

# Challenging Common Assumptions on Corruption and Democratisation

## Key Recommendations and Guiding Principles



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC

---

## Acronyms and abbreviations

<b>BPI</b>	Bribe Payers Index
<b>CPI</b>	Corruption Perception Index
<b>CSO</b>	Civil Society Organisation
<b>DRC</b>	Democratic Republic of Congo
<b>FDI</b>	Foreign Direct Investment
<b>GCB</b>	Global Corruption Barometer
<b>ICVS</b>	International Crime Victims Survey
<b>MOU</b>	Memorandum of Understanding
<b>MP</b>	Member of Parliament
<b>NGO</b>	Non-Governmental Organisation
<b>OPEC</b>	Organisation of the Petroleum Exporting Countries
<b>SDC</b>	Swiss Agency for Development and Cooperation
<b>TI</b>	Transparency International
<b>UK</b>	United Kingdom
<b>UNICRI</b>	United Nations Interregional Crime and Justice Research Institute
<b>UNOMIG</b>	United Nations Observer Mission in Georgia

# Preface

This brochure contains contributions on two themes that still continue to receive either too little attention or too little systematic treatment in international cooperation. Only in recent years has it been recognized that democracy and the rule of law are fundamental prerequisites in the fight against poverty. And that a state in which maladministration and corruption are rampant cannot, in end effect, be a democratic state. In fact, in order to reach the goal of sustainable development, public institutions are needed that respect human rights, foster the participation of citizens, and effectively combat corruption. Transparency and accountability on the part of the political class and the public authorities towards the population are among the basic conditions for development, just as is citizen participation.

The contribution provided by Prof. Wolf Linder, André Bächtiger and Georg Lutz on the theme of *Democratisation, Rule of Law and Development* points out the paramount significance of democratisation in development cooperation and places it in the broader context of the rule of law. The authors, however, do not hide the fact that democratization must unfold in a manner consistent with the specific conditions reigning and the particular experiences already made. The SDC's engagement in developing and transition countries has led it to the conclusion that the people's yearning and striving for democratic participation has dramatically risen over the past years. The populations of these

countries increasingly desire to have their voices heard more directly and to be able to influence the political decision-making processes. The examples are myriad. And in the long term, this acts as a counterbalance to corruption and maladministration, and as a guarantor for peace and poverty reduction.

Blaise Bonvin's contribution entitled *Corruption: between Perception and Victimisation* calls into question the classification of countries undertaken by Transparency International in terms of corrupt and less corrupt. Transparency International's periodically published "Corruption Perceptions Index" provides a worldwide comparison listing the countries and sectors in which corruption is most prevalent, thereby serving the international donor community as an indicator of good governance. The article reveals for the first time that there can be a large discrepancy between the internationally disseminated picture and the reality existing within the country. From the outside, a country can be perceived as much more corrupt than it really and truly is. And as Bonvin demonstrates, this can have unnecessary negative consequences for the development of the country.

What can a development agency like the SDC do in this case? Inasmuch as corruption is an expression of bad governance, a lack of transparency, and an absence of grass-roots control over those in power, the combat of corruption encompasses a wide range of mechanisms.

These include, for instance, reform of the public administration and an improved management of public finances, as well as, of course, democratisation through instruments such as participative budget planning. By the same token, effective combat of corruption generally comprises reform of the police and the judiciary, as well as the introduction of internal administration-control mechanisms. All of these measures are targeted at improving the country's governance – a most demanding task for any development

organization. One thing holds true: the cancer of corruption is diametrically opposed to the vision of a well functioning state at the service of its citizens. The building of a stable state means combating corruption effectively and enhancing the population's possibilities for democratic participation and its right to exercise control. ■

RENÉ HOLENSTEIN,  
*Head of the Governance Division, Swiss Agency  
for Development and Cooperation*

# Contents

	<b>5</b>
Acronyms and abbreviations	<b>2</b>
Preface	<b>3</b>
<b>Democratisation, Rule of Law and Development</b>	
WOLF LINDER, ANDRÉ BÄCHTIGER, GEORG LUTZ	
1. Why does the rule of law and democratisation matter?	<b>7</b>
2. Theories of democratisation	<b>9</b>
3. What donors like the Swiss Agency for Development and Cooperation (SDC) can do – and what they should not do	<b>17</b>
4. Conclusions : seven guiding principles	<b>20</b>
<b>References</b>	<b>22</b>
<b>Corruption : between Perception and Victimisation : Policy implications for national authorities and the development community</b>	
BLAISE BONVIN	
1. Introduction	<b>25</b>
2. Methodology	<b>26</b>
3. Perception and victimisation : not two sides of the same coin	<b>28</b>
4. The hidden factors : influence of individual and social variables	<b>31</b>
5. Corruption and legitimacy of the State	<b>32</b>
6. Concluding remarks	<b>33</b>
7. What comes next?	<b>35</b>
<b>Annex I: Corruption and culture</b>	<b>37</b>
<b>Annex II: Country samples for the 2000 ICVS where corruption victimisation and perception questions have been asked</b>	<b>37</b>
<b>Annex III: Results for countries and sectors on corruption perception and victimisation</b>	<b>38</b>
<b>Annex IV: A general scheme of the causes and consequences of corruption perception</b>	<b>39</b>



# Democratisation, Rule of Law and Development

WOLF LINDER, ANDRÉ BÄCHTIGER, GEORG LUTZ\*

*Today, the promotion of democratisation, the rule of law and good governance is a priority for many Western donor agencies, driven by a belief in their primary importance for the tasks of poverty alleviation and development. This focus requires donors to have a strong understanding of the democratisation process and to be aware of, and engage in, country politics to a much greater extent than in the past.*

*This study makes policy recommendations to donors based on an enhanced understanding of this complex area of intervention. It first summarises key concepts and findings from the research literature, underlining the usefulness of refined concepts of democracy, such as the liberalisation of autocracy, consolidation of democracy and defective democracy. It stresses the importance of distinguishing between different models and quality levels of democracy and taking account of the specific cultural context: there is no one-size-fits-all solution. The study then looks at the process of democratisation and the factors that determine whether or not democracy is likely to take root in a country, before turning to those that affect the development or 'consolidation' of democracy, once a democratic regime is in place.*

*Finally, the study provides support options for donors. Bearing in mind the basic rules – 'know*

*the context and play the politics' – donors are able to support democratisation, the rule of law and good governance either indirectly, through existing programmes and projects, in particular by rewarding political reforms, or directly through specific projects in the areas of, inter alia, elections, civil society and the rule of law.*

## 1. Why does the rule of law and democratisation matter?

The promotion of democratisation, the rule of law and good governance has become a priority for many Western national and international development agencies throughout the world. This interest is strongly related to past experience: that without good governance, poverty alleviation is difficult to achieve because the gains of development do not easily trickle down to the poorest and hence do not necessarily enhance people's lives. Non-democratic regimes do not provide the stable political framework needed to improve economic activity and guarantee personal freedom. Without democracy and the rule of law, development efforts are unlikely to be sustainable. State failure, misman-

\* **WOLF LINDER** holds a PhD in political science from the University of Konstanz. His research areas focus on political institutions, good governance, democracy and federalism. He is currently Professor and Dean of the Institute of Political Science at Bern University, Switzerland.

**ANDRÉ BÄCHTIGER** holds a PhD in social sciences from the University of Bern. His research areas focus on political institutions and deliberation as well as democratisation in developing countries. He is currently senior assistant at the Institute of Political Science at Bern University, Switzerland.

**GEORG LUTZ** holds a PhD in political science from the University of Bern. His work focuses on political institutions and political behaviour in a comparative perspective, as well as Swiss politics. He is currently project director of the Swiss Electoral Studies (Selects) at the Social Science research Centre (ForS) in Lausanne, Switzerland.



agement and corruption are believed to be more likely to occur in non-democratic states and to undermine development advances made in the past.

This focus on democratisation, the rule of law and good governance has several implications. First, it requires donors to understand how democratisation works and what can be done to promote democracy and the rule of law. Furthermore, it has consequences for how development agencies operate. In the past, aid agencies have implemented their projects and programmes relatively independently from governments. This made their task easier, as they did not have to deal with inefficient, and sometimes corrupt, governments. Focusing on democratisation, the rule of law and governance, on the other hand, requires donors to have specific knowledge about what can be done and how it can be done.

Supporting democratisation and the rule of law is much more political than the provision of technical support, the traditional activity of aid agencies. A balance of power exists in every country that will be directly challenged by promoting democratisation and the rule of law. For example, supporting decentralisation may erode the power base of the national government, while support for parliaments or democratic elections may undermine the power of the current government. Such potential power shifts, together with the imperative of ruling political elites to maintain power, needs to be taken into account when promoting democratisation and the rule of law. In other words, donor agencies have to be aware, and to some extent 'play the game', of politics when engaging in such political processes. To envision democracy support as a merely technical process can be rather misleading.

Why do the rule of law and democracy matter at all? Aid agencies may promote democracy and the rule of law because they consider democracy to be a superior system that provides for personal freedom and human rights. Other motivations are more pragmatic, or even opportunistic. Western aid agencies and governments may find

it difficult to justify development expenditures that support authoritarian and corrupt regimes. Big global players, defending their geo-strategic interests worldwide, may find their interventions more justified and legitimised if they promise to bring democracy to a country. Exporting democracy may be part and parcel of exporting Western cultural values and developing market economies in countries in transition. Here, building a market economy and democracy prepares the field for foreign investment. It may therefore be seen as a long-term investment. Last, but not least, many donors believe that democracy and the rule of law are necessary for successful development.

However, this assumption of a positive relationship between democracy, the rule of law and development is far from certain, thus making it difficult to argue that democratisation should be a primary goal of development assistance. The causal direction of the relationship is not evident: do countries develop because they are democratic or are they democratic because they are developed? Historically, in the Western world, democratisation and economic and social development were parallel processes. The establishment of a middle class as a by-product of industrialisation was essential for democratisation. Nowadays, we find countries with impressive economic growth such as China, Singapore or Vietnam, where democracy is absent or defective. Systematic empirical research on the link between democracy and economic growth is inconclusive: while some studies find a positive, but weak, relationship (GERRING et al. 2005), others do not (PRZEWORSKI et al. 2000).

Thus, one should be realistic about the effects of democracy on society. Moreover, experience shows that democracy and other political institutions should not be regarded as export products, but rather must be developed on the basis of a country's own cultural heritage. Nevertheless, promoting democracy may be useful in most countries in terms of creating an enabling framework for development. Therefore it is natural for aid agencies to try to strengthen democratisation and enhance the rule of law.



## 2. Theories of democratisation

### Definitions of democracy

What is democracy? It may not be difficult to agree on what Robert Dahl has called “the procedural minimum” (DAHL 1989), without which no democracy could be said to exist. This comprises secret balloting, universal adult suffrage, regular elections, partisan competition, associational freedom and executive accountability. But beyond this “procedural minimum”, there is not much agreement in the literature. Two of the leading democracy scholars, Philippe Schmitter and Terry Karl (1991), hold that democracy does not consist of a single unique set of institutions. For instance, *competition* has not always been considered an essential defining condition of democracy. Theories of ‘classical’ democracy assumed decision-making based on direct participation, leading to consensus. The assembled citizenry was expected to agree on a course of action after listening to the alternatives and weighing up their respective merits. Another commonly accepted image of democracy identifies it with *majority rule*. But, particularly for many non-Western countries characterised by ethnic cleavages, majority rule might involve serious problems. What happens when a properly assembled majority (especially a stable, self-perpetuating one) regularly makes decisions that harm some minority (especially a threatened cultural or ethnic group)? In these circumstances, the dominant Anglo-Saxon model of majoritarian democracy (Westminster democracy) may not be able to handle the cultural or religious conflicts of deeply divided or segmented societies with their minorities. In sum, Schmitter and Karl (1991 : 76) conclude :

[T]he specific form democracy takes is contingent upon a country’s socioeconomic conditions as well as its entrenched state structures and policy practices.

For quite some time democracy was also viewed as an all-or-nothing affair : either a country is democratic or it is not. Moreover, most of the literature shared (implicitly rather than explicitly) the assumption that new democracies could take essentially one of two possible paths of development : back to the authoritarian past or forward to the future of consolidated liberal democracy.

Political reality tells another story, however. The problem of institutionalising liberal democracy is not settled with the adoption of a new constitution and the implementation of free and fair elections. It is becoming clearer that political development in many less developed countries may take a third direction : the path into a ‘grey zone’ between open autocracy and liberal democracy. This has led democracy scholars to propose more refined concepts of democracy. In this regard, Schneider and Schmitter (2004) make a useful distinction between the liberalisation of autocracy and the consolidation of democracy. Liberalisation of autocracy is exclusively concerned with political liberalisation – defined as the process of making effective certain rights that protect both individuals and social groups from arbitrary or illegal acts committed by the state or third parties. Consolidation of democracy, in turn, can be defined as the processes that make mutual trust and reassurance among the relevant actors more likely. It involves the willingness of actors to compete according to pre-established rules and, if they lose, to consent to the winners the right to govern. One of the best indicators of consolidation is if rotation in power or significant shifts in the alliances of parties in power occurs within the rules already established. Merkel (2004) also develops the notion of *defective democracy* as a diminished, sub-type of (liberal) democracy. While defective democracies can still be classified as electoral democracies, they exhibit severe shortcomings with respect to the rule of law, horizontal accountability and their governing powers. For instance, a country like Mozambique experienced some progress with regard to the liberalisation of autocracy, but cannot be considered a consolidated democracy. Such refined concepts of democracy – and especially the notion of defective democracy – are helpful when studying processes of democratisation in the less developed world.

---

**“What happens when a properly assembled majority regularly makes decisions that harm some minority?”**

### **Democracy and the rule of law**

Democracy support often focuses on institutions and procedures. However, this may not capture how effective democracy works. The rule of law can be viewed as a qualitative dimension of existing institutions and procedures. It is the principle that governmental authority is legitimately exercised only in accordance with written, publicly-disclosed laws, which are adopted and enforced in accordance with established procedures. Historically, the rule of law was often used as an argument for resisting making changes to the existing, authoritarian, decision-making procedures. Pushes for reform towards more democracy were rejected as being against the rule of law because they were not necessarily expressed within the established political system.

This meaning has changed: nowadays the principle of the rule of law is intended to be a safeguard against arbitrary governance. It contains the notion of bureaucratic quality, gauging the institutional strength and quality of the civil service. This means adequate pay, independence from political pressures, professionalism, appropriate staffing and freedom from corruption (GERRING, THACKER, and MORENO 2005 : 573). While democracy is a procedure that includes and involves all citizens, the rule of law is much more of an elite-driven affair. Consequently, Merkel views the rule of law as a component that supports democracy, but not necessarily as a defining element of electoral democracy. India, for example, is certainly an electoral democracy (since 1947), but levels of corruption have been very high. Morlino (2004) therefore understands the rule of law as a 'quality' component of democracy. He identifies five dimensions of good democratic rule: rule of law; accountability (obligation of elected political leaders to answer for their political decisions when asked by citizen-electors or other constitutional bodies); responsiveness (satisfaction with democracy); freedom; and equality.

In sum, it is crucial to distinguish between different models of democracy, different institutional forms and different quality levels of democracy. Not every

model is suitable for every society and no model of democracy should be treated like an export product. Every attempt to build a sustainable democracy must be developed on the basis of a society's own cultural heritage, its economic level and the pre-existing structures of the state and its administration.

### **Understanding the process of democratisation**

In social science, there are two main approaches for looking at the process of democratisation:

- Case studies, which analyse in detail the processes, actors, power constellations etc., and which aim to *understand the uniqueness of a single process of democratisation*;
- Comparative studies, taking samples of up to 100 countries or more, which are used to *identify the factors that systematically push or hinder processes of democratisation*.

To date, hundreds of such studies have been carried out. For many, the findings are only valid for specific groups of countries in transition. For others, the results are either contradictory, or apply only under certain conditions. Even so, we can extract some strands of thought and, from several studies, even some general trends that can be used as rough rules of thumb.

#### **The structural perspective:**

##### *a) Economic and social factors*

One of the first observations was the fact that democracy had more difficulty in developing in countries with low income and education levels. Modernisation theories since the late 1950s (LIPSET 1959), have formulated coherent theories on the place of democracy in developing societies: democracy, in their view, was part of a modernisation process aimed at industrialisation and the creation of a market economy and education system, similar to the Western path of development. Indeed, to date, numerous empirical studies illustrate the following:

- *Successful democratisation requires a minimal economic and educational level (per capita income and literacy).*

Another, prominent study looked at the concentration of resources, rather than

## “In sum, it is crucial to distinguish between different models of democracy, different institutional forms and different quality levels of democracy.”

the level of development. According to Vanhanen (1989), the more the resources of a country (capital, education, natural resources, land, water etc.) are concentrated in the hands of the few, the less democracy can develop. To formulate this in a positive way :

- *Societies with a more equal distribution of resources perform better in the process of democratisation.*

### b) *The effect of culture*

In his book, *The Clash of Civilisations and the Remaking of World Order* (HUNTINGTON 1996), Huntington presents his thesis that some cultures, such as Islam, are less suitable for democratisation. The main critique of Huntington is that such a fundamentally different capacity of certain religions or civilisations for democracy is theoretically indefensible and that Huntington’s proposition is more a manifesto for US hegemony than a serious scientific account. Welzel, Inglehart and Klingemann (2003) go beyond Huntington’s clash of civilizations’ hypothesis and argue that there is a linkage between individual resources, increasing ‘emancipative values’ and the development of full or effective democracy. According to the authors, this linkage is universal in its presence across nations, regions and cultural zones (in Huntington’s sense).

A very different approach to cultural analysis is provided by Müller et al. (1999). Müller’s critique is that a focus on citizens’ subjective values, attitudes and beliefs (as adopted by Welzel et al. [2003]) may be too narrow to be used in the context of traditional and developing societies. It fails to capture the inter-relationships between culture and the evolutionary positions of developing societies, or to include a historical perspective that takes account of their cul-

tural heritage : i.e., their pre-colonial and colonial history. In historical evolutionism, the dynamic of human history is analysed from the perspective of systemic complexity, structural differentiation, selection and adaptation of societies. This school of thought contends that differences in modern economic and political development can be explained by differences in pre-colonial ‘levels of civilization’. This leads to a structural view of culture that takes account of the institutions of production, distribution and reproduction in developing societies. Specifically, Müller et al. claim that European, Asian and African societies, over the last 10,000 to 15,000 years, had different histories of social differentiation. Compared to African societies, European and Asian societies have had, as a consequence of higher agricultural productivity, greater socio-political differentiation and complexity. This resulted in social stratification, the development of a professional state and world religions. African countries, especially those in sub-Saharan Africa, thus have less potential for modernisation because they are more family-centred and have developed fewer societal institutions beyond the family and the tribe. A comparative study carried out by Linder and Bächtiger (2005), using the data of Müller (1999), shows that this lack of trust in institutions beyond the family also has a negative impact on democratisation. In positive terms :

- *Societies with higher socio-political differentiation and less extended familistic (or tribal) structures perform better in the democratisation process.*

Another topic is cultural heterogeneity (POSNER 2004). Do heterogeneous societies, characterised by a multitude of languages, cultures, religions, histories, have greater difficulty in developing democracy? Theoretically, there are good arguments for and against this hypothesis, but empirically there is no clear evidence. However, we shall see below that heterogeneity is an important factor to be taken into consideration when determining what type of democracy is appropriate for different types of society.

### c) *Development of the tax state*

The question of whether democracy depends on the preceding development of the state is complex and only partly un-

derstood. While some authors completely neglect it, others consider the development of a functioning state, capable of uniting a population, guaranteeing security and delivering public goods, a prerequisite for the development of any democracy (LEFTWICH 1996). One of the strongest arguments relates to the need for the development of the tax state (MOORE 2001) and runs as follows:

- *If people understand that public goods are the counterpart of their taxes, they have a direct interest in (democratically) controlling the political authorities and their policies.*

This argument is important because unlike European states, most developing states, especially those in sub-Saharan Africa, have not had time to develop fiscality. Fiscality then is not only limited by a low level of economic productivity, but also by a lack of trust in the political institutions, resulting in the refusal of the population to pay taxes. Just as some states are unable to develop fiscality, others, such as the OPEC states which rely on oil royalties, do not need to. In these and other states with large revenues from natural resources, democracy does not develop particularly well. The concept of the tax state tells us why: so called ‘non-earned state income’ makes governments less dependent on their populations. The same can be said of development aid. Under certain circumstances, it is evident that donor money does not have beneficial effects on the development of democracy. This leads to the following rule of thumb:

- *Non-earned state income, which makes governments less dependent on their populations, has a negative effect on democratisation.*

**“Democratisation often takes place as a sudden event: a political revolution, civil unrest, or even war, brings the promise of democracy overnight – and sometimes takes it away the next day.”**

### *The political perspective:*

#### *a) Actor theories*

So far, we have looked at structural factors that have an impact on the process of democratisation. Their influence is considered to be widespread and long-term. But democratisation often takes place as a sudden event: a political revolution, civil unrest, or even war, brings the promise of democracy overnight – and sometimes takes it away the next day. This reminds us that democratisation is a conflicting process, with some actors historically more often on the opposing side (such as landowners and the military), and others more often on the side of democracy (the middle class, the workers and their political parties).

Political processes, like history, do not have predictable outcomes. Even so, one can distinguish different phases of consolidation in the process of democratisation. Moreover, one can identify typical steps and patterns of transition from authoritarian to democratic regimes (O’DONNELL et. al. 1986). Colomer (1991), for instance, shows that among the many theoretically possible coalitions of status quo, reformist and revolutionist forces found in situations of transition, only a few are likely to lead to a stable outcome. While some of these theoretical approaches are mainly of academic interest, actor theories propose some hypotheses which are of practical interest. These include the following:

- *Most transitions depend on the actions of the political elite. The direct influence of the people and of mobilising people is limited in scope and time.*
- *Processes of transition from authoritarian to democratic regimes are more stable and more robust if they are negotiated transitions (pacts) between the different antagonists involved.*

#### *b) Institutional theories*

As Reynolds (2002) contends, cultural and economic factors that affect the prospects for building a stable democracy cannot be changed fundamentally in the short-term. In contrast, however, political institutions can be altered to increase the likelihood of managing conflict democratically:

Thus, to the extent that democrats can proactively take steps to improve the prospects for democracy, institutional design is one of their key tools (REYNOLDS 2002; 2).



In the literature, two classical sets of political institutions are expected to affect democratic stability and consolidation: power-sharing institutions and presidentialism versus parliamentarism.

In his seminal works on power-sharing, Lijphart (1977; 1999) argues that in order to maintain democracy in plural or divided societies, power-sharing is required. Power-sharing involves government in the hands of a wide coalition, composed of the leaders of the major ethnic and social groups, mutual veto on vital questions, proportional representation, and either federalism or the decentralisation of political powers to sub-national units. Power-sharing decreases the risk that one dominant ethnic group will use its political power to discriminate against or subjugate another. Linder (1994; 2005) also argues that power-sharing, by accepting that political actors are mutually dependent, can further the recognition of the other groups as legitimate representatives, improve understanding of their standpoints and, by creating positive trust spirals, foster cooperative attitudes. As Lijphart (1977 : 238) emphatically concurs:

For many plural societies of the non-Western world..., the realistic choice is not between the British model of democracy and the consociational model, but between consociational democracy and no democracy at all.

However, power-sharing remains highly contentious in the literature. Some authors have argued that it might actually hamper democratic stability and consolidation since it institutionalises cleavages and provides incentives for politicians to focus on the interests of different ethnic groups (see HOROWITZ 2002). Mozaffar and Scarritt (1999) take federalists to task, arguing that in Africa, due to the dispersion of multi-ethnic communities, territorial autonomy does not work well as a way of managing conflicts. Rather, territorial autonomy may induce actors to 'play the ethnic card' (HALE 2004), which, in turn, reinforces ethnic cleavages.

Yet, empirically, power-sharing seems to affect democratisation positively (LINDER and BÄCHTIGER 2005). When it comes to democratic survival, power-sharing

mechanisms tend to be relevant to democratic stability, primarily in the context of plural and divided societies (BÄCHTIGER and HANGARTNER 2005). In contrast, in homogenous societies, initial evidence suggests that power-sharing does not matter for democratic stability and that, furthermore, power-sharing may even be detrimental to democratic stability. For instance, power-sharing mechanisms can reduce the effectiveness of government (see GERRING et al. 2005). Finally, it is important to note that classical power-sharing, and particularly coalition arrangements, have, at best, a patchy record in both developing and non-Western countries. Therefore, it may be necessary to switch to a broader and more sophisticated understanding of power-sharing. Also, power-sharing in itself may not be a sufficient condition for the survival of democracy. Contrary to property rights regimes, power-sharing arrangements may not involve path-dependent characteristics, and thus can be abandoned relatively easily, to the detriment of some cleavage groups (ALEXANDER 2001). Hence, for democratic stability to occur, security threats need to be solved in a credible way. As Hartzell (1999 :7) stresses, in order to be credible, power-sharing agreements need to be backed by a joint state-building mechanism.

– *Power-sharing, especially when it involves a joint state-building mechanism, can strengthen democratic stability in plural and divided societies.*

*Presidentialism vs. Parliamentarism.* Another hotly debated issue in comparative research on democratisation is whether new democracies should adopt a presidential or parliamentary system. Following Linz's critique (1990a; 1990b) of the dangers of presidential systems, many students of democracy have assumed that parliamentary systems are better suited for stabilising democracy. They argue that presidentialism promotes deadlock between the executive and the legislative branches and encourages personalist leadership. However, presidentialists (e.g., MAINWARING and SHUGART 1997) have claimed that parliamentary democracy has a patchy record in the less developed world and that presidential systems are better suited for the job. The argument of presidentialists, though, is a conditional

one: it assumes that under problematic conditions, presidentialism might be the better alternative. Shugart (1999) argues that in the absence of aggregative national parties (which can be seen as a prerequisite for a functioning parliamentary democracy), presidentialism confers the distinct advantage of permitting politicians to defend parochial interests, while allowing the presidency independent authority to help co-ordinate those politicians around the collective national policy provision.

Overall, the empirical evidence is mixed. While some quantitative analyses have found a positive association between parliamentarism and democratic survival (HADENIUS 1994), others have found no evidence in support of parliamentarism (POWER and GASIOROWSKI 1997). In a recent study, Cheibub (2002) further finds that neither deadlock nor divided government has a negative effect on the longevity of presidential regimes. He concludes that these should not be regarded as reasons for preferring parliamentarism to presidential regimes.

– *Presidentialism or parliamentarism per se hardly affects the prospects for democracy. Whether presidentialism or parliamentarism matters, depends on other conditions (e.g., the aggregative nature of the party system).*

**Decentralisation.** Many countries have started to decentralise their political system and/or administration in the last twenty years and almost every bilateral or international donor agency has a decentralisation support programme of one kind or another. The arguments in favour of decentralisation are numerous. Its aim is to establish functioning and legitimate local government (BAHL 1999; MANOR 1999). Decentralised government should improve services by bringing them closer to people's needs (WORLD BANK 2004). Decentralised government may mobilise resources and revenues more easily because it is able to control the territory and population more effectively and because people are more willing to make a contribution if they see direct benefits. Many studies on decentralisation are theoretical and do not provide empirical results. However, there are some studies that do. Fisman and Gatti (2002), for example, find that local elections guarantee

**“While it is not clear whether aid improves democratisation, targeted democracy assistance has been shown to have a clear impact on democratisation.”**

accountability of local leaders and reduce corruption. Decentralisation can also help to accommodate conflicts and is considered to be a useful institutional choice in divided societies, in some cases (BRANCATI 2006).

The case for decentralisation, however, is not as clear-cut as the size of the effort to decentralise in many countries would suggest. Local government could become too independent and either undermine central government's development efforts, by implementing central policies badly, selectively, or not at all, or work against central government's policies. Breaking the accountability link to higher levels of government of appointed officials may increase corruption if the local population has even more difficulty in controlling local government than central government (TREISMANN 2002). Overall, decentralisation could hinder development and macroeconomic stability (PRUD'HOMME 1995) because citizens are badly equipped to hold local government accountable (BARDHAN 2002). Conflict could increase if decentralisation strengthens rather than includes secessionist regional parties (BRANCATI 2006).

– *Decentralisation may have a positive effect on democratisation and development, but this largely depends on how it is carried out within the specific context.*

***The aid perspective: aid, democratisation and the rule of law***

A remaining question concerns whether aid has political effects. Historically, the most prominent example of such an effect was the Marshall plan, which aimed to rebuild Germany and Japan after the Second World War, in order to form stable democracies. However, in more recent examples, this has proved to be difficult. Afghanistan and Iraq have received an enormous

amount of aid in recent years, and so far there are few visible signs of democratisation. The relationship between aid and democratisation has several dimensions.

The first is whether aid influences democratisation in a systematic way and, if so, why and how? If there is an inter-dependence between development and democracy, then aid can be expected to have a positive effect on democracy in cases where it has a positive effect on development (although this relationship is also not clear). There should additionally be a direct link between the provision of targeted democracy assistance and the improvement of democracy.

However, it is also possible that large amounts of aid may reduce accountability and democratic decision-making. The expansion of state resources through aid increases the interest in control over these resources. Aid may be :

[L]ike a narcotic, fostering addictive behaviour among states that receive it. [...] By feeding this 'addiction', the aid donors have supposedly weakened the resolve of African states to act on behalf of their citizens. Development assistance, in other words, has had the perverse and unintended political effect of reinforcing despotic rule in the region (GOLDSMITH 2001 : 411f).

Again, the empirical evidence is not very robust. Whereas Goldsmith (2001) finds a positive relationship between overall aid flows and democracy indicators, Knack (2004) does not, and leaves it open as to whether targeted democracy assistance has any such effect. Evidence of a positive effect for targeted democracy assistance is, however, provided by an article that looked at democratic transition and which found a clear link between the level of democracy assistance and the likelihood of democratic transition (KALYVITIS and VLACHAKI 2006).

- *While it is not clear whether aid improves democratisation, targeted democracy assistance has been shown to have a clear impact on democratisation.*

The second dimension is whether Western donors reward democratic countries through the provision of higher levels of aid. Studies show there seems to be a

positive relationship between democracy and aid flows, although with differences between countries : donors such as the US, UK and the Nordic countries seem to target more aid to democratic than to non-democratic countries (ALESINA and DOLLAR 2000), which is not the case for other donors. The level of corruption, however, which could be considered an indicator of the effectiveness of the rule of law, has not had an impact on the level of aid received by a country (ALESINA and WEDER 2002). Both studies, in fact, show that other factors are much more important in explaining aid flows. Countries such as Israel and Egypt and, more recently, Afghanistan, Iraq and the Democratic Republic of Congo (DRC), have received large amounts of aid from both bilateral and international donors for other very specific reasons.

- *The link between aid allocations, democratisation, good governance and respect for the rule of law is rather weak. Donors do not tend to have clear and coherent strategies either to make positive behaviour an asset for aid – and to have tools to monitor improvements – or to reward improvement systematically.*

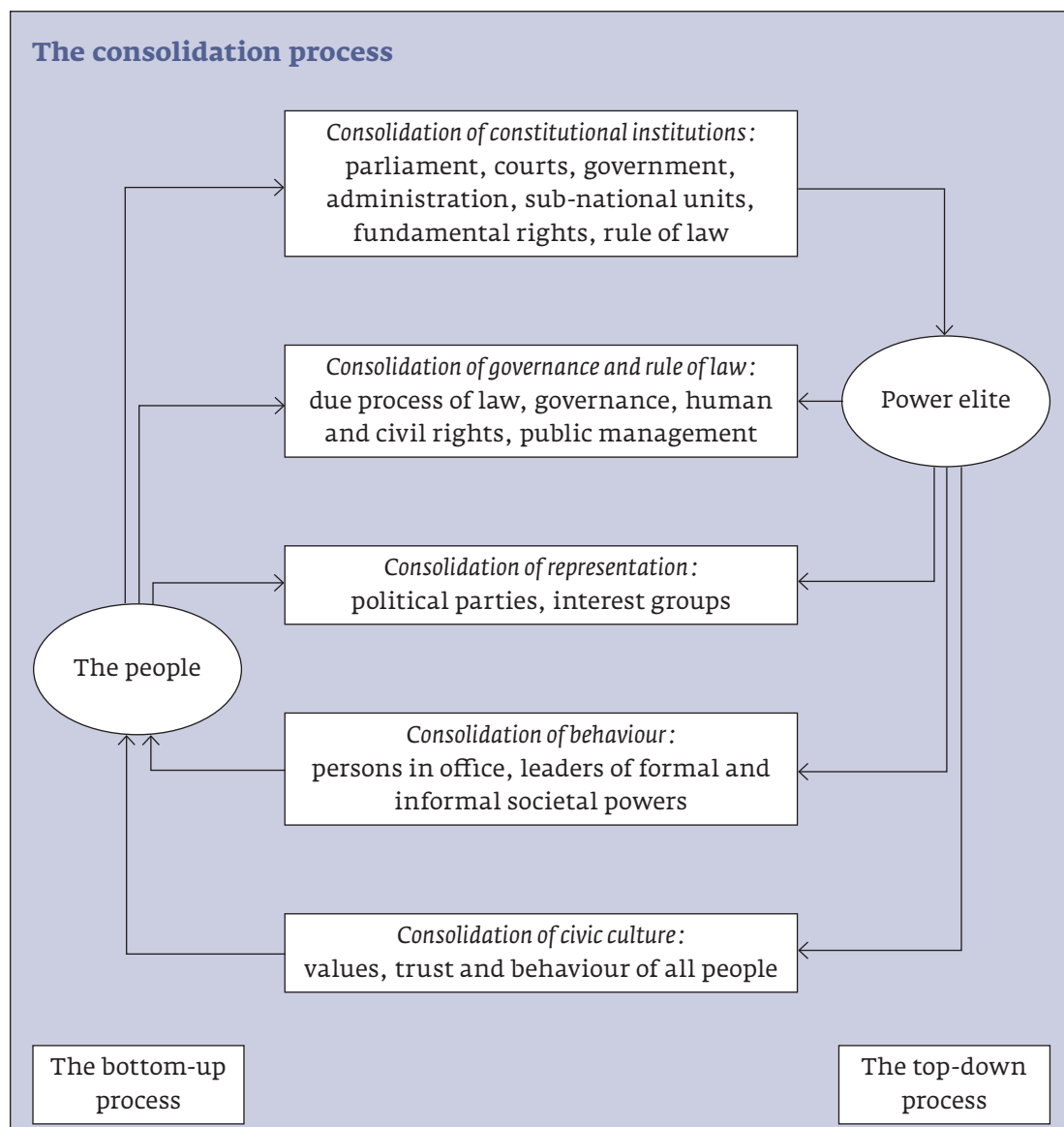
### **The process of consolidation**

So far, we have looked at democratisation from a macro-perspective : our objective was to identify the general factors that push or hinder the development of democracy in societies in transition. Now, we take a closer look at the process of democratisation : what happens after the proclamation of a democratic constitution or regime. If it leads to stable and sustainable democracy, we speak of 'consolidation'. But as we know, this process is not always a success. It can fail, stagnate, or remain unfinished. In order to identify factors of success and failure it is useful, first, to distinguish different levels of consolidation. Extending a conceptual scheme, developed by Merkel (1999), we can describe these as follows :

- *Institutional consolidation.* At this level, formal rules governing the competences of the constitutional authorities, the separation of powers, the election of the parliament and the government have become a durable arrangement that is not jeopardised by major political actors or by fundamental opposition in particular regions. In the process of decentralisation,



- for instance, it is particularly important that the rules on vertical power-sharing arrangements (competences of the decentralised authorities, fiscal autonomy, relations between lower and upper levels of government) are clear. Fundamental rights and standards of minority rights, rule of law, professional administration and governance should be defined.
- *Consolidation of governance and the rule of law.* This requires that the rule of law and due process of law are guaranteed. Fiscality should have been developed and the necessary instruments for levying taxes, planning investments, budgeting and control put in place and functioning. Corruption and non-respect of the rule of law should be fully sanctioned and human rights and individual liberties, including freedom of the press, respected and guaranteed by effective judicial processes.
  - *Representational consolidation.* This level comprises the development of a multi-party system with a basic consensus on achieving political goals, based on accepted rules of fair competition. ‘Anti-systemic’ parties should not exist or be of significant influence. Competition on votes and direct and indirect elections should lead to representative legislative bodies and government authorities. As a consequence of free elections, the change of roles between government and opposition parties should have become a normal event. In addition to the formal political powers, there should be an informal system of political powers :



interest groups, non-governmental organisations (NGOs), traditional leaders, or other organisations of civil society. Consolidation is reached if they participate in the formulation and implementation of policies in a regulated and transparent way, and if political pluralism is achieved: no single actor (for instance, landowners, the military or other parts of the administrative elite) should have the power to dominate the others, or to break the rules of participation of the informal powers.

- *Consolidation of behaviour.* At this level, political actors reliably play the institutional roles of office for which they are elected or nominated. Consolidation is reached if: political actors accept the legal duties and the legal limitations of their prerogatives and political power and distinguish between their public and private interests and roles; and in loyalty conflicts between the public and private interest, it is the accepted norm that persons in public office are not allowed to pursue their own interests to the detriment of the public interest.
- *Consolidation of civic culture.* Here, citizens distinguish between their individual, familistic or tribal rights and duties and those of the larger community. Consolidation is reached if: on a cognitive basis, there is an awareness of the necessity or advantage of co-operation beyond familistic ties; at an emotional level, experience has led to the conviction that the production of public goods can be relied upon and can be influenced by participation, that taxation and access to public goods is fair and that the political system, its representative institutions and the political actors merit trust; and at a normative level, if people accept corresponding norms and their rights and duties as citizens.

---

**“There is no single way to promote democratisation and the rule of law.”**

### 3. What donors like the Swiss Agency for Development and Cooperation (SDC) can do – and what they should not do

#### ***The essence: knowing the context and playing politics***

For some donors, such as the US, democratisation has been on the agenda for a long time. Despite the commitment of significant financial and political resources and the adoption of conceptual schemes and a common ‘template’, US activities have been less successful than expected. One of the best reports on this issue, *Aiding Democracy Abroad*, by Thomas Carothers (CAROTHERS 1999), comes to the following conclusions:

- democratic processes are not linear, but rather suffer from drawbacks and ruptures of consolidation;
- the provision of democracy support only makes sense for countries that have already reached a considerable level of democratisation;
- providing democracy aid is a reasonable strategy for countries with their own, genuine drive for democracy. Where there is an endogenous resistance, or indifference, to democracy, democracy aid has little chance of success;
- the general objective of democratic aid should be modest – at best, it should support existing positive processes of democratisation;
- for many or most other countries, the US template is not an appropriate model – other countries have other cultures and are developing their democracies in a different way.

Assuming that the promotion of democracy and the rule of law *can be done*, leads us to the question of *what can be done*. Before answering this, it is first useful to state a few very important rules.

*Knowledge of the context is essential.* There is no single way to promote democratisation and the rule of law. It is, however, absolutely essential to take into account the political and social context of a country when

## “Democracy assistance and promotion of the rule of law is much more than merely ‘technical’ assistance.”

targeting democracy support. Different approaches will work better in different situations.

*Playing the game of politics.* Democracy assistance and promotion of the rule of law is much more than merely ‘technical’ assistance. It is naive to believe that the support of some forces in politics or society has no influence on other forces. There are always individuals or groups who benefit from authoritarian regimes, corruption or non-respect of the rule of law. They will not be willing to give up their advantage easily and will resist change:

[In]...all clear cases a sensible strategy to promote democracy and the rule of law must take account of the local political dynamics – that is the attitudes of both the political leadership and society – by identifying the stakeholders in democratic political change and the forces for resistance (BURNELL 2004).

As providers of democracy support, donors have to take politics into account and ‘play the game’ to some extent. They have to be aware of who benefits from, and who is harmed by, an intervention and take steps to ensure that ‘good’ political and societal actors are supported.

*State-building before democratisation.* Democratisation needs to take place within a stable state, which can only be achieved if central forces have control over the entire territory and population. States need to have the monopoly of power as the only legitimate actor to use force. If the state does not have this control, the risk of disintegration and state failure increases and does not allow for democratisation.

### **The support menu**

It is necessary to distinguish between different basic approaches to supporting

democratisation and the rule of law. At a very general level, one approach would be to try to make the authoritarian or totalitarian state collapse in order to re-build it as a democracy. This can be done, for example, by undermining the economic basis of the regime, with the hope that other internal forces will become strong enough to change the system from the inside. This strategy was used by the international community in the case of South Africa. It is also possible to try to support agents of change directly. In some countries, opposition forces have received an enormous level of support from abroad, which in the end made a substantial contribution to securing a change in regime. Recent examples include Serbia, where the Ottpor movement prevented the Milosevic regime from cheating in elections and brought about change, and the Ukraine, where the opposition party was supported directly. Regime change may also be achieved by force through military intervention. This is the kind of intervention the US has undertaken in collaboration with allies, for example, in Iraq and Afghanistan. Both these recent examples illustrate the enormous cost of such an intervention. There are also many unintended consequences to consider and the risk of failure is high.

The distinction between democratic and non-democratic regimes does not exist in the real world, with most countries lying on a continuum between these two extremes. Because of this, the most feasible approach for donors may be to try to strengthen democratic institutions and actors that are supportive of democracy, rather than working towards regime collapse, the achievement of which is far from certain and for which there may be many unintended consequences.

Support for democratisation and the rule of law can be achieved in two ways:

1. **Promoting respect for the rule of law and good governance within existing programmes and projects.** First and foremost, it is essential that development projects are adequately monitored because accountability over foreign resources has traditionally been weak. It has become common to link aid to a certain past or future behaviour.

Such aid conditionality can be carried out in two ways. Either support for certain programmes and projects is linked to political reform, or political reform can be rewarded by an increase in development support. Many donors have introduced contracts with recipient governments: so-called Memorandums of Understanding (MoU) that determine the broad conditions and main aspects of a development programme. However, the conditions are often vague and possible sanctions are not usually defined. Practice is thus mixed, with some donors rewarding good behaviour and others not.

**2. Projects aimed at supporting democratisation and the promotion of rule of law.** Such interventions may be carried out in many different areas (discussed below).

#### *Elections and parties*

Among the many possibilities of democracy support, *elections* are surely at the heart (DIAMOND 2002). Although having elections in a country does not mean that a country is democratic (SCHEDLER 2006), the failure to hold regular elections indicates that a country is not democratic. Elections require a solid institutional and legal framework, together with sound electoral management to make sure that they are conducted freely and fairly. Furthermore, elections need some kind of competition and in most countries nowadays, political parties play an essential role in guaranteeing such competition. Parties help to translate and bundle individual preferences into collective actions. However, the types of political party that exist worldwide vary greatly. In most Western democracies, parties can be distinguished by their ideological differences. In many other countries of the world, and especially developing countries, the foundation is not so much ideology, but support from different regions, ethnic groups, clans or other personal relations.

#### *Monitoring agencies*

People in power need to be held to account and monitored by independent forces outside the government. That independent and professional *media* plays an important role in monitoring the activities of government is uncontested. *Civil society organisations*

(CSOs) have been the focus of support of many Western donor agencies, based on the belief that a vibrant civil society in a country will monitor and check the government and thereby contribute to democratisation. Usually support is given in the form of programmes that seek to strengthen the role of CSOs, either by supporting them directly, or by giving them a formal role in the implementation of projects and programmes.

Criticism of such extensive, and sometimes exclusive, support of CSOs, which bypasses governments has, however, grown in recent years (DIAMOND 2003). After all, 'civil society' is a rather unclear concept that can include all kinds of organisation, with very different functions and goals.

The strong focus of donor agencies on internationally-oriented NGOs in many countries risks ignoring other civil society actors. Many NGOs tend to have a top-down, elitist approach, with weak roots in society: it is questionable who they represent. Donors establish structures to implement their projects through NGOs, without putting in place similar mechanisms of accountability, representativeness and responsiveness to those expected from the state. If NGOs depend too heavily on foreign assistance, there is the further risk that their activities will not be sustainable once a project and its financial support have come to an end.

Working to strengthen civil society is an effective, and sometimes the only (if governments are unsuitable partners), means of improving governance. However, donors should always be clear about the role of NGOs. In most cases, they should neither be the main nor a parallel provider of public goods, because they are not representative of all societal groups and can therefore not be inclusive as required by democratic norms. NGOs *per se* are not more responsive or accountable than government. Rather, their accountability and responsiveness depends on a stable institutional framework that clearly defines their missions and tasks. NGOs should not be used by donors to bypass government, but rather to strengthen processes of democratisation and improve governance.

### *Political institutions*

This brings us to the next step, which is the strengthening of the institutional capacity of the state and its institutions, which has become common in many countries. There are a number of possible areas of intervention (CAROTHERS 1999):

- *Decentralisation.* Decentralisation aims to strengthen local democracy and has become a major policy of almost every country and every donor in the last fifteen years. In theory, it helps to improve services by bringing them closer to people's needs.
- *Strengthening parliament.* In many countries, parliament and MPs are ill-equipped to undertake their functions properly hence a main goal is to improve parliament's capacity to act as legislator and to monitor the government's activities.
- *Administration support.* Such interventions seek to improve the capacity and effectiveness of the state administration.
- *Military and police assistance.* States need to have effective control over their citizens and their territory: the instruments to do this are the police and military forces. These need to be equipped and trained and there should be mechanisms of democratic control in place to ensure that power is not abused.

### *Rule of law*

Having institutions in place does not mean that they function well. We have seen that the rule of law is essential for securing meaningful democracy – beyond electoral democracy. A key challenge to be overcome is the endemic corruption that exists in many countries. The tools for the enforcement of the rule of law are (CAROTHERS 2006):

- *Legal aid.* This refers to support for building a clear and comprehensive legal framework in which economic, political and social activities can take place.
- *The strengthening of law enforcement institutions.* Having good laws is a necessary but insufficient condition for effective enforcement. It is also imperative to have an independent judicial system, a well-functioning police force, public

defender and prison system and an effective public administration, which is responsible for the application of many laws and procedures.

## **4. Conclusions : seven guiding principles**

Using the Swiss experience and context, we suggest the following guiding principles to be considered by any donor :

### ■ **Be aware of the political nature of democratisation**

Democracy aid is a political activity that intervenes in the polity, policies and political processes of a host country. Therefore it is always politically sensitive and sometimes even controversial. The Swiss, and others, with their own history of defending autonomy, should be particularly sensitive to this point. Democracy support should only be provided if there is a 'home-grown' activity that can be supported in the respective country and in situations where the risk to the existing base of trust for other activities that results from 'political' involvement is limited. Do not intervene if there are serious doubts, including on questions relating to other issues such as the nation state, geo-politics and globalisation. (Do factors relating to nation-building, neighbouring states and the country's integration into the world market, constitute favourable or non-favourable political conditions for democratisation?)

### ■ **Be selective**

Not all countries with an existing co-operation programme are good candidates for democracy or governance activities. While there is a tendency to target the poorest countries, this guideline would not be wise for democracy-building activities. The checklist for selection should comprise, as a minimum, the following structural criteria :

- sufficient level of economic and education development ;
- sufficient level of achieved state and democracy consolidation ;
- small proportion of non-earned revenues ;
- favourable geo-political conditions.



### ■ **Develop an understanding of the specific history, political culture and social structures of the country**

In areas of support, such as the economy, water or healthcare, there may be concepts that are universally applicable, subject to some modifications. This is not the case with the transition of the state, democracy, rule of law and human rights. Even though these concepts are considered to be universal, they cannot be exported or implanted as such. The concept of the state is different in Western Europe, Asia and Africa and in each of these regions, state-building may be either top-down or bottom-up. The characteristics of the state and state-building make an enormous difference to the functioning of democracy and the administration. Human rights are the product of industrial societies: they cannot bring the same kind of individualisation and freedom to human beings living in subsistence economies with traditional, familistic structures. As for democracy, one has to be careful when promoting narrow concepts and recipes as being universal. Too little is known about how democratic institutions can work in a sustainable way and what impacts democratisation has on the socio-economic development of a developing country. Finally, democratic institutions must develop from the specific cultural heritage and the social structure of the developing country. Understanding these structures is fundamental for successful co-operation. We propose that any programme for support for democracy should be prepared on the basis of a professional political analysis.

### ■ **Act in fields of strength and strong reputation**

Switzerland, as is the case for other middle-sized countries, does not have the power of the big geo-political actors: nor is it able to use political pressure in order to influence the development of democracy, good governance or of the rule of law. This is not, however, necessarily a disadvantage. On the contrary, Switzerland, partly because of its long-standing record of neutrality, has a high level of credibility and provides a convincing case for

combining democracy and the rule of law with socio-economic success. Specifically, the Swiss have a unique history and experience of: bottom-up state-building; non-centralisation and decentralised administration; participative and multi-cultural democracy; power-sharing; effective governance; and co-operation of state and civil society. In the last decade, the Swiss Government has sought to advance the development of international law and a global human rights policy and on the stage of international politics it seeks credibility and independence through modernised neutrality. On some of these aspects, the Swiss have won reputational gains and recognition in developing countries. Therefore, if a developing country seeks advice and co-operation in one of these areas, these should be priority fields of action.

### ■ **Knowledge transfer as a two-stage process**

As already mentioned, political institutions, human rights and governance are not export products. Knowledge transfer requires a two-stage process. As a first step, our own experience must be told as a convincing 'story' and be translated into general concepts and guiding principles. For example, the Swiss 'Konkordanz' (consensual democracy) is a 'success story', yet this political structure is not based on a 'magic formula', but rather on principles of power-sharing, proportional representation and techniques of seeking political compromise. In a second step, then, one has to find out where and how these principles can make an amalgam with the cultural heritage and the existing institutions of the developing country.

### ■ **Combine the process of democratisation with the delivery of products and services**

Democratic consolidation is 'learning-by-doing'. Democracy aid that is focused on the delivery of concept papers for officials or organising NGO participation without a concrete mission is of little help. People do not have an innate hunger for democracy. First and foremost, they seek a better life: to work

eight instead of ten hours a day in order to feed their families, have transport to the neighbouring market, access to healthcare services and decent education. Co-operation in these fields is the traditional business of development agencies. These activities, while aimed at delivering useful products and services, at the same time offer plenty of opportunity for the practice of democracy. Indeed, many projects of SDC and other donors have a long tradition of combining the two: water systems in Asia and Africa and trail bridges in Nepal are examples. Thus, it is not necessary to start all democracy-building activities from scratch. It is interesting to see that many 'technical' projects have intuitively developed organisational structures that combine criteria of sound economy, democratic participation and sustainability in very creative ways. On these points, social scientists are able to learn from the technicians in order to identify appropriate issues for democracy and governance: for example, how to organise political participation in rural regions with illiterate members of the population. Certainly, democracy aid has to prove itself in the field and in the government administration. But there, also, the same principle may apply: combine process with the production of useful product or service.

#### ■ Adopt a holistic approach

Economy, state and democracy are all inter-linked. Arguably, there is even an order of sequencing: develop the conditions for an improved economy first, then for the better state and the rule of law, and last, but not least, for the consolidation of democracy. The five dimensions of consolidation developed in Section 2 are helpful for the application of a holistic approach. They provide a checklist for selecting the country, understanding the indigenous culture and social structures and developing and evaluating programmes and projects. Most importantly, they have a strong focus on the development of political and societal institutions, which are the key variables for developing democratic culture and practice. ■

## References

- ALESINA, Alberto, and David Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 5:33-63.
- ALESINA, Alberto, and Beatrice Weder. 2002. "Do Corrupt Governments Receive Less Foreign Aid?" *The American Economic Review* 92 (4): 1126-1137.
- ALEXANDER, Gerard. 2001. "Institutions, Path Dependence and Democratic Consolidation." *Journal of Theoretical Politics* 13 (3): 249-270.
- BÄCHTIGER, André, and Dominik Hangartner. 2005. "Democracy Survival in Africa and Asia: Exploring the Role of Neo-Evolutionism, Modernization Theory, and Institutionalism with Event History Analysis." Paper presented at the 3rd ECPR General Conference, Budapest, 8-10 September 2005.
- BAHL, Roy. 1999. "Fiscal Decentralization as Development Policy." *Public Budgeting & Finance* 19 (2): 59-75.
- BARDHAN, Pranab. 2002. "Decentralisation of Governance and Development." *Journal of Economic Perspectives* 16 (4): 185-2005.
- BRANCATI, Dawn. 2006. "Dezentralization: Fueling the Fire or Dampening the Flames of Ethnic Conflict and Secessionism?" *International Organization* 60: 651-685.
- BURNELL, Peter. 2004. "Democracy Promotion: The Elusive Quest for Grand Strategies." *Internationale Politik und Gesellschaft* 204 (3): 100-116.
- CAROTHERS, Thomas. 1999. *Aiding Democracy Abroad*. Washington D.C.: Carnegie Endowment for International Peace.
- CAROTHERS, Thomas, ed. 2006. *Promoting the Rule of Law Abroad*. Washington DC: Carnegie Endowment for International Peace.
- CHEIBUB, Antonio J., 2002. "Minority Governments, Deadlock Situations, and the Survival of Presidential Democracies." *Comparative Political Studies* 35.
- COLOMER, Josep M. 1991. "Transitions by Agreement: Modeling the Spanish Way." *American Political Science Review* 85 (1283-1302).
- DAHL, Robert A. 1989. *Democracy and its Critics*. New Haven & London: Yale University Press.
- DIAMOND, Larry. 2003. "Advancing Democratic Governance: A Global Perspective on the Status of Democracy and Directions for International Assistance."
- FISMAN, Raymond, and Roberta Gatti. 2002. "Decentralization and corruption: evidence across countries." *Journal of Public Economics* 83: 325-345.
- GERRING, John, Philip Bond, William T. Barndt, and Carola Moreno. 2005. "Democracy and Economic Growth." *World Politics* 57: 323-364.
- GERRING, John, Strom C. Thacker, and Carola Moreno. 2005. "Centripetal Democratic Governance: A Theory and Global Inquiry." *American Political Science Review* 99 (4): 567-581.
- GOLDSMITH, Arthur A. 2001. "Donors, dictators and democrats in Africa." *Journal of Modern African Studies* 39 (3): 411-436.
- HADENIUS, Axel. 1994. "The Duration of Democracy: Institutional vs. Socio-economic Factors." In *Defin-*



- ing and Measuring Democracy, edited by D. Beetham. London: Sage.
- HALE, Henry E. 2004. "Divided We Stand: Institutional sources of ethno-federal state survival and collapse." *World Politics* 56 (165-193).
- HARTZELL, Caroline A. 1999. "Explaining the Stability of Intrastate Wars." *Journal of Conflict Resolution* 43: 3-22.
- HOROWITZ, Donald L. 2002. "Constitutional Design. Proposals versus Processes." In *The Architecture of Democracy. Constitutional Design, Conflict Management, and Democracy*, edited by A. Reynolds. Oxford: Oxford University Press.
- HUNTINGTON, Samuel P. 1996. *The Clash of Civilizations and the Remaking of the World Order*. New York: Simon and Schuster.
- KALYVITIS, Sarantis, and Irene Vlachaki. 2006. "Democracy Assistance and the Democratization of Recipients." *Working paper*.
- KNACK, Stephen. 2004. "Does foreign aid promote democracy?" *International Studies Quarterly* 48 (251-266).
- LEFTWICH, Adrian. 1996. "On the primacy of politics in development." In *Democracy and Development: Theory and Practice*, edited by A. Leftwich: Polity Press.
- LIJPHART, Arend. 1977. *Democracy in Plural Societies: A Comparative Exploration*. New Haven and London: Yale University Press.
- LIJPHART, Arend. 1999. *Patterns of Democracy. Government Forms and Performances in Thirty-Six Countries*. New Haven and London: Yale University Press.
- LINDER, Wolf. 1994. *Swiss Democracy. Possible solutions to Conflict in Multicultural Societies*. Houndsmill: Macmillan.
- LINDER, Wolf. 2005. *Schweizerische Demokratie*. 2. Auflage ed. Bern, Stuttgart, Wien: Haupt.
- LINDER, Wolf, and André Bächtiger. 2005. "What drives democratisation in Asia and Africa?" *European Journal of Political Research* 44 (6): 861-880.
- LINZ, Juan J. 1990a. "The Perils of Presidentialism." *Journal of Democracy* 1:51-69.
- LINZ, Juan J. 1990b. "The Virtues of Parliamentarism." *Journal of Democracy* 1 (84-91).
- LIPSET, Seymour M. 1959. "Some social requisites of democracy: economic development and political legitimacy." *American Political Science Review* 53 (69-105).
- MAINWARING, Scott, and Matthew S. Shugart. 1997. "Juan Linz, presidentialism, and democracy. A critical appraisal." *Comparative Politics* 29: 449-471.
- MANOR, James. 1999. *The Political Economy of Democratic Dezentralization*. Washington, D.C.: The World Bank.
- MERKEL, Wolfgang. 1999. *System transformation*. Opladen: Leske + Budrich.
- MOORE, Mick. 2001. "Political Underdevelopment. What causes 'Bad Governance'." *Public Management Review* 3 (3): 385-418.
- MORLINO, Leonardo. 2004. "What is a 'Good' Democracy?" *Democratization* 11 (10-32).
- MOZAFFAR, Shaheen, and James R Scarritt. 1999. "Why territorial autonomy is not a viable option for managing ethnic conflict in African plural societies." *Nationalism and Ethnic Politics* 5.
- MÜLLER, Hans-Peter, Claudia Kock, Seiler-Schiedt Eva, and Brigitte Arpagaus. 1999. *Atlas of Precolonial Societies: Cultural Heritage and Social Structures of African, Asian and Melanesian Countries*. Berlin: Reimer.
- O'DONNELL, Guillermo, Philippe Schmitter, and Laurence Whitehead. 1986. *Transitions from authoritarian rule: Prospects for democracy*. Baltimore, London: Johns Hopkins University Press.
- POSNER, Daniel N. 2004. "Measuring Ethnic Fractionalization in Africa." *American Journal of Political Science* 48 (4): 849-863.
- POWER, Timothy J., and Mark J. Gasiorowski. 1997. "Institutional Design and Democratic Consolidation in the Third World." *Comparative Political Studies* 30: 125-155.
- PRUD'HOMME, Rémy. 1995. "On the Dangers of Decentralization." *World Bank Policy Reserach Working Paper* 1252.
- PRZEWORSKI, Adam, E. Michael Alvarez, José Antonio Cheibub, and Fernando Limongi. 2000. *Democracy and Development. Political Institutions and Well-Being in the World, 1950-1990*. Cambridge: Cambridge University Press.
- REYNOLDS, Andrew, ed. 2002. *The Architecture of Democracy. Constitutional Design, Conflict Management, and Democracy*. Oxford: Oxford University Press.
- SCHEDLER, Andreas, ed. 2006. *Electoral Authoritarianism*. Boulder & London: Lynne Rienner.
- SCHMITTER, Philippe, and Terry Lyn Karl. 1991. "What Democracy Is... And Is Not." *Journal of Democracy* 2 (75-88).
- SCHNEIDER, Carsten Q., and Philippe C. Schmitter. 2004. "Liberalization, Transition, and Consolidation: Measuring the Components of Democratization." *Democratization* 11:59-90.
- SHUGART, Matthew Soberg. 1999. "Presidentialism, Parliamentarism, and the Provision of Collective Public Goods in Less-Developed Countries." *Constitutional Political Economy* 10:59-88.
- TREISMANN, Daniel. 2002. "Decentralization and the Quality of Government." *Unpublished paper*, UCLA.
- VANHANEN, Tatu. 1989. "The Level of Democratization Related to Socioeconomic Variables in 147 States in 1980-85." *Scandinavian Political Studies* 12 (2): 95-127.
- WELZEL, Christian, Ronald Inglehart, and Hans-Dieter Klingemann. 2003. "The theory of human development: a cross-cultural analysis." *European Journal of Political Research* 42: 341-379.
- WORLD BANK. 2004. *World Development Report: Making Services Work for Poor People*, Washington DC: World Bank.



# Corruption : between Perception and Victimisation

## Policy implications for national authorities and the development community

BLAISE BONVIN\*

*This paper proposes policy recommendations for national authorities and donors to strengthen the fight against corruption, based on an improved understanding of the differences between corruption perception and victimisation.*

*The paper uses data from the 2000 International Crime Victims Survey (ICVS) for twenty-five developing countries and countries in transition, as well as a 2006 survey undertaken for Georgia. It conducts an analysis of corruption perception and victimisation at country and sectoral level, illustrating that the two are not correlated and that perception cannot be used as a proxy for the level of victimisation. The paper then identifies other influencing factors such as age, gender, income, education and neighbourhood. Finally, it assesses the relative impact of corruption perception and victimisation in shaping public opinion of the public administration, finding that perception rather than victimisation is the key influence.*

*The conclusions emphasise the need for anti-corruption strategies to treat the two measures of corruption separately and to focus on corruption perception as a phenomenon in itself. The paper's recommendations reflect this core message, warning against those anti-corruption activities that might serve to increase corruption perception and thereby damage the image of the State. As regards victimisation, the paper underlines the need to tackle impunity. It also calls for the use of victimisation surveys to locate corruption both geographically and sectorally, in order to better target corruption-related problems.*

### 1. Introduction

The aim of this paper is to enhance our ability to fight corruption. However, we can only defeat what we can define. Today, our understanding of corruption is limited by a lack of adequate understanding. New approaches and insights are urgently needed. Fighting corruption is like fighting all battles ; victory lies more in the judicious allocation of resources than in the amount available.

The time for rhetoric on reducing corruption is over. What is still to be grasped is an understanding of corruption in its duality : as an objective phenomenon and a social representation, or perception. Like any other social representation, the perception of corruption does not simply reflect the phenomenon as it occurs *objectively*.

The starting point for our work is to differentiate between objective corruption (the level of victimisation) and the perception of corruption. We will consider these at both country and sector levels.

Next, we will strive to identify the factors that influence the levels of victimisation and perception of corruption, using individual and social variables (age, gender, income, neighbourhood types, etc.). We will then assess the relative impact of corruption victimisation and perception on the image of the public administration, in

\* **BLAISE BONVIN** is a Public Governance expert. His field of activities include Rule of Law, Security and Police Reform. He currently works as a consultant for TC Team Consult SA in Geneva, Switzerland.

order to determine which most reduces the legitimacy of the State.

We will conclude by emphasising that there is a need to fight both perception of corruption as a problem in itself, and will outline ways in which this can be done, as well as objective corruption, but with more accurate tools.

## 2. Methodology

### **Survey and sample**

Our analysis uses data from the 2000 International Crime Victims Survey (ICVS) for twenty-five developing countries and countries in transition (see Annex II). The ICVS is conducted on a regular basis, worldwide under the supervision of the United Nations Interregional Crime and Justice Research Institute (UNICRI), using a standardised methodology. Due to this standardisation, the ICVS represents the most accurate and reliable tool for assessing and comparing crime rates internationally.<sup>1</sup>

The 2000 survey of the ICVS incorporated questions on corruption perception for the first time. Regrettably, this has not been repeated in following years, for financial reasons.

The country surveys were mainly conducted face-to-face, due to low telephone penetration. Predominantly, only capital cities have been included. All surveys use representative samples (see Annex II, for sample details for each country).

Additionally, we use data from a report on Georgia<sup>2</sup>, which is based on a survey conducted in 2006 that contained the same questions on corruption perception and victimisation as the 2000 ICVS. Because Georgia is covered in the 2000 ICVS, we are able to use this report to compare levels of corruption over time. Furthermore, due to

the inclusion of additional questions on public disorders in neighbourhoods, we are also able to use the Georgia report to enhance our understanding of subjective corruption.

These public surveys are particularly useful for assessing so-called “petty corruption”, which occurs between the citizen and a state representative<sup>3</sup>. They are less useful for measuring “grand corruption”, which takes place in the context of large-scale public procurement and letting of concessions.

The following corruption questions were asked in the 2000 ICVS and 2006 survey for Georgia :

– For **experience** (or victimisation):

In some areas there is a problem of corruption among government or public officials. During 1999, has any government official, for instance a customs officer, police officer or inspector in your own country, asked you or expected you to pay a bribe for his service?

1. yes
2. no
3. don't know

⟨IF MORE THAN ONCE, ASK ABOUT THE LAST TIME⟩

⟨IF YES⟩ (The last time) what type of official was involved (the last time)?

1. government official
2. customs officer
3. police officer
4. inspector
5. elected municipal councillors
6. municipal officials
7. tax/revenues officials
8. doctors/nurses
9. teachers/professors
10. officials in courts
11. private sector
12. other (PLEASE SPECIFY)

The phrasing of the question on experience avoids an important methodological

1 VAN DIJK, J. J. M., van Kesteren, J.N. & Smit, P. *Criminal Victimisation in International Perspective, Key findings from the 2004-2005 ICVS and EU ICS*. The Hague, Boom Legal Publishers, (2008).

2 BONVIN, Blaise, *Public Security in Georgia*, TC Team Consult, Tbilisi/Geneva, 2006, report delivered to the United Nations Observer Mission in Georgia (UNOMIC).

3 This term is well-known but misleading. This form of corruption is the most widespread and might concern every citizen, thus having the greatest potential to damage state efficiency and legitimacy. We would suggest using “mass corruption” instead.

- For **perception** (twelve politico-administrative sectors):

It is known that in some countries the problem of corruption among government or public officials is highly perceived by citizens. Imagine a person who needs something that is entitled to him/her by law. Is it *likely or not likely* that this person would have to offer money, a present or a favour (i.e., more than official charge), to get help from :

1. Members of Parliament → Parliament
2. Officials in the Ministries → Ministries
3. Elected municipal councillors → Municipalities executive
4. Municipal officials → Municipalities administration
5. Customs officials → Customs
6. Police officers → Police
7. Tax/revenues officials → Tax services
8. Doctors/nurses → Health
9. Inspectors → Inspectorates
10. Teachers/Professors → Schools
11. Courts officials → Courts
12. Private sector → Private sector

pitfall. Asking the question more directly (“*Did you pay...*”) would probably lead some people to respond “no” automatically, for fear of confessing to an illicit or unethical act. Furthermore, the question is restricted to the interviewed person alone (“*...asked you or expected you...*”), and does not draw on experiences that he/she might have heard from someone else, thus reducing the risk of the results including rumours rather than facts.

Similarly, the question on perception, by providing the respondent with a context and avoiding an over-general inquiry, also appears to be methodologically appropriate.

#### **Differences with existing indices**

Many organisations produce measurements of corruption. We will not analyse and evaluate them all here but rather will describe briefly three such measurements, developed by Transparency International (TI):

- **Corruption Perceptions Index (CPI):** There are important differences between the approaches of the ICVS and the CPI. While the ICVS is based on a representative sample of the local population (in capital cities mainly), the CPI uses a

combination of different sources, most of them drawn from non-residents and produced by different organisations with different interests.

The CPI is a composite index, making use of surveys of business people and assessments by country analysts. It consists of credible sources using diverse sampling frames and different methodologies.

These perceptions enhance our understanding of real levels of corruption from one country to another.<sup>4</sup>

This definition, incidentally, also highlights the core belief that we challenge in this paper: the reliability of using perception to understand reality.

- **Bribe Payers Index (BPI):** The BPI “evaluates the supply side of corruption – the propensity of firms from industrialised countries to bribe abroad”.<sup>5</sup> The ICVS focuses on the general public, at home, in developing countries. The source is again completely different. The possibility of conducting comparisons using the BPI and the ICVS is extremely limited.
- **Global Corruption Barometer (GCB):** The ICVS finds more similarity with the GCB, which also surveys local populations. However, the formulation of the questions differs in an important way,

<sup>4</sup> Background Paper to the 2004 Corruption Perceptions Index, Framework Document 2004, TI 2004, Passau.

<sup>5</sup> See <[http://www.transparency.org/policy\\_research/surveys\\_indices/bpi](http://www.transparency.org/policy_research/surveys_indices/bpi)>.



since TI asks about the experience of corruption of the person interviewed *and* other members of his/her household, thus leading to higher results.

### Using analogy

As is the case for many applied research endeavours, this paper uses analogy. There are indeed some striking similarities between crime and corruption analysis.

Public security analysts, on the basis of the outcomes of criminological and sociological research, have drawn attention to the important gap between crime victimisation, an objective reality, and fear of crime (the feeling of insecurity), a subjective assessment. These variables rarely correlate. The level of fear of crime in a region or country cannot be used as a proxy for the level of crime. Some studies have, at best, pointed to a learning curve; i.e., a period of time over which public opinion adapts to higher or lower crime rates. Yet, cycles of crime and fear of crime tend to be, even then, asynchronous.

There are numerous factors that influence the fear of crime (individual, such as gender or age, and social variables, including the level of income and education). It cannot be explained by the level of victimisation only. Using fear of crime to understand the level of crime, notably in international comparisons, is not reliable and, to our knowledge, has never been seriously undertaken.

In other words, individuals may construct their own representation of social phenomena like crime or corruption, even if reality contradicts it.

---

**“In other words, individuals may construct their own representation of social phenomena like crime or corruption, even if reality contradicts it.”**

## 3. Perception and victimisation: not two sides of the same coin

### Country-level analysis

At the global level, for the 2000 ICVS we find that 13.8% of respondents were victims of corruption within the twelve-month period before the survey (N=43 669),<sup>6</sup> compared to 13% for the 1996 ICVS (N=39 756). This represents a remarkable stability in the experience of corruption globally.

These figures are low compared to the results on perception. Aggregating the responses for the twelve sectors, we find that 82.3% of respondents considered *at least one* sector to be corrupt (see Graph 1) and that 13.0% perceive all sectors to be corrupt.

Only 6.1% think none of the sectors is corrupt.

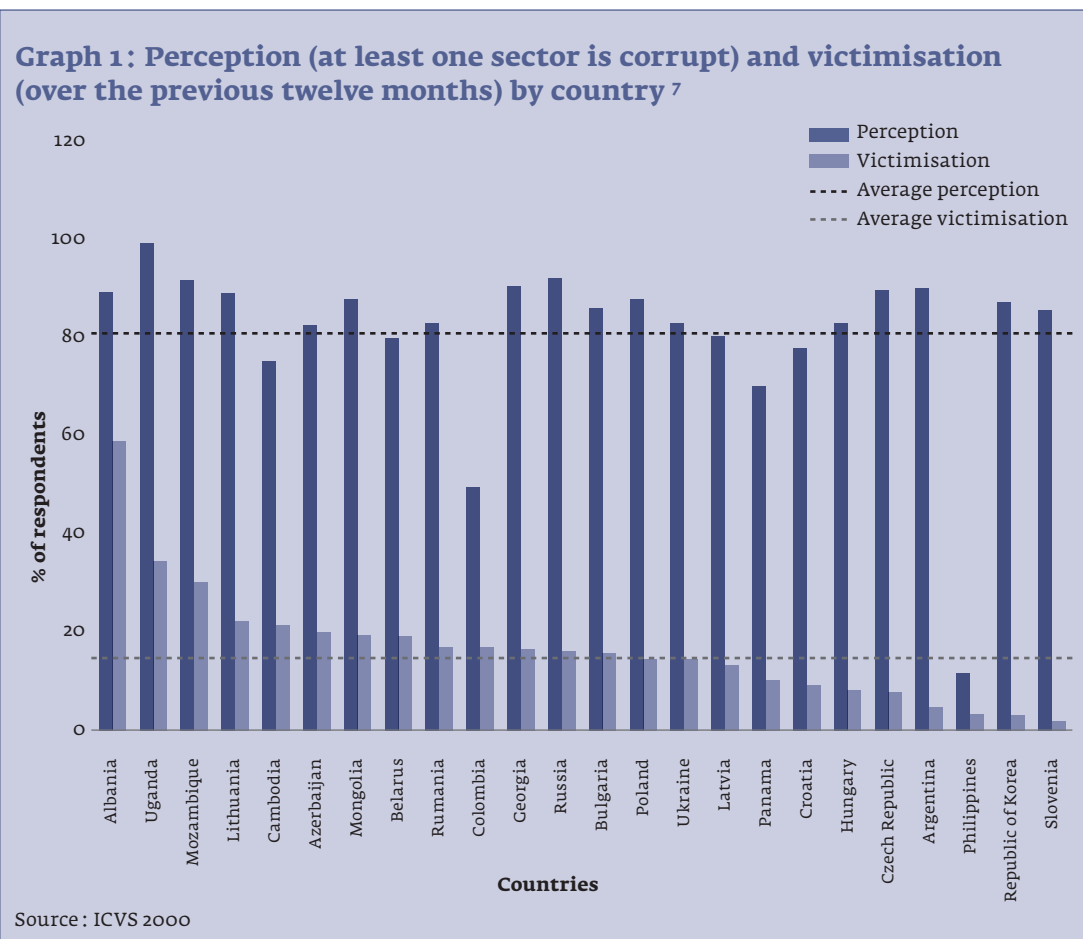
In all countries, the level of perception of corruption is, by varying degrees, higher than the level of victimisation. The correlation (Pearson correlation) between these two measurements at country level (N=25) is close to 0 ( $r=.3$ ) and not significant.

Four types of countries can be identified with regard to their perception versus victimisation pattern:

- Countries with high victimisation (= above the average) and high perception (Albania, Uganda, Mozambique, Lithuania, Azerbaijan, Mongolia, Romania, Georgia, Russia and Bulgaria).
- Countries with high victimisation and low perception (Cambodia, Belarus and Colombia).
- Countries with low victimisation and low perception (Panama, Croatia, and the Philippines).
- Countries with low victimisation and high perception (Poland, Latvia, Hungary, Czech Republic, Argentina, South Korea, Slovenia).

We propose some very cautious hypotheses for why a country belongs to a particular

6 N equals the number of respondents in the survey.



<sup>7</sup> Details are provided in Annex III.

group, drawing on the political situation at the time of the survey:

- In the “low victimisation / high perception” group, Argentina, for example, was going through a major political crisis at the end of the nineties, in which the elite was under constant pressure from the opposition and the media. The grim image of the public administration is most certainly linked to this political context. The former Soviet countries in this group were similarly in a crisis situation, with public debate dominated by corruption accusations against former Communist elites – not to mention the corruption rhetoric of the main transition partner, the European Union.
- The “high victimisation / low perception” group includes a country (Belarus) in which the media were, and still are, under strict political control, thus imposing a view of the situation that was better than reality, as well as a country

(Colombia) where the effect of an ongoing internal conflict, might have been to draw public attention and concern away from corruption.

We found a similar discrepancy between victimisation and perception in Georgia for 2006, with only 3.8% acknowledging that they had been asked for a bribe, while 60% said they thought it likely that they would be asked for one in the future, for at least one sector. This finding provides additional support for our claim.

Furthermore, comparing the 2000 results for Georgia with those of 2006:

- In 2000, 90.2% perceived corruption in at least one sector, whereas 16.8% were victims (see Graph 1).
- In 2006, 60.0% perceived corruption in at least one sector, while 3.8% were victims.

While both objective corruption and perceptions of corruption had declined, the



gap between them remained constant. It is not possible to generalise on the basis of one country, but these results, nevertheless, give cause for some optimism. First, dramatically reducing objective corruption is possible in a relatively short period of time (six years). Second, this reduction in victimisation appears to be accompanied by a reduction in perception, although not linearly.

### Sector-level analysis

In this Section we focus on the twelve different sectors, still with a view to differentiating perception and victimisation.

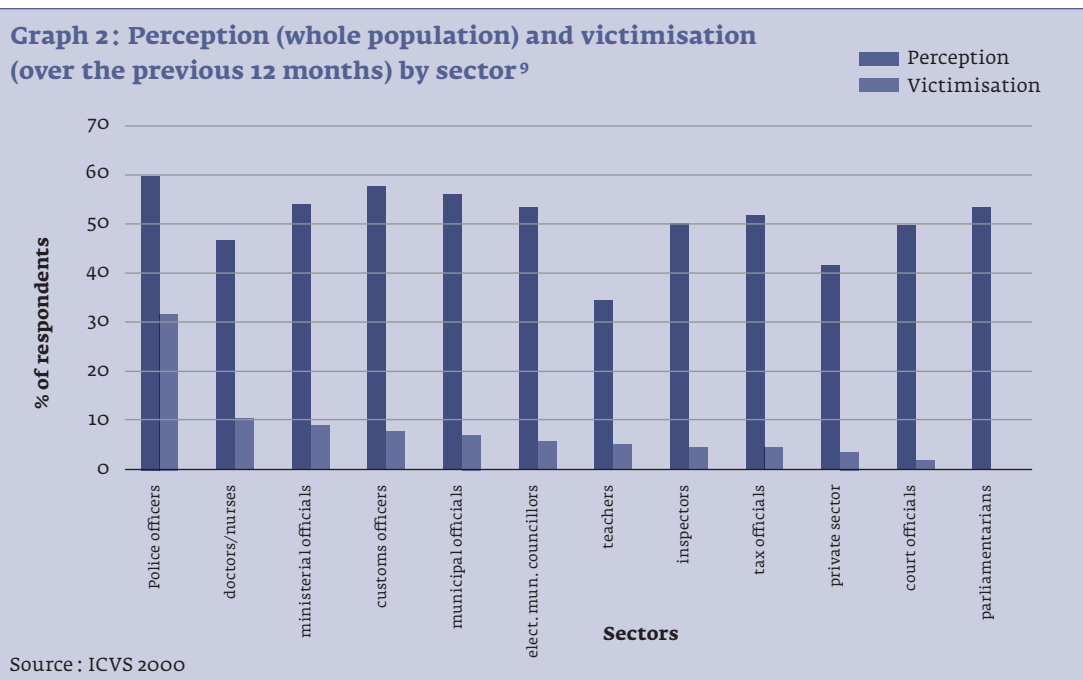
As was the case for the country-level analysis, there is no relationship between perception and victimisation at the sector level. In other words, high perception of corruption in a sector is not a good predictor of the corruption occurring in it, and vice versa. Parliament represents a prime example: it is widely regarded as corrupt (by 55% of respondents), but generated no actual cases of corruption.

As noted previously, a high percentage of respondents (82.3%) perceives corruption in at least one of the sectors. A much lower

percentage (5.4%) perceives corruption to be present in one sector only. This supports our assumption that perception is a general feeling that is indiscriminately directed towards representatives of the public administration, rather than the result of victimisation in a particular sector.

Turning to the level of victimisation, the significant difference between the most corrupt sector (the police) and the other sectors could be explained by the frequency of contact between police officers and the general public: a higher level of contact provides more opportunity for, and risks of, corruption. Parliamentarians have the opposite profile: a lower level of contact with the general public, and thus fewer occasions to bribe, but suffer from a negative image, which is reflected in poor ratings of Parliaments in surveys worldwide.<sup>8</sup>

We have also looked for any difference in corruption typology between groups, based on their level of education and income. We could not, however, find any convincing statistical trend, suggesting that the level of corruption does not vary between sectors for different social groups.



<sup>8</sup> See, for example, ([http://archive.idea.int/press/documents/SEE\\_Survey\\_Press\\_Release\\_English.pdf](http://archive.idea.int/press/documents/SEE_Survey_Press_Release_English.pdf)), in which the Parliament is systematically ranked as one of the least trusted institutions in South Eastern Europe.

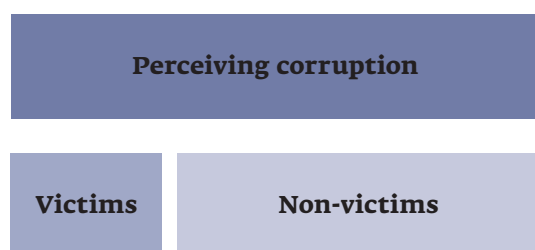
<sup>9</sup> Details are provided in Annex III.

The private sector has an interesting profile. In Georgia for 2006, it appeared as the second most important source of actual corruption, while having the lowest perception rate. Globally, the private sector has the second lowest perception rate (see Graph 2). These figures indicate that the private sector enjoys an “image bonus”.

An explanation for this atypical result is that private companies generate a positive public image through communication and marketing. This hypothesis provides the basis for one of our recommendations (see Section 7).

#### 4. The hidden factors: influence of individual and social variables

As expected, victims of corruption are more likely to perceive corruption than non-victims. However, and this is central to our research, the vast majority (81%) of those who perceive corruption has not been a victim of corruption during the last twelve months. The simple depiction below clearly illustrates that using perception as a measure of corruption over-estimates the level of victimisation. This is why we have to identify other factors that influence perception – not just victimisation.



Analysis of the ICVS data shows that individual and social variables influence corruption perception:

- Respondents **aged between 20 and 34** are more likely to perceive corruption than other age groups.
- Those with **incomes above the median** are more likely to perceive corruption than those who are poorer.
- **Men** are more likely to perceive corruption than women.

- Respondents **who feel unsafe** are more likely to perceive corruption than those who feel safe.
- Respondents **who are victims of other offences** (theft, assault, etc.) are more likely to perceive corruption than non-victims.
- **University and secondary level-educated** respondents are more likely to perceive corruption than less educated respondents.
- **Professionally-active** respondents and those looking for work are more likely to perceive corruption than non-active respondents, students, housewives or retirees.
- Respondents living in neighbourhoods where **solidarity** is described as low are more likely to perceive corruption.

Similar results were found for Georgia. Additionally, the questions on public disorders in neighbourhoods contained in the 2006 survey for Georgia, shed new light on the profile of the victims and “perceivers”. We observe that those suffering from public disorders in their neighbourhood (youth gangs, reckless driving, and drunk and drug addicted people) tend to be more victimised and to perceive more corruption.

In terms of policy-making on subjective corruption, these results confirm the importance of neighbourhood as an influencing factor, due to the combined effects of conditions of local life, such as public disorder and solidarity.

We were not able to extract information on the size of the bribes from the ICVS database. However, according to our analysis, corruption is more often encoun-

---

**“Using perception as a measure of corruption over-estimates the level of victimisation.”**

tered by respondents with higher income levels. For example, if we consider the focus population of males, with higher education and/or income in the first 25% quartile, we find that one respondent in four has been a victim of corruption over the last twelve months. This finding could challenge the common belief that corruption hits the poor the hardest, as poor people are in fact victimised less often. On the other hand, when victimisation does occur, the impact is likely to be greater, due to the poor having fewer resources at their disposal.

### 5. Corruption and legitimacy of the State

Do corruption victimisation and perception influence people's perception of the State apparatus? This question lies at the heart of the issue of State legitimacy and its capacity to operate democratically and efficiently.

We analysed this particular aspect by cross-tabulating variables on objective and

## “Perception of corruption is a greater challenge to State legitimacy than experience of corruption.”

subjective corruption with the responses to the questions on accessibility and fairness of the public administration.<sup>10</sup>

In short, the results show that experience of corruption does not affect public judgement of the public administration in a clear way, whereas greater perception of corruption corresponds to a less positive public assessment of the public administration.

Respondents who were victims of corruption in the year preceding the survey (a) are significantly more likely than non-victims to consider it easier now than ten

**Table 1: Victimization/perception and accessibility of public administration (%)**

	Victims	Non-victims	Perceiving corruption (police)	Not perceiving corruption (police)
Easier to find the right official	30.6 <sup>(a)</sup>	22.1	22.7 <sup>(b)</sup>	30.7
More difficult to find the right official	52.8	52.4	58.6 <sup>(c)</sup>	46.2
Do not know	16.6	25.5	18.7	23.1
<b>Total</b>	100.0	100.0	100.0	100.0

**Table 2: Victimization/perception and fairness of the public administration (%)**

	Victims	Non-victims	Perceiving corruption (police)	Not perceiving corruption (police)
Easier to get a fair treatment	22.7 <sup>(a)</sup>	18.4	17.3 <sup>(c)</sup>	27.6
More difficult to get fair treatment	61.0 <sup>(b)</sup>	55.8	64.2 <sup>(d)</sup>	48.4
Do not know	16.3	25.8	18.5	24.0
<b>Total</b>	100.0	100.0	100.0	100.0

<sup>10</sup> The questions on public administration are asked in following terms: “In comparison to ten years ago, is it now easier or more difficult to find the right official who will deal with your problem / [...] to get fair treatment”. The phrasing of these questions differs from that on corruption, since here the assessment of an evolution (in comparison to ten years ago) is central. We note that perception of accessibility and perception of fairness are, as expected, highly, significantly and positively correlated.

years ago to find the right official to deal with a problem. This result is difficult to interpret. We can only assume that there is no relationship between corruption victimisation and perception of accessibility of the public administration.

Those who perceive corruption are significantly less likely to judge it to be easier to find the right official today (b), compared to those who do not perceive corruption. They are also significantly more likely to perceive that it is harder to find the right official (c).

The relationship between corruption victimisation and perception of fairness of the public administration is contradictory and unclear [(a) and (b)]. But once again, those who perceive corruption are significantly less likely to find it easier to get fair treatment (a) than those who do not perceive it, and are also significantly more likely to perceive that it is harder to get fair treatment (b).

We conclude that perception of corruption matters more to the public than actual experience, in terms of their assessment of the public administration. In other words, fighting corruption would not appear to be a direct means by which to improve the image of the public administration.

A recent study, although undertaken in a completely different context, comes to a similar conclusion. The University of Leuven in Belgium found perception of corruption, rather than victimisation, to be linked to perception of the State.

General subjective corruption indicators risk to reflect citizens' general predispositions towards government, rather than actual experienced corruption. Therefore, there exists a possibility that countries where the public administration or government suffer from a very negative image will also be seen as countries where corruption is high.<sup>11</sup>

## 6. Concluding remarks

### **Define to defeat**

We have challenged the common belief that perception and victimisation of corruption are correlated and that the first can serve as a proxy for the second. Both are important, but they are not two sides of the same coin. As we have shown, victimisation and perception are influenced by so many factors, that it is difficult to single out any one as the primary determinant. What is clear is that victimisation is not the only factor that influences perception.

By targeting victimisation only, perception will not decline linearly, as indicated by the Georgian example. However, perception matters more than victimisation in terms of the general image of the public administration – and thus for the State's credibility. Perception of corruption is a greater challenge to State legitimacy than experience of corruption. Neglecting perception, or believing that it will automatically decline in line with the level of victimisation, represents an important shortcoming of current anti-corruption programmes. Some analysts even argue that a high level of perception might eventually lead people to bribe, as they assume that this is the norm:

High corruption perception can increase corruption by encouraging people to believe that they must pay bribes, and by enticing officials to think that there is nothing wrong with accepting bribes. The problems escalate as, perceiving that many people pay bribes, customers become much less sure a matter can be settled without a bribe, and much surer that a bribe will be accepted. Believing that everybody takes bribes, officials lose the fear of being punished for receiving them.<sup>12</sup>

We therefore strongly advocate applying tailor-made analyses and policies to perception and victimisation. We call for a change of paradigm, similar to that which occurred with fear of crime three decades

11 VAN DE WALLE, Steven, *Decontaminating subjective corruption indicators. The effect of predispositions towards government on perceptions of corruption*, Paper for the 'Ethics and integrity: A transatlantic dialogue' – conference, Leuven, 2-5 June 2005.

12 ČÁBELKOVÁ, Inna, Hanousek, Jan, *The Power of Negative Thinking: Corruption, Perception and Willingness to Bribe in Ukraine*, CERGE-EI, Praha, 2002.

ago, and come back to the analogy we used in our introduction :

The police have always assumed that the way to fight fear was to fight crime, that a police department that patrolled assiduously, answered calls promptly, and investigated crimes cleverly would inevitably reduce fear as well. Early in the 1980s, some agencies decided to take a different approach : they would look at fear as a phenomenon distinct from crime and fight it directly.<sup>13</sup>

The next Section indicates some ways by which to fight corruption perception directly, as phenomenon in itself.

On the victimisation side, the use of surveys holds important, currently under-used, benefits and should be expanded. Victimisation has been heavily targeted in the last fifteen years, with important politico-administrative reforms and campaigns, involving massive financial investment. At times, these have been carried out on the basis of weak assumptions, which should be corrected. Scientifically-administered surveys, such as the ICVS, allow us to identify the most corrupt sectors and, furthermore, locate the geographical “hot spots”. Corruption does not develop uniformly, showing significant differences from one place to another, even within a country. A structured analysis, with the ability to identify respondents and construct social profiles, represents the only way to understand the most important sources of corruption. In Georgia, for example, we discovered that the bulk of corruption was concentrated in a specific sector (health) and in a peripheral, post-industrial, impoverished city.

### **Misconception of corruption is a plight**

From a macroeconomic perspective, focusing on corruption perception gives a biased image of a country. This can gravely impede prospects for economic development. The international business community is driven by aversion to risk and the associated increasing use of country risk rankings. International investors may refrain from investing in a country

in which they assume corruption to be too widespread to allow for fair and predictable business conditions :

Perhaps one of the most seminal texts on the issue of corruption and foreign direct investments (FDI) is by Harvard-based academic Shang-Jin Wei entitled, *How taxing is corruption on international investors...* One of the central findings made by Wei is that : ‘... A rise in either the tax rate on multinational firms or the corruption level in a host country reduces inward FDI. An increase in the corruption level from that of Singapore to that of Mexico is equivalent to raising the tax rate by over twenty percentage points.’ These findings are, however, based on the TI Corruption Index, which is regarded as a valuable tool to raise awareness of corruption – but also one which may not reflect reality...<sup>14</sup>

We cannot over-emphasise the menace, for developing countries, of international investors relying on misconceived corruption indicators. Furthermore, international donors may reconsider their involvement with a country due to perceived poor governance outcomes. We know that public aid today is often linked to governance indicators, amongst which corruption – and too often corruption perception indices – finds a central place.

Ranking countries on the basis of perception indicators may thus do them much more harm than good.

### **Perception impedes law enforcement**

A common feature of corruption experience in all countries, sectors and social groups is the pattern of reporting : less than 2% of victims reported the offence to the police or any other agency. This is easily explained : if respondents consider the police or other public administration officials to be corrupt, they will not turn to them to report such cases. We observed that for all public sector profiles, perception is worse than reality. Exaggerated perception thus impedes the effectiveness of law enforcement by discouraging reporting and stemming the flow of information from corruption victims, on which effective enforcement depends.

13 Kennedy, D.M., *Fighting Fear in Baltimore County*, Kennedy School of Government Case Program, Cambridge, 1990.

14 Van Vuuren, Hennie, “Corruption, Perception and Foreign Direct Investment, Counting the cost of graft”, *African Security Review*, Vol. 11 Nr 3, 2002.



*“We cannot over-emphasise the menace, for developing countries, of international investors relying on misconceived corruption indicators.”*

---

## 7. What comes next?

### **Policy prescriptions in fighting perception and victimisation**

From a practical point of view, given the high rates of subjective corruption, we can hope for quick results. Investing more might deliver important successes, with broad positive side-effects. This is not the case for victimisation, where rates are much lower, and the investment needed considerably higher. There is, as with other social phenomenon such as crime, or unemployment, a point after which more and more investment produces less and less results.

We have two sets of recommendations, for national authorities and for donors.

### **National authorities in countries concerned with corruption**

#### ■ **Set up a national strategy based on an analysis which includes victimisation**

National authorities should develop a national strategy for corruption analysis and communication, based on local representative surveys that take into account perception and victimisation.

States should monitor implementation and disseminate the results. Outsourcing research would enhance the independence of the reports. They should, moreover, use statistical results such as percentages rather than non-transparent scales (for example, from 0 to 10). The variables that we have identified (age, sex, income, etc.) should be included in the strategy, by working with target groups for which perception and/or victimisation is/are especially high.

#### ■ **Be careful about messages in your communication strategy**

States should disseminate results through the media, as well as by using direct contacts with communities.

Local authorities should also be involved in delivering the message, especially “front-line” local officials (doctors, police officers, school teachers, etc). This would strengthen the credibility of the message within communities by identifying the responsible person at local level. Front-line officials would also give a face to what is sometimes considered a bureaucratic and out-of-reach system.

National authorities (as well as international organisations active on-the-ground) should avoid over-dramatic corruption campaigns, which run the risk of increasing perception, when in fact the level of corruption is lower than supposed.

#### ■ **Educate the media**

States should educate journalists on their responsibility: sound and balanced information promotes a more sober public discussion and perception.

#### ■ **Enhance capacity of law enforcement and improve reporting mechanisms for victims**

On the side of victimisation, States should reduce impunity by enhancing the capacity of relevant authorities (the police or a specialised anti-corruption agency) to identify cases and increase reporting. Reforms need to be undertaken and legal changes need to be implemented and brought into force. As an important signal of the willingness to act, ‘big fish need to be fried’. States should also create contact points for reporting (the police or specific units), which would strengthen the capacity of the law enforcement bodies to carry out their duties. As discussed, high corruption perception reduces the level of reporting and hence the effectiveness of law enforcement. Analysis should be carried out using corruption victimisation surveys, to locate corruption both sectorally and geographically.

## Donors

### ■ Differentiate between perception and victimisation and adjust aid strategies accordingly

It is important that donors start to differentiate between perception and victimisation of corruption in internal strategies and operational policies, in order to reflect their structural differences.

### ■ Be careful about what should be supported

Donors should review their policy of supporting projects and non-governmental organisations (NGOs) that focus on corruption awareness-raising: these activities may only feed perception and increase the gap between perception and victimisation. Working on perception is relatively easy and far less risky. This is probably the reason why so much has been done in this field. Besides, for a State, perception matters more than victimisation in terms of credibility and reputational risk.

### ■ Support your partner in analysing the situation

Based on demands from partner countries, donors should implement projects that take into account the two measures of corruption and help partner countries analyse the situation on-the-ground, using specific surveys.

### ■ Start with a pilot country

Donors should identify one or two pilot countries in which to implement a comprehensive corruption strategy, taking into account this paper's findings.

### ***The risks of political communication***

As identified in the sector analysis, the private sector has a unique profile: whilst not perceived to be a source of corruption, it is in fact an important source of victimisation. Communication and marketing are likely to play an important role in creating this "image bonus". Investing in greater and better communication, therefore, would seem to be a reasonable strategy for governments seeking to reduce perception of corruption.

The line separating candid communication and propaganda is a thin one in politi-

cal communication. This is especially true in countries where the media is too weak to provide a reliable source of alternative information. Most of the countries where corruption perception has been identified as an important problem are familiar with such a context. We fully understand that the measures we have outlined are not risk-free. In an era of "spin doctors" and the predominance of image over content, political communication is a sensitive exercise.

However, in the case of corruption perception, improved information is entirely legitimate and greatly needed. We would not suggest such a policy were it the case that objective corruption was more widespread or better correlated with perception.

As mentioned above, governments should communicate facts to the public and set measurable targets. In order to reduce the risk of biased and politically-captured information, governments might choose not to deliver those facts themselves, but rather to outsource to an independent organisation. Depending on the country, this independent organisation could be a university, a private firm, a local or an international NGO.

Transparency of the measurement methodology is also crucial to such communication. Instead of presenting indices (for example, from 0 to 10) as is often the case, we recommend using percentages. Indices are interesting from the point of view of producing easily digestible international rankings, but do not help develop an understanding of real levels of corruption. ■



## ANNEX I :

### Corruption and culture

Methodological issues always arise when working with surveys, thus usefully providing a drive for excellence. Several criticisms have already been made of the way the questions are asked in the ICVS, in the literature and in projects undertaken in the field. One of the most recurrent criticisms concerns what could be coined, “cultural bias” : in some cultures corruption is so entrenched in everyday life that giving money, gifts or other kinds of goods or services to a public official is considered normal, even without being asked. Respondents, in such a case, would answer negatively when questioned if they had been asked for a bribe. This would explain the low (or lower than expected) level of corruption found in some countries.

This explanation is, however, inconsistent with other results of the survey. If respondents considered it natural to give gifts to public officials and tended not to consider them as bribes but as a cultural habit, then they would not answer positively when questioned if they think it likely that they will be asked for a bribe in the future. Is a bribe a gift in the past but a bribe in the future?

Moreover, when we compare the 2006 results for Georgia with those of 2000, we observe a fall of *circa* 14% of people declaring that they have been asked to pay a bribe. We have concluded in this paper that there was a decline in objective bribe-asking. But for the “cultural” explanation, does this mean that what was considered a bribe in 2000 became, six years later, a cultural phenomenon, no longer considered a bribe? If respondents indeed considered bribes as gifts, in 2006 they should have answered “no” to the perception question at a rate similar to that of the victimisation question (i.e., *circa* 13 %).

The attempt to link corruption to culture, on the basis of the results of this survey, makes little sense. It tends to underestimate the harm done by both victimisation and perception. ■

## ANNEX II :

### Country samples for the 2000 ICVS where corruption victimisation and perception questions have been asked

Country	Sample (N)
Albania	1498
Argentina	8931
Azerbaijan	930
Belarus	1520
Bulgaria	1505
Cambodia	3155
Colombia	1016
Croatia	1532
Czech Republic	1500
Estonia	1700
Georgia	1000
Hungary	1513
Latvia	1201
Lithuania	1526
Mongolia	944
Mozambique	993
Panama	902
Philippines	1500
Poland	1061
South Korea	2043
Rumania	1506
Russia	1500
Slovenia	3886
Uganda	998
Ukraine	1509
<b>Total</b>	<b>43669</b>

## ANNEX III :

**Results for countries and sectors on corruption perception and victimisation**

<b>Countries</b>	<b>Perception</b> <i>(at least one sector is perceived as corrupt)</i>	<b>Victimisation</b>
Albania	89.4	59.1
Uganda	99.2	34.7
Mozambique	91.7	30.5
Lithuania	89.1	22.5
Cambodia	75.2	21.5
Azerbaijan	82.4	20.4
Mongolia	87.6	19.8
Belarus	79.8	19.5
Rumania	82.9	17.3
Colombia	49.7	17.2
Georgia	90.2	16.8
Russia	91.8	16.7
Bulgaria	85.7	16.2
Poland	88.0	14.9
Ukraine	82.9	14.7
Latvia	80.3	13.6
Panama	70.0	10.5
Croatia	77.9	9.3
Hungary	82.9	8.7
Czech Republic	89.3	8.1
Argentina	89.8	5.3
Philippines	12.0	3.6
South Korea	86.8	3.4
Slovenia	85.1	2.1
<b>Sectors</b>	<b>Perception</b>	<b>Victimisation</b>
Police	59.7	32.1
Health	46.9	10.4
Ministries	53.8	9.1
Customs	57.6	7.9
Municipalities administration	56.1	6.9
Municipalities executive	53.5	5.7
Schools	34.4	5.0
Inspectorates	50.2	4.5
Tax services	51.8	4.5
Private sector	41.6	3.4
Courts	49.7	1.7
Parliament	53.1	0



### **Impressum**

Editor : Governance Division, SDC

Project Coordinator : Chantal Neuweiler, SDC

Publisher : Swiss Agency for Development  
and Cooperation (SDC)  
Federal Department of Foreign Affairs  
(FDFA)  
3003 Bern  
[www.deza.admin.ch](http://www.deza.admin.ch)

Layout : Marc Dubois, MDVR, Lausanne

Illustration on cover page :  
PAUL KLEE, *Legend of the Nile*, 1937, 215, pastel  
on cotton on coloured paste on burlap,  
69 × 61 cm, Kunstmuseum Bern, Hermann  
und Margrit Rupf-Stiftung

Printed by : Länggass Druck AG, Bern

Orders : [info@deza.admin.ch](mailto:info@deza.admin.ch)

© SDC 2008

The views expressed in this publication are  
those of the authors and do not necessarily  
reflect the views of SDC.