Corruption and Democratic Stability: on the Unintended Consequences of International Anti-Corruption Campaigns

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Introduction
The issue of corruption and how to fight it has assumed ever more importance in recent years. Not only has there been a significant growth in academic research on corruption, but media attention has also focused far more on corruption scandals, and governments, international financial institutions and non-governmental organisations have devoted increasing resources to fighting corruption (see Krastev, 2003). The formation of Transparency International in 1993, and the publication of its annual Corruption Perception Index (CPI) since 1995, have been hugely influential in sharpening the focus on corruption. Also significant have been the many corruption scandals revealed since the 1980s in the USA, Canada, and several West European democracies. Such scandals made it difficult to sustain the former notion of established democracies being essentially free of high-level political and administrative corruption. Before the 1980s, such corruption had been regarded as almost solely a concern for developing countries. Today, however, whether discussing issues such as trust in political parties and politicians in democracies, barriers to international trade, or support for development and poverty reduction, corruption has become a central concern. The OECD was an early advocate of putting more focus on fighting corruption, most notably because of its impact on fair competition in foreign trade. But following the OECD lead, other international organisations – such as the UN, the European Union, the World Bank and regional development banks – also made the fight against corruption a priority. Notably, in discussions of how to improve the prospects of development in poor countries, the fight against corruption has come to the forefront, as evidenced by the recently established Commission for Africa. Both in multilateral and bilateral aid today, fighting corruption and establishing ‘good governance’ are seen as a necessary part of supporting sustainable
That corruption damages society is something that few would seriously argue against. Extensive research has highlighted its negative impacts on institutional performance, integrity and political and economic development (see Tanzi, 1998; Miller et al., 2001). So it would not be reasonable to argue against combating corruption – although recent efforts to do so are far from always being successful (see Cirtautas, 2001; Doig and Marquette, 2004). However, the fact that corruption is harmful to society does not necessarily mean that the growing focus on anti-corruption strategies can only bring benefits. On the contrary, there may also be some serious drawbacks to such a focus (Heywood and Krastev, 2006).

In this paper, we seek to explore the relationship between corruption, anti-corruption and democratic politics, and in particular when and under what circumstances well-intentioned current approaches to understanding and fighting corruption can actually constitute a risk to democracy and democratic stability. What is the tipping point from good to bad? Amongst the risks that we identify as being particularly important to investigate are:

- The generation of a sense that politicians and political institutions are irredeemably corrupt, which in turn promotes disaffection and disillusionment amongst citizens – an ideal breeding ground for the growth of populist protest.
- The potential distortion of political debate through a growing obsession with ‘cleanliness’ rather than policy issues, as has arguably happened in many of the former communist countries of eastern and east-central Europe - leading to a de-politicisation of policy choices in favour of an emphasis on moral propriety.
- The development of scepticism towards democracy itself in transition countries, if anti-corruption initiatives are seen as being part and parcel of democratisation and yet corruption continues to flourish.
The use of anti-corruption by non-democratic regimes as a pretext to crack down repressively on opponents rather than supporting genuine transparency and accountability. Similar risks are also present in partially democratic countries in Asia, and not least in the remaining communist regimes. Anti-corruption programmes may thus risk cementing the existing regimes’ grip on power, rather than promoting democracy, despite donor agencies’ best intentions to use the fight against corruption as a means of pushing for increased accountability, transparency, and empowerment of citizens (see Bertucci and Armstrong, 2000; DeWeaver, 2005).

The paper is structured in four sections. In the first, we discuss how the international anti-corruption movement conceptualises corruption, how corruption is measured, and relate these to current debates about the meaning of the term. The second section focuses on the dominant anti-corruption approach, its development origins and success, and in particular, the impact of the ‘good governance’ discourse. In the third section, we investigate the principal driving forces behind anti-corruption campaigns and how, in some cases, such campaigns can have unintended consequences for democratic stability and development, using empirical examples drawn from Europe and Asia. The final section concludes.

Why questions of definition are not just academic
The issue of how to define corruption is well-worn. So much so, that to talk about the need to develop a definition of corruption runs the risk of generating some understandable impatience. After all, it may be argued, we basically know what corruption is, and the real issue is to do with how we combat it rather than how we categorise it or organise it taxonomically. Moreover, there is no shortage of sources to consult in regard to definitions, not least the various edition of the classic Heidenheimer at al. reader (1970, 1989, 2002) and the recent Williams et al. multi-volume reader (2000).
Even if we agree that, at the most basic level, we cannot discuss any concept without some form of working definition, it could be argued that we now have a clear and parsimonious one, courtesy of Transparency International (TI):

Corruption is operationally defined as the misuse of entrusted power for private gain. TI further differentiates between "according to rule" corruption and "against the rule" corruption. Facilitation payments, where a bribe is paid to receive preferential treatment for something that the bribe receiver is required to do by law, constitute the former. The latter, on the other hand, is a bribe paid to obtain services the bribe receiver is prohibited from providing.

However, for all that such a definition may look straightforward and even unobjectionable, closer consideration reveals some significant problems. We could question the appropriateness within this definition of ‘entrusted power’ and, indeed, ‘private gain’ – but there are more serious drawbacks to such a broad-brush, generic definition. Notwithstanding the caveats required in any overarching definition, it could be objected that the TI definition explicitly refers to the payment of bribes, whereas many forms of corruption may not involve any form of financial transaction. It is precisely the fact that it is possible to refer to ‘many forms of’ corruption that immediately highlights one of the core difficulties we face. Insofar as there is an ‘essence’ to corruption, the definition probably needs to be even more generic than that outlined above.

Thus, it might make sense to refine the TI definition along the following lines: ‘Corruption is the misuse of power in the interests of illicit gain’, which would meet objections to the idea that only those who enjoy ‘entrusted’ power can be involved in corrupt activities, and also that the gain involved is ‘private’ (which suggests, though does not necessarily require, that it is usually directed towards an individual or group of individuals). But if we accept a definition pitched in such generic terms, it has the drawback of not being very meaningfully applicable: corruption, in these terms,
encompasses activities which range from the relatively trivial (for instance, a small bribe to avoid prosecution for a minor traffic offence) to the massively serious (for instance, distortion of public policy decisions on account of purchase of influence by private interests). Such a wide ranging definition clearly serves little analytic purpose, yet it remains the case that many analysts operate with precisely such an broad-brush approach (though not necessarily pitched in these terms). Notably, the most widely cited and influential measure of corruption, TI’s annual Corruption Perceptions Index (CPI), is implicitly based on the definition outlined above.

The CPI has rightly been seen as a hugely important step in focusing attention on the issue of corruption, offering for the first time a systematic basis on which to compare perceptions of corruption across a range of different countries, year by year. Without the CPI, it is doubtful that many secondary studies which seek to identify the causes of corruption would have been undertaken, since the index offers an ideal large-n basis for analysis. We should therefore not underplay its significance in the fight against corruption: its value goes beyond the stimulation of research activity, since the publication of the CPI each fall has generated major media interest across the world and contributed to galvanising international anti-corruption initiatives, such as those sponsored by the World Bank and the OECD.

However, these undoubted virtues should not blind us to some serious drawbacks to the CPI, both in conception and in execution, which have a direct bearing on the leading international approaches to combating corruption. In terms of conception, the definition issue relates to whether there is an implicit cultural bias in the formulation proposed by TI and other international agencies. As Chadda (2004: 122) has pointed out,

Several scholars argue that TI’s perspective on corruption is blind to the ground realities of a developing society, especially one in the process of rapid transition from tradition to modernity. (...) To judge transactions originating in the traditional sphere as corrupt because
they clash with the requirements of the legal rational order can be seen as simply an ideological argument for the rapid destruction of the traditional sphere.

Brown and Cloke (2004: 289) have similarly argued that in the international anti-corruption crusade ‘[t]here is frequently insufficient recognition of the complexities of even defining corruption in different political and cultural settings (and an increasing tendency towards the universalising of Western norms and values)...’.

Does this mean that we should adopt a relativist definition of corruption, which varies according to the cultural context in question? Such an approach would make comparative analysis very problematic, since we would be operating with a non-travelling concept (to use Sartori’s term), and is therefore of limited value to political scientists or other researchers. However, we do need to be aware that any conception of corruption implies an understanding of what we take to be the ‘un-corrupt’ state of affairs in whatever area we are discussing (see Philp, 1997, 2006). In the case of politics, this poses particular difficulties, which are immediately apparent if we try to specify the precise nature of ‘proper’, uncorrupted politics. In practice, many of the generic definitions of political corruption which underpin the approach of international anti-corruption agencies are based upon an implicit understanding of ‘proper’ politics as being western-style liberal democracies. The argument here is not that such an understanding is wrong in any judgmental or normative sense, but rather that it significantly conditions the approach adopted by many international agencies in combating corruption. In particular, it posits a model of politics in which not only are certain institutional configurations favoured over others, but also key assumptions are made about what factors condition political behaviour and outcomes.

We will return to the issue of institutional configuration when discussing the impact of anti-corruption initiatives in the transition economies.
and in Asia. In the remainder of this section we want to explore some further difficulties related to the measurement of corruption as developed in the CPI, which have also had a conditioning effect on anti-corruption initiatives. We highlight three in particular. First, as is explicit in the title of the index, it measures *perceptions* rather than, say, reported cases, prosecutions or proven incidences of corruption. This matters because perceptions can influence behaviour in significant ways: for instance, if we believe that all around us people are engaging in corrupt behaviour, that may make us more likely to adopt such practices ourselves. Yet, we know from research conducted by Miller et al. (2001) that there can be a striking disjuncture between perceptions and personal experience of corruption: for instance, citizens in the Czech Republic are much less likely than those in Ukraine to have had direct involvement in corrupt exchanges with public officials, yet in both countries there is a widespread perception of corruption being rife. So, the question of whose perceptions and where their perceptions derive from is important. In regard to the CPI, it is a composite index which draws upon a series of surveys mainly aimed at western business leaders.\footnote{The 2005 index, for instance, drew on the following sources:} Often, there are no respondents drawn from the country in question, and the questions posed in many of the surveys relate specifically to business transactions (for instance, the need to pay bribes to secure contracts).

It is likely, therefore, that responses will be conditioned by the twin perspectives of western business interests and corruption being understood primarily in terms of bribes. Moreover, the focus of questions is often on bribe-takers rather than bribe-givers: the implicit suggestion is that bribes are paid only when required by agents in the receiving country, rather than...
that they may be used proactively as a means to secure contracts. It would not be surprising, therefore, if there were at the very least an unconscious north-south as well as east-west bias in perceptions, reflected in the overall rankings. It is also likely, though difficult to demonstrate empirically, that one element contributing to perceptions of corruption in different countries is precisely their ranking in previous perceptions indices, thus introducing a certain endogeneity to the index which is compounded by the incorporation of rankings from previous three indices into each new release (Lambsdorff, 2005: 3).

The second problem relates to the question of how we can properly interpret what respondents to the various surveys understand by corruption. Each of the surveys operates with its own definition of corruption (which may focus on different aspects, such as bribery of public officials, embezzlement and so forth), and seeks to assess the ‘extent’ of corruption (ibid.: 4). However, although the surveys often ask a panel of experts to rank corruption on a scale of low to high (or some variation thereof), we cannot know whether the experts share a common assessment of what constitutes any particular location on such a scale: what seems a ‘low/modest’ level of corruption to one person, may look high to another. In the absence of clear indicators, such rankings must be largely impressionistic. Given that many of the surveys pose similar questions to people in similar positions in terms of assessing levels of corruption, and many of them specifically emphasise bribery, it is hardly to be wondered at that there is a high degree of correlation between the various indices. Yet it is precisely this correlation which is used to argue that differences in methodology and sample design can be accommodated and the data standardised to produce the CPI ranking.

If we look at the sources used by the CPI in more detail, we see that those surveyed are predominantly ‘executives in top and middle management’ (IMD), ‘expatriate business executives’ (PERC), ‘senior business leaders; domestic and international companies’ (WEF). Where the respondents are ‘country experts’ (CU) or ‘expert staff’ (EIU; WMRC), the number of replies
are either much smaller or else ‘not applicable’. It is also worth noting that one of the sources looks specifically at the Middle East (II), another at Africa (UNECA) and a third at ‘nations in transit’ (FH).

The third problem we highlight here is related to the interval scales used in the CPI index, which ranks on a scale of 100 (1-10 to one decimal place). This suggests a high degree of accuracy can be achieved, and that a material difference can be identified between a country which scores, say, 7.0 and one which scores 6.9. That impression of accuracy is reinforced by the ranking being presented in a ‘league table’ format, with countries given a position within that table. Yet, if we set aside any reservations about the methodology and accept that the rankings do convey a reasonably reliable sense of the scale of corruption in various countries, it is none the less noteworthy that a small difference in ‘score’ can make a big difference in ranking. Thus, a country like Belarus is scored at 2.6 (in other words, corruption is seen as a major problem) and ranked with nine other countries at a lowly 107 in the league table. If it were to be scored at 2.4, it would drop to 126 in the league table. Given the translation of sometimes impressionistic assessments (as outlined above) into the CPI index, it is hard to see that the difference between 2.4 and 2.6 can be regarded as robust. Does this matter, given that any score below 3.5 suggests that corruption is a major issue in the country in question? It does matter insofar as league tables are always open to varying interpretations, particularly in regard to movement upwards or downwards. Thus, to take the example of Belarus again, its 2004 score was 3.3 and its ranking stood at 74. One interpretation would be that corruption has dramatically worsened in Belarus over the year; another would be that corruption remains a huge issue and there is little objective difference between the scale of corruption in Belarus in 2005 compared to 2004. Whereas, political leaders in Belarus were unlikely to highlight the 2005 ranking, those in Moldova on the other hand could point to a dramatic move upwards in the ranking from 114 in 2004 (2.3) to 88 in 2005 (2.9) – yet corruption remains a huge issue in Moldova just as it does
in Belarus, and we might question whether the precision in the score or ranking is particularly informative.

It is our argument that these measures and interpretations of corruption matter greatly precisely because of the way in which the issue is instrumentalised for political ends – most especially in those countries where corruption is perceived to be a major issue. Moreover, the debate on the meaning and interpretation of corruption has led to the development of proposed solutions for corruption which focus on issues of institutional design. Lacking the capacity to distinguish between different forms of corruption, as opposed to the overall ‘amount’, the implication in such models is that all corruption is driven by the same kinds of incentive structures and these basically reflect self-interest. This brings us back to the point about the implicit assumptions about the appropriate institutional arrangements for politics to function ‘properly’. As Philp (2006: 6) argues,

Because most modern accounts [of corruption] lack a sense of systemic forces underlying political order and a vision of the telos of politics, they assume that corruption can be solved largely by increasing the efficacy of scrutiny and compliance mechanisms (...). The result is that corruption is seen as an institutional design problem: how to ensure that public office holders always have incentives to comply with the rules of the system.

In turn, therefore, the understanding of what corruption is, as well as why it occurs, has a major influence on the development of international anti-corruption strategies and the emergence of the ‘good governance’ approach.

**Corruption, anti-corruption and ‘good governance’**

Since the increasing attention to corruption took root in the 1990s, great attention has been devoted to the fight against corruption, encompassing international organisations such as the UN, the World Bank, IMF, OECD, and various non-governmental organisations, notably Transparency International.
Corruption is nowadays regarded as one of the key obstacles to political and economic development in the developing countries. The World Bank has identified corruption as ‘[t]he single greatest obstacle to economic and social development’ (World Bank, 2006a). And in established democracies too, corruption has assumed an increasingly high position on the political agenda, not least in relation to concerns about political parties, lack of trust, and voters’ increasing cynicism and apathy towards politics and politicians.

The increased attention paid to corruption is often seen as either a reflection of an increase in real levels of corruption, or else an increase in the visibility of corruption – itself the result of a host of changes, including the end of the cold war, the rise of the a new type of media, the spread of democracy, the rise of the global market, the mobilisation of civil society and the rise of organised crime. But as has been shown by Krastev (2003: 4), the increased attention being paid to corruption and the new anti-corruption rhetoric can alternatively be explained as a response to changes in the politics of international trade and financial institutions, which have provided the real stimulus to an increased focus on corruption and a new conceptualisation of its role (see also, Brown & Cloke, 2004)

Although one can point to successful historical examples of combating corruption, such as the eradication of blatant forms of corruption in the UK in the eighteenth century, and more recently Hong Kong and Singapore, overall the results of the major efforts to fight corruption the last twenty years have yielded rather meagre results (see Keuleers, 2005). Naturally, fighting corruption when it has already become established at a high level and also embedded within society, is not easy to accomplish; moreover, since many anti-corruption campaigns take place in tandem with efforts to fight poverty in countries where corruption is often very widespread, we should perhaps not be surprised by poor results. Put simply, it is a very difficult task to break the vicious circle of corruption, since even if corruption is very obviously detrimental to economic and social development from a macro perspective,
from the micro perspective of an individual facing a given situation it may still be the least bad alternative. One other significant problem in the fight against corruption is the still rather limited knowledge we have of the causal mechanisms that lie behind various different forms of corruption and the continued heavy reliance on perception indices in various studies which seek to identify factors that are causally linked to corruption.

In general the focus of the anti-corruption approach of the World Bank, and also to a large extent that of other agencies and NGOs, is to promote democracy and economic development, or the values of liberal democracy. Indeed, research has established a clear relationship between democracy and economic development, but the direction of that relationship remains contested and it has been pointed out that the relationship exists only when democracy has been an established feature for a very long time, or that it even disappears when controlling for other factors (see Treisman, 2000; Record, 2005; Sandholtz and Koetzle, 1998: 11; Lane and Ersson, 2000: 110-113). In particular, programmes to fight corruption have often not been based on an identification of the types of corruption involved and their underlying situation-specific causes; this is a very important explanation of why ‘one size fits all programmes’ have not worked effectively (Shah & Schacter, 2004). We should note here, however, that the World Bank Institute has promoted an important development through its diagnostic studies of corruption and governance, which have generated much more multifaceted and experiential data on corruption.²

In the development of approaches to combat corruption, the World Bank (and the World Bank Institute³) as well as Transparency International, itself founded by former World Bank executives in 1993, have been very influential in formulating the dominant approaches. The prevailing view has been to focus on broad reforms, rather than to combat concrete cases of

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² i.e. diagnostic studies of households, public officials and business.
³ The World Bank Institute is the capacity development arm of the World Bank.
corruption and corrupt individuals (Krastev, 2003: 5). The aim has been to limit opportunities for corruption and the incentives involved. In the words of the World Bank (2004),

Corruption prevails where there is ample opportunity for corruption at little cost. Incentive structures encourage corrupt behavior. Anticorruption strategies therefore aim at reducing the opportunities for corruption while increasing the expected cost, i.e. the risk of being caught and severely punished.

This has meant that, at least initially, when the World Bank started to deal with corruption in the mid-1990s there was a strong focus on state deregulation in particular, and on reducing the opportunities of corruption. However, this approach has met with much criticism. First, because of the effect of such an approach on the quality of public service and social welfare in general. Secondly, because the state downsizing argument in general seems not to be supported by empirical success. Thirdly, the World Bank was often criticised of not giving enough consideration to indirect means of reducing corruption, such as strengthening public institutions and improving public education and awareness. Moreover, the principal-agent framework that underpinned the approach partly hinges on the notion of the principal as always non-corrupt and committed to reform, which is obviously problematic in many countries. However, there is evidence that this factor has been taken into account by acknowledging the need for different policies in high-level and medium-level corrupt countries (Andvig & Fjeldstad, 2001: 105-106; Schah & Schacter, 2004). Fourthly, the role of the private sector as a driver of corruption was insufficiently acknowledged, overlooking major forms of corruption such as the purchase of influence and state capture and their impact on reform measures (see Kaufmann, 2003: 21-22; Hellman et al., 2000: 1; Hellman & Kaufmann, 2001; see also Heywood & Krastev, 2006: 19).

So, even if much of the fundamental understanding of what causes corruption and how to combat it remains in place, there have been changes,
and the dominant approaches to combating corruption are moving away from approaches which directly target corruption towards broader and more inclusive ones. Transparency International has developed the National Integrity System approach which takes a holistic view of fighting corruption, pinpointing the pillars of integrity – key institutions, laws and practices that contribute to integrity, transparency and accountability – to identify causes of corruption and the effectiveness of anti-corruption measures. It is a flexible approach that acknowledges there is no single ideal-type model to be implemented in any country, and it also reflects a practitioner perspective on earlier failures (Transparency International, 2006; Doig & McIvor, 2003: 318-319).

The emphasis of the World Bank can be illustrated by Kaufmann (2005: 88) who states,

A fallacy promoted by some in the field of anti-corruption, and at times also by the international community, is that the best way to fight corruption is by fighting corruption – that is, by means of yet another anti-corruption campaign, the creation of more anti-corruption commissions and ethics agencies, and the incessant drafting of new laws, decrees, and codes of conduct.

So anti-corruption programmes are now beginning to look beyond just public administration and financial management reform to broader structural relationships, for example the internal organisation of the political system, state-firms relationship, and the relationship between the state and civil society (World Bank, 2004).

More specifically, ‘good governance’ has become the keyword in fighting corruption and in development literature more generally, reflecting a high association between good governance and key development outcomes across countries (see Kaufmann, 2003: 17), although the direction is not
always clear-cut. Moreover, ‘bad governance’ is increasingly seen as one of
the root causes of nearly all evil within societies (see UN ESCAP, 2006;
UNDP, 2005; Jayawickrama, 2006). International financial institutions and
major donors are in turn increasingly making their aid and loans conditional
on the undertaking of good governance reforms; recently, the World Bank
has cancelled or suspended loans to India, Bangladesh, Argentina and Kenya
following evidence of corruption (The Economist, 2006).

This emphasis on good governance, which could be regarded as a
result of a ‘post-Washington consensus’, suggests the need for states with a
stronger regulatory capacity as a precondition for liberal markets, since
deregulation in the absence of frameworks like competition policy may risk
power transfer from state to private sector oligarchies. This approach is
based on a particular understanding of politics that can serve to ground the
economic reforms advocated by multilateral agencies such as the World Bank
(Jayasuriya, 2002: 26-29).

Governance, in general, is a broader concept than corruption but the
two are increasingly treated as being directly linked – that is, environments
characterised by bad governance offer more opportunities and incentives for
corruption (see IMF, 2003; Kaufmann, 2003: 5). Essentially, governance is
about the process of decision making and the process by which decisions are
implemented; it can operate at various levels such as national, local and
international, and – depending on context and level – may include various
actors such as the government, industry, associations, NGOs, religious
leaders, finance institutions, political parties and so forth. Good governance
is described as participatory, accountable, transparent, responsive,
consensus orientated, effective and efficient, equitable and inclusive and
follows the rule of law (see UNDP, 1997). In general, the good governance
approach has implied a very broad approach to tackling corruption, focusing

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4 For instance, Record (2005: 7-8) contests the straightforward causal direction going from good
governance to economic performance and argues that good governance is not the missing link for
launching take-off into sustained growth among countries experiencing low growth.
on improving political accountability, strengthening civil society, competitiveness in the private sector, institutional restraints on power, and public sector management. In a speech delivered in 2001, the Vice-President of Europe and Central Asia Region at the World Bank stated that because of the power of vested interest to resist change,

Promoting good governance therefore, tends to require fundamental changes in the nature of incentives that are closely intertwined with the existing structure of political and economic power (Linn, 2001: 1). In Asia, the dominant governance approach has stressed the lack of democracy and reinforcement of the regulative capacities of the state as one of the main explanations of the Asian crisis in 1997. Thus many multilateral and bilateral aid activities have been directed towards governance reforms, and development projects are justified in governance terms involving, for example, legal institutional reform, anti-corruption activities and the strengthening of civil society (Lindsey & Howard, 2002; Jayasuriya, 2002: 26).

The results of efforts to improve governance are not conclusive, but overall it appears that there has been stagnation or deterioration in governance\(^5\) (Kaufmann, 2003: 10). However, research also shows that between 1996 and 2004 some countries have succeeded in improving governance in a rather short time, which is especially true for some of the transition countries that was promised membership of the European Union, whilst governance stagnated or deteriorated in those that were not offered membership (Kaufmann, 2005: 87-88).

So the contrast between the period before and after 1995 is stark. For example, the World Bank did not really engage in anti-corruption projects before 1995 as they were regarded as interfering in the politics of recipient

\(^5\) Governance is measured by six components: 1. Voice and external accountability (i.e. the government’s preparedness to be externally accountable through citizen feedback and democratic institutions, and a competitive press); 2. Political stability and lack of violence, crime and terrorism; 3. Government effectiveness (including quality of policymaking, bureaucracy, and public service delivery); 4. Lack of regulatory burden; 5. Rule of law (protection of property rights, judiciary independence, and so on); 6. Control of corruption (Kaufmann, 2003: 5).
countries, which according to its articles of agreement is not allowed; this led to criticism for lending to corrupt regimes and regimes that violated human rights (Marquette, 2004: 413-414). The current approach, with involvement in far-reaching anti-corruption programmes in recipient countries to improve governance, is mainly defended against allegations of political interference by the claim that action is undertaken only at the request of the recipient country. But, on the other hand, help is only provided on the proviso that programmes address not just corruption, but the broader governance issues as well; one-off activities are discouraged (World Bank, 2006b). And earlier governance programmes did not pay as much attention to the regulatory capacity of the state and the creation of market order (Jayasuriya, 2002: 29).

The current approach naturally raises other questions. What are the risks with anti-corruption strategies which so overtly champion western democratic ideals or at least liberal democratic values (see Hindess, 2005: 1396)? In relation to East European transitions countries, Cirtautas (2001: 1) argues,

It is clear that the heavily promoted, supposedly universal standards, derived mainly from idealized Western standards, are meant to supersede completely local customs and practices. And even if good governance and anti-corruption are not the same, in practical terms anti-corruption programmes that fully address governance makes the two look the same. Moreover, the consensus among the multilateral agencies to focus on good governance might overload counterparts in recipient countries and might set them up for failure. And the broad approach and range of criteria might also undermine the credibility of sincere reformers if judged by standards that in many case took decades to achieve elsewhere (see Linn, 2001), especially if anti-corruption approaches seem to reflect a double standard, such as membership conditions imposed by EU, which present members could probably not meet themselves, given current corruption problems in the EU its member states (see Cirtautas,
Another related concern is whether the disjuncture between the increased focus on the involvement of civil society at large in anti-corruption reforms, and the continued emphasis on the role of elites, might drive a further wedge between post-communist politicians/civil servants and their own populations. Breaking the vicious circle of corruption which reduces trust, lowers public revenues and weakens the credibility of the state is seen as resting on decisive leadership, which in unreformed structures often has not been forthcoming (Cirtautas, 2001: 3-4).

Put into the context of emerging democracies or non-democracies in Asia, other questions could also be added in relation to democratic consequences. Anti-corruption campaigns and good governance rhetoric might be used for other purposes than reducing corruption such as, in the case of China, helping the leaders to keep power, uphold economic stability or get rid of political opponents (DeWeaver, 2005: 5). If anti-corruption is given the status as the most important issue in developing countries, an made a central focus by the donor community, does that entail the risk of helping to legitimise very harsh means used in the fight against corruption in authoritarian states? Where corruption is widespread and almost part of everyday of life, anti-corruption campaigns can be used to arbitrarily punish individuals who are actually targeted for other reasons. Indeed, if the good governance agenda is as much about introducing democracy or liberal values through the back door, via the fight against corruption, is that really a good strategy? And if reforms succeed in reducing corruption, will that then enhance the legitimacy of an authoritarian regime and increase it grip on power?

**Anti-corruption campaigns and their consequences**

In this section, we look more closely at the impact of anti-corruption campaigns in both the former-communist transition economies and in Asia. As we have seen, corruption has been identified in almost apocalyptic terms
by the World Bank, with recently appointed president, Paul Wolfowitz, going even further than his predecessor by describing corruption as the greatest evil facing the world since communism *(The Guardian*, 26 Jan 2006). Such rhetoric may underline the World Bank’s determination to combat corruption, but it also carries significant dangers. One of the most significant is that it not only legitimises the near obsession with corruption which has taken hold in some parts of world, but may also compound the problem if it fails to offer effective counter-measures. We outlined above how the international anti-corruption campaign is tied to the promotion of a ‘good governance’ agenda which posits a specific, western-focused, understanding of what that entails. Here, we show how the good governance model can have unintended consequences – in terms both of the model itself and also the broader focus on corruption.

*Anti-corruption in European countries in transition*

In regard to the notion of good governance, there are two issues that need to be highlighted. First, the very assumptions underpinning ‘good governance’ as understood by the World Bank, with their emphasis on private sector competitiveness and restraints on the role of the state, lend themselves easily to the promotion of what looks like a neo-liberal blueprint (see Linn, 2001). Yet, it is now widely understood that some core elements of the neo-liberal model – such as a reduced role for the state in economic management to be achieved through extensive privatisation and deregulation – have generated significant opportunities for corruption in the transition economies (Rose-Ackerman, 1999). As Holmes (2003: 199) has argued, ‘the neo-liberal model is conducive to corruption, and (...) it had become dominant in Western ideology by the time the post-communist CEE states were establishing themselves.’

In a host of the transition countries, corruption scandals related to privatisation became a standard feature of news reports during the early post-communist years.

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6 Holmes goes on to argue that, in practice, neo-liberalism may help to reduce corruption by breaking the hold of former members of the *nomenklatura* on the levers of the state.
It could be argued that the problems of privatisation-related corruption are short-term: after all, public entities are only available to be sold once (albeit often in various tranches) and are then subject to the rigours and discipline of market forces, thereby supposedly reducing the scope for corruption. There are three problems with such an argument. First, there is no shortage of evidence that the private sector is also prone to corruption (with notable recent examples including Enron, WorldCom and Tyco). Second, even though privatisation may move firms and utilities out of the state sector, the experience of many western countries is that deregulation has in turn created further opportunities for corruption, as in the case of Enron’s manipulation of the electricity prices in California, and has led to calls for re-regulation. Indeed, the rise of the so-called regulatory state is in large part related to market failures.

Third, and most important, is the fact that even if the risk of privatisation-related corruption is indeed short-term, the impact of such corruption may be very long term. The transition economies provide evidence that the combination of privatisation and corruption can have a profoundly damaging impact on the functioning of democracy itself. Here we explore various ways in which anti-corruption campaigns and the promotion of good governance may have undermined, rather than reinforced, the development of democracy in many former communist states.

In regard to privatisation, a key issue that has generated disquiet in many of the transition economies is the question of how the process was managed and where investors were able to find the money to buy into privatised state assets. A recent report on anti-corruption reforms in Bulgaria notes that ‘(...) the privatization process turned into one of the most problematic corruption spheres (...) [and] created unlimited opportunities for corruption and abuse’ (Coalition 2000, 2005: 90-1). As Krastev (2004: 54-6) argues, there were three main problems with the post-communist
privatisations. First, in common with many privatisations in the developed world but even more so, there was difficulty in fixing an appropriate price: in the eyes of many citizens, a combination of western accountants and the market ensured that state assets were sold too cheaply, especially since the state-owned enterprises represented a source of livelihood for vast numbers of those citizens. Second, and even more important, there was widespread scepticism about how buyers had secured sufficient funds to purchase the privatised assets. According to Holmes (2003: 198),

The West had limited funds to invest in the post-communist countries. This suggested that privatization would have to take place through the sale of assets to domestic investors. But in the absence of a wealthy capital-owning class, it was unclear how this would happen. (...) Many members of the former nomenklatura (...) were particularly well-placed to take advantage of some of the unusual privatization processes, albeit to differing extents in different countries. Many were directly involved in the sell-off of state assets, and benefited both in terms of bribes and kickbacks from those to whom they sold assets at knock-down prices, and by becoming shareholders themselves.

Understandably, suspicion arose about those who secured access to funds and rapidly became the ‘new rich’ in post-communist Europe – particularly given the nomenklatura past of many of them, several of whom rapidly became millionaires (Mason, 2004).

A third problem, according to Krastev, is that the very process of privatisation was seen as corrupt in the eyes of many citizens. Limited regulatory frameworks – consistent with the shock-therapy tactics promoted by Western economic advisers (for instance, the so-called Lipton-Sachs programme) – ensured that personal gain through privatization went largely un-investigated, and there were very few corruption-related prosecutions. None the less, the assumption became widespread that corruption was rife throughout the privatisation process, and this fed into a wider concern about the stark growth not only in inequality, but also in poverty, which
characterised the post-communist states. The number living in ‘poverty’ in the post-Soviet states rose sharply during the 1990s, rising from 4 per cent in 1989 to 45 per cent in 1995 across all the transition economies (New Internationalist, 2004).

In the search for explanations to account for the dramatic collapse of living standards throughout many of the post-communist states, and the failure of market reform and liberalisation to secure democratic deliverance, many turned to corruption as the key explanatory factor. Indeed, corruption became the explanation of last resort both within and outside the post-communist states for a whole host of problems, ranging from economic failures, growing inequality, and increasing disillusionment with democracy. It has been claimed that post-communist societies are ‘simply obsessed with corruption’ (Krastev, 2004: 43), and it does indeed appear that corruption has assumed the status of being the principal policy narrative in many of the transition economies, used internally to structure political debate and externally to explain the differential success of progress towards stable democracy. In the words of Rose, Mishler and Haerpfer, ‘corruption has replaced repression as the main threat to the rule of law’ (quoted in ibid.).

Such rhetoric picks up on that used by the World Bank, referred to above. The danger with emphasising corruption to this extent is that it serves to legitimise its use as a proxy for other forms of explanation. Thus, politics starts to be played out in terms of mutual accusation of corruption: the politics of ‘kompromat’ which involves looking for ways to discredit opponents through finding (or often inventing) compromising material and damaging allegations about them. This in turn further reinforces the sense of corruption being everywhere, and feeds perceptions about the scale of the problem – as revealed in the research by Miller, Grodeland and Koshechkina (2001) and on routine corruption in Bulgaria, the Czech Republic, Slovakia and Ukraine. They showed that the public in those countries saw corruption as the product of transition to market economies, and that the principal
beneficiaries were politicians, state functionaries and various mafia groups. Yet, their findings also revealed that although perceptions of corruption being rife were high in all four countries, personal experience of corrupt exchanges varied significantly and was notably higher in Ukraine, for instance, than in the Czech Republic. The mismatch between perception and experience not only highlights how suspicion of malpractice can easily take hold, but should also alert us to the risks of relying on perception as a guide to reality.

None the less, the perception of corruption being a major problem in the transition economies has undoubtedly become deeply embedded, and has probably been reinforced by the insistence of international bodies such as the European Union that it be tackled as a precondition for entry. By placing such emphasis on corruption as a major problem, the impression is inevitably created that there is both more corruption than in the past, but also that corruption is particularly associated with the post-communist reforms. Whether there is actually more corruption than in the past is less important than the generation of a conviction that corruption has become the major issue facing the transition economies. Corruption becomes part of the narrative of post-communist politics, which in turn generates a sense of disillusionment with the democratic political process. Given the limited apparent impact of anti-corruption initiatives in terms of reducing the perception of corruption (itself reinforced by the lack of significant change in CPI rankings over recent years), it is easy for critics to point to the failure: ‘If citizens continually read and hear reports of corruption, they begin to lose faith in the democratization and marketization projects’ (Holmes, 2003: 204).

One result of this emphasis on corruption is that politicians increasingly feel the need to demonstrate their credentials in terms of ‘transparency’ rather than specific policy proposals. Political choice itself becomes ‘moralised’, as corruption-centred politics ensures that the options are presented in terms of corrupt government versus clean opposition.
(Heywood and Krastev, 2006). In such a context, when the trustworthiness of candidates becomes more important than what they are actually saying, political judgements cease to be about political choices as opposed to moral judgements. It is hardly surprising that the transition economies have seen one government after another thrown out by electors, as accusations of corruption and malfeasance by those in power becomes the stock-in-trade of the democratic system. In turn, such a focus on corruption leads to the risk of the post-communist states becoming what are effectively protest vote democracies, in which anti-system populist alternatives find fertile terrain in which to prosper. In many ways, the transition economies have seen some of the trends familiar in many established democracies – popular disillusionment with the political class, growing lack of trust, increased personalisation of the political process – taken to a more extreme end, without having had the chance to build up a residual belief or confidence in the fundamentals of democratic politics. The risk is therefore that the new democracies will have neither process- nor output-legitimacy upon which to rely for popular support, which may open the way for non-democratic interests to capture the political process.

The most insidious example of such a process is so-called state capture, described in the World Bank’s report, Anti-Corruption in Transition (2000: 16), in the following terms: ‘the action of individuals, groups, or firms in both the public and private sectors to influence the formation of laws, regulations, decrees, and other government policies to their own advantage as a result of illicit and non-transparent provision of private benefits to public officials.’ With populations disillusioned by and disenchanted with the functioning of the recently created democracies, the risks of state capture by a variety of actors – including private firms, political leaders or sectional interest groups – increase significantly. By focusing so relentlessly on corruption, the shortcomings of democratic functioning in the post-communist states have been highlighted in ways which carry significant risks for their very survival.
Anti-corruption in authoritarian states in Asia

In this section we look at examples from Asia (mainly Vietnam, but also China) in order to discuss the role of anti-corruption campaigns, with a focus on the promotion of good governance or democratic reforms in authoritarian states with widespread corruption. Vietnam also offers an example of donor agencies being heavily involved in development projects and governance reforms (see Thanh Nien News, 2005a). In particular we will look at the risks in these non-democratic examples, but also in some instances refer to other countries, emphasising hidden motives and motives that run counter to the promotion of increased democracy.

Domestically it has become more and more important for Asian regimes to tackle corruption. If it used to be the case during the 1970s and 1980s that high growth rates and increasing per capita incomes were enough to maintain popular legitimacy and support, these days they are ever more dependent upon a regime’s record on fighting corruption, as demonstrated by recent examples from Thailand, Malaysia and Indonesia (Bloomberg, 2005; Tarling, 2005: 14). And also in China and Vietnam, fighting corruption is seen as vital to enhance the legitimacy of communist rule. In China, President Hu Jintao has warned of the effects of corruption on governance and argued that improving anti-corruption capacity is an important guarantee for the consolidation of power (Feng, 2005).

Anti-corruption campaigns and good governance rhetoric can be used for purposes other than reducing corruption; in China, at least as important as fighting corruption has been the use of anti-corruption campaign as an opportunity to get rid of people loyal to previous leaderships. Another prominent feature of Chinese anti-corruption campaigns has been their use to cool the economy, since fighting corruption can be an effective way of controlling money supply by hampering improper lending by state banks and reducing the funds going to other financial institutions (DeWeaver, 2005: 3).
Moreover, campaigns serve to signal the commitment of the regime to combat corruption, and to sow fear about the odds of detection and punishment, which is important if these odds in reality are low, and the cadres who escape detection under one campaign may still fear that they might be less lucky next time (Wedeman, 2005: 115).

As far as China and Vietnam are concerned, many scholars point to that the rise in corruption and development of new forms of corruption have gone hand in hand with economic reforms and that other reforms have not been enough to check corruption. But on the other hand, the real level of corruption is very difficult to ascertain and therefore by extension so is the impact of the anti-corruption campaigns. There is evidence to suggest that anti-corruption campaigns have had some effect in preventing corruption from even increasing more. In China, campaigns often start with a clemency phase providing an opportunity to admit wrongdoing, followed by a crackdown phase in which offenders are dealt with harshly. Campaigns seem to have been rather effective in keeping corruption under control, but the campaigns have also had an impact on the form corruption takes. Mainly it is low level corruption that has been deterred, rather than high level, and the size of bribes also seems to have risen (Wedeman, 2005: 106).

If anti-corruption is elevated to the status of being the most important issue facing governments, does that contribute to legitimising an approach in which the end justifies the means, for instance using very harsh means to fight against corruption? This is an important issue to have in mind when discussing countries like China and Vietnam, where the measures to fight corruption sometimes can be questioned in relation to legal security and human rights. The death penalty is used even for non-violent crimes such as embezzlement and fraud. Referring to Vietnam, Tsuboi (2005: 10) maintains that by upholding a structure that actually breeds corruption the

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7 Amnesty International (2005a) estimated that in China at least at least 3,400 people were executed and at least 6,000 sentenced to death during 2004, with the true figures understood to be much higher.
government makes almost the entire population potentially criminal, reserving to itself the right to decide arbitrarily who is corrupt and legally punish anyone who displeases it.

And if indeed the good governance agenda is as much about introducing democracy or liberal values the back door, via the fight against corruption, is that really a good strategy? Will the hopes that the reforms lead to more democracy be fulfilled or will the hold on power of existing non-democratic regimes actually increase? On one hand anti-corruption might be seen as a window of opportunity to allow people to discuss and criticise politicians and public officials, and to increase the freedom of the press; on the other, there are risks that these measures are not really adopted in depth and instead the anti-corruption and governance agenda are used for other purposes, such as attacking opponents for political reasons.

**Anti-corruption in Vietnam**
The economic reforms, doi moi (renovation), that started in 1986 meant that many free-market enterprises were permitted (and later encouraged); the push to collectivize industrial and agricultural production was more or less abandoned. Although this was not simultaneously accompanied by increased social or political liberty the Communist government has nonetheless tacitly permitted many more personal freedoms than in the past (apart from such issues as criticising the Communist regime) since the beginning of the doi moi era.

**Internal reasons for anti corruption?**
Corruption, no matter what type of data are used, is regarded as widespread in Vietnam. In 2005 Vietnam scored 2.6 on the TI Corruption Perception Index (ranked 107 out of 159 countries) and other studies have shown the corruption level in Vietnam to be in line with what could be expected for its economic development level (VDR, 2005: 92). As the country has gone through economic liberalisation and rapid change over the last fifteen years,
with an annual economic growth rate on a par with the highest in the world, the opportunities and incentives for corruption have changed, and despite various reforms corruption also seems to have increased (VDR, 2005: 90).

The official stance by the Communist Party of Vietnam (CPV) is that corruption is a very serious issue. The unrest caused in the country every now and then due to discontent with corruption and maladministration – not least the uprising in the Thai Binh province in 1997 – have contributed to general worries about corruption and its implications for regime survival. According to the constitution of Vietnam, it is the duty of all state agencies, cadres, officials and employees ‘[t]o resolutely struggle against corruption, extravagance and all manifestations of bureaucracy, arrogance, authoritarianism’ (Constitution of the SRV, 1992). Anti-corruption has been presented as one of three priority tasks of the Government during 2003-2007 (Embassy of Sweden, 2002: 3). But the measures undertaken so far have not been successful:

For many years now, the state and the Communist Party of Vietnam (CPV) have worked out many plans and solutions to struggle against that national evil and have achieved certain results... Nevertheless, corruption is still very serious and can be seen in most of State management fields under more and more sophisticated forms (CPV, 2002).

One way of showing commitment to the cause is by anti-corruption campaigns and the imposition of heavy penalties. So at the same time as economic liberalisation indirectly contributes to increased personal freedom, the democratic record remains very problematic. Although previously rather few cases of corruption were brought to trial (Lindsey & Howard, 2002: vi) in recent years many corruption cases have been revealed and perpetrators punished. But the application of penalties is regarded both as arbitrary,

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8 That the unrest among grass roots occurred in Thai Binh province (south of Hanoi) was particularly concerning for the CPV as the province normally is regarded to be one of the more closely connected to the party.
depending on the position of the individual involved, and too lenient by many Vietnamese, despite the fact that the death penalty is used for corruption crimes (CPV, 2005). The number of people executed is regarded as a state secret, but in 2004 at least 88 people were sentenced to death, of whom six were convicted of fraud, according to official sources. At least 64 people were reported as being executed, but the true figures are believed to be much higher. Despite reports that the authorities were considering the abolition of the death penalty for economic crimes, two executions for fraud were reported. Some executions continued to take place in public, in front of hundreds of spectators (Amnesty International, 2005b).

One of the most publicised cases in recent years, the Nam Cam Case, concerned an extensive network of gambling, protection, prostitution and drugs. It was sustained by regular bribes to the police and other authorities. 154 people were tried, many of them organised criminals but also high rank party and government officials, such as a former deputy state prosecutor and a former deputy police minister. Five men were executed 2004.

Other examples of the tough stance taken against corruption include that of a former senior customs officer, who was convicted of having taken bribes and assisted in one of the country’s largest smuggling scandals in 1997. He was executed in 2006 (Thanh Nien, 2006). In another case, a businesswoman was sentenced to death in southern Vietnam for embezzling nearly $1 million from the government-owned company she headed (AP, 2002).

Such actions are of course problematic in themselves, but even more so when the rule of law can be called into question, and where an environment exists in which corruption often is part of everyday life, and where anti-corruption charges may be used against political opponents. According to Tsuboi (2005: 9-10) the structure is set up so that if someone on the inside is likely to oppose or protest against the system of the party
government, corruption is used to legally oust that person. When almost everyone is involved in some sort of corruption in daily life, corrupt activities are unlikely to be exposed, but if someone displeases the establishment by refusing to take part in corruption or by opposing the system, corruption offers a convenient mechanism to charge such people with violation of the law.

**External reasons for anti-corruption**

Besides these internal factors promoting anti-corruption, another important push for reform and improved governance has come from the international donor community (see Thanh Nien News, 2005b), with both bilateral and multilateral agencies having stepped up their presence in Vietnam. Moreover, Vietnam, which has been quite successful in fighting poverty in spite of increasing corruption, is a country where donors can almost be seen to compete with each other to assist and contribute aid to a country regarded as a success story when it comes to promoting development.

Although the anti-corruption strategy in Vietnam, as is the case in China, has a punitive base (VDR, 2005: 99), more and more attention is also paid to various governance and accountability measures, which have been implemented with the support of various bilateral and multilateral aid agencies. Public administration reform has sought to simplify and reduce administration, such as granting of licences in business, construction and land allocation, to reduce possibilities for corruption. Other measures have been salary reform, and increased transparency and accountability. The grass roots democracy reforms in 1988 were a response to the Thai Binh uprisings aiming to provide a legal framework for increased participation in decision making in communes, state-owned companies and administrative organisations (Vasavakul, 2003). The Ordinance on complaints and ordinance on anti-corruption (1998) aim to give people the possibility to complain about corruption and misuse of powers and to create a legal base for the courts to punish corruption. In 1999 the pres law was revised; it provides an
institutional framework to report on corruption and has resulted in the revelation of several corruption cases in recent years, but it also goes hand in hand with some self-censorship (Embassy of Sweden, 2002: 2). There have also been reforms of financial management, public procurement, and new budget and accounting laws.

**Recent reforms**
The most recent reforms, which have been supported by the UNDP, were included in the new anti-corruption law (adopted in 2005, effective from 1 June 2006). The law was discussed quite openly in the media both before it was adopted and after. An anti-corruption committee has been introduced, but it is not as independent as some of its counterparts, and will be headed by the Prime minister with members from communist agencies. Other ingredients include a new requirement for certain officials, including their family members, to declare their assets above 50 million Dong (about $3200). The government will be required to report its anti corruption work and similarly at the local level peoples committees must report to peoples’ councils. Journalists will have the right to ask any organisation to provide information or documents relating to corruption, and any refusal will require a written explanation. Moreover, retaliation against denouncers of corruption are to be punished and those who fight corruption have been promised rewards (Vietnam News, 2005-11-29; Thanh Nien News, 2005c, 2005d, 2005e, 2005f).

In 2002 the CPV accepted an offer made by Sweden in 1999 of support to undertake a study of corruption. The communist Party did so with the caveat that the Swedish government was the only one they wanted to work with, pointing to the long-standing assistance and development cooperation, and they also ruled out alternative approaches. The specific objectives of the project were to undertake a diagnostic study of corruption and to identify causes of corruption and reasons for the ineffectiveness of the measures against corruption already undertaken. Moreover, measures to
reduce corruption and improve the effectiveness of combating corruption should be proposed to the government, the national assembly and the party (Embassy of Sweden, 2002: 3-5).  

Besides the high risks associated with not fulfilling the direct objectives of the project, Sida (the Swedish International Development Cooperation Agency) and the Swedish Embassy also discussed its political risks, including the impact on democracy, but concluded that the project did not contradict Swedish policies on democracy and human rights (Embassy of Sweden, 2002: 8). One of the more noteworthy risks discussed was whether successful results in the project could be used by the CPV to ‘[e]nhance its legitimacy and strengthen the one-party state management system’, which had to be weighed against the potential benefits of greater transparency on corruption and possible anti-corruption programmes, and the resultant positive impact of easing poverty and promoting socio-economic development (Embassy of Sweden, 2002: 8). Another related risk concerned whether the project would provide support for organisations associated with the Communist Party. It was argued that it was more or less impossible to avoid working with the political system in development cooperation, as corruption is a political issue and although the project would not be supporting political organisations as such, it was seen as necessary to include political stakeholders early on (Embassy of Sweden, 2002: 8-9).

Despite these high risks, the project was ultimately supported, as it was seen as giving unparalleled opportunities to

[i]nfluence this very sensitive and critical issue, and to support one of not too many positive and promising processes towards core or structural reform including political system reform (Embassy of Sweden, 2002: 10).

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9 The report on the results of the diagnostic survey was presented in November 2005 (Thanh Nien News, 2005g).
It is yet to be seen what use the CPV and Vietnamese regime make of the project report, and whether it leads to further genuine reform or to an increase in repression and the reinforcing of its grip on power.

**Conclusions**

In this paper, we have set out to explore the relationship between corruption, anti-corruption and democratic politics, focusing on when and under what circumstances fighting corruption can actually constitute a risk to democracy and democratic stability. We have pointed to the need for a better understanding of the relationship between anti-corruption campaigns and governance, and their impact on democracy. Our main argument is that there are indeed significant risks with anti-corruption campaigns. Moreover, although the tipping point from positive effects to negative is difficult to determine with precision, there is a need for a more balanced perspective than is evident in the approaches that currently dominate anti-corruption approaches.

In exploring these issues, we have shown that the way corruption is defined and measured has a real impact on how the problem of corruption is approached and what measures to fight it are applied. This is closely linked to the dominant ‘good governance’ approach and its outlook on corruption, and the remedies it employs. We identify a number of potential risks to be aware of in the dominant approach by looking at it in the context of good governance and anti-corruption reforms in the emerging democracies of Eastern Europe and also in developing countries in Asia, with particular reference to Vietnam and also China.

First, we point to risks connected to the heavy emphasis given to corruption by its status as the most important obstacle to social and economic development. In the context of transition countries in Eastern and Central Europe, we point to politicians and political institutions risking being
regarded as inherently corrupt, which promotes disaffection amongst citizens and a growing fixation with clean politics which in some cases depoliticises policy choice in favour of a focus on moral propriety. Moreover, as corruption in many cases has become the explanation of last resort, it further contributes to the impression of corruption being everywhere and that all officials are corrupt, which makes the democratic process even more fragile.

In the Asian examples we looked at, there is a risk that non-democratic regimes can use anti-corruption as a pretext to crack down repressively on opponents rather than supporting genuine transparency and accountability, and we posit that this is also true for emerging democracies in Asia. And they can act repressively whilst still claiming that they are in line with the focus of the international community and important aid agencies. Anti-corruption programmes may thus risk cementing the existing regimes’ grip on power, rather than promoting democracy, despite donor agencies’ best intentions to use the fight against corruption as a means of pushing for improved governance, increased accountability and transparency.

As we have seen in both China and Vietnam, aid agencies see anti-corruption reforms as a window of opportunity to undertake governance reforms and enhance accountability and transparency, thereby promoting liberalisation. Indeed, if such reforms turn out to be successful in reducing corruption and improving governance they might contribute to real improvements in citizen welfare. But here too we have to keep in mind the short run effects and the risks that very harsh and arbitrary measures taken against corruption may be legitimised. And as the example with the Swedish support for the anti-corruption work in Vietnam shows, donors also acknowledge some of the risks involved in a strategy to democratise via the backdoor, although in this case concluding that the pros outweigh the cons.

Second, governance programmes and anti-corruption campaigns might themselves create opportunities for corruption as they might target and
discourage some forms of corruption, but create opportunities for other, as both the Eastern European and the Asian examples have shown. Corruption has in many countries become regarded as an outcome of reforms undertaken. In emerging democracies in Eastern and Central Europe, the transition to democracy and market economies is often seen as the reason for increased corruption, whilst in Vietnam and China the liberalisation of the economy has been seen as promoting opportunities for corruption. As a result, there is a risk that scepticism towards democracy itself in transition countries will grow, and if anti-corruption initiatives are seen as being part and parcel of democratisation in authoritarian or emerging democracies and yet corruption continues to flourish, this may ultimately do more damage to processes of democratisation.
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