. The non-significant variables include semi-presidentialism, decentralized unitarism and centralized unitarism. These are, based on the results of the bivariate analysis, excluded from the modelling attempts. According to the bivariate analysis, parliamentarism, party-centredness, federalism and a large public sector exhibit positive relationships with the corruption variable which (due to the inverted scale of the latter) means that they seem to have a reducing effect on levels of corruption. Presidentialism and candidate-centredness, however, exhibit a negative relationship with the

corruption variable, which points to them possibly having an increasing effect on levels of corruption.

The bivariate analyses illustrate the relationship between single institutions and levels of corruption. The total effect of the independent variables on the dependent variable (when these are combined in one model), as well as the effect of individual independent variables in comparison to each other are also of interest to the study, however. These relationships are scrutinized using hierarchical multiple regression analysis, the aim also being to study the relative importance of the institutional variables as opposed to the control variables.

The hierarchical analyses consist of two models, the first of which includes the institutional variables only to establish their effect on the dependent variable. The second model includes the institutional independent variables as well as the control variables in order to study whether the inclusion of the control variables alters the effect of the institutional variables.

The results of the main hierarchical regression analysis (A) can be seen in tables 15 and 16. Model 1, which includes 43 countries, points to a significant relationship between the institutional variables⁴³⁶ and the dependent variable. Adjusted R^2 is 0.438 ($p < 0.01$), indicating that 44% of the variation on the corruption variable is accounted for by the institutional variables.⁴³⁷ A glance at the individual institutional variables included shows that they all are positively correlated with the corruption variable, indicating that they contribute towards lower levels of corruption⁴³⁸, see table 16. The strongest relationship is that between public sector expenditure and corruption ($p < 0.01$), followed by the relationship between parliamentarism and corruption ($p < 0.05$). The relationships between federalism and party-centred electoral systems, on the one hand, and corruption on the other, are

⁴³⁶ This first and main model includes those institutional variables found to have a significant, reducing effect on the corruption variable, see the bivariate analysis in table 14. The effect of the variable for presidentialism is tested in a separate analysis. As for the effect of the variable for candidate-centredness, it is not tested separately since it constitutes the reflected image of the variable for party-centredness.

⁴³⁷ Adjusted R^2 is used due to the relatively large number of independent variables included in the analysis, see Miles, J. & Shevlin, M. (2001, 33).

⁴³⁸ Since high values on the corruption variable indicate low levels of corruption.

non-significant. They are, however, included in the second model given that their p-values remain close to 0.10.

The second model (model 2) tests whether the effect of the institutional variables changes when the admittedly powerful control variables are included in the model. As expected, adding the control variables improves the model (adjusted R² increasing from 0.438 to 0.836, $p < 0.01$), indicating that, having added the control variables, about 84% of the variation on the corruption variable is accounted for, see table 15.

Table 15: Model summary of the main hierarchical regression analysis A (N = 43)

Model	R	R ²	Adj. R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	.701 ^a	.492	.438	.702305	.492	9.194	4	38	.000
2	.929 ^b	.863	.836	.380055	.371	31.587	3	35	.000

a. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism

b. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism, % Protestants, Democracy (FH), GDP/capita (ln)

c. Dependent Variable: WGI CC

A look at the individual variables included in the second model shows that the coefficients (standardized Beta) and the significance levels of the institutional variables change when the control variables are included. To a certain extent this can be expected when variables with great explanatory power such as democracy, GDP/capita (ln) and Protestantism are included in the model. Whereas parliamentarism and the size of the bureaucracy (operationalized as public sector expenditure) lose explanatory power ($p > 0.10$), federalism and party-centred electoral systems become significant ($p < 0.05$ and $p < 0.10$, respectively). With regards to the control variables, democracy remains negatively correlated with the corruption variable ($p < 0.05$) and Protestantism and GDP/capita (ln) are positively correlated with the corruption variable ($p < 0.01$ in both cases), see table 16.

Table 16: Results from the main hierarchical regression analysis A
(coefficients, N = 43)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.565	.355		4.404	.000
	Parliamentarism	.534	.258	.275	2.072	.045
	Federalism	.498	.304	.199	1.637	.110
	Party-centred system	.350	.251	.183	1.398	.170
	Public sector expenditure % of GDP	.034	.012	.410	2.873	.007
2	(Constant)	-2.471	1.505		-1.642	.109
	Parliamentarism	.236	.144	.122	1.636	.111
	Federalism	.353	.166	.141	2.125	.041
	Party-centred system	.263	.136	.137	1.936	.061
	Public sector expenditure % of GDP	-.002	.008	-.026	-.291	.773
	Democracy (FH)	-.202	.094	-.232	-2.146	.039
	% Protestants	.007	.002	.231	3.367	.002
	GDP/capita (ln)	.650	.145	.523	4.469	.000

a. Dependent Variable: WGI CC

Due to the apparent instability (changes in coefficients and significance levels exhibited by certain institutional variables) of the main analysis, as well as the risk of multicollinearity distorting it, additional analyses (referred to as analyses B - E) are carried out.

The first two additional analyses (B and C) exclude the control variables exhibiting high levels of multicollinearity (democracy and GDP/capita (ln)), one at a time.⁴³⁹

Omitting the democracy variable (analysis B), first of all, leads to the adjusted R² for model 2 dropping to 0.819 (p < 0.01) but generates higher tolerance values and lower VIF-values across the board as a result of which no

⁴³⁹ The democracy aspect is, however, still taken into consideration in that all countries included are democracies, see chapter 4.1.1.

variable exhibits tolerance values below 0.486 and VIF-values above 2.056. Apart from multicollinearity being less of a problem, the results do not change a great deal. Yet again, parliamentarism and the size of the bureaucracy lose explanatory power ($p > 0.10$) when the control variables are included. Again, federalism and party-centred electoral systems become significant ($p < 0.05$ and $p < 0.10$, respectively). As before, federalism, party-centredness, Protestantism and GDP/capita (ln) are positively correlated with the corruption variable ($p < 0.01$ in the latter two cases), see tables 17 and 18.

Table 17: Model summary of the additional hierarchical regression analysis B (N= 43)

Model	R	R ²	Adj. R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	.701 ^a	.492	.438	.702305	.492	9.194	4	38	.000
2	.919 ^b	.845	.819	.398631	.353	40.974	2	36	.000

a. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism

b. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism, % Protestants, GDP/capita (ln)

c. Dependent Variable: WGI CC

Table 18: Results from the additional hierarchical regression analysis B (coefficients, N = 43)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.565	.355		4.404	.000
	Parliamentarism	.534	.258	.275	2.072	.045
	Federalism	.498	.304	.199	1.637	.110
	Party-centred system	.350	.251	.183	1.398	.170
	Public sector expenditure % of GDP	.034	.012	.410	2.873	.007
2	(Constant)	-5.138	.890		-5.774	.000
	Parliamentarism	.214	.151	.110	1.415	.166
	Federalism	.366	.174	.146	2.098	.043
	Party-centred system	.266	.143	.139	1.868	.070
	Public sector expenditure % of GDP	-.002	.008	-.018	-.192	.849
	GDP/capita (ln)	.864	.111	.695	7.793	.000
	% Protestants	.009	.002	.273	3.950	.000

a. Dependent Variable: WGI CC

Omitting the GDP/capita (ln) variable (analysis C), secondly, also results in a reduction of adjusted R² for model 2, which now remains at 0.749 (p < 0.01). In this analysis, no tolerance value remains below 0.539 and no VIF-value exceeds 1.856. As for the institutional variables included in model 2, parliamentarism and federalism are significant (p < 0.05 and p < 0.10, respectively), whereas party-centred electoral systems exhibit p = 0.106. As before, democracy and Protestantism remain correlated with the corruption variable (p < 0.01 and p < 0.05, respectively), see tables 19 and 20.⁴⁴⁰

⁴⁴⁰ Although not identified as a source of multicollinearity, an additional model excluding the public expenditure variable is also tested due to the instability exhibited by the variable. This reduces adjusted R² to 0.757. Tolerance values remain above 0.454 and VIF-values below 2.204. Yet again, federalism remains significant (p < 0.10). Parliamentarism and party-centred electoral systems, however, lose explanatory power (p > 0.10). The control variables, however, remain strongly correlated with the dependent variable (p < 0.01 for all three).

Table 19: Model summary of the additional hierarchical regression analysis C (N= 43)

Model	R	R ²	Adj. R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df 1	df 2	Sig. F Change
1	.701 ^a	.492	.438	.702305	.492	9.194	4	38	.000
2	.886 ^b	.785	.749	.469633	.293	24.490	2	36	.000

a. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism

b. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism, % Protestants, Democracy (FH)

c. Dependent Variable: WGI CC

Table 20: Results from the additional hierarchical regression analysis C (coefficients, N = 43)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.565	.355		4.404	.000
	Parliamentarism	.534	.258	.275	2.072	.045
	Federalism	.498	.304	.199	1.637	.110
	Party-centred system	.350	.251	.183	1.398	.170
	Public sector expenditure % of GDP	.034	.012	.410	2.873	.007
2	(Constant)	4.026	.479		8.409	.000
	Parliamentarism	.384	.174	.198	2.212	.033
	Federalism	.403	.205	.160	1.964	.057
	Party-centred system	.278	.168	.145	1.656	.106
	Public sector expenditure % of GDP	.008	.009	.100	.951	.348
	Democracy (FH)	-.491	.085	-.563	-5.804	.000
% Protestants	.006	.003	.189	2.252	.031	

a. Dependent Variable: WGI CC

When comparing analyses B and C to the main analysis (A), deviations in terms of the explanatory power of individual independent variables can be detected between models as well as between analyses. Analyses B and C

exhibit lower adjusted R² values than the main analysis (A), however, wherefore they are not superior in terms of overall explanatory power.

An additional analysis (D) including the variable for presidentialism is also tested due to the significant relationship between presidentialism and the corruption variable (see table 14). Again, the institutional variables alone are included in the first model, the presidentialism variable replacing the parliamentarism variable. The second model includes the altered set of institutions as well as the control variables. As expected, adjusted R² increases from 0.399 in model 1 to 0.826 in model 2, both models being highly significant ($p < 0.01$). The individual effect of presidentialism on corruption remains non-significant in both models, however, wherefore it is concluded that the model including the parliamentarism variable holds greater explanatory power, see tables 21 and 22.

Table 21: Model summary of the additional hierarchical regression analysis D (N= 43)

Model	R	R ²	Adj. R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	.676 ^a	.457	.399	.726171	.457	7.985	4	38	.000
2	.925 ^b	.855	.826	.390520	.399	32.131	3	35	.000

a. Predictors: (Constant), Presidentialism, Party-centred, Federalism, Public sector expenditure % of GDP

b. Predictors: (Constant), Presidentialism, Party-centred, Federalism, Public sector expenditure % of GDP, % Protestants, Democracy (FH), GDP/capita (ln)

c. Dependent Variable: WGI CC

Table 22: Results from the additional hierarchical regression analysis D (coefficients, N = 43)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.940	.468		4.148	.000
	Federalism	.545	.314	.217	1.737	.091
	Party-centred	.266	.254	.139	1.049	.301
	Public sector expenditure % of GDP	.037	.013	.449	2.942	.006
	Presidentialism	-.374	.299	-.176	-1.248	.220
2	(Constant)	-2.735	1.538		-1.778	.084
	Federalism	.370	.171	.147	2.167	.037
	Party-centred	.224	.137	.117	1.638	.110
	Public sector expenditure % of GDP	-.001	.008	-.016	-.166	.869
	Presidentialism	-.136	.164	-.064	-.827	.414
	% Protestants	.008	.002	.239	3.383	.002
	GDP/capita (ln)	.692	.146	.557	4.733	.000
Democracy (FH)	-.187	.097	-.215	-1.940	.060	

a. Dependent Variable: WGI CC

Due to criticism of the WGI as a measure of corruption (see chapter 2.2.3.2), the main analysis (A) is also tested using another measures of corruption, namely the Corruption Perception Index (2005) by Transparency International (model E). When including the CPI as the dependent variable, adjusted R^2 for the second model remains at 0.798 ($p < 0.01$). In the second model, no institutional independent variable is found to be significant ($p > 0.10$) and when it comes to the control variables only Protestantism and GDP/capita (ln) prove to be significant ($p < 0.01$). When compared to the main analysis, this analysis points to similar but weaker relationships between the institutional (and control) variables and the corruption variable, see tables 23 and 24.

Table 23: Model summary of the additional hierarchical regression analysis E (N= 42)

Model	R	R ²	Adj. R ²	Std. Error of the Estimate	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. F Change
1	.712 ^a	.507	.454	1.6899	.507	9.524	4	37	.000
2	.913 ^b	.833	.798	1.0267	.326	22.081	3	34	.000

a. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism

b. Predictors: (Constant), Public sector expenditure % of GDP, Federalism, Party-centred, Parliamentarism, % Protestants, Democracy (FH), GDP/capita (ln)

c. Dependent Variable: TI CPI

Table 24: Results from the additional hierarchical regression analysis E (coefficients, N = 42)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.244	.896		1.387	.174
	Parliamentarism	1.055	.639	.224	1.651	.107
	Federalism	1.165	.735	.192	1.585	.121
	Party-centred system	.743	.605	.158	1.229	.227
	Public sector expenditure % of GDP	.098	.030	.470	3.284	.002
2	(Constant)	-9.162	4.069		-2.252	.031
	Parliamentarism	.637	.397	.135	1.604	.118
	Federalism	.709	.453	.117	1.566	.127
	Party-centred system	.426	.370	.090	1.153	.257
	Public sector expenditure % of GDP	-.007	.022	-.034	-.317	.753
	Democracy (FH)	-.377	.259	-.177	-1.453	.155
	% Protestants	.021	.006	.277	3.589	.001
	GDP/capita (Ln)	1.655	.394	.551	4.201	.000

a. Dependent Variable: TI CPI

Against the above, it is concluded that model 2 in the main analysis (A) holds greater explanatory power than model 2 in the additional analyses con-

ducted, and thus constitutes the best fitting statistical model. This said, the discrepancy between analyses is acknowledged.

To what extent do the findings of the main analysis correspond with research already undertaken? A glance at previous scholarly work (chapter 3.2.3) shows that the findings of the main analysis both confirm and contradict previous research findings. This cannot be regarded as surprising as such, however, given that previous research into the causes of corruption tends to point in different, at times contradictory, directions.

The finding that federal states should be less prone to corruption, first of all, does not find support in previous research which, for the most part, points to federalism in fact contributing to increased levels of corruption (see table 6). The fact that party-centredness is regarded as potentially having a reducing effect on levels of corruption, secondly, finds more support in previous research (see table 5). Interestingly, previous work particularly highlights candidate-centred electoral systems as more susceptible to corruption, something that also constitutes an indirect finding of the analysis at hand since the variable for candidate-centredness constitutes a “reflected image” of the variable for party-centredness. The finding that parliamentarism should have a reducing effect on corruption, finally, goes hand in hand with previous research (see table 3).

4.4 Discussion regarding the results

As can be seen from model 2 of the main analysis (A), the institutional independent variables for federalism and party-centredness exhibit a positive, significant relationship with the corruption variable, whereas the variable for parliamentarism exhibits a positive relationship with a p-value of 0.111. These results could be interpreted as federalism, party-centredness and – although to a lesser extent – parliamentarism having a reducing effect on levels of corruption. Additional analyses executed, however, point to these relationships not being completely robust and reliable. As seen from table 25, the significance levels of the individual institutional independent variables tend to vary from one analysis to another. Even in the case of federalism – the variable which produces the most regular patterns in terms of explanatory power – significance levels vary between $p < 0.05$ and $p > 0.10$.

Table 25: Overview of the institutional independent variables included in model 2 of analyses A-E (p-values)

Institutional Variables	Analyses				
	Main analysis A	B	C	D	E
Parliamentarism	0.111	0.166	0.033	n/a	0.118
Federalism	0.041	0.043	0.057	0.037	0.127
Party-centredness	0.061	0.070	0.106	0.110	0.257
Public Sector Expenditure	0.733	0.849	0.348	0.869	0.753

Based on these analyses, therefore, it is impossible to claim that an overall stable causal relationship exists between the institutional variables and the corruption variable. This assertion is based on the small population included in the analysis as well as an assessment of the models against Miles and Shevlin’s criteria for establishing causal relationships. According to Miles & Shevlin three criteria have to be satisfied in order to establish a causal relationship. These include association, direction of influence and isolation. The authors also stress the link to theory and previous research in order to determine causality.⁴⁴¹

How does the main model as well as additional models fare on these three issues? As far as association is concerned, most of the institutional variables are correlated with levels of corruption when control variables are excluded from the picture. The introduction of control variables blurs the picture, however, pointing to relationships which are far from stable and reliable. Since “causation does imply correlation”⁴⁴², the first criterion cannot, therefore, be considered to be met.

According to the second criterion, the cause (political institutions) must precede the effect (corruption). In the design of the statistical analyses this has been taken into account by ensuring temporal priority, i.e. institutional features being recorded prior to levels of corruption. This criterion is thus considered to be met.

⁴⁴¹ Miles, J. & Shevlin, M. (2001, 113-115).

⁴⁴² Miles, J. & Shevlin, M. (2001, 113).

The third criterion is that of isolating the influence of the selected independent variables. Within the scope of the analysis, this is done by controlling for the influence of other potentially influential variables. Attempts are also made to avoid multicollinearity distorting the analysis. This said, certain multicollinearity still influences the model.

Although a stable, causal relationship cannot be established with certainty, the fact remains, however, that many of the independent institutional variables included in the main model do exhibit significant relationships or relationships bordering on significance with the corruption variable. These results, it is argued, cannot be disregarded since they – although equivocal – point to an interplay of some sort between the political institutions studied and levels of corruption. The thesis argues that this interplay merits further attention.⁴⁴³ As a consequence, in-depth case studies of the interplay between the political institutions in question⁴⁴⁴ and levels of corruption in two country contexts are carried out, the aim being to obtain a clearer picture of the relationship and the mechanisms through which it might operate at a micro-level.

⁴⁴³ This is in line with Treisman, who argues that “given the significant problems of measurement and imperfections of the [corruption] data, it is possible that results that do not seem significant or robust are actually correct”, see Treisman, D. (2007, 222).

⁴⁴⁴ These being federalism, party-centredness and parliamentarism.

QUALITATIVE ANALYSIS OF THE LINKAGES BETWEEN POLITICAL INSTITUTIONS AND CORRUPTION

5.1. The rationale behind the qualitative case studies and the selection of cases

As seen in chapter 4.3, the statistical analyses failed to provide an unequivocal picture of the relationship between the political institutions included and levels of corruption. This could be due to the relatively small population included in the analysis, certain problems of multicollinearity, as well as the fact that measures of corruption as a rule tend to provide imperfect signals of corruption levels, at best. Given that the statistical analyses nevertheless pointed to a relationship between the variables, further scrutiny of their interplay is felt to be warranted. This is also due to the ambition of the thesis to study the mechanisms through which the variables interact.

This scrutiny is undertaken in the form of case studies. According to Gerring and Thacker, case studies may – if well constructed – “allow one to peer into the box of causality to locate the intermediate factors lying between some structural cause and its purported effect. Ideally, they allow one to “see” X and Y interact.”⁴⁴⁵ The case studies undertaken are aimed at doing just that, namely to map out pathways between political institutions and corruption in two national contexts, gaining a clearer picture of the relationship in the process.

⁴⁴⁵ Gerring, J. (2007, 45).

The cases are selected with a point of departure in the quantitative analysis. Although not providing clear-cut results, the quantitative analysis, first of all, points to certain political institutions (federalism, party-centred electoral systems and parliamentarism) possibly qualifying as “corruption-reducing”. This provides an opportunity to examine the relationship between these institutions and corruption at a closer range by selecting a case which is “well predicted by the best fitting statistical model”⁴⁴⁶. Lieberman suggests that “[c]ountry cases that are on, or close to, the 45-degree line (plotting actual dependent variable scores against regression-predicted scores) should be identified as possible candidates for in-depth analysis”⁴⁴⁷. In line with the recommendation made by Lieberman, the first case – Austria – is selected deductively given its proximity to the line of best fit.⁴⁴⁸ This proximity points to the political institutions of interest to the thesis being an important part of the answer to why the country has managed to keep levels of corruption low. In line with the theoretical foundation of the thesis, the case study sets out to (i) identify principal-agent relationships within the political institutions of interest⁴⁴⁹, (ii) scrutinize these from the point of view of the accountability mechanisms⁴⁵⁰ available to principals, and (iii) establish links between the strength of these lines of accountability and accounts of corruption, the aim being to establish whether accountability constitutes the pathway through which the political institutions affect corruption.

The statistical analyses conducted also show that many cases remain at a certain distance from the line of best fit, however, some even constituting downright outliers. This distance from the line points to outcomes in terms of corruption not always depending on the independent variables included

⁴⁴⁶ Lieberman, E.S. (2005, 444).

⁴⁴⁷ Lieberman, E.S. (2005, 444).

⁴⁴⁸ The case of Austria (as well as the case of Botswana, discussed below) has been selected from a statistical analysis including the institutional independent variables of interest only, excluding the control variables, so as to identify cases with a certain institutional profile.

⁴⁴⁹ These are the ones found to be significant in the main statistical analysis (A) which also constitutes the best fitting model, see table 16.

⁴⁵⁰ As outlined in chapter 3.3.2, these include mechanisms to hold agents accountable *ex ante* (contract, screening, selections and different sanctions) as well as mechanisms to hold agents accountable *ex post* (reporting, monitoring and sanctions).

in the statistical analysis. In these cases, factors other than the institutions included in the analyses must be scrutinized, it seems, if an answer is to be found with regards to corruption levels. Quite logically, Lieberman recommends that such analyses should focus on a case “that has not been well predicted by the best-fitting statistical model”⁴⁵¹, i.e. a case situated at considerable distance from the line of best fit.

In accordance with Lieberman’s recommendation, the second case – Botswana – is selected inductively due to its status as an outlier at a considerable distance from the line of best fit, which points to the political institutions of interest to the thesis not holding the main answer to the country exhibiting low levels of corruption. As a consequence, the case study focuses on a broad range of factors with the potential of influencing outcomes in terms of corruption. These also include the political institutions included in the main statistical analysis, however, so as to verify the quantitative analysis and ensure that these institutions (as explanatory variables) are not discarded hastily.

5.2 Case study of Austria

The first case study focuses on a country well predicted by the best fitting statistical analysis, namely Austria. The study starts with a glance at the Austrian corruption landscape, looking at institutional arrangements made to directly counteract corruption, as well as the prevalence, forms and history of corruption in this country context. The discussion then turns its attention to the politico-institutional framework, lines of accountability inherent to the political institutions examined as well as linkages between these and levels of corruption.

⁴⁵¹ Lieberman, E.S. (2005, 445).

Table 26: Basic fact sheet for the Republic of Austria⁴⁵²

<i>Independence</i>	12 November 1918 (republic proclaimed) and 1955 (after annexation by Germany)
<i>Constitution</i>	1 October 1920 (and later revisions)
<i>Head of State and Government</i>	Head of State: Federal President Head of Government: Federal Chancellor
<i>Parliament</i>	Bicameral Federal Assembly (<i>Bundesversammlung</i>) consisting of the Federal Council (<i>Bundesrat</i>) and the National Council (<i>Nationalrat</i>)
<i>Electoral system</i>	Proportional representation with partly-closed party lists and possibility to cast preference vote
<i>Government structure</i>	Federal
<i>Freedom House Freedom in the World rating 2000</i> ⁴⁵³	Free (PR 1, CL 1) ⁽ⁱ⁾
<i>Transparency International CPI rating 2005</i>	8.7 ⁽ⁱⁱ⁾
<i>World Bank Institute WGI rating 2005</i>	1.989 ⁽ⁱⁱⁱ⁾

(i) PR = political rights, CL = civil liberties (1-7 scale, 1 indicating the highest degree of freedom)

(ii) 0 to 10 scale, (10 being the least corrupt)

(iii) -2.5 to +2.5 scale (+2.5 being the least corrupt). Within the statistical analysis, a 0-5 scale has been used.

5.2.1 Corruption in Austria

5.2.1.1 Institutional arrangements to directly counteract corruption

During the era of interest to the analysis, Austria did not have a single anti-corruption law but offences related to corruption were included in the penal code or other legislation.⁴⁵⁴ Neither did legislation related to corruption provide a definition of corruption applicable to all branches and contexts.⁴⁵⁵

⁴⁵² Sources: CIA World Factbook at <https://www.cia.gov/library/publications/the-world-factbook/geos/au.html> (19.11.2012); Transparency International at <http://www.transparency.org/> (2.10.2008); Freedom House at <http://www.freedomhouse.org/reports> (1.9.2008); and the World Bank at <http://info.worldbank.org/governance/wgi/> (2.10.2008).

⁴⁵³ This year is recorded due to the time frame of the thesis (2000-2005).

⁴⁵⁴ Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria (3.9.2009).

⁴⁵⁵ European Commission at http://ec.europa.eu/dgs/home-affairs/doc_centre/crime/docs/study_corruption_in_the_public_sector_in_eu_ms_en.pdf (23.2.2013).

Instead, specific forms of corruption were criminalized. Corruption-related offences covered by, for instance, the penal code (section 302 onward) included the abuse of official authority, the acceptance of an advantage by public officials, the acceptance of an advantage by senior executives of a public enterprise, and the acceptance of an advantage by experts, bribery, and illicit intervention. Corruption-related offences such as fraud and embezzlement/breach of trust were included in other sections of the penal code.⁴⁵⁶ Legislation aimed at counteracting corruption also singled out corrupt acts on the part of political actors. According to the Federal Incompatibility Act (*Unvereinbarkeitsgesetz - UnvG*) a member of, for instance, the National Council could be deprived of his/her office should he/she abuse his/her position for gain.⁴⁵⁷ The UnvG also listed a number of incompatibilities with regards to membership on boards or side-occupations on the part of the Federal President, ministers and state secretaries.⁴⁵⁸ In addition, political actors / representatives were guided by parliamentary rules and procedures, which emphasized the importance of transparency, anti-corruption principles, incompatibility with certain commercial activities, and the declaration of interests.⁴⁵⁹

During the era of interest to the thesis, anti-corruption efforts in Austria were spearheaded by the Federal Bureau of Internal Affairs under the Austrian Federal Ministry of the Interior (BMI-BIA). The BMI-BIA was originally established to investigate police misconduct and police corruption. Its mandate was, however, later expanded to deal with all kinds of corruption in the public sector. The Bureau thus assumed something of a “coordinating role by organizing the fight against corruption in the public sector in Austria”⁴⁶⁰.

The mandate of the BMI-BIA included undertaking investigations into alleged misconduct (including corruption) of public officials, prevention, education and international cooperation. Purely private sector corruption, however, fell outside the mandate of the BMI-BIA and was instead dealt with

⁴⁵⁶ Group of States Against Corruption (GRECO) (2008, 4).

⁴⁵⁷ European Commission at http://ec.europa.eu/dgs/home-affairs/doc_centre/crime/docs/study_corruption_in_the_public_sector_in_eu_ms_en.pdf (23.2.2013).

⁴⁵⁸ European Commission at http://ec.europa.eu/dgs/home-affairs/doc_centre/crime/docs/study_corruption_in_the_public_sector_in_eu_ms_en.pdf (23.2.2013).

⁴⁵⁹ Williams, V. (2001).

⁴⁶⁰ European Partners Against Corruption (EPAC) (2008, 13).

by the Federal Criminal Police (*Bundeskriminalamt*).⁴⁶¹ With regards to investigations, the BMI-BIA reacted upon requests coming from (i) other department within the Ministry of the Interior, (ii) prosecutors and the courts, and (iii) the general public. These requests originated from all parts of the country, although a majority was from Vienna since this was where ministries and other important national institutions were located.⁴⁶²

The staff members of the BMI-BIA were drawn from the police force and received police training. Yet, the BMI-BIA fell outside the regular police hierarchy.⁴⁶³ This, it was felt, was needed to ensure that that agency could act independently.⁴⁶⁴ The BMI-BIA was, however, always financially dependent on the Ministry of the Interior.⁴⁶⁵

An evaluation undertaken in 2008 by the Group of States Against Corruption (GRECO) of the Council of Europe deemed that the BMI-BIA had “the potential of playing a significant role in the fight against corruption”⁴⁶⁶. The evaluation commended the fact that the BMI-BIA remained a dedicated and fairly independent institution falling directly under the authority of the Ministry of the Interior rather than within the police hierarchy. The evaluation stressed, however, that this also rendered the BMI-BIA vulnerable in that “the legal possibility remain[ed] for the Minister to give instructions to drop a case”⁴⁶⁷. The GRECO evaluation also expressed concern about (i) “the views of the BIA-BMI [...] not [being] supported by many other institutions”⁴⁶⁸, (ii) “the BIA-BMI’s jurisdiction [not being] totally clear and accepted”⁴⁶⁹ and (iii) “the lack of clear legislation and coordination of the competences of the various police forces in corruption

⁴⁶¹ Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria 3.9.2009.

⁴⁶² Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria 3.9.2009.

⁴⁶³ Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria 3.9.2009.

⁴⁶⁴ International Network for the Independent Oversight of Policing (INIOP) at <http://prelive.iniop.org/steering-group-profiles/martin-kreutner> (12.11.2012).

⁴⁶⁵ European Partners Against Corruption (EPAC) (2008, 11).

⁴⁶⁶ Group of States Against Corruption (GRECO) (2008, 15).

⁴⁶⁷ Group of States Against Corruption (GRECO) (2008, 16).

⁴⁶⁸ Group of States Against Corruption (GRECO) (2008, 16).

⁴⁶⁹ Group of States Against Corruption (GRECO) (2008, 16).

investigations”.⁴⁷⁰ All in all, GRECO maintained that “Austria [was] at an early stage in the area of the fight against corruption”⁴⁷¹ and that (i) a specific governmental anti-corruption programme, (ii) detailed information about the scale and nature of corruption, and (iii) concerted efforts and coordination were needed.

In 2010, in an effort to render the BMI-BIA more effective, the department was transformed into the Federal Bureau of Anti-Corruption (*Bundesamt zur Korruptionsprävention und Korruptionsbekämpfung*, BAK). The mandate of the BAK is broader than that of its predecessor.⁴⁷²

5.2.1.2 Prevalence and forms of corruption in the Austrian context

In 2005, the final year of interest to this thesis, Austria was assigned a score of 8.7 (on a 0-10 scale) on Transparency International’s Corruption Perception Index, ranking Austria as one of the least corrupt countries in the world. The Worldwide Governance Indicators of the same year also pointed to Austria being perceived as fairly non-corrupt, the corruption score assigned being approximately 2 (on a scale between -2.5 and +2.5).⁴⁷³

In-country interviews confirm that corruption, although occurring, is a relatively rare phenomenon in Austria. The Austrian Anti-Corruption Agency (BMI-BIA) confirms that the data emanating from the CPI is a true reflection of the Austrian corruption landscape. It confirms that petty corruption is rare in Austria, but acknowledges that developed countries tend to exhibit more elusive forms of corruption and that this affects their ranking in international statistics. This is the case also in Austria, which means that Austria “still has homework to do”⁴⁷⁴ when it comes to fighting corruption.

⁴⁷⁰ Group of States Against Corruption (GRECO) (2008, 16).

⁴⁷¹ Group of States Against Corruption (GRECO) (2008, 6).

⁴⁷² Wenk, R. at <http://www.acauthorities.org/aca/sites/default/files/countrydoc/Austrian%20Federal%20Bureau%20of%20Anti-Corruption.pdf> (12.11.2012).

⁴⁷³ See Transparency International at http://archive.transparency.org/policy_research/surveys_indices/cpi/2005 (19.11.2012); and the World Bank Group WGI at <http://info.worldbank.org/governance/wgi/> (19.11.2012). Within the statistical analysis, the WGI scale has been transformed into a 0-5 scale to facilitate the interpretation of the quantitative analyses.

⁴⁷⁴ Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria (3.9.2009).

These facts are also corroborated by Transparency International Austria.⁴⁷⁵ At a very general level, most respondents stress that corruption used to be much greater a problem during the decades immediately after the Second World War, and that the situation has improved considerably since. When going into detail, however, some stress the many grey-zones in terms of behaviour that formally may not be regarded as corrupt, but in the eyes of citizens should be qualified as such.⁴⁷⁶

Official data provides little information about the prevalence and forms of corruption in the Austrian context. Data from the police authorities, for instance, says little about the very nature of offenses related to corruption since these, for the most part, are categorized under broad headings such as “abuse of official authority”, a heading which also includes offences unrelated to corruption.⁴⁷⁷ Furthermore, data is based on reported cases only, and therefore do not provide a full picture of the prevalence of corruption. Surveys, research reports and interviews with experts and practitioners, however, make it possible to form a slightly more detailed opinion of the prevalence and forms of corruption as well as actors involved.

According to the Global Corruption Barometer (GCB) of 2005, firstly, Austrians perceive corruption to be a problem within society. Whereas 43% of Austrians regard grand corruption as a very or quite big problem in society, 36% regard petty corruption as a very or quite big problem.⁴⁷⁸ These findings can, however, due to the ambiguity of the survey question, be interpreted both as citizen regarding (i) corruption as very prevalent or (ii) corruption as very harmful to society. The fact that only four per cent of respondents indicate that they have paid a bribe in the past 12 months⁴⁷⁹,

⁴⁷⁵ Interview 2 – Board member of Transparency International Austria, Vienna, Austria (1.9.2009).

⁴⁷⁶ See e.g. Interview 2 – Board member of Transparency International Austria, Vienna, Austria (1.9.2009); Interview 3 – Senior official with the Austrian Ombudsman Board, Vienna, Austria (2.9.2009); Interview 7 – Researcher with the University of Vienna, Vienna, Austria (4.9.2009); and Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria (3.9.2009).

⁴⁷⁷ Group of States Against Corruption (GRECO) (2008, 5).

⁴⁷⁸ Global Corruption Barometer quoted in Sickinger, H. (2006, 564).

⁴⁷⁹ Transparency International at http://archive.transparency.org/policy_research/surveys_indices/gcb/2005 (full data) (27.11.2012). The main reason for paying a bribe has been to avoid problems with authorities (according to 49% of respondents who claim having paid a bribe).

points to the latter interpretation being more plausible when it comes to the prevalence of petty corruption. The fact that 17% of Austrians perceive political life to be affected by corruption to a large extent⁴⁸⁰, however, point to the former interpretation being more plausible when it comes to grand corruption.

Experts and practitioners point to the construction sector, military procurement, health care, tele-communications, and garbage disposal being particularly affected when it comes to corruption.⁴⁸¹ With regards to professional groups, institutions and other entities regarded as corrupt, citizens point to judges, lawyers, public prosecutors, policemen, parliamentarians and political parties as being the biggest scapegoats.⁴⁸²

Views differ, however, with regards to whether corruption is more prevalent at the federal or the provincial / local levels. Whereas some maintain that the level of government makes no difference when it comes to the prevalence of corruption⁴⁸³, others claim that corruption is less prevalent at the sub-national level.⁴⁸⁴ The third and also largest category of respondents, however, maintains the very opposite, namely that the risks in fact are the greatest at the sub-national level.⁴⁸⁵ These include a researcher, who points to party patronage being strongest at the provincial and the municipal levels and less so at the federal level.⁴⁸⁶ Data from the BMI-BIA, however, points to most complaints originating from Vienna and being linked to the federal ministries and other national institutions. This may, however, also be linked

⁴⁸⁰ Transparency International at http://archive.transparency.org/policy_research/surveys_indices/gcb/2005 (full data) (27.11.2012).

⁴⁸¹ Interview 7 – Researcher with the University of Vienna, Vienna, Austria (4.9.2009); and Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria (3.9.2009).

⁴⁸² Global Corruption Barometer 2004 quoted in Sickinger, H. (2007, 111-112); and Transparency International at http://archive.transparency.org/policy_research/surveys_indices/gcb/2005 (full data) (27.11.2012).

⁴⁸³ Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria (3.9.2009).

⁴⁸⁴ Interview 2 – Board member of Transparency International Austria, Vienna, Austria (1.9.2009).

⁴⁸⁵ Interview 3 – Senior official with the Austrian Ombudsman Board, Vienna, Austria (2.9.2009); and Interview 4 – Senior officials with the Federal Chancellery, Vienna, Austria (2.9.2009).

⁴⁸⁶ Interview 7 – Researcher with the University of Vienna, Vienna, Austria (4.9.2009).

to the BMI-BIA being situated in Vienna and knowledge about its work and mandate therefore being greatest there.

An overview of the faces and prevalence of corruption in the Austrian context must, however, also take historical facts into account since the corruption landscape of today is rooted in the development of Austrian society since the Second World War. The discussion below, therefore, shows how the seeds of some of the more elusive forms of corruption, discernible during the era of interest to the analysis, in fact were sown decades earlier.

5.2.1.3 History of corruption

Austria came out of the Second World War highly divided, lacking a national identity and a conception of what defined the country. In fact, citizens tended to identify more with national subcultures or *Lager*⁴⁸⁷ than with the nation.⁴⁸⁸ The leaders of the time therefore agreed that measures were needed to minimize political conflict, safeguard independence and stability, and ensure economic prosperity. As a result, the so called Austrian post-war model saw the light of day.⁴⁸⁹

The model included (i) elements encouraging actors to cooperate and strive for consensus on issues of importance to the nation, as well as (ii) deliberate power-sharing to ensure that the major (political) groups were included in decision-making.⁴⁹⁰ These elements came to mould Austrian society and the behaviour of Austrians for many decades, until the gradual demise of the model starting in the 1980s.

⁴⁸⁷ These include the Catholic-Conservative, the Socialist and the German-National-Liberal subcultures. These were traditionally associated with particular political parties: the SPÖ was the party of choice for people within the Socialist sub-culture, the ÖVP was the political party of the Catholic-Conservative sub-culture, and the FPÖ was the party of choice for Austrians within the German-National-Liberal sub-culture, see Müller, W.C. (1996a, 60-61).

⁴⁸⁸ Heinisch, R. (2002, 177-184).

⁴⁸⁹ Heinisch, R. (2002, 177-184).

⁴⁹⁰ Heinisch, R. (2002, 177-184).

Cooperation and consensus as factors affecting the corruption landscape

What were the consequences of the Austrian post-war model from the perspective of corruption? Efforts to encourage collaboration and consensus, first of all, had the effect of bringing decision-makers together under what came to be known as the social partnership (*Sozialpartnerschaft*), described as “the specifically Austrian manifestation of [...] corporatism”⁴⁹¹. The social partnership was based on voluntary cooperation between the state and employers’ and employees’ organizations, particularly in the field of “income policies and certain aspects of economic and social policies”⁴⁹². The cooperation between social partners (chambers, unions etc.) and the state was at times direct, in that certain interest groups were legally entitled to influence proposed legislation due to their inclusion as experts in committees and working groups within the legislature.⁴⁹³ Cooperation was also indirect in that interest groups acted through the political parties, to which they had close ties.⁴⁹⁴

This cooperation resulted in close contacts between actors in leading positions. As such, the contacts built through the partnership should not be regarded as corruption. After all, networking remains an important part of (political) life. These networks were, however, oftentimes linked to corrupt behaviour in that actors exploited their contacts to get undue advantages, or to make important decisions “among friends” while forgetting about formal rules and regulations.⁴⁹⁵

The unethical behaviour resulting from such close ties can be seen, not least, through a number of corruption cases unearthed during the period of interest to this thesis. These cases have oftentimes involved representatives

⁴⁹¹ Eurofond at <http://www.eurofound.europa.eu/emire/AUSTRIA/ANCHOR-SOZIALPARTNERSCHAFT-AT.htm> (20.11.2012).

⁴⁹² Including “industrial safety regulations, agrarian market legislation, labour market policies and principles of equal treatment”, see the Austrian Foreign Ministry at <http://www.bmeia.gv.at/en/foreign-ministry/austria/government-and-politics/social-partnership.html> (20.11.2012).

⁴⁹³ Austrian Foreign Ministry at <http://www.bmeia.gv.at/en/foreign-ministry/austria/government-and-politics/social-partnership.html> (20.11.2012).

⁴⁹⁴ Müller, W.C. (2003, 225).

⁴⁹⁵ Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria (3.9.2009).

of the private sector bribing political actors and civil servants to obtain political and economic benefits.⁴⁹⁶

Moser highlights that corrupt deals between interest groups or private interests, on the one hand, and politicians or parties, on the other, to a certain degree could be avoided through increased insight into and clearer rules with regards to, for instance, party financing.⁴⁹⁷ This is corroborated by Sickinger, according to whom there are numerous ways of circumventing current reporting requirements.⁴⁹⁸ The European Commission also substantiates this observation, highlighting that contributions often are channelled through organizations affiliated with the political parties, rather than to the parties themselves as a result of which the “true” donor cannot be identified.⁴⁹⁹ A lack of effective control mechanisms and sanctions against non-compliers also has a negative impact on the willingness to report. As a result, the public knows little about the actual amounts paid, the real sources of funding or the possible linkages between funding and decisions made.

The fact that the Austrian state funds political parties should, however, reduce the need to raise funds by other means, especially since financial support is provided not just to parties represented in the National Council but also based on electoral success in previous elections.⁵⁰⁰ This is corroborated by Sickinger, who acknowledges that party financing by the state has reduced the need for contributions from interest organizations, the private sector etc.⁵⁰¹ This, logically, should reduce at least the extent to which political parties are forced into corrupt deals to make ends meet.

⁴⁹⁶ Sveriges Radio at <http://sverigesradio.se/sida/artikel.aspx?programid=1637&artikel=5072025> (7.11.2012).

⁴⁹⁷ Moser quoted by Sveriges Radio at <http://sverigesradio.se/sida/artikel.aspx?programid=1637&artikel=5072025> (7.11.2012).

⁴⁹⁸ Sickinger, H. (2006, 569 and 571).

⁴⁹⁹ European Commission at http://ec.europa.eu/dgs/home-affairs/doc_centre/crime/docs/study_corruption_in_the_public_sector_in_eu_ms_en.pdf (23.2.2013).

⁵⁰⁰ O'Regan, V. (2006, 75); and Robbers, G. (ed.) (2007, 61).

⁵⁰¹ Sickinger, H. (2006, 571). Sickinger also enumerates the other sources of funding of Austrian political parties, namely membership fees, minor donations from members and sympathizers, “party taxes” (paid by MPs, ministers etc.), donations from businesses and entrepreneurs, and loans.

Power-sharing as a factor affecting the corruption landscape

The Austrian post-war model also entailed efforts to divide power so as to ensure the inclusion of the major (political) groups within society. The key feature of this effort came to be known as *Proporz*⁵⁰², which referred to power and influence being shared according to relative political strength. With time, this led to the greater part of the country being divided between the major parties. Austria thus ended up having red (SPÖ⁵⁰³) and black (ÖVP⁵⁰⁴) spheres, characterized by their own institutions, organizations, religious groups and systems of patronage.⁵⁰⁵ Government departments – for instance – ended up being divided between the leading political parties on a more or less permanent basis, regardless of whether a certain party was in power or not.

The fact that the political parties controlled entire spheres of society meant that they had access to and control over resources of considerable interest to citizens. Citizens soon realized that belonging to a political party benefitted them. This gave rise to what Sickinger calls *Parteibuchwirtschaft*⁵⁰⁶, i.e. an economy based on party membership, whereby individuals became members of and voted for political parties at least partly in order to access resources distributed by them in an arbitrary fashion.⁵⁰⁷ These resources included jobs at all levels of the bureaucracy, housing, permits and licenses, government contracts etc.⁵⁰⁸

According to Sickinger, the political system of patronage started to fall apart in the 1980s, one of the reasons being that the parties realized that the percentage of (potential) supporters alienated by the patronage system was far greater than the portion benefitting from the system.⁵⁰⁹ Towards the end of the era of interest, therefore, party membership no longer played an important part when, for instance, apartments were distributed or positions

⁵⁰² Heinisch, R. (2002, 183).

⁵⁰³ *Sozialdemokratische Partei Österreichs* (Social Democratic Party of Austria).

⁵⁰⁴ *Österreichische Volkspartei* (Austrian People's Party).

⁵⁰⁵ Sickinger, H. (2006, 566).

⁵⁰⁶ Sickinger, H. (2006, 565).

⁵⁰⁷ Sickinger, H. (2006, 566).

⁵⁰⁸ Sickinger, H. (2006, 566), see also Müller, W.C. (1996a, 80).

⁵⁰⁹ Müller, W.C. (1996a, 88); and Sickinger, H. (2006, 565 and 567).

within the lower levels of the bureaucracy were filled.⁵¹⁰ The demise (or at least decline) of the partisan patronage system, in turn, resulted in decreasing party membership. Whereas about 25% of Austrians were members of the SPÖ or the ÖVP in the late 1970s, only 12% of the population were members 30 years later.⁵¹¹

5.2.2 Politico-institutional lines of accountability and linkages to corruption

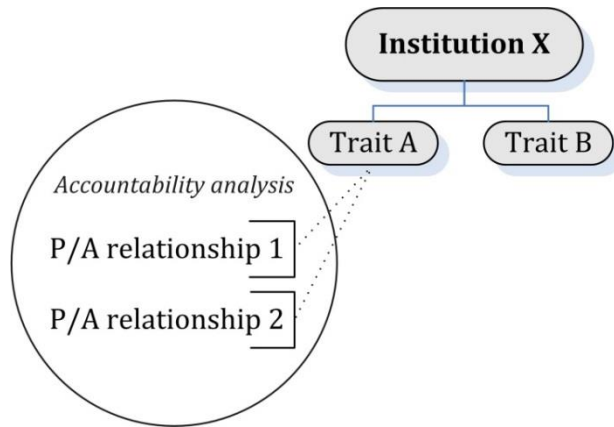
The previous chapter provided an overview of the Austrian corruption landscape, including the most typical forms of corruption, actors (perceived to be) involved in corrupt behaviour, as well as institutions geared directly towards combating corruption. The overview pointed to acts of corruption having been common in Austria during the decades after the Second World War, but considerably less so in Austrian society of today. The subsequent analysis takes an interest in factors contributing to corruption being rare in today's Austria, the focus lying on some of the country's political institutions and the extent to which these contribute towards making corruption less practicable and/or attractive.

The institutional analysis proceeds institution by institution, first focusing on the key traits of each institution. Based on the traits, principal-agent (P/A) relationships are identified, see figure 11.

⁵¹⁰ Higher level positions are, however, still often distributed based on political membership, see Sickinger, H. (2006, 567).

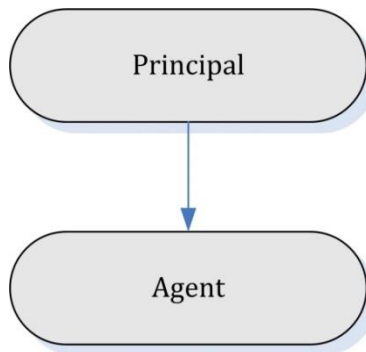
⁵¹¹ Plasser, F. & Bischof, G. (2008).

Figure 11: Structure of the institutional analysis



These P/A relationships are illustrated in accordance with figure 12 below, with a line running from the principal to the agent to show that the former holds the latter to account.

Figure 12: Illustration of a basic principal-agent relationship



The analysis then scrutinizes these very principal-agent relationships from the point of view of accountability, the aim being to unravel the strength of the lines of accountability between principals and agents i.e. the extent to which principals are able to hold their agents accountable and the mechanisms used when doing so.

Lines of accountability are then categorized as strong (depicted in green), semi-strong (depicted in orange) or weak (depicted in red) depending on the extent to which accountability mechanisms and sanctions are available

to principals de jure, the extent to which accountability mechanisms and sanctions are accessible in practice, and the extent to which accountability in fact takes issues related to corruption into account, see table 27. Lastly, these lines are juxtaposed to data on corruption to establish whether weak lines of accountability tend to result in greater corruption problems and vice versa. The terms ‘resonate’ and ‘resonance’ are used to describe cases where ease of / strong accountability results in low levels of corruption (or vice versa), whereas the term ‘dissonance’ is used to describe cases where ease of / strong accountability results in high levels of corruption (or vice versa).

Table 27: Categorization of lines of accountability

	Weak line ■	Semi-strong line ■	Strong line ■
Accountability mechanisms (without sanction) available de jure	X	X	X
Accountability mechanisms and sanctions available de jure		X	X
Accountability mechanisms (incl. sanctions) accessible in practice			X
Accountability mechanisms (incl. sanctions) accessible in practice take issues related to corruption into consideration ⁵¹²			(X)

5.2.2.1. Lines of accountability inherent to the executive, and linkages to corruption

Traits and P/A relationships of interest

Austria is a parliamentary state with an executive consisting of a separate Head of State (the Federal President) and Head of Government (the Federal Chancellor). The Federal Chancellor is formally appointed by the President although in practice the Chancellor tends to be the leader of the party having

⁵¹² This is not considered a necessary condition but rather a bonus, the reason being that also accountability more generally is likely to deter actors from engaging in corrupt activities and allow principals to detect corrupt acts which have been undertaken.

received a majority of votes in the parliamentary elections. Cabinet is appointed by the President, upon the advice of the Chancellor.⁵¹³

The Chancellor leads Cabinet, and the Chancellor as well as Cabinet remain dependent on the confidence of the lower house of Parliament (the National Council). Also the President can dismiss the Chancellor, the entire Cabinet or individual Cabinet members. Furthermore, the President has the authority to dissolve the National Council.⁵¹⁴ Given the authority assigned to the Federal President by the Constitution, Austria has – by some – been characterized as a semi-presidential state. The fact that the President in practice almost without exception has refrained from using this authority, however, means that Austria in reality has more of a parliamentarian than a semi-presidential system.⁵¹⁵

The popularly elected Federal President, for his part, can be held accountable by the voters on election day as well as – while in office – through a popular referendum.

Given the parliamentarian traits⁵¹⁶ of the Austrian executive, the analysis takes an interest in a number of principal-agent relationships. These include Parliament (the National Council) as a principal to Government, the Federal Chancellor as a principal to Cabinet and the executive branch as a whole, and the Federal President as a principal and agent to different actors within the system, see figure 13.⁵¹⁷

⁵¹³ As opposed to many other parliamentarian systems, Cabinet members are not recruited from Parliament only but also from interest groups, provincial governments and private industry, see Müller, W.C. (2003, 234).

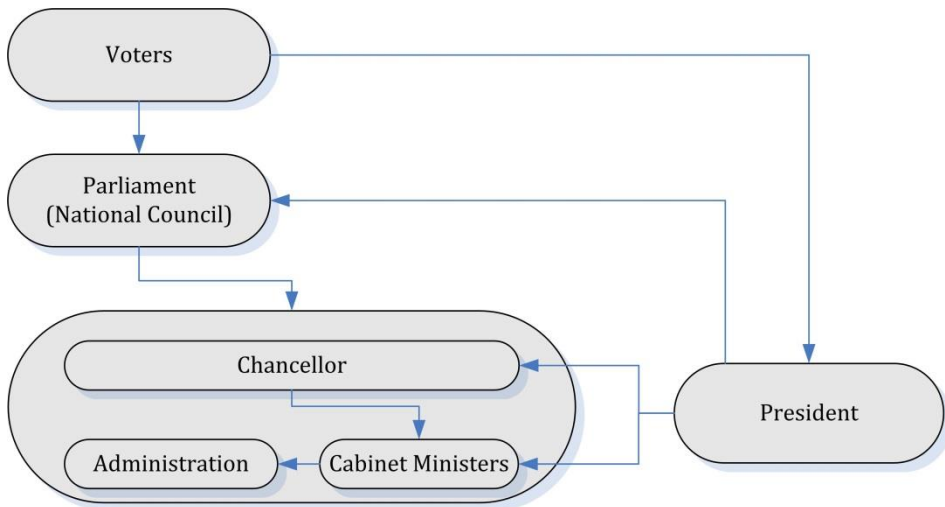
⁵¹⁴ Solsten, E. (ed.) at <http://countrystudies.us/austria/> (6.11.2012).

⁵¹⁵ See Müller, W.C. (2003, 244). The President furthermore has the authority to appoint judges and public prosecutors, tasks that he also has relinquished, this time in favour of the Minister of Justice, see Bundesministerium für Justiz (2009, 26-27).

⁵¹⁶ The separation between Head of State and Head of Government, Government for the most part being appointed from within parliament, and being dependent on the confidence of parliament.

⁵¹⁷ The principal-agent relationship between voters and Parliament has been excluded from this analysis, since it will be dealt with in connection with the electoral system, see chapter 5.2.2.2.

Figure 13: Principal-agent relationships inherent to the Austrian executive



Analysis of accountability and corruption

a. Parliament as a principal to Government

The federal Government, led by the Federal Chancellor, remains dependent upon the confidence of the National Council. The National Council therefore engages in constant monitoring of ministers and their departments to ensure that Government does not exceed or abuse its mandate. Should this occur, the National Council can sanction Government. The Government programme can be regarded as a benchmark or a contract in this regard, specifying the priorities of Government and the issues and areas it should focus its attention on. National legislation also creates a framework within which Government must act.

The National Council has at its disposal a plethora of tools to acquire information about and justification for the actions of the executive branch. Parliamentary control, first of all, includes the right to put questions or interpellations to the administration or an individual minister, the aim being to acquire written or oral accounts directly from ministers or other members of the executive branch.⁵¹⁸ Questions are common: between 1996 and 1999 more than 6 700 questions were addressed to members of the

⁵¹⁸ Pelinka, A. & Rosenberger, S. (2007, 133).

executive.⁵¹⁹ Parliamentarians must, however, be selective when putting questions to members of Government since only a limited number of questions and interpellations may be submitted.⁵²⁰

Subjective information provided by the ministers or civil servants themselves is complemented with more objective information emanating from different committees tasked with holding the executive accountable. Committees provide members of the National Assembly with an opportunity to examine and discuss, but also propose amendments to bills proposed by the executive, wherefore they provide an opportunity to sanction the executive.⁵²¹ Such monitoring and sanctioning is, however, hampered by the fact that (i) the ruling party tends to have a majority on the committees, (ii) the chairpersons of the committees tend to belong to the same party as the minister under scrutiny, and (iii) “parties see[ing] their role above all as supporting, not as attacking, government and its policies”⁵²².

Objective information can also be acquired through so called investigative committees, appointed by the National Council. These are usually appointed to look into major abuses of power, and tend to “work under the same rules as criminal courts”⁵²³. Investigative committees can, however, only be appointed if a majority of parliamentarians support the initiative. This is a problem given that the majority often coincides with the object under scrutiny, i.e. Government. As a result, no investigative committees were appointed between 1990 and 2000⁵²⁴, something that points to this type of monitoring and accountability being a challenge.

Continuous monitoring of the executive branch is also exercised by two independent auditing bodies of the National Council. These include the Austrian Court of Audit (*Rechnungshof*) and the Austrian People’s Attorney (*Volksanwaltschaft* or Ombudsman).⁵²⁵

⁵¹⁹ Interview 4 – Senior officials with the Federal Chancellery, Vienna, Austria (2.9.2009).

⁵²⁰ Pelinka, A. & Rosenberger, S. (2007, 133); and Müller, W.C (2003, 236).

⁵²¹ Republik Österreich – Parlament at <http://www.parlament.gv.at/ENGL/PERK/GES/WEG/WEGNR/index.shtml> (11.4.2013).

⁵²² Fallend, F. (2009, 50-51).

⁵²³ Müller, W.C. (2003, 238).

⁵²⁴ Pelinka, A. & Rosenberger, S. (2007, 133).

⁵²⁵ Kurian, G.T. (ed.) (2007, 62); and Pelinka, A. & Rosenberger, S. (2007, 134), among others.

The Court of Audit performs continuous financial and performance audits of administrative bodies (including companies owned by the state) at the local, regional and federal levels. The Court is regarded as a parliamentary institution in that its President and Vice-President are elected by the National Council.⁵²⁶ As such, the Court reports and remains accountable to the National Council and the legislatures of the provinces.⁵²⁷ A special committee within Parliament scrutinizes the audit reports by the Court, and a parliamentary majority decides on the course of action (if any) with regards to the entity audited.⁵²⁸

Audit reports can also be accessed by actors outside the legislature. According to an official of the Court, the press takes a keen interest in the audit reports, and media coverage is broad. In 2008, audit reports were covered in the press 5 500 times, and during the first half of 2009 2 500 times.⁵²⁹ This is corroborated by Müller, who states that from the 1970s onward, the investigative journalists have given priority to “popularizing the findings of the audit office”⁵³⁰. Sickinger emphasizes the key role of the Court of Audit in unearthing corrupt behaviour and making it public.⁵³¹

This said, the court has also faced its share of criticism. According to Müller, the Court of Audit (as well as the Ombudsman, described below) “can only bark but not bite”⁵³², i.e. cannot sanction wrong-doers. This is corroborated by Fallend and Robbers, who acknowledge that the Court only has the authority to “make recommendations for improving the efficiency of the administration”⁵³³ and that “reports [...] rarely lead to political consequences”⁵³⁴.

⁵²⁶ Müller, W.C. (1996b, 43).

⁵²⁷ When cases of corruption are detected, these are also reported straight to the prosecutors, see Interview 8 – Senior official of the Austrian Court of Audit, Vienna, Austria (22.9.2009).

⁵²⁸ Müller, W.C. (2003, 237).

⁵²⁹ Interview 8 – Senior official of the Austrian Court of Audit, Vienna, Austria (22.9.2009).

⁵³⁰ Müller, W.C. (1996b, 45).

⁵³¹ Sickinger, H. (2006, 573).

⁵³² Müller, W.C. (2003, 238).

⁵³³ Robbers, G. (ed.) (2007, 60).

⁵³⁴ Fallend, F. (2009, 51).

Monitoring is also exercised by the Austrian equivalent of the Scandinavian Ombudsman, the People's Attorney. The Austrian Ombudsman's Board actually consists of three persons, elected by the National Council for a six-year term, renewable once.

The People's Attorney monitors and controls the public administration at the federal, regional and municipal levels in all of the *Laender*, with the exception of Tyrol and Vorarlberg. It also investigates cases of maladministration reported by citizens, companies, and associations.⁵³⁵ According to the People's Attorney, about 3% of complaints received tend to be linked to corruption.⁵³⁶

Cases of maladministration are reported to the National Council and the Federal Council. The People's Attorney also issues a "recommendation to the competent administrative body, which must act according to the recommendation or explain its refusal to act"⁵³⁷. Since the People's Attorney cannot sanction wrong-doers, its powers are in practice limited.

If provided with information that points to serious transgressions or arbitrary execution of laws, the National Council can pass a vote of no confidence against the executive as a whole or against an individual minister. Such a sanction must be initiated by at least five members of the National Council and must receive the support of a majority of MPs.⁵³⁸ A successful vote of no confidence results in a minister or the entire Cabinet being forced to resign.⁵³⁹ The authority to cast a vote of no confidence, therefore, provides the National Council with a powerful tool to sanction Government while in office, i.e. *ex post*.

The formal powers of the National Council are thus considerable. It should be noted, however, that – to date – no successful votes of no confidence have

⁵³⁵ Austrian Ombudsman Board at <http://www.menschenrechtsbeirat.at/en/the-austrian-ombudsman-board> (13.11.2012).

⁵³⁶ Interview 3 – Senior official with the Austrian Ombudsman Board, Vienna, Austria (2.9.2009).

⁵³⁷ Robbers, G. (ed.) (2007, 60).

⁵³⁸ Müller, W.C. (2003, 235).

⁵³⁹ Müller, W.C. (1996b, 27).

been passed by the National Council.⁵⁴⁰ This is attributed to Austria traditionally having had broad coalition governments with majority support in the National Council, and these coalitions having dominated the political scene over many decades.⁵⁴¹ Party discipline has also traditionally been strict, (i) forcing parliamentarians to “implement [...] party leaders’ decisions”⁵⁴² and (ii) keeping MPs from acting at will.

Of interest is also the fact that Austria, as discussed, exhibits an overall political culture of consensus-building rather than open conflict.⁵⁴³ Müller, and Pelinka and Rosenberger, describe the National Council as a forum where actors are brought together and a levelling-out of their different points of view is achieved. As a result, criticism by the opposition and other stakeholders is taken into consideration at an early stage and agreements are made with regards to remedies.⁵⁴⁴ This means that legislation oftentimes has been passed unanimously. Conflicts, therefore, rarely arise and when they do, they seldom escalate to a point where a vote of no confidence is the only way out.

Unanimity within the National Council seems to be on the wane, however. This trend is visible, among other things, through a steady decrease in legislation being passed unanimously. Whereas 80% of legislation was passed unanimously in 1986, only 27% fell in the same category in 1994.⁵⁴⁵

⁵⁴⁰ Interview 4 – Senior officials with the Federal Chancellery, Vienna, Austria (2.9.2009); and Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

⁵⁴¹ Of interest in this context is also the fact that members of Government, although not formally required to do so, tend to relinquish their parliamentary seat in order to keep legislative and executive powers separated, see Fish, M.S. & Kroenig, M. (2009, 48); and Bundespressdienst (no year, 59).

⁵⁴² Müller, W.C. (1996b, 27), see also Pelinka, A. & Rosenberger, S. (2007, 130).

⁵⁴³ Müller, W.C. (1996b, 27).

⁵⁴⁴ These processes tend to involve all parties affected by proposed legislation, including ministries, provincial governments, religious communities, and the social partners. With regards to the latter, Pelinka and Rosenberg state that “[in] allen für die Sozialpartnerschaft wichtigen Bereichen (insbesondere in der Wirtschafts- oder Sozialpolitik) können die Wirtschaftsverbände schon sehr früh auf die Gesetzgebung Einfluss nehmen. Die Regierung (und damit die Mehrheit im Nationalrat) kann so entweder eine Übereinstimmung mit allen oder einigen der Sozialpartner erreichen – oder aber schon früh Informationen über die Konfliktthemen erhalten, die eine Zustimmung einiger (oder auch aller) Wirtschaftsverbände verhindern”, see Pelinka, A. & Rosenberger, S. (2007, 125-126).

⁵⁴⁵ Müller, W.C. (1996b, 29).

Over this period of time, which more or less coincides with the start of the era of interest to the thesis, Government tended to put less emphasis on broad consultations and pre-empting conflicts.⁵⁴⁶ Party discipline was also loosened, and members of the National Council became more active and also more willing to vote against the party line.⁵⁴⁷ This manifested itself in MPs increasingly tabling “critical parliamentary questions to ministers of their own party”⁵⁴⁸. Müller even renders a case where members of the Austrian People’s Party passed a vote of no confidence against their own minister.⁵⁴⁹ These tendencies are corroborated by Pelinka and Rosenberger, who state that “[l]angfristig zeigt der Nationalrat eine steigende Tendenz, die an sich hoch entwickelte Fraktionsdisziplin zu durchbrechen”⁵⁵⁰.

The developments accounted for above resulted in critical and diverse voices increasingly being heard, and the National Council being less of a “rubber-stamp for decisions previously made in Cabinet, the coalition committee, or within the institutions of social partnership”⁵⁵¹. As a result, therefore, the National Council entered the period of interest as an actor of increased importance and with an improved ability to hold the executive branch to account.

b. The Federal Chancellor as a principal to Cabinet and (indirectly) to the administration as a whole

The Federal Chancellor (*Bundeskanzler*) is one of the members of the federal Government (*Bundesregierung*), which also consists of the Vice-Chancellor, other ministers and the state secretaries (*Staatssekretären*). The Federal Chancellor is appointed by the President from the political party having received a majority of votes in the elections for the National Assembly. federal ministers, in turn, are appointed by the President upon advice from the Chancellor. Given the fact that the Chancellor heads the executive branch as a whole, he also has the authority to nominate staff to a number of positions within the administration.

⁵⁴⁶ Pelinka, A. & Rosenberger, S. (2007, 127).

⁵⁴⁷ Müller, W.C. (1996b, 28).

⁵⁴⁸ Müller, W.C. (1996b, 28).

⁵⁴⁹ Müller, W.C. (1996b, 29).

⁵⁵⁰ Pelinka, A. & Rosenberger, S. (2007, 131).

⁵⁵¹ Müller, W.C. (1996b, 27).

Although described as the central and dominant figure of the polity⁵⁵², the authority of the Chancellor is not as straightforward as one would expect. More precisely, his powers depend on the sphere of authority, the composition of Cabinet as well as his very personal qualities.

The extent to which the Chancellor is able to hold members of Cabinet accountable *ex ante* – i.e. before nomination – depends on whether he is heading a one-party or a coalition government. When heading a one-party government the Chancellor (candidate) is mandated to nominate all ministers within Cabinet. These will most probably hail from the same party as the Chancellor, which means that the Chancellor is able to screen them thoroughly and make an informed decision. Most governments of Austria over time have, however, been coalition governments. When heading a coalition government the Chancellor only appoints a portion of the ministers, whereas the rest are appointed by the Vice-Chancellor (and the heads of other coalition partners, when applicable). The Chancellor candidate cannot veto the ministers put forward by the coalition partner(s) given that partners, once the portfolios have been divided, have the discretion to appoint individual ministers as they see fit. The fact that Cabinet appointments made by coalition partners must be accepted by all parties in Government has at times been referred to as the “monkey principle”⁵⁵³. This is due to the fact that coalition partners seemingly would have to accept even a monkey for a minister if this was the desire of the party to whom a particular portfolio was assigned. This is of interest from the perspective of accountability *ex ante*, since coalition partners will have little say even in situations where the minister proposed by the partner is felt not to exhibit a clean track record.

Within the political parties, different procedures are applied and actors involved when choosing individual ministers. In certain parties, such as the SPÖ, party leaders dominate the selection process, whereas parties like the ÖVP involve party structures such as the leagues (sub-organizations) and the provincial party organizations. At the onset of the period of interest to this thesis, however, party leaders and chairmen assumed increasing powers in terms of (sometimes single-handedly) appointing members of Cabinet. This points to very few actors being able to hold members of

⁵⁵² Robbers, G. (ed.) (2007, 57 and 60).

⁵⁵³ Müller, W.C. (1996b, 32 and 52).

Cabinet accountable *ex ante*.⁵⁵⁴ State secretaries are appointed using the same procedures as those used when appointing ministers.⁵⁵⁵

As opposed to the recruitment of ministers, clear guidelines exist with regards to the recruitment of members of the administration. These include instructions with regards to the overall ethical standards to be met, the procedures to be followed and the actors involved. Recruitments, first of all, must be based on merit, and those involved in the recruitment process must be un-biased. The most competent candidates are identified by means of aptitude tests and interviews, which provide applicants with an opportunity to “market” themselves (selection). Recruitments are generally conducted by an independent human resource department.⁵⁵⁶ Thanks to these rules and procedures, among others, the share of positions filled politically rather than based on merit has decreased. This said, certain appointments to key positions still reflect political affiliation.⁵⁵⁷

As the head of the executive branch, the Chancellor also holds a number of actors accountable *ex post*, directly or indirectly. Holding members of Cabinet accountable while in office (*ex post*) seems to be a challenge. As the Head of Government, the Federal Chancellor is a *primus inter pares* or first among equals, which in practice means that he is the first among ministers.⁵⁵⁸ As such, he is more of a coordinator of the work within Cabinet, and may not instruct the other ministers or influence their activities. Müller goes as far as talking about a principle of non-interference within Cabinet.⁵⁵⁹ Within Cabinet, therefore, the Chancellor is forced to cooperate with the other ministers and has one vote only, just like other members. At times, this requires flexibility and bargaining from his side since decisions in Cabinet are made collectively and unanimously.⁵⁶⁰ Due to the requirement for

⁵⁵⁴ Müller, W.C. (1996b, 32-33).

⁵⁵⁵ Bundeskanzleramt Österreich at <http://www.bka.gv.at/site/6602/default.aspx> (11.4.2013).

⁵⁵⁶ Frauscher, C., Görtz, A., Haschmann, R. & Nikolov-Bruckner, E. at <http://www.austria.gv.at/2004/4/23/pubserv.pdf> (22.11.2012).

⁵⁵⁷ Müller, W.C. (2003, 243).

⁵⁵⁸ Pelinka, A. & Rosenberger, S. (2007, 140); and Robbers, G. (ed.) (2007, 140).

⁵⁵⁹ Müller, W.C. (1996b, 34), see also Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009). The latter confirms that the Chancellor only has limited and informal authority over ministers.

⁵⁶⁰ Pelinka, A. & Rosenberger, S. (2007, 140); Robbers, G. (ed.) (2007, 140); and Müller, W.C. (1996b, 34).

unanimity, the Chancellor's suggestions may also be vetoed by other members of Cabinet.⁵⁶¹

Formally, individual ministers are thus independent from the Chancellor. This is particularly so in spheres of authority assigned to the individual ministers and not to the Cabinet. In reality, however, all ministers cannot be described as completely independent from the Chancellor. As the head of the largest party in Government and the National Council, the Chancellor does have certain leverage over ministers belonging to his own party. Against this background, he may influence them informally despite his limited formal powers in this regard.⁵⁶² This means that he – at least informally – is able to hold ministers belonging to his own party accountable *ex post*.⁵⁶³

As the Head of Government, the Chancellor constitutes the principal of not just of members of Cabinet but of the executive branch as a whole, holding staff to account *ex post*. In practice, however, members of the administration are held accountable *ex post* by the federal ministers and other superiors. Formally, ministers have considerable authority over their respective Ministries. This manifests itself, among other things, in the fact that ministers may issue orders (*Weisungen*) to civil servants and force policy decisions.⁵⁶⁴

Müller, however, emphasizes that the bureaucracy (and bureaucrats) by no means can be described as weak, and that ministers depend on its/their cooperation.⁵⁶⁵ If members of the bureaucracy oppose the policies or priorities of the minister, they can put spokes in the minister's wheel by over- or under-informing the minister, or by limiting their advice to what Müller calls the "conventional wisdom"⁵⁶⁶ of the department. As such, they

⁵⁶¹ Müller, W.C. (2003, 240). The Chancellor may, however, in accordance with the Constitution, approach the President to recommend the removal of a single Minister. Nothing guarantees, however, that the President pays heed to the Chancellor's request, see Legislationline (Constitution of Austria, art. 70(1)) at <http://legislationline.org/documents/section/constitutions> (19.11.2012).

⁵⁶² Robbers, G. (ed.) (2007, 60); and Pelinka, A. & Rosenberger, S. (2007, 142).

⁵⁶³ Ministers may, however, if guilty of "violations of the law committed in their official capacity" be taken to the Constitutional Court, see Robbers, G. (ed.) (2007, 60).

⁵⁶⁴ Pelinka, A. & Rosenberger, S. (2007, 247).

⁵⁶⁵ Müller, W.C. (1996b, 37); and Müller, W.C. (2003, 242).

⁵⁶⁶ Müller, W.C. (1996b, 37).

limit the minister's room for manoeuvre, something that may constitute an agency loss for the minister.

Ensuring that civil servants act in the interest of their principals (the ministers and the general public) has, at times, been a challenge in the Austrian polity. One reason for this has been that many civil servants, although formally required to be neutral, are allowed to and do belong to political parties and engage in party politics. As such, they have at times acted in accordance with their own (political) convictions rather than those of their principals, the ministers and the public. They have also at times been enticed by their political parties or contacts within the private sector to act against the interests of their principals.⁵⁶⁷ However, many citizens, civil servants included, have been members of political parties for non-ideological, pragmatic reasons, and may not have a political agenda at odds with that of their ministers. Still, they may act contrary to the wishes of their principals for other reasons, including self-benefit.

Awareness about the fact that members of the administration at times tended to forget about the interests of their principals increased in the 1990s. As a result, a number of processes aimed at finding remedies were initiated. One such process culminated in a revision of the Mission Statement for Federal Employees, adopted in 1999.⁵⁶⁸ The Statement serves as a common denominator and guideline for all federal employees with regards to attitudes and the performance of tasks. Moreover, the Statement – which highlights the importance of respect for the law, reliability, accountability, the responsible use of resources, impartiality, and transparency – constitutes something of a springboard when federal employees are monitored and appraised by means of annual appraisal interviews, which focus on e.g. the strengths, weaknesses, objectives and interests of staff members as well

⁵⁶⁷ Sveriges Radio at <http://sverigesradio.se/sida/artikel.aspx?programid=1637&artikel=5072025> (7.11.2012).

⁵⁶⁸ Another example of guidelines established to align the preferences of ministers and staff members is the Code of Conduct to prevent corruption, introduced by the Federal Chancellery just after the era of interest to the thesis. The Code, which emphasizes “values such as integrity, transparency, objectivity and fairness” as well as the personal responsibility of all members of the administration, is accompanied by a training module for staff entering the civil service as well as staff undertaking training at the Administrative Academy (*Verwaltungsakademie*), see Ritter, S. (2010).

as the expectations from supervisors.⁵⁶⁹ This is so given that administrative staff, when appointed, commit to respecting the values set forth in the Statement. The Statement can thus be likened to a sort of contract between the principal and the agent.

Staff members (i) perceived not to embody the attitudes highlighted by the principal, (ii) whose performance is of a poor standard, or (iii) who abuse their authority may face sanctions. Sanctions are decided upon by an independent commission, and include reprimands or fines, and – in the case of more severe breaches of duty – termination of service.⁵⁷⁰

Wrong-doers can thus be sanctioned through dismissal, which allows the minister to recruit staff members more attuned to the interests of the minister and the general public. Large-scale recruitments to this end are not, however, possible. This is due to the fact many Austrian career civil servants enjoy security of tenure.⁵⁷¹ Leadership positions within the civil service are, however, since 1996 time-bound.⁵⁷²

The question remains, however, whether the above mentioned principals take issues related to corruption into account when holding agents accountable. The Chancellor (as well as the leaders of coalition partners), firstly, can only be assumed to reject ministerial candidates with a track record of corruption. As highlighted in an interview, they are likely to do this out of self- or party interest since appointing a minister whose intentions or credentials are questioned by the public, tends to reflect badly upon the party and the whole of Government.⁵⁷³ The same applies to accountability *ex post*, to the extent that the Chancellor is able to exercise it.

It is equally unknown whether applicants to positions within the public service are screened with regards to their corruption track record. Given the emphasis on issues such as accountability, the responsible use of resources,

⁵⁶⁹ Frauscher, C., Görtz, A., Haschmann, R. & Nikolov-Bruckner, E. at <http://www.austria.gv.at/2004/4/23/pubserv.pdf> (22.11.2012); Gabmayer, R. & Lercher, C. (2011, 8); and Garbsch, M. & Jauk, V. (2012, 4-6).

⁵⁷⁰ Frauscher, C., Görtz, A., Haschmann, R. & Nikolov-Bruckner, E. at <http://www.austria.gv.at/2004/4/23/pubserv.pdf> (22.11.2012).

⁵⁷¹ Müller, W.C. (1996b, 38).

⁵⁷² Müller, W.C. (2003, 243).

⁵⁷³ Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

impartiality, and transparency, these issues are, however, likely to be at least touched upon when applicants are evaluated and ranked.

Appraisal interviews are, however, likely to take federal anti-corruption guidelines into account.⁵⁷⁴ These were only published at the end of the period of interest to the thesis, however, which means that they were probably not taken into account during the entire period of interest.

c. Voters as principals to the President

The Federal President is directly elected by the people for a period of six years, and his mandate cannot be extended beyond two terms in office.⁵⁷⁵ Candidates for the presidency must be “eligible to vote in the National Assembly election”⁵⁷⁶, and must also be at least 35 years of age. Interestingly enough, “[m]embers of ruling dynasties or such families that have reigned in the past”⁵⁷⁷ cannot stand in the election, so as to avoid the monarchy being brought in “via the Presidency of the Republic”⁵⁷⁸. Anyone who can vote in National Council elections is also entitled to vote in presidential elections.⁵⁷⁹

The Presidency is regarded as a non-partisan office. For the most part, Austrian presidents, therefore, have abstained from intervening in everyday politics.⁵⁸⁰ The President does, however, have certain formal powers. These include appointing the Federal Chancellor and Cabinet (to be discussed further down).

Voters are able to hold the President (to be) accountable *ex ante* by screening candidates and allowing them to demonstrate their suitability and willingness to work in line with the wishes of their (future) principals (selection). Voters acquire information about the presidential candidates

⁵⁷⁴ Ritter, S. at <http://www.bka.gv.at/DocView.axd?CobId=40151> (18.11.2012).

⁵⁷⁵ Müller, W.C. (1996b, 29).

⁵⁷⁶ Embassy of Austria at <http://www.austria.org/the-political-system/the-federal-president/presidential-elections> (8.11.2012).

⁵⁷⁷ Embassy of Austria at <http://www.austria.org/the-political-system/the-federal-president/presidential-elections> (8.11.2012).

⁵⁷⁸ Embassy of Austria at <http://www.austria.org/the-political-system/the-federal-president/presidential-elections> (8.11.2012).

⁵⁷⁹ Embassy of Austria at <http://www.austria.org/the-political-system/the-federal-president/presidential-elections> (8.11.2012).

⁵⁸⁰ Müller, W.C. (1996b, 30).

through the media and through electoral campaigns, which allow voters to obtain subjective information provided by the candidates themselves, as well as more objective information. If dissatisfied with a particular candidate, they may vote for another one. Voter turnout in presidential elections has generally been fairly high. Whereas 74% of eligible voters cast a ballot in the presidential elections of 1998, 72% did so in 2004.⁵⁸¹ Voting in presidential elections was mandatory in 2/9 provinces during the era of interest, however.⁵⁸² Little points to voters taking issues related to corruption into account when casting their ballot.

Voters also hold the President accountable while in office. When doing so, promises made during his election campaign as well as powers outlined by the Constitution could be regarded as a contract between the President and his principals, and a benchmark against which he can be evaluated.

Voters acquire information about the actions of the President through speeches delivered by him, audit reports⁵⁸³, TV appearances, newspaper articles etc. The information gathered is thereby subjective as well as objective by nature. If dissatisfied with the actions of the Federal President, voters may sanction him by voting for someone else, come the next elections, or by removing him through a referendum. Arriving at a referendum requires an elaborate process, however, involving a number of actors. The National Council, first, has to convoke the Federal Assembly (the two houses of Parliament meeting jointly), something that can only be done by a 2/3 majority. Secondly, the Federal Assembly must vote on a referendum to remove the President, something that requires a simple majority of the votes. Thirdly, in order for the President to be removed, a majority of the votes cast in the referendum must be in favour of dismissing the President. If a majority of the votes cast expresses support for the

⁵⁸¹ Bundesministerium Inneres at http://www.bmi.gv.at/cms/BMI_wahlen/bundespraes/historisches/BPW_2004.pdf (20.11.2012).

⁵⁸² This applied to Vorarlberg, which abolished mandatory voting in presidential elections in 1998 and Tyrol, which did the same in 2004, see Communication 1 - Senior official with the Federal Election Commission, Ministry of the Interior, Vienna, Austria (20.11.2012).

⁵⁸³ Accountability exercised by the Court of Audit vis-à-vis the President may only relate to administrative acts, however, see Interview 9 - Senior official with the Office of the Federal President, Vienna, Austria (4.9.2009).

President, he is considered re-elected.⁵⁸⁴ If the President is re-approved through a referendum, this is considered a vote of no confidence against the National Council, however, which is dissolved and new elections have to be arranged.⁵⁸⁵

This procedure is complex, and members of the National Council are likely to think twice before jeopardizing their own mandate. The fact is also, however, that the President, despite having dissociated himself from party politics, has been brought to office on a party ticket. And, as expressed by Müller, “it is [...] unlikely that that his sponsoring party would be prepared to initiate dismissal procedures against him”⁵⁸⁶. The President can thus formally be held accountable *ex post* by means of a referendum. The procedures involved are, however, complex and parliamentarians may be reluctant to put a spoke in the wheel out of personal or party interest.⁵⁸⁷

d. The President as a principal to the Chancellor and Cabinet

The President also assumes the role of principal to a number of actors within the system. Appointing the Federal Chancellor and Cabinet is formally the task of the President. When appointing the Chancellor, the President, firstly, designates what Müller calls a Chancellor candidate to form Government. In theory, the President has considerable discretion when designating the Chancellor candidate. Federal Presidents have, however, up until the present tended to relinquish their right⁵⁸⁸ to appoint a Federal Chancellor of their own choice since such actions would create a Government not enjoying the confidence of the National Council: “Denn auch wenn es ihm rechtlich erlaubt ist, eine Bundesregierung zu ernennen, die dem Mehrheitswillen des Nationalrates nicht entspricht, so würde eine solche Regierung – wegen ihrer politischen Verantwortlichkeit gegenüber dem Nationalrat – sehr rasch durch ein Misstrauensvotum “gestürzt”

⁵⁸⁴ Müller, W.C. (1996b, 52), footnote 7.

⁵⁸⁵ Müller, W.C. (1996b, 52), footnote 7.

⁵⁸⁶ Müller, W.C. (1996b, 30).

⁵⁸⁷ The Federal President may, however, be impeached by the Federal Assembly (the National Council and the Federal Council acting jointly), see Robbers, G. (ed.) (2007, 60).

⁵⁸⁸ Pelinka and Rosenberger use the term *Rollenverzicht*, i.e. relinquishing a role, see Pelinka, A. & Rosenberger, S. (2007, 136).

werden"⁵⁸⁹. In practice, therefore, the President has acted in accordance with the outcome of the elections, assigning the task of forming Government to the leader of the strongest party in the National Council.

Depending on the results of the election, the Chancellor candidate has then either been able to form a one-party government or, in cases where the party of the Chancellor candidate has not been strong enough to rule alone, a coalition government. As pointed out in this chapter, most Austrian governments have tended to be coalitions. Regardless, ministers have been appointed by the Federal President in line with the recommendations by the Chancellor candidate.

Pelinka and Rosenberger highlight the symbolic role of the Federal President in the appointment of the Federal Chancellor and the ministers: "Auf diesem Grunde kommt der Wahl des Nationalrates und nicht der Wahl des Bundespräsidenten die entscheidende Bedeutung für die Bildung der Bundesregierung zu"⁵⁹⁰. This points to the Federal President not being in a position to hold the Chancellor candidate or ministers accountable *ex ante*.

The President is also authorized to sanction the Chancellor and ministers *ex post* by dismissing the entire federal Government or individual ministers. He can do this single-handedly when it comes to the Chancellor or the entire Cabinet. The dismissal of individual ministers can only be done if recommended by the Federal Chancellor, however.⁵⁹¹ This provides the President with a formal tool to hold the federal Government to account *ex post*. This notwithstanding, it has never been used.⁵⁹² According to experts, this is related to the challenge of finding substitutes backed by a majority within the National Council. Experts also highlight that "the written constitution is in the shadow of the living constitution which limits the power of the President in favour of the power of the majority in parliament"⁵⁹³.

⁵⁸⁹ Pelinka, A. & Rosenberger, S. (2007, 136).

⁵⁹⁰ Pelinka, A. & Rosenberger, S. (2007, 137).

⁵⁹¹ Legislationline (Constitution of Austria, art. 70(1)) at <http://legislationline.org/documents/section/constitutions> (19.11.2012).

⁵⁹² Müller, W.C. (2003, 244); and Communication 2 - Senior official with the Institute of Conflict Research, Vienna, Austria (9.1.2013).

⁵⁹³ Communication 2 - Senior official with the Institute of Conflict Research, Vienna, Austria (9.1.2013).

e. The President as a principal to the National Council

The President also has certain powers vis-à-vis the National Council. According to the Constitution, which can be likened to a contract guiding the relationship between the two institutions, the President may convoke and prorogue the National Council. Proroguing the National Council can only be done upon proposal by Cabinet, however, and under extraordinary circumstances.⁵⁹⁴ As a consequence, the President cannot use this accountability mechanism as he sees fit. The President has, in fact, never used his authority to dissolve the National Council.⁵⁹⁵

Presidential powers also include countersigning laws before these enter into force. Robbers discusses whether this authority actually gives the President influence over the legislative process or whether it should be regarded as a mere formality. According to Robbers, some would argue that the President has the right or the duty to sanction the legislature by refusing signature and that he, thereby, has actual authority over the legislature.⁵⁹⁶ Pelinka and Rosenberger, however, insist that the President only has the authority to veto legislation should the drafting of a bill not have been done in accordance with the Constitution: “Sein Veto gilt dann nicht dem Inhalt, sondern dem Verfahren”⁵⁹⁷. This would indicate that the President’s authority over the legislative process as well as his powers to hold the legislature accountable using this tool, remain limited.⁵⁹⁸

⁵⁹⁴ Interview 9 – Senior official with the Office of the Federal President, Vienna, Austria (4.9.2009); and Müller, W.C (2003, 239).

⁵⁹⁵ Müller, W.C. (2003, 244).

⁵⁹⁶ Robbers, G. (ed.) (2007, 60).

⁵⁹⁷ See Pelinka, A. & Rosenberger, S. (2007, 137).

⁵⁹⁸ Members of the National Council who abuse their mandate “for example by granting special privileges to a business in which they are employed” can be taken to the Constitutional Court, see Republik Österreich – Parlament at <http://www.parlament.gv.at/ENGL/PERK/PARL/POL/ParluVfGH/Index.shtml> (14.4.2013). Through the Constitutional Court, (opposition) MPs can also challenge laws passed by the parliamentary majority if these laws are perceived to be unconstitutional. This, however, requires that those calling for a review hold at least 1/3 of the seats in the National Council, see Republik Österreich – Parlament at <http://www.parlament.gv.at/ENGL/PERK/PARL/POL/ParluVfGH/Index.shtml> (14.4.2013).

Connections between ease of accountability and levels of corruption

As can be seen from the analysis, lines of accountability within the executive differ from one another in terms of the accountability mechanisms and sanctions available to principals de jure, the extent to which accountability mechanisms and sanctions are accessible in practice, and the extent to which accountability in fact takes issues related to corruption into account. With a point of departure in these differences, lines of accountability – as already outlined – are categorized as strong (depicted as green), semi-strong (depicted as orange) and weak (depicted as red) (see table 27), the ultimate aim being to establish whether strong lines of accountability tend to result in lesser corruption problems and vice versa.

The analysis shows that members of the National Council are able to hold Government to account *ex post* through a number of accountability mechanisms. These include self-reporting on the part of ministers and bureaucrats as a result of written and oral questions, a mechanism that is commonly used. MPs can also monitor the work of ministers and bureaucrats through committees and investigative committees. These are, however, often dominated by the largest party in the National Council and Government, wherefore sanctions are not imposed. Actors such as the People's Attorney and the Court of Audit are also included in the monitoring effort. These submit reports to the National Council, allowing the latter to scrutinize actions taken within the executive branch. If dissatisfied with decisions made within the executive branch, the National Council can sanction the latter by passing a vote of no confidence. For a long time, this sanction was inaccessible due to broad coalitions with majority support in the National Assembly as well as strict party discipline. Of late, however, party discipline is loosening, which allows for critical assessment also of members of the same party, as a result of which the sanction is deemed accessible and the overall line of accountability is perceived as strong.

The mechanisms available to the Chancellor when holding ministers to account depend on the circumstances. When heading a one-party government, the Chancellor is able to screen candidates, who also demonstrate their suitability to him. The Chancellor may sanction ill-fitted candidates by not appointing them. These sanctions are accessible to and used by the Chancellor, except in cases where the Chancellor may have to involve other party structures in the decisions, which means that he alone cannot decide

on the use of sanctions. When heading a coalition government, the Chancellor has even less power over screening, selection and the use of sanctions *ex ante* in that the heads of coalition parties assume these tasks. Under such circumstances, therefore, accountability mechanisms as well as sanctions remain inaccessible.

The Chancellor also has limited possibilities to hold ministers to account *ex post*. He may monitor them through meetings, audit reports and the media, but he cannot formally demand information or justification from them or instruct them to act in a certain way. Informally, as the head of his party, he may have certain leverage with regards to ministers from his own party, however. Against the above, the line of accountability between the Chancellor and ministers is deemed to be semi-strong only.

Bureaucrats are politically accountable to their ministers and administratively to their supervisors within the civil service. In practice, however, *ex ante* accountability remains the task of independent entities such as human resource departments, which screen candidates and sanction unsuitable ones by not appointing them. These sanctions are accessible and in use. These same bureaucrats are held to account *ex post* by their superiors within the executive branch. Here, national legislation as well as, for instance, the Mission Statement for Federal Employees function as something of a contract between principals and agents. The performance of bureaucrats is assessed *ex post* through annual appraisal interviews, audits and output in general. If agents do not live up to the expectations of the principal, they can be sanctioned using reprimands, fines and dismissal. These sanctions are accessible to the principal and in use. Against the above, the line of accountability between ministers / other principals, on the one hand, and bureaucrats, on the other, is deemed to be strong.

Voters are able to and do screen presidential candidates who, through their rallies and campaigns, try to convince voters about their suitability. If unconvinced, voters can sanction candidates by voting for another candidate. These mechanisms and sanctions are accessible to and used by voters. Little points to voters taking issues related to corruption into account when casting their vote, however. Voters are also able to hold the incumbent President to account *ex post*. In this context, electoral promises can be considered to be something of a contract between principals and agent. Voters monitor the President e.g. through the newspaper articles, and audit

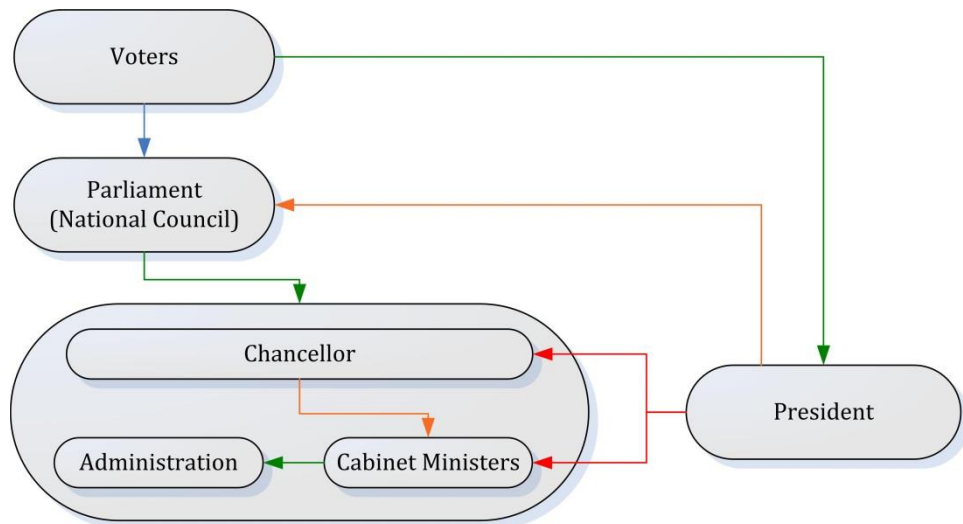
reports. The President also reports to voters through speeches and other appearances. Dissatisfied voters can sanction the President by casting their vote for someone else on election day. These mechanisms and sanctions are accessible to voters and used by them. The same cannot be said about another sanction formally available to voters, however, namely removing the President through a referendum. This sanction is deemed to be inaccessible due to complicated procedures involving a number of other actors. Given that voters can access at least one form of sanctions, however, the overall line of accountability is regarded as strong.

The President also constitutes a principal to a number of actors and institutions. He is formally mandated to appoint the Federal Chancellor. This is, however, regarded as more of a formality since the President always has appointed the leader of the largest party in the National Council. As a result, no *ex ante* screening, selection and sanctioning on the part of the President takes place. The President also appoints members of Cabinet. These powers are also deemed to be more of a formality since appointments in practice tend to be based on the selection made by the Chancellor and in line with the outcome of parliamentary elections. Possibilities to sanction these actors *ex ante* are therefore virtually non-existent. The President is also authorized to sanction the Chancellor and minister *ex post*. He is likely to monitor these through government reports, the media and reports from the Court of Audit, and may sanction the Chancellor or the entire Cabinet single-handedly by dismissing them should he be dissatisfied with their performance. This said, such sanctions are not deemed to be accessible in reality since the President is aware of the fact that he is unlikely to find “substitutes” with majority support in the National Council. Against the above, these lines of accountability are deemed to be weak.

Lastly, the President constitutes a principal to the National Council, whose actions he monitors through the media, reports and meetings as well as information about proposed bills. Should he be dissatisfied he may not, however, dissolve the National Council single-handedly, since the initiative must be taken by Cabinet. These sanctions are thus not deemed to be fully accessible to the President. The President is also mandated to countersign – and if need be veto – legislation. The President only has authority to veto legislation if the drafting has not been done according to the procedures. As a result, these sanctions – although accessible – cannot be regarded as a very

powerful. In the light of these facts, the overall line of accountability is judged to be semi-strong, bordering on weak.

Figure 14: Visualization of the strength of lines of accountability inherent to the Austrian executive



As can be seen from figure 14, executive structures seem to enhance as well as hamper accountability.

How does this resonate with data on corruption in the national context? The fact that the line of accountability between the President and the National Assembly is described as semi-strong, bordering on weak, first of all, could be interpreted as MPs being particularly susceptible to corruption. This resonates well with data on corruption in that (i) grand corruption is perceived to be a greater problem than petty corruption, (ii) parties and MPs are considered to be engaged in corrupt activities to a greater extent than other entities and professional groups, (iii) corruption scandals during the era of interest in fact have involved MPs, and (iv) most reports on corruption originate from Vienna and are related to national institutions. This line of accountability does not, however, provide a full picture of the extent to which MPs are held to account since this process also involves voters and parties, something that will be discussed in the next chapter.

The multiple lines of accountability including ministers as agents, secondly, mostly point to also these actors being vulnerable to corruption. This

resonates with the facts that (i) reports made to the anti-corruption agency of the time mostly were related to national institutions, including federal ministries, (ii) ministers being perceived as corrupt and also in practice being implicated in corruption scandals, (iii) parties being perceived as engaging in corrupt activities, and (iv) grand and “more elusive forms” of corruption, according to many, being more prevalent than official statistics indicate.

The lines of accountability including the Chancellor as an agent are ambiguous, pointing to vulnerability as well as lack thereof. Data on corruption points to Chancellors having been implicated in corrupt practices, however, which resonates well with the weak line of accountability between the President and the Chancellor. It does not, however, resonate with the strong line between the National Council and the Chancellor, wherefore it is concluded that the National Council may not be able to hold the Chancellor to account efficiently enough. The strength of the line is therefore only found to resonate moderately with data on corruption.

The strong line of accountability between voters and the President also points to the President not being particularly susceptible to corruption, which resonates well with the fact that neither official statistics, scholarly or media reports, nor surveys on corruption make mention of the President as a culprit.

The line of accountability including members of the bureaucracy as agents, finally, is described as strong. This resonates well with (i) petty corruption by most experts being described as uncommon and (ii) experienced-based data pointing to few citizens engaging in bureaucratic corruption.

In the light of these facts, the strength of lines of accountability is deemed to resonate well with data on corruption.

5.2.2.2 Lines of accountability inherent to the electoral system, and linkages to corruption

Traits and P/A relationships of interest

Austrians elect representatives directly and indirectly to institutions at the federal, provincial and municipal levels of the state. At the federal level,

elections are held for the National Council (which has 183 members with a five-year term), the State Presidency (six-year term) and the European Parliament (five-year term). At the provincial level, voters elect representatives to the provincial legislatures (*Landtage*, 5-6 year terms depending on the province) and at the municipal level votes are cast in municipal elections (5-6 year terms, depending on the province). Indirect elections are held for the upper house of the legislature, the Federal Council (*Bundesrat*), which has 62 representatives elected for five years by the provincial (*Länder*) legislatures.⁵⁹⁹

In 1992, Austria lowered the voting age from 19 to 18 years of age.⁶⁰⁰ This applies to elections in all provinces and at all levels.⁶⁰¹ Austrian voters do not need to register ahead of elections since “all citizens with a permanent residence in the country are kept in a permanent register, maintained by the municipalities”⁶⁰².

Austria is divided into nine constituencies, coinciding with the nine provinces. These are further divided into 43 regional constituencies. The threshold for winning a seat in the National Council is “4% of votes (or winning a parliamentary seat in one of the regional constituencies)”⁶⁰³.

Elections for the National Council are conducted using a proportional electoral system with partly-closed party lists. Parties submit lists of candidates, and voters vote for the party of their choice. Voters may, however, also cast a preference vote for a particular candidate, thus increasing the chances of this candidate to be elected.⁶⁰⁴

⁵⁹⁹ See Kurian, G.T. (ed.) (2007, 129); Robbers, G. (ed.) (2007, 59); Bundespressdienst (no year, 59); and GRECO (2011, 4).

⁶⁰⁰ In 2007, Austria, as the first country in Europe, furthermore lowered the voting age to 16 years of age, see Republik Österreich – Parlament at <http://www.parlament.gv.at/ENGL/PERK/PARL/DEM/NRWahl/> (3.12.2012). This, however, falls outside the era of interest to the thesis.

⁶⁰¹ Interparliamentary Union (IPU) at www.ipu.org/parline/reports/2017.htm (18.11.2010); and Reference.com at www.reference.com/browse/voting+age (18.11.2010).

⁶⁰² Group of States Against Corruption (GRECO) (2011, 4).

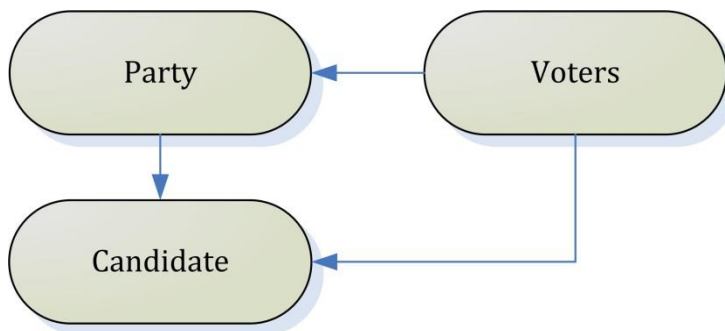
⁶⁰³ Group of States Against Corruption (GRECO) (2011, 4-5).

⁶⁰⁴ Interview 1 – Senior officials with the Federal Election Commission, Ministry of the Interior, Vienna, Austria (1.9.2009).

Proportional electoral systems with closed lists are often described as party-centred.⁶⁰⁵ In line with a classification by Shugart, a party-centred electoral system in its most “refined” form is characterized by (i) ballot access being determined in-house, within the party, and voters being unable to influence the order of candidates on the lists, and (ii) list-based voting predominating.⁶⁰⁶ Party-centred electoral systems are thus characterized by parties determining whether individual candidates may stand in the election, and voters casting their ballot for a party rather than for an individual candidate. Given that (i) Austrian voters vote for a party list but may cast preference votes, and (ii) Austrian parties dominate the nomination process, the electoral system can be described as only moderately party-centred.

Given the listed traits of the Austrian electoral system (the list-based vote, the possibility to cast a preference vote, and the fact that parties dominate the nomination process), the analysis takes an interest in a number of principal-agent relationships. These include the voters as principals to candidates and parties, and parties as principals to candidates, analysing whether and how these principals are able to and do hold their agents to account, see the figure 15.

Figure 15: Principal-agent relationships inherent to the Austrian electoral system



⁶⁰⁵ This is in line with – for instance - Shugart, M. S. (2001, 183).

⁶⁰⁶ The exact definitions adopted can be found in appendix 6. See also Shugart, M. S. (2001, 183).

Analysis of accountability and corruption

a. Parties as principals to candidates

In order to be eligible in parliamentary elections, a person must be an Austrian citizen and 18 years of age.⁶⁰⁷ Independent candidates may run in the elections⁶⁰⁸, but for the most part candidates tend to be affiliated to political parties and ranked on their lists. Political parties, therefore, have considerable authority with regards to ballot access and the electoral success of individual candidates.

Parties are only allowed to put forward twice as many candidates as there are seats to be filled in the electoral district.⁶⁰⁹ They are thus likely to select their candidates carefully, i.e. put a lot of effort into accountability *ex ante*. The different parties go about nominating candidates in different ways, however. The general rule seems to be that key decisions with regards to nominations are made by elites at different levels of the party organizations, and that the average party members have little say with regards to ballot access and the initial ranking of candidates. This is corroborated by Krouwel, who describes the nomination procedures applied by Austrian parties as highly exclusive, as opposed to other European countries.⁶¹⁰

The procedures through which the political parties nominate candidates merit some attention. In the SPÖ, most candidates are put forward by the party organization at the provincial level. The central party organization, however, has the prerogative of nominating 20% of the candidates “for central necessities”⁶¹¹. A special party council convened by the party leader,

⁶⁰⁷ Incompatibilities include the Federal President, members of the Federal Council, the European Parliament, the Supreme Court, the Constitutional Court, the Administrative Court, the President of the Audit Office, the Parliamentary Commissioners (Ombudsmen), and executives of joint stock companies, banking, commercial, transport and industrial private limited companies, provincial credit institutes and mutual insurance companies, see Inter-Parliamentary Union (IPU) at www.ipu.org/parline/reports/2017.htm (18.11.2010).

⁶⁰⁸ Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

⁶⁰⁹ Inter-Parliamentary Union (IPU) at http://www.ipu.org/parline-e/reports/2017_B.htm (15.11.2012); and Stirnemann, A. (1989, 404).

⁶¹⁰ Krouwel, A. (1999, 6).

⁶¹¹ Krouwel, A. (1999, 8).

finally, is responsible for the final selection and ranking of candidates.⁶¹² In the ÖVP, the district party organization proposes candidates, while the provincial level ranks them. This process can, but does not have to, involve broader layers of party members.⁶¹³ The national party organization can veto the candidates and rankings proposed, but the provincial level has the prerogative of nominating 5% of the candidates.⁶¹⁴ In the FPÖ⁶¹⁵, the party organization in the provinces draws up party lists, which the national central party organization approves or rejects. Within the Green Party, finally, party members vote on candidates and rankings. Final decisions are, however, made by the provincial and national party organizations.⁶¹⁶

Parties naturally favour candidates which are able to attract votes. Loyalty to the party and respect of party discipline also seem to carry a lot of weight when (re-)nominations are made, however. As a result of the importance attached to loyalty and discipline, many candidates tend to be not just party members but professional politicians, in tune with the aims and procedures of the party. This means that parties are able to screen them thoroughly and that candidates, for their part, are able to ensure that the leadership is aware of their competence and commitment (selection).

Political parties also hold representatives to account *ex post*. When doing so, party statutes can be compared to a contract or an agreement between parties and representatives in that the latter commit to the priorities, rules and regulations set forth in the statutes. Plenary sessions, parliamentary committees and party caucus meetings provide political parties with opportunities to monitor representatives *ex post*. Representatives which do not live up to the expectations of the party can be sanctioned in a number of ways. According to Müller, they can be excluded from positions of trust or interesting assignments. They may also be assigned a poor ranking on party lists, excluded from the ballot or expelled from the party altogether.⁶¹⁷

⁶¹² O'Regan, V. (2006, 77).

⁶¹³ Stirnemann, A. (1989, 408). Müller, furthermore, highlights that many parties changed their statutes in the 1990s to allow for increased influence of party members over candidate selection. Parties have hardly applied these rules, however, see Müller, W.C (2003, 226).

⁶¹⁴ Krouwel, A. (1999, 8); and O'Regan, V. (2006, 79).

⁶¹⁵ Freedom Party of Austria (*Freiheitliche Partei Österreichs*).

⁶¹⁶ Krouwel, A. (1999, 8).

⁶¹⁷ Müller, W.C. (2003, 230).

The fact that parties monitor their representatives is important not least for the voters, many of which do not have the time to monitor and interact with their representatives on a regular basis. Due to the fact that contacts between voters and their representatives often are sparse, representatives risk becoming alienated from the electorate and lose “an understanding of what average voters think”⁶¹⁸, forgetting about their duties towards the electorate in the process. As a result, representatives may end up focusing more on living up to the expectations of their secondary principal, the party, and less on their obligation to their primary principals, the voters. Parties, according to Müller, tend to be better at keeping abreast with the needs of the electorate and can therefore assume a mediating role, reminding representatives about the need to take the interests of the party as well as those of the electorate into consideration.

The extent to which parties take ethical issues into account when selecting, ranking and monitoring candidates and representatives is, however, unknown. Some argue that parties tend to test the effect of candidates on the electorate ahead of elections. Parties do this out of self-interest, and should they get the impression that a candidate ranked highly is frowned upon by the voters, this candidate will be degraded on the list or, depending on the circumstances, removed altogether.⁶¹⁹ (Subjective) voter sentiments (also with regards to corruption) are thus likely to affect ballot access and ranking as well as access to other rewards by the party.

During the period of interest to the thesis parties seemed to lack a more systematic, objective approach to dealing with issues related to corruption, however. This is clear from the facts that (i) the fight against corruption was more or less absent from their programmes, and (ii) few of them had codes of conduct outlining unaccepted behaviour, and sanctions.⁶²⁰ Only after the

⁶¹⁸ Müller, W.C. (2003, 229).

⁶¹⁹ Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

⁶²⁰ See SPÖ at http://www.spoe.at/bilder/d281/spoe_statut_2012.pdf (16.11.2012); and ÖVP at <http://www.oevp.at/Common/Downloads/Organisationsstatut.pdf> (16.11.2012). After the decade of interest, however, at least the ÖVP has embarked on a project of fighting corruption within the party. This has been done through the drafting of a detailed Code of Conduct (*Verhaltenskodex*), and the establishment of an Ethics Board, which may impose sanctions, see ÖVP at <http://www.oevp.at/index.aspx?pageid=59523> (16.11.2012).

era of interest did some of the political parties in fact seem to become conscious of the need to engage in the fight against corruption more systematically, internally as well as externally. This points to accountability rarely having taken corruption into account.

As can be seen, nominations and rankings very much remain the prerogative of the select few, i.e. the party leaders at the national and provincial levels. Candidates are therefore dependent on the party (leadership) for their political career, and need to remain loyal in order to be re-nominated. Stirnemann goes as far as talking about “permanence of membership of parliament”⁶²¹, to illustrate the fact that MPs which are able to maintain the trust and support of their party also know they will retain their parliamentary seat. According to Krouwel, disobedience and conflict with the party leadership ruins not only a politician’s political career but also (due to the prominent role of parties in society at large) chances to build a career outside politics.⁶²²

This puts the parties in a powerful position vis-à-vis candidates and representatives, a position that could be used to identify and reject actors with a clear “track record of corruption” or to identify and punish actual transgressions. During the period of interest, authority did not seem to be used to this end, however, something that can be attributed to (i) a lack of awareness on the part of the party organizations as well as (ii) a lack of guidelines to go by.

b. Voters as principals to parties and candidates

As outlined, Austrian voters cast their votes for partly-closed party lists. The electoral reform of 1992 introduced the possibility to cast a personalized (preference) vote, the argument being that this would (i) reduce the power of party leaders to impose certain pre-selected candidates, (ii) give voters more power to influence the election outcome, and (iii) improve the relationship between voters and their representatives.⁶²³

⁶²¹ Stirnemann, A. (1989, 419).

⁶²² Krouwel, A. (1999, 8).

⁶²³ Solsten, E. at <http://countrystudies/austria/116.htm> (18.11.2010); and Müller, W.C. (1996a, 59).

Few voters cast preference votes, however, and the general opinion also seems to be that preference votes – when cast – have little bearing on the overall outcome of the election.⁶²⁴ This is so, since they usually are cast for candidates at the top of the list, i.e. individuals who are likely to be elected irrespective of the preference votes.⁶²⁵

Stirnemann is thus of the opinion that “the make-up of the legislative bodies is mainly decided by candidate nomination and not by the voter casting his ballot”⁶²⁶. He stresses that once candidate lists have been fixed, the “composition of the National Council has been decided with far more than 90% certainty”⁶²⁷. Also Müller states that the 1992 electoral reform made little practical difference in terms of parties’ power over rankings and thus candidates obtaining a seat in Parliament.⁶²⁸ Müller, however, highlights that parties do take note of preference votes cast when preparing lists of candidates for elections to come.⁶²⁹

This points to voters not exercising their possibility to hold individuals accountable by casting preference votes. One possible explanation for this is that candidates quite simply are perceived as completely dominated by the parties, and toeing the party line rather than that of the voters. Punishing individual candidates, therefore, has little effect on the behaviour of politicians. The preference vote, also, does not “permit an unpopular candidate to be eliminated or ranked down by the voter”⁶³⁰, something that surely affects its attractiveness.

This said, voters did cast party list votes and voter turnout during the era of interest was approximately 85%.⁶³¹ Voting patterns, however, tended to be

⁶²⁴ Müller highlights that “[t]o win a seat at the regional district level it is sufficient for a candidate to win either half as many preference votes as votes are required for a seat, or preference votes amounting to a sixth of the party vote – provided that the party wins enough votes to get a seat in a relevant regional electoral district”, see Müller, W.C. (2003, 228).

⁶²⁵ Müller, W.C. (1996a, 71).

⁶²⁶ Stirnemann, A. (1989, 401).

⁶²⁷ Stirnemann, A. (1989, 421).

⁶²⁸ Müller, W.C. (2006, 410).

⁶²⁹ Müller, W.C. (2006, 409).

⁶³⁰ Stirnemann, A. (1989, 406).

⁶³¹ According to Hofinger et al., the percentage of non-voters stood at 6% between 1979 and 1983, but had increased to 15% in 2002-2006, see Hofinger, C., Ogris, G.

different from those of decades prior. Much points to a decrease in class voting, and socio-cultural factors on the whole having less impact on voting decisions.⁶³² Voters also tended to be less interested in ideology and more interested in issues and personalities than before.⁶³³ This is interesting from the point of view of accountability in that voters, who previously faithfully voted for the same parties, seemingly started to view parties and politicians in a new light. Interviews conducted by Plasser and Ulram indicate that 69% of respondents in 1989 (as opposed to 38% in 1979/1981) regarded politicians as corrupt and open to bribery. Not only did voters express these views, however, they also acted upon them by casting protest votes against oversized coalitions, the establishment as a whole, the *Proporz* system and political patronage.⁶³⁴ This shows that Austrian voters started taking issues related to corruption into account when casting their ballot. It was not the individual candidates who were sanctioned, however, but rather the political parties felt to embody the undesired traits. Of interest is also the fact that the political parties to a certain extent responded to this outcry from the electorate. According to Mantl, the parties themselves increasingly recognized that voters were alienated by patronage and corruption. As a result, many parties have declared that their focus henceforth will lie on political work.⁶³⁵

In order to be able to sanction candidates, representatives and parties, Austrian voters need information about their actions. How do they acquire this information? Voters, first of all, acquire (subjective) information straight from their representatives, who say they value close contacts to constituents, and “practice a direct communication style with them (rather than via the media)”⁶³⁶. Through direct meetings and election campaigns, voters are able to screen candidates who, in turn try to convince voters

and Zeglovits, E. (2008, 80). The decline in voter turnout seems to be due to (i) voting having been mandatory in certain provinces up until 1992, and (ii) a certain level of disenchantment with politics and politicians among some citizens, see Communication 1 - Senior official with the Federal Election Commission, Ministry of the Interior, Vienna, Austria (20.11.2012); and Austrian Times at <http://www.austriantimes.at/?id=8058> (16.11.2012).

⁶³² Traar, K. & Birk, F. (1989, 117).

⁶³³ Müller, W.C. (1996a, 74).

⁶³⁴ Plasser, F. & Ulram, P.A. (2000); and Müller, W.C. (1996c, 327).

⁶³⁵ Mantl, W. (1996, 285); Müller, W.C. (1996c, 348); and Müller, W.C. (1996a, 83).

⁶³⁶ Müller, W.C. (2006, 411).

about their capability. Voters also acquire information through external actors such as the media and different authorities. The media is an important source of information to citizens. 75% of Austrians read newspapers on a daily basis, and 61% watch programs by the national state broadcasting company daily.⁶³⁷ By and large, the media can be regarded as free and “daily newspapers, both national and regional, have significant circulation and compete intensely”⁶³⁸. The media, furthermore, takes a keen interest in and ensures broad press coverage of reports from for instance the Audit Board. Sickinger in fact regards investigative journalism as an important factor when it comes to restraining corruption.⁶³⁹

Access to relevant information is also likely to be enhanced by rules related to transparency and the fact that “public officials must provide information or facts within the sphere of activity of their department or office”⁶⁴⁰. Access to information is, however, also obstructed by the fact that the Criminal Code includes paragraphs emphasizing public secrecy. This, oftentimes, prevents public officers from releasing information. If a public officer refuses to provide information he/she must, however, provide an official reason to this refusal.⁶⁴¹

The question remains, however, whether citizens and the media have sufficient information to capture the more subtle forms of corruption. The fact that Austrian voters and other accounting parties tend to know little about the interests, linkages and financiers of their candidates and representatives, points to more elusive forms of corruption often not being captured.

⁶³⁷ Winter-Ebmer, R. (2009, 43).

⁶³⁸ Freedom House at <http://www.freedomhouse.org/report/freedom-press/2005/austria> (16.11.2012).

⁶³⁹ Sickinger, H. (2006, 573).

⁶⁴⁰ United Nations (2006) at <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan023301.pdf> (29.3.2013).

⁶⁴¹ Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria (3.9.2009).

Connections between ease of accountability and levels of corruption

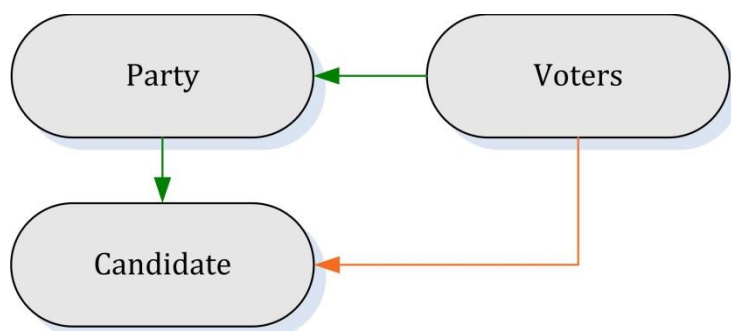
As demonstrated by the analysis, political parties have considerable authority when it comes to holding candidates to account *ex ante*. Candidates often undergo screening by multiple actors at different levels of the party and must prove their worth to all of these (selection). This also means that sanctions in the form of refusing ballot access can be applied by different actors. These sanctions are deemed most accessible to the national party organization, which often may overthrow decisions made by other entities within the party. Issues related to corruption seem to affect nominations to the extent that voters express their condemnation of candidates involved in such activities.

Parties also hold candidates/representatives to account *ex post*. Representatives are monitored through a number of fora, and wrong-doers are punished using a wide array of sanctions. These accountability mechanisms and sanctions are felt to be accessible to the principals. Accountability (during the era of interest) did not, however, seem to take issues related to corruption into consideration in a systematic way. All the same, this line of accountability is considered to be strong.

Voters are able to screen candidates who, in turn demonstrate their competence and suitability to voters through a number of different fora. Information about incumbents who seek re-election is obtained through monitoring, and self-reporting by incumbents. Unsuitable candidates can be sanctioned by casting a preference vote for a more suitable or trustworthy alternative. The analysis shows, however, that voters do not make use of the possibility to cast such a vote. As a result, the line of accountability is considered to be semi-strong only.

The analysis also shows that, to the extent that voters do sanction representatives perceived as corrupt, these sanctions are directed at the political parties rather than the individual representatives. As a result, the line of accountability between voters and political parties is deemed to be strong.

Figure 16: Visualization of the strength of lines of accountability inherent to the Austrian electoral system



As can be seen from the visualization of lines of accountability (figure 16) these range from strong to semi-strong. How does this resonate with data on corruption in the national context?

The line of accountability between parties and candidates, firstly, is described as strong which points to candidates and representatives being restrained and thus unlikely to engage in corrupt activities. This does not, however, resonate with perceptions-based survey data which points to MPs (and thus also MPs to be) and political actors in general being perceived as the greatest culprits. This discrepancy can be explained in a number of ways. One possibility is that candidates and representatives are held to account, but not with a strong enough emphasis on issues related to corruption. This is confirmed by the fact that parties – prior to 2005 – did not seem very aware of the need to tackle corruption and therefore also did not use their leverage vis-à-vis candidates and representatives to this end. As a result, corruption was neither condemned explicitly nor sanctioned in a systematic way, which probably allowed actors to get away with at least certain types of corrupt practices. Another plausible explanation, however, is that perceptions are based more on past experiences than the current situation. As a result, one could – in line with the historical overview of corruption in Austria – argue (i) that the line of accountability indeed is strong, (ii) that corruption amongst representatives as a result has diminished (but that people’s perceptions have not yet changed accordingly) and (iii) that a certain resonance can be discerned between the strength of the line and data available.

The line of accountability between voters and candidates/representatives is deemed to be semi-strong. This is resonant with the fact that corruption among candidates and representatives has diminished but not completely vanished from Austrian society, as can be seen from corruption scandals during the era of interest.

The line of accountability between voters and parties, finally, is considered to be strong, which points to political parties being restrained by voters and therefore unlikely to engage in corrupt practices. This is not resonant with perceptions-based survey data, which points to corruption being common in political life and amongst political parties. The overview provided above shows, however, that the extent of such practices has decreased. As a result, the analysis draws the conclusion that perceptions may be lagging behind also in this regard. As a consequence, the strength of the line of accountability is regarded as fairly resonant with the corruption landscape during the era of interest.

In the light of these facts, the strength of lines of accountability is deemed to resonate fairly well with data on corruption.

5.2.2.3 Lines of accountability inherent to the vertical distribution of power, and linkages to corruption

Traits and P/A relationships of interest

Austria is a federal state, consisting of a four-tiered administrative structure. The first tier is that of federal Government under the leadership of the Federal Chancellor, the federal ministers and the Federal President, among others. The second tier is that of the provinces (also called states or *Bundesländer*) under the leadership of provincial legislatures and governors. The final two tiers are those of districts and municipalities (or local communities, *Gemeinden*), led by district commissioners and councils, respectively. Given that powers at the sub-national level for the most part are concentrated with the States / Provinces, the analysis will focus on these entities; principal-agent relationships (i) within them and (ii) between them and federal Government. Such an approach is also justified given that “the

Austrian Constitution only allocates legislative and executive powers between the Federation and the States”⁶⁴².

Austria is made up of nine provinces.⁶⁴³ According to the so called residual clause of the Constitution, powers not specifically assigned to the central level are assigned to the provinces, each of which also has a Constitution of its own as well as a popularly elected legislature (*Landtag*)⁶⁴⁴. Executive powers are held by a provincial government (*Landesregierung*), which consists of a governor (*Landeshauptmann* or *-Frau*) and councillors (*Landesräte*).⁶⁴⁵ There are no ministers as such within the provinces but rather a common State Government Office.⁶⁴⁶ The governor has a dual role within a province in that he/she, on the one hand, is the (political) head of the provincial executive and the administrative head of the State Government Office, but on the other also acts as the top federal representative at the provincial level.⁶⁴⁷

Legislative and executive powers are divided between federal Government and the provinces in a number of ways. Certain policy areas fall exclusively within the competence of federal Government. These include “foreign policy, the military, immigration, the constitution, the judiciary, criminal and civil law, and law enforcement”⁶⁴⁸. A second category⁶⁴⁹ of policy areas fall within the competence of federal Government with regards to policy formulation, but execution remains the responsibility of the provinces. These include “housing, education, social welfare, land reform, population policy, and matters concerning electrical power”⁶⁵⁰. There are also, however, policy

⁶⁴² Stelzer, M. (2011, 153).

⁶⁴³ Robbers, G. (ed.) (2007, 58).

⁶⁴⁴ Erk, J. (2004, 2); Sturm, R. (2005, 48); and Kurian, G.T. (ed.) (2007, 128).

⁶⁴⁵ Banks, A.S., Muller, T.C. & Overstreet, W.R. (eds.) (2007, 73); and Kurian, G.T. (ed.) (2007, 130).

⁶⁴⁶ Bundeskanzleramt (no year, 27).

⁶⁴⁷ Müller, W.C. (1996b, 48), see also Organization for Economic Co-operation and Development (OECD) (2010, 146).

⁶⁴⁸ O’Regan, V. (2006, 69), see also Kurian, G.T. (ed.) (2007, 128).

⁶⁴⁹ This category actually consist of two different spheres of competence, namely a) policy areas where the federation legislates and the provinces execute and b) policy areas where the federation passes framework legislation, based on which the provinces pass implementing laws, whereupon execution is the responsibility of the province, see Sturm, R. (2005, 49).

⁶⁵⁰ O’Regan, V. (2006, 69), see also Kurian, G.T. (ed.) (2007, 128).

areas which are the competence of the provinces alone in terms of legislation as well as execution. These include “zoning and regional planning, hunting, land transfers, conservation, and local law enforcement issues”⁶⁵¹. The provinces rely on tax income and financial transfers from federal Government for the execution of provincial as well as federal laws.⁶⁵² According to the OECD, “[a]pproximately 28% of all public financial resources flow to Länder and municipalities”⁶⁵³.

Austria does not constitute the most typical of federal states due to the prominent role of federal Government within the system. Robbers maintains that, over the years, more and more power has passed from the provinces to the federation and that most important powers now reside with federal Government, which dominates the system.⁶⁵⁴ This is corroborated by Kurian, who describes federal supervision, control and regulations as pervasive, leaving other entities little freedom of action.⁶⁵⁵

Erk, for his part, highlights the presence of federation (an institutional form) in the Austrian polity, but the absence of federalism (a value concept). By this, he wishes to emphasize the fact that Austrian society in fact is very homogenous, and lacks the “territorially based social diversity [which is] a sine qua non for a federal frame of mind”⁶⁵⁶. According to Erk, political parties, provincial governments, voters, courts, civil society organizations and trade unions in fact all seem to condone centralization and seek nationwide policies.⁶⁵⁷ Bußjäger also maintains that the provinces take little interest in shouldering new competencies since this would increase their work load and intensify accountability.⁶⁵⁸ Even the Federal Council, designated to represent provincial (*Länder*) interests, has become part of nationwide politics. Erk lays stress upon the fact that voting patterns in the Federal Council correspond more to the party affiliation than the geographical background of the members.⁶⁵⁹

⁶⁵¹ O'Regan, V. (2006, 69), see also Kurian, G.T. (ed.) (2007, 128).

⁶⁵² Sturm, R. (2005, 48).

⁶⁵³ Organization of Economic Co-operation and Development (OECD) (2010, 150).

⁶⁵⁴ Robbers, G. (ed.) (2007, 59), see also Erk, J. (2004, 1).

⁶⁵⁵ Kurian, G.T. (ed.) (2007, 130).

⁶⁵⁶ Erk, J. (2004, 1-3).

⁶⁵⁷ Erk, J. (2004, 9 and 11).

⁶⁵⁸ Bußjäger, P. (2010, 15 and 26).

⁶⁵⁹ Erk, J. (2004, 7-8).

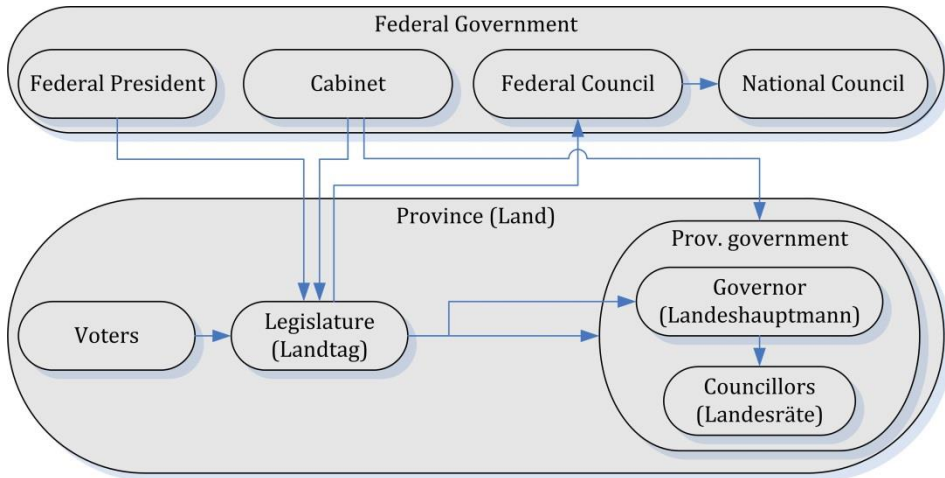
Scholars maintain, however, that the provinces should not be regarded as weak and uninfluential. They stress that the provinces may not be strong constitutionally but that political realities and structures enable them to promote their own interests and prevent federal reforms which are undesirable from their point of view. This is often done through the institution of the governor, who remains the power house within the province.⁶⁶⁰

Although not the most typical of federal states, (i) the Austrian territory is divided into autonomous regions, (ii) there are different layers of government, and power is divided between these and, perhaps most importantly, (iii) the centre is not able to alter the competencies of the regions against their will. Given these traits, Austria is regarded as a federal state despite the fact that federal Government plays a relatively prominent role within the system.

The analysis thus takes an interest in a number of principal-agent relationships of relevance to the division of power between the centre and the periphery. These include (i) a number of actors (including the voters, the Federal President and the Cabinet) as principals to the provincial legislature (*Landtag*), (ii) a number of actors (including the provincial legislature and the Cabinet) as principals to the provincial government (*Landesregierung*), (iii) the governor (*Landeshauptmann* or *-Frau*) as a principal to the councilors (*Landesräte*), (iv) the Federal Council as a principal to the National Council, and (v) the provincial legislature as a principal to the Federal Council, see figure 17.

⁶⁶⁰ Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

Figure 17: Principal-agent relationships inherent to the Austrian vertical division of power



Analysis of accountability and corruption

a. Voters as principals to the provincial legislature

Members of the provincial legislatures are popularly elected, using the same electoral principles as those used for the election of representatives to the National Council.⁶⁶¹ The number of representatives in the provincial legislatures varies from 36 to 65, depending on the province. The Province of Vienna, however, exceptionally has as many as 100 deputies due to its sizable population.⁶⁶² Elections to the provincial legislature are organized every 5 years.⁶⁶³ During the period of interest to the thesis, the voting age in elections to the provincial legislature was 18 years.⁶⁶⁴ In 2003, the voter turnout in elections to the provincial legislature ranged from 65% to 95%, depending on the constituency.⁶⁶⁵ For the most part this was slightly lower

⁶⁶¹ Communication 1 - Senior official with the Federal Election Commission, Ministry of the Interior, Vienna, Austria (20.11.2012), also see Bußjäger, P. (2010, 14).

⁶⁶² Solsten, E. (ed.) at <http://countrystudies.us/austria/> (6.11.2012).

⁶⁶³ Except for Upper Austria, where they occur every six years, see Solsten, E. (ed.) at <http://countrystudies.us/austria/> (6.11.2012).

⁶⁶⁴ It has since been lowered to 16 years of age, see Government Burgenland at <http://wahl.bgld.gv.at/wahlen/lt.nsf/Wahlvorgang.htm> (14.11.2012).

⁶⁶⁵ Oberösterreich Landesregierung at http://www.land-oberoesterreich.gv.at/cps/rde/xbcr/ooe/StatPol_LT2003_Gesamt2.pdf (14.11.2012).

than voter turnout in elections for the National Council.⁶⁶⁶ This said, voters were mobilized on election day, which remains an important prerequisite for holding candidates accountable.

Another prerequisite for successful accountability is that of voters taking an interest in politics and society, and being informed enough to engage in monitoring. Scholars confirm that Austrians do exhibit an interest in politics.⁶⁶⁷ Dachs, for his part, provides an overview of citizens' access to information at the provincial level. According to him, reporting by the ORF (the public broadcasting company) from the provinces has improved in terms of quality as well as quantity from the 1970s onward. He describes the regional broadcasting as "objective and balanced"⁶⁶⁸, which points to citizens being able to make informed decisions. Access to newspapers reporting on provincial matters has furthermore improved in that many provinces have several regional newspapers which do not hesitate to criticise decision-makers and discuss delicate matters.⁶⁶⁹ Many provinces also have communication strategies in place to make sure that information is shared systematically and to the relevant actors.⁶⁷⁰

Voters also gain (subjective) information about candidates during election campaigns, which constitute fora where candidates strive to make their priorities (and personal qualities) known to the voters (selection). The extent to which these campaigns enable voters to gain knowledge about the true intentions of the candidates is, however, hard to establish. This is particularly so since many provincial politicians, according to Dachs, tend to regard election campaigns as an "inconvenient necessity"⁶⁷¹, portraying competition, conflict and ideological differences between parties, whereas in reality, once the politicians have assumed office, a more consensual approach, void of ideology, often is adopted.

⁶⁶⁶ Communication 1 - Senior official with the Federal Election Commission, Ministry of the Interior, Vienna, Austria (20.11.2012).

⁶⁶⁷ Austrians do, however, exhibit a lesser tendency for party affiliation and party loyalty, see Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

⁶⁶⁸ Dachs, H. (2008, 93).

⁶⁶⁹ Dachs, H. (2008, 94).

⁶⁷⁰ Organization of Economic Co-operation and Development (OECD) (2010, 152).

⁶⁷¹ Dachs, H. (2008, 93).

Voters at the provincial level are thus active, interested in politics and fairly informed about political and social issues. The question remains, however, whether voting is associated with accountability, and whether issues related to corruption are taken into account on election day. Much points to the answer on both accounts being affirmative. Provincial elections in the 1980s and 1990s serve to illustrate this point in that voters at the provincial level (just like those at the federal level) started showing increased discontent with the system and corrupt behaviour by politicians and political parties. This resulted in increased voter mobility and “the former two-party systems in the Länder [being] transformed into multi-party-systems”⁶⁷². Provinces which had been ruled by the same parties over decades also saw the emergence of new majorities. From the perspective of accountability and combating corruption, this turned the tide in that sanctions were employed, which meant that politicians, accustomed to being re-elected without an effort and not being held accountable for their actions, were reminded about their duties vis-à-vis their principals, the voters.

b. The Federal President as a principal to the provincial legislature

The Federal President constitutes another principal to the members of the provincial legislatures. According to the Austrian Constitution (which also in this case may be compared to a contract stipulating the rights and duties of principals and agents), the Federal President may – upon the request of the federal Government and with the (2/3 majority) assent by the Federal Council – sanction the provincial legislature *ex post* by dissolving it. The President may only dissolve the legislature once for the same reason⁶⁷³, however, and may not act at will in this regard. A scholar highlights that the Federal President never has dissolved a provincial legislature and that these usually are dissolved by a majority resolution by the *Landtag* itself. The same scholar attributes this to “de facto parliamentarism [being] stronger than the legal powers the President has”⁶⁷⁴.

⁶⁷² Bußjäger, P. (2010, 28).

⁶⁷³ Legislationline (Constitution of Austria, art. 100(1)) at <http://legislationline.org/documents/section/constitutions> (19.11.2012).

⁶⁷⁴ Communication 2 - Senior official with the Institute of Conflict Research, Vienna, Austria (9.1.2013).

c. *The federal Cabinet as a principal to the provincial legislature*

When the execution of a provincial law “depends on the co-operation with federal authorities”⁶⁷⁵, the law in question must be scrutinized by the relevant federal ministers. According to the Constitution of Austria, the provincial legislature must, after passing such a law, inform the Federal Chancellery. The federal Government then has eight weeks to object to the enactment if it is felt to jeopardize federal interests.⁶⁷⁶

The federal Government may oppose the proposed law but it may “nevertheless come into force if the state Parliament passes it a second time with a vote of at least half of its membership” and a 2/3 majority of the votes cast.⁶⁷⁷ As a consequence, this sanction cannot be regarded as an efficient tool to hold the provincial legislature accountable, but rather as more of a formality. If the law is perceived to be unconstitutional, the federal Government may, however, challenge it by bringing the matter before the Constitutional Court.⁶⁷⁸

d. *The provincial legislature as a principal to the provincial government*

Members of provincial governments are appointed from within the provincial legislatures according to different rules and procedures, depending on the province.

The governor, first of all, is appointed by the provincial legislature. In practice, the governor tends to be the head of the party which has received a majority of votes in the elections for the *Landtag*, wherefore little screening is undertaken by the provincial legislature. Due to this “automation”, the provincial legislature has little veritable authority when it came to selecting the governor. As a result, *ex ante* accountability is left to the voters who, when electing the provincial legislature also in practice elect the governor. Voters are also able to hold the governor to account *ex post*, come the next election.

⁶⁷⁵ Organization of Economic Co-operation and Development (OECD) (2010, 155).

⁶⁷⁶ Legislationline (Constitution of Austria, art. 98(2)) at <http://legislationline.org/documents/section/constitutions> (19.11.2012).

⁶⁷⁷ Sturm, R. (2005, 48); and Legislationline (Constitution of Austria, art. 99(2)) at <http://legislationline.org/documents/section/constitutions> (12.4.2013).

⁶⁷⁸ Organization of Economic Co-operation and Development (OECD) (2010, 155).

The provincial legislature also has rather limited possibilities to hold the governor and the councillors accountable *ex post*, particularly in certain provinces. In 2/9 (and after 1998 4/9) provinces the majority principle guides the appointment of members in the provincial governments. Governments in these provinces are thus formed by members from the party which has received a majority of votes in the elections to the provincial legislature. When no party has obtained a majority of votes cast – or when the governor wants to ensure broader support – coalition governments are formed.⁶⁷⁹ Parties unrepresented in the provincial government form an opposition, more or less capable of holding the provincial government to account.

Most provincial governments are, however, formed according to so called *Regierungsproporz*, which means that all parties represented in the provincial legislature also are included in the provincial government.⁶⁸⁰ Such “governments of state unity”⁶⁸¹ have a number of consequences for the provinces, not least from the point of view of accountability and efficiency.

Regierungsproporz, first of all, means that all parties represented in the *Landtag* are included in the provincial government, regardless of their “willingness to cooperate and the compatibility of the different political programs”⁶⁸². This means that provincial governments oftentimes include parties with highly divergent views and priorities. This does not, however, mean that the provincial government becomes paralyzed in terms of decision-making since the governor may force policy-decisions, thus assuming a prominent and powerful role within the province.⁶⁸³

Another consequence of *Regierungsproporz* is that of doing away with an opposition strong enough to control the provincial government. Those parties left out of the provincial government (if any) are in fact usually small parties with very limited influence over decision-making.⁶⁸⁴ This is of importance from the point of view of accountability *ex post*, since members of the provincial government in general – and the governor in particular –

⁶⁷⁹ Pelinka, A. & Rosenberger, S. (2007, 239).

⁶⁸⁰ Pelinka, A. & Rosenberger, S. (2007, 239).

⁶⁸¹ Organization of Economic Co-operation and Development (OECD) (2010, 147).

⁶⁸² Dachs, H. (2008, 92).

⁶⁸³ Pelinka, A. & Rosenberger, S. (2007, 240).

⁶⁸⁴ Pelinka, A. & Rosenberger, S. (2007, 239).

end up not being challenged by its principal, the provincial legislature. This, naturally, means that sanctions in the form of votes of no confidence, if tabled, are unlikely to be successful. An expert confirms that votes of no confidence by the provincial legislature against the provincial governments are rare, and can only recollect one successful case, namely the *Landtag* of Carinthia passing a vote of no confidence against the Governor of Carinthia of the time, forcing him to leave office.⁶⁸⁵

Governors thus tend to have a powerful position within the province. The fact that they tend to be popular further adds to their strength. There are many reasons for their popularity, including the fact that they have privileged access to the local media as a result of which they can cultivate an image of themselves as the “provincial patriarch (Landesvater)”⁶⁸⁶. Given the division of power between the federal and the provincial level, they also tend to shoulder tasks which involve benefitting community members rather than “taking” from them. As expressed by Müller: “they only spend, but do not tax”⁶⁸⁷. As a consequence of the above, governors tend to face little political criticism and have often “stayed in office for decades”⁶⁸⁸.

Holding governors to account is thus a challenge for most principals discussed above. One exception, however, is that of the (federal or provincial) audit offices, which cannot be circumscribed. This also provides members of the provincial legislature with important information about activities within the executive branch since the Court of Audit, when auditing institutions within the provinces, “acts as body of the laender parliament concerned”⁶⁸⁹.

e. The federal Cabinet as a principal to the provincial government

As discussed above, the provincial government is tasked with the execution of (i) laws passed at the provincial level as well as (ii) laws passed at the

⁶⁸⁵ Communication 2 - Senior official with the Institute of Conflict Research, Vienna, Austria (9.1.2013).

⁶⁸⁶ Müller, W.C. (1996b, 48).

⁶⁸⁷ Müller, W.C. (1996b, 48).

⁶⁸⁸ Müller, W.C. (1996b, 48).

⁶⁸⁹ Austrian Court of Audit at <http://www.rechnungshof.gv.at/en/austrian-court-of-audit/the-aca/the-aca-as-federal-laender-and-municipal-institution/laender.html> (19.11.2012).

federal level. The latter task is often called indirect federal execution (*Mittelbaren Bundesverwaltung*).⁶⁹⁰ When executing federal laws, the governor of the province constitutes the “top representative of the federal government in the Land”⁶⁹¹. As such, he is dependent on instructions from the federal Cabinet or individual federal ministers, and remains accountable to these.⁶⁹² This points to federal Government having considerable powers over the governor and the provincial government, especially since failure on the part of the governor to behave in accordance with the instructions from federal Government may lead to him being “brought before the Constitutional Court, which may declare the behaviour of the governor unconstitutional, deprive him of his office, or deprive him temporarily of his political rights”⁶⁹³. The Constitution constitutes a powerful benchmark against which the governor is evaluated. Compliance with instructions, rules and regulations is monitored and ensured through a wealth of meetings, reports and conferences.

A leading scholar, however, stresses that federal authority over the governor and the provincial government has its limitations. This has been illustrated by a number of cases involving governors defying the instructions of the federal Government. One such case is that of the state of Carinthia at one point not respecting minority rights, namely not ensuring road signs in two languages. This was required by the Constitution, wherefore the federal Government should have forced the Governor of Carinthia to act, but did no such thing. The reason, according to an expert, was that the Chancellor’s party was dependent on the political support of majority groups within Carinthia.⁶⁹⁴ This example goes to show that party politics also influence whether the provincial government is held accountable by the federal Government.

Müller stresses that governors sometimes even have the upper hand vis-à-vis federal Government. A governor who defies instructions from federal Government tends to be regarded as a hero of the province and a “defender

⁶⁹⁰ Pelinka, A. & Rosenberger, S. (2007, 242).

⁶⁹¹ Müller, W.C. (1996b, 48).

⁶⁹² Pelinka, A. & Rosenberger, S. (2007, 242); and Dachs, H. (1996, 240).

⁶⁹³ Müller, W.C. (1996b, 48).

⁶⁹⁴ Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

of the rights of his Land”⁶⁹⁵, whereas a governor punished by the federal Government becomes something of a “martyr for his Land”⁶⁹⁶. As long as the governor is in command of a majority within the provincial legislature, he may in fact not suffer very much from sanctions imposed by federal Government in that he always may dissolve the provincial legislature, hold new elections, and – given the respect earned by defying federal Government – count on being re-elected.⁶⁹⁷ A politically strong governor, therefore, can be sanctioned *ex post* by federal Government, but is unlikely to suffer greatly from these sanctions. His position may in fact be strengthened by the sanctions imposed.

Pelinka and Rosenberg, as well as Dachs, finally, maintain that provinces carry certain clout vis-à-vis federal Government through what they call collective federalism. They refer to cooperation between provinces within the framework of informal governors’ conferences (*Landeshauptleutekonferenzen*). At these conferences, common interests are discussed and identified as well as ways of approaching federal Government with joint demands.⁶⁹⁸ As such, they represent a tool through which the provinces can approach federal Government as a united – and thus more powerful – front. The tool can be used – for instance – to gain influence with regards to EU policy: “[i]f the Länder agree on a certain position concerning their autonomous sphere of competency, the federal Government has to accept this position and has to vote accordingly on the European level”⁶⁹⁹.

The above shows that federal Government may hold the governor and the provincial government to account *ex post*, but that sanctions may not have the desired effects. The analysis also shows that party politics at times influences whether actors are held to account, and that the authority of federal Government is reduced if the provinces act jointly.

⁶⁹⁵ Müller, W.C. (1996b, 49), see also Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

⁶⁹⁶ Müller, W.C. (1996b, 49).

⁶⁹⁷ Such a procedure, however, presupposes that the governor has not been deprived of his political rights, see Müller, W.C. (1996b, 49).

⁶⁹⁸ Pelinka, A. & Rosenberger, S. (2007, 243); and Dachs, H. (1996, 243).

⁶⁹⁹ Sturm, R. (2005, 52).

f. *The governor as a principal to the councillors*

Provincial governments are headed by a governor, who appoints councillors or members of the provincial government (*Landesräte*).⁷⁰⁰ If the party of the governor rules alone, he is able to screen and appoint all councillors. If part of a provincial coalition government, however, he screens and appoints a portion of the councillors, whereas coalition partners appoint the rest. Candidates selected by the governor are likely to be known to him beforehand in that many of them tend to be part of the same party organization. They will thus have been able to convince the governor about their capabilities and interests (selection). This enables the governor to hold at least part of the councillors accountable *ex ante*. No information is available with regards to the criteria against which councillor candidates are evaluated, however. One can thus only assume that it would be in the governor's (as well as coalition partners') interest to select councillors of high standing, i.e. (from the point of view of this thesis) persons perceived to put the interests of the province before their personal interests.

The governor's authority with regards to holding councillors accountable *ex post* also depends on circumstances. As already mentioned, governors hold an interesting dual role within the provinces. On the one hand provincial governments are tasked with executing laws passed at the provincial level. Within this area of competence, the governor remains one member of the provincial government among others. As a result, he has no authority over other members of the provincial government,⁷⁰¹ and is unable to hold councillors to account *ex post*.

Provincial competencies aside, provincial governments are also tasked with executing laws passed by the National Council. These tasks usually go by the term indirect federal execution, and have been discussed above. When acting within this area of competence, the governor "acts as the administrative authority, [...] authorised [...] to give instructions to the other

⁷⁰⁰ Zsilincsar, W. (2012, 13).

⁷⁰¹ The Austrian Foreign Ministry at <http://www.bmeia.gv.at/en/foreign-ministry/austria/government-and-politics/the-laender-administration.html> (19.11.2012).

government members”⁷⁰². In this capacity, he is able to monitor and sanction councillors *ex post*.

The governor also acts as the chair of the State Government Office. In this capacity, he holds administrative staff accountable. This process is likely to be enhanced by the fact that administrative staff has relatively speaking clearer terms of reference than political actors. Many provinces also have detailed guidelines for administrative procedures.⁷⁰³ Both serve as benchmarks (or contracts) against which staff members are evaluated.

g. The Federal Council as a principal to the National Council

Federal systems usually have a second parliamentary chamber, tasked with ensuring that representatives of the regions/provinces may participate in federal decision-making, and make their voices heard. This is the case also in the Austrian polity. The second chamber in Austria, the Federal Council (*Bundesrat*), however, is described as “weak both constitutionally and politically”⁷⁰⁴. This is corroborated by a leading scholar, who sees the authority of the provinces as springing from the governor rather than the Federal Council, which tends to be guided more by party politics at the federal level than the interests of the provinces.⁷⁰⁵ Sturm confirms that members of the Federal Council first and foremost remain loyal to their respective parties rather than to their provinces. This is a consequence of member of the Federal Council belonging to a joint party group with members of the National Council, and following the instructions provided by this group. Sturm further states that “the political parties believe it would damage their political image if their representatives in the Second Chamber held views different from those of their colleagues in the First Chamber”⁷⁰⁶.

The powers of the Federal Council over the National Council are outlined in the Constitution which thus constitutes something of a contract between the

⁷⁰² The Austrian Foreign Ministry at <http://www.bmeia.gv.at/en/foreign-ministry/austria/government-and-politics/the-laender-administration.html> (19.11.2012); and Dachs, H. (1996, 241).

⁷⁰³ Organization of Economic Co-operation and Development (OECD) (2010, 153).

⁷⁰⁴ Müller, W.C. (1996b, 47).

⁷⁰⁵ Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria (3.9.2009).

⁷⁰⁶ Sturm, R. (2005, 50).

institutions. The powers of the Federal Council include a suspensive veto to delay legislation by the National Council. Such a veto can, however, be overridden by a simple majority within the National Council. As highlighted by Pelinka and Rosenberger, “das Veto des Bundesrates ist damit außer Kraft gesetzt”⁷⁰⁷.

The Federal Council has a stronger position, however, when it comes to constitutional legislation aimed at altering the powers of the provinces or affecting “the functions of the Federal Council itself”⁷⁰⁸. Such changes require the support of 2/3 of the members of the Federal Council.⁷⁰⁹ This means that the Federal Council can hold the National Council to account by vetoing legislation. Given that the voting patterns of members of the Federal Council tend to reflect those within the National Council it is, however, uncertain whether it will.⁷¹⁰

h. The provincial legislature as a principal to the Federal Council

Members of the Federal Council are elected by the provincial legislatures. The number of representatives elected from a given province depends on the population of the province. As a result, the largest provinces elect 12 members to the Federal Council whereas the smallest elect three, this being the minimum of representatives per province.⁷¹¹

Members of the Federal Council are elected through proportional elections and remain in office for as long as the members of the provincial legislature do. This means that the former also relinquish their mandate when the latter do. Regardless of the election results, at least one seat (out of the total of seats to be filled by the province) must be assigned to the second largest party in the provincial legislature.⁷¹²

Given that members of the provincial legislature have the authority to appoint the members of the Federal Council, they also screen them and may

⁷⁰⁷ Pelinka, A. & Rosenberger, S. (2007, 118).

⁷⁰⁸ Robbers, G. (ed.) (2007, 60).

⁷⁰⁹ Müller, W.C. (1996b, 47).

⁷¹⁰ Erk, J. (2004, 9 and 11).

⁷¹¹ Legislationline (Constitution of Austria, art. 34(2)) at <http://legislationline.org/documents/section/constitutions> (27.11.2012).

⁷¹² Kurian, G.T. (ed.) (2007, 129).

sanction candidates which are perceived as unsuitable by refusing to appoint them. They may not, however, instruct members of the Federal Council *ex post*, which limits the influence of the provincial legislature over members of the Federal Council. The provincial legislature may, however, sanction wrong-doers by refusing to re-appoint them.

As pointed out above, members of the Federal Council seem to be more susceptible to the opinions within and instructions from their political party and the joint party group than to those of the provincial legislature. This points to the party organization having more clout than provincial actors when it comes to exercising accountability *ex post*.⁷¹³

Connections between ease of accountability and levels of corruption

As shown by the analysis, preconditions for accountability differ from one P/A relationship to another.

Voters are able to and do screen candidates who, in turn, demonstrate their competence to the voters. Voters are also able to monitor incumbents seeking re-election. Furthermore, voters may sanction unsuitable candidates by casting preference votes for candidates perceived to be better suited for the task. Preference votes are not more common at the provincial level than at the federal level, however, which points to such sanctions, although accessible, not being used extensively. Voters seem to sanction parties perceived as engaging in or condoning corrupt practices, however. Given the important role of parties as intermediaries between voters and their representatives, it is argued that the presence of these strengthens the line of accountability between voters and candidates, as a result of which the line is deemed to be strong.

The Federal President also constitutes a principal to the provincial legislature and is formally authorized to dissolve the legislature. He cannot, however, use such a sanction single-handedly and at his own initiative, wherefore (i) the sanction is deemed to be inaccessible and (ii) the line of accountability is regarded as semi-strong.

⁷¹³ Sturm, R. (2005, 50).

Federal Government (Cabinet) constitutes a principal to the provincial legislature in situations where execution of provincial legislation requires its cooperation. The Federal Chancellery is notified about such legislation and may sanction the provincial legislature by objecting to the legislation. Such sanctions are accessible to the principal but rather toothless in that the provincial legislature itself may override objections by voting on the legislation once more. Federal Government may, however, bring such an issue before the Constitutional Court, but only should the law be perceived as unconstitutional. As a result, this line of accountability is considered to be semi-strong.

As discussed, the provincial legislature constitutes a principal to the provincial government. Holding the latter to account appears to be a challenge, however. The governor, firstly, is appointed by the party which receives a majority of votes in the elections for the provincial legislature, which means that no screening or selection is undertaken on the part of the provincial legislature, which also cannot apply sanctions *ex ante*. The procedures applied when appointing members of the provincial government vary from one province to another. Regardless of the procedures applied, however, members are appointed by the governor and/or the heads of coalition partners, which means that the legislature does not screen candidates and is unable to sanction candidates *ex ante*.

Accountability *ex post* is also demanding. The provincial legislature can demand written or oral reports/statements from members and is also able to monitor the provincial government through committees. Actors such as the Court of Audit also monitor the provincial government and report directly to its principal. Should members of the provincial legislature be dissatisfied with actions taken or decisions made, they may pass a vote of no confidence against the provincial government. Such sanctions are not, however, deemed accessible to the principal since many provincial governments are formed according to *Regierungsproporz*, which means that all or most parties represented in the provincial legislature are included in the provincial government. In some cases, therefore, no opposition exists to hold the provincial government to account. Against the above, the overall line of accountability between the provincial legislature and the provincial government is deemed to be weak.

The liberty of action of the provincial government is also limited by federal Government / Cabinet. When executing laws passed at the federal level, the governor and his government are forced to report to the federal Cabinet. If displeased with actions taken, the federal Cabinet may instruct the provincial government or sanction it by taking matters to the Constitutional Court. Such sanctions are deemed accessible to the principal and are also used in practice. The analysis shows, however, that such sanctions may not be very harmful if the governor has strong political support within the province, which means that sanctions carry little clout in practice. As a result, the line of accountability is regarded as semi-strong only.

Members of the provincial government are held to account by the governor using a number of accountability mechanisms. The extent to which these can be used depends on the circumstances, however. When heading a one-party provincial government, the governor is able to screen all potential members of the provincial government and have them prove their worth to him (selection). This also means that he alone engages in *ex ante* sanctioning of candidates who do not meet his approval. When heading a coalition government, however, he only screens and sanctions candidates belonging to his own party, whereas the heads of coalition partners hold other candidates accountable *ex ante*. Since most provincial governments tend to be broad coalitions, the governor is deemed to have limited authority only when it comes to holding members of government accountable *ex ante*.

The governor's authority to hold members of the provincial government to account *ex post* depends on the area of competency. In relation to the execution of provincial laws, the governor is unable to hold members of the provincial government to account since he constitutes one member of the provincial government, among others. In relation to the execution of federal laws, however, the governor is authorized to instruct, monitor and sanction members. As a consequence the overall line of accountability between the governor and the members of the provincial government is regarded as semi-strong.

As seen through the analysis, the Federal Council also constitutes a principal to the National Council, the aim being to ensure that the provinces are part of decision-making and that their voices are heard. The Federal Council is formally mandated (i) to delay legislation perceived to run contrary to provincial interests through a suspensive veto, and (ii) to veto legislation

altering the powers of the provinces or those of the Federal Council itself. Members of the Federal Council are able to monitor proposed bills, and sanctions are deemed to be accessible to them. Yet, their use may be affected by the fact that members of the Federal Council belong to joint party groups with members of the National Council and tend to vote along party lines rather than geographical ones. As a consequence, this line of accountability is considered to be semi-strong.

The provincial legislature constitutes a principal to the Federal Council in that members of the latter are elected by the former. As a result, members of the provincial legislature screen candidates and sanction those perceived as ill-suited for the task. Members of the provincial legislature may not, however, instruct members of the Federal Council *ex post* and can only sanction these by refusing to re-elect them. As a result, this line of accountability is deemed to be semi-strong only.

Figure 18: Visualization of the strength of lines of accountability inherent to the vertical distribution of power

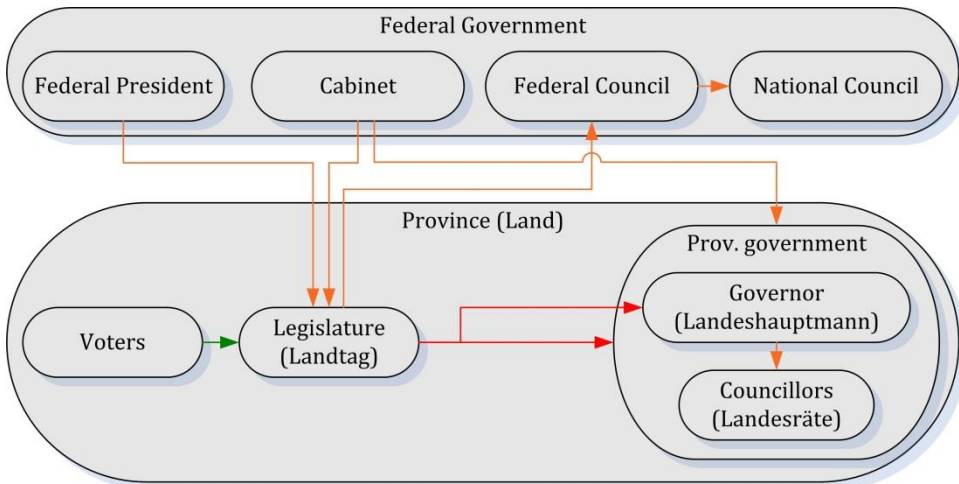


Figure 18 shows that lines of accountability within the sub-national level, and between the national and the sub-national levels, range from strong to weak. How does this resonate with data on corruption in the national context?

The extent to which actors and institutions are able to hold members of the provincial legislature to account differs, sending mixed signals with regards to the likelihood of corruption amongst members of the *Landtag*. Some sources claim, however, that party patronage is a problem particularly at the sub-national level, which does not resonate well with the strong line of accountability between voters and the provincial legislature.

These seemingly contradictory findings can be reconciled, however. The analysis shows, first of all, that the political parties – through patronage – only have been able to benefit the few and that losses in terms of political support have been greater than benefits due to citizens becoming increasingly critical of party patronage. As a result, parties have dissociated themselves from patronage. Patronage has not, however, been done away with completely, which explains why many still regard corruption as a problem at this level and among these actors. Furthermore, the analysis points to voters in fact increasingly using their powers to sanction political representatives as a result of this discontent.⁷¹⁴ Political patronage at the sub-national level has thus resulted in many voters becoming more active when it comes to accountability, which explains the strong line of accountability between voters and the provincial legislature. This points to resonance between the line of accountability and data on corruption. It is also possible that this line in fact is strong enough to compensate for weaker lines including the provincial legislature as an agent.

Opportunities to hold the provincial government to account also differ from one principal to another. As can be seen from figure 18, lines of accountability range from semi-strong to weak, pointing to the governor and councillors being susceptible to corruption. Data on corruption does not single out these actors as engaging in corrupt practices to a greater extent than others, however, but does point to corruption at the sub-national level, although decreasing, being a problem. As a result, these lines of accountability are considered to resonate with data on corruption.

The semi-strong line of accountability between the governor and the councillors, thirdly, points to the latter being vulnerable to corruption. This runs contrary to statements that bureaucratic corruption is rare but does

⁷¹⁴ The analysis shows, however, that sanctions have been applied indirectly by voting for different parties rather than different representatives.

resonate with corruption being more common at the sub-national level, as a result of which the line is found to resonate somewhat with data on corruption.

The line of accountability between the provincial legislature and the Federal Council, fourthly, is described as semi-strong, which conveys the impression that members of the latter are likely to engage in corrupt practices to a somewhat greater extent than others. Data on corruption does not point to this being the case, however.

The line of accountability between the Federal Council and the National Council is deemed to be semi-strong, which points to members of the National Council being prone to corruption. This is particularly so since previous analyses point to many other principals being unable to hold MPs to account. As already seen, data on corruption shows that political corruption, although apparently decreasing, is a problem and that MPs have been implicated in corruption scandals. The line of accountability is therefore found to resonate with data on corruption.

In the light of these facts, the strength of lines of accountability is deemed to resonate fairly well with data on corruption.

5.2.3 Discussion

The above shows that institutional lines of accountability in the Austrian context on the whole range from strong to weak. Strong lines – i.e. veritable access to different accountability mechanisms – for the most part go hand in hand with low(er) levels of corruption and vice versa, which point to a relationship between (i) ease of accountability among principals, and (ii) levels of corruption among agents. The political institutions do not just reduce levels of corruption, however. Rather, they hamper as well as enhance accountability, thus increasing as well as reducing the prevalence of corruption, something that will be discussed further in chapters 5.4 and 6.2.

Throughout the analysis, the importance of institutions such as the Court of Audit and the People's Attorney has been highlighted.⁷¹⁵ It is quite clear that especially the Court of Audit constitutes an important accountability-holder throughout the system, especially in cases where few other actors are able to hold decision-makers to account. The overall legal and regulatory framework, the independence of the judiciary as well as the fact that actors in general are committed to the rule of law⁷¹⁶, are also likely to have contributed to the fact that corruption in Austria remains rare, since this means that (fair) legal proceedings can be taken against perpetrators, and – if need be – the most coercive sanctions applied. As seen, the Constitution (and other legislation) can, in fact, be regarded as important contracts between a number of principals and agents, specifying their mandates and obligations as well as sanctions available to principals.

The direct or indirect influence of the political parties must also be emphasized, especially due to the prominent role of these in Austrian society, and the fact that they seem to have penetrated virtually every fibre of society. Their effect on processes of accountability is, however, rather ambiguous, as also pointed out by Müller.⁷¹⁷ On the one hand, parties contribute towards actors being held to account in that candidates or representatives who do not fulfil certain criteria or live up to certain expectations cannot access the ballot, be ranked highly on party list or reach positions of trust within the party or the parliamentary organisation. This accountability is of vital importance since voters usually cannot engage in more regular or thorough monitoring of candidates and representatives, and therefore have to rely on parties in this regard. As has been seen throughout the analysis, political parties also hamper accountability, however. This is the case e.g. when party loyalty ends up being an impediment to the executive being held accountable through a vote of no confidence, when investigative committees cannot be appointed due to opposition from the ruling party in the National Council, or when party politics prevent federal Government from holding governors accountable.⁷¹⁸

⁷¹⁵ In the capacity of independent auditing bodies of the National Council, these have been discussed in connection with the National Council and mechanisms through which it holds actors to account.

⁷¹⁶ Robbers, G. (ed.) (2007, 61).

⁷¹⁷ Müller, W.C. (2003, 221).

⁷¹⁸ See chapter 5.2.2.3 which renders an example from the Province of Carinthia.

5.3 Case study of Botswana

As explained in chapter 5.1, this thesis also takes an interest in countries whose low levels of corruption – according to the main statistical analysis – cannot be explained by the political institutions included in the regression analysis. In an effort to trace the determinants of corruption in one such country, Botswana, a case study is undertaken. The case study scrutinizes Botswana’s institutional and other characteristics, seeking to understand how these have affected vulnerability to corruption or the absence thereof.

The discussion starts with a glance at the corruption landscape of Botswana, looking at the faces of and actors involved in corruption in this country context as well as institutions established to directly combat corruption. The analysis then turns its attention to other factors with a bearing on levels of corruption within this country context.

Table 28: Basic fact sheet for the Republic of Botswana⁷¹⁹

<i>Independence</i>	30 September 1966 (from Great Britain)
<i>Constitution</i>	March 1965; effective 30 September 1966
<i>Head of State and Government</i>	President
<i>Parliament</i>	Unicameral Parliament (the National Assembly) with a House of Chiefs. The latter has an advisory role only and consists of traditional chiefs from different tribes.
<i>Electoral system</i>	First Past The Post (FPTP), with single member constituencies
<i>Government structure</i>	Unitary
<i>Freedom House Freedom in the World rating 2000</i> ⁷²⁰	Free (PR 2, CL 2) ⁽ⁱ⁾
<i>Transparency International CPI rating 2005</i>	5.9 ⁽ⁱⁱ⁾
<i>World Bank Institute WGI rating 2005</i>	1.100 ⁽ⁱⁱⁱ⁾

(i) PR = political rights, CL = civil liberties (1-7 scale, 1 indicating the highest degree of freedom)

(ii) 0 to 10 scale, (10 being the least corrupt)

(iii) -2.5 to +2.5 scale (+2.5 being the least corrupt). Within the statistical analysis, a 0-5 scale has been used.

5.3.1 Corruption in Botswana

In 2005, the final year of interest to this thesis, Transparency International's Corruption Perception Index assigned Botswana a score of 5.9 (on a 0-10 scale), ranking Botswana as the least corrupt country in Africa. The Worldwide Governance Indicators of the same year also pointed to Botswana being perceived as fairly non-corrupt, the corruption score assigned being 1.1 (on a scale between -2.5 and +2.5).⁷²¹

⁷¹⁹ Sources: Kurian, G.T. (ed.) (2007); CIA World Fact Book at <https://www.cia.gov/library/publications/the-world-factbook/geos/bc.html> (27.08.2010); Transparency International at <http://www.transparency.org/> (2.10.2008), Freedom House at <http://www.freedomhouse.org/reports> (1.9.2008); and the World Bank at <http://info.worldbank.org/governance/wgi/> (2.10.2008).

⁷²⁰ This year is recorded due to the time frame of the thesis (2000-2005).

⁷²¹ See Transparency International CPI at http://archive.transparency.org/policy_research/surveys_indices/cpi/2005 (19.11.2012); and the World Bank Group at <http://info.worldbank.org/governance/wgi/> (19.11.2012). Within the

Different sources confirm that, as opposed to some other countries in the region, corruption is a relatively rare phenomenon in Botswana. In its annual report for 2003, the Directorate of Corruption and Economic Crime (DCEC), for instance, points to corruption existing but not having become entrenched in the country.⁷²² This is confirmed by Charlton, who calls corruption the “missing dimension”⁷²³ in Botswana’s politics. According to Charlton, this applies regardless of the level of government, and to the political as well as the bureaucratic spheres.⁷²⁴

For the most part, in-country interviews conducted seem to corroborate this view. At a very general level, most respondents agree that Botswana should be regarded as an exceptional case in that corrupt activities occur only rarely.⁷²⁵ When going into details, however, some stress that there might be more to the picture than what meets the eye, referring to more elusive forms of corruption which tend to remain undetected.⁷²⁶ The discussion below focuses on the reported and said faces of corruption in Botswana, the actors involved in corrupt activities as well as the institutional framework for combating corruption.

5.3.1.1 Forms of corruption in the context of Botswana

Although not a hotbed for corruption, corrupt activities do occur in Botswana. These assume different shapes and forms, as can be seen from the enumeration provided by Sebudubudu, who states that corruption in Botswana materializes as “fraud, bribes, [...] inflating government tenders, cost overruns, [...] inflating allowances, misleading tender boards, forging

statistical analysis, the WGI scale has been transformed into a 0-5 scale to facilitate the interpretation of the results.

⁷²² See Gbadamosi, G. at <http://eprints.worc.ac.uk/88/> (2.12.2011); and the Directorate on Corruption and Economic Crime (2005) at www.dcec.gov.bw/download/1245400697_AR_2003_Write_up.pdf (04.03 2013).

⁷²³ Charlton, R. (1990, 6).

⁷²⁴ Charlton, R. (1990, 6).

⁷²⁵ See e.g. Interview 10 - Senior official of the United Nations, Gaborone, Botswana (3.10.2012); and Interview 14 – Staff member with the Lutheran Mission, Gaborone, Botswana (5.10.2012).

⁷²⁶ Interview 15 – Senior Academic, University of Botswana, Gaborone, Botswana (8.10.2012); and Interview 18 – Official with the United Nations, Gaborone, Botswana (9.10.2012).

documents, obtaining money by false pretences, illegal sale of passports, embezzlement of trust funds, misappropriation of money, money laundering, unnecessary travel and travel claims, and general unethical behaviour”⁷²⁷. According to Charlton, political patronage⁷²⁸ also occurs in Botswana. Charlton specifies that such practices usually revolve around elections, which means that rewards are used as an electoral incentive. He emphasizes, however, that rewards are tightly rationed by the Botswana Democratic Party (BDP) leadership and that rewards tend to be evenly distributed, disregarding whether an area is controlled by the ruling party or the opposition.⁷²⁹ Charlton also accounts for what could be likened to a small scale spoils system⁷³⁰ whereby supporters of the winning party are rewarded in different ways. All in all, however, he stresses that “the bulk of government expenditure [...] is targeted in such a way as to seriously undermine any attempts to define the BDP as a mainly patronage-focused party or to delineate Botswana’s politics in patron-client terms”⁷³¹. He attributes this to a number of factors, including “a remarkable unity or purpose and continuity of policy choices in relations to corruption and spoils limitation”⁷³². This is confirmed by von Soest, who maintains that “neopatrimonial tendencies always [have] existed in Botswana”⁷³³, but to a limited extent.

This said, the country has not escaped major corruption scandals. Most sources analysing corruption in the Botswana context focus on a number of scandals dating back to the 1990s. These include (i) a corrupt tendering process related to the procurement of schoolbooks, which ended up being the centre of attention of a Presidential Commission of Inquiry in 1991, (ii) the abuse of power to acquire land in Mogaditshane outside Gaborone,

⁷²⁷ Sebudubudu, D. (2003, 126).

⁷²⁸ “The distribution of jobs and favors on a political basis, as to those who have supported one’s party or political campaign”, see Dictionary.com at <http://dictionary.reference.com/browse/patronage> (14.3.2013).

⁷²⁹ Charlton, R. (1990, 7).

⁷³⁰ “The postelection practice of rewarding loyal supporters of the winning candidates and party with appointive public offices”, see Free Dictionary by Farlex at <http://www.thefreedictionary.com/spoils+system> (14.3.2013).

⁷³¹ Charlton, R. (1990, 10).

⁷³² Charlton, R. (1990, 21-22).

⁷³³ Von Soest, C. (2009, 6). Von Soest understands neopatrimonialism as a mixture between patrimonialism (patrons offering gifts in order to obtain loyalty and support) and Weberian legal-rational rule.

investigated by a Presidential Commission of Inquiry in the same year, and (iii) the misuse of high office within the Botswana Housing Cooperation, looked into by a Presidential Commission of Inquiry in 1992.⁷³⁴ Good and von Soest also account for a scandal related to loans granted to high level officials by the National Development Bank (NDB). According to Good, many of these officials did not qualify for loans from the NDB in the first place. He also quotes the interim general manager of the NDB (appointed after the scandal) according to whom political pressure seems to have influenced lending decisions. Furthermore, many of these officials failed to service the loans granted, as a result of which the NDB nearly faced bankruptcy.⁷³⁵

Sebudubudu discusses potential linkages between these scandals (as well as smaller incidents), on the one hand, and the 1982 Presidential Commission on Economic Opportunities, on the other. Prior to the Presidential Commission on Economic Opportunities, civil servants and ministers were prohibited from being involved in business other than traditional agriculture. The Commission ruled, however, that civil servants and ministers should be allowed to engage in business like other citizens, as long as they declared their assets and interests. The verdict resulted in a multitude of ministers and civil servants engaging in business ventures.⁷³⁶ Contrary to the recommendations of the Commission, however, no formal mechanism was put in place to ensure that the parties concerned declared their assets. Efforts by the opposition to table a Bill on the Declaration of Assets and Liabilities have at several occasions failed since the initiative by some is felt to be against Tswana culture and a violation of the fundamental rights of every citizen, as granted by the Constitution.⁷³⁷ As a result, a blurring of the distinction between public and private roles has occurred, something that increases the risk of conflicts of interest, and thereby corruption.

⁷³⁴ For further information, see Sebudubudu, D. (2003, 126-128).

⁷³⁵ Von Soest, C. (2009, 16); and Good, K. (1994, 511-512).

⁷³⁶ Sebudubudu, D. (2003, 134).

⁷³⁷ Botswana Gazette (27.7.2011) at http://www.gazettebw.com/index.php?option=com_content&view=article&id=10650%3Aamasisi-says-no-to-declaration-of-assets&catid=18%3Aheadlines&Itemid=2 (9.12.2011).

5.3.1.2 Actors involved in corrupt practices

Corrupt activities occur at different levels of society and involve different actors. Mbao and Komboni maintain that corruption in Botswana is something that mainly elites engage in. This is corroborated by Good,⁷³⁸ who describes corruption in Botswana as “pale and restricted”⁷³⁹, and almost exclusively an elite phenomenon. Where corruption includes other layers of society, Good states, “it is under conditions seemingly sanctioned by some participating government leaders and officials”⁷⁴⁰. Von Soest, for his part, speaks of “old-boys networks” at the highest level, and the fact that “boundaries between public and private interests [within these] are blurred”⁷⁴¹. More specifically, he refers to the “close integration of Botswana’s political and economic elite”⁷⁴², namely the fact that members of Government often wear many hats, including being “owners or directors of commercial companies and farming enterprises”⁷⁴³ alongside their public functions.

A closer look at reported cases, however, mainly points to instances of petty corruption. Gbadamosi⁷⁴⁴ states that most reported instances of corruption are perpetuated by junior employees such as clerks, receptionists, teachers and guards, something that is confirmed by the Directorate of Corruption and Economic Crime (DCEC), which states that although senior officials sometimes are implicated in corruption scandals, the majority of reported cases involve officials at lower levels.⁷⁴⁵

Public awareness surveys conducted in Botswana in 2001/2, finally, point to citizens regarding the public sector and the sub-national (council) level as most prone to corruption.⁷⁴⁶ Data from the DCEC shows that corruption cases indeed are common within the Ministry of Local Government (the

⁷³⁸ Mbao, M.L.M & Komboni, G.G. (2008, 63); Good, K. (1994, 516); see also Interview 15 – Senior Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

⁷³⁹ Good, K. (1994, 516).

⁷⁴⁰ Good, K. (1994, 516).

⁷⁴¹ Von Soest, C. (2009, 17).

⁷⁴² Von Soest, C. (2009, 16).

⁷⁴³ Von Soest, C. (2009, 16).

⁷⁴⁴ Gbadamosi, G. at <http://eprints.worc.ac.uk/88/> (2.12.2011).

⁷⁴⁵ The Director of the DCEC quoted in Sebudubudu, D. (2003, 134).

⁷⁴⁶ Gbadamosi, G. at <http://eprints.worc.ac.uk/88/> (2.12.2011).

parent ministry of sub-national entities), and that the Gaborone City Council has been particularly exposed.⁷⁴⁷

As is the case in many countries, it seems that national statistics mainly capture the more tangible forms of corruption such as bribes offered or taken by lower level officials. Forms of corruption which are more difficult to discern, however, are rarely reported and therefore by many perceived as a lesser problem.

5.3.1.3 Institutional arrangements to directly counteract corruption

In response to the incidents of corruption of the early 1990s, the state scaled up its efforts to counteract corruption by enacting the Corruption and Economic Crimes Act (1994) which provides an important national benchmark when determining whether a certain type of conduct constitutes corruption or not. The officially adopted definition of corruption as the “[a]buse of official position for personal gain or offering, accepting or soliciting a valuable consideration as an inducement or reward for doing or not doing an act which amount to abusing one’s official position”⁷⁴⁸ cannot, however, be found in the Act. Instead, the Corruption and Economic Crimes Act lists a number of “valuable considerations” which may be used in different contexts to affect decisions made by public officials in a corrupt manner.⁷⁴⁹ The Act stipulates that receiving as well as offering or promising such valuable considerations constitute a corruption offence and that these offences may be active as well as passive i.e. enforcing rules in an arbitrary manner or failing to enforce rules and regulations altogether. As such, the Act can be interpreted as covering a variety of different forms of corruptions, with the reservation that one party should be a public officer.⁷⁵⁰

⁷⁴⁷ Mfundisi, A. (2008, 62 and 65).

⁷⁴⁸ Directorate of Corruption and Economic Crime (DCEC) at <http://www.gov.bw/en/Ministries--Authorities/Ministries/State-President/Department-of-Corruption-and-Economic-Crime-DCEC/About-the-DCEC1/History-and-Mandate/What-is-the-DCEC/> (25.2.2013).

⁷⁴⁹ United Nations Office on Drugs and Crime (UNODC) at <http://www.track.unodc.org/LegalLibrary/LegalResources/Botswana/Laws/Botswana%20Corruption%20and%20Economic%20Crime%20Act%201994.pdf> (25.2.2013).

⁷⁵⁰ United Nations Office on Drugs and Crime (UNODC) “Botswana Corruption and Economic Crime Act 1994”, Part I, paragraph 2 at <http://www.track.unodc.org>

Soft law is also used to deter actors from corrupt behaviour, and to punish offenders. Actors within the public service are guided by a code of conduct which urges public servants to show honesty, fairness, openness, and efficiency, give equal treatment to citizens, act in accordance with the public interest and accountability standards, and avoid situations where private interests may come into conflict with the exercise of their public duty. The code also specifies that the same behaviour is expected from counterparts in their dealings with the public service.⁷⁵¹ Furthermore, the Public Service Charter specifies not only the above virtues but also that public officers should be on their guard against corruption, abuse of office and influence peddling, as well as actively participate in the fight against corruption by reporting incidents.⁷⁵²

In 2005, the final year of interest to the analysis, a code of conduct for political actors was being discussed but had not yet been finalized.⁷⁵³ During the era of interest to the thesis, the behaviour of parliamentarians was therefore guided by parliamentary rules of procedure⁷⁵⁴, whereas that of ministers (and assistant ministers) at least partly was guided by the so called Green Book. According to the Green Book, ministers (and assistant ministers) should (i) resign from positions which might put them in situations of conflict of interest, (ii) disclose any private business activities or financial interests to the President upon assumption of office, and (iii) refrain from using official information for private profit or that of friends or family.⁷⁵⁵

As can be seen from the above, Botswana has chosen to define corruption in much the same way as many other countries and has also put in place

/LegalLibrary/LegalResources/Botswana/Laws/Botswana%20Corruption%20and%20Economic%20Crime%20Act%201994.pdf (25.2.2013).

⁷⁵¹ Government of Botswana at <http://www.gov.bw/en/Ministries--Authorities/Ministries/State-President/Department-of-Corruption-and-Economic-Crime-DCEC/Policies/Codes-of-Conduct-in-the-Public-Service/Code-Principles/> (26.2.2013).

⁷⁵² Republic of Botswana "Public Service Charter" at <http://www.gov.bw/Global/DPSM/public%20service%20CHARTER.pdf?epslanguage=en> (28.2.2013).

⁷⁵³ Obubeng, M. at <http://www.accessmylibrary.com/article-1G1-137420127/mixed-feelings-draft-code.html> (27.2.2013).

⁷⁵⁴ Barei, G. (2008, 23).

⁷⁵⁵ Maundeni, Z. (2008b, 43).

similar legal provisions and other formal rules as those of many other countries.

The country's commitment to fight corruption is also visible from the establishment of an anti-corruption agency, the Directorate of Corruption and Economic Crime (DCEC).⁷⁵⁶ The Directorate was modelled after the Independent Commission Against Corruption (ICAC) in Hong Kong, perceived to be highly successful in its anti-corruption efforts.⁷⁵⁷ Much like the ICAC, the DCEC was made into an "operationally autonomous law enforcement agency"⁷⁵⁸, whose mandate extends to investigating, preventing and educating the public about corruption.

The establishment of the DCEC was a contentious issue. Upon the creation of the Directorate, critics described its powers as "draconian"⁷⁵⁹, referring to the fact that the Director has the powers to investigate suspected offenses, demand and obtain information related to the investigation, arrest suspects, use reasonable force, search suspects and premises, and seize evidence and travel documents.⁷⁶⁰

Due to the powers vested in the Directorate it has, however, seen certain successes and its workload has increased steadily over time. Whereas only 254 reports of corruption were received by the Directorate in 1994, this number increased to 1775 in 2003. The increased number of cases has been a challenge for the DCEC, however. The Directorate does not have the necessary manpower to handle cases swiftly and effectively and finds it difficult to recruit skilled staff, as a result of which investigators remain overburdened with work: "the current case load of investigators is about three times higher [12 active cases per investigator] than the recommended

⁷⁵⁶ Directorate of Corruption and Economic Crimes (DCEC) at <http://www.gov.bw/en/Ministries--Authorities/Ministries/State-President/Department-of-Corruption-and-Economic-Crime-DCEC/About-the-DCEC1/About-the-DCEC/> (29.11.2011).

⁷⁵⁷ Sebudubudu, D. (2003, 129).

⁷⁵⁸ Olanrewaju, S.A. et al. (2009, 13), also see Republic of Botswana Directorate on Corruption and Economic Crime (DCEC) at <http://www.gov.bw/en/Ministries--Authorities/Ministries/State-President/Department-of-Corruption-and-Economic-Crime-DCEC/About-the-DCEC1/Overview-of-the-DCEC/> (22.8.2012).

⁷⁵⁹ Sebudubudu, D. (2003, 129).

⁷⁶⁰ Bank of Botswana (Corruption and Economic Crime Act) at <http://www.bankofbotswana.bw/assets/uploaded/Corruption%20and%20Economic%20Crime%20Act.pdf> (08.12.2011).

optimum”⁷⁶¹. Another factor which further contributes to the slow pace of punishing wrong-doers is that of the DCEC not having the powers to prosecute offenders. Instead, the DCEC is forced to pass cases over to the Attorney General’s Office for prosecution. The establishment of the DCEC has in fact considerably increased the workload of the Attorney General’s Office; according to the Annual Report by the DCEC, “cases produced by the [DCEC] constitute over 50% of the work of the Prosecution Division [of the Attorney General’s Office]”⁷⁶². The establishment of the DCEC has also increased the number of cases tried at the Magistrates’ Courts.⁷⁶³

The Directorate has also been criticized on other accounts, however. On the one hand, the independence of the institution has been questioned, the main issue being the fact that the Director is appointed by and reports directly to the President. As part of the public service, the Director and all staff also remain accountable to the head of the public service, who is the Permanent Secretary to the President.⁷⁶⁴ Theobald and Williams highlight the risk that “a president might use the Directorate under a weak and compliant Director to intimidate or silence critics”⁷⁶⁵ but also stress that placing the DCEC at the very centre of government rather than at its fringes is likely to send a strong message to other government entities.

Sebudubudu, finally, highlights another stumbling-block which could hamper the efforts by the DCEC, namely the presidential prerogative to call a halt to processes or activities perceived to jeopardize national security. Should the President regard corruption investigations as a threat to national security, DCEC officials may be denied access to information or premises, or forced to abandon cases altogether. It goes without saying, that this could increase executive control over the DCEC and corruption investigations, and hamper accountability.⁷⁶⁶

⁷⁶¹ Theobald, R. & Williams, R. (1999, 124).

⁷⁶² Quoted in Sebudubudu, D. (2003, 136).

⁷⁶³ Quoted in Sebudubudu, D. (2003, 136).

⁷⁶⁴ Mbao, M.L.M & Komboni, G.G. (2008, 64); and Theobald, R. & Williams, R. (1999, 125).

⁷⁶⁵ Theobald, R. & Williams, R. (1999, 125).

⁷⁶⁶ Sebudubudu, D. (2003, 131).

5.3.2 Politico-institutional lines of accountability and linkages to corruption

The above analysis has briefly discussed the corruption landscape of Botswana, institutions geared directly towards combating corruption, and some of their strengths and weaknesses. It pointed out that instances of corruption, despite certain weaknesses, remain rather rare in Botswana. The subsequent analysis takes an interest in factors contributing to corruption being uncommon in Botswana, the area of interest being some of the country's political institutions and the extent to which these contribute towards making corruption less practicable and/or attractive.

As in the case of Austria, the analysis at hand proceeds institution by institution, first focusing on the key traits of each institution. Based on the traits, principal-agent (P/A) relationships are identified. The analysis then scrutinizes these principal-agent relationships through an accountability lens, the aim being to establish whether and how principals are able to hold their agents to account. Finally, the strength of lines of accountability is juxtaposed to data on corruption to establish whether ease of accountability goes hand in hand with low(er) levels of corruption and vice versa.

5.3.2.1 Lines of accountability inherent to the executive, and linkages to corruption

Traits and P/A relationships of interest

In scholarly literature, Botswana is alternately described as having (i) a parliamentary form of government⁷⁶⁷ and (ii) a presidential system⁷⁶⁸. Fombad, however, describes the polity as a cross between the two: “the Botswana model mixes British parliamentarism with elements of the U.S. presidential system”⁷⁶⁹. This view is shared by Maundeni.⁷⁷⁰

The executive is thus, on the one hand, characterized by presidential traits such as that of the President simultaneously acting as Head of State and

⁷⁶⁷ Kurian, G.T. (ed.) (2007, 298); and Robbers, G. (ed.) (2007, 121).

⁷⁶⁸ Good, K. & Taylor, I. (2008, 750).

⁷⁶⁹ Fombad, C.M. (2005, 319).

⁷⁷⁰ Maundeni, Z. (2008b, 29).

Head of Government⁷⁷¹. The President of Botswana thus appoints and leads Cabinet, but is not obliged to follow the advice offered by colleagues in Cabinet.⁷⁷² The President is a strong figure also in other respects. According to the Constitution of Botswana the President can in fact act almost at will in many respects: “In the exercise of any function conferred upon him by this Constitution or any other law the President shall, unless it is otherwise provided, act in his own deliberate judgment and shall not be obliged to follow the advice tendered by any other person or authority”⁷⁷³. Sebudubudu and Botlhomilwe are of the opinion that “the constitution gives too much power to the President and [...] if such power is exercised arbitrarily, it has the potential to dent the democracy the country is internationally acclaimed for.”⁷⁷⁴

The polity also has parliamentary traits, however. Like prime ministers in a parliamentary system, the President of Botswana is elected indirectly in connection with parliamentary elections⁷⁷⁵, his appointment being dependent on the number of seats in Parliament won by his party. As will be discussed further down, the President and his Cabinet also remain dependent on parliamentary confidence.

Given the presidential⁷⁷⁶ and parliamentary⁷⁷⁷ traits of the executive, the analysis takes an interest in a number of principal-agent relationships.

⁷⁷¹ Dale, R. (2006, 159).

⁷⁷² Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana, § 47(2)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (07.09.2012); and Maundeni, Z. et al. (2006/7, 10).

⁷⁷³ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana §47(2)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (23.8.2012).

⁷⁷⁴ Sebudubudu and Botlhomilwe go as far as stating that “the constitution gives too much power to the President and [...] if such power is exercised arbitrarily, it has the potential to dent the democracy the country is internationally acclaimed for”, see Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 34).

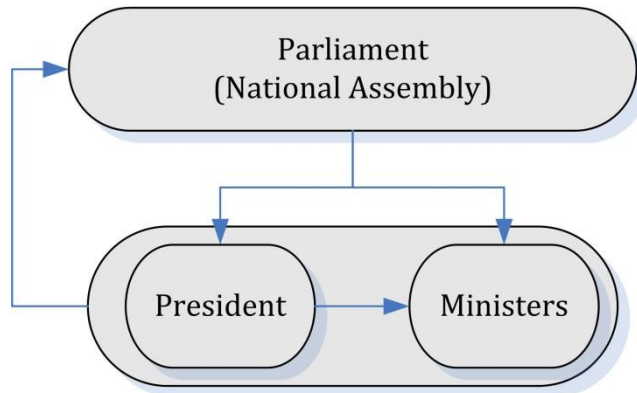
⁷⁷⁵ Dale, R. (2006, 159). Parliamentary candidates endorse their party’s presidential candidate and, as a parliamentary candidate wins in a particular constituency, the presidential candidate endorsed by him/her automatically receives a vote. For a more thorough description of the election process, see the line of accountability between the National Assembly (principal) and the President (agent).

⁷⁷⁶ The President simultaneously acting as head of state and head of government, appointing and leading Cabinet, see discussion above.

⁷⁷⁷ Government being dependent on parliamentary confidence, and the President not being popularly elected (like the PM in a parliamentary system).

These include the Parliament (the National Assembly) as a principal to Government (the President and ministers), the President as a principal to ministers, and the President as a principal to the National Assembly, see figure 19.

Figure 19: Principal-agent relationships inherent to the executive of Botswana



Analysis of accountability and corruption

What implications might these structures and relationships have in terms of holding key actors to account?

- a. Parliament (the National Assembly) as a principal to the President and ministers*

The analysis of mechanisms through which the National Assembly is able to hold the executive to account, starts with an overview of the procedures through which the President is nominated and elected. The nomination process, first of all, seems to be the exclusive prerogative of one person, namely the incumbent President. According to Good, presidential candidates (at least lately and within the BDP) have been hand-picked by the incumbent President who, when choosing his Vice-President, also in practice chooses his successor.⁷⁷⁸ Maundeni states that the President's choice of candidate can be questioned, but that those opposing the candidate preferred by the President will face stiff resistance.⁷⁷⁹

⁷⁷⁸ Good, K. & Taylor, I. (2008).

⁷⁷⁹ Maundeni, Z. (2005, 87).

The election process, secondly, entails parliamentary candidates signing forms endorsing the presidential candidate of their party. As these same parliamentary candidates secure seats in Parliament, this automatically translates into a vote for the presidential candidate they have endorsed.⁷⁸⁰ The question remains whether parliamentary candidates can sanction a presidential candidate by refusing to endorse someone perceived as unsuitable? Such refusal, unfortunately, seems fraught with problems. A scholar emphasizes that “MPs must sell and toe the party line”⁷⁸¹, indicating that it would be difficult to refuse to endorse the presidential candidate put forward by one’s party and still stay in the good graces of the party leadership.

Formally, MPs also have tools through which the newly nominated President can be held accountable. In the first sitting of Parliament, a majority of the elected members of Parliament can “announce that the President does not enjoy their support”⁷⁸², thus opening up for the election of another President. This may, however, in practice be just as problematic as refusing to endorse a presidential candidate, and is (again) likely to put recalcitrant MPs at a collision course with the leadership of their party. This shows that screening the presidential candidate for the most part is the responsibility of one person only, namely the incumbent President and that this also is the person that the candidate has to convince about his suitability for the task (selection). Maundeni links the lack of (i) real competition for the presidency, and (ii) popular involvement in the presidential nomination and election process to old Tswana tradition, highlighting that chieftaincy in traditional pre-independence Tswana states was hereditary, and that the chief could not be nominated or elected.⁷⁸³ Instead, the throne was constitutionally reserved for the first son of the great wife (of the chief). The chief usually married the great wife late in life, which meant that the heir, upon the chief’s death, usually was very young. This was a way of hindering power struggles between the chief and the heir. Since the heir (upon the chief’s death) often was too young to rule, a system of regency was put in

⁷⁸⁰ Maundeni, Z. (2005, 85). Poteete notes that a formal vote by the National Assembly is required only if no party obtains a majority of votes in the parliamentary elections, see Poteete, A. (2011, 3).

⁷⁸¹ Interview 17 – Academic, University of Botswana, Gaborone, Botswana (9.10.2012).

⁷⁸² Danevad, A. (1993, 99).

⁷⁸³ Maundeni, Z. (2005, 80 and 84).

place. This meant that an important member of the royal family was appointed to act until the heir was old enough to rule. This way, attempts by other sons of the chief to assume power, were hindered.⁷⁸⁴

At least formally, *ex post* accountability of the President seems to be somewhat more straightforward. MPs can monitor the President e.g. through speeches delivered by him, statements, appearances in Parliament or on TV/radio, and government and audit reports. If dissatisfied with the work of the President, MPs may sanction the President by moving a vote of no confidence against the executive which, if successful, also affects the tenure of the President. Since votes of no confidence tend not to be submitted – something that is discussed below – the incumbent President tends to complete his two terms of five years in office before new elections are needed.⁷⁸⁵ Should the President die in office or become incapacitated, the Vice-President automatically assumes power without the National Assembly being able to vote on the matter.⁷⁸⁶

Should the President be suspected of having engaged in corrupt practices, he can be investigated by, for instance, the DCEC but no criminal or civil proceedings can be brought against him: “Whilst any person holds or performs the functions of the office of President no criminal proceedings shall be instituted or continued against him in respect of anything done or omitted to be done by him either in his official capacity or in his private capacity and no civil proceedings shall be instituted or continued in respect of which relief is claimed against him in respect of anything done or omitted to be done in his private capacity”⁷⁸⁷. Furthermore, the DCEC cannot start investigations against members of Cabinet without authorization from the executive branch.⁷⁸⁸

⁷⁸⁴ Maundeni, Z. (2005, 82).

⁷⁸⁵ Molutsi, P. (2005, 26).

⁷⁸⁶ Maundeni, Z. (2005, 87), see also Poteete, A. R. & Mothusi, B. (2010, 2).

⁷⁸⁷ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (23.8.2012), see also Sebudubudu, D. (2003, 131).

⁷⁸⁸ Poteete, A. (2011, 13).

The President and ministers can also be held accountable *ex post* by the National Assembly, whose confidence they must enjoy.⁷⁸⁹ Members of the National Assembly are thus engaged in constant monitoring of the executive to ensure that the executive does not exceed or abuse its mandate.

Members of the National Assembly acquire information about actors and actions within the executive branch through a number of means. They may summon officials to testify before the legislature, and can also submit questions which officials answer in writing. Fish and Kroenig confirm that officials within the executive branch are submitted to such control on a regular basis.⁷⁹⁰

The executive is also monitored through different committees. The most central of these from the point of view of this thesis is probably the parliamentary Public Accounts Committee (PAC), tasked with the monitoring of public finances.⁷⁹¹ The PAC consists of members from both the ruling party and the opposition, and its mandate covers all government ministries, departments and parastatals. Among other things, the PAC examines reports and statements emanating from the Office of the Auditor General⁷⁹² pertaining to e.g. the Police, the Defence Force, the Directorate of Corruption and Economic Crime (DCEC), Parliament, the Judiciary and the Independent Electoral Commission (IEC). If the PAC suspects or discovers irregularities it can require testimonies from accounting officers and recommend sanctions, i.e. hold the ministry, department or official accountable *ex post*.⁷⁹³ The impact of the PAC is, however, hampered by the fact that few of its members – according to Theobald and Williams – have the “education [...] or support staff to challenge complex administrative decisions”⁷⁹⁴. As a result, the PAC has, by some, been described as more of a rubber stamp of policies proposed and decisions made by the Government.⁷⁹⁵

⁷⁸⁹ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana §50(1)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (07.09.2012).

⁷⁹⁰ Fish, M.S. & Kroenig, M. (2009, 90).

⁷⁹¹ Olanrewaju, S.A. et al. (2009, 6).

⁷⁹² Lekorwe, M. H. (2008, 84).

⁷⁹³ Olanrewaju, S.A. et al. (2009, 6).

⁷⁹⁴ Theobald, R. & Williams, R. (1999, 128).

⁷⁹⁵ Theobald, R. & Williams, R. (1999, 128).

The executive can also be monitored through so called investigative committees and commissions of inquiry. The National Assembly cannot, however, appoint such committees or commissions itself. In accordance with the Ombudsman Act, these are appointed by the President or ministers, who also decide whether information emanating from such inquiries is to be made public⁷⁹⁶, something that may hamper accountability. Parliamentary oversight is also limited to certain policy areas only. The National Assembly it not, for instance, able to monitor the military, the police or the intelligence service, which all report directly to the President.⁷⁹⁷

In addition to questions and oversight by committees, the work of the executive can be scrutinized through the national budget speech delivered by the Minister of Finance and Development. The budget speech, which is delivered once a year, provides members of Parliament with an opportunity to scrutinize how funds have been spent, and what expenditure is envisaged for the coming year. As part of the process, individual line ministers also provide details with regards to funds spent by their particular ministries, justifying spending and allocations made.⁷⁹⁸ The President, for his part, can be held accountable *ex post* through the yearly State of the Nation address through which actions by Government are outlined and defended. According to Barei, issues brought up in (or omitted from) the address are debated extensively by Parliament, the media, academia and the general public.⁷⁹⁹

If dissatisfied with the work of the executive, the National Assembly may sanction the executive by moving a vote of no confidence. Should such a vote be successful, Government has to step down, and the President faces two options. He can either (i) step down (forcing the National Assembly to elect a new President) or (ii) dissolve Parliament, which means he can be his party's presidential candidate in the coming elections and become President, should his party win a majority of the vote. His party may, however, opt for another candidate or may be defeated in the elections, which means his time in power comes to an end.⁸⁰⁰

⁷⁹⁶ Fish, M.S. & Kroenig, M. (2009, 90).

⁷⁹⁷ Fish, M.S. & Kroenig, M. (2009, 90).

⁷⁹⁸ Maundeni, Z. (2008b, 34).

⁷⁹⁹ Barei, G. (2008, 16).

⁸⁰⁰ Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012), see also Danevad, A. (1993, 99).

The prerogative of Parliament to sanction Government by submitting it to a vote of no confidence can be regarded as a counterpoint to executive predominance, As such, it places “parliament in a position to be final legislative authority over the government system”⁸⁰¹. A number of circumstances seem to hollow out this formally valid provision, however, rendering it an almost inaccessible tool in the context of Botswana. Maundeni acknowledges that the “predominance of one party and the existence of a weak opposition, combine to weaken the position of parliament”⁸⁰². Good agrees with the observation that the Parliament of Botswana in reality has limited power over the executive.⁸⁰³

Also others attest to the executive dominating Parliament, rather than the other way round. The reasons for this are manifold, including the fact that, once in office, the President remains an ex officio member of Parliament with the right to speak and vote in parliamentary proceedings.⁸⁰⁴ The Vice-President, ministers, and assistant ministers also retain their parliamentary seats.⁸⁰⁵ Fombad highlights that the executive makes up nearly one third of the members of the National Assembly⁸⁰⁶, and Transparency International emphasizes that the executive, as a result, in fact “controls and drives the legislative process”⁸⁰⁷, something that affects the likelihood of votes of no confidence being initiated and passed.

From the point of view of accountability, ministers and assistant ministers, therefore, end up having something of a double role. On the one hand, they remain members of Parliament and are, as such, mandated to hold the executive to account. On the other hand, however, they lead and control their own ministries and shoulder the ultimate responsibility for execution

⁸⁰¹ Maundeni, Z. (2007, xvii).

⁸⁰² Maundeni, Z. (2007, xvii).

⁸⁰³ Good, K. & Taylor, I. (2007, 275).

⁸⁰⁴ Maundeni, Z. et al. (2006/7, 10). The President being an ex officio MP means that he has become a member “by virtue of holding the office of the presidency”. This does not, however, mean that he has contested elections in a particular constituency. see Poteete, A. (2011, 3).

⁸⁰⁵ Fombad, C.M. (2005, 320).

⁸⁰⁶ Fombad, C.M. (2005, 321).

⁸⁰⁷ Maundeni, Z. et al. (2006/7, 11).

of government programmes.⁸⁰⁸ As such, they are accountable to Parliament, i.e. themselves. Under such circumstances, the provision for holding the executive accountable is almost null, something that has been lamented by parliamentarians themselves.⁸⁰⁹ Given the above, some scholars question whether the system is characterized by a separation of powers.⁸¹⁰

Votes of no confidence are also, according to Maundeni, fairly toothless in a system dominated by one party. This is the case in Botswana, where the Botswana Democratic Party (BDP) has dominated the political scene, winning national elections since independence. One-party predominance has a number of causes, one being the first-past-the-post (FPTP) electoral system. In 2007, for instance, the two opposition parties together obtained 41.78% of the popular vote but yet only secured 13 out of 57 parliamentary seats⁸¹¹ (the equivalent of 23%). Other factors underlying one-party predominance are (i) a weak and fragmented opposition, (ii) a weak and conflict averse civil society, dependent on government sponsorship and therefore unlikely to express criticism, (iii) unwavering support for the BDP in rural areas and amongst the majority Tswana groups⁸¹², and (iv) a track-record of economic growth and prudent economic management⁸¹³ giving rise to complacency, and leading citizens to think that the incumbent Government is best suited to lead the country. One-party predominance of the executive and the National Assembly is also furthered by the fact that the President is empowered to appoint four so called “specially elected members of Parliament” apart from those popularly elected. These specially

⁸⁰⁸ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 52) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (07.09.2012).

⁸⁰⁹ Barei, G. (2008, 17).

⁸¹⁰ Maundeni, Z. (2007, xvi); and Maundeni, Z. (2008b, 28).

⁸¹¹ Maundeni, Z. (2007, 15).

⁸¹² Botswana's founding President as well as the incumbent President are/were both chiefs of the largest of these groups, see Bertelsmann Stiftung at <http://www.bertelsmann-transformation-index.de/bti/laendergutachten/laendergutachten/oestliches-und-suedliches-afrika/botswana/> (07.09.2010).

⁸¹³ See e.g. Maundeni, Z. et al. (2006/7, 54); Holm, J.D. (1999, 297-300); Bertelsmann Stiftung at <http://www.bertelsmann-transformation-index.de/bti/laendergutachten/laendergutachten/oestliches-und-suedliches-afrika/botswana/> (07.09.2010); Good, K. & Taylor, I. (2008, 755); and Molomo, M.G., (2004, 57).

elected members tend to be key BDP activists, who often also are appointed as Cabinet ministers⁸¹⁴.

Votes of no confidence not being passed and overall criticism of Government by parliamentarians being rare, is also linked to party discipline, which is manifested, for instance, in “recalcitrant” backbenchers (willing to vote with the opposition) being reminded about their “duty” vis-à-vis the party.⁸¹⁵ Poteete highlights, however, that the period 1998-2009 saw the intensification of factionalism within the ruling party, which meant that individuals and groups within the party repeatedly deviated from the party line.⁸¹⁶

Tradition also plays a crucial part in this context. Tswana custom emphasizes the importance of deference, unity and showing respect for your elders, making it difficult to criticize and question the decisions and actions of leaders. Holm points out that political conflict in general tends to be regarded as “socially unacceptable, [...] vulgar, disrespectful and a waste of time”⁸¹⁷, which means that those challenging the actions or policies by the ruling party are perceived as engaging in unacceptable behaviour.

b. The President as a principal to Government

The second major trait of the executive is that of the Head of State also being the Head of Government, appointing and leading Government. The President’s dual role as Head of State and Head of Government means that he has what Hague and Harrop call a “ceremonial” role as a symbol of the state, as well as an “efficient” role aimed at ensuring that the polity runs smoothly.⁸¹⁸ Hague and Harrop note that many countries have chosen to separate the two aspects, the aim being to allow the Prime Minister (as the Head of Government) to focus on the running of the country whereas the Head of State (a president or monarch) shoulders duties related to representation. Botswana has, however, chosen to combine the two, as is the custom in presidential states. Combining the two roles is likely to confer even more power and influence on an already dominant president, rendering this actor the powerhouse of the state and the very symbol of it.

⁸¹⁴ Good, K. & Taylor, I. (2008, 759).

⁸¹⁵ Barei, G. (2008, 8).

⁸¹⁶ Poteete, A. (2011, 7).

⁸¹⁷ Holm, J.D. (1999, 288).

⁸¹⁸ Hague, R. & Harrop, M. (2007, 343).

As the Head of Government, the President of Botswana appoints and leads Government. As discussed above, the appointment powers of the President are extensive.⁸¹⁹ The President more or less single-handedly appoints a number of key actors such as Cabinet ministers, the Auditor General, the Chief Justice, the Secretary of the Independent Electoral Commission, the Commander of the Army, the Attorney General, the Ombudsperson and the head of the Directorate on Corruption and Economic Crime (DCEC).⁸²⁰ Furthermore, the President can be considered to indirectly participate in (or at least being able to influence) the appointment of a number of other important officials such as permanent secretaries and directors (appointed by the Permanent Secretary to the President)⁸²¹ and (central level) officers below the level of director (appointed by the Directorate of Public Service Management⁸²², the Director of which is appointed by the President).⁸²³

Some deem the powers of appointment of the President to be too extensive in that he oftentimes does not have to consult or take the advice of anyone in the process.⁸²⁴ This applies, for instance, to the appointment of Cabinet ministers.⁸²⁵ A task force has recommended that “the role of Parliament

⁸¹⁹ See Maundeni, Z. et al. (2006/7, 10, 25 and 44); and Fombad, C.M. (1999).

⁸²⁰ Maundeni, Z. et al. (2006/7, 10, 25 and 44); Fombad, C.M. (1999); Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 42 and §43) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (07.09.2012); and the Democracy Web at <http://www.democracyweb.org/accountability/botswana.php> (19.9.2012).

⁸²¹ Kebonang, Z. & Maundeni, Z. (2008, 165), see also Hodges, Aeberhard, J. (2001, 31); and Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 112) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (07.09.2012).

⁸²² Since 2010, human resource management for both local as well as central level civil servants is handled by the Directorate for Public Service Management (DPSM), see Poteete, A. R. & Mothusi, B. (2010, 10). Personnel functions for local government are, however, handled by the Unified Local Government Service (ULGS), see Hope, K.R. (Sr.) (1995, 51).

⁸²³ Hodges, Aeberhard, J. (2001, 31).

⁸²⁴ Maundeni, Z. et al. (2006/7, 13), see also Good, K. & Taylor, I. (2008, 759); and the Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana §47(2)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (23.8.2012).

⁸²⁵ The President’s discretion is, however, more restricted for instance when it comes to the appointment of judges, who are appointed based on a recommendation from the so called Judicial Service Commission, see Fish, M.S. & Kroenig, M. (2009, 90 and 93).

should be extended to include the ratification of appointment and removal of certain high offices [and that] these offices [should] ‘report’ to Parliament in [the] future”⁸²⁶.

Given that the President – often single-handedly – appoints key actors, he also undertakes the screening of these. Screening is facilitated by the fact that candidates for ministerial posts are likely to belong to the same party as the President and therefore are known to him. The same applies to candidates for many other important positions. Should candidates not belong to the same party as the President, they (and their strengths as well as weaknesses) are likely to be known to the President simply due to the fact that Botswana is a small country where people in leading positions tend to know one another. Given the prominent role of the President in terms of nominations, candidates for different positions for the most part only have to convince him about their competence and dedication (selection). The extent to which ethical behaviour is taken into consideration as part of this *ex ante* accountability is, however, uncertain. Whereas little is known about the benchmarks against which some of these appointees are evaluated, candidates below the level of director (appointed by the DPSM) are screened using established guidelines, something that points to slightly higher levels of objectivity surrounding these appointments.⁸²⁷ Interviews with public officials, however, point to management within the ministries nevertheless being able to manipulate recruitment processes from time to time, something that results in public officers occasionally being appointed or promoted in an arbitrary fashion, based on personal or political ties rather than based on merit.⁸²⁸

Directly or indirectly, the President also engages in holding a broad array of actors within the executive branch to account *ex post*. With regards to Cabinet ministers, accountability *ex post* is direct. The President monitors ministers through meetings, public appearances and day-to-day output as well as media reports. He also receives subjective information in that

⁸²⁶ Barei, G. (2008, 19).

⁸²⁷ Poteete, A. R. & Mothusi, B. (2010, 10), see also the Directorate of Public Sector Management at http://www.dpsm.gov.bw/index.php?option=com_content&view=section&layout=blog&id=61&Itemid=256 (5.3.2013).

⁸²⁸ Kebonang, Z. & Maundeni, Z. (2008, 166-167).

ministers are obliged to inform and consult Cabinet whenever new policies or reforms are envisaged. Members of Cabinet are expected to show loyalty to the President and are obliged to act in accordance with the President's decisions. Maundeni maintains that "those who strongly disagree [with the President's decisions] have the option to resign"⁸²⁹. If they do not, the President can and does sanction them by removing them from office.⁸³⁰ Formally, the President is also authorized to exercise direct accountability *ex post* with regards to members of the armed forces⁸³¹ as well as e.g. ambassadors, high commissioners, the secretary to the Cabinet, permanent secretaries, the Commissioner of Police, and the Attorney General.⁸³² The latter can, however, only be removed once a tribunal – appointed to advise the President – has recommended such a course of action.⁸³³ Some of these actors (e.g. permanent secretaries and directors) are, however, in practice held to account by the Permanent Secretary to the President, tasked with holding non-political staff to account.⁸³⁴

Ex post accountability amongst bureaucrats appears to be a challenge. Experts point to complex hierarchies which lead to situations where actors do not know who their principals/agents in fact are.⁸³⁵ Furthermore, although many public officials are appraised as part of so called performance development plans, principals often appear to be reluctant when it comes to the use of sanctions when rules have been broken. This is attributed to Tswana culture where confrontation and conflict are to be avoided.

⁸²⁹ Maundeni, Z. (2008b, 30).

⁸³⁰ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 43(c)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (13.4.2013).

⁸³¹ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 48 (2a)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (13.4.2013).

⁸³² Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 112 (1-2)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (13.4.2013).

⁸³³ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 113 (3-4)) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (13.4.2013).

⁸³⁴ Kebonang, Z. & Maundeni, Z. (2008, 165).

⁸³⁵ Interview 19 – Senior official with the Office of the Ombudsman, Gaborone, Botswana (9.10.2012).

Some also perceive *ex post* accountability of bureaucrats as being a challenge due to the powerful role of the bureaucracy and bureaucrats, and the lack of clout of political actors with regards to the latter. Holm states that civil servants seem to be of the opinion that politicians should leave policy-making as well as execution to senior civil servants and planners, and goes on by stating that the civil service does not feel accountable for its policies and behaviour.⁸³⁶ Stedman, for his part, confirms that some regard the powers of the bureaucracy as a threat to democracy.⁸³⁷

Charlton, however, provides a more nuanced view on the division of power between senior politicians and bureaucrats. He maintains that the state generally is viewed as technocratic but highlights that civil servants are powerful because the “political elite allow[s] the civil servants to play a policy-dominant role”⁸³⁸. He highlights that the ruling party is perfectly capable of reining in civil servants if it so wishes and that this can and has happened “at any or all stages of the policy-making process, to secure and enforce its strategic policy priorities”⁸³⁹. Charlton also stresses that “[i]f politically necessary, or politically expedient, the political leadership will, although rarely, define and impose a major policy departure without its usual prior consultation with the bureaucracy”⁸⁴⁰. This goes to show, that leading politicians are able to sanction members of the bureaucracy by reining them in and forcing policy-decisions.

A number of benchmarks or contracts can be used when holding the above-mentioned agents to account. Apart from the political expectations specified by the principals, agents should be held accountable against existing rules and regulations, including the Corruption and Economic Crime Act, the Public Service Charter and the code of conduct for public officers. Maundeni also highlights the importance of the so called Green Book, discussed in chapter 5.3.1.3. Maundeni maintains that higher officials from time to time have been sanctioned due to violations of these principles, something that

⁸³⁶ Holm, J.D. (1999, 300).

⁸³⁷ Stedman, S.J. (1991, 113).

⁸³⁸ Charlton, R. (1991, 266).

⁸³⁹ Charlton, R. (1991, 273).

⁸⁴⁰ Charlton, R. (1991, 277).

points to ethical behaviour at least to a certain extent being taken into consideration during the accountability process.⁸⁴¹

c. The President as a principal to the National Assembly

The President also acts as a principal to Parliament. As outlined in the Constitution, bills passed by the National Assembly must be submitted to the President and only become law if the President assents to them. If he does not, they are returned to the National Assembly for discussion and – when applicable – amendment.⁸⁴² Given his capacity as member of Parliament, the President has first-hand information about bills passed by the National Assembly, which means he is able to monitor the actions of the latter. As such, and due to his party's dominant position in the National Assembly, he (and other ruling party MPs) are also likely to be able to block unwanted legislation already within Parliament, which means that this sanction need not be used if the ruling party stands united.

The President is also authorized to dissolve the National Assembly.⁸⁴³ The dissolution of Parliament is a standard procedure before general elections, which means it is an accessible sanction. However, dissolution has also been used as a threat by Presidents in order for them to have their way under different circumstances.⁸⁴⁴

⁸⁴¹ Maundeni, Z. (2008b, 44).

⁸⁴² Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 87) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (13.4.2013).

⁸⁴³ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana § 91) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (13.4.2013).

⁸⁴⁴ See Afrol News at <http://www.afrol.com/articles/13885> (14.3.2013); WeekendPost at http://www.weekendpost.co.bw/index.php?option=com_content&view=article&id=3090:is-the-president-too-powerful&catid=49:analysis (1.3.2013); and the New York Times at <http://www.nytimes.com/1984/07/22/world/botswana-expected-to-pick-new-parliament-later-in-year.html> (1.3.2013).

Connections between ease of accountability and levels of corruption

As can be seen from the analysis, lines of accountability within the executive differ from one another with regards to the accountability mechanisms and sanctions available to principals, as well as with regards to the extent to which these mechanisms and sanctions are accessible de facto. With a basis in these differences, lines of accountability are again categorized as strong, semi-strong and weak (see table 27). These are visualized in figure 20, where strong lines of accountability are depicted in green, semi-strong lines are depicted in orange and weak lines are depicted in a red. These lines are then compared to data on corruption in the context of Botswana.

Members of the National Assembly are mandated to hold the presidential candidate to account *ex ante*. In so doing, they have access to a number of accountability mechanisms, including the possibility to screen the candidate put forward by their party, and sanction the candidate by refusing endorsement or withdrawing support. Due to strict party discipline, such sanctions are not regarded as accessible in reality, however.

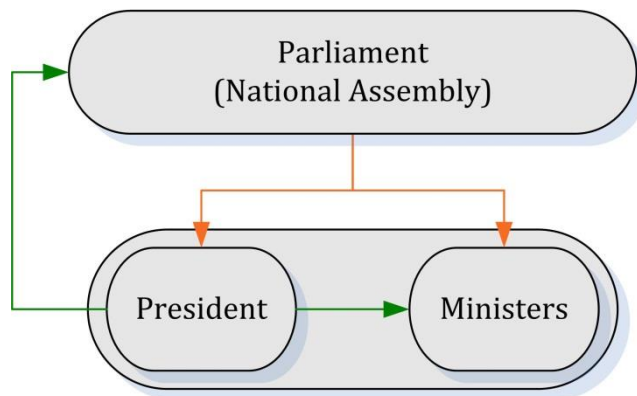
As seen, the National Assembly has at its disposal a wide array of mechanisms aimed at holding the President and ministers to account *ex post*. These include reporting from members of the executive, and monitoring carried out by committees, individual parliamentarians or actors such as the Office of the Auditor General. The National Assembly also has access to sanctions in the form of the vote of no confidence. Whereas accountability mechanisms are accessible to members of Parliament and actively used, sanctions in the form of votes of no confidence are deemed not to be accessible. Against the above, the lines of accountability between the National Assembly, on the one hand, and the President and ministers, on the other, are regarded as semi-strong. In the case of the President as an agent, lines border on weak.

In his capacity as the Head of Government, the President has at his disposal a number of accountability mechanisms which can be used *ex ante*. These include the possibility to screen candidates to different key positions and force them to prove their worth to him (selection). The President can sanction agents *ex ante* by refusing to appoint them, a sanction that is accessible in practice and also used. The President is also able to hold a number of agents accountable *ex post* through reporting and monitoring. In

many cases he is able to and does sanction agents *ex post* for example by removing them from office. *Ex post* accountability within the bureaucracy, especially when not involving the President directly, seems to be a challenge, however, in that officials are monitored but sanctions not always applied. This said, the overall line of accountability appears to be fairly strong.

The President is able to reject bills passed by the National Assembly and is also authorized to dissolve the latter. Both sanctions are deemed accessible to the President, wherefore this line is regarded as strong.

Figure 20: Visualization of the strength of lines of accountability inherent to the executive of Botswana



As can be seen from figure 20, executive structures seem to provide opportunities for as well as impediments to accountability.

How does this resonate with data on corruption in the national context? The fact that the line of accountability between the National Assembly (Parliament) and the President is described as semi-strong only could, first of all be interpreted as the President to a certain extent being susceptible to corruption. This resonates with data on corruption at a very general level in that “elites” by some are regarded as the main culprits. Since presidential corruption does not seem to be the order of the day or even common, it does not, however, resonate with statistics at a more specific level.

The line of accountability between the National Assembly and ministers is also categorized as semi-strong. This could be interpreted as vulnerability to corruption among ministers. This resonates with the fact that some experts point to corruption amongst (political) elites being more prevalent than

official statistics suggest, as well as ministers having been involved in some of the major national corruption scandals. Since major scandals involving ministers nevertheless remain an exception, however, the line is deemed to resonate only somewhat with data on corruption.

The line of accountability between the President and ministers is deemed to be strong. This points to ministers not being particularly vulnerable to corruption, something that runs contrary to information about actors involved in the major corruption scandals seen during the 1990s. Again, since these only constitute a limited number, the line of accountability is found to resonate with data on corruption.

The line of accountability between the President and the National Assembly is regarded as strong, which points to parliamentarians not being particularly vulnerable to corruption. This runs contrary to information from the handful of corruption scandals of the 1990s also well as expert opinions that official statistics fail to capture corruption among elites. Even these experts, however, highlight that problems of this kind appear to be restricted, wherefore the line of accountability is found to resonate with data on corruption.

As can be seen from the above, only 2/4 of the lines of accountability are found to resonate with data on corruption. This points to factors other than the accountability mechanisms inherent to political institutions also having a bearing on levels of corruption.

5.3.2.2 Lines of accountability inherent to the electoral system, and linkages to corruption

Traits and P/A relationships of interest

Botswana's electoral law provides for a First-Past-the-Post (FPTP) electoral system. This means that parties field candidates in single member constituencies and voters cast nominal ballots for one candidate. The winning candidate is the one receiving most votes in the constituency in question: "[a] party's representation in the legislature then consists of those of its candidates who win these constituency votes"⁸⁴⁵.

⁸⁴⁵ Hague, R. & Harrop, M. (2007, 16).

FPTP electoral systems are generally perceived as contributing to strong single-party governments. In the context of Botswana this has been the case, and many have emphasized the fact that the FPTP system has engendered stability and ease of accountability, encouraging candidates to deliver while in office.⁸⁴⁶ The system has also, however, been criticized as unsuitable for a country like Botswana, one argument being that it disfavours smaller parties, excludes minorities from representation, and keeps returning the same party to office. Voices have therefore been raised for electoral reform aimed at having a more representative system.⁸⁴⁷

First-Past-The-Post electoral systems are often described as candidate-centred.⁸⁴⁸ In line with Shugart's classification, a candidate-centred electoral system in its most "refined" form is characterized by (i) candidates having virtually unrestricted ballot access, and (ii) nominal voting predominating.⁸⁴⁹ These systems are thus characterized by it being more or less up to the individual candidate whether he/she wishes to stand in the elections, and voters being able to choose a candidate of their liking when casting the ballot. Extremely party-centred systems, on the other hand, are characterized by party elites monopolizing ballot access (i.e. candidates needing the approval of the party leadership to gain access to the ballot) and voters voting for a fixed list rather than an individual candidate. Given that voters in Botswana cast nominal votes, and party leaders as well as party members may affect the nomination process, the electoral system can be described as only moderately candidate-centred.

The Constitution of Botswana recognizes the respect for political rights, including the right to vote and stand in elections at different levels. According to the Constitution, citizens who have attained the age of 18 are

⁸⁴⁶ Molomo, M. at <http://www.ajol.info/index.php/ajcr/article/viewFile/39378/30303> (14.08.2012), see also Molomo, M. (2005, 37); and Interview 11 – Senior Official with the Office of the President, Gaborone, Botswana (4.10.2012).

⁸⁴⁷ See e.g. Molomo, M. at <http://www.ajol.info/index.php/ajcr/article/viewFile/39378/30303> (14.08.2012); and Reynolds, A., Reilly, B. & Ellis, A. (2005, 37).

⁸⁴⁸ This is in line with, for instance, Shugart, M. S. (2001, 183). Shugart, however, points out that FPTP remains at the crossroads between party- and candidate-centredness and therefore could be regarded as moderately candidate-centred.

⁸⁴⁹ The exact definitions adopted can be found in appendix 6. See also Shugart, M. S. (2001, 183).

allowed to register as voters.⁸⁵⁰ Statistics show, that voter turnout generally is fairly high with, for instance, 77% of registered voters participating in the 1999 general elections. However, such statistics hide the fact that a large portion of the voting age population has not been registered. Data on the 1999 elections, for instance, shows that only 42% of those entitled to vote in fact did.⁸⁵¹ The level of voter turnout is also partly linked to a certain degree of voter apathy, which cuts across demographic groups, and which in turn stems from illiteracy, socio-economic factors, the absence of democracy during the colonial era, a lack of voter education, a lack of civic education, and unaccountable politicians.⁸⁵²

Certain limitations apply with regards to running for political office. According to the law, government employees (who constitute a large portion of the educated, informed and articulate population) cannot run for political office.⁸⁵³ The same applies to teachers in state schools, high school students and employees of parastatals.⁸⁵⁴ Traditional chiefs are equally prohibited from running for office unless they resign their position. Furthermore, candidates must be highly proficient in English, a provision which excludes large numbers of citizens. As a consequence of these provisions, the potential “pool” to nominate candidates from remains limited.

The country has 57 constituencies, all covering a population of 15 000-38 000 inhabitants.⁸⁵⁵ A Delimitation Commission, appointed by the Judicial Service Commission, is in charge of altering constituency boundaries.⁸⁵⁶ Decisions to alter constituency limits are generally linked to changes in

⁸⁵⁰ Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (14.8.2012).

⁸⁵¹ Molutsi, P. (2005, 18).

⁸⁵² Molutsi, P. (2005, 19); and Mfundisi, A. (2005, 164 and 166).

⁸⁵³ These include, among others, civil servants, teachers and employees of parastatals, see Holm, J.D. (1987, 23).

⁸⁵⁴ Maundeni, Z. (2005, 89).

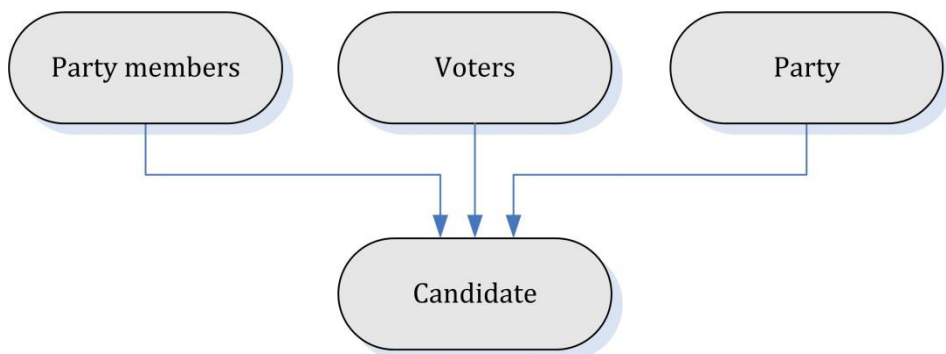
⁸⁵⁵ Electoral Institute for Sustainable Democracy in South Africa (EISA) (2004).

⁸⁵⁶ See Botswana Gazette at http://www.gazettebw.com/index.php?option=com_content&view=article&id=13807:mixed-feelings-on-delimitation-commission&catid=18:headlines&Itemid=2 (14.8.2012); and Electoral Institute for Sustainable Democracy in South Africa (EISA) (2009, 16).

population size in a given area. The last amendment to the number and size of constituencies (of relevance to the analysis) was made in 2004.⁸⁵⁷

Given the listed traits of the electoral system of Botswana (the nominal vote and the fact that party leaders as well as party members affect the nomination process), the analysis takes an interest in a number of principal-agent relationships. These include the voters, political parties and party members as principals to candidates, analysing whether and how these principals are able to and do hold their agents to account, see the figure 21.

Figure 21: Principal-agent relationships inherent to the electoral system of Botswana



Analysis of accountability and corruption

What implications might these structures and relationships have in terms of holding key actors to account?

a. Party leaders and party members as principals to candidates

In line with the key traits of candidate-centred electoral systems, the discussion proceeds from issues related to ballot access. As stated above, party members are able to influence the process of nominating candidates ahead of elections. This means that e.g. 322 487 members of the BDP and 150 000 members of the BNF were able to influence nominations ahead of the 2004 general elections.⁸⁵⁸ Members are able to influence nominations through

⁸⁵⁷ Electoral Institute for Sustainable Democracy in South Africa (EISA) (2009, 16).

⁸⁵⁸ Kadima, D., Matlosa, K., & Shale V. (2006, 12-20).

primary elections, allowing members to screen candidates and sanction them by refusing political support. Potential candidates also have to convince card holding members about their suitability and willingness to work in accordance with the interests of the party and the electorate (selection). Parties handle primaries differently, however, which means that the leverage accorded to card holding members also varies. The procedures and rules of primary elections have also changed over time within a number of parties.

According to Somolekae, the BDP introduced primaries in 1984. Initially, an “Electoral College system” was used, whereby delegates selected electors who, in turn, voted for potential candidates. The party leadership then scrutinized the outcome of the primaries and made the final candidate selection. The system was heavily criticized, however, since it allegedly opened up possibilities to buy votes from members of the Electoral College.⁸⁵⁹

In 2001, the BDP revised its primary election rules following criticism of the procedures. Since then, all card holding party members have been able to vote in the primaries, without the Central Committee having the mandate to change the outcome of the elections.⁸⁶⁰ However, prospective candidates go through a strict “vetting” process by the Central Committee ahead of the primaries to make sure that those standing in the primary elections are in the good graces of the party leadership.⁸⁶¹ This means that party members in some cases appear to have the last word, but that key decisions in fact have been made by the party leadership ahead of the primaries.

Primary elections within the main opposition party, the Botswana National Front (BNF) differ somewhat from those within the BDP. The BNF introduced open primaries already in 1989.⁸⁶² The general membership of the party has the right to vote in BNF primaries but final power to approve or reject candidates remains with the Central Committee in line with party rules and regulations.⁸⁶³ Smaller parties do not organize primaries due to

⁸⁵⁹ Somolekae, G. (2005, 21-22), see also Lekorwe, M. (2005, 136-137).

⁸⁶⁰ Interview 11 – Senior Official with the Office of the President, Gaborone, Botswana (4.10.2012).

⁸⁶¹ Lekorwe, M. (2005, 143-144).

⁸⁶² Somolekae, G. (2005, 23).

⁸⁶³ Lekorwe, M. (2005, 140).

the limited number of potential candidates. These include the Botswana People's Party (BPP) and the Botswana Alliance Movement (BAM).⁸⁶⁴

Data on the extent to which card holding member of different parties in fact vote in primary elections could not be accessed, wherefore it is difficult to know whether this sanction is being used. An interviewee stresses, however, that party members do not regard primaries as fora for sanctioning wrongdoers⁸⁶⁵ but rather as a tool for showing support for the candidate of one's own political faction or other. This points to card holding members not engaging in weeding out potential corrupt candidates ahead of elections.

As seen, much points to party leaders being the main actors when it comes to nominating candidates since they, through pre-primary vetting and post-primary sanctioning, are able to determine who the candidates in fact are. This means that party leaders are the key actors when it comes to screening candidates and sanctioning them by refusing ballot access. The criteria used by these leaders when screening and sanctioning potential candidates are therefore of interest. Party statutes, firstly, are likely to be used as benchmarks when potential candidates are evaluated, and can therefore be regarded as a sort of a contract between the party and potential candidates, ensuring that candidates share the political vision of the party. Party statutes as well as party codes of conduct also in certain cases outline the party's expectations and requirements with regards to ethical behaviour as well as potential consequences of engaging in corrupt practices. A scholar maintains that many parties in Botswana do have codes of conduct which raise issues related to corruption.⁸⁶⁶ This points to the parties being at least somewhat prepared when it comes to guiding candidates and representatives, and holding them accountable in a systematic way. Another interviewee stresses, however, that parties would not reject candidates lightly and that unethical behaviour in general, or corruption offenses more specifically, probably would have to be severe for this to occur: "time

⁸⁶⁴ Primaries are organized by the Botswana Democratic Party (BDP), the Botswana National Front (BNF) and the Botswana Congress Party (BCP), but not by the Botswana People's Party (BPP), the Botswana Unity Movement (BUM), the New Democratic Front (NDF), MELS Movement of Botswana (MELS), see Lekorwe, M. (2005, 134).

⁸⁶⁵ Interview 18 – Official with the United Nations, Gaborone, Botswana (9.10.2012).

⁸⁶⁶ Interview 17 – Academic, University of Botswana, Gaborone, Botswana (9.10.2012).

in prison may be argument enough not to appoint someone⁸⁶⁷. This is corroborated by an interviewee who states that only “demonstrably corrupt”⁸⁶⁸ candidates tend to be rejected.

Also Maundeni highlights that vetting in fact often has other purposes than to identify and weed out corrupt or misbehaving candidates. Maundeni stresses that vetting in fact often is aimed at ensuring “smooth transitions”⁸⁶⁹ between (i) incumbent members of the National Assembly and (ii) newcomers seeking to challenge the incumbent. In an effort to ensure party coherence and avoid clashes between candidates of the same party, the party leadership (especially within the BDP) at times brings forth contenders only at a stage when the incumbent member of Parliament is retiring or for other reasons ready to step down. As a result, it is not uncommon for (i) capable candidates to be prevented from standing in the elections, and (ii) incumbent MPs to dominate their constituency for decades and even hand-pick their successors. This has the downside of sidelining newcomers interested in standing for political office⁸⁷⁰ and also means that coherence and harmony within the party are prioritized above accountability.

Newcomers thus often fight a losing battle when trying to access the ballot. This is particularly so if they are young and/or women. Young people, firstly, tend to be sidelined in terms of nominations since they are seen as “belonging to the future”⁸⁷¹ and having a lower social status than elders.⁸⁷² This is confirmed by Somolekae, who states that young people, according to Tswana culture, “should be seen but not heard”⁸⁷³. Ntsabane regards this custom as a vestige from traditional Tswana society, where women, minorities and youth were restricted and controlled, and viewed as incapable of making major decisions.⁸⁷⁴ Power was therefore the prerogative of elders,

⁸⁶⁷ Interview 18 – Official with the United Nations, Gaborone, Botswana (9.10.2012).

⁸⁶⁸ Interview 17 – Academic, University of Botswana, Gaborone, Botswana (9.10.2012).

⁸⁶⁹ Maundeni, Z. (2005, 90).

⁸⁷⁰ Maundeni, Z. (2005, 90).

⁸⁷¹ Ntsabane, T. (2005, 208).

⁸⁷² Ntsabane, T. (2005, 210).

⁸⁷³ Somolekae, G. (2005, 30).

⁸⁷⁴ Ntsabane, T. (2005, 218).

males and citizens representing the dominant tribal groups.⁸⁷⁵ Ntsabane also criticizes the educational system, emphasizing that the belittling of young people starts already at school through authoritarian teachers, who discourage critical thinking and prefer passive, disengaged students.⁸⁷⁶

Women, secondly, also tend to be sidelined in the political arena in general, and when nominations are made more specifically. The limited political opportunities of women in Botswana stem from lack of party support as well as women still often being regarded as socially inferior and minors to men.⁸⁷⁷ As a result, women – when participating in party activities – tend to shoulder minor chores or fund-raising activities rather than standing for office and addressing political rallies.⁸⁷⁸ This seems to be changing slowly, however. Three of the main political parties (the BCP⁸⁷⁹, the BDP and the BNF) have established women’s wings and all of them indicate having women on their central committees.⁸⁸⁰ Ahead of the 1999 elections, the BCP and the BNF also committed themselves to fielding 30% female candidates, a promise that later was not honoured, however.⁸⁸¹ The road towards ballot access and being elected, therefore, remains filled with hurdles: whereas in 17% of members of the National Assembly were women in 1999, the percentage fell to 11% in the 2004 elections and dropped further to 8% in 2009.⁸⁸²

The above points to accountability *ex ante* being exercised, although not always with view to renewing the party, bringing in new voices or punishing wrong-doers. Rather, accountability *ex ante* oftentimes seems to be a mechanism used to maintain the status quo. This is of interest in a country like Botswana where many young people are critical of politicians, arguing that these only serve their own interests at the expense of those of the

⁸⁷⁵ Ntsabane, T. (2005, 211).

⁸⁷⁶ Ntsabane, T. (2005, 219).

⁸⁷⁷ Ntseane, D. (2005, 222, 225 and 234).

⁸⁷⁸ Ntseane, D. (2005, 234).

⁸⁷⁹ Botswana Congress Party.

⁸⁸⁰ The BDP has 50% women on their central committee, whereas the BNF and the BCP have 44% and 29% respectively, see Ntseane, D. (2005, 229).

⁸⁸¹ Kethusegile-Juru, B.M. at www.eisa.org.za/PDF/Conference_DRC_Juru_eng.pdf (9.9.2010).

⁸⁸² Inter-Parliamentary Union (IPU) at http://www.ipu.org/parline-e/reports/2041_E.htm (28.11.2011).

public.⁸⁸³ Involving this layer of society in political activities might therefore engender important debates about governance.

The above examples of limited ballot access are not very surprising in the light of how political parties actually operate when selecting their own leaders. Parties in Botswana differ in this respect, the BNF seemingly exhibiting more intra-party democracy than other parties in that the party allows for competition for all positions of the central committee, and elects members of the committee at the party congress every three years.

The BDP also provides for leadership elections but has, as Maundeni interestingly points out, never had to resort to such measures since “no competition for the party presidency has occurred”⁸⁸⁴. This, according to Sebudubudu, is related to the fact that “it is generally believed that holding elections for executive positions is divisive”⁸⁸⁵. Party leaders are thus identified through pre-congress bargaining. As Maundeni explains: “in preparation for the 2005 congresses, the BDP leadership was working on a compromise so that positions in its central committee would not be open for contest”⁸⁸⁶. The above indicates that party leaders in most cases are identified by other means than elections and that party members rarely have a say when such decisions are made. Bearing in mind that party leaders – specifically the ones of the BDP – have extensive powers, this is of interest since misbehaving actors cannot be held to account by broader layers of party members. Somolekae confirms that many party leaders do not face competition, and that they therefore often end up having a life-time mandate.⁸⁸⁷

Refusal of ballot access is not, however, the only sanction available to parties when it comes to holding candidates to account *ex ante*. Parties may also withdraw funding, which is likely to provide agents with an incentive to act in accordance with the wishes of and the rules outlined by the principal. Not all parties in Botswana are able to support candidates financially, however. In fact, the BDP seems to be in a better position than other parties in this regard, since the party receives major donations from the private sector and

⁸⁸³ Mfundisi, A. (2005, 167).

⁸⁸⁴ Maundeni, Z. (2005, 91).

⁸⁸⁵ Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 42).

⁸⁸⁶ Maundeni, Z. (2005, 93).

⁸⁸⁷ Somolekae, G. (2005, 34).

abroad. Since state-funding of political parties is not provided for in Botswana, other political parties have to raise funds by other means. These include membership fees, constituency fees, fees paid by members of the National Assembly, proceeds from party events, the sale of party documents and by raising funds from private donors.⁸⁸⁸ As a result, minor parties are less able to support candidates financially and therefore also risk having relatively speaking less leverage with regards to candidates and their behaviour.

b. Voters as principals to candidates

A second aspect of candidate-centred electoral systems is that of the very kind of vote cast by voters. In highly party-centred systems, voters cast party list votes only, whereas voters in highly candidate-centred systems cast a nominal vote, targeting a particular candidate.⁸⁸⁹ In this respect, Botswana remains an example of a highly candidate-centred system in that the electoral system allows voters to target the candidate of their choice, a provision that should empower voters by allowing them to hold candidates accountable.

When casting their ballot, voters target individual candidates, which means that voters also know whom to hold accountable *ex post*. In order to be able to hold their representatives to account *ex ante* and *ex post*, however, voters need reliable information about the behaviour and activities of their representatives, as well as mechanisms or fora through which they can engage with their representatives.

Information about candidates and representatives seeking (re-)election can, firstly, be acquired through so called freedom squares, i.e. “places of free speech”⁸⁹⁰. These were established after independence with the aim of identifying a place where political actors could campaign ahead of elections and engage in political dialogue with the population. According to Holm,

⁸⁸⁸ Molomo, M. & Sebudubudu, D. (2005, 157); and Somolekae, G. (2005, 26-27). Not all of these sources of funding are reliable, however. According to Somolekae, payments from members and constituencies tend to be irregular, and many parties have few representatives in the National Assembly and do not receive private donations, see Somolekae, G. (2005, 27).

⁸⁸⁹ Shugart, M. S. (2001, 183).

⁸⁹⁰ Holm, J.D. (1999, 290).

freedom squares are spaces where political actors can be heard and questioned, i.e. held accountable.⁸⁹¹

Another forum for engaging with and acquiring information about decision-makers is that of the *kgotla* (or village assembly), which dates back to the pre-colonial era. Today, *kgotla* meetings provide community members with an opportunity to meet decision-makers, and demand information about and justification for decisions made and programmes embarked upon.⁸⁹² The *kgotla* is also a forum for soliciting input and approval from communities on projects to be implemented in their area. Although consent in the *kgotla*, according to Holm, tends to be “easily forthcoming”⁸⁹³, it does constitute an arena for holding decision-makers accountable.

Questioning and engaging with decision-makers at the *kgotla* may not, however, be as straightforward as one would assume. Good, for instance, emphasizes that not everyone has (had) access to the *kgotla*, drawing attention – for instance – to the San community, which also at times has been excluded from other decision-making structures such as Village Development Committees.⁸⁹⁴ Furthermore, “women, young people and [other] minorities were excluded or expected to remain silent”⁸⁹⁵ in the *kgotla*. Machangana stresses that even those included in the *kgotla* traditionally could not easily question the chief or other figures of authority⁸⁹⁶ since it was not appropriate to question or criticize authority. This still applies today, hindering the emergence of a vibrant civil society.⁸⁹⁷ Theobald and Williams, finally, confirm that “whilst elders and chiefs [are] required to listen to the views of kinsmen entitled to speak (that is senior males) custom decrees that it is the views of elders and chiefs that should always

⁸⁹¹ Holm, J.D. (1999, 291).

⁸⁹² Olanrewaju, S.A. et al. (2009, 12). It should be noted, however, that the *kgotla* is not a space for campaigning and therefore “should not involve party politics”, see Interview 11 – Senior Official with the Office of the President, Gaborone, Botswana (4.10.2012).

⁸⁹³ Holm, J.D. (1999, 291).

⁸⁹⁴ Good, K. (1996, 59).

⁸⁹⁵ The ACP-EU Courier at http://ec.europa.eu/development/icenter/publication/courier/index_198_en.cfm (28.11.2011).

⁸⁹⁶ ACP-EU Courier at http://ec.europa.eu/development/icenter/publication/courier/index_198_en.cfm (28.11.2011).

⁸⁹⁷ ACP-EU Courier at http://ec.europa.eu/development/icenter/publication/courier/index_198_en.cfm (28.11.2011).

prevail”⁸⁹⁸. The statements made above point to only certain citizens being able to make their voices heard in the *kgotla*, whereas the many cannot participate in the accountability process. Some also criticize the *kgotla* as imposing ideas on participants rather than constituting a forum for genuine consultation.⁸⁹⁹

Citizens and political representatives also interact (i) through constituency offices (established “to allow easy access for MPs to their constituents”⁹⁰⁰), and (ii) during more informal events such as weddings, funerals, and school award ceremonies etc.⁹⁰¹ This points to community members to a certain extent being able to acquire subjective information about the priorities, activities and behaviour of candidates and representatives. These events also provide candidates with an opportunity to prove their worth to voters (selection).

The question remains, however, whether voters are able to acquire information beyond what is presented to them by the candidates / representatives themselves? Does the media, for instance, provide independent and critical information needed to hold decision-makers accountable and can citizens access information by other means?

The Constitution of Botswana guarantees access to information and provides for freedom of expression which, according to Balule, is interpreted as also covering media freedom.⁹⁰² Furthermore, the long-term vision for Botswana, the Vision 2016, acknowledges the importance of improved access to information and the adoption of freedom of information legislation.⁹⁰³

⁸⁹⁸ Theobald, R. & Williams, R. (1999, 128).

⁸⁹⁹ Such criticism seems to be expressed particularly by young people, see Interview 12 – Official of the Friedrich Ebert Stiftung, Gaborone, Botswana (4.10.2012). See also Charlton, R. (1991, 268).

⁹⁰⁰ Barei, G. (2008, 21).

⁹⁰¹ Interview 11 – Senior Official with the Office of the President, Gaborone, Botswana (4.10.2012).

⁹⁰² Balule, T. (2008, 134-135); and Embassy of the Republik of Botswana in Washington D.C. (Constitution of the Republic of Botswana, ch. 2, § 3) at http://www.botswanaembassy.org/files/constitution_of_botswana.pdf (07.09.2012).

⁹⁰³ Botswana Vision 2016 at <http://www.vision2016.co.bw/vision-content.php?vid=30> (9.12.2011). By 2005, however, freedom of information

This said, freedom of expression and access to information are restricted in a number of different ways. Government and the public institutions of Botswana, firstly, are characterized as highly secretive⁹⁰⁴, something that at least partly is likely to be linked to legislation (e.g. the Public Service Act, the National Security Act) prohibiting public servants from sharing information related to their position, or which they have come across as part of their duties. This, according to Balule, has “fostered a culture of secrecy”⁹⁰⁵ within government.

Most actors also question whether the media, secondly, is completely free to speak its mind. Whereas Transparency International (with certain reservations) categorizes the press in Botswana as free⁹⁰⁶, Freedom House points to political influence exercised by the state to influence journalists.⁹⁰⁷ The Media Institute of Southern Africa (MISA), a non-governmental organisation focusing on promoting free media and the free flow of information, confirms this view and also lists a number of cases where media workers have been arrested or assaulted.⁹⁰⁸ Balule, however, seems to link assaults to individuals who are dissatisfied with the way they have been portrayed in the media, rather than actions on the part of the state.⁹⁰⁹

Maripe, for his part, highlights the increase in pieces of legislation “whose effect is to muzzle the press”⁹¹⁰. This is corroborated by Minnie, who states that Botswana’s statutes include a number of “anti-media freedom laws that are rarely used, but which the Government so far refuses to repeal. It can therefore be concluded that the state is shoring them up in case a situation

legislation had not yet been passed, see Interview 19 – Senior official with the Office of the Ombudsman, Gaborone, Botswana (9.10.2012).

⁹⁰⁴ Mogapi, R. (2010, 18).

⁹⁰⁵ Balule, T. (2008, 136).

⁹⁰⁶ Maundeni, Z. et al. (2006/7, 50).

⁹⁰⁷ Freedom House at <http://freedomhouse.org/template.cfm?page=251&year=2002> (25.11.2011), also see Molomo, M.G., Maundeni, Z, Osei-Hwedie, B, Taylor, I. & Whitman, S. (2007, 63); and Transparency International quoted in United Nations Development Programme (UNDP) (2005, 46).

⁹⁰⁸ Motseta, S. at <http://misa.org/researchandpublication/democracy/5.%20Botswana%20Overview.pdf> (4.9.2009).

⁹⁰⁹ Balule, T. (2008, 143).

⁹¹⁰ Botlhomilwe, M.Z., Sebudubudu, D. & Maripe, B. (2011, 339).

arises in which they would want to use them”⁹¹¹. Balule highlights that the presence of these laws has resulted in considerable self-censorship amongst media workers, something that also is linked to the private media relying on advertising revenue from government and the private sector, i.e. being financially dependent on these entities.⁹¹² Balule also lists a number of concrete restrictions when it comes to freedom of expression and media freedom. These include the liberty of action of media workers being limited e.g. in situations where the independence of courts, the reputation or rights of another person, or the public order, morality, health or security are perceived to be at risk.⁹¹³

The media is also restricted when it comes to the reporting on corruption cases. As stipulated in section 44 of the DCEC Act, the press may not, for instance, report on DCEC investigations under way. Representatives of the press perceive this restriction as a violation of their freedom of expression, guaranteed by the Constitution, stressing that the two pieces of legislation contradict one another.⁹¹⁴

The DCEC itself, fourthly, is in fact affected by difficulties in terms of accessing information of importance to its investigations. Theobald & Williams describe how the DCEC occasionally has to drop corruption cases altogether due to banks and other key institutions being unable to provide necessary information.⁹¹⁵

The above provides a sombre picture of Botswana in terms of freedom of the media and access to information. It may not, however, tell the whole truth. Molutsi accounts for a number of dailies and weeklies as well as local radio stations taking a critical stand against government on different issues.⁹¹⁶ This is corroborated by a senior official with the Office of the President, who confirms that media practitioners are free to criticize decision-makers, also highlighting that citizens are quite well informed in that 70% of citizens

⁹¹¹ Quoted in Sechele, S.T. (2006, 11).

⁹¹² Balule, T. (2008, 138).

⁹¹³ Balule, T. (2008, 134). The fact that the public broadcasting media was a state monopoly until 1990 and still remains controlled by Government should also be noted, see Mfundisi, A. (2005, 172).

⁹¹⁴ Sebudubudu, D. (2003, 131).

⁹¹⁵ Theobald, R. & Williams, R. (1999, 123).

⁹¹⁶ Molutsi, P. (2005, 10).

acquire information by watching TV, and 73% do so by listening to the radio on a daily basis.⁹¹⁷ Maundeni, for his part, suggests that the media, like civil society organizations, for a long time was regarded as unpatriotic and ended up being the target of legal and verbal attacks by Government. Thanks to the advocacy work undertaken by the Media Institute for Southern Africa (MISA), however, the media is today increasingly regarded as a stakeholder worth listening to.⁹¹⁸ Zaffiro, finally, confirms that government also has become better at interacting with the media through interviews, briefings and by making information accessible.⁹¹⁹

The above points to information (including critical views) at least to some extent being expressed and shared with the public. Those sections of the public which read newspapers and listen to the radio should thus have an idea of, for instance, corruption scandals which have been unearthed. This said, corrupt practices of a more subtle nature may still escape the attention of different actors. This is so, since citizens tend to know little about the private interests and linkages of their representatives. Representatives do not, for instance, have to declare their assets, and information about their business and financial interests are not made public.⁹²⁰ As a result, citizens are often unable to determine whether decision-makers should be disqualified from certain processes, and whether private interests may have influenced decisions made.

Neither is the public likely to know much about the forces, such as financiers, influencing politicians and parties from the sidelines. The Electoral Act of Botswana states that candidates (but not parties) are required to disclose their campaign expenses.⁹²¹ This provision is not

⁹¹⁷ Interview 11 – Senior Official with the Office of the President, Gaborone, Botswana (4.10.2012).

⁹¹⁸ Maundeni, Z. (2004, 634).

⁹¹⁹ Quoted in Maundeni, Z. (2004, 634).

⁹²⁰ Botswana Gazette at http://www.gazettebw.com/index.php?option=com_content&view=article&id=10650%3A%3Amasisi-says-no-to-declaration-of-assets&catid=18%3A%3Aheadlines&Itemid=2 (9.12.2011); and Maundeni, Z. (2008b, 43).

⁹²¹ The Electoral Act defines electoral expenses as “all monies expended or expenses incurred on account of, or in respect of, the conduct or management of that election by the candidate or on his behalf or in his interest [...] after the issue of a writ in relation to that election”, see Molomo, M. & Sebudubudu, D. (2005, 147 and 150).

enforced, however, and during the period covered by the analysis, actors seemed unwilling to comply with the provision.⁹²²

Mere access to information is not enough, however, if principals do not use sanctions when transgressions are detected. As already mentioned, Botswana generally exhibits relatively high levels of voter participation. However, statistics hide the fact that many citizens remain unregistered, and therefore do not vote. Those unregistered are not the only citizens who do not have a part in the electoral process, however. Mfundisi highlights that certain citizens refuse to vote due to dwindling confidence in political institutions and leaders. Political leaders, he argues, are perceived as authoritarian and untrustworthy, serving their own interests at the expense of those of the public.⁹²³ Furthermore, some citizens do not see the need to vote “because, in their opinion, they determined who should lead them at the very first election in 1965. In their view, the tradition is [such] that once a chief has been confirmed, he occupies office until he dies”⁹²⁴.

Connections between ease of accountability and levels of corruption

As seen, political parties are able to and do screen candidates, either ahead of primaries or before actual nomination. As part of the process, candidates are forced to prove their capabilities and motivation to the party leadership (selection). By refusing access to primaries or by vetoing the decisions made at the primaries, party leaders can and do sanction candidates which are perceived as unsuitable. The political parties also ensure that MPs toe the party lines once elected, thus holding representatives to account *ex post*. The extent to which issues related to corruption are taken into account when screening candidates is, however, unknown. This said, the line of accountability is deemed to be strong.

Through primary elections, party members also become part of the process of screening and selection. Party members do not seem to link the act of

⁹²² Over the past few years, however, attitudes towards the declaration of assets and liabilities seem to have changed, something that bodes well with view to holding actors accountable, see Botswana Gazette at http://www.gazettebw.com/index.php?option=com_content&view=article&id=10650%3Aamasisi-says-no-to-declaration-of-assets&catid=18%3Aheadlines&Itemid=2 (9.12.2011).

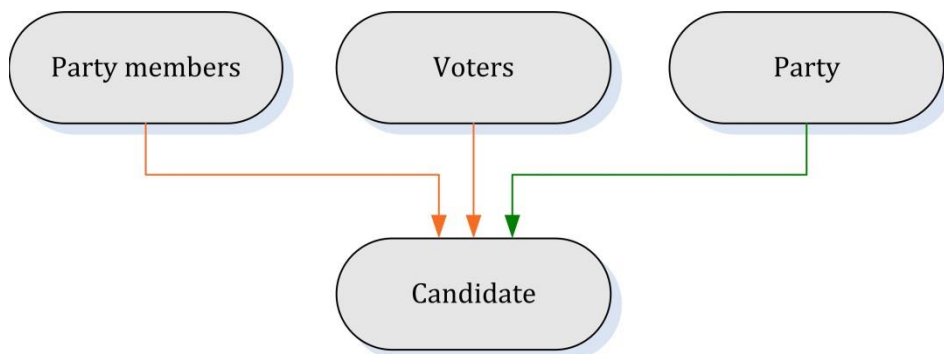
⁹²³ Mfundisi, A. (2005, 167).

⁹²⁴ Ntsabane, T. (2005, 214).

casting a vote in the primaries with a possibility to sanction wrong-doers, however. As a result, this line of accountability is estimated to be semi-strong only.

Voters are able to and do use a number of accountability mechanisms, including screening of candidates through fora such as freedom squares and electoral campaigns. These fora also provide candidates with an opportunity to prove their worth to voters (selection). Incumbents, for their part, are able to and do report to voters e.g. through events at the *kgotla* and meetings at constituency offices. Furthermore, voters can monitor incumbents through media reports and reports from actors such as the Audit Office. If dissatisfied with a candidate, voters can sanction him/her by casting a vote for another candidate. However, the fact that a considerable portion of *Batswana*⁹²⁵ are unregistered as voters, or simply refrain from voting, means that sanctions at times are not used. As a consequence, this line of accountability is judged to be semi-strong.

Figure 22: Visualization of the strength of lines of accountability inherent to the electoral system of Botswana



As can be seen from figure 22, structures inherent to the electoral system both enhance and hamper accountability.

How does this resonate with data on corruption in the national context? The fact that the line of accountability between political parties and candidates is described as strong could, first of all, be interpreted as “corruption-prone” candidates/incumbents-to-be being excluded from the ballot. This, in turn,

⁹²⁵ Term used for the citizens of Botswana.

should result in corruption not being that common amongst incumbents. This runs contrary the views of experts, which point to political and bureaucratic elites as those mostly engaging in corrupt behaviour. It also does not resonate with information emanating from a handful of corruption scandals pointing to politicians being engaged in private business ventures and therefore sometimes ending up in conflicts of interest. The contradicting results can be explained in a number of ways. One possibility is that of parties holding candidates to account but, despite having codes of conduct which condemn corruption, not sanctioning corrupt behaviour unless large scale and flagrant. Such tendencies were discernible from the analysis. It is, however, also possible that corruption amongst political actors in fact is a limited problem and that problems would be much greater, was it not for the fact that the political parties keep a tight rein on candidates and incumbents. Given that (i) political actors at the highest level in a few cases have been removed from office due to issues related to corruption⁹²⁶, and (ii) even one of the most critical voices⁹²⁷ perceives this type of corruption to be restricted, the analysis concludes that the line of accountability resonates with data on corruption.

The lines of accountability between party-members and voters, on the one hand, and candidates, on the other, are deemed to be semi-strong. These weaknesses are, however, perceived to at least partly be offset by the fact that parties hold candidates accountable. It is also possible, however, that issues unrelated to the institutional structure of interest to the thesis and/or accountability offset these weaknesses, something that will be discussed in chapter 5.3.3.

As can be seen from the above, certain lines of accountability resonate with data on corruption, whereas others do not fully. This points to a need to explore factors other than the institutions of interest to the analysis if hoping to gain a fuller picture of why corruption levels remain low.

⁹²⁶ Maundeni, Z. (2008b, 44).

⁹²⁷ Good, K. (1994).

5.3.2.3 Lines of accountability inherent to the vertical distribution of power, and linkages to corruption

Traits and P/A relationships of interest

Already at independence in 1966, Botswana established local government structures alongside central government ones. These local structures stand on four pillars: (i) (district, town, and city) councils and township authorities, (ii) district administrations, (iii) land boards, and (iv) tribal administrations.⁹²⁸ These entities are complemented at the grassroots' level by, for instance, village councils.

(City, town and district) councils consist of elected and nominated councillors as well as administrative staff. The former councillors are elected by constituents, whereas the latter councillors are appointed by the Minister of Local Government. Councils have been endowed with certain powers, previously held by tribal chiefs.⁹²⁹ They are "in charge of overall district development, initiating and implementing programmes of local infrastructure and services, preparing of district development plans and budgets, and coordinating activities of some ministries at the local level"⁹³⁰. Councils also have certain more independent functions with regards to providing and overseeing primary education, social and community development, and construction and maintenance of tertiary roads. In later years, however, the responsibility for important functions such as primary health care and rural water supply has been transferred from the councils back to central government.⁹³¹ The responsibility for recruiting teachers has also been recentralized.⁹³² The tendency to recentralize certain functions may, at least partly, be due to the party in Government seeing

⁹²⁸ Sharma, K. C. (2010, 135).

⁹²⁹ Some of these authorities in fact predate independence, see Poteete, A. R. & Mothusi, B. (2010, 16).

⁹³⁰ Lekorwe, M. (2000, 26), see also Commonwealth Local Government Forum (CLGF) at www.clgf.org.uk/userfiles/clgf/file/countries/Botswana.pdf (30.08.2010).

⁹³¹ Poteete, A. R. & Mothusi, B. (2010, 7).

⁹³² The centralization of these functions was undertaken after pressures from the Teacher's Unions, which felt that decentralized management of career paths meant that teachers could not transfer from one district to another, something that was perceived as a problem especially for teachers in remote, rural areas, see Maundeni, Z. (2007, 34).

“decentralization [...] as favouring the opposition”⁹³³ since the opposition holds majorities in many councils.

Executive power in districts is exercised by district administrations (DA), which consist of DA staff as well as the field officers from different line ministries within central government.⁹³⁴ The district administration is coordinated by the district commissioner (DC), described as the “eyes and ears of central government at the local level”⁹³⁵. The main function of the DC is that of coordinating “rural development activities at the district level, primarily as chairperson of the district development committee (DDC)”⁹³⁶. The Commissioner is appointed by the President, but remains administratively accountable to the Ministry of Local Government (MLG)⁹³⁷, the “parent” ministry of local government institutions.

Land boards are made up of elected and appointed members. These bodies shoulder responsibilities earlier held by traditional leaders, namely related to overseeing and allocating tribal land.⁹³⁸ Traditional leaders used to be “(ex officio) members of both the district councils and the land boards when these local authorities were established, but lost representation on both bodies by 1993”⁹³⁹.

Tribal administrations, finally, are led by traditional chiefs.⁹⁴⁰ Chiefs act as chairpersons at the *kgotla* where communities are consulted on issues pertaining to policy formulation and implementation as well as development

⁹³³ Poteete, A. R. & Mothusi, B. (2010, 29).

⁹³⁴ Poteete, A. R. & Mothusi, B. (2010, v); and Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

⁹³⁵ Lekorwe quoted in Poteete, A. R. & Mothusi, B. (2010, 8). The DC does not supervise all staff within the district administration since the DA also is made up of staff from a number of line ministries other than the Ministry of Local Government, whose official he is, see Poteete, A. R. & Mothusi, B. (2010, 18).

⁹³⁶ “This committee has representation from the district council, land board and tribal administration, as well as district level representatives of various government ministries, and has a central role in coordination of district level development plans”, see Sharma, K. C. (2010, 136).

⁹³⁷ Poteete, A. R. & Mothusi, B. (2010, 8).

⁹³⁸ Sharma, K. C. (2010, 136).

⁹³⁹ Poteete, A. R. & Mothusi, B. (2010, 3).

⁹⁴⁰ In this function, the chief as well as his staff are paid by the Ministry of Local Government.

planning.⁹⁴¹ Chiefs also preside over customary courts, which “handle more than 80% of cases tried in the country”⁹⁴² and which constitute an important and low-cost way of solving disputes, especially for people in the rural areas.⁹⁴³ The powers of chiefs have, however, diminished in many ways. In the 1960s, their authority to levy and collect taxes was removed, as well as their powers to decide about stray cattle, both being modest but important sources of revenue for the chief and thus his community. Chiefs were also disempowered from allocating land in communal areas, a task that was given to the land boards.⁹⁴⁴

As can be seen, local government authorities have a number of functions, which might convey the impression that power in fact lies with this level of government. Local government’s independence is, however, limited. Due to limited possibilities for raising funds locally⁹⁴⁵, as much as 80-90% of local government funding comes from central government.⁹⁴⁶ Central government in fact has powers to approve or reject policy decisions made at the local level, control and approve local budgets, and hire, promote, train, transfer, discipline and dismiss a large proportion of local staff.⁹⁴⁷ Local government is therefore very much part of and controlled by the central bureaucracy.⁹⁴⁸

The local authorities could in fact be deprived of their powers altogether and even abolished. As highlighted by Hope and Lekorwe, local authorities were created through acts of Parliament rather than by the Constitution, which means that they are perceived to “exist at the mercy of the Minister of Local Government and the Minister of Lands and Housing. Legally, these two mi-

⁹⁴¹ Sharma, K. C. (2010, 136).

⁹⁴² Sharma, K. C. (2010, 136), see also Adamolekun, L. & Morgan, P. (1999, 590).

⁹⁴³ Adamolekun, L. & Morgan, P. (1999, 589).

⁹⁴⁴ Adamolekun, L. & Morgan, P. (1999, 590).

⁹⁴⁵ Many councils raise funds primarily through fees and licences but are not themselves in a position to control fees for local services, since this is the prerogative of ministries at the central level. At times, councils, therefore, end up charging fees which are far below the market rate, see Wunsch, J.S. (1998); and Poteete, A. R. & Mothusi, B. (2010, 9).

⁹⁴⁶ Maundeni, Z. et al. (2006/7, 61). Part of the financial disparities between councils is also due to urban councils being allowed to collect property taxes, whereas district councils are not, see Poteete, A. R. & Mothusi, B. (2010, 24).

⁹⁴⁷ Maundeni, Z. (2007, xviii and 35).

⁹⁴⁸ In particular the Ministry of Local Government, which is regarded as the “parent” ministry of local government institutions in Botswana, see Wunsch, J.S. (1998).

nisters have the authority to recommend to Parliament to suspend or abolish any district/urban council or land board if they deem it appropriate to do so"⁹⁴⁹.

As can be seen from the discussion above, (i) local authorities have little autonomy or final say on key issues, (ii) their competencies are for the most part awarded by central government, and (iii) their powers can be withdrawn if the centre so wishes. Botswana should thus rightly be classified as a unitary state. Given these traits, the analysis takes an interest in a number of principal-agent relationships of relevance to the division of power between the centre and the periphery. These include voters as well as a number of entities within central government as principals to entities part of local government (councils, district administrations, tribal administrations and land boards), see the figures 22-26.⁹⁵⁰

⁹⁴⁹ Hope quoted in Poteete, A. R. & Mothusi, B. (2010, 7); and Lekorwe, M. (2000, 26).

⁹⁵⁰ Sources for figures 22-26: Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012); Sharma, K.C. (year unknown); Wily, L.A. at <http://pubs.iied.org/pdfs/9304IIED.pdf> (26.10.2012); Poteete, A. R. & Mothusi, B. (2010); and Sietchiping, R. (2010).

Figure 23: Principal-agent relationships inherent to the vertical division of power of Botswana (councils)

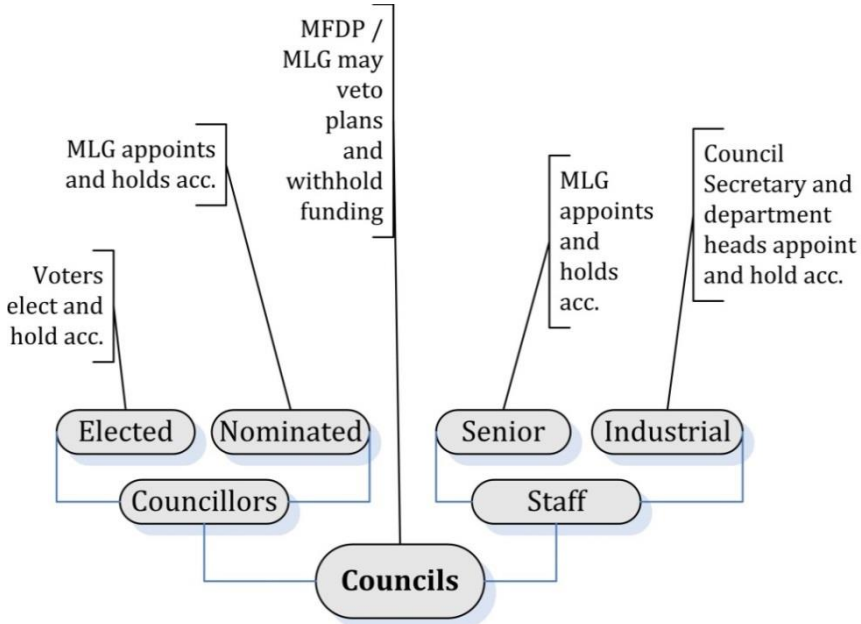


Figure 24: Principal-agent relationships inherent to the vertical division of power of Botswana (district administrations)

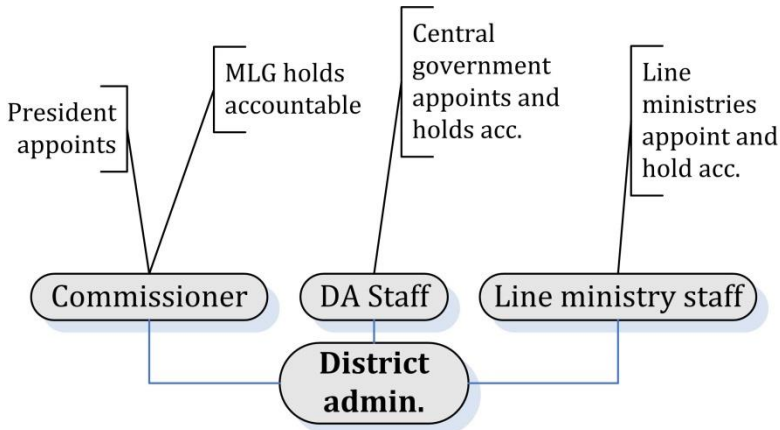


Figure 25: Principal-agent relationships inherent to the vertical division of power of Botswana (tribal administrations)

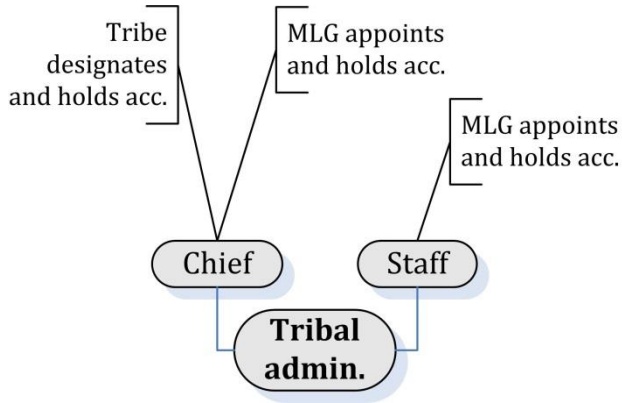
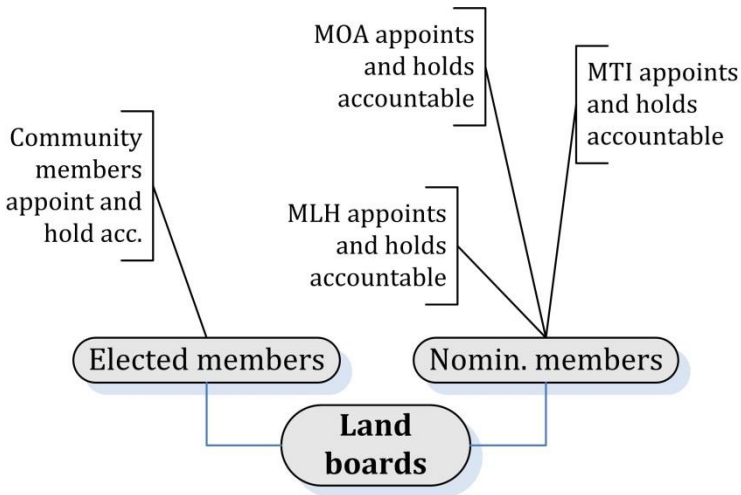


Figure 26: Principal-agent relationships inherent to the vertical division of power of Botswana (land boards)



Analysis of accountability and corruption

a. Central government as a key actor and a principal to institutions of local government

Botswana can be described as a unitary state, where the executive dominates much of the system.⁹⁵¹ This includes direct control over a number of sub-national institutions and actors. The President appoints the district commissioner (DC), who is regarded as the “link between the President and the district”⁹⁵². The executive also has powers over sub-national institutions through (i) the Minister for Local Government, who is mandated to appoint nominated members of the councils as well as administrative staff to councils and tribal administrations, and (ii) the Ministers of Lands and Housing, Agriculture, and Trade and Industry, who have the authority to nominate members to the land boards. Given the considerable authority of the President and ministers over these nominations, they participate in the screening of many actors who also need to prove their worth to them. Nominees for certain positions are likely to hail from the party of the President and the ministers in question, which means that party statutes and the government program will be used as benchmarks when screening candidates. The principals then monitor their agents through performance assessments and a wealth of meetings and reports, and may, if needed, sanction them in different ways.

Central control over the sub-national level does not limit itself to nominations made by the President and the ministers, however. Accountability is also exercised by a number of other principals using other accountability mechanisms. The most visible form of control from the point of view of the local institutions is probably that pertaining to finances and planning. As already stated, councils have little or no funding of their own. According to Sharma, most councils rely totally on central government when it comes to development funds (earmarked for development projects) and to 80-90% when it comes to meeting recurrent expenditure.⁹⁵³ As a result, central government has the upper hand when it comes to activities and projects

⁹⁵¹ See Wunsch, J.S. (1998); Maundeni, Z. (2007); and Holm, J.D. (1987).

⁹⁵² Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

⁹⁵³ Sharma, K. C. (2010, 138).

undertaken by local authorities. Poteete and Mothusi confirm that councils only have a nominal role when it comes to planning. Councils may submit plans to central government but final decisions on most issues remain the prerogative of the latter.⁹⁵⁴ Central government may in fact sanction local actors by overthrowing local plans with reference to funding being unavailable, other activities being more urgent, the local authority lacking in terms of competence or implementation capacity, or local authorities misusing resources.⁹⁵⁵ Such central dominance often results in local officials (professional/administrative as well as political) feeling sidelined and discouraged, unable to cater for the needs of their constituents.⁹⁵⁶

Reports from the Auditor General, to whom local authorities must submit their accounts, confirm that financial management is a challenge in many local authorities, and that sanctions at times are justified. These reports indicate that for example in the year 2000, few local authority accounts were in order, many being in arrears of between 4-6 years. Reports also indicated that accounting did not maintain high enough standards.⁹⁵⁷ Mfundisi, for his part, maintains that corruption is perceived to be more common within councils than within central government.⁹⁵⁸ This is corroborated by the DCEC, which points to corruption cases being more common within the Ministry of Local Government than within other ministries, and that the Gaborone City Council has been particularly badly hit. The DCEC and Mfundisi attribute this to weak procurement systems, and councillors and staff not being prohibited from participating in tendering processes.⁹⁵⁹

Poteete and Mothusi stress, however, that local authorities cannot be blamed for all these failures, accentuating the fact that local authorities are expected to deliver a number of essential services, while not always being allocated the funds and competent staff to shoulder responsibilities.⁹⁶⁰

⁹⁵⁴ Olanrewaju, S.A. et al. (2009, i).

⁹⁵⁵ Poteete, A. R. & Mothusi, B. (2010, 9 and 15), see also Gbadamosi, G. at <http://eprints.worc.ac.uk/88/> (2.12.2011); and Olanrewaju, S.A. et al. (2009, ii).

⁹⁵⁶ Wunsch J.S. (1998, 35).

⁹⁵⁷ Maundeni, Z. et al. (2006/7, 64); and Mfundisi, A. (2008, 62).

⁹⁵⁸ Mfundisi, A. (2008, 62).

⁹⁵⁹ Mfundisi, A. (2008, 65-66), also see the Directorate on Corruption and Economic Crime at www.dcec.gov.bw/download/1245400697_AR_2003_Write_up.pdf (04.03 2013).

⁹⁶⁰ Poteete, A. R. & Mothusi, B. (2010, 9).

Lekorwe, for instance, stresses that the Ministry of Local Government has the powers to nominate additional councillors and that this provision could be used to ensure that councils have the human resources needed to function effectively. According to Lekorwe, however, the ruling party has used the provision to ensure political control of councils in which the party feels under-represented, rather than to improve the capacities of councils.⁹⁶¹ Government has also, according to Poteete and Mothusi, denied local government the right to “tap localized sources of revenue for local use on the grounds that doing so would exacerbate underdevelopment and undermine national unity”⁹⁶². Local authorities therefore seem to be caught in an impossible position of being denied a chance to function properly and show their worth, and then being punished for not excelling.

Different local authorities face particular types of challenges with regards to accountability. Actors within councils, firstly, are held to account by a multitude of different principals, as can be seen from figure 23. Councils are made up of political actors, councillors, as well as civil servants. Whereas elected councillors are chosen and held to account by voters, nominated councillors are selected and held to account by the Minister of Local Government. Civil servants, for their part, are selected and held to account by the centre as well as the council itself, depending on their level: whereas professional staff is selected and held to account by the Ministry of Local Government, industrial or unskilled staff is hired, assessed and disciplined by the council secretary or department heads.⁹⁶³

In a report for Transparency International, Maundeni criticizes the practice of central government hiring and disciplining part of local staff, and local government holding the rest to account.⁹⁶⁴ This criticism is backed by Adamolekun and Morgan⁹⁶⁵. According to the authors, the practice creates a structure of double loyalty and may result in part of staff not having the interest of their district / town / city at heart but rather focusing on those of the parent ministry. Wunsch, for his part, highlights that town secretaries

⁹⁶¹ Lekorwe, M. (2000, 28-29); and Somolekae, G. (2005, 25).

⁹⁶² Poteete, A. R. & Mothusi, B. (2010, 28).

⁹⁶³ Maundeni, Z. (2007, 35); Wunsch, J.S. (1998, 33); and Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

⁹⁶⁴ Maundeni, Z. et al. (2006/7, 61).

⁹⁶⁵ Adamolekun, L. & Morgan, P. (1999, 600).

and councillors express concerns about not being assigned “personnel committed to their goals and familiar with their particular needs and problems”⁹⁶⁶. This points to agents who work side-by-side being monitored and – if need be – sanctioned by different principals. Such a practice is problematic in that both categories of agents should have the interests of the council at heart. Agents hired by central government are, however, likely to be evaluated mainly with regards to the extent to which they live up to the expectations of their principals within central government.

The challenges do not seem to stop there, however. Some principals also seem to be at a loss with regards to identifying the very agents that they are supposed to monitor and – if need be – sanction. An official speaks of “intricate hierarchies which render supervision difficult”⁹⁶⁷, highlighting that actors often do not know who the principal of a particular agent in fact is.⁹⁶⁸ The official also points out that actual supervision remains a challenge. Staff members are for the most part appraised as part of so called performance development plans, which analyse the attainment of objectives and personal attributes such as interaction with the public. Oftentimes, however, no action is taken by supervisors when irregularities are detected. This is attributed to Tswana culture where confrontation and conflict are to be avoided. As a result, supervisors fail to act and hope that problems will disappear by themselves.⁹⁶⁹ This points to principals within the administration being able to monitor their agents but being reluctant to sanction them despite deviations from the contract between the two.

Issues of accountability are equally complex when it comes to other entities at the local level. Whereas chiefs previously held considerable powers over “land, natural resources, culture, tradition and the law and custom in their individual territories”⁹⁷⁰, they today remain paid civil servants, heading so called tribal administrations. As such, they are held to account *ex ante* by the Minister of Local Government who, in accordance with the Chieftainship Act,

⁹⁶⁶ Wunsch, J.S. (1998, 34).

⁹⁶⁷ Interview 19 – Senior official with the Office of the Ombudsman, Gaborone, Botswana (9.10.2012).

⁹⁶⁸ Interview 19 – Senior official with the Office of the Ombudsman, Gaborone, Botswana (9.10.2012).

⁹⁶⁹ Interview 19 – Senior official with the Office of the Ombudsman, Gaborone, Botswana (9.10.2012).

⁹⁷⁰ Sebudubudu, D. & Molutsi, P. (2011, 21).

may refuse to recognize a chief if the chief has been deposed by his tribe or if he “considers it to be in the public interest to do so”⁹⁷¹, see figure 25. This means that the Minister screens the chief, and that the chief should prove his worth to the Minister.

Although requiring recognition from the Minister of Local Government, chieftainship is still hereditary, however, and chiefs are appointed by the tribe assembled at the *kgotla*. The tribe, however, has limited powers when it comes to holding the chief to account *ex ante* due to the hereditary nature of chieftainship.

The tribe has slightly more clout with regards to the chief *ex post*, however. The chief, firstly, is expected to be responsive towards tribe members and “have the interest of his people at heart”⁹⁷², aware of the fact that he is “king by the grace of the people”⁹⁷³. Sharma states that a chief, before making important decisions affecting the community, traditionally “had to consult his advisers, those placed in leadership positions [within the tribe] and Kgotla”⁹⁷⁴. A chief who did not consult was faced with dissatisfaction and defiance. Furthermore, “he could be warned or reprimanded by his advisers or at public assemblies; if he ruled despotically or repeatedly neglected his duties, the people would begin to desert him”⁹⁷⁵. All of this points to chiefs being held to account *ex post* by their tribesmen.

Chiefs are also accountable *ex post* to the Minister of Local Government on issues such as the administration of customary justice, participation in development planning and implementation.⁹⁷⁶ The Minister acquires information about decisions made by the chief through a wealth of reports and meetings, as well as the press. If dissatisfied with the decisions made or actions taken

⁹⁷¹ Sharma, K.C. (year unknown, 8), see also the Government of Botswana (Chieftainship Act, part II, paragraph 4) at www.gov.bw/Global/MLG/.../Chieftainship.pdf (07.03.2013).

⁹⁷² Sharma, K.C. (year unknown, 14).

⁹⁷³ Tlou, T. (1985, 21).

⁹⁷⁴ Sharma, K.C. (year unknown, 14).

⁹⁷⁵ Schapera quoted in Leith, J.C. (2005, 20).

⁹⁷⁶ Sentences passed by the chief in a customary court have, for instance, been reviewed by the district commissioner (as the representative of central government at the local level) and cases have been transferred to magistrate’s courts, see Sharma, K.C. (year unknown, 8).

by the chief, the Minister may sanction him by withdrawing his recognition as a chief.

The overview above shows that chiefs are held to account by principals with potentially diverging interests, something that may put the chief in a peculiar position of double loyalty and uncertainty with regards to which rules to give priority to.

Land boards⁹⁷⁷ face similar challenges with regards to accountability in that members are accountable to different principals, see figure 26. Elected members, firstly, are screened by community members through daily interaction as well as meetings at the *kgotla*. Candidates which are deemed to be unsuitable can be (and are being) sanctioned by community members who refuse to endorse them. Elected members are also held to account *ex post* by community members through appearances at the *kgotla* and reports from the land boards. In this context, the Tribal Land Act constitutes something of a contract between principals and agents, and a benchmark against which the actions of agents are evaluated. If dissatisfied with the decisions made by (member of) the land board, community members can appeal against these to Land Tribunals, which means that sanctions are available to aggrieved individuals.⁹⁷⁸

Land boards also consist of nominated members, appointed by the Ministries of Lands and Housing, Agriculture, and Trade and Industry.⁹⁷⁹ The respective ministers screen candidates for these posts and hold unsuitable candidates to account *ex ante* by not appointing them. Nominated members are also held to account *ex post* by the same ministries, which may sanction them by dismissal.

⁹⁷⁷ Land boards “hold the tribal land in trust and allocate it for residential, agricultural, industrial, commercial or general development purposes”, see Sharma, K.C. (year unknown, 3).

⁹⁷⁸ Ministry of Lands and Housing at http://www.mlh.gov.bw/index.php?option=com_departments&id=16 (07.03.2013).

⁹⁷⁹ Sietchiping, R. (2010, 14).

b. *Voters as principals to institutions of local government*

The discussion has, thus far, focussed on relationships involving central government as an important principal to actors at the sub-national level, to a certain extent disregarding the relationship between voters and local representatives. At the sub-national level, citizens elect and are represented by councillors. These are “elected for five-year terms and they can retire or stand for re-election”⁹⁸⁰. Council elections are organized simultaneously with parliamentary elections.⁹⁸¹ Voter turnout in council elections was 75.8% in 1999 and 76.2% in 2004, which points to voters being engaged in holding councillors accountable.⁹⁸² It is, however, likely that also these figures fail to capture the fact that part of the voting age population has not been registered, which also means that these citizens do not participate.

Voters acquire information about candidates through political rallies, informal meetings and – in the case of incumbents – through the *kgotla* where representatives can be heard and questioned. Community members tend to be interested in projects implemented in their vicinity and one would assume that proximity to decision-makers would enhance dialogue and access to information. This is not always the case, however. According to Poteete and Mothusi many issues are “deemed confidential [and] members of the public are denied access to information about decisions taken by their local representatives”⁹⁸³, something that confirms the statement by Mogapi that government and public institutions in Botswana remain highly secretive.⁹⁸⁴ Accountability is also rendered difficult for the simple reason that voters tend to have a limited understanding of the mandates of different local institutions and authorities, as well as the division of labour between the different levels of government. At times, however, accountability is also wanting for completely different reasons, one of these being that *Batswana* often see themselves as subjects of a chief or headman rather than citizens with the “right to call their leaders to account for decisions and be-

⁹⁸⁰ Lekorwe, M. (2000, 27).

⁹⁸¹ A simple plurality electoral system is employed when electing councillors, see Lekorwe, M. (2000, 27).

⁹⁸² African elections database at http://africanelections.tripod.com/bw_2004local.html (28.11.2012).

⁹⁸³ Poteete, A. R. & Mothusi, B. (2010, 20 and 29).

⁹⁸⁴ Mogapi, R. (2010, 18).

haviour”⁹⁸⁵. As a result, voters at times do not engage in the process of demanding information, justification, or sanctioning wrong-doers.

Connections between ease of accountability and levels of corruption

The analysis above depicts the intricate web of relationships and lines of accountability between the national and subnational level, on the one hand, and at the sub-national level on the other. As seen, lines of accountability differ in terms of opportunities created for accountability.

Agents within councils are held to account by different principals using a wide array of accountability mechanisms, see figure 27. Elected councillors, firstly, are screened by the voters and forced to demonstrate their competencies and motivation to them (selection). In this context, election platforms can be regarded as something of a contract between the principal and the agent. Councillors report to voters through meetings at the *kgotla*, informal events and official information. Voters, for their part, are also able to and do monitor councillors through the media, and may sanction wrong-doers on election day by refusing to vote for actors who have engaged in corrupt activities. Voter turnout is fairly high in council elections, which points to voters in fact participating in the accountability process. Statistics do not, however, seem to capture the fact that many citizens remain unregistered and therefore are excluded from the accountability process. Whether those who vote take issues related to corruption into account when casting their vote is uncertain. Against this background, the line of accountability is deemed to be semi-strong.

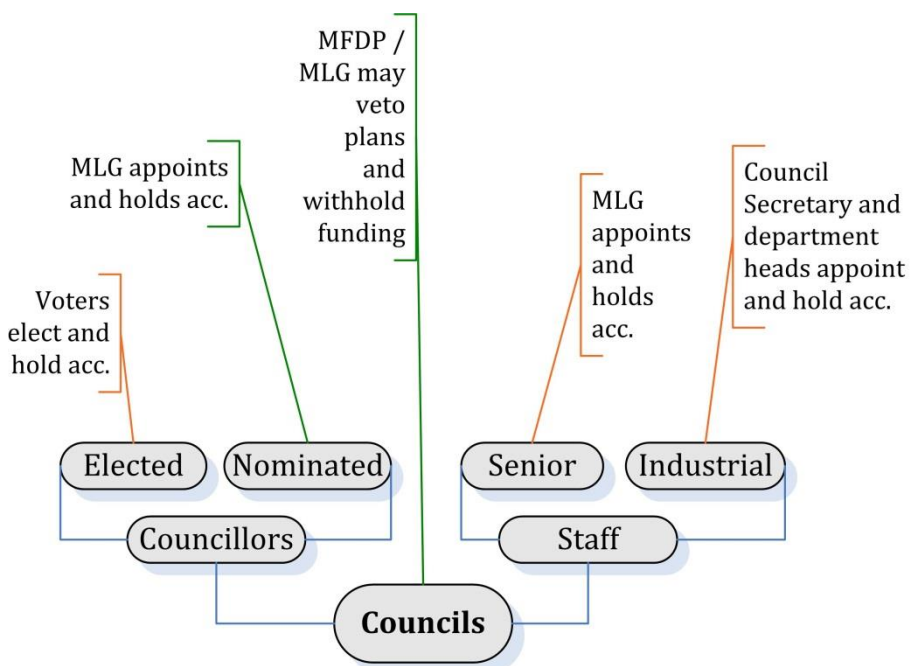
Nominated councillors are appointed by the Ministry of Local Government (MLG), which screens candidates and forces these to show their qualifications and demonstrate their suitability for the task. Unsuitable candidates can be and are being refused appointment. The MLG also holds nominated councillors to account *ex post*. These councillors are monitored through staff appraisals and also report to their principal. Nominated councillors can be sanctioned *ex post* for instance through dismissal from office. Such sanctions are deemed to be accessible to principals but whether they are used in practice is uncertain. Nevertheless, the line of accountability is judged to be strong.

⁹⁸⁵ Holm, J.D. (1999, 299).

Administrative and industrial staff within councils is held to account by the MLG and council officials, who screen candidates and monitor them once in office. Wrong-doers can be sanctioned. The analysis shows, however, that principals often are reluctant to punish offenders. As a result, these lines of accountability are deemed to be semi-strong only.

If decisions made or actors within the councils are found to be at fault, the MFDP and the MLG may and do impose sanctions applicable to the council as a whole. These include e.g. withdrawing funding, rejecting plans and policies, and withdrawing staff. In theory, central government could sanction councils by abolishing them altogether since they have been created through acts of Parliament rather than the Constitution. Needless to say, such sanctions have not been used. This overall (general) line of accountability is nevertheless regarded as strong.

Figure 27: Visualization of the strength of lines of accountability inherent to the vertical division of power (councils)



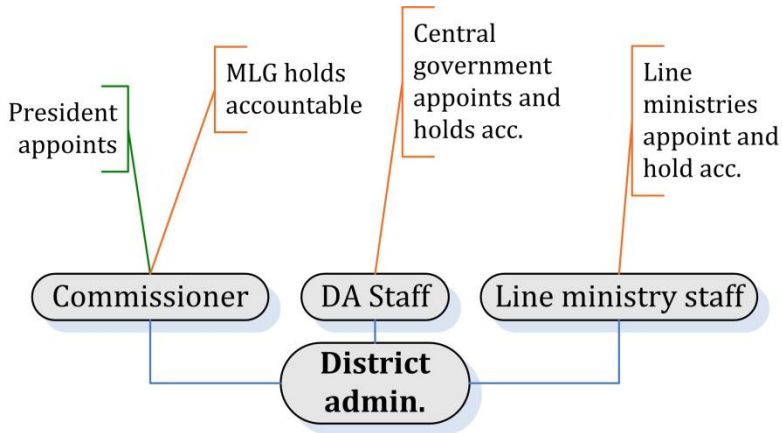
Actors within the district administrations (DA) are held to account by the President, the Ministry of Local Government and other line ministries using different accountability mechanisms, see figure 28.

The President is mandated to appoint the district commissioner, wherefore the President also screens candidates who, in turn, try to convince him about their suitability (selection). Candidates deemed as unsuitable can be sanctioned by refusal to appoint them. Such sanctions are accessible to and used by the principal in practice. As a result this line of accountability is regarded as strong.

The district commissioner is held accountable *ex post* by the Ministry of Local Government through staff appraisals and self-reporting. These mechanisms are accessible and used. Sanctions in the form of penalties or dismissal, however, are not always applied due to reluctance on the part of principals to confront and punish agents, wherefore the line of accountability is perceived to be semi-strong.

DA staff and line ministry staff within the DA are appointed by central government (Ministry of Local Government and other line ministries), who also have a number of accountability tools at their disposal. Principals hold agents to account *ex ante* through screening and selection, sanctioning unsuitable candidates by not nominating them. These mechanisms and sanctions are accessible and employed in practice. Principals rely on performance assessments and self-reporting when holding agents to account *ex post*. Sanctioning wrong-doers is a challenge, however, due to an overall reluctance to criticize and confront. These lines of accountability are therefore deemed to be semi-strong only.

Figure 28: Visualization of the strength of lines of accountability inherent to the vertical division of power (district administrations)



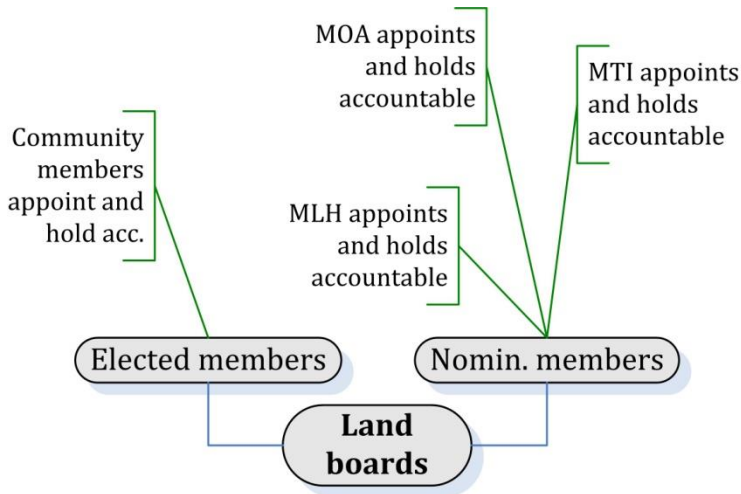
Members of land boards are held to account by community members at the *kgotla* as well as the Ministries of Lands and Housing, Agriculture, and Trade and Industry, see figure 29. These principals have formal access to a number of accountability mechanisms.

Community members screen elected candidates through daily interaction as well as the *kgotla*, where candidates also can prove their suitability for the task. Candidates perceived as inappropriate can be sanctioned by the *kgotla* by refusing to nominate them. These sanctions are accessible to and used by principals. Community members also hold elected members to account *ex post* through self-reports at the *kgotla* and information emanating directly from the land boards. In this context, the Tribal Land Act constitutes something of a contract between principals and agents, and a benchmark against which the actions of agents are evaluated. If dissatisfied with the decisions made by (members of) the land board, community members can appeal against these to Land Tribunals. This sanction is accessible to and used by principals. As a consequence, the line of accountability is regarded as strong.

The Ministries of Lands and Housing, Agriculture, and Trade and Industry hold nominated members of Lands Boards to account *ex ante* as well as *ex post*. *Ex ante* accountability entails screening of candidates as well as selection. The principals are able to and do sanction ill-suited candidates by not nominating them. Members who act in contradiction with rules,

regulations and orders from principals can be sanctioned by dismissal. These mechanisms and sanctions are accessible to principals. The extent to which (i) they are being used in reality, and (ii) they take issues related to corruption into account is, however, unknown. This said, the lines of accountability are deemed to be strong.

Figure 29: Visualization of the strength of lines of accountability inherent to the vertical division of power (land boards)



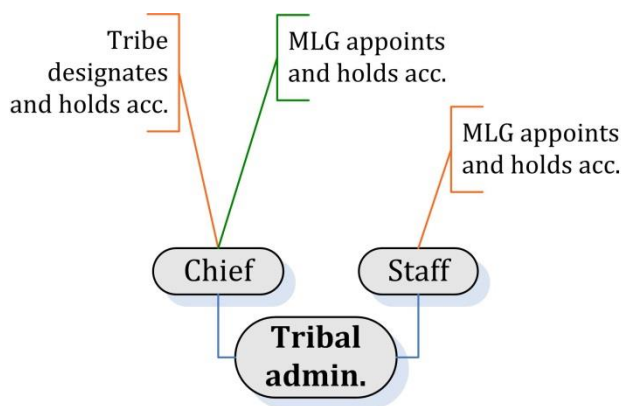
Tribal administrations are headed by chiefs, appointed by their tribes assembled at the *kgotla*, see figure 30. Chieftainship is hereditary, wherefore *ex ante* accountability on the part of community members is more of a formality. Community members monitor the chief through appearances at the *kgotla*, rulings of the customary court as well as information provided by the tribal authority. If dissatisfied with the ways in which the chief exercises power, he can be confronted at the *kgotla*, warned, reprimanded or deserted by his subjects. Some of these sanctions are not accessible to all community members, however, but rather to the chief's advisers or community members who are allowed to speak in the *kgotla*. Against the above, this line of accountability, therefore, is deemed to be semi-strong, bordering on weak.

Despite being nominated by their tribesmen, chiefs also need to be recognized as such by the Minister of Local Government. Chiefs are screened and evaluated against the provisions of the Chieftainship Act and can, if deemed to be unsuitable, be (i) refused recognition, or (ii) recognized, but sidelined in terms of decision-making power. The Ministry also monitors chiefs *ex post*

and may withdraw recognition from the chief if the chief does not act in accordance with expectations, rules and regulations. These sanctions are accessible to the principals and have also been used. The line of accountability is therefore perceived as strong.

Administrative staff within the tribal administrations is held to account by the Ministry of Local Government. Little is known about the accountability mechanisms used by principals when holding these agents to account. It can, however, be assumed that they follow the same procedures as elsewhere within the administration, which would point to *ex ante* accountability including thorough screening and selection, and the Public Service Act, and the code of conduct for the public service constituting “contracts” between principals and agents. Accountability *ex post*, on the other hand, would centre on performance appraisals. The fact that principals elsewhere within the administration shy away from punishing wrong-doers is likely to apply also in this case, wherefore the line of accountability tentatively is judged to be semi-strong.

Figure 30: Visualization of the strength of lines of accountability inherent to the vertical division of power (tribal administrations)



Entities at the (national and the) sub-national levels are also held to account by institutions such as the Auditor General, the DCEC and the Ombudsman (discussed in chapter 5.3.3). Whereas the Office of the Auditor General has access to all public sector accounts and may sanction wrong-doers by making corrupt acts public, the DCEC may investigate and forward cases to the Directorate of Public Prosecutions. The Office of the Ombudsman, for its

part, relies on negotiations rather than sanctions but may also bring cases before the National Assembly, i.e. make them public.

As can be seen from figures 27-30, the lines of accountability at the sub-national level, as well as between the sub-national and the central levels, range from strong to semi-strong, pointing to well-functioning as well as slightly less well-functioning accountability. How does this resonate with data on corruption in the national context?

Due to lack of disaggregated data on corruption (focussing on corruption within particular institutions at the sub-national level), it is difficult to draw conclusions with regards to linkages between the strength of specific lines of accountability and levels of corruption amongst particular (groups of) agents. Conclusions, therefore, must be drawn at a fairly general level.

At a very general level, the many strong and semi-strong lines of accountability depicted above resonate well with the fact that corruption is considered to be uncommon within society as a whole. Data on corruption points to problems being slightly greater at the sub-national level in general and within councils more specifically, however. This does not, as such resonate with lines of accountability, many of which remain strong. Data points to most corruption cases unearthed at the council level being related to procurement and tendering processes, however, something that could be explained by the fact that the semi-strong lines of accountability at the council level are those including bureaucrats as agents.

The analysis only points to one line of accountability bordering on weak, namely the one between tribe members and chiefs. This runs contrary to the fact that no source points to chiefs being engaged in corrupt activities to a greater extent than others. This might, of course, be due to respect for elders, resulting in such cases not being reported to relevant authorities. It is also possible, however, that the weakness of this line is offset by the considerable power of the Ministry of Local Government over the tribal administrations in general and chiefs more specifically. Furthermore, it is conceivable that this weakness is compensated for by external factors discussed in chapter 5.3.3.

Previous analyses of the extent to which lines of accountability resonate with data on corruption in the country-context of Botswana have pointed to a resonance as well as dissonance between the two. The above analysis

however, mainly points to resonance in that strong lines of accountability at a very general level seem to be accompanied by low levels of corruption. It is therefore concluded that political institutions and/or accountability do provide at least a partial answer to the virtual absence of corruption in the context of Botswana. Other explanations to this being the case will be sought in chapter 5.3.3.

5.3.3 Other determinants of corruption in the context of Botswana

The institutional analysis accounted for in chapter 5.3.2 was aimed at describing part of the institutional landscape of Botswana, as well as whether and how the political institutions of interest to the thesis contribute towards creating possibilities for accountability, thus reducing levels of corruption. The analysis was felt to be of importance to the overall discussion, despite the fact that the quantitative analysis (chapter 4.3) pointed to at least part of the answer to Botswana's low levels of corruption lying in factors other than the institutions of interest to the thesis. The institutional analysis was included so as to check the findings of the quantitative analysis, making sure that the political institutions included in the statistical analysis would not be discarded as explanatory variables lightly, in favour of other types of explanations.

As can be seen from the institutional analysis for Botswana, some of the political institutions of interest to the thesis do contribute towards strong accountability whereas others do not. Likewise, analyses of the strength of lines of accountability against levels of corruption point to resonance as well as dissonance⁹⁸⁶ between the two. Dissonance comes in the form of weaker lines of accountability at times being accompanied by lower levels of corruption, which points to the former not holding the answer to corruption levels in that context being low. It is therefore justified to look for answers also outside the institutional framework of interest to the thesis.

The following discussion, therefore, focuses on other factors which are argued to have shaped the corruption landscape of Botswana. Here, the

⁹⁸⁶ Resonance referring to low levels of corruption going hand in hand with strong accountability or vice versa, and dissonance referring to low levels of corruption going hand in hand with weak accountability or vice versa.

importance of leadership⁹⁸⁷ is accentuated⁹⁸⁸, the emphasis lying on the background, priorities and style of leadership of the early leaders of the country. The thesis argues that these factors (elaborated upon below), among others, have allowed Botswana to reduce the practicability and attractiveness of corruption.

The importance of early political leaders such as Presidents Seretse Khama and Quett Masire⁹⁸⁹ (among others) for Botswana's development has been emphasized in numerous books and articles.⁹⁹⁰ The key role played by the national leadership in terms of setting Botswana on the path towards development was also emphasized in in-country interviews.⁹⁹¹ The extent to which this early leadership also laid the foundation for good governance and the virtual absence of corruption has, however, been discussed to a lesser extent. The analysis below argues that the early leaders indeed affected the extent to which corruption is practicable and attractive in Botswana (i) through an inclusive, consultative approach to development, (ii) by personifying certain values and leading by example, (iii) by contributing towards the building of institutions, some of which enhance accountability and serve to counteract corruption, and (iv) by pursuing policies aimed at redistribution and increasing overall levels of welfare, see figure 31.

⁹⁸⁷ Defined as "the organization and mobilization of people and resources (economic, political and other) in pursuit of particular ends", see Leftwich, A. (2010, 103).

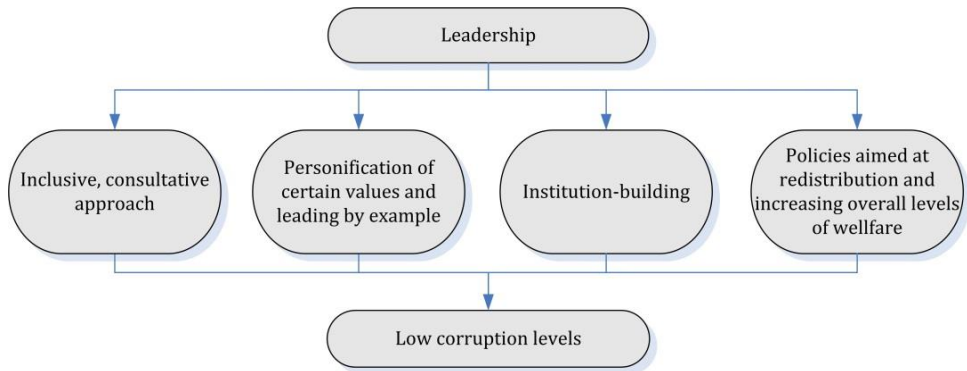
⁹⁸⁸ This is in line with Leftwich, who deplores the fact that the human element often is forgotten at the expense of structures, stressing that analyses of political actors and individuals in general are key to development, see Leftwich, A. (2009).

⁹⁸⁹ The first and second Presidents of Botswana, respectively.

⁹⁹⁰ See e.g. Sebudubudu, D. & Botlhomilwe, M.Z. (2012); Sebudubudu, D. & Molutsi, P. (2011); and Leith, J.C. (2005).

⁹⁹¹ Interview 13 – Official with the United Nations, Gaborone, Botswana (5.10.2012); Interview 15 – Senior Academic, University of Botswana, Gaborone, Botswana (8.10.2012); and Interview 18 – Official with the United Nations, Gaborone, Botswana (9.10.2012).

Figure 31: Proposed determinants of corruption in Botswana



5.3.3.1 The background of the early leaders

African leaders are often associated with despotical behaviour, poor governance, violations of human rights, poor economic growth and corruption.⁹⁹² At times, it seems as if African leaders were expected to leave poverty and misery in their trail. As a result, democratic, capable and development-oriented leadership (although not as rare as often imagined) tends to surprise and even confuse observers. Botswana, under the stewardship of a number of capable leaders, has proven that African (or other) leaders should not be treated as a block. Instead, leaders differ from one another in terms of e.g. their backgrounds, personalities and preferences and therefore also guide their countries onto certain paths rather than others, and leave their distinctive marks on the polity. The discussion below takes an interest in the early leaders of Botswana, analysing (i) why they chose the path of putting the nation and its people first, and trying to serve them in different ways⁹⁹³, as well as (ii) the factors shaping them into leaders which were different from many others on the continent and beyond.

Sir Seretse Khama (the founding President of Botswana), first of all, was brought up to become a leader. His father, Sekgoma Khama II, was paramount Chief of the Bangwato people of central Botswana, and his grand-

⁹⁹² See for instance Rotberg, R.I. (2003, 28).

⁹⁹³ One interviewee also stresses that the 1st President could have ruled like a monarch, but instead put the country first, as did the 2nd President, see Interview 18 – Official with the United Nations, Gaborone, Botswana (9.10.2012), see also Rotberg, R.I. (2003, 30).

father was *Kgosi* (King) Khama III. Sekgoma Khama II died when Seretse Khama was just four years old, making him the Chief of the Bangwato.⁹⁹⁴ Because of his young age, he could not rule, however, and a regent was appointed, but his upbringing was characterized by preparations for assuming power.

The fact that Seretse Khama was of Bangwato origin already set him onto a path of interest to this thesis in that “Bamangwato chiefs [...] were well regarded for their benevolence and integrity”⁹⁹⁵. Furthermore, Sir Seretse Khama, Quett Masire and Festus Mogae (the first three Presidents of Botswana) were brought up according to Tswana custom, where the concept of *botho* was central to all behaviour and activities.⁹⁹⁶ A person who has *botho* is someone “with a rounded character, a person of great integrity, honesty, respectful, hardworking, obedient, caring, loving, with high self-esteem, exemplary in every way, not selfish, mindful of the needs of others, and well behaved in every possible way”⁹⁹⁷. Characteristics such as valuing equality, human relations, and showing humility are also associated with the concept of *botho*.⁹⁹⁸ In Tswana culture, *botho* is an important moral value, guiding people when it comes to interaction with others. The value of *botho* is part of children’s upbringing, not least through folktales showing the importance of good manners, compassion and integrity. The church, which constitutes an important institution and voice in Botswana and African society, also preaches *botho*, although in the form of the Golden Rule, which in certain respects contains the same message as the concept of *botho*.⁹⁹⁹

The concept also naturally filters into systems of governance. Leaders are in fact expected to have *botho* and “subordinate their egos to the communal interest of the community so that they [can] survive successfully as a group”.¹⁰⁰⁰ Leaders are thus expected to lead with the people, serving them

⁹⁹⁴ University of Botswana History Department at <http://www.thuto.org/ubh/bw/skhama.htm> (1.11.2012).

⁹⁹⁵ Rotberg, R.I. (2003).

⁹⁹⁶ Bishop Moenga quoted in Pöntinen, M. (2011, 159).

⁹⁹⁷ Amanaze, J. (ed.) (2012, 259), see also Interview 19 – Senior official with the Office of the Ombudsman, Gaborone, Botswana (9.10.2012).

⁹⁹⁸ Pöntinen, M. (2011, 161).

⁹⁹⁹ Pöntinen, M. (2011, 163).

¹⁰⁰⁰ Moatlhaping, S.O.S. (2007, 44); and Shapera quoted in Moatlhaping, S.O.S (2007, 84). Moatlhaping emphasizes, however, that many *Batswana* do not see *botho* as being as important a value in the 21st century.

and consulting them on matters of importance to the community. Leaders who impose decision on communities or misuse their powers are described as having lost their humanity or *botho*.¹⁰⁰¹

The early leaders were thus brought up valuing integrity, honesty, unselfishness, humility and showing compassion for others, which is likely to have shaped their personality and behaviour. These values are also likely to have influenced citizens in general, since the concept of *botho*, in its essence, is about reciprocity and relations, i.e. showing people respect, honesty and integrity, and getting the same treatment in return. This is confirmed by an academic, according to whom the relationship between the rulers and the ruled has been characterized by trust and unity, which has resulted in a mentality whereby stealing from the leader is considered unacceptable.¹⁰⁰² This can be interpreted as a condemnation of what today are considered to be forms of corruption.

The personality and behaviour of Sir Seretse Khama and leaders such as Quett Masire, Festus Mogae and others are also likely to have been shaped by the fact that they were well-educated, and that many of them received part of their education outside Botswana. Prior to independence, those *Batswana* who could afford secondary and tertiary education often received it abroad, due to the limited possibilities in their own country. Sir Seretse Khama and Quett Masire, for instance, both attended the Tigerkloof Institute in South Africa. Sir Seretse then continued his studies at Fort Hare University in South Africa and Oxford University in Great Britain, and trained as a barrister at Inner Temple in London.¹⁰⁰³ Festus Mogae, on the other hand, studied at North West London Polytechnic, the University of Oxford and the University of Sussex.¹⁰⁰⁴

Studies abroad gave these future leaders insights into developments in the region and elsewhere, as well as another perspective on what was taking place inside Botswana, and the path Botswana should (or should not) take.

¹⁰⁰¹ Interview 13 – Official with the United Nations, Gaborone, Botswana (5.10.2012), see also Amanaze quoted in Pöntinen, M. (2011, 160).

¹⁰⁰² Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

¹⁰⁰³ Tlou, T. & Campbell, A. (1997, 304).

¹⁰⁰⁴ Answers.com at <http://www.answers.com/topic/festus-mogae#ixzz2BMTiXSsm> (5.11.2012).

Sir Seretse Khama, for instance, was deeply affected by and condemned the apartheid politics of South Africa, and came to realize that such conflict and differential treatment of citizens had to be prevented in Botswana.¹⁰⁰⁵

5.3.3.2 Inclusion and consultation

The challenges faced by the leadership of Botswana at the eve of independence were enormous. The country's entire viability as an independent state was being questioned, something that might have discouraged actors with a lesser degree of commitment and determination. In the case of Botswana, this proved to be a rallying point, however. There was thus broad support for the ideas to build a democratic, multiracial and united state where human rights were respected, as for plans to ensure development for the nation as a whole.¹⁰⁰⁶

Given the situation that the new state found itself in, the leadership knew that important decisions had to be made, not just by the few, but through consultation and by involving actors outside the ruling party and the political arena. This also involved breaching tribal differences.¹⁰⁰⁷ Uniting and gaining the trust of actors outside the inner circle could have been difficult, had it not been for the fact that many of these "outsiders" were the very people with whom the leadership had attended school and pursued university studies, and whose views and visions already were somewhat familiar to the leaders.¹⁰⁰⁸ This facilitated the collaboration between actors who otherwise might have been antagonistic and who may have found it difficult to gain one another's trust.

From a developmental as well as an anti-corruption point of view this meant that actors which otherwise might have opposed the regime and its ideology were co-opted, i.e. united around the common goal of building a democratic nation and raising the standard of living of all citizens. This is likely to have reduced collective action problems in the form of actors exploiting their

¹⁰⁰⁵ Sebudubudu, D. and Botlhomilwe, M.Z. (2012).

¹⁰⁰⁶ Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 33-34).

¹⁰⁰⁷ Interview 13 – Official with the United Nations, Gaborone, Botswana (5.10.2012).

¹⁰⁰⁸ Sebudubudu, D. & Molutsi, P. (2011, 11).

newly gained powers, instead of working with the regime for the common good.

Not all actors shared the visions of the Khama Government, however. These included the traditional leaders, which then as well as now constitute revered actors within Botswana society. Before independence, traditional leaders had great influence over communities and also to some extent over the affairs of the Protectorate through institutions such as the African Advisory Council established by the administration of the Protectorate.¹⁰⁰⁹ When the state of Botswana saw the light of day, therefore, the traditional leaders still regarded themselves as the rulers of the land, and also represented a different (traditional-authoritarian) world view from that of the (Christian-liberal) world view of the new democratically elected leaders.¹⁰¹⁰ The traditional leaders thereby constituted a potential dividing force, and modern leaders “feared their possible direct and active involvement in politics”¹⁰¹¹.

The ambitions of traditional leaders and other key actors in Bechuanaland came out into the open during negotiations such as the Constitutional Talks of 1963.¹⁰¹² The Talks, where the Constitution of the future state was negotiated, were a veritable tug-of-war between traditional and modern, authoritarian and democratic, radical and liberal elements within Bechuanaland. They were attended by traditional leaders, representatives of political parties of different ideology, representatives of the white settler community, the administration and religious leaders.¹⁰¹³ Many of these saw themselves as key players in the future state and wanted to mould the Constitution accordingly. Many of the participants were also dissatisfied with the limited role finally accorded to them.

Amongst the most disappointed were the traditional chiefs, who had seen themselves as the true and legitimate leaders of the new state.¹⁰¹⁴ They came out of the Talks with much less than they had hoped for, and over time, their

¹⁰⁰⁹ Sebudubudu, D. & Molutsi, P. (2011, 12).

¹⁰¹⁰ Sebudubudu, D. & Molutsi, P. (2011, 13 and 15).

¹⁰¹¹ Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 36); and Sebudubudu, D. & Molutsi, P. (2011, 13).

¹⁰¹² This section draws heavily on Sebudubudu, D. & Molutsi, P. (2011, 11-19).

¹⁰¹³ Sebudubudu, D. & Molutsi, P. (2011, 15).

¹⁰¹⁴ Sebudubudu, D. & Molutsi, P. (2011, 15).

powers have been even further circumscribed. Today, traditional leaders remain civil servants and subordinated to central government. As discussed in previous chapters, they retain some of their traditional roles (such as presiding over traditional courts) and have also been accorded limited influence over policy-making through the House of Chiefs¹⁰¹⁵, which was given an advisory role on matters pertaining to tribes, culture and land, and which is to be consulted on legislative matters of interest to their tribe and tribal organization.¹⁰¹⁶

Of importance, however, is the fact that the traditional leaders were heard and consulted. Also, their powers were not removed altogether but reduced and transformed to fit within a modern, democratic state. With some exceptions, traditional leaders, although somewhat disgruntled, seem to have accepted their new roles and come to respect the rules of the new Government and the democratic state. Through the co-optation of traditional elites¹⁰¹⁷, the new leadership thus – at least to some extent - avoided collective action problems in the form of traditional leaders benefiting themselves and their communities at the expense of the nation as a whole, for example by engaging in corrupt activities.

5.3.3.3 Personification of certain values and leadership by example

Important, from the viewpoint of keeping corruption at bay, was also the emphasis laid on planning. The high command from the point of view of planning was the Ministry of Finance and Development Planning (MFDP)

¹⁰¹⁵ The House of Chiefs is comprised of the chiefs of the “eight principal subgroups of the Batswana [as well as] five members elected by the state President and 22 members from designated regions”. Fakir highlights the exclusion of several Botswana tribes from the House of Chiefs. He quotes a submission by the Multicultural Coalition of Botswana to the 10th session of the UN Commission on Human Rights (working group on minorities) whereby several minority and tribal groups remain excluded from decision-making processes in the political system, see Fakir, E. (2009, 3-4), see also the submission to the UN at Office of the High Commissioner for Human Rights (OHCHR) at <http://www2.ohchr.org/english/issues/minorities/group/10session.htm> (9.12.2011).

¹⁰¹⁶ Olanrewaju, S.A. et al. (2009, 3); and Embassy of Botswana, Japan at http://www.botswanaembassy.or.jp/gene_info/g_3.html (18.9.2012).

¹⁰¹⁷ Ademolekun and Morgan have called this “the successful marriage of some of the traditional forms of political organization with those adapted from the West”, see Ademolekun, L. & Morgan, P. (1999, 584).

which remained in charge of the most important planning instruments, namely the multi-year national development plans. The preparation of these plans “engaged local and central government, private and public sectors, civil society and religious leaders and elites in an elaborate process of priority selection”.¹⁰¹⁸ Due to the limited resources available, only the most urgent and viable projects could be included in the plans, which meant that white elephant projects rarely or never were included.¹⁰¹⁹ Throughout planning and implementation, the importance of using resources wisely was preached to all parties, and Seretse Khama, who was “known to abhor corruption”¹⁰²⁰, instructed civil servants not to grant any political or other favours to anyone.

Monitoring of the implementation of projects and programmes was strict. Those tasked with implementation and policy-making were selected based on talent and merit, and voices calling for recruitments on other grounds were rebuked. As a consequence, the entire administration, (which at the time was fairly small) was imbued with a spirit of making the most of the limited resources available, which meant that misuse was rare and condemned throughout.¹⁰²¹ As expressed by Rotberg, the early leaders, led by Sir Seretse Khama, were in fact “able to forge a political culture – a system of values governing the conduct of political affairs – that has endured during the peaceful and increasingly prosperous presidencies of Sir Ketumile Masire and Festus Mogae, his successors”¹⁰²². The long-term strategies of the leadership as well as their unfaltering efforts were also recognized by the Mo Ibrahim Foundation, which in 2008 accorded the (then) President Festus Mogae the Ibrahim Prize for Achievement in African Leadership for his contributions to good governance.¹⁰²³

¹⁰¹⁸ Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 34); and Sebudubudu, D. & Molutsi, P. (2011, 32).

¹⁰¹⁹ Raphaeli, N., Roumani, J. & MacKellar, A.C. (1984, 16); and Adamolekun, L. & Morgan, P. (1999, 599).

¹⁰²⁰ Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 37).

¹⁰²¹ Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 35).

¹⁰²² Rotberg, R.I. (2003, 30).

¹⁰²³ BBC News at <http://news.bbc.co.uk/2/hi/africa/7679391.stm> (5.11.2012).

5.3.3.4 Institution-building

The early leaders were also key participants in the process of national institution-building, as a result of which many of the values that they personify/personified can be discerned from the institutional framework.

The leaders, first of all contributed towards the building of a democratic state. As noted by Leith, Botswana is characterized by (i) free, fair and regular elections held in accordance with the Constitution, (ii) an active and articulate opposition with representation in the National Assembly and councils, (iii) a vigorous press, unafraid to criticize Government, (iv) orderly transitions between presidents, and (v) a judiciary which stands up to Government (and Government not attempting to change legislation so as to alter rulings).¹⁰²⁴ This view is shared by Holm and also by Freedom House which, throughout the era of interest, has classified Botswana as free/democratic, although not with the very highest ratings.¹⁰²⁵ One reason for not according Botswana the highest ratings has been that of minority rights not being fully respected, a view that is shared by Good.¹⁰²⁶ Despite these shortcomings, however, the democratic framework has been important in terms of providing an environment where a relative freedom of opinion and the rule of law prevail, most basic rights are respected, and some level of emphasis is put on transparency and access to information, all of which can be regarded as instrumental for counteracting corruption.

As part of the democratic framework, the early leaders also left their mark on formal national institutions by participating in institution-building. As shown by the analysis of institutional lines of accountability, many of these institutions are – at least to some degree – geared to enhance accountability, i.e. improving access to information, justification and sanctions on the part of principals, thereby rendering corruption less attractive and practicable. As seen from the analysis, this does not apply across the board, however, in

¹⁰²⁴ Leith, J.C. (2005, 35).

¹⁰²⁵ Holm, J.D. (1987, 23); and Freedom House (1998) at <http://www.freedomhouse.org/report/freedom-world/1998/botswana> (12.03.2013).

¹⁰²⁶ Good quoted in Leith, J.C. (2005, 38). Good, however, criticizes Botswana's categorization as a democracy on other accounts as well. Among other things, he points to the considerable powers of the President, control of the media and extreme income inequality, and categorizes the system as authoritarian liberal.

that accountability in certain cases remains inefficient. Nevertheless, political institutions and lines of accountability do form part of the explanation to why Botswana has managed to keep corruption levels low.

The early leaders also participated in the building of other formal institutions of importance from the point of view of safeguarding against corruption. These include the establishment of courts of law, and a legal system which ensures access to justice and fair trials by competent and independent judges.¹⁰²⁷ The thesis argues that these form a vital part of counteracting corruption in that they render it possible to use what many see as the most coercive of sanctions, namely criminal prosecution and conviction in a court of law. Other formal institutions of importance include entities aimed at direct oversight such as the Office of the Ombudsman, the DCEC and the Office of the Auditor General. Although at times criticized for their lack of clout and their vulnerability to pressure from the executive,¹⁰²⁸ these institutions have contributed to (i) corrupt practices being brought to light, (ii) increased awareness about and condemnation of corruption and abuse, and (iii) the creation of channels through which citizens can exercise accountability.

¹⁰²⁷ See, for instance, Olanrewaju, S.A. et al. (2009, i); and United Nations (2004) at <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan023251.pdf> (29.8.2012). Not everyone, however, regards the judiciary as completely independent. Good, Fakir and Tshosa, for instance, claim that the boundary between the executive and the judiciary has been eroded and that the executive at times dominates the judiciary, see Good, K. (2008, 37); Fakir, E. (2009, 6); and Tshosa, O. (2008, 49 and 51).

¹⁰²⁸ The independence and neutrality of the Office of the Auditor General, firstly, has at times been questioned since (i) its head, the Auditor General, is appointed by the President (who, however, cannot remove the Auditor General from office), (ii) the Auditor General being accountable to the Permanent Secretary to the President, something that is regarded as compromising his independence, and (iii) the office reporting to the Ministry of Finance and Development planning, whom it also audits, see Maundeni, Z. et al. (2006/7, 26); and Lekorwe, M. H. (2008, 78 and 83). The institution of the Ombudsman, secondly, has been criticized for (i) lacking independence due to the Ombudsman being appointed by the President (in consultation with the leader of the opposition), (ii) remaining financially dependent on the Ministry of Presidential Affairs and Public Administration, and (iii) reporting to Parliament through the President, something that dents the office's independence and room for manoeuvre, see Mpabanga, D. (2009, xvii and 22); Mpabanga, D. (2008, 109); and Mbao, M.L.M & Komboni, G.G. (2008, 67).

Economic institutions have also played a part in counteracting corruption. These include a general respect for property rights, and provisions made to safeguard these.¹⁰²⁹ Although some claim that this, at least partly, was done with the intention of benefiting the politico-economic elite itself¹⁰³⁰, these provisions also benefited the country as a whole in that they have served as a reminder about the importance of non-interference with the property of others. This is likely to have forced people to differentiate between “mine” and “yours” also in other contexts, reducing the likelihood of engagement in corrupt practices and large-scale predation.

Finally, the importance of the informal institution¹⁰³¹ of botho (discussed in chapter 5.3.3.1) is emphasized. This institution was not established by the early leadership. Neither was it always explicitly emphasized and preached. Instead, it was a principle and institution that the leaders emphasized implicitly through their work and style of leadership, and which also citizens lived by. This created a standard against which leaders were evaluated, something that affected behavioural patterns. It also made those engaging in corrupt practices the “odd ones out”, which is likely to have had a negative impact on the attractiveness of such activities.

5.3.3.5 Policy-making aimed at redistribution and increased welfare

An analysis of the factors contributing to Botswana’s successes in terms of counteracting corruption also needs to take economic and social policy into consideration. In the following, the developmental path of Botswana is discussed briefly, the argument being that the early leaders, by making certain (social) policy-choices rather than other, contributed towards reducing the need to engage in corrupt activities.

During the Protectorate era (1885-1966), the British had made a conscious decision not to spend money on Bechuanaland since the country “offered

¹⁰²⁹ Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

¹⁰³⁰ Von Soest, C. (2009, 19).

¹⁰³¹ Helmke and Levitsky (drawing on Brinks) define informal institutions as “socially shared rules, usually unwritten, that are created, communicated, and enforced outside of officially sanctioned channels”, see Helmke, G. & Levitsky, S. (2003).

very little or no opportunities for viable investments”¹⁰³². Only during the last decade of the colonial period did the British, who anticipated independence and realized that the country lacked a national economy, start investing in Botswana and its development. This was mostly done through grants-in-aid which were provided until the protectorate / state was able to meet its own expenses.¹⁰³³

A few years prior to independence, a first five-year Development Plan was prepared, outlining the areas of focus from a development perspective. These included communications and cattle production, but also mineral exploration, social services, education and health. Some efforts to improve medical facilities, provide housing, and improve facilities for education and health were in fact made during this era¹⁰³⁴, but altogether there was “no immediate large-scale development during the 1950s and 1960s”¹⁰³⁵. As a consequence, the country found itself in a dire situation on the eve of independence: 90% of the population was categorized as poor, only 25% of the population was literate, infrastructure was non-existent and agriculture was the main livelihood.¹⁰³⁶

The new nation, born in 1966, was in fact one of the poorest countries in the world with a “per capita GNP of less than US\$50”¹⁰³⁷. Due to limited funds at the onset as well as a severe drought, little could be done straight after independence to raise the standards of living of the population. The first post-colonial Government made a conscious decision, however, to make Botswana self-reliant in as short a time as possible, thus creating the prerequisites for economic and social development. Key to this endeavour was investment in mining, the idea being that this sector would yield good (and rapid) enough returns to be used for the benefit of the population as a whole. Indeed, the first diamonds were found in Orapa in 1967 and mining started in the early 1970s. Copper-nickel was also discovered in Selebi-

¹⁰³² Mwansa, L-K., Lucas, T. & Osei-Hwedie, K. (1998, 59).

¹⁰³³ Mwansa, L-K., Lucas, T. & Osei-Hwedie, K. (1998, 59); and Tlou, T. & Campbell, A. (1997, 267). According to the latter, British grants to Bechuanaland in fact increased from GBP 140 000 in 1956/57 to GBP 3 378 000 in 1965/66.

¹⁰³⁴ Mwansa, L-K., Lucas, T. & Osei-Hwedie, K. (1998, 59).

¹⁰³⁵ Tlou, T. & Campbell, A. (1997, 269).

¹⁰³⁶ Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 31), see also Mwansa, L-K., Lucas, T. & Osei-Hwedie, K. (1998, 59).

¹⁰³⁷ Mwansa, L-K., Lucas, T. & Osei-Hwedie, K. (1998, 59).

Phikwe in the mid-1960s.¹⁰³⁸ Since the 1980s, “the country has been the world's largest producer of gem-quality diamonds”¹⁰³⁹.

What is interesting from the point of view of this thesis is, firstly, that the Government ensured that all mineral rights were transferred to the state, which meant that the revenues from mining could be used for the benefit of the entire country and not just the areas where they were found. The fact that the first diamonds were found in Bangwato area¹⁰⁴⁰, i.e. the tribal lands of Sir Seretse Khama is also of importance in this context. By relinquishing mineral rights to the state, the Bangwato tribe was able to set an important example with regards to putting the interests of the state above those of the tribe.¹⁰⁴¹ The second issue of importance is that of clever alliances to ensure that the state in fact benefitted to a maximum from the mineral resources.¹⁰⁴² Thirdly, a large part of the profits from the mining industry have in fact throughout the history of Botswana been channelled into national development, and progress has been made.¹⁰⁴³

Although still facing problems of poverty and inequality¹⁰⁴⁴, Botswana has in fact, since independence, made great strides when it comes to economic, political and human development. Tangible evidence of this being the case can be seen throughout the country: nearly all villages of a certain size now have clean water, rural health centres and clinics have been built in most villages, and larger hospitals have been constructed in urban centres. Clinics and hospitals are manned with trained public health officers. Free

¹⁰³⁸ Tlou, T. & Campbell, A. (1997, 349).

¹⁰³⁹ Michigan State University at <http://globaledge.msu.edu/Countries/Botswana/Economy> (30.10.2012).

¹⁰⁴⁰ Sebudubudu, D. & Molutsi, P. (2011, 27).

¹⁰⁴¹ Some argue, however, that taking control over the mineral rights had less to do with a wish to benefit the country as a whole, and more do with the executive seeking to increase its own powers, see Poteete, A. (2011, 9).

¹⁰⁴² Sebudubudu, D. and Botlhomilwe, M.Z. (2012, 38-39), see also Sebudubudu, D. & Molutsi, P. (2011, 36).

¹⁰⁴³ Tlou, T. & Campbell, A. (1997, 349), see also Interview 15 – Senior Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

¹⁰⁴⁴ In 2009, 23% of *Batswana* were still categorized as poor, see Government of Botswana / UNDP quoted in Mupedziswa, R. & Ntseane, D. (2011). Some say these problems should not be as pronounced in a state with considerable mineral resources like the ones of Botswana, and that “the country should have come further”, see Interview 10 - Senior official of the United Nations, Gaborone, Botswana (3.10.2012).

immunization is provided against most childhood diseases, and the infant mortality rate has decreased from 100 in 1971 to 45 in 1991. Because of the high HIV/Aids prevalence (>35%) anti-retroviral drugs have been made available free of charge to most HIV positive citizens. Roads and schools have also been built, and free education was introduced in the late 1970s. Health care fees are nominal only and social safety nets such as old age pensions, feeding schemes, drought relief programmes and support to orphans and vulnerable children have been put in place. Those citizens who study at university receive full scholarships with living expenses from the state. This also includes students who are forced to study abroad since courses are not available in the country.¹⁰⁴⁵ Grobbelaar and Tsotetsi thus stress that Botswana in fact should be regarded as a welfare state, providing for its citizens in a number of different ways.¹⁰⁴⁶

The welfare state could be regarded as one of the factors contributing to corruption levels being fairly low in Botswana. On the one hand, institutionalized and often virtually cost-free social services and protection have meant that the population has not been forced to engage in corruption to access services and assistance. As opposed to many other countries, citizens have also not been forced to engage in corrupt activities to afford services subject to charge.¹⁰⁴⁷

Improved standards of living are thus argued to have contributed to the *Batswana* not needing to engage in corruption to the same extent as people

¹⁰⁴⁵ Tlou, T. & Campbell, A. (1997, 370-378); Mwansa, L-K., Lucas, T. & Osei-Hwedie, K. (1998, 60-61); Joint United Nations Programme on HIV/AIDS (UNAIDS) at <http://www.unaids.org/en/resources/presscentre/featurestories/2010/september/20100921fsmdbgbotswanaqa/> (29.10.2012); Mupedziswa, R. & Ntseane, D. (2011); World Health Organization (WHO) at http://www.who.int/countryfocus/cooperation_strategy/ccsbrief_bwa_en.pdf (30.10.2012). Although abolished in 1980, school fees were reintroduced in 2006, see IRIN Humanitarian News and Analysis at <http://www.irinnews.org/Report/53538/BOTSWANA-Reintroduction-of-school-fees-draws-mixed-response> (31.10.2012); and Spain Exchange at <http://www.spainexchange.com/guide/BW-education.htm> (29.10.2012). Data on HIV/Aids prevalence and access to IRVs is from World Health Organization (WHO) (2005) at http://www.who.int/hiv/HIVCP_BWA.pdf (5.11.2012).

¹⁰⁴⁶ Grobbelaar, N. & Tsotetsi, K. (2005), see also Interview 18 – Official with the United Nations, Gaborone, Botswana (9.10.2012).

¹⁰⁴⁷ This is in line with a statement by one of the interviewees, highlighting a linkage between the absence of scarcity, on the one hand, and corruption, on the other, see Interview 16 – Academic, University of Botswana, Gaborone, Botswana (8.10.2012).

in some other countries where social services and safety nets are less available. It should be stressed, however, that social policy could be used even more effectively to combat corruption. Social services should, first of all, be accessible to all citizens in need, further decreasing the need to engage in corrupt behaviour to access or pay for services. Services and benefits should also to an even greater extent be accompanied by measures allowing people to escape poverty and vulnerability on a more permanent basis, decreasing dependency and vulnerability to corruption, should services become payable or be terminated altogether. Thirdly, social benefits should never be allocated arbitrarily, as occasionally has been the case in Botswana where the rural poor constitute an important electoral base of the ruling party¹⁰⁴⁸, since this sends signals to the population that corruption is condoned by Government. Finally, Government should be cognisant of the fact that the support received from the state has generated deep-seated gratitude as well as “tolerance of much more than [...] should [be] tolerate[d]”.¹⁰⁴⁹ Such attitudes, although admirable, may hinder efforts to keep corruption at bay since gratitude has prevented and still prevents citizens from holding actors within government accountable when mistakes are made or power is misused.

5.4 Discussion regarding the findings of the case studies

As seen through the case studies, political institutions may consist of multiple lines of delegation and accountability of varying strength. In the case of Austria, the strength of the institutional lines of accountability resonates fairly well with data on corruption in that ease of (strong) accountability (i.e. real access to a number of accountability mechanisms and sanctions) indeed goes hand in hand with low(er) levels of corruption and vice versa. In the case of Botswana, institutional lines of accountability resonate somewhat with data on corruption, in that ease of accountability often goes hand in hand with lower levels of corruption and vice versa. Interestingly enough, however, Botswana also provides examples of corruption being kept at bay despite weak accountability, which is an

¹⁰⁴⁸ Ulriksen, M.S. (2012).

¹⁰⁴⁹ Interview 18 – Official with the United Nations, Gaborone, Botswana (9.10.2012); see also Sebudubudu, D. (2003, 126).

interesting finding, pointing to also other factors having a major bearing on levels of corruption in this country context.

The cases of Austria and – although to a lesser extent – Botswana show that the political institutions studied and the nature of the lines of accountability inherent to them do affect levels of corruption. This points to a pathway between political institutions and corruption. This finding does not, however, confirm the research hypotheses of the thesis, namely (i) that the political institutions of interest have a reducing effect only on levels of corruption and (ii) that they reduce levels of corruption by enhancing accountability. Instead, the political institutions – through the lines of accountability inherent to them – have reducing as well as increasing effects on levels of corruption. This is so since lines of accountability both enhance and impede accountability, thereby also counteracting as well as facilitating corrupt practices.

This is visible from table 29, which shows that linkages between institutional lines of accountability and corruption in the case of Austria (and to a certain degree also in the case of Botswana) mostly can be found in categories 1 and 4 (characterized by resonance between lines and levels of corruption), whereas linkages between lines and corruption in the case of Botswana can be found in categories 1, 3 and 4, pointing to resonance as well as dissonance between the two.

What does this mean in practice? Linkages falling into category 4, firstly, indicate that the political institutions have an effect on levels of corruption, and this effect being reducing. Linkages falling into category 1, secondly, point to certain levels of corruption existing in both societies, and weak institutional lines of accountability contributing to such corrupt practices, i.e. the political institutions of interest having an increasing effect on levels of corruption. Linkages falling into category 3, finally, indicate that factors other than the political institutions of interest (and the lines of accountability inherent to them) contribute towards corruption levels being low/reduced.

Table 29: Categorization resulting from the juxtaposition of lines of accountability and levels of corruption

	Weak(er) accountability	Strong(er) accountability
High(er) corruption levels	1. Resonance: Institutional line of accountability has increasing effect _____ Austria, Botswana	2. Dissonance: Institutional line of accountability has no effect (other factors affect corruption levels) _____
Low(er) corruption levels	3. Dissonance: Institutional line of accountability has no effect (other factors affect corruption levels) _____ Botswana	4. Resonance: Institutional line of accountability has reducing effect _____ Austria, Botswana

This shows that political institutions in fact should be regarded as producers of “mixed signals” when it comes to accountability and – in the extension – corruption. The nature of these signals is not the only thing of interest when trying to counteract corruption, however. Instead, the case studies show that attention also should be paid to the relationship between lines, since some lines seem to be more dominant than others. As a result, strong lines at times seem to counteract for weak lines and vice versa.

This points to macro-level analyses not being optimal when trying to establish the effect of a given political institution on levels of corruption. Instead of approaching the relationship at a macro-level, the analysis suggests it should be approached at a micro-level using institutional lines of accountability rather than institutions as units, mapping whether these lines enhance or impede accountability, thereby obstructing or facilitating corrupt practices. Such analyses should also acknowledge that lines of accountability may dominate or counterbalance one another and that lines, therefore, at times should be accorded different weights or importance. This, in turn, means that the overall effect of a given institution cannot be established without in-depth analysis and knowledge about the context within which the institution is set.

These findings are likely to at least partly explain why the macro-level quantitative analyses conducted (see chapter 4.3) failed to provide a clear-cut picture of the relationship between the variables. For natural reasons,

these analyses failed to take the multifaceted nature of single political institutions into consideration, treating these institutions as one rule rather than a multitude of (sometimes contradictory) rules. As a result, the analyses ended up approaching political institutions – and thereby also their effects on levels of corruption – in a somewhat simplistic fashion.

Also the case study of Botswana produced unexpected results when juxtaposed to the main statistical analysis. As discussed, the main statistical analysis categorized Botswana as an outlier, as a result of which the political institutions included were expected to have little or no impact on the country's low levels of corruption. The case studies showed, however, that the political institutions and the institutional lines of accountability inherent to them in certain cases did hold an answer to Botswana's successes in terms of keeping corruption from becoming entrenched.

The political institutions of interest to the thesis were not, however, the only institutions (or factors) to have contributed to Botswana exhibiting relatively low levels of corruption. Instead, the study pointed to a number of (formal as well as informal) institutions as having played a part with regards to counteracting corruption. This finding shows the importance of studying not only formal political institutions but also e.g. economic institutions, oversight institutions and informal institutions of importance in a given context, when seeking answers to why levels of corruption remain low.

The case study of Botswana also emphasized the importance of studying the individuals and collectives which have contributed towards building these institutions, and who themselves influence the behaviour of others. More specifically, the case study stressed the importance of the early leaders of Botswana, arguing that these have helped reduce the opportunities for and the attractiveness of corruption in the context of Botswana through their (i) values and leadership styles, (ii) strategies and approaches, (iii) contributions to institution-building, and (iv) policy-making. As part of these, the following factors were brought to the fore: (i) the importance of an inclusive, consultative approach so as to unite actors around common goals and avoid collective action problems, (ii) a focus on accountability, talent, merit and a condemnation of corruption so as to avoid misuse and inefficiency, (iii) institution-building focused on openness, respect for basic rights, accountability, oversight, and respect for others, and (iv) (social)

policy-making aimed at redistribution of wealth and increasing the welfare of all citizens.

CONCLUSION

Representative democracy is characterized by the delegation of power and authority from the people to their representatives and beyond. As a consequence, principal-agent relationships are established between citizens and their representatives, and between actors from/to whom power is further delegated. Delegation of power and authority from principals to agents has many advantages, including that of principals being able to rely on people with greater expertise than their own in a particular field. Delegation also involves risks, however, in that agents may choose to disregard the wishes of their principal, instead acting at will. Such disregard for the wishes of and instructions from the principal may take the form of corruption, i.e. engagement in behaviour which deviates from the formal duties of a public role for personal benefit or that of family members, friends etc. This thesis regards political institutions as entities capable of solving many of the problems inherent to principal-agent relationships, including cases whereby agents engage in corrupt practices.

In the following, the findings of the thesis will be discussed in the light of the research hypotheses formulated, namely (i) that the political institutions of interest have a reducing effect on levels of corruption and (ii) that they reduce levels of corruption by enhancing accountability. The overview starts with a discussion pertaining to the findings of the quantitative analysis of the relationship between the political institutions of interest to the thesis and corruption, and then proceeds to discussing the outcome of the case studies. Finally, the overview discusses the overall contribution by the thesis to the state of the arts.

6.1 The outcome of the quantitative analysis

The relationship between the political institutions of interest and levels of corruption was first analysed using quantitative method, namely hierarchical multiple regression analysis.

The main regression analysis, which included democratic countries with stable institutions, pointed to a relationship between political institutions and corruption, given that institutions accounted for about 44% of the variation on the corruption variable (see chapter 4.3). More specifically, the main analysis singled out federalism, party-centred electoral systems and (although to a lesser extent) parliamentarism as having a reducing effect on levels of corruption. Additional analyses executed, however, pointed to these relationships not being completely robust and reliable. Based on the statistical analyses conducted, therefore, a stable, unequivocal causal relationship could not be established, which in turn meant that neither research hypothesis could be confirmed using this method.

The analysis concluded, however, that although a stable and unequivocal causal relationship could not be established based on the analyses undertaken, the fact remained that many of the independent institutional variables included in the analyses did exhibit significant relationships or relationships bordering on significance. Such results, it was argued, could not be disregarded since they pointed to some sort of interplay between the political institutions studied and levels of corruption. An in-depth study of this interplay was felt to be warranted to obtain a more detailed picture of the true nature of the relationship between the variables and the mechanisms through which such a relationship might operate at the micro-level.

6.2 The outcome of the qualitative case studies

Qualitative case studies were undertaken to form a clearer picture of the relationship between the political institutions of interest and levels of corruption, including pathways between the two. The first case, Austria, was selected with a point of departure in the statistical analysis due to its proximity to the line of best fit, i.e. the fact that the political institutions included in (model 2 of) the main statistical analysis seemed to form an

integral part of the answer to why the country had managed to keep levels of corruption fairly low. As a consequence, the case provided an opportunity to examine the relationship between these institutions and levels of corruption at a closer range, with a view to establishing the pathways through which such a relationship operated.

The case study in question set out to (i) identify principal-agent relationships and institutional lines of accountability inherent to the national political institutions of interest (parliamentarism, the party-centred electoral system and federalism), (ii) scrutinize these from the point of view of the accountability mechanisms¹⁰⁵⁰ available to principals, and (iii) establish links between the strength of these institutional lines of accountability and accounts of corruption, the aim being to establish whether accountability constituted the pathway through which the political institutions affected corruption.

The analysis generated some interesting findings. First of all, the analysis showed that the institutional lines of accountability ranged from strong to weak. Interestingly enough, secondly, these lines of different strength resonated well with data on corruption, with strong lines being associated with low(er) levels of corruption, and semi-strong and weak lines being associated with slightly higher levels of corruption. This confirmed the existence of a linkage between (i) the extent to which the political institutions examined enabled accountability and (ii) outcomes in terms of corruption.

The analysis pointed to strong lines of accountability often including voters / ordinary citizens as principals. These and other strong principals used a wide range of accountability mechanisms. *Ex ante* accountability (undertaken before (s)electing an agent so as to avoid unsuitable candidates being contracted) often included screening through the media, electoral campaigns, interviews, aptitude tests, work within the party organization, private interaction, and information from authorities. Some of these mechanisms also provided agents with opportunities to “market” themselves vis-à-vis potential principals (selection). Sanctions available *ex ante* mostly

¹⁰⁵⁰ As outlined in chapter 3.3.2, these include mechanisms to hold agents accountable *ex ante* (contract, screening, selections and different sanctions) as well as mechanisms to hold agents accountable *ex post* (reporting, monitoring and sanctions).

included refusal to appoint unsuitable candidates, refusal of ballot access or a poor ranking on party lists.

Accountability *ex post* (undertaken after (s)electing an agent so as to detect potential lapses), on the other hand, often included (i) monitoring through the media, committee work, meetings, reports from oversight bodies such as the Audit Office, and regular staff appraisals, and (ii) self-reporting through speeches, plenary sessions, and meetings with constituents. Sanctions available *ex post* included fines, exclusion from positions of trust or interesting assignments, refusal to provide political support, termination of contract and expulsion from the party.

Weak lines of accountability had one common denominator, namely the fact that mechanisms (including sanctions) to hold agents to account often existed formally but these being inaccessible in reality. One example was that of the formal powers of the provincial legislature to remove the provincial government from office through a vote of no confidence, something that in practice could not be done in many provinces due to *Regierungsproporz*, i.e. the practice of including all parties in the provincial government.

Strong as well as weak lines of accountability often entailed some sort of “contract” between the principal and the agent with regards to tasks, powers and responsibilities as well as the principles to be followed when executing these tasks. Such contracts included national legislation (the Constitution, anti-corruption legislation etc.), campaign promises, bureaucratic guidelines and party statutes. Due to the at times (i) vague, (ii) non-binding, (iii) non-task- or agent-specific nature of these contracts, however, it was sometimes difficult for principals to enforce them.

The case study of Botswana also pointed to a relationship between institutional lines of accountability and levels of corruption, with strong (lines of) accountability oftentimes contributing towards lower levels of corruption and vice versa. This was interesting, since the case of Botswana was selected due to its distance from the line of best fit, i.e. the fact that factors other than the political institutions included in the statistical analyses seemed to hold an important part of the answer to the country’s successes in terms of keeping corruption levels relatively low. In the context of Botswana, strong principals included a number of line ministries, the President and the voters/community members. These acquired information about their agents

ex ante and *ex post* by means of media reports, audit reports, formal documents, the *kgotla* (village assembly), informal events, staff appraisals, meetings, and information from authorities. Principals had access to sanctions such as e.g. (i) refusing appointment, recognition or political support, (ii) withdrawal of funding, (iii) dismissal, or (iv) rejection of plans and policies. Also in the case of Botswana, the lines of accountability which were evaluated often entailed some kind of “contract” between the principal and the agent. Such contracts included e.g. national legislation (the Constitution, the Corruption and Economic Crimes Act, the Chieftainship Act etc.), the Public Service Charter, and party programmes and constitutions.

The two case studies pointed to a relationship between the political institutions analysed and levels of corruption, and accountability being the pathway between the two. These findings did not, however, confirm the research hypotheses of the thesis, namely (i) that the political institutions of interest have a reducing effect on levels of corruption and (ii) that they reduce levels of corruption by enhancing accountability. Instead, the analysed political institutions – through the lines of accountability inherent to them – were found to have reducing as well as increasing effects on levels of corruption. This was so since lines of accountability both enhanced and impeded accountability, thereby also counteracting as well as facilitating corrupt activities.

These findings served as an important reminder of the fact that single political institutions should be understood and studied as more than just one numerical value or rule. Instead, political institutions are made up of a multitude of rules, which vary in strength and often contradict each other. This was illustrated by the case studies, which pointed to political institutions often sending a multitude of (at times contradictory) signals with regards to accountability, thereby affecting the feasibility and attractiveness of corruption. The analysis highlighted the importance of understanding (i) the nature of these signals, but also (ii) their interrelationship, since certain lines – depending on the context – appeared to be more dominant than others. As a result, strong lines at times seemed to counteract for weak lines and vice versa. This highlights the need for context-based analyses of the ways in which lines interact with and sometimes dominate each other. Only then can the lines be “added together” and the overall effect of institutional lines of accountability estimated, the thesis suggests.

The case studies point to macro-level, quantitative analyses not necessarily being the most fruitful way of studying the linkage between political institutions and corruption. This is so since quantitative, macro-level studies are likely to reduce political institutions as well as corruption to “one digit”, losing out on the multifaceted nature of these phenomena in the process. Qualitative, micro-level studies, however, make it possible to see the many faces of institutions as well as corruption, and to delve into pathways between the two. This may also partly explain why the statistical analyses conducted within the framework of the thesis failed to provide a clear, stable picture of the relationship between the variables. After all, the statistical analyses only captured a portion of the multifaceted nature of political institutions and corruption, and was therefore unable to provide more than (unstable) pointers with regards to the nature of their interaction.

Although just emanating from two cases, these findings should be of interest more generally (i) from a methodological point of view as well as (ii) with regards to accountability mechanisms as a pathway through which political institutions affect levels of corruption. Linkages between (i) the application of such mechanisms and (ii) the prevalence of corruption has rarely been studied at the micro-level, wherefore the thesis should provide new insights into the interaction between the variables.

The case study of Botswana also provided findings beyond the research hypotheses. As a case selected due to its distance from the line of best fit, the country provided an opportunity to study not just the political institutions of interest to the thesis and their effect on levels of corruption, but also other potential determinants – institutional as well as non-institutional.

The case study opened with an analysis of the linkages between institutional lines of accountability and prevalence of corruption. As mentioned, this analysis showed that the political institutions and the institutional lines of accountability examined at least partly explained the country’s fairly low levels of corruption. As expected, however, the institutional analysis exhibited greater dissonance between the strength of lines of accountability and levels of corruption than in the case of Austria. The case study, therefore, also delved into other (institutional and non-institutional) factors considered to have a bearing on levels of corruption.

This broader analysis brought a number of other determinants of corruption to the fore. As a starting point, the analysis emphasized the importance of scrutinizing not only institutions but also the individuals who have contributed towards their creation and who in turn influence the behaviour of other actors. More precisely, the case study of Botswana highlighted the pivotal role of the early leaders of Botswana in terms of setting the country on a course for development and ensuring that corruption would be an exception. The background, education and personal experiences of these early leaders were analyzed, as well as the fact that they were brought up valuing integrity, unselfishness, equality and respect for others. These values filtered into their personalities and styles of leadership. As a result, the thesis argues, they made decisions and chose paths which ended up having reducing, deterring or exposing effects with regards to corruption.

The case study accounted for a number of such paths and decisions. During the critical years leading up to independence, firstly, the leaders recognized the importance of consultation and inclusion of different national actors in the process of state-building. As part of the process, many different groups and actors were given a voice and a role, and efforts were made to accommodate sometimes diametrically opposed views and aspirations. As a result, these actors were united around common visions and goals, including that of building a democratic state focused on increasing the welfare of all citizens. The thesis argues that this inclusive and consultative approach to state-building had a counteracting effect on corruption since actors were geared to work for the good of the nation and its people rather than that of their village, region, ethnic group (or similar) only.

These same leaders, secondly, contributed towards the building of a number of important institutions. These include formal political institutions, many of which (at least to some extent) were geared to enhance, for instance, accountability, thereby having an exposing, deterring and reducing effect on levels of corruption. Other national institutions also rendered corruption less practicable and attractive, however. Among these, the case study highlights the importance of judicial institutions such as courts, economic institutions such as property rights, oversight institutions such as the Ombudsman and the Auditor General, and informal institutions such as *botho*, i.e. the principle of being a person characterized by – among other things – integrity, honesty, unselfishness, and respect, and subordinating one's

personal interest to those of the community. All of these institutions are believed to have had a deterring, exposing and reducing effect on corruption.

Thirdly, the early leaders emphasized the importance of planning, monitoring, the wise use of resources, and competence. As a result, projects and programmes underwent meticulous scrutiny before as well as during implementation, and non-viable initiatives were rejected. It was also clear throughout that appointments and promotions were made based on merit. As a result, misuse was rare.

Fourthly, the thesis argues that the early leadership contributed towards keeping corruption from becoming entrenched by emphasizing broad-based development. Institutionalized and often cost-free social services and protection meant that community members did not have to engage in corrupt practices to access or afford services or assistance. This is argued to have had a reducing effect on levels of corruption.

Although just one case, the case of Botswana provides pointers of a more universal nature with regards to factors with a bearing on levels of corruption. More precisely, the case study highlights the need for:

- (i) Continued research into linkages between institutions and corruption, although with a more holistic approach to institutions, also taking the effect of informal institutions on corruption into account.
- (ii) Research into linkages between the set of values, strategies and preferences of key leaders, on the one hand, and the prevalence of corruption, on the other.

The latter point is in line with Lyne de Ver and Leftwich, who stress that the political sciences often neglect issues of agency, leadership, elites and coalitions in favour of analyses into structures.¹⁰⁵¹

¹⁰⁵¹ Leftwich, A. (2010, 93; and Lyne de Ver, H. (2008, 27).

6.3 Contributions to the state of the arts

In light of the above, how might these findings contribute to the state of the arts?

As outlined above, the study, first of all, makes a methodological contribution, by showing that quantitative, macro-level analyses have their limitations when it comes to studying the linkages between political institutions and levels of corruption. Instead, the thesis shows that case studies allow for the multifaceted nature of these variables to be studied, and the relationship between them to be better understood. Furthermore, the thesis shows that interesting insights into this relationship can be gained by delving into the nature of and relationship between lines of accountability inherent to political institutions. Despite considerable interest in the linkages between political institutions, accountability and corruption, such a method has rarely been applied before, especially at the level of detail and depth of the study at hand, wherefore the analysis should be of interest to researchers and practitioners with an interest in pathways between the two variables. This is so since the thesis shows that political institutions and the nature of the lines of accountability inherent to them do have a bearing on levels of corruption, and that access to a number of accountability mechanisms makes it possible for principals to keep agents in check, thus counteracting corrupt practices. The thesis also shows, however, that the lack of access to these same mechanisms has an increasing effect on levels of corruption.

Secondly, the thesis makes a contribution by mapping the pathways between political institutions and corruption in the country contexts of Austria and Botswana, scrutinizing principal-agent relationships, access to accountability mechanisms and linkages to the prevalence of corruption. As such, it should be of interest to researchers and practitioners interested in linkages between the variables in these contexts. The study thereby builds on research undertaken by e.g. Müller and Maundeni.¹⁰⁵²

¹⁰⁵² In the case of Austria, political institutions have been analysed from a principal-agent perspective by Müller, W.C (2003) Müller does not, however, link these relationships to prevalence of corruption. In the case of Botswana, Maundeni, Z. (ed.) (2008a) analyses linkages between political institutions, accountability and corruption, without, however, looking at these issues through a principal-agent lens and discussing accountability mechanisms.

Through the case study of Botswana, thirdly, the thesis also scrutinizes determinants of corruption other than the political institutions of interest to the thesis. This analysis emphasizes the need for research into the effects on corruption of a broader range of institutions, including informal institutions which often remain poorly documented and understood. The analysis also highlights the importance of research into the actors who build, maintain, transform and operate within these (institutional) structures. This is in line with Leftwich, who maintains that institutions as rules remain empty boxes if actors are not taken into consideration.¹⁰⁵³ The analysis highlights how the early leaders of Botswana shaped and maintained structures so as to achieve development. They did this, firstly, by joining hands with other key players within the state. Secondly, they built efficient formal institutions, provided for social security and safety nets, and forged a political culture of merit and integrity. In the process, the thesis argues, they took important steps to reduce the practicability and attractiveness of corrupt practices in society.

¹⁰⁵³ Leftwich, A. (2010, 95).

SAMMANFATTNING PÅ SVENSKA

Representativ demokrati karakteriseras av delegation av makt från folket till politiska representanter och från dessa vidare inom det politiska systemet. Som en följd, uppstår en uppsjö av relationer inom vilka den delegerande parten (principalen) anförtror makt till en delegat (agenten) och önskar se denna agera i överensstämmelse med regler och principer fastslagna av principalen. Delegation av makt har klara fördelar i det att makt kan anförtros till agenter med större sakkunskap än den som principalen själv besitter inom ett visst område. Delegation innebär emellertid också risker eftersom agenten inte alltid delar principalens preferenser eller syn på hur uppgifter bör utföras. Principalen har därtill begränsad insyn i agentens prioriteter och ageranden. Delegation av makt kan därför i värsta fall leda till situationer där principalen inte längre har kontroll över agentens förhållanden, vilket innebär att agenten kan engagera sig i aktiviteter som strider mot principalens intressen. Till dessa hör inblandning i aktiviteter av korrupt natur, d.v.s. beteende som avviker från de formella förpliktelserna relaterade till en offentlig roll, med mål att uppnå fördel för en själv, en familjemedlem, vän eller annan närstående person eller grupp.

Denna avhandling studerar politiska institutioner som verktyg med hjälp av vilka många av de problem som uppstår i relationen mellan principalen och agenten kan lösas. Politiska institutioner ses som fastställda regler, procedurer och praxis för beteende, som bör efterföljas och som strukturerar relationerna mellan individer. Som sådana definierar politiska institutioner deltagarna i ett antal politiska processer samt de procedurer och regler som deltagarna bör agera enligt eller rätta sig efter. Detta gör att politiska institutioner definierar hur makt kan och borde utövas, och sätter gränser för vad som är tillåtet eller otillåtet, möjligt eller omöjligt.

Avhandlingen studerar huruvida politiska institutioner påverkar förekomsten av korruption genom att skapa förutsättningar för eller förhindra ansvarsutkrävande. Ansvarsutkrävande ses här som en viktig nyckel till problemen mellan principaler och agenter eftersom ansvarsutkrävande innebär att (i) principalen får mer information om agentens förhållanden och prioriteter, (ii) agenten tvingas rättfärdiga sitt agerande gentemot

principalen, och (iii) principalen får tillgång till sanktioner som kan användas om agenten felar.

Avhandlingen intresserar sig för hur den exekutiva maktens struktur (operationaliserad som parlamentarism, presidentialism och semi-presidentialism), valsysteem (operationaliserade som parti- och kandidat-centrerade), vertikal maktfördelning (operationaliserad som federalism, decentraliserad unitarism och centraliserad unitarism) samt byråkratins storlek (operationaliserad som BNP/capita) påverkar förekomsten av korruption. Dessa institutionella aspekter har valts ut med utgångspunkt i tidigare forskning kring sambandet mellan politiska institutioner och korruption. Denna tidigare forskning – som ofta intresserat sig för sambandet mellan variablerna på makronivå – har inte producerat entydiga resultat. En stor del av densamma har inte heller på mikronivå skärskådat de mekanismer genom vilka politiska institution kan tänkas påverka förekomsten av korruption.

Mot denna bakgrund, har avhandlingen som avsikt att studera sambandet mellan politiska institutioner och korruption på såväl makro- som mikronivå. På makronivå studeras sambandet mellan variablerna med hjälp av statistisk analys. Målsättningen inom ramen för denna analys är att etablera huruvida de politiska institutioner som avhandlingen intresserar sig för minskar förekomsten av korruption. På mikronivå studeras sambandet mellan variablerna med hjälp av två fallstudier (Österrike och Botswana). Målsättningen inom ramen för dessa analyser är att studera de mekanismer genom vilka politiska institutioner påverkar korruption, närmare bestämt huruvida de politiska institutioner som avhandlingen intresserar sig för minskar förekomsten av korruption genom att skapa förutsättningar för ansvarsutkrävande.

Analyserna ger nya insikter i sambandet mellan politiska institutioner och korruption. Analyserna visar, för det första, att kvantitativ metod på makronivå inte nödvändigtvis är bäst lämpad för analyser av sambandet mellan de två variablerna. Detta beror på att såväl politiska institutioner som korruption i en dylik analys reduceras till en siffra, vilket gör det omöjligt att studera korruptionens och institutionernas många ansikten, och kopplingar mellan variablerna. Istället visar studien att kvalitativ analys på mikronivå gör det möjligt att fånga olika aspekter av såväl korruption som

institutioner, vilket också bidrar till en bättre förståelse för samspelet mellan dessa.

Den kvalitativa analysen visar att detta samspel med fördel kan studeras med hjälp av s.k. linjer för ansvarsutkrävande som utgör en del av de politiska institutionerna. Dessa linjer är tidvis starka d.v.s. möjliggör effektivt ansvarsutkrävande, och tidvis svaga d.v.s. hindrar effektivt ansvarsutkrävande. Fallstudien av Österrike visar att starka linjer oftast går hand i hand med låg korruption medan svaga linjer går hand i hand med högre korruption. Detta bekräftas också delvis genom fallstudien för Botswana. Detta tyder på att de politiska institutionerna i fråga påverkar förekomsten av korruption men inte enbart minskande eftersom linjerna som studeras till sin natur är både starka och svaga, d.v.s. har en minskande och ökande effekt på korruptionsnivån. Intressant nog förefaller vissa linjer dock ha en mer dominant roll än andra vilket gör att svaga linjer tidvis trängs undan av starkare linjer (och vice versa). Fallstudien av Österrike visar t.ex. att de politiska partierna utgör starka principaler i denna landskontext och att de starka linjerna för ansvarsutkrävande mellan partier och olika agenter förefaller kompensera för ett antal svagare linjer.

Fallstudien av Botswana uppvisar därutöver svaga linjer för ansvarsutkrävande kopplade till en låg korruptionsnivå, vilket tyder på att de politiska institutioner (och de linjer för ansvarsutkrävande som utgör en del av dem) som studeras inte till fullo kan förklara varför landet uppvisar en låg korruptionsnivå. Fallstudien uppmärksammar därför också andra faktorer som påverkar förekomsten av korruption. Studien tar fasta på Botswanas tidiga ledarskap och ledarnas bidrag till den låga korruptionsgrad landet idag uppvisar. Närmare bestämt betonar studien vikten av (i) inklusiva och konsultativa strategier som enar aktörer kring gemensamma målsättningar och förhindrar att aktörerna enbart agerar för egen vinning, (ii) att konstant och explicit fördöma korruption och betona kompetens, meriter och kontroll, (iii) (formella och informella) institutioner som bidrar till öppenhet, respekt för basrättigheter, ansvarsutkrävande, kontroll och respekt för andra, och (iv) (social)politik vars målsättning är att omfördela tillgångar och öka alla medborgares välfärd. Fallstudien rekommenderar sålunda att framtida forskning kring korruptionens orsaker i högre grad borde fokusera på (i) institutioner i en bredare bemärkelse (d.v.s. formella såväl som informella) samt (ii) ledarskap och ledares värdegrund, ledarstil, strategier

och politiska linjeval. Överlag pekar avhandlingen dessutom på ett behov av kvalitativ och kontext-baserad analys av orsakerna till korrruption.

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Interview 2 – Board member of Transparency International Austria, Vienna, Austria 1.9.2009.

Interview 3 – Senior official with the Austrian Ombudsman Board, Vienna, Austria 2.9.2009.

Interview 4 – Senior officials with the Federal Chancellery, Vienna, Austria 2.9.2009.

Interview 5 – Senior official with the Institute of Conflict Research, Vienna, Austria 3.9.2009.

Interview 6 – Senior official of the Bureau for Internal Affairs, Ministry of the Interior, Vienna, Austria 3.9.2009.

Interview 7 – Researcher with the University of Vienna, Vienna, Austria 4.9.2009.

Interview 8 – Senior official of the Austrian Court of Audit, Vienna, Austria
22.9.2009.

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Botswana – Interviews

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Interview 12 – Official of the Friedrich Ebert Stiftung, Gaborone, Botswana
4.10.2012.

Interview 13 – Official with the United Nations, Gaborone, Botswana 5.10.2012.

Interview 14 – Staff member with the Lutheran Mission, Gaborone, Botswana
5.10.2012.

Interview 15 – Senior Academic, University of Botswana, Gaborone, Botswana
8.10.2012.

Interview 16 – Academic, University of Botswana, Gaborone, Botswana 8.10.2012.

Interview 17 – Academic, University of Botswana, Gaborone, Botswana 9.10.2012.

Interview 18 – Official with the United Nations, Gaborone, Botswana 9.10.2012.

Interview 19 – Senior official with the Office of the Ombudsman, Gaborone,
Botswana 9.10.2012.

Finland – Interview

Interview 20 – Former staff member with the Lutheran Mission, Gaborone,
Botswana 4.9.2012.

APPENDICES

APPENDIX 1: Institutional definitions

Institutions	Features	
Presidential executive	A	1. The Head of State simultaneously being Head of Government 2. The Head of State nominating and leading Government
	B	1. The President being popularly elected with a fixed term 2. Parliament not being able to discharge the President by a vote of no confidence
Parliamentary executive	A	1. The Head of State as a rule not simultaneously being Head of Government
	B	1. Government as a rule being elected from within Parliament and being dependent on parliamentary confidence
Semi-presidential executive	A	1. The president as a rule being popularly elected. 2. The president not being dependent on parliamentary confidence
	B	1. Government (incl. the PM) being dependent on the confidence of a popularly elected legislature
	C	1. The Head of Government and Head of State sharing executive powers
Candidate-centred electoral system	A	1. Candidates having virtually unrestricted access to the ballot or 2. Voters being able to influence order of names on the lists
	B	1. Voters voting directly for a candidate
Party-centred electoral system	A	1. Ballot-access being determined in-house (within party) or 2. Voters being unable to influence order of names on the lists
	B	1. Voters usually not voting directly for a candidate
Small bureaucracy	A	1. A relatively smaller funding envelope for the public sector 2. Actors within the public sector having control over a relatively narrower sphere of activities
	B	1. A smaller percentage of the workforce being employed by the public sector
Large bureaucracy	A	1. A larger funding envelope for the public sector 2. Actors within the public sector having control over a relatively wide sphere of activities
	B	1. A larger percentage of the workforce being employed by the public sector

Federalism	A	1. The entire territory is divided into autonomous regions
	B	1. Different layers of Government exist 2. Labour is divided between these layers
	C	1. The autonomy of the regions and the competencies cannot be altered against the will of the regions
Decentralized unitarism	A	1. There may be a division into autonomous regions
	B	1. There may be different levels of government and division of labour also to the regions 2. The regions may have final say on certain issues
	C	1. As a rule, autonomy and the division of competencies exist only if awarded by the center 2. Powers can be withdrawn if the center so wishes
Centralized unitarism	A	1. Regions, to the extent that they exist, are not autonomous
	B	1. There may be different levels of government but little or no division of labour to the regions. 2. The regions rarely have final say on key issues
	C	1. Autonomy and the division of competencies exist only if awarded by the center 2. Powers can be withdrawn if the center so wishes

APPENDIX 2: Statistical data¹⁰⁵⁴

Country	Continuous democracy variable (PR + CL 2000) (i)	Worldwide Governance Indicators (2005) (ii)	Executive (2000) (iii)	Electoral system (2000) (iv)	Vertical division of power (2000) (v)	Public sector expenditure (% of GDP 2000) (vi)	Percentage of Protestants (vii)	GDP/capita (ln) (USD 1995) (viii)
Andorra	2	3,750	1	1	3		0,5	9,71
Australia	2	4,450	1	1	1	34,6	23,5	9,99
Austria	2	4,489	1	2	1	51,4	6,5	9,94
Bahamas	2	3,820	1	1	3	16,6	47,2	9,69
Barbados	2	3,670	1	1	3		33,2	9,5
Belgium	3	3,953	1	2	1	49,0	0,4	9,94
Belize	2	2,275	1	1	3		13,2	8,72
Botswana	4	3,600	3	1	3		26,8	8,67
Bulgaria	5	2,449	1	2	3	32,3	0,4	8,8
Canada	2	4,424	1	1	1	41,1	29,6	10,02
Cape Verde	3	2,712	3	2	3		3	8,05
Chile	4	3,837	3	2	3	21,9	1,9	9,07
Cyprus	2	3,194	3	2	3	37,4	0,6	9,68
Czech Republic	3	2,922	2	2	3	41,7	4,6	9,44
Denmark	2	4,733	1	2	2	53,9	95,2	10,05
Dominica	2	3,175	1	1	3		8,3	8,78
Dominican Republic	4	1,841	3	2	2	13,3	1,4	8,2
El Salvador	5	2,105	3	2	3	17,0	2,4	8,33
Estonia	3	3,380	2	2	3	28,0	66	8,87
Germany	3	4,420	1	2	1	45,1	46,4	9,94
Greece	4	2,902	1	2	3	40,7	0,1	9,41
Grenada	3	3,175	1	1	3		13,2	8,48
Guyana	4	1,922	3	2	3		18	7,87
Hungary	3	3,132	1	1	3	46,5	21,6	9,05
Iceland	2	4,993	1	2	3	42,0	96,6	9,92

¹⁰⁵⁴ The key to categorizations can be found at the bottom of the table. For more information about the variables, see chapter 4.1.2.

India	5	2,186	1	1	1	15,8	1,1	7,58
Ireland	2	4,200	1	2	3	31,6	1,1	9,74
Israel	4	3,262	1	2	2	47,6	0,2	9,66
Italy	3	2,908	1	1	2	46,1	0,4	9,89
Jamaica	4	2,004	1	1	3	35,4	55,5	8,23
Japan	3	3,743	1	1	3	39,1	0,9	10,04
Kiribati	2	2,720	2	1	2		45,3	6,81
Latvia	3	2,835	1	2	3	28,1	14,1	8,69
Liechtenstein	2	3,750	1	2	3		10,7	9,95
Lithuania	3	2,765	2	1	3	26,8	.	8,7
Luxembourg	2	4,335	1	2	3	37,6	1,2	10,43
Mali	5	2,209	3	1	3		0,2	6,67
Marshall Islands	2	2,070	1	1	3		.	7,41
Mauritius	3	2,818	1	1	3	21,6	0,9	9,31
Monaco	3	..	1	1	3		4,6	10,04
Mongolia	5	1,950	3	1	3	29,3	0	7,27
Namibia	5	2,563	3	2	3	31,6	64,2	8,37
Netherlands	2	4,488	1	2	2	44,2	42,4	9,93
New Zealand	2	4,736	1	2	3	39,6	37,9	9,75
Norway	2	4,544	1	2	3	42,3	97,8	10,04
Panama	3	2,235	3	1	3	22,1	5,2	8,6
Philippines	5	1,920	3	1	2	17,4	3,8	8
Poland	3	2,693	2	2	2	41,1	0,1	8,88
Portugal	2	3,635	1	2	2	43,1	1,1	9,47
Saint Vincent and the Grenadines	3	3,504	1	1	3		40,7	8,71
Samoa (Western)	4	2,675	1	1	3		76,3	
Slovenia	3	3,383	2	2	3	40,2	0	9,44
South Africa	3	3,045	3	2	2	27,9	39	8,87
South Korea (Rep. of)	4	2,967	3	1	3	23,9	12,2	9,51
Spain	3	3,844	1	2	2	39,0	0,1	9,68
St. Kitts and Nevis	3	3,504	1	1	2		52	9,28
St. Lucia	3	3,648	1	1	3		6,3	8,73
Sweden	2	4,598	1	2	3	57,1	68,4	9,93
Thailand	5	2,260	1	1	3	18,0	0,2	8,8
United Kingdom	3	4,437	1	1	2	37,5	16,1	9,86
USA	2	4,064	3	1	1	34,2	43,6	10,24
Vanuatu	4	2,761	1	1	2		54,6	7,18

(i) PR = Political Rights, CL = Civil Liberties, source: Freedom House

- (ii) *The original scale ranges from -2.5 to +2.5. This scale has been transformed into a scale ranging from 0-5, source: World Bank Institute*
- (iii) *1 = parliamentary, 2 = semi-presidential, 3 = presidential, source: Comparative Data Set of Political Institutions, Åbo Akademi*
- (iv) *1 = candidate-centred, 2 = party-centred, source: Comparative Data Set of Political Institutions, Åbo Akademi*
- (v) *1 = federal, 2 = decentralized unitary, 3 = centralized unitary, source: Comparative Data Set of Political Institutions, Åbo Akademi*
- (vi) *Source: Statistics Finland (due to difficulties in accessing data, values for a handful of countries are those of 2001)*
- (vii) *Source: Quality of Governance Database*
- (viii) *Source: Quality of Governance Database*

APPENDIX 3: Aggregation procedure for producing the Worldwide Governance Indicators¹⁰⁵⁵

Brief overview

1. The construction of the indicators starts with the search for primary sources which include variables that correspond to the dimension of governance (including corruption) being measured. If a source contains several variables of interest to a particular WGI component, these are averaged into a single number and rescaled with the aim of generating one common scale.
2. Sources are then divided into representative and non-representative ones depending on the country coverage. The former are aggregated to form a preliminary indicator for the WGI component of interest. At this stage, sources are accorded different weights depending on the extent to which they are correlated with one another (greater weights being assigned to sources which correlate with others).
3. The next step involves regressing the non-representative sources on the preliminary composite indicator. Again, sources which correlate strongly with the sources in the preliminary composite indicator will be assigned greater weights.
4. New weights are then generated for all sources based on their error variances¹⁰⁵⁶, whereupon the re-weighted sources are aggregated into a final composite indicator.¹⁰⁵⁷

¹⁰⁵⁵ For more information, see Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007b).

¹⁰⁵⁶ Defined as “that part of the total variance caused by anything irrelevant to a study that cannot be experimentally controlled”, see the Free Dictionary by Farlex at <http://medical-dictionary.thefreedictionary.com/variance+error> (18.4.2012).

¹⁰⁵⁷ See Knack, S. (2006, 16); and Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007b, 11).

APPENDIX 4: Sources of the 2005 WGI control of corruption component¹⁰⁵⁸

Source	Publication	Code	Type	Public	Country coverage	Representative
African Development Bank	Country Policy & Institutional Assessments	ADB	EPUB	No	50	
Afrobarometer	Afrobarometer Survey	AFR	HS	Yes	18	
Asian Development Bank	Country Policy & Institutional Assessments	ASD	EPUB	Partially	26	
Business Environment Risk Intelligence	Business Risk Service	BRI	ECBIP	Yes	50	
Business Environment Risk Intelligence	Qualitative Risk Measure	QLM	ECBIP	Yes	115	x
Economist Intelligence Unit	Country Risk Service	EIU	ECBIP	Yes	120	x
Freedom House	Countries at the Crossroads	CCR	ENGO	Yes	30	
Freedom House	Nations in Transition	FHT	ENGO	Yes	27	
Gallup International	Voice of the People Survey	GAL	HS	Yes	69	
Global Insight	Global Risk Service	DRI	ECBIP	Yes	111	x
Global Insight	Business Conditions and Risk	WMO	ECBIP	Yes	202	x
Institute for Management and Development	World Competitiveness Yearbook	WCY	FS	Yes	49	
Latinobarometro	Latinobarometro Surveys	LBO	HS	Yes	18	
Merchant International Group	Grey Area Dynamics	MIG	ECBIP	Yes	159	x
Political & Economic Risk Consultancy	Corruption Survey	PRC	FS	Yes	10	
Political Risk Services	International Country Risk Guide	PRS	ECBIP	Yes	140	x

¹⁰⁵⁸ Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006); Kaufmann, D., Kraay, A. & Mastruzzi, M. (2007b); and World Bank Worldwide Governance Indicators at <http://info.worldbank.org/governance/wgi/pdf/cc.pdf> (16.4.2012).

World Bank	Business Enterprise Environment Survey	BPS	FS	Yes	27	
World Bank	Country Policy & Institutional Assessments	PIA	EPUB	Partially	136	
World Economic Forum	Global Competitiveness Report	GCS	FS	Yes	117	x

Abbreviations: FS (Firm survey), HS (Household survey), ENGO (Expert assessment - NGO source), ECBIP (Expert assessment - Commercial business information provider), and EPUB (Expert assessment - Public sector source)

APPENDIX 5: Aspects of corruption of the WGI control of corruption component¹⁰⁵⁹

Afrobarometer

How many elected leaders (parliamentarians) do you think are involved in corruption?

How many judges and magistrates do you think are involved in corruption?

How many government officials do you think are involved in corruption?

How many border/tax officials do you think are involved in corruption?

Gallup International

Frequency of corruption

Frequency of household bribery

Institute for Management Development

Bribing and corruption exist in the economy

Latinobarómetro

Frequency of corruption

Political Economic Risk Consultancy

To what extent does corruption exist in a way that detracts from the business environment for foreign companies?

World Bank BEEPS

How common is it for firms to have to pay irregular additional payments to get things done?

Percentage of total annual sales firms pay in unofficial payments to public officials?

How often do firms make extra payments to influence the content of new legislation?

Extent to which firms' payments to public officials impose costs on other firms?

How problematic is corruption for the growth of your business?

¹⁰⁵⁹ Aspects included in the sub-sources of the index for 2005, see Kaufmann, D., Kraay, A. & Mastruzzi, M. (2006, 47-80).

World Economic Forum Global Competitiveness Report

Public trust in financial honesty of politicians

Diversion of public funds due to corruption is common

Frequency of bribery in the economy

Frequent for firms to make extra payments connected to: public utilities, tax payments, loan applications, awarding of public contracts, influencing laws, policies regulations, decrees, getting favourable judicial decisions

Extent to which firms' illegal payments to influence government policies impose costs on other firms

Extent to which influence of powerful firms with political ties impose costs on other firms

African Development Bank

Transparency / corruption

Asian Development Bank

Anticorruption and Accounting Institutions

Business Environment Risk Intelligence and QLM

Political Risk Index: Internal Causes of Political Risk: Mentality, including xenophobia, nationalism, corruption, nepotism, willingness to compromise.

Indirect Diversion of Funds (QLM)

EIU

Corruption among public officials

Freedom House

Nations in Transit: corruption

Countries at the Crossroads: Anti-Corruption and Transparency

Global Insight's DRI

Risk Event Outcome non-price: Losses and Costs of Corruption: A 1-point increase on a scale from "0" to "10" in corruption during any 12-month period.

Global Insight's Business Conditions and Risk Indicators (WMO)

Corruption: An assessment of the intrusiveness of the country's bureaucracy.

The amount of red tape likely to be countered is assessed, as is the likelihood of encountering corrupt officials and other groups.

Merchant International Group

Corruption

Political Risk Services

Corruption. Measures corruption within the political system, which distorts the economic and financial environment, reduces the efficiency of government and business by enabling people to assume positions of power through patronage rather than ability, and introduces an inherently instability in the political system.

APPENDIX 6: Categorization of electoral systems

Candidate-centred electoral systems

Shugart¹⁰⁶⁰ regards Single Non-Transferable Vote (SNTV), Single Transferable Vote (STV), Single-seat district (SSD) plurality systems (including the Two-Round System TRS) as well as open list PR systems as candidate-centred. Shugart also includes an electoral system which he, inspired by Taagepera and Shugart¹⁰⁶¹, calls a “quasi-list PR”¹⁰⁶² system. Quasi-list PR systems differ from open list PR systems in the degree of candidate-centeredness but both are classified as candidate-centred.

Shugart acknowledges the difficulty involved in classifying mixed systems into candidate- and party-centred. He stresses that their classification needs to be made on a case-to-case basis. Within the framework of my own research I have solved this by including a) mixed systems with $\geq 51\%$ single-member districts or b) mixed systems which employ open lists at the level where list PR is used, in the candidate-centred category. As for other candidate-centred systems, I move along the same lines as Shugart, regarding First-Past-the-Post (FPTP), Single Non-Transferable Vote (SNTV), Single Transferable Vote (STV), Alternative Vote (AV), Block Vote (BV) and Two-round system (TRS) as candidate-centred electoral systems. Proportional electoral systems with open lists also belong to this category:

Candidate-centred electoral systems	
Shugart	Additions
SNTV	Mixed systems with $\geq 51\%$ single-member districts
STV	
SSD	
TRS	Mixed systems which employ open lists at the level where list PR is used
Open list PR	
Quasi-list PR	

¹⁰⁶⁰ Shugart, M.S. (2001).

¹⁰⁶¹ Taagepera, R. & Shugart, M.S. (1989).

¹⁰⁶² Voters in a quasi-list PR system do not have the option of voting for a list. As a result, candidates require a much larger share of votes from the party electorate to be elected, than do candidates in an open-list system, see Shugart, M.S., (2000, 20).

Party-centred electoral systems

Shugart¹⁰⁶³ regards closed lists systems as party-centred but also includes other categories such as systems with “separate nomination and allocation districts” and “flexible lists”¹⁰⁶⁴. He distinguishes the former from closed list PR in that “voters [...] must cast nominal votes for the one candidate nominated by their preferred party in sub-districts”¹⁰⁶⁵. According to Shugart, systems with “flexible lists” are distinguished by the fact that voters are able to cast preference votes. This, however, rarely occurs.¹⁰⁶⁶ No mixed systems are included in Shugart’s classification.

In line with the above, I regard electoral systems such as proportional systems a) with closed lists or b) where the personal vote alone does not determine the outcome, as party-centred. As for mixed systems, I choose to include mixed systems a) with < 51% single-member districts or b) where closed lists are employed at the level where list PR is used, in the party-centred category:

Party-centred electoral systems	
Shugart	Additions
Closed list PR	Mixed systems with < 51% single-member districts
Separate nomination and allocation districts	Mixed systems which employ closed lists at the level where list PR is used
Flexible lists	

¹⁰⁶³ Shugart, M.S. (2001).

¹⁰⁶⁴ Shugart, M.S. (2001, 184).

¹⁰⁶⁵ Shugart, M.S. (2001, 185).

¹⁰⁶⁶ Shugart, M.S. (2001, 186).

Catharina Groop

Accountability and Corruption

A Study into Political Institutions as Referees Between Principals and Agents

Representative democracy is characterized by delegation of power. As a consequence, principal-agent relationships are established between citizens and their representatives, and beyond. Delegation of power from principals to agents has many advantages, but also involves risks in that agents may choose to disregard the wishes of their principal. This may take the form of corruption, i.e. engagement in behaviour which deviates from the formal duties of a public role for personal benefit or that of family members, friends etc.

This study regards political institutions as entities capable of solving many of the problems between principals and agents, including cases whereby agents engage in corrupt practices. The study regards political institutions as problem-solvers in this respect, in that they provide rules and procedures according to which principals can hold agents to account. Departing from the lines of accountability inherent to a number of political institutions, the study finds, however, that single political institutions tend to send a multitude of often contradictory signals with regards to accountability, at times enhancing accountability and at others hampering it. As a consequence, single political institutions also have reducing as well as increasing effects on levels of corruption.

The study recognizes that institution-building does not constitute a panacea against corruption, and also analyses a number of other factors with a bearing on levels of corruption. These include individual leaders as well as their values, leadership styles, strategies, policy choices and contributions to institution-building.