

# T02P13 / Confronting Theories of Institutional Change in Anticorruption Research

**Topic :** T02 / Comparative Public Policy sponsored by Journal of Comparative Policy Analysis

**Chair :** Denis Saint-Martin (Université de Montréal)

**Second Chair :** Daniel Weinstock (Institute for Health & Social Policy)

## GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

In recent years, new conceptions of systemic corruption as a dysfunctional informal institution consisting of a series of collective action dilemmas (social traps) have emerged in anticorruption research. These approaches emphasize the role of social norms and cultural beliefs as coordinating devices or mechanisms that sustain particular equilibria. Definitions of systemic corruption as an informal institution are a welcomed addition to the analyst's toolkit. But they describe an all-encompassing form of corruption that leaves very little room for human agency. And they refer only to extreme cases, supposed to represent the exception more than the rule. This panel seeks to fill those gaps.

## CALL FOR PAPERS

Systemic corruption is typically associated to the developing world, not to rich countries with advanced welfare states. In anticorruption studies, the theory is that these countries were once systematically corrupted, but broke free from it in a revolutionary moment of abrupt and wholesale transformation. Bo Rothstein calls this the "big bang approach" to change, which suggests that societies cannot escape the "social trap" of systemic corruption gradually, but only through "dramatic", radical reconfigurations. The big question then becomes how systemically corrupt social orders make the transition to a non or less corrupt one? Discontinuous models of change exaggerate the rupture between past and present and pay insufficient to the adaptive nature of corruption networks in societies. This especially the case in the developed world, where the theory assumes that corruption is residual, but where instances of endemic corruption in banking (the LIBOR scandal in the UK), in engineering (the downfall of SNC-Lavalin in Canada) or in construction (the Schiphol train tunnel in The Netherlands) have recently been uncovered and led to major public inquiries. This panel invites papers that address the issue of change in anticorruption research.

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## Session 1

Thursday, June 29th 13:30 to 15:30 (Li Ka Shing LKS 1 - 1)

### Discussants

Daniel Weinstock (Institute for Health & Social Policy)

### **Corruption in Post-Communist Countries. How does radical rupture between the past and present influence the space for corruption?**

Vladimira Dvorakova (University of Economics, Prague)

The fall of communism and the processes of transition, formation, institutionalization and consolidation of the new systems represent the deepest social, economic and political changes in modern history. On the other hand it is often argued that widespread corruption in post-communist countries is a product of the communist past, mainly in the field of political, legal and economic culture, and the survival of informal networks. Contrarily, an institutional approach is also present, that connects corruption in post-communist countries with the weak party competition in the early years of transition that enable the formation of a “larger system of unregulated and unrestricted party funding”. This approach characterizes the relationship between continuity and change as a bricolage: “using both new institutional bricks and materials leftover from the communist state structures” (Anna Grzymala-Busse 2007, Grzymala-Busse and Young 2002). Thus both continuity and discontinuity is taken into consideration. Although such an approach can be accepted, it seems that it does not provide the whole answer because the end of communist regimes opened up a much wider space for corruption from the point of view of financial assets and also radically changed the character and types of corruption. This paper presents a different approach to addressing the question why and how it happened? What was the initial situation like and what were the sources? It was the character of the post-communist state and the social and economic structure of the (post)communist societies that influenced the shaping of basic institutional settings and the

formation of key political and economic actors. Together with the huge sources that were available through privatization of state owned property, European funds and the prevailing international neoliberal environment there was almost no chance of avoiding corruption and its metamorphosis into a systemic one.

### **One-Two Punch Approach to Fighting Corruption in Public Infrastructure**

Paul Lagunes (Columbia University)

In developing contexts, the regulatory framework is generally weak and accountability is often lacking. Corruption expands to cover a number of government activities, including the construction of public infrastructure. In this sector, corruption is associated with time and cost overruns, and so the question is whether civil society oversight that is explicitly supported by the relevant authorities can improve the execution of public infrastructure projects. The study builds on a sample of 200 urban and peri-urban district governments spread across Peru that are supposed to channel central government funds toward the efficient construction of roads, sidewalks, and similar public works. Half of the districts were randomly selected to enter into a control group. The other half received letters signaling that specific projects under their charge were actively being monitored by members of civil society and that the authorities supported the monitoring activities. To date, the results show that the districts that received the monitoring intervention are completing the infrastructure projects under their charge in a more expedient and cost-effective manner. If these trends are sustained, then the results will support greater collaboration between civil society organizations and authorities for the purpose of improving local government accountability.

## **The Small World Effect: Legislative Size and Political Resistance to Anticorruption Reform**

Denis Saint-Martin (Université de Montréal)

Legislative ethics reform is promoted as a major anticorruption policy to foster public integrity in political institutions. Macro theories of institutional development suggest that declining public trust puts legislatures under growing pressures to adopt formal ethics codes and rules to restore their reputations. But micro theories predict that self-enforced informal norms of conduct are highly change-resistant, and that politicians in legislatures will resist switching to formal ethics rules enforced by third-parties. “Folkways” and informal norms of “etiquette”, embodied in traditions of “honourable gentlemen” or “esteemed colleague”, are notoriously sticky. In this article, I put this hypothesis to the empirical test and investigate the effect of legislative size on ethics reform. Smaller parliaments and the typically smaller upper chambers are expected to favor more informal and collegial solutions to problems of misconduct because their members are more interconnected. This should make smaller legislative bodies more capable to resist formal ethics changes than their larger equivalents. I find no statistically significant relationships to either validate or reject the small world effect on anticorruption reform in legislatures.

## **Corruption in public administration: an ethnographic approach**

Davide Torsello

Understanding the complex realm of corruption in public administration is an effort that needs different and multiple methodological approaches which include quantitative and empirically grounded qualitative analyses. This paper takes the second approach, of looking at corruption qualitatively, with the eyes of those who, in the eight countries object of research, encounter issues of integrity and corruption in their everyday work tasks and lives. The ethnographic approach on which this work is grounded is not absolutely new in the field of corruption research. What constitutes the real novelty of this work is the common focus that authors of each chapter share on public administration environments in all the case studies. To our knowledge, this is the first time that a research project on the anthropology of corruption has such a scope of research.

This paper brings together some of the most relevant topics in the subject of corruption in public administration deriving from comparative, cross-cultural analysis. These topics include, social and work ethics, trust, gift-exchange and gift policies, corruption and culture, organizational integrity.

## **The Uruguayan Way from Particularism to Universalism**

Daniel Buquet (Universidad de la República)

This paper describes and analyzes the transformation of Uruguayan governance institutions with particular regard to corruption and particularism. Uruguay substantively improved its levels of universalism in the last fifteen years. This improvement is due to a prolonged process of transformation in Uruguayan politics, from competitive particularism to an open access regime. We claim that the change in the way that parties compete for votes - from clientelistic to programmatic strategy – since 1985 is the cause of this transformation. An economic and fiscal crisis during the sixties, weakened the clientelistic strategy of the traditional parties and enabled the entrance of a new party that built their electoral support based on programmatic claims instead of the distribution of clientelism. In that context, clientelism became not fiscally sustainable neither electorally effective. The traditional parties –after an authoritarian period- had to adapt to programmatic competition and leave aside clientelism. Institutional transformations are the consequences of the strategies that parties took for electoral survival, and are functional to the new political equilibrium and help to maintain it. This paper traces the process of institutional reforms and elite behavioral changes that lead to that outcome. Data from a variety of sources is used- ranging from official figures and elite interviews, to public opinion and elite surveys or media reports to provide descriptive evidence of the main features of this governance regime transformation, and proposes an analytic framework to explain it.