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Chapter 6:
Institutional Design and Good Governance

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Much of the discussion of 'good governance' has defined that term as virtually synonymous with the fight against corruption. For example, the indices created by the World Bank and other international organizations focus on the capacity of governments to suppress corruption or other forms of irregular governing (Kaufmann/Kraay/Mastruzzi 2007; Transparency International 2008). Associated with that approach to limiting corruption, there has been a great deal of emphasis on accountability and transparency in the public sector. These measures also indirectly assess the capacity of these political systems to control corruption and to enforce proper standards of behavior within the public sector.

The task for this paper is to relate the institutional design of political systems to the quality of governance provided by a government, or perhaps more precisely the quality of governance that is provided by the overall system of governing. That is, we need to extend questions of institutional design beyond the formal limits of governments also to consider how to design the interaction between state and society in ways that facilitate the quality of governance, defined broadly, as well as to minimize the probability of corrupt practices. Indeed, somewhat paradoxically, some attempts to enhance efficiency and democracy have had the unintended consequence of creating more opportunities for corruption.

We also need to bring institutional theory to bear on questions of corruption and good governance. Institutional theory is itself rather diverse, but several of the strands within the theory have direct relevance for understanding corruption. Most clearly, the normative version of institutionalism associated with March and Olsen (1989) stresses the central role of 'appropriateness' within organizations and institutions and assumes that individual behaviors, including eschewing corruption, can be shaped by institutional values, symbols, myths and routines. Those values will, of course, have to be positive if they are to have a positive impact on behavior.[1] In this approach,

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[1] By positive here I mean values that support the functioning of the institution with corruption.

therefore, corruption is understood as rejecting the values of public organiza-
tions in pursuit of personal gain – the consequentialist approach to political
life that is rejected by normative institutionalists.

The rational choice approach to institutions is an alternative that can help
understand the observed behavior of individuals who are presented with the
opportunity for corruption. In particular, institutions contain a set of rules that
can be used to control individuals. Those rules may be in the form of incentives
or in terms of prohibitions. Further, the rules may be the result of constructivist
processes in which interactions between formal and informal structures, e.g.
cultures, shape the expectations about the behavior of individuals within the
society (see Collier 2002). Those rules may be confined to the particular insti-
tutional arena or it may be framed more broadly for a range of structures.

1. Institutional Design and Political Choices

This task that I have been set also raises interesting theoretical questions
about the extent to which institutions can constrain individual behavior. That
ability of institutions to constrain individual action is always an assumption
of institutional theorists (Ostrom 1990) but it often remains just an assump-
tion and rarely has it been thoroughly tested. It is clear from the available
evidence that an institutional structure can shape the strategic behavior of
legislators and voters, but it is perhaps less clear that institutions can effec-
tively shape the moral behavior of individual politicians or administrators.
The differences among regimes being discussed in this paper represent dif-
ferent sets of institutions that may or may not be able to constrain behavior.

To some extent the capacity we assign to institutions is a function of the
conception that we have of institutions. For example, if we begin with the
normative model of March and Olsen (1986), and a number of sociologists,
then controlling moral choices may be considered central to the definition of
the institution. If, however, we adopt a more structuralist conception of an in-
stitution, e.g. one based on veto points, then making the link to behavior is
more difficult. In such a view preferences are largely exogenous, so the po-
tentially corrupt politician or administrator will simply have to work his or
her way through more or less complex structures in order to achieve their
goals – whether corrupt or noble. In this perspective the solution for corrup-
tion may be to construct more veto points, with stricter enforcement, but that
will not be a guarantee.[2]

We could also adopt a more common sense, descriptive approach to in-
stitutions and examine the impact of some empirical structures on the ability
of political regimes to govern effectively and to govern in an open and trans-

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2   The logic becomes that of qui custodient ipsos custodes, with a potentially infinite number
    of layers of control over behaviors.

parent manner. Weaver and Rockman and their colleagues (1996), for example, provided an extensive analysis of the differences in performance between presidential and parliamentary political systems (see also the discussion of Schmidt (2002) below). These analyses have been concerned more with the capacity of these systems to make and deliver policy rather than with their capacity to do so in a non-corrupt manner. As will be discussed in more detail below there may be some theoretical linkage between political structures and the level of corruption in the system. In particular, the greater the complexity involved in making decisions the more functional corrupt practice may be for any political system.

2. Corruption and Irregular Politics

The term corruption is used rather broadly to capture a range of behaviors that are beyond the pale of what is now commonly accepted behavior in the industrialized democracies. Corruption is, however, often like Justice Potter Stewart's idea of pornography – he could not define it but knew it when he saw it. Some behaviors, e.g. bribery, 'kickbacks', nepotism, and the like are clearly corrupt (see Philip 2002). These behaviors undermine fairness and probity in governing and make it apparent to the public that appropriate standards of integrity are not being followed by their public officials. These behaviors have been the targets of numerous efforts at reform from international organizations and national governments.

   Other practices, however, represent informal styles of political behavior that may not be as overtly illegal but which still may undermine any sense of equality and fairness in the political system, and therefore tend to foster public cynicism about the political system. For example, clientelism has been a familiar description of political life in Southern Europe (Piatoni 2001), Latin America (Blake/Morris 2009) and other parts of the world (Kawata 2008). The basic idea of clientelism is that a politically powerful *patron* provides favors to his/her clients in exchange for political support. Those favors may be of a variety of sorts but generally include some form of divisible goods created by the public sector, especially public jobs. It should be observed here, however, that these patterns of behavior are institutionalized, so that governing institutions may themselves be corrupt and require other remedies to create more circumspect behaviors.

   But where does clientelism end and proper government begin? For example, in the United States members of Congress tend to base a significant part of their appeals to their constituents on their ability to 'bring home the bacon'. Fiorina (1992) has argued that whenever Congressmen in the United States take stances on policy they tend to alienate at least a portion of their voters, but if they merely ensure that there is spending in the district and good constituency service then they alienate no one (except perhaps voters

especially interested in fiscal responsibility). The increased use of 'earmarked' expenditures has meant that those Congressmen interested in fiscal probity often do not have an opportunity even to become aware of the 'pork' until it has been enacted into law.

This pork-barrel component of public expenditure is a form of 'collective clientelism'. The patron in the national capital provides benefits for constituents in exchange for their votes. The deal involved in this relationship is never expressed quite so directly, but that is the deal nonetheless. The clientelistic character of pork-barrel spending in the United States has been reinforced by the use of Congressional earmarks that tend to produce very particular benefits for localities or for organizations, and make the linkage between the patron and the numerous members of the clientele all the more obvious. Although more explicit in the US than in most other places, this territorial form of patronage is certainly found elsewhere (Tavits 2009).

It appears that in some ways scholars and practitioners tend to be more concerned with corruption on the retail than the wholesale level. That is, a large proportion of the efforts directed at reducing corruption have been addressed at relatively minor administrative corruption, while large-scale use of the power of the public sector for partisan and individual gain seems to be more accepted. This emphasis may be a function of the relative power positions of the actors, or there may still be some sense that certain types of irregular behavior are actually functional for governing. Some economists have argued that some level of corruption is indeed functional by facilitating transactions, and certainly not worth the resources needed to stamp it out.

More generally, students of informal institutions have argued that particularly in less developed political systems, informal institutions can contribute significantly to governance capacity. Helmke and Levitsky (2004), for example, have developed a model of how informal institutions interact with formal institutions in governance. They adopt an extremely broad conception of informal politics, ranging from the overtly corrupt to understandings about appropriate behavior in legislatures. These all depend upon shared rules and values that are not codified but which still have a strong impact on behaviors. Further, they argue that the informality is crucial to the success of many political systems, including many systems that may appear to be perfectly capable of governing on their own. The analytic question that this raises in the context of this paper is to what extent these informal aspects of governing are functional, and how irregular they can be and still reside within the bounds of 'good governance'.

In this paper I will be concerned with a wide range of actions that deviate from what might be considered an idealized model of governing. In that model governance would be controlled by values such as universalism, achievement, and affective neutrality.[3] These terms are usually discussed as components of political culture, and indeed much of the discussion of politi-

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3   These are, of course, the familiar Parsonian pattern variables.

cal corruption has a strong culturalist element. These same values have been used to describe patterns of political and social development. The question I will be posing is whether the structure of political regimes affects the level of irregular political activity, and therefore also can we design institutions that will minimize unwanted forms of irregular politics.

Most of this paper will be concerned with political institutions and their role in corruption. Much of the discussion of corruption in the public sector has been concerned with public administration, and with petty officials taking bribes for moving a file along, or ignoring violations of building codes, or a host of other relatively minor indiscretions. This type of corruption has been both more manifest as corruption and easier to control. For example, both Singapore and Hong Kong once had famously corrupt administrative systems but have been able to clean them up largely through stringent enforcement. Political corruption may be more difficult to cope with simply because it is at times less clearly defined and also because those involved have substantially greater power within the political system.

3. Institutional Design and Informal Politics

The purpose of this paper is to examine whether formal institutional arrangements have an impact on the level of corruption, and if so what sort of a theoretical story can we tell that would explain the linkage. A priori, we might not expect any such linkage, a fact made apparent by recent events in the United States. The rather blatant corruption of Governor Rod Bogjona-vich of Illinois has made us aware first that there is a good deal of corruption at the level of state governments in the United States, and second that the level of corruption is substantially different across the states (see Table 1).

The marked variations in the level of corruption appear even though the institutional structures of the state governments are very similar. Indeed, Illinois identified as one of the more corrupt states is adjacent to Iowa and Wisconsin which appear to be two of the less corrupt states. The constitutions of all of these states are similar, but the behavior of individuals in office appears markedly different. Why? Further, if I examine the levels of corruption in the state governments using some of structural variables that might have an influence, e.g. the number of elected officials and size of state legislatures, there appears to be little relationship. Further, to the extent that there is one there are relationships they appear to be inverse to what might have been expected. For example, the states in the upper Midwest have a relatively large number of elected state officials[4], but have some of the lowest rates of corruption.

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4   South Dakota, for example, elects (in addition to the usual officers of governor and lieuten-
     ant governor) offices such as Insurance Commissioner, Agriculture Commissioner, and sev-
     eral education officials.

These observations create some doubt about the relevance of macro-level political structures for explaining corruption, clientelism or other deviations from 'good governance'. That said, however, some aspects of more micro and meso-level structures may be relevant for the explanation than are the macro-level characteristics of governance arrangements. To examine these potential relationships more thoroughly I will examine two macro-institutional characteristics of political systems – presidentialism and federalism (and their opposites), attempting to provide a logic theoretical explanation for a linkage and then determining whether there is any support for that logic. I will also examine the role of electoral systems and parties as meso-level institutional features that may influence decisions to engage in irregular political behavior.

4. Presidential and Parliamentary Systems

The most familiar dichotomy in institutional design of political systems is the difference between presidential and parliamentary government. This distinction has been used to explain a number of aspects of the performance of political systems, notably the stability of systems (Linz/Valenzuela 1994), and their general governance capacity. Manfred Schmidt (2002), for example, has examined the impact of different types of democratic regimes on the general performance of those regimes. He has used the contrast between 'majoritarian' and consensual systems as described by Lijphart (1999) and further uses the logic of negotiated democracy (Scharpf 1993) to describe the consensual forms of governing. Although the evidence used is rather weak, Schmidt appears convinced that consensual systems do perform better than do majoritarian systems.

Although the simple dichotomy has substantial utility, it is also a rather simplistic distinction. There is perhaps less variation among presidential systems, but there is still some important variation. For example, presidents differ in their ability to veto legislation, control public spending, and issue their own decrees without approval of the legislature. Further, the semi-presidential system (Roper 2002) that attempts to balance the virtues (and vices) of presidential and parliamentary system are themselves rather diverse, with a principal difference being the relative powers of presidents and parliaments with respect to the prime minister.

The variations among parliamentary systems are substantially greater. One of the most important of these differences is between those few systems that have a single-party government, as opposed to the more common multi-party systems.[5] Even among the multi-party systems there are marked differ-

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[5] This corresponds closely to Lijphart's (1999) familar distinction between majoritarian and consensual governments.

ences between those systems that have small coalitions versus those such as Denmark or Belgium that have five or more parties involved. Further, some coalitions, e.g. those in Sweden, are predictable in advance while others have to be created after elections and increasingly span the political landscape from right to left.

Even given the clear structural and procedural differences among these types of political systems, why should we expect there to be any impact on the level of informal politics and government? Simply by observation we can see that presidential regimes tend to have somewhat higher levels of corruption and clientelism, and indeed of other types of informal governance arrangements. For example, Table II shows the rankings of countries on the World Bank corruption index related to their type of regime. If we examine the aggregate figures then there is a relationship, albeit weak. When we introduce levels of economic development, however, the relationships largely disappear.

Indeed, one might not, a priori, think that presidential systems would be more subject to corrupt practices. A dominant logic of presidential systems is a separation of powers (Peters 1997). If the formal arrangements among the institutions are effective, then the legislature should function as a check on the powers of the executive to use its powers for corruption or clientelism. For those formal relationships to function, however, legislatures need to have the resources (staff, etc.) and the commitment to perform their oversight function. A (extremely) well-staffed and organized legislature such as the Congress of the United States may be able to perform that task effectively, although as will be noted they appear to be engaged in clientelism and corruption of their own.

Unfortunately, relative few legislatures in presidential regimes appear to have those resources and are largely ineffective in exercising oversight (Cox/Morgenstern 2002). Indeed, most legislative bodies in these settings appear more concerned about using their powers, especially their budgetary powers, to provide benefits for their constituents and promoting their own careers. This choice of career strategies may make good sense given that there may be little to be gained (politically) from exercising oversight while there may be a great deal to be gained from using the pork barrel.[6]

There are at least three reasons to expect presidential systems to be more associated with irregular forms of governing than are parliamentary systems. The first is that this is actually a spurious relationship, resulting from the greater number of presidential regimes in Latin American and African countries with lower levels of economic development and with less institutionalized political systems in general. The same argument has, of course, been made with respect to the apparent instability of presidential regimes (Linz/

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6   At times oversight appears to be opposition to policies, and if the president is popular politically questioning his or her policies may have negative political consequences.

Valenzuela 1994), and the seeming fragility of presidential regimes may be a function merely of lower levels of economic development (see van der Walle 2003).

The first of the more genuine relationships between presidential regimes and levels of irregular government is that presidential regimes are, almost by definition, more personalized with a focus on the leadership of the one individual in the center of the system. As well as leadership capacity, being the president also offers opportunities to distribute numerous benefits to followers. For example, in the United States the president has approximately 4,500 positions that are legally open for appointment when he takes office.[7] Other presidential systems permit proportionately as many or more legal appointments, and may also assume that de facto the president can appoint a number of other officials. For example, even after its attempts to create a functioning civil service system, the president of Mexico can still appoint numerous public employees, even to positions nominally covered by the civil service system.[8]

There are two additional points to be made about the apparent levels of clientelism in presidential systems as related to the personal power of the president. The first is that there are a number of official appointments available to a president, but there are also more informal appointments and patronage powers in these systems. In part the focus of politics in these systems on the top executive positions also means that the personal factions within parties, and within government, emphasizes the ability of would-be leaders to provide benefits. They may do so by holding other positions in government, e.g. positions in sub-national governments controlled by the centre. The factionalism of politics in presidentialist systems such as Uruguay, for example, leads to a variety of patronage appointment systems associated with different institutions, e.g. Social Security, within the country.

The second point is that although presidentialist systems tend to have higher levels of patronage appointments, this seems to be more a matter of degree than of type. Perhaps because of the increased emphasis on the role of prime ministers in parliamentary systems, these top officials also have been increasing their appointment powers. Some of the appointment powers are a function of changes in the structures of government more generally, with the creation of more devolved organizations providing more appointment opportunities (Skelcher 1998). Especially in multi-party systems the need to

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7   This is, of course, many fewer than at the height of the spoils system in the Jacksonian era (White 1954), but the number of appointments has been increasing markedly over the past several decades as presidents have sought to enhance their control over programs (Light 1995; 2004). Congress must consent to approximately 400 of the more important of these positions, but most are in the gift of the President.

8   Further, there is some evidence that President Calderon has returned to appointing more officials than had President Fox (see Mendez 2008).

provide positions for the adherents of the coalition members may lead to more appointments.

The second major reason that one can expect greater levels of patronage and clientelism in presidential party systems has little to do with the regime type *per se*, and has more to do with the nature of the political party systems within those regimes (see also Kunicova/Rose-Ackerman 2005). The basic argument is that presidential systems tend to have political parties that are focused toward gaining that one major position. At the extreme there are two party systems with single member districts for the legislature. In these cases the candidates tend to be more individual entrepreneurs with highly personalized styles of governing, and they therefore require some forms of patronage to be able to maintain that personal power base.

Proportional representation electoral systems, that tend to be characteristic of parliamentary systems, also tend to produce strong political parties that can control the actions of their members in office. Further, those individual members in the parliament have relatively few resources at their disposal – most are held by the party. Further, the parties themselves may be less focused on what they can gain during a short period, in contrast to those seeking control of a central political office. This organizational control of scarce resources may minimize the personal clientelism, although the parties themselves do not tend to be shy in distributing positions to their members, including the opportunities to run for public office.

Again, however, the evidence linking electoral systems to clientelism is not unequivocal. The Irish system is parliamentary and has an STV (single transferable vote) electoral system, but the common characterization is of a political system with strong clientelistic ties between members of the lower house of parliament (Teachta Dálas, TDs) and their constituents. For example, Chubb's (1963) characterizations of the clientelistic relationships have been amended, but certainly not refuted. More recent studies (Gallagher/Komito 2005) have pointed to the continued role of the TDs in constituency service.

Again, however, the electoral system may play a major role in the promoting clientelism. The STV system creates more of a direct linkage between voters and their representatives, despite being a form of proportional representation. The ability of the voters to choose not only parties but individuals means that candidates must appeal as individuals, and there are few better ways of doing that than by providing 'pork' for the constituencies. Likewise, the open list PR (proportional representation) systems used in much of Latin America, and in some European states, also can contribute to a closer linkage between constituents and their representatives than does closed list PR systems which are dominated by the political parties.

The other variable in party systems that may be crucial for explaining levels of corruption is the type of party finance. At the extreme political parties and more importantly individual candidates in the United States depend

almost entirely on private funding. As a result, these politicians must constantly scramble for funds and in the process they must make political promises and deliver policy goods that might easily be argued to be clientelistic or corrupt. This style of irregular politics tends to be much more acceptable than even petty administrative corruption, in part indicating the importance of elaborating the values that are accepted and those which are not when making statements about corruption.

Although we as external observers tend to classify patronage appointments and territorial spending as being at least at the margin of corruption, if not actually corrupt, the discourse in the political systems which use these instruments extensively tends not to be cast in that direction. For example, in the United States the discussion of presidential appointment powers more often has been about the efficiency of the system, and the administrative capacities of the individuals appointed than about their being corrupt. Even in the more egregious appointments of the Bush years, the discussion was about policy failure.

Geering and Thacker (2004) attribute the lower level of observed corruption in parliamentary and unitary systems to the degree of centralization in these systems and the availability of more unified controls over behavior. This argument contradicts the usual notion that more checks and balances within a government will maximize controls. Their findings, and our own observations above, point toward the need for more overt control structures and the need to eliminate many of the opportunities for corrupt behavior, that are presented in more complex institutional structures.

5. Administrative Structures and Corruption

As noted above, a good deal of the corruption that occurs in the public sector occurs in the administrative system. While to some extent administrative systems are similar, there are also important differences among those systems (Peters 2009) that may affect their openness to corruption. At the extreme systems with few if any rules over personnel recruitment, or procurement or budgeting are obviously more open to corruption and other irregularities than are systems with stronger internal regulations.

To some extent the role of bureaucracy in explaining corruption is contradictory and paradoxical. On the one hand, formalized bureaucratic rules and procedures have been designed in part to prevent corruption and to ensure that members of the public sector act *sine irae ac studio* when dealing with the public. On the other hand, the rigidities usually associated with bureaucracies (see Rubinstein/von Maravić, this volume) may make corruption and clientelism more desirable as means of circumventing those rigidities. If normal procedures are not able to respond to social needs sufficiently quickly then bribery and other means of accelerating decisions will become more valuable for the participants in the administrative process.

As was argued above, formal structures in bureaucracies may be less important in explaining the occurrence of corrupt practices than are values and understandings about appropriate conduct in office. The use of formal institutions appears capable of helping to create such values, as for example the anti-corruption office in Hong Kong, but in the end the creation of values may be more important than building structures.[9] That said, some administrative reforms during the past several decades have tended to enhance the opportunity for corruption, and the breakup of the traditional civil service in many systems has eliminated even more constraints on irregular behavior in public administration.

6. Federalism and Corrupt Practices

Federal versus unitary states is another standard dichotomy in institutional analysis in comparative politics. To a great extent this dichotomy is clearer than that between presidential and parliamentary systems. That said there are both marked differences in both these types of political system. These discussions have been analyzed substantially more for federal systems (see Hueglin/Fenna 2006) than for unitary regimes, although there are certainly marked differences between the latitude given local communes in the Scandinavian countries with the relatively strong controls exercised in most Napoleonic regimes (Ongaro 2008).

While the federal/unitary distinction is well known in comparative politics (Hueglin/Fenna 2006), should it have any influence on the levels of corruption and clientelism in a political system? One simple hypothesis would be that if there are more autonomous governments in a political system then there is simply more opportunity for corruption than in more unified systems. Further, having multiple levels of government also creates different opportunity structures for politicians so that the ability to deliver pork barrel goods to a lower level of government may enable a legislator to move into more desirable political positions at that lower level, e.g. become a governor (Samuels 2002).

We can also hypothesize that at the sub-national level there is less distance (geographical and social) between the potential patron and the potential client. In settings in which patrons and potential clients know each other and interact more frequently, maintaining any social distance is difficult, and therefore corruption may be more probable than in systems with greater social distance. That said, however, the politics in an American state such as California or in a German Land such as Nordrhein-Westfalen may be as re-

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9   As in the famous Friedrich-Finer debate, the creation of formalized structures for control
      may lead into an infinite regress of control – *ipso custodien*t…

mote, or more remote, such as that in a smaller country like Estonia or Malta.[10]

Finally, sub-national governments tend to have more physical projects – roads, construction of other type, etc – that may be more subject to corruption than are less tangible public programs such as pensions or regulatory programs.[11] The procurement process is a major locus for corrupt activity, and if there are a number of potential bidders – creating a construction company to build a road does not require a very large investment of capital – with local contacts then it is perhaps natural that patrimonial practices become common. In fairness, national level governments also have a good deal of corruption in areas such as defense contracting, although perhaps for different reasons.

The alternative hypothesis is that having a single government does not provide any alternative locus for good governance to develop, whereas multiple governments can do so. For example, Myerson (2006) argues that competition is crucial for democratic accountability and that competition can be enhanced in multi-level governance systems (see also Bardhan 2002). The argument is further that having multiple loci providing governance gives opportunities for less corrupt governance to develop whereas unitary regimes tend to enforce uniformity and centralized control, with less chance of evolution and effective learning.

7. Paradox of Contemporary Governance

One of the paradoxes of contemporary institutional design is that the demands for more effective and non-corrupt service delivery appear to be occurring in opposition to much of what has become the conventional wisdom on governing. Much of what has become that conventional wisdom for improving governance is to create more autonomous and more informal structures for making and delivering public policy (see Christensen/Laegreid 2007). One of the several standard recommendations of the New Public Management (NPM) has been that more autonomous public organizations (agencies) can be more efficient and effective in delivering services. Similarly, the 'governance' literature (Sorenson/Torfing 2007) has argued that self-organizing networks of social actors will contribute to more effective and democratic governments than those possible with more traditional political structures.

Both of these styles of reforming the public sector tend to weaken conventional controls and mechanisms of accountability within the public sector. If the Gerring and Thacker (2004) argument mentioned above is correct then these reforms are likely to create more opportunities for corrupt behavior.

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10 I am not arguing that corruption is rife in these countries, only that their small size creates the great proximity between the potential patron and the potential client.

11 One major exception to that generalization is defense programs that are located in central government and which are also subject to substantial corruption.

The NPM reforms have tended to promote the autonomy of public actors and to provide public managers greater latitude to make decisions on their own. This enhanced autonomy, combined with the increased opportunities for appointing public managers from outside the career public service, reduces both institutional and ethical controls over their actions. There is no certainty that the New Public Management has increased, or will necessarily increase, levels of corruption, but it does mean that there are many more opportunities for irregular action within the public sector.

The governance models represent to a great extent an alternative format for governing that may enhance the opportunities for corruption, albeit generally not for personal gain so much as for the benefit of members of organizations involved in the process. Because they tend to involve various social actors in making decisions in the name of the public, these formats for governing may represent, in Lowi's term, the 'private use of public power' (Lowi 1973). While they have been justified in terms of democracy, being a means of involving the public more directly in governing, networks also involve granting power to the groups who are considered appropriate for being involved.

The differential involvement of social actors in the processes of governing raises several questions about the democracy, and probity, of the networks format for governance. First, the democratic aspect of the network argument is weakened when it becomes clearer that not all segments of society are organized adequately to be able to participate (see Bogason/Musso 2006). Further, these groups are empowered to make decisions in the name of the public although they may in fact be representing only their own members. Thus, in the name of democracy and of enhanced public performance network reforms may have some of the same impact on the actual level of democracy as do the New Public Management reforms.

For both the NPM approach and governance the basic logic for governing has been less concerned with problems of corruption than with either efficiency or democracy. Both approaches toward reforming the public sector appear to assume that the ethical problems are solved in the political systems where these approaches have been implemented. While the industrialized democracies in which most of these reforms have been implemented have developed cultures that do not support corruption, there are changes at the margin of overt corrupt behavior that lead one to question the contribution of these schemes to 'good governance'.

8. Summary

Attempting to link the structures of regimes to levels of corruption is rather difficult. First, we can find political systems with similar structures with markedly different levels of corruption, and systems with similar levels of corruption with rather different structures. The theory that presidential sys-

tems should be more corrupt seems plausible on its face but any findings of a relationship appear to be a product, to some extent at least, of the simple fact that most presidential regimes are in less-developed political and economic systems that may have greater incentives for corruption, or which have not had sufficient time to institutionalize controls over corrupt practice.

Further, that distinction between presidential and parliamentary systems may not be sufficiently fine-grained to capture many of the important differences among political systems. For example, the capacity of legislative bodies to exercise effective oversight over the executive is not at all identical across political systems. A legislature with adequate staffing and with a well-articulated structure will be capable of exercising control and provide countervailing powers to control the political executive and the bureaucracy.

The basic outcome of this analysis must be that any simple understanding of institutions as structures is incapable of shedding much light on the likelihood of good governance. There is so much difference within each of the regime types that making any predictions may conceal more than it reveals. Likewise, the causal linkage between institutional structures and the behaviors of the individuals within them is somewhat attenuated so that attempting to explain something like corruption on the individual level may be difficult, unless one adopts a conception of institutions that reflects more their value commitments than their structural features.

Institutions and regime types are important, but explaining how they exert their importance is more difficult than just asserting it. This paper has sought to understand how institutions – especially when defined as structures and regime types – can affect the level of informal political activity in a political system. Explaining that type of behavior is easier on the wholesale level than on the retail level, although most of the discussions of administrative corruption run in the opposite direction.

Table 1:   Corruption in the American States

Most Corrupt		Least Corrupt	
Guilty Officials per capita	*Survey of Journalists*	*Guilty Officials per capita*	*Survey of Journalists*
North Dakota	Rhode Island	Nebraska	North Dakota
Alaska	Louisiana	Oregon	South Dakota
Louisiana	New Mexico	New Hampshire	Colorado
Mississippi	Oklahoma	Iowa	Maine
Montana	Delaware	Minnesota	Oregon
Kentucky	Alabama	Kansas	Vermont
Alabama	Kentucky	California	Minnesota
Delaware	Arizona	Utah	Montana
South Dakota	West Virginia	New Mexico	Iowa
Florida	Illinois	Washington	Kansas

Source: The New York Times, December 14, 2008.

Table 2:   Mean Corruption Scores

	Presidential[12]	Parliamentary
Total	-0.72	-0.83
Above Average GDP Per Capita	-1.42	-1.59
Below Average GDP Per Capita	-1.04	-0.89

Calculated from World Bank Control of Corruption Data

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12 Including semi-presidential.