
Public Officials, Private Interests, and Sustainable Democracy: When Politics and Corruption Meet

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Any assessment of the role of corruption in the world's economies must also address its political dimensions. These include corrupt activities themselves, corruption as a political issue, and the overall health of a nation's politics. Corruption raises important political questions about the relationships between state and society and between wealth and power. It affects political processes and outcomes, but its meaning, and the significance of particular cases, are also influenced by the clash of political interests. Corruption tends to accompany rapid political and economic change, but its significance varies from one society to another: it topples some regimes while propping up others. And corruption is, of course, an increasingly important political and trade issue among nations and in international organizations.

At the same time, many other forces affect a country's well-being, and it is risky to use corruption to explain too much. As Colin Leys (1965, 222) argued, "It is natural but wrong to assume that the results of corruption are always both bad and important." Corruption occurs in many forms, with contrasting patterns and political implications (Johnston 1986). Its effects are notoriously difficult to measure: they must be gauged, not against ideal political and economic results, but rather against what would have happened without corruption—a very different, often

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unknowable, standard. Moreover, because corruption is such a useful (and often inflammatory) political issue, it can be difficult to distinguish real corruption from the claims and counterclaims of conflicting forces. Thus, the question of the political implications of corruption has no single answer.

Defining corruption is another complex issue (Johnston 1996). Most analysts define categories of behavior as corrupt, with many relying on laws and other formal rules because of their relative precision and stability to identify corrupt actions (see, for example, Nye 1967, 417; Scott 1972, chapter 1). Critics reply that in many societies the law lacks legitimacy and consistent meaning, that legalisms tell us little about the social significance of behavior, and that public opinion or cultural standards are best for building realistic definitions (Gibbons 1988; Peters and Welch 1978). Still others dispute the behavior-classifying approach itself, regarding the moral health of society at large as the main issue in defining corruption (Dobel 1978; Euben 1978; Moodie 1980; Philp 1987; Thompson 1993). I cannot settle this issue here; indeed, some cases to be discussed below focus more on controversy over the meaning of corruption than on agreed meanings. I will therefore define "corruption" broadly as the abuse of public roles or resources or the use of illegitimate forms of political influence by public or private parties. Later on, however, I will make an explicit issue of the politically contested meanings of terms such as "public," "private," "abuse," and "illegitimate," for often contention over who gets to decide what those terms mean is the most important political dimension of the problem.

Corruption as an Influence on Politics: Who Gets What?

That corruption affects politics and policy is a familiar notion. Most arguments about these effects raise Harold Lasswell's classic question: "who gets what, when, and how" (Lasswell 1936). Klitgaard (1988, chapters 1-2 and especially pp. 36-48) concludes, rightly in my view, that most corruption hurts most people most of the time. But all corruption presumably benefits someone or it would not occur, and sometimes benefits are widely (if unevenly) distributed.

Most forms of corruption short of outright official theft can be thought of as types of political influence (Scott 1972), distorting decision making and diverting the costs and benefits of policy. The initiative may come from either private clients or public officials: the first may offer bribes; the second may delay decisions or contrive shortages until payments are made, or may simply extort them. The climate of corruption can be so pervasive that no explicit demands are needed: "everybody knows" that decisions must be paid for. But whoever takes the initiative, corrupt

influence requires valuable resources such as money, authority, expertise, special access, or control over a political following. Few ordinary citizens have such resources or can compete politically with those who do. Thus, most corruption will tend to benefit the haves at the political, as well as material, expense of the have-nots. The latter may obtain petty benefits—shopkeepers might evade official inspections, and citizens might pay to obtain a license, with small bribes or “speed money”—or partake of petty patronage distributed in the course of someone else’s quest for power. But these benefits come at a cost: corruption bypasses due process and weakens civil rights, blocking off legitimate channels of political access and accountability while opening up (and concealing) illicit new ones. Patronage or avoidance of official harassment often comes at the cost of lost political choices and inferior public services. Many people pay the costs of corruption again and again.

Actual calculations of who gets what are admittedly complex and unreliable. Much corruption never comes to light: those who know about it usually have a stake in concealing it, and some kinds of corruption can be used to cover up others. Costs and benefits are difficult to compare: most benefits, such as a job or a contract, are tangible, divisible, and immediate and might have come to the recipient anyway (Sacks 1976). By contrast, many costs, such as loss of trust in the political system or the cumulative effects of one-party politics on representation and political choices, are widely shared, intangible, and accrue over the long term. Corruption changes the institutions, economies, and societies within which it occurs. This creates problems for any proposed distinction between “good” and “bad” varieties, for often we cannot say what would have happened without corruption. An economic development agency might have serious corruption problems, but it does not follow that without corruption it would necessarily have produced economic development or have avoided its actual failings.

The Effects of Politics on Corruption: Who Decides?

Politics is a high-stakes game, and its rules have much to do with who wins and loses. Corruption is a hot political issue: despite (or because of?) its moral dimensions, it is used in contentious and politicized ways and can elicit strong public responses. Corruption and scandal are different things (Moodie 1980), and either may occur in the absence of the other. For these reasons, the meaning of corruption, its application to particular cases, and who gets to decide these matters can be hotly contested issues.

In the long run, such contention contributes to the emergence of

accepted standards of political behavior (Johnston 1993). In the short term, however, it can politicize the concept and obscure its working boundaries, making it difficult to distinguish actual corruption from partisan scandal. Particularly in undemocratic systems, officially orchestrated scandals may tell us more about the political interests of elites, or about conflicts among them, than about the real extent of official wrongdoing (Simis 1982; Lampert 1985). Critics of the existing order, barred from raising genuine social and political issues, will also find corruption a useful way to criticize government without directly challenging its claim on power. In China, for example, corruption has become a “bandwagon issue” for an extraordinarily broad range of grievances (Sands 1990, 86, 90; Hao and Johnston 1995, 119-21).

Often, reactions to corruption (real or perceived) are at least as important as the problem itself. Relatively minor transgressions, or even just the perception that they have occurred, can elicit major public outcry. Anticorruption coups are common, though corruption is often just a pretext for seizing power and continues unabated under the new regime. Reactions to corruption can mean bad news and good news: serious controversy might occur, but that may also contribute to pluralization of politics. Was the major significance of the Collor de Mello scandal in Brazil the fall of a regime or the fact that strong popular forces emerged to object to elite misconduct? Reforms are another kind of response; many are beneficial, but others, such as antimachine reforms in American cities, confer major political advantages on their advocates or make government less responsive than before (Lowi 1968; Lineberry and Fowler 1967). Still other “reforms” are simply camouflage for continued profiteering.

In democratic societies, reformers must consider not only the nature of corruption problems but also public perceptions and expectations. American campaign finance reforms, enacted during a time of widespread concern about political money and the abuse of power, raised expectations of an era of fair, responsive politics. But the new rules did little to enhance ordinary citizens’ feelings of efficacy, and reformers did not educate them about the actual workings of the political process. As a result, public disclosure provisions served mostly to persuade many people that the system was awash in dirty money and that politics had become debased. There is probably much less corruption at all levels of American politics today than a century ago, but opinion polls repeatedly reveal a public sense that the political process is sick in fundamental ways. For example, the recent scandals revolving around President Bill Clinton and Speaker Newt Gingrich—while involving well-documented movements of funds (Clinton) and violations of rules regulating the activities of political committees (Gingrich)—are poorly understood by the public and have not (so far) revealed substantive abuses of public policy. Still, they contribute to the widespread perceptions of a sick political system.

Disclosure for its own sake has not contributed to enlightened political debate; instead, it has encouraged parties and interest groups to engage in competitive scandalmongering as a (poor) substitute for offering real policy choices to the public.

Comparing Political Effects

Can we compare corruption—either levels or causes and effects—from one country to the next? Some analysts have used aggregate economic data and corruption indices from business organizations to develop intriguing international comparisons of the effects of corruption on investment and economic growth or of the relationships between corruption and domestic economic competition (Mauro 1995; Ades and Di Tella 1995). Another approach has been to compare relative levels of corruption across countries by averaging several corruption “rankings” in a “survey of surveys” (Lambsdorff 1995), or by conducting one’s own survey based on judgments by international businesspeople (Lambsdorff 1996). Here, validity problems often arise from the need to reconcile qualitatively different kinds of evidence or conceptions of corruption. Reliability questions are posed by the comparatively small differences among rank-ordered cases, which often exceed the level of precision of the original data. Nonetheless, extensive public interest in these scales confirms the importance of continuing research.

Still, overall levels of corruption, its economic effects, and its political implications are all different things. What links various levels and types of corruption on the one hand and political pathologies on the other? Table 1 offers a tentative attempt—based on my own and others’ reading of press reports and the scholarly literature on corruption over the years—to distinguish between cases in which corruption has led to systemic political change (such as the breakdown of the political process or fundamental shifts in the bases of political power) and those in which its effects (while still major) have been on the order of changing or preserving regimes and alignments of political competition. I have tried to list all nations that clearly fall into these two categories (although as we shall see, the categories pose many difficulties of classification) but have omitted others that have merely experienced episodes of scandal (even if politically significant), for that includes nearly every country.

These categories do not reveal absolute amounts or the material value of corrupt activity. Corruption in Zaire under President Mobutu Sese Seko, for example, has probably been greater (by either measure) than that of several nations in the left-hand column, but Zaire appears on the right-hand side because its corruption has been more a mechanism of control than a force for systemic change. Similarly, the categories do not

Table 1 Linkages of corruption to systemic change and major political effects by country since the mid-1970s

Systemic change ^a	Major political effects ^b	
East Germany	Argentina	Bangladesh
Liberia	Brazil	Burkina Faso
Mauritania	China	Colombia
Nicaragua	Gabon	Greece
Niger	India	Indonesia
Nigeria	Italy	Ivory Coast
Panama	Japan	Kenya
Philippines	Malaysia	Mali
Former Soviet Union	Mexico	Pakistan
Sierra Leone	Paraguay	Peru
Sudan	South Korea	Spain
Uganda	Tanzania	Thailand
	Venezuela	Zaire
	Zambia	

a. Including complete collapse.

b. Ranging from regime preservation to significant political realignment.

permit comparison of costs to benefits: by no means are all of the regimes brought down by corruption the sorts we might support. In addition, placing a country in one category or the other is at times a judgment call, one that might change as events unfold.

But the most striking aspects of the table are, first, the wide range of countries listed, and second, the breadth of variation within categories. The right-hand category includes countries in which corruption has been used to forestall change (Paraguay, Mexico, Zambia)—perhaps even serving as a substitute for political or economic reform—as well as those in which it has been destabilizing (Colombia). In others (China, Peru), popular or official reactions to corruption have been at least as important as the problem itself. At times, the major effect has been on social structure.¹ In the Sudan, for example, corrupt accumulation of wealth helped create a new “parasitic *comprador* capitalist class” (Kameir and Kursany 1985, 8), and Zambia saw the rise of a business and property-owning class that got its start exploiting public office (Szeftel 1982). Both columns include cases in which political change has imposed new definitions of corruption. Consider the trials of two former presidents in South Korea and of former East German officials. In other cases, such as Liberia’s tragedy, corruption has been just one contributing factor in a general collapse. We could devise more categories to capture these variations, but they would quickly become numerous and thinly populated,

1. I am grateful to Sahr J. Kpundeh for suggesting the following two examples.

ultimately telling us more about the complexity of the phenomenon and the difficulty of drawing broad generalizations.

There are thus many kinds of corruption problems, and their effects are linked to the nature of the societies in which they occur. If benefits flow to one group and the costs to another, for example, that may exacerbate existing fault lines in society, but a different distribution might ease conflict. Groups excluded from influence on racial, nationalistic, or ideological grounds may well buy their way in through the back door, particularly if they have significant political resources and nonideological agendas. Huntington (1968, 59-71) suggests that corruption may function in those situations as an alternative to violence. Nye (1967) points to the levels at which corruption occurs, the kinds of inducements involved, and the extent of deviation from approved procedures as affecting its consequences. Corruption often flourishes under one-party politics (Doig 1984, chapters 5, 6), whether the system is uncompetitive by circumstance or design. Conversely, fragmented corruption can lead to a collapse in political competition; if there is little to gain and much to lose by being in the opposition, politics may take the form of a disorganized scramble for the spoils.

Corruption influences politics, but politics also influences corruption as people seek or defend positions of advantage. If corruption leads to scandal, the resulting disputes can reshape accepted relationships and boundaries between wealth and power. The challenge is to understand corruption as a kind of process, and form of influence, within political systems, but to do so in ways that still allow comparisons and are not so relativistic as to drain the concept of meaning. In the section that follows, I will suggest that sustainable democracy offers some insights into this problem.

Corruption and Sustainable Democracy

Corruption is not something that happens to a society like a natural disaster. It is the doing of real people and groups as they trade in influence within a particular climate of opportunities, resources, and constraints. Sometimes these actions and choices shake whole governments and regimes, but more often they affect politics in more specific ways—ways that reflect the nature and continuing development of the societies in which they occur. Much depends on relationships between state and society, and on the ways wealth and power are held and used. Are the political elite at the mercy of private interests or so entrenched that they exploit them? Do people use wealth to buy political influence, or do they use political power to enrich themselves? If corruption is a politically contested concept, by which standards and values can we judge its seriousness and any progress toward reform?

Sustainable Democracy

One way to bring these questions together is to consider them in terms of the development and viability of sustainable democracy. In so doing, I do not mean to suggest that corruption is solely the province of undemocratic systems. No democracy is free of corruption, and some authoritarian regimes (notably Singapore and Chile) have had low levels of it. But in nondemocratic states, leaders tend not to be accountable to ordinary citizens. Under these circumstances, whether corruption occurs and how pervasively depends to a large degree on the personal honesty of top leaders and their allies.²

Moreover, if the idea of corruption is to embody anything more than the interests of dominant elites, or the public's shifting views of particular politicians and groups, it must incorporate some sense of what we value in public life. As Susan Rose-Ackerman (1978, 90) argues, "Normative statements about corruption . . . require a point of view, a standard of 'goodness,' and a model of how corruption works in particular instances." In Dennis Thompson's view, "goodness" refers to a healthy political process in which freely chosen representatives openly debate important issues and must answer to their constituents for the decisions they make. He argues that corruption is bad not because money and benefits change hands but because it bypasses representation, debate, and choice (Thompson 1993). The vast majority of corrupt activities in any nation, and the politically manipulated meanings of corruption often found in undemocratic regimes, depart from these democratic values.

The concept of sustainable democracy has been defined in a variety of ways (see, for example, Buell and Deluca 1996; Przeworski 1995). Here, I use it to refer not just to the presence of liberal institutions and market economics (as much of an achievement as those embodied in many countries) but also to the existence of multiple and broadly balanced political forces. This means, first, a balance between the accessibility and autonomy of political elites, and second, a balance between wealth and power. The first envisions a relationship between state and society in which private interests have significant political influence but officials can formulate and carry out policies authoritatively.³ The second refers to a situation in which both political and economic paths of advancement are numerous and open enough to reduce temptations to trade either wealth or power for each other.

Serious imbalances, by contrast, tend to foster corruption. Where

2. This works in both directions. An honest authoritarian leader can virtually eradicate corruption, as Lee Kuan Yew has done in Singapore, while a dishonest one can loot a country. It is said that under Ferdinand and Imelda Marcos, publicly owned Philippine corporations were like bath towels: "His" and "Hers."

3. I am grateful to Christopher Sabatini for his thoughts and comments on this issue.

access to elites significantly exceeds their autonomy, officials are vulnerable to private influence (legitimate and otherwise) and find it difficult to act independently. Indeed, if elites' hold on power becomes shaky, there is a temptation to take as much as one can as quickly as possible—Scott's (1972, 80-84) "hand-over-fist" corruption. If, on the other hand, elite autonomy exceeds accessibility, officials may be able to exploit private interests with impunity. As for wealth and power, Huntington (1968, 59-71) has argued that where political opportunities exceed the economic, people are likely to use power to enrich themselves; where economic opportunities exceed the political, people will tend to use wealth to buy political power. Particular combinations of imbalances among these forces give rise to characteristic corruption problems that differ in their nature and political implications and point to political and economic reforms that can aid both democratization and anticorruption goals.

Both kinds of balance are dynamic. They presume vigorous political contention. Where officials and private parties can influence each other but also resist exploitation by the other and where wealth and power interests are sufficiently balanced so that neither resource must chase the other, clear expectations and accepted rules governing relationships among them are more likely to be worked out. These rules—including boundaries and distinctions between state and society, public and private sectors, politics and administration, and individual and collective interests, and among market, bureaucratic, and patrimonial processes of allocation—have historically been drawn and have earned their legitimacy through political contention. Where they and the politics that define them are absent, corruption is very difficult to define and control by means other than coercion (Johnston and Hao 1995; Johnston 1993). Looked at this way, democracy—portrayed by the leaders of many coups d'état as vulnerable to corruption—has long-term anticorruption muscle. Ironically, coups against corruption, even if genuine in their intent—and most are not—preempt the political contention that could eventually forge boundaries to contain it. Corruption begets bad politics, and bad politics begets further corruption.

The sustainable democracy approach does not regard the state as a neutral referee or as a technical entity that merely processes demands from society. This approach is far from neutral in terms of the intrinsic value of politics. It asserts that some kinds of politics are better than others and joins political principles to the analysis of process. It draws on a classical republican tradition of thought in which morality and corruption are seen as properties not of particular actions but of whole societies and in which active citizenship, faithful representation, and free debate are valued in themselves quite apart from the utility of their results (Dobel 1978; Euben 1978; Moodie 1980; Philp 1987; Shumer 1979; Thompson 1993, 1995). Corruption in this view is a departure from a

particular image of good politics. Quite apart from its role as a mechanism for who gets what, corruption is bad because it privatizes valuable functions of public life. We should not be reluctant to apply the sustainable democracy approach to a variety of settings. Not only do many people (though by no means all) in undemocratic and transitional regimes pursue similar goals themselves, but as we shall see, combatting corruption and encouraging open, competitive politics can also be closely allied reform goals.

Four Syndromes

The balance or imbalance between elite accessibility and autonomy and between political and economic opportunities will be difficult to measure; at best they are examples of long-term “moving equilibria.” Short-term trends and events may alter both from time to time without necessarily producing major outbreaks of corruption. The focus here is on significant and lasting imbalances, combinations of which define four corruption syndromes, each marked by distinctive opportunities and dangers. In some of these syndromes, corruption will be significant but bounded in scope, serving more to limit the competitiveness of politics and the responsiveness of governments than to threaten their viability. In others, there are real dangers that corruption may spiral out of control (table 2).

The horizontal and vertical axes in table 2 are not precise demarcations but continua symbolizing relative relationships: the horizontal line, the balance or imbalance between elite accessibility and autonomy, and the vertical line, that between economic and political opportunities. These dimensions are ordinal, with imbalances greater toward the extremes. Countries located near the intersection of the two lines have a rough political balance on either dimension or both. The emphasis here is on relative imbalance: to say that economic opportunities are greater, for example, is not to say they are abundant in any absolute sense; the crucial fact might be the extreme scarcity of political opportunities. Moreover, I do not suggest that any scenario is the only one found in a country. This schema, and the four corruption scenarios, may be made clearer by focusing on each category in more detail.

Interest Group Bidding

In the upper-left quadrant of table 2, accessibility of elites exceeds autonomy, and economic opportunities are more plentiful than political ones. Where these imbalances are significant, interest groups are strong and political elites are vulnerable. These groups will represent many interests, only some of them economic in nature, but most will resort to economic resources (campaign contributions, other sorts of gifts, outright bribes) as they seek influence.

Table 2 Varieties of corruption as functions of political imbalance

		State/society balance	
		Accessibility of elites > autonomy	Autonomy of elites > accessibility
Balance of opportunities	Economic > political	A: Interest group bidding United States United Kingdom Germany	B: Elite hegemony (risk of extreme corruption) China Pre-IACC Hong Kong Military regimes (Nigeria at times) South Korea LDP Japan
	Political > economic	Italy Russia Pre-Fujimori Peru Pre-Menem Argentina Early Tammany Hall Early civilian regimes in Africa C: Fragmented patronage (mafiyas) (risk of extreme corruption)	Mature Tammany Hall Indonesia Mexico Sicily D: Patronage machines

A: Interest group bidding is characterized by strong private interests, accessible elites, and political and economic competition. Wealth is used to seek political influence resulting in elite corruption but is largely nonsystematic and on an individual basis.

B: Elite hegemony is characterized by entrenched elites with limited political competition who sell political access and enrich themselves and their political and business allies.

C: Fragmented patronage is characterized by fragmented, politically insecure elites who build personal followings using material rewards. Followers are poorly disciplined and are vulnerable to interests and factions in society; some corruption linked to intimidation.

D: Patronage machines are characterized by strong elites who control mass participation, limit competition through patronage, and often capitalize upon mass followers' poverty. Parties are well-disciplined, hierarchical, and extend elite power into society. The result is often systematic corruption, perhaps accompanied by intimidation.

This corruption scenario is most typical of liberal democracies and is seen as a departure from procedural fairness and equity. It may be a serious problem but is unlikely to spiral out of control because bidding is open to many competing interests with relatively narrow agendas. Critics of the process can participate in politics too, creating a healthy tendency toward public scandals, and can win support from segments of the relatively decentralized, internally competitive political elite.⁴

4. Here I echo the argument by Markovits and Silverstein (1988) that scandal is most likely to be found in liberal democracies, although I would add that undemocratic societies also experience corruption-related political conflicts that, even if not focused on a set of accepted political values and principles, are significant for establishing new standards of behavior.

Some elites will engage in corruption, but elite syndicates and systematic shakedown operations will be rare.

The chief danger is that policymaking will become (or be perceived as) an auction, with favorable decisions going to the highest bidder. The American “iron triangle” metaphor (see, for example, Adams 1981) reflects this danger: it refers to long-standing alliances among economic interests, sections of the bureaucracy, and congressional subcommittees sharing an interest in a program or segment of the budget. Such preferential access will more likely produce policy stagnation than out-of-control corruption but can still be the focus of considerable resentment among those who see themselves as shut out by a corrupt process. Reforms in such systems are typically process-oriented and based on a market metaphor for politics. Many democracies’ campaign finance laws and lobbying regulations, for example, are intended to protect political competition. Whether the results match the intentions is, of course, a different question.

Elite Hegemony

Different and more ominous corruption problems are outlined in the upper-right quadrant of table 2. Here, an entrenched political elite facing little political competition and few meaningful demands for accountability dominates and exploits economic opportunities, manipulating political access (a scarce and valuable commodity) in return for further economic gains. Boundaries between state and society, public and private interests, and politics and administration are likely to be weak or open to elite manipulation. In extreme cases such as China’s, political figures, bureaucrats, and whole agencies go into business overtly or as partners with entrepreneurs. The Liberal Democratic Party (LDP) regime in Japan represented a somewhat different case. There, modified one-party politics with extensive state involvement in the economy and just enough electoral competition to persuade donors that they had a stake in keeping the LDP in power led to close links between party leadership and large corporations.

In undemocratic regimes in particular, corruption issues may become a vehicle for a broad range of grievances, but political and legal processes are manipulated from above, and the forces of reform are weak. Thus this sort of corruption may well become organized and systemic while facing little opposition, posing a danger of a hypercorruption spiral. Such political competition as does occur is likely to take place among elite political and economic factions. If it becomes intense, especially in a time of political or economic transition, political competition is more likely to produce extreme corruption, as officials take as much as they can as quickly as possible, than any sustained political check upon wrongdoing. Not surprisingly, reform efforts typically are sporadic,

politically orchestrated crusades serving the political needs of top elites. Barring substantial opening up of politics, significant scandal, or meaningful demands for reform may require, and would very likely deepen, a serious political crisis.

Fragmented Patronage, Extended Factionalism

The lower-left quadrant of table 2 differs from the variety of corruption just discussed in terms of both state-society relationships and balance of opportunities but resembles elite hegemony in its danger of out-of-control corruption, especially in states undergoing systemic transformation with weak institutions and weak political leadership. Here, elites are not only accessible, but also seek power amid intense political competition and relatively scarce economic opportunities. The path to power consists of building a following, but because material rewards are relatively scarce and political alternatives are plentiful, patronage politics is fragmented. Elites build personal followings, not broad-based parties, and find them difficult to control because there is a chronic shortage of rewards and followers have political alternatives. Forces at play in such a setting may include not only political organizations but also more sinister groups such as Russia's *mafiyas* (Handelman 1995) or Colombia's drug cartels. Corruption may well be linked to intimidation and violence.

This is the most politically unstable of our four categories, and here the danger of extreme corruption is most pronounced. Elites are politically insecure and thus face temptations toward hand-over-fist corruption, but followers also contribute to the danger, for their loyalties may have to be purchased and repurchased in conflict after conflict, and patronage bidding wars may ensue. These splintered, shifting patronage groups marked the earliest phases of the rise of Tammany Hall (Shefter 1976). Orderly political competition will be difficult to establish as long as it is clear that playing the role of opposition is of little value for its own sake and that the real political opportunities lie in the scramble for spoils.

Apart from the use of corruption issues as a club against one's enemies, anticorruption reform is unlikely to be much more than a slogan; law-enforcement officials will be as politically vulnerable as politicians and bureaucrats, and neither side can count on much support from the other.

Patronage Machines

Finally, a well-entrenched elite can manipulate scarce economic rewards to control political competition even where there are significant political opportunities, via the sort of disciplined patronage organization once

known in American cities as political machines. Indeed, as the evolution of Tammany Hall in New York illustrates (Shefter 1976), a patronage-wielding elite that gradually eliminates competing factions can control government, exploit economic interests, render existing political alternatives economically worthless (or nearly so), and create a disciplined patronage organization. Politics remains the path to wealth, but followers can be controlled through a monopoly over patronage; they need not be bribed again and again but must make do with petty rewards bearing a large political price. In effect, Tammany built this sort of machine out of the fragmented patronage politics found in the previous scenario.

Patronage machines are not totally harmonious internally (Johnston 1979), but they are unlikely to produce out-of-control corruption. The machine leadership profits, politically and economically, from the status quo; it is in business for the long term and will dole out patronage with an eye to maintaining its dominance rather than to looting the state. This is not to imply that the corruption involved is not serious or that it does not do economic and social damage. Machine-style corruption diverts wealth into the hands of the few; levies a “political tax” on business, investment, and many ordinary jobs; and maintains the poor in a state of political dependency (Johnston 1982, chapter 3). Damage to the political system, however, is more likely to come in the form of stagnation and postponed change than in the form of a short-term crisis or collapse. Machine leaders will occasionally put limited reform in place to preempt more serious political challenges. Chicago’s Richard J. Daley was famous for this tactic, and Mexico’s Partido Revolucionario Institucional (PRI) has accepted occasional losses in state elections and more extensive election reforms as the price of continuing power. But most corruption issues are likely to be raised by marginalized counter-elites, to little political effect.

Sustainable Democracy and Anticorruption Reform

The sustainable democracy argument suggests that serious corruption makes political systems less democratic. But is the converse true? Can democratization reduce corruption? As noted, I do not suggest that the more democratic countries are free from the problem. But if various kinds of corruption grow out of imbalances between state and society, and between wealth and power, efforts to restore (or institute) greater balance might contribute both to democratization and to corruption reform. That is a middle- to long-term approach and must be linked to more familiar political and administrative measures. Still, we can identify, conceptually at least, ways of smoothing out imbalances:

- where accessibility of elites decisively exceeds their autonomy, enhance official autonomy by regulating channels of private influence, improving internal bureaucratic management, and enhancing state capacity;
- where elites' autonomy outweighs their accessibility, open up channels of mass participation, accountability, and bureaucratic access;
- where economic opportunities outstrip political opportunities, enhance the depth and equality of political competition;
- where political opportunities greatly exceed economic opportunities, encourage broad-based economic growth.

The idea here is to identify ways of pursuing both democratization and anticorruption goals appropriate to the realities of differing situations and societies. American-style reforms, for example, with their emphasis on protecting elites and political competition from excessive private influence, are unlikely to work well in a setting marked by other sorts of imbalances. Just as each corruption syndrome is defined by two imbalances, the broad strategies suggested above for redressing them jointly suggest different reform strategies for each syndrome (table 3).

Interest Group Bidding

Although many of the states in this category are fundamentally democratic, they still face issues of sustainable democracy. Boundaries between state and society and between individual and public interests need to be protected and strengthened to preserve official autonomy and prevent policymaking from becoming an auction. Rules of access to political figures and bureaucrats may well need to be further specified and monitored through controls over contributions and lobbying; the real and perceived equality of political participation must be protected and, indeed, enhanced so that smaller and newer interests, noneconomic groups, and people with fewer resources can compete effectively. Supervision and accountability within the political elite must be considerably strengthened as well. Legislators who serve within a context of clear codes of ethics and who feel strongly their obligation to the legislative and representative process may be better able to resist economic temptations from interest groups. So may bureaucrats who are carefully recruited, well-paid, systematically trained and retrained, and given the proper mix of supervision, discretion, and protection from partisan pressures.

Good-government reform groups will be important to this agenda, but top bureaucrats must also insist on sound management and monitor paths of access to their agencies and staffs. The leadership, organiza-

Table 3 Strategies for controlling corruption arising from political imbalance

		State-society balance of elites	
		Accessibility > autonomy	Autonomy > accessibility
Balance of opportunities	Economic > political	<p>Corruption type Interest group bidding</p> <p>Anticorruption strategies Strengthen and protect official autonomy, state-society boundaries, and internal bureaucratic accountability Protect equality of political competition</p> <p>Examples Campaign finance laws Lobbying rules Disclosure of assets and interests Civil service protection and professionalism</p> <p>Strategic groups Political parties Lobby groups Reform groups Middle bureaucratic managers Individual legislators and staff Organizations in civil society</p>	<p>Corruption type Elite hegemony</p> <p>Anticorruption strategies Enhance mass participation Open up and routinize bureaucratic channels Emphasize legality and accountability Expand political competition</p> <p>Examples Bureaucratic-judicial-press independence Competitive elections Stronger civil society Protect civil, political, and property rights Economic enterprises</p> <p>Strategic groups Economic interest and international trade partners Trade organizations Top jurists and bureaucrats Free professionals Potential opposition elites</p>
	Political > economic	<p>Corruption type Fragmented patronage Extended factionalism <i>Mafiyas</i></p> <p>Anticorruption strategies Strengthen and protect official autonomy and state-society boundaries Enhance state capacity Increase economic growth</p> <p>Examples Election laws (money and parties) Bureaucratic-judicial professionalism Law enforcement Broad-based economic growth</p> <p>Strategic groups Political parties, interest groups, and individual bureaucrats Law enforcement and jurists International trade partners Potential opposition elites</p>	<p>Corruption type Patronage machines</p> <p>Anticorruption strategies Enhance mass participation and political competition Open up and routinize bureaucratic access Increase economic growth</p> <p>Examples Bureaucratic and judicial independence Press freedom and civil liberties Stronger civil society Clean-election laws Broad-based economic growth</p> <p>Strategic groups Opposition elites and parties Independent groups in civil society Top bureaucrats and jurists International trade partners Foreign-educated technocrats and free professionals</p>

tions, and mass support for political parties and legislative bodies will have to be strengthened, as will broad-based citizen participation. Interest groups can help check each other by guarding their own access rights. It will not be enough simply to change the rules regulating political money: the political action committees (PACs) created by American reforms in the mid-1970s were intended as a means for citizens and smaller interest groups to participate but are now widely (and, for the most part, inaccurately) seen as a corrupting force in their own right. The need, then and now, is to enhance political competition to even out the imbalance of economic and political opportunities while protecting the autonomy of representatives and decision makers.

Elite Hegemony

Both democratization and anticorruption efforts will require broader political competition and more accountability of and access to elites. Political pluralization and measures to strengthen civil society and broaden the range of groups that speak in and for it will be particularly critical. Indeed, such groups may already be gathering economic strength and searching for a political outlet; in the more undemocratic societies, this not only can make for more corruption but can also threaten a political crisis. Thus, opening or protecting channels of access to bureaucrats, the courts, and legislators and establishing the independence of those bodies from entrenched political elites will be particularly important (and particularly difficult in some regimes). Clarifying issues of property and ownership, protecting against political and bureaucratic exploitation of economic enterprises and market activities, and reaffirming principles of legality can strengthen the boundaries between public and private interests, individual and collective rights, and politics and administration, thus helping to limit elite exploitation and strengthen countervailing political forces.

Strategic groups and interests for such reforms would be the emergent economic interests of civil society and in particular any organizational base (trade associations and so on) they might possess. International business partners and investors will also have a stake in establishing and protecting channels of routine bureaucratic access and also possess valuable knowledge about the value of such links elsewhere. Any free professionals, particularly those educated abroad, and potential opposition elites can play similar roles. While they often will not have overtly political agendas, any social groups and civil associations can do much to establish the legitimacy of activities and interests beyond the reach of the state. In the more undemocratic cases, however, these reforms, by threatening elite hegemony and self-enrichment (as indeed they are intended to do), may be politically dangerous and could make a spiral of extreme corruption more likely in the interim.

Fragmented Patronage

In this scenario, fundamental reform would require an increase in elite autonomy and broad-based economic growth. The former entails a real commitment from both citizens and elites to the value and necessity of the state—not as a coercive force, and certainly not as a resource to be plundered, but rather as a guarantor of important processes and rights whose rules must be taken seriously. Clearly this will require a major change in attitudes in many transitional countries. More orderly interactions between officials and private interests—indeed, a clearer distinction as to which are which—stronger discipline and accountability within the elite, and enhanced professional standards and protections for jurists, bureaucrats, and law enforcement personnel would all contribute to a much-needed growth in state capacity. Consolidation of a limited number of strong, broad-based political parties—perhaps through representation and political finance laws encouraging such a party system—a proliferation of interest groups in civil society beyond the personal domination of political figures, and meaningful law enforcement and protection of civil liberties will be needed to persuade people they can deal with the state through official channels rather than personal connections. Broad-based, sustained economic growth is equally important in this reform scenario but must be coupled to the kinds of political reforms just discussed. Growth without an accompanying growth in elite autonomy and state capacity might well hasten the growth of out-of-control corruption.

Strategic groups for attacking corruption through democratization will include those with an interest in more orderly decision making and broad-based political competition. Parties, potential opposition elites, and interest groups will be important in such efforts, as will bureaucracies and their middle-level managers, court and law-enforcement personnel and regulatory staffs, and domestic and international businesses.

Patronage Machines

Reform when a political machine is in place will involve enhancing access to elites and expanding economic opportunities. The first would reduce the need to work through political patrons, and the second would reduce dependency on the machine's favors. Critical reforms include improvements in procedural democracy, particularly in elections but also in preserving parliamentarians' freedom from intimidation and civil servants' political independence; genuine protection of competing elites' and parties' rights; and open and nonpoliticized access for private interests to bureaucratic agencies and decision makers. So too will be strengthening of a viable civil society, politically and economically less

dependent upon patronage, and of the organizations within it (overtly political or otherwise). Mass rights of expression and participation are critical to increasing political initiative and impetus for reform in society. Broad-based economic growth will be crucial to evening out the balance of opportunities and to reducing mass dependence upon the machine, but here again economic growth must be accompanied by political change. Growth alone might well move a nation from the lower-right to the upper-right quadrant of table 3, making its corruption more widespread and destabilizing. Mexico, for example, experienced an outbreak of more disruptive forms of corruption during its oil boom (Grayson 1980; Gentleman 1984; Riding 1985).

Strategic groups will be those with a stake in economic growth and in opening up political competition and access to an independent bureaucracy and judiciary. These would include opposition elites and parties, international business and its domestic partners, free professionals and technocrats (particularly those trained abroad), independent groups in civil society, and the courts.

Conclusion

Reform is thus complex and multidimensional. The balance between political reform—balancing elite accessibility and autonomy—and economic reform, which powerfully affects the balance of political and economic opportunities, is a critical issue. Indeed, an understanding of the implications of major imbalances can tell us a lot about the particular corruption problems of China, as one example, and the former Soviet satellites in Central Europe, as another. In China, economic reform was carried out in the absence of political reform, which led to a serious case of elite-hegemony (upper-right quadrant of table 3) corruption. In Central Europe, political reform outran economic change, at least in the first few years of the new political era, fragmenting patronage. In this discussion, I have tried to place such changes and contrasts in the context of an argument about the nature and significance of sustainable democracy, anticorruption reforms, and the positive relationships between the two. The argument may well be overly optimistic, particularly since I have deliberately emphasized the conceptual overlap between them. More common is the view that once corruption becomes a serious problem, it spreads like a fatal disease—the metaphor most frequently used in such discussions—until a political crisis or collapse occurs.

But the possibilities for more positive change are not just theoretical—they are supported by historical cases, too. There have been societies that have moved from serious episodes of corruption into eras of cleaner politics. Although careful administrative and institutional reforms are essential to any such process—and Hong Kong offers a particularly

important success story here—in other cases, such as the United Kingdom and (to a lesser extent) the United States, vigorous political contention and the growth of civil society have also been critical. By itself, political reform is no cure for corruption, if only because corruption creates formidable incentives for powerful people and groups to resist reform. It is, however, essential if the benefits of more focused anticorruption reforms are to be sustained in the long run. Indeed, it is through democratization that resources other than wealth, connections, and personalized followings can be brought to bear upon the problem. Persuading citizens that they have a stake in such reform, however, and that short-term disruption will bring long-term benefits, is no easy task—particularly if political reform means that people must forgo the petty but tangible benefits they had been receiving under the old political dispensation. In addition, it is far from clear that a shift directly from particularly dangerous corruption scenarios to something resembling liberal democracy will be feasible in many cases. It may be that the best we can hope for, for a time, is to shift cases of elite hegemony and fragmented patronage in the direction of machine politics. This is not to suggest that machine politics is in itself a desirable state of affairs but rather that it may represent an alternative preferable to political crisis or out-of-control corruption.

But particularly in the transitional societies discussed above, we now have major opportunities for both democratization and anticorruption reforms. In the ways we work with partners and clients in those societies, we can create new expectations about how bureaucracies, the courts, and political officials should deal with private interests, and vice versa, and we can give major moral and organizational support to the people and groups within those countries who hope to pursue both kinds of reform. The four scenarios in the preceding section are offered as ways to begin to diagnose particular countries' problems—including those of our own—and to identify potential allies and targets for support. American businesses in particular can also set a useful example and protect their own interests and assets, depending on how they adapt to life under the Foreign Corrupt Practices Act, which is seen by some not just as an anticorruption "sword" but also as a "shield" for American businesses abroad (Givant 1994). A long-term commitment to good politics and good governance can be good business.

What I have tried to contribute to that process is a first step toward a more detailed assessment of the connections between politics and corruption, and of the nature and functions of democratic reform. With refinement and careful empirical application, this approach may eventually provide a guide to long-term reforms appropriate to particular countries. To reach that point, however, it would benefit greatly from the reactions and criticisms of the business, political, and international-policy professionals who know those situations best.

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