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The Quest for Good Governance

LEARNING FROM VIRTUOUS CIRCLES

Alina Mungiu-Pippidi

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Once of interest mainly to specialists, the problem of explaining how institutions change is now a primary concern not only of economists, but of the international donor community as well. Many have come to believe that history's main lesson in this regard is "politics first"—that political institutions are decisive in shaping economic institutions and, with them, the course of innovation and investment that leads to a developed society.

Yet there has been much less discussion about the key institutional change needed to bring societies to the point where they are capable of controlling corruption and achieving good governance. This is the shift from patrimonialism to ethical universalism, a transformation that I first explored in these pages a decade ago and have further analyzed in my new book *The Quest for Good Governance: How Societies Develop Control of Corruption*.¹ We know that most of today's advanced democracies somehow accomplished this transformation through a long historical evolution. But there has been very little research on whether and how this kind of change can be engineered and speeded up by human design.

The EU-funded ANTICORRP project that I have been leading aims to help fill this gap. In addition to the broader reflections offered in this essay and in my book, the project has included case studies on the efforts to combat corruption in a number of individual countries. The three essays that follow—on Georgia, Taiwan, and Uruguay respectively—highlight three of the most interesting cases, countries that vary enormously in their geographical and cultural backgrounds.

In essence, my colleagues and I have been studying the few cases in which “virtuous circles” leading toward good governance have emerged since 1945. The big challenge is to explain the shift of the governance paradigm from particularism to universalism in the few societies that have managed to accomplish it in the postwar era. Do these success stories offer any lessons about how other societies can make that journey?

Across the world, the ubiquitous symptom of unfinished modernization is the informal institution known as particularism.

The past century and a half has seen many attempts around the world to replicate the examples of modernization achieved by the advanced democracies of the West. Some of these attempts were driven by emulation, others by colonization, but rare has been the nation-state not influenced by the notion that the West’s superior prosperity is due to its superior

institutions. The obvious solution seemed to be to copy them: Hence country after country has acquired a written constitution, elections, political parties, bureaucracies, and courts. What was copied was all too often more outward form than inner substance, however. This should not be surprising since the West itself did not copy these institutions from somewhere else but rather developed them to meet its own unique historical circumstances. You can hold elections, but if voting is rigged or bought, or if your society has not yet attained the modern structure that produces interest-aggregating representative parties instead of cliques and cartels, the elections will not mean what they meant in Western history.

Across the world, the ubiquitous symptom of unfinished modernization is the informal institution known as particularism. It may form the dominant mode of exchange among individuals in a society—keeping markets in a state of imperfect competition—and may shape transactions between a state and its citizens, making democracy a mere façade as resources are systematically spoiled by ruling elites. I have borrowed this term from Talcott Parsons as a catchall to cover everything from clientelism, bribery, and patronage to nepotism and other forms of state favoritism. By particularism I mean deviation from ethical universalism as the norm of public-resource allocation (as defined in law, rules, and the modern principles of administrative impersonality, impartiality, and equality), resulting in undue benefits for groups or individuals.

Particularism limits access to resources, favoring some applicants while discriminating against others, resulting in unfair allocation. It is a broader concept than corruption, since it includes nominally legal phenomena as well.² Particularism may coexist with political pluralism, in which case we have an instance of “competitive particularism”; or it may be joined with a monopoly of power, in which case we are dealing with some form of patrimonialism, whether traditional or new.

Whatever form particularism may take, all its varieties produce the same outcome: a regular pattern of preferentially distributed public goods. Douglass C. North and his coauthors call this a “limited-access order”; Daron Acemoglu and James Robinson favor the term “extractive institutions”; and Francis Fukuyama refers to it as “patrimonialism.”³ They are all talking about roughly the same thing, and they have all come to acknowledge a key problem: This kind of social norm and the behavior that goes with it are humanity’s default condition, and have overwhelmingly predominated throughout human history. Societies based on open and equal access and public integrity, far from being some sure historical endpoint, have in fact been very much the exception. This did not deter the promoters of the 2008 UN Convention Against Corruption, however. More than 160 countries have signed this pledge of allegiance to the very essence of modernity—ethically universalistic treatment of citizens, delivered impersonally by a state that is not beholden to private interests.

But how to get there? That remains far less a matter of consensus, if it is not altogether unknown. The governance order is harder to change than the political order: It is easier to change how leaders are elected, for instance, than it is to change how concrete public resources are actually allocated. The solution of modernizing the recipient societies altogether, while obviously a longer-term one, was also tried by the development community and is still under way in many countries, although the engineered transition from traditional society has so far produced anything but ethical universalism.⁴ To the extent that we can measure it, there has been little or no evolution toward good governance globally for the past twenty years, though smaller improvements are discernible.⁵ The passage of time and economic development by itself do not seem to be enough to alter governance orders.

Few successful independent evolutions seem to exist in the history of good governance. Rather, we can trace the successful twentieth-century cases back to a few initial “achievers.” The first set of independent transformations from traditional to modern social conditions took place in the eighteenth and nineteenth centuries in northwestern Europe (England, the Low Countries, Denmark, Sweden, and certain German states such as Prussia), with France and the United States later joining the mix as well amid their own complex historical circumstances. European-settler colonies such as Australia, Canada, and New Zealand made the journey through both spillover effects and independent evolution in the nineteenth and twentieth centuries. Even in the world’s more developed countries ethical universalism remains an ideal, while personal connections and government favoritism still loom larger than anyone officially admits. The computerized analysis of “big data” now lets us measure with precision how large a slice of public contracts or subnational transfers to local government is distributed in a particularistic fashion, whether on the basis

of ethnicity, political ideology, or any other factor. We can take a snapshot of a country at “moment zero,” when we find its government giving most public contracts to companies with official ties, and chart the decline of such transactions into a minority when the norm has changed.

If we take into account a country’s degree of modernization, as measured by indicators of life expectancy, education, and income, we get interesting results. Going by World Bank data, a few societies (Denmark, Norway, New Zealand, the Netherlands, and Singapore) do even better at controlling corruption than their high scores on the Human Development Index would lead one to predict. After these world leaders come Chile, Uruguay, Qatar, and a few Caribbean island countries, which also overperform but at lower levels of both governance and development. Botswana, Cape Verde, and Bhutan follow on the borderline between good and merely better than average governance, but still do better than they should compared to their respective levels of development.

Even more interesting are the countries that are far more corrupt than they should be, given their levels of socioeconomic development. These governance underperformers include Argentina, Greece, Italy, Mexico, and Russia, as well as most of the Central Asian countries. Countries such as Germany and Brazil are where you would expect them to be, with a perfect fit between success at corruption control and degree of modernization.

Modernization, however, explains only about half the variation in control of corruption. More sophisticated panel-regression analysis shows that a complex of factors accounts for a country’s level of success at corruption control. Roughly speaking, this complex includes a society’s capacity to place constraints on both those endowed with power and the various “resources” (whether natural or simply things that can be used to hinder competition, such as red tape) that powerholders can exploit in order to rake in undue gains. Societal constraints are not independent of classic “modernity” factors: Empowered citizens and magistrates are essential to constraining corruption, and the more schooling and development a society can boast, the more of these types of people it will have.

Among the strongest predictors of corruption control are the shares of household Internet connections and of Facebook users in a country. While none of the usual anticorruption tools work if used in isolation (countries that adopt them do not progress more than countries that fail to), formal transparency (as indicated by a country’s having a freedom-of-information act [FOIA], for instance) becomes significant when it interacts with a strong civil society. But this interaction model of corruption control is only a snapshot; it captures a state of affairs but tells us nothing about how it came about or how to bring it about.

To move the analysis a step further, I address in my recent book a number of neglected cases. These include historical examples (such as

the medieval Italian city-states of Florence, Genoa, Siena, and Venice) in which particularism was checked under premodern conditions. They also include “contemporary achievers”—states that have succeeded on their own in moving peacefully toward ethical universalism since 1945. The first set of cases yields a record of fascinating institutional arrangements for corruption prevention, but no virtuous circles. Instead, there is a dead end: Starting with the French invasion of the early sixteenth century, foreign armies moved into northern Italy and snuffed these small polities out of existence. The second set of cases, the contemporary achievers, includes some controversial picks—some might reasonably dispute that countries such as Botswana, Chile, Costa Rica, Estonia, Georgia, South Korea, Taiwan, and Uruguay have installed ethical universalism as a dominant norm of governance—but they seem closer to having traced virtuous circles, and our project has given them more in-depth study.

Contemporary Good-Governance Achievers

Three criteria determine this list of high achievers. First, a country must *either* rank in the upper third of all countries on the World Bank’s Control of Corruption scale *or* be performing significantly better than other countries in its neighborhood or the expectation set by its human-development scores. Second, no country can make the list unless it is on Freedom House’s roster of “electoral democracies.” Third, a country must have compiled the bulk of its corruption-control achievements in the last thirty years, since our oldest corruption indicator dates from 1984. Countries that are “authoritarian achievers,” such as Qatar, Singapore, and the United Arab Emirates, are excluded because no place where the rulers are above the law can be said to be governed by ethical universalism, even if it has little bribery, able bureaucrats, and a business-friendly climate. Policy expertise also cannot create enlightened despots: The challenge remains that of taming corruption by means consistent with democracy, which implies solving collective-action dilemmas.

Our group of “achievers” is highly varied. It includes Estonia and Georgia in Eastern Europe; Chile, Costa Rica, and Uruguay in Latin America; Botswana in Africa; and South Korea and Taiwan in East Asia. To analyze these cases, we followed a three-step methodology. First we assessed how well each country fits the models that relate corruption control to the level of modernization and to the interaction in a society between resources and constraints. Then ANTICORRP researchers examined the dynamics of change in each country through process-tracing in order to understand the context and the drivers of institutional change from “moment zero” (when particularism ruled) to the present. Finally, we compared all the cases with one another. Because of the “change

over time” aspect of process-tracing, our researchers worked partly as historians, documenting the change in equilibrium through analytic narratives following classic steps in democratic-transition studies.

The contemporary achievers differ from one another in many ways, including the number of years since independence and more recent trends in corruption control (the most advanced among them have been stagnating or even regressing slightly). A brief comparison is summarized in Table below. Estonia and Georgia made the most rapid transitions (lasting fewer than twenty years). They had full-fledged revolutions, with political liberalization accompanied by free-market reforms aimed at taking away old elites’ rents. In both Estonia and Georgia there was an alternative elite committed to ethical-universalist ideas. In Estonia this was the group around the young nationalist historian Mart Laar (b. 1960), who was able to engineer Eastern Europe’s most successful transition even though, at the time he became premier in 1992, he had read only one book on economics—Milton and Rose Friedman’s *Free to Choose* (1980).

Laar took little Western advice, relying instead on his own knowledge of Estonian society. During his first stint as prime minister (1992–94), he replaced almost every judge left over from Soviet times, and uprooted much of the “resource base” for corruption by passing a flat tax and cutting red tape. When he returned to the premiership from 1999 until early 2002, he furthered the cause of good governance by giving his country the globe’s most advanced e-government system. Under Laar, Estonia made the quickest and most successful good-governance transformation that the contemporary world has ever seen.

The staunch anticommunism of Laar and his group provided an extraordinarily powerful incentive—Laar told me in an April 2015 interview that he and his colleagues considered communist institutions to be entirely corrupt, so removing them meant removing corruption. But the honesty and wisdom of this group of former Soviet dissidents also were extraordinary. From the mistakes that Russian premier Yegor Gaidar had made while following U.S. advice, they learned a key lesson: The rule of law must come first. Grasping that in a postcommunist context it matters a great deal who the first capitalists are, they prevented the communist-holdover networks of enterprise managers, secret-police bureaucrats, and other *nomenklaturists* from emerging as the transition’s big winners and controllers, thereby sparing Estonia the crony capitalism that has blighted Russia for the past twenty years.

More exceptional still, the Laar team was remarkably open to the principle of competition. Its members, while seeking no profit themselves, allowed very young consultants to make decisions about privatization as they thought best. By 1998, Estonia was already edging toward good governance as the dominant norm. After the Rose Revolution of 2003, Georgia sought to reproduce this pattern, and still holds the record

(granted, measurements of this kind of thing have not been around very long) for the greatest positive change in corruption control in the shortest period of time by any country, anywhere. In Georgia as in Estonia, the keys were the reduction of administrative discretion by a simplification of legislation and an extensive economic liberalization that reduced resources for corruption. Georgia had the advantage of its own alternative elite, concentrated in universities and NGOs despite the hardships of Soviet times, with U.S. ties and classical-liberal ideas. In Georgia, however, the new elite had a weaker commitment to making sure that its own members did not wind up profiting from rent-seeking.

Looking for Explanations

Except for Estonia, which had a 90 percent literacy rate as long ago as 1900 (thanks mostly to the influence of evangelical Christianity), none of the cases on our list fits the good-governance predictive models at all well. South Korea and Taiwan had undertaken U.S.-sponsored land-reform efforts, followed by the rapid spread of education, but remained far from having a modern societal structure. Chile had some favorable conditions for good governance—it lacked the vast landed estates that were so prominent in Argentina, for instance, and its elite going back to founding days was a merchant class with views close to those of British liberals—while Uruguay was South America's most urbanized society.

Yet as of 1945, both countries were still very poor. The desire to alleviate poverty drove the governance reforms of Chilean Christian Democrat Eduardo Frei, whose career began at the head of the public-works ministry in 1945 and culminated in the presidency (1964–70). Poverty has also had much to do with the success of the urban-Marxist Frente Amplio (Broad Front) movement in Uruguay. Chile had extensive natural resources (chiefly copper) that gave corruption a foothold. Georgia has had to contend with separatist regions, recent civil wars, and the enmity of Russia, its biggest neighbor.

Despite conditions that were often less than ideal, all these cases came to overperform their modernization levels. A state-society virtuous equilibrium describes much of what we see today, as low administrative discretion coincides with high levels of civil society activism and states that avoid hindering market competition. Formal legal constraints on corruption seem to have followed rather than led changes in the social balance of power and the adoption of good-governance policies—even in Chile, people do not credit courts with squelching corruption and do not fully trust them.

The institutional equipment available to corruption-fighters in these countries is quite varied. Only Botswana has an agency tasked with prosecuting corruption, but is also the only one lacking a freedom-of-information act. Preventive institutions in the form of audit and control

organizations carry some weight in Chile, Costa Rica, South Korea, Taiwan, and Uruguay. Having an autonomous, merit-based, and prosperous civil service prior to democratization was a help everywhere except in the post-Soviet cases, which replaced nearly all their Soviet-holdover public employees. Estonia under Laar stressed prevention, requiring public officials to disclose their assets and conflicts of interest as a way of engaging the public in the work of watchdogging government.

Botswana deserves a separate word, as its achievement differs from the ethical-universalism ideal and from the interaction model. Its path has been more traditional and top-down.⁶ We did no process-tracing in the Botswanan case since there is no process to trace, only top-down, state-led modernization. Botswana was put on its positive path by Seretse Khama (1921–80), its first president and a traditional chief. He was a monarch in all but name, and an enlightened one who founded autonomous courts and an autonomous civil service, protected from widespread politicization. The concentration of power has remained high, and the current president is the founder's grandson, with a cabinet full of relatives. Botswana's achievements are obvious: At the time it gained independence from Britain in 1966, it was one of the world's poorest countries amid a very poor region; it has developed steadily ever since. Botswana seems to have traveled a virtuous path in comparison with its neighbor, Zimbabwe, which has slid into social and economic collapse, but then again the Botswanan model can be a source of inspiration only for countries that have enlightened traditional rulers and limited pluralism.

The sequencing of political reforms and economic growth seems to confirm the presence of virtuous circles. In all our Latin American and East European cases, political reforms that shrank resources for corruption preceded long periods of economic growth. The Asian cases are murkier. South Korea and Taiwan experienced gradual evolutions punctuated by confrontations, leading in each to a wavering progress curve and growth that benefited from state support as well as better governance. But if these cases seem to confirm that good governance promotes growth, how that happens is a complicated story; only in Costa Rica and Estonia were democratic regimes the main achievers. Democratization helped everywhere, but in some places the virtuous circle needed more time to close, with authoritarianism sometimes playing a role by suppressing clientelism or cultivating an effective bureaucracy.

At other times, authoritarian reversions taught democrats hard but useful lessons that made them change their ways; this was the story in Uruguay. There, as in Chile, the alternation of dictatorship and democracy subtly advanced the cause of ethical universalism. Nondiscretionary government has been achieved by both leftists (ex-Marxists in Uruguay) and students of Milton Friedman (not only in Estonia but in Chile and Georgia as well). What matters is that social allocation is based on ethical universalism and not the ideology of a particular government.

TABLE—TRANSITIONS TO GOOD GOVERNANCE IN SELECTED COUNTRIES

Country	Evolution Type	“Modernization Goodness of Fit”	Political Sequencing of Good Governance	Economic Sequencing of Good Governance	External Triggers and Influences
Botswana	Gradual	Poor	Control of corruption preceded genuine pluralism	Growth after	Southern African Customs Union
Chile	Gradual	Good	Control of corruption preceded pluralism	Growth after	Economic crisis prior to first good governance reforms; American model emulation
Costa Rica	Gradual	Poor	Pluralism preceded control of corruption	Growth after	Little and late
Estonia	Big-bang revolution	Good	Pluralism preceded control of corruption	Growth after	Some Scandinavian emulation, then EU accession, but low
Georgia	Big-bang revolution	Poor	Pluralism preceded control of corruption	Growth after, curbed by global crisis	Some diffusion across former Soviet Republics (Estonia); American emulation
South Korea	Gradual, confrontational	Good	Partial control of corruption preceded pluralism	Economic development first, followed by crisis, followed by good governance	American and IMF conditionality; Japan emulation
Taiwan	Gradual, confrontational	Good	Partial control of corruption preceded pluralism	Economic development first	Important American assistance in the past
Uruguay	Gradual	Good (highest literacy rate in Latin America)	Control of corruption preceded pluralism	Good governance first, growth after	Always important European influence, European descent

A strong central government seems to matter as well: No success story is a federal state. Key individuals had a variety of motives, but human agency mattered a great deal everywhere: No place just drifted into better governance as a secondary effect. In Taiwan, for example, a series of justice ministers willing to impose tough reforms played a big role. Precisely because they all had the stomach for doing hard things, none was in office for long. In a counterfactual Taiwan with no virtuous circle, we would find long-serving ministers with no reforms to their names. Individuals who were willing to reach for a goal and take the heat made a difference.

External factors have played an uneven role. The international anti-corruption movement of the past two decades cannot claim credit for any of the success stories that we have listed. South Korea and Taiwan, both on the front lines of the Cold War, received foreign assistance at critical moments, part of it conditional upon reforms. Emulation of foreign models, in particular the Anglo-Saxon liberal model, played a role in Chile, Estonia, and Georgia, where local elites in charge of the economy often had spent time studying in the United States. Uruguay had a Swiss constitutional model and its population descends from immigrants from various European countries, giving it a far more diverse mix than other Latin American countries. A similar dynamic is at play in South Korea, where a considerable number of local elites were educated in Japan. Estonia has benefited from its emulation of the Finnish corruption-control model as well as help from the Scandinavian countries (whose investments in Estonian local-media outlets kept post-Soviet oligarchs from buying them up).

Sequencing Strategic Choices

The few cases where modernization or full colonization achieved good governance are of limited policy use. One cannot reproduce history, so little advice can be mined from such examples. History can underscore the naivety of some current policy prescriptions, however. For instance, we ground a lot of our policies on the notion that businesses in general seek a level playing field and prefer perfect competition without asking ourselves why today's globalized businesses seem to seek so many public contracts instead of less government intervention. By contrast, in the eighteenth century British wool merchants had such a massive international competitive advantage that any government meddling with the market only got in their way—so they petitioned the authorities to stay out of their trade.

Contemporary cases yield more useful lessons. A governance order can be changed, but change will occur gradually and punctuated equilibria will be the rule: Some radical act will upset the current equilibrium and eventually a new balance will be achieved at a superior level of cor-

ruption control. The inevitably time-consuming and difficult character of such processes explains why success stories are so rare, and why they tend to be driven by domestic forces and broad reforms following some unusual event (such as the fall of a dictatorship), rather than by the kind of run-of-the-mill judicial and civil-service reforms that the international community typically underwrites. What should donors contemplating good-governance interventions do? Our suggestion is to “look before you leap” by following a few logical steps that might be summed up as “What, who, when?”

The first step is to figure out *what* you are dealing with. Is it traditional patrimonialism, neopatrimonialism, or competitive particularism? Each one requires a different strategy. It is not enough to rely on World Bank or Transparency International scores. Instead, both the resources for and constraints on particularism need to be documented in order to assess not only the state of corruption control in a given society, but also why it has not advanced further. Governments may be lobbied to reduce red tape, but civil society, demanding citizens, and a well-performing judiciary cannot be built in a few years. They are long-term investments, and until they pay off particularism will reign.

The second step is to ask *who* is against (and who is for) the particularist status quo in order to determine if any good-governance coalition will be able to find the leadership it needs. Who are the plausible agents of change and how long would they remain so if they were to gain power? Are there not only principled friends of ethical universalism, but also those (professional groups, perhaps) who feel that improved governance would serve their interests? In the past, merchants motivated by profit and lawyers and journalists motivated by the desire to have equal access with the privileged classes have been at the forefront of those pushing for good governance.

“Achiever” countries had professional elites working to change governance regimes: U.S.-trained lawyers and Japanese-trained bureaucrats in South Korea; U.S.-trained economists in Chile and Georgia. Particularistic regimes can try to use cooptation to stop such coalitions from forming, but that does not always work. Corrupt rules of the game always produce losers, and there are seldom enough resources to pay off everyone. The key question remains “Do domestic change agents exist or are they in the offing?” The evidence shows that without educated and autonomous professional groups fighting for good governance because it is in their best interest, sustainable progress in fighting corruption will not occur, and advocacy by outsiders is pointless.

This does not readily match the programs of donors, however. Most of them are governments or intergovernmental organizations, and they assist other governments. But training civil servants or magistrates who lack autonomy (financial and otherwise) from the center of power is a poor expedient. Fostering collective action—and providing political sup-

port—at the level of strategic groups within the society seems to be the only approach that has worked in the past. Yet such attempts are scarce today. Two worth mentioning are the work, respectively, of the American Bar Association and of Oxfam.⁷ Their programs are true society-builders whose contributions surpass the usual anticorruption programs that most international donors prefer and that produce such meager results.⁸

The third step, assuming that suitable principals can be recruited, is to ask *when* the intervention should be done. History indicates the important role of certain contexts in promoting good governance. Opportunities may arise from any sort of crisis, not only a revolution but also an election (when actors must vie to prove their integrity) or even just the chance to join some status club like an international organization or a free-trade agreement. Smart good-governance supporters should make the most of such openings. Aid selectivity or cash-on-delivery are attempts to contrive such selectivity, but they are weaker than natural crises. And yet moments of acute political instability—if factional violence is raging, for instance—are not well-suited to anticorruption interventions. In fact, offers of special privileges or other payoffs may even be a means of persuading armed groups to give up fighting; under such conditions, peace has to come before public integrity.

A fourth step demands that donors look at themselves and examine their own impact. The United Federation of Planets Prime Directive from *Star Trek: The Next Generation* (“never intervene in the lives of other civilizations”) is wisdom confined to fiction only: International donors today regularly intervene in the governance of other countries. But donors should assess thoroughly how their intervention might affect the balance of resources and constraints. The main concern should be to ensure that they do not produce more harm than good. Creating a strong anticorruption agency in a country where power is already highly concentrated may simply furnish another tool of repression. Some argue that EU foreign aid should pay unemployment benefits directly to citizens rather than pour money into costly infrastructure programs with poor returns and too many opportunities for graft.⁹ Moreover, below a certain level of per capita income (about US\$2,700 per year), corruption can be a survival strategy and an alternative to violence.¹⁰ In such cases, donors should organize their aid to make sure that it reaches its targets, but dedicated anticorruption programs would make little sense.

Strategies and Tools

If and when these steps point to an intervention as reasonably well-advised, then the question arises of what to do and what tools to use. In traditional monarchies, top-down is the rule: elite control agencies; a solid, merit-based bureaucracy; a gradual reduction in the rents that flow to the privileged class. Technical assistance might help in such cases,

though Bhutan, Qatar, and the UAE seem to have moved along these lines of their own accord.

Neopatrimonial regimes typically have leaders and cliques of a more predatory nature. Assisting them with “anticorruption” may do more harm than good by bolstering the ruler’s prestige. Helping to equip them with tough anticorruption laws and agencies may mostly endanger their political critics. Solutions should therefore be sought in the area of building demand for good governance, empowering citizens, and fostering collective action; if such programming risks being too political, it is always a good backup plan to make longer-term investments in alternative (new) media, civil society development, and citizen empowerment. A village with an Internet café has more potential to contribute to good governance than a village without one. Building an enlightened citizenry with collective-action capacity is a long-haul strategy, which may be why so few donors pursue this path at present.

If political barriers block this sort of programming, then direct aid provision through grassroots charities may be the best way forward, especially if it can become the occasion for building participatory audit and oversight mechanisms at the community level. Direct implementation of aid programs by donors themselves could also be a solution where evidence indicates that the aid would otherwise be plundered and added to the resources for corruption.

In settings of neopatrimonialism or competitive particularism, donors have tried over the past twenty years to combine assistance with good-governance and state-modernization strategies. The results are disappointing.¹¹ The good-governance strategies went unimplemented, and conditionality was either not enforced or caused programs to be terminated. Evidence gathered by ANTICORRP shows that achievers (Estonia, Georgia, Uruguay) do their own state-building by emulating proper models when they have to, while nonachievers (Romania, Ukraine, and Zambia, for instance) are impervious to external help and conditionality, since their elites are not constrained enough to have to accept the dismantling of their mechanisms of corruption. Ukraine received much more in international grant money for good governance than Georgia did, but never managed to reform its notoriously corrupt traffic police. Georgia did clean up the traffic cops. Domestic agency matters.

Finally, in settings of competitive particularism, donors could identify plausible principals, help them to build a good-governance coalition, and generally support rising demands for ethical universalism. These countries have pluralism and freedom: What they lack is collective-action capacity, the sort of social organization that can hold the government accountable *between* elections. Magistrates, clerks, policemen, and voters all need to become far more autonomous and change-oriented. Nobody can organize them from outside—donor-sponsored coalitions are frail and disappear once financing is gone. But genuine coalitions need support.

External conditionality or selectivity might not succeed in building good governance directly, but international pressure can promote the gradual adoption of institutional weapons that civil society can use: e-government, FOIAs, fiscal transparency, red-tape reduction, and participatory budgeting and auditing. The idea is to shake up the old equilibrium with a number of tools: activists wielding FOIA requests, tax collection outsourced to private collectors (as in Uruguay), e-government, and media watchdogs monitoring government sites. These can all help to deny smooth sailing to a particularistic governance order.

Citizen participation and social accountability have great potential, as shown by some famous experiments (for instance, the one involving municipal budgeting in Brazil). Attempts in the Czech Republic and India to build political parties focused on anticorruption have demonstrated that Facebook is great for gathering people at protests, but building stable alternative organizations that can outpoll clientelistic party machines on the basis of ethical universalism remains a daunting task. Yet parties may reform at a faster pace if challenged by alternative political formations with an integrity-building agenda. Both the Czech Republic and India bear watching in this respect.

Then there are those countries, from the Balkans to Taiwan or Namibia, where external influence is very strong for one reason or another. When violence is not the paramount problem (we are not talking about Afghanistan or Iraq here), donors can use their leverage to improve the initial institutional endowment, as in the cases of South Korean and Taiwanese land reform, the creation of the general controller's office in Chile, or the training of lawyers and judges in Botswana, Chile, India, and various other places.

Borderline countries, where particularism and ethical universalism wrestle for supremacy, present the best opportunity for international anticorruption efforts to make a serious impact. Almost by definition, such countries are home to a critical mass of people who demand good governance. And here is where the current strategies of just adopting legislation in the area of whistleblowing or lobbying fail. In other words, in countries where sufficient conditions exist for an intervention, a sound good-governance program should be built on the lines of the classic strategy of increasing constraints on corrupt behavior while reducing the opportunities for it (see Table 2 at <http://www.journalofdemocracy.org/articles/supplemental-material>).

Cutting red tape, building civil society capacity, supporting independent media, and partnering with the private sector are worth doing even in more challenging governance contexts. Donors who invest in any of these areas contribute indirectly to good governance even if their primary target might be media or computer literacy. Such indirect help sometimes may prove far more effective than direct action, as it is unlikely to provoke a reaction from those who stand to lose if anticorruption gains.

Developing a country's communications infrastructure, for example, conveys universal benefits. It is not an openly political intervention, but it greatly contributes to good governance.¹²

NOTES

1. Alina Mungiu-Pippidi, "Corruption: Diagnosis and Treatment," *Journal of Democracy* 17 (July 2006): 86–99; Alina Mungiu-Pippidi, *The Quest for Good Governance: How Societies Develop Control of Corruption* (Cambridge: Cambridge University Press, 2015).

2. Daniel Kaufmann and Pedro C. Vicente, "Legal Corruption," *Economics and Politics* 23 (July 2011): 195–219.

3. Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown, 2012); Douglass C. North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History* (New York: Cambridge University Press, 2009); Francis Fukuyama, *Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy* (New York: Farrar, Straus and Giroux, 2014).

4. Peter Evans, "Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation," *Studies in Comparative International Development* 38 (Winter 2004): 30–52; Alina Mungiu-Pippidi, "Contextual Choices in Fighting Corruption: Lessons Learned," Norwegian Agency for Development Cooperation, 2011.

5. Brian Levy, *Working with the Grain: Integrating Governance and Growth in Development Strategies* (New York: Oxford University Press, 2014).

6. Torsten Persson and Guido Tabellini, *The Economic Effects of Constitutions* (Cambridge: MIT Press, 2005).

7. The American Bar Association helps lawyers in young democracies to organize, and educates them about the value of law-based rule. Oxfam, a British charity, carries out surveys regarding public-service delivery. See www.americanbar.org/advocacy/rule_of_law.html and <http://politicsofpoverty.oxfamamerica.org/2014/07/anti-corruption-measures-arent-best-way-fight-corruption>.

8. See also Anna Persson, Bo Rothstein, and Jan Teorell, "Why Anticorruption Reforms Fail—Systemic Corruption as a Collective Action Problem," *Governance* 26 (July 2013): 449–71.

9. Alina Mungiu-Pippidi, ed., *The Anticorruption Frontline: The ANTICORRP Project Report, Volume 2* (Berlin: Barbara Budrich, 2014), 68–89.

10. Paul Collier, *Wars, Guns, and Votes: Democracy in Dangerous Places* (New York: Random House, 2011).

11. William De Maria, "The Failure of the African Anti-Corruption Effort: Lessons for Managers," *International Journal of Management* 27 (April 2010): 117–22.

12. Mungiu-Pippidi, *Quest for Good Governance*, ch. 8.