

[The Quest for Governance](#)
[How Societies Develop Control of Corruption](#)

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Excerpt: Chapter 5. Understanding Contemporary Achievers

The search for control of corruption determinants across present countries and historical achievers has so far returned some pieces of a very complex puzzle to their rightful place. It is time now to pursue this investigation across the last set of cases in this book: contemporary achievers. To what extent do countries which have progressed after World War II seem to replicate the paths taken earlier by historical achievers? To what extent is the contemporary equilibrium described in the previous chapter discernible in and relevant for these new evolutions?

Examples of recent achievers are not only hard to find, but are rarely agreed upon. What may appear from the outside as significant achievement in controlling corruption is seldom perceived as such by the people living there. The sustainability of these achievements

is also difficult to judge. How many years, electoral cycles, or favorable corruption ratings are needed before a country is considered to have passed the point of no return into sustainable control of corruption (assuming such a point exists – Italy is one example of back and forth movement)?

In the case of the oldest “contemporary achievers,” such as Chile or Botswana, it has long been perceived that they are faring better than their neighbors. Even in these cases, however, more recent evolutions are not entirely positive. It is hard to suppress pessimism even in relation to the most successful examples of transitions to control of corruption, and locals always remind external researchers that definitions of “success” when it comes to corruption control are mostly based on the views of foreign experts with a pro-market and pro-business bias. It is difficult not to agree with them when considering Rwanda, which has risen in all World Bank charts to a level superior to Bulgaria and Romania, but whose last presidential elections returned the incumbent with 95 percent of the vote and whose government party owns companies bidding on public contracts (and winning many of them) (Bozzini 2014). Or Qatar, an equally impressive fast riser in governance charts, engulfed in allegations of bribery to win a tender for the next FIFA World Cup and which has only recently separated the public budget from that of the royal family (Khatib 2014). The post-2000 editions of Transparency International’s Global Corruption Barometer also illustrate pessimistic and distrustful majorities in nearly all the world’s new democracies. Only people in a handful of northern European countries strongly believe their governments have the will to and actually control corruption effectively.

Bearing in mind these widespread subjective reservations and the general absence of significant progress on control of corruption, evidence however exists of some positive developments. The remainder of this chapter investigates the transition to control of corruption in such countries with the aim of identifying changes that explain each country's improvement. The time frame for this analysis corresponds to the most recent period of democratization in each country, although information about previous periods is sometimes provided.

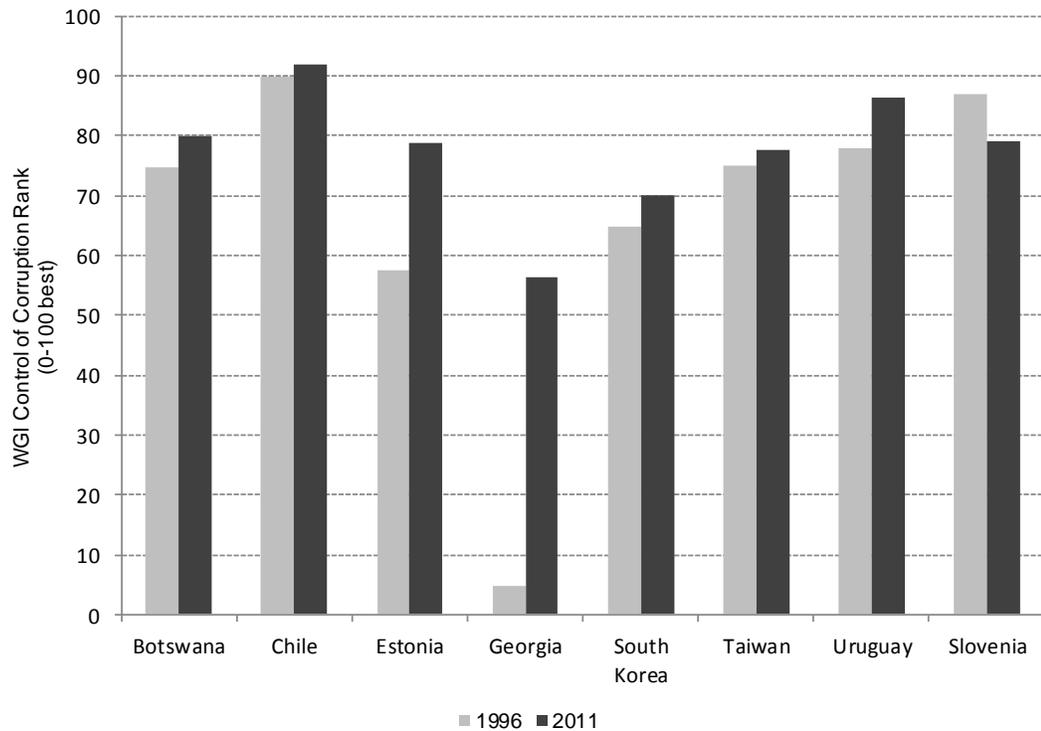
The choice of this particular group of countries was driven by three criteria: first, the case is classified in the upper third of all countries on the World Bank Control of Corruption scale *or* is a regional achiever doing significantly better than its region/continent or its modernity goodness of fit (see Chapter 4); second, the country is an electoral democracy; and third, the country has reached control of corruption in contemporary times, particularly during the last 20 years overlapping with the control of corruption agenda. The Worldwide Governance Indicators (WGI) Control of Corruption indicator was used as a reference for the first criterion, as it is the score which includes most available sources on all countries; the Freedom House Political Rights score was used as a reference for the second criterion; and International Country Risk Guide (ICRG) and Business Index scores (which have fewer cases, but longer time series) was used for the third. The choice to study only countries with some degree of pluralism leaving aside the handful of authoritarian achievers like Singapore, United Arab Emirates, or Qatar is justified by the following reasoning: Countries where rulers are above the law do not qualify as ruled by ethical universalism even if they managed to control bribery and build well performing bureaucracies and business friendly environments. Enlightened despots can exist and have

existed: once in place, their choice of good governance reforms is clear if they want to emulate “the king of Denmark.” Policy expertise cannot, however, influence the rare occurrence which *makes* a despot enlightened: the challenge remains in building control of corruption by democratic means, therefore by solving collective action dilemmas.

The group of “achievers” thus selected is highly varied, encompassing Estonia and Georgia in Eastern Europe, Chile and Uruguay in Latin America, Botswana in Africa, and South Korea and Taiwan in Southeast Asia. In Eastern Europe, Slovenia is also above the cut-off threshold (but has regressed after the economic crisis of 2008-09); and Japan has the best and oldest control of corruption in Asia; but apart from these countries this case selection leaves aside very few cases (mostly small islands in the Caribbean like Barbados and off Africa (Cape Verde, Mauritius) and tiny kingdoms in Asia like Bhutan) which have reached control of corruption through a democratic process over the past two decades. It includes two cases – South Korea and Georgia – which are both still below the designated cut-off for the first criteria described above (65th percentile in control of corruption), despite vast improvements in recent times. These countries qualify due to their superior performance in relation to their region as a whole, but should be considered borderline cases rather than achievers. The evolution of these eight countries over the period 1996 to 2011 is shown in **Figure 5.1**. Chile is on top with a score better than the US, France, or Austria (rank 1 in Latin America), followed by Uruguay (ranked 2), Estonia (rank 1 in the Eastern European region), Botswana (1), Taiwan (2, after Japan), South Korea (3), Georgia (1 in former Soviet Union), and Slovenia (ranks 2 in Eastern Europe, after having held the first position originally).

<Figure 5.1 here>

Figure 5.1. Control of Corruption
 Reflects perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption as well as "capture" of the state by elites and private interests.



Source: Worldwide Governance Indicators

How do these achiever cases compare with the rest of their continent, and what enabled them to outperform other countries? This analysis follows a three-step methodology. I first analyze how well these countries fit the modernization model and the model of regional (continental) corruption,¹ comparing the country's performance against the continent as a whole. I then examine briefly the dynamics of the change process (the political economy of change) in the country in order to understand the context, underlying agency, and drivers of

¹The continental model of control of corruption is a variant of our equilibrium model (control of corruption as main dependent) using countries on only one continent. Although these models have smaller N, using the continent and not the entire world population has two advantages: it allows for new variables to be introduced (for example, data from the Afrobarometer or other regional surveys), and case selection provides another way of controlling for continental factors.

change in the control of corruption. Finally, I analyze the formal institutional framework in general and anticorruption interventions in particular to check to what extent progress was due to special anticorruption interventions. In the end all cases are compared.

Chile and Uruguay

Latin America has two performers (Chile and Uruguay) and a country nearing the threshold (Costa Rica), which also match the countries with the longest democratic tradition on the continent. Uruguay, together with Argentina, was among the wealthiest countries in the world around the First World War but stagnated for most of the remaining 20th century, only later resuming growth to arrive at the second-best economic performance on the continent. Chile and Uruguay overperform on income compared to the rest of Latin America (Chile with over \$11,301 GDP per capita, PPP, and Uruguay with \$9,087, compared to the Latin American average (excluding the Caribbean) of \$6,465 by 2010), literacy, political rights, and ethnic homogeneity, which are all important factors for control of corruption. Chile does better than average and Uruguay worse on property rights and trade openness, and they are both unitary states, with federalism a significant determinant of corruption in the Latin American explanatory models of control of corruption.

Both countries have better control of corruption scores than their HDI would predict, while countries like Venezuela and Ecuador are exactly the opposite. In other words, there was no clear predetermination for the good governance of these two countries. Resources for corruption were unevenly spread: ethnic homogeneity was better than in other Latin American

countries, but mineral resources existed and provided rents. Uruguay was the least rural of the Latin American countries and did not share in the land inequality pattern of its neighbors. Chile had land inequality that quite a few leaders tried to tackle in the 20th century, and its Gini coefficient remains close to the continental average, while Uruguay is doing much better with less inequality. Both countries have high informal sectors.

Chile experienced since its independence all three types of governance regime based on patrimonialism, competitive particularism, and ethical universalism. During the colonial period, state “ownership” was concentrated in the hands of few, power distribution was unequal and access limited, and informal institutions and rules were dominant, making the distinction between private and public blurry at many times. Following independence in 1810 (with the last Spanish governor retiring due to a corruption scandal) and the development of pluralism, elite groups began to contest important positions in the government and amass state rents. The decision in favor of a unitary centralized state created fairly early an autonomous bureaucracy (the model was the French Napoleonic state) able to generate a separate power hub from the temporary holders of executive power, which remained also constrained by the legislative. The autonomy of the state from private interest, a major component of control of corruption, seems to have been achieved early. After the First World War in recession-stricken Latin America only Chileans adopted an extremely strong audit agency, despite common problems (lack of sound public finance) to solve and similar foreign advice (from the American “money doctor” Princeton professor Edwin Kemmerer) across all countries.² The Controller General

² Author’s interview with Controller General head of staff, Santiago, May 8, 2014.

which resulted (created in 1927, introduced in the constitution in 1943) is a unique institution of its kind, simultaneously an Accounts Court, auditor, supreme judicial reviewer (also on constitutional matters) of all government bills, and Ombudsman reporting neither to Parliament nor to Government. Previously Chile had separate agencies to cover these functions. No President can change the head of the “Controleria,” elected until age 75 and, remarkably, none has attempted this since its creation. The presidents do appoint the Comptroller who is confirmed by the upper chamber. Only the dictator General Augusto Pinochet replaced a Comptroller for refusing to countersign a bill for the organization of a plebiscite.

In close relation with a strong autonomous central bureaucracy, Chilean governance acquired early on remarkable checks and balances, even exaggerated ones. The presidents were institutionally constrained already in the 19th century: when a budget was voted down, a reformer president committed suicide for failing to impose his will on Congress. Extension of political rights did not challenge these early features. Presidents can only be elected for one mandate in succession. Congress refused to approve travel abroad in the 20th century for President Frei Montalva (Valenzuela 1989). The judiciary, especially the higher courts, have lifetime tenure and thus acquired independence early on.

The autonomy of the bureaucracy and accountability of the President towards peers were nevertheless achieved in a highly unequal society where only a restricted elite enjoyed political access, not unlike 18th century Britain. In the 20th century the executive became more important and parties more clientelistic as political modernization progressed and political participation expanded. The distinction between private and public remained poor, and only

reforms in the 1950s and 1960s eliminated most vote buying and pork barrel allocations (Valenzuela 1977). Most features of premodern governance like particularism of social allocation were eliminated in the late 1950s and especially during the term of the Christian Democrat President Eduardo Frei Montalva (1964-70). Even at the time when favoritism was still reigning supreme, however, political leaders were not in the game of personal enrichment. The last president to run Chile from the presidential palace rather than his own house lived in the 1950s (the presidential palace also included presidential offices and the coin factory) and none returned since (Gazmuri 1999). The last conservative president before the dictatorship, Jorge Alessandri, himself the son of a previous president, is still remembered for walking by himself from his office in La Moneda palace to his apartment: since then, Chilean presidents only have a summer residence provided by taxpayers.³ The elite background of Chile's rulers and this valuation of austerity in public life seems to have played a role in creating a pattern of presidents behaving more as chief stakeholders among trustees than of spoilers of common assets.

By the 1950s, accountability in Chile was already institutionalized, with an independent judicial system, the strong oversight mechanism of the Controller General, and other autonomous agencies. Despite this, the clientelistic nature of politics was evident in persistent scandals related to campaign slush funds and pork-barrel legislation (Valenzuela 1977). To rein in particularistic allocation in a highly competitive Congress, one which had almost unlimited

³ Author's interview with Alfredo Joignant, contemporary historian, Santiago.

powers to legislate benefits for key constituencies (e.g., pension benefits) (Chumacero et al. 2007: 16), a constitutional reform was passed at the end of Frei Montalva's administration expanding the budgetary authority of the executive and effectively depriving Congress of the prerogative of legislating in the areas of social security, taxation, wages, and fiscal budget. Laws that targeted spending aimed at specific constituencies were also forbidden, thus consolidating the autonomy of the state towards private interest (Montecinos 2003). The need to rationalize expenses was, however, older, and the trend had begun already under Jorge Alessandri to replace clientelistic allocations with universalistic welfare: but only Frei Montalva gave free rein to the full ideology of ethical universalism (he was a Christian democrat intellectual, a reader of Jacques Maritain) (Gazmuri et al. 2000) and enjoyed enough majority ("partido unico") to be able to leave behind the old transactions to build a majority in the Congress and move ahead with reducing inequality and increasing rationalization of expenditures (Valenzuela 1977). He also promoted other reforms, including a land reform and strong incentives to develop civil society (cooperatives and other associations, for instance) and community-level collective action. The growth of the state under Communist Salvador Allende and the unprecedented power discretion of some army circles under dictator Pinochet led to the multiplication of rent opportunities again, but Chile never returned to premodern practices on a large scale. In fact, the trend to eliminate the personalistic and particularistic intervention of the brokers in politics continued under Pinochet. Officers, the new power holders, tended to solve issues hierarchically; on the one hand, people did not have the courage to approach them with their problems as they had done with civilian mayors, and on the other, they themselves did not dare to intervene on small, private matters with their hierarchical superiors (Valenzuela 1977). This

dried local politics of particular allocations, and the tendency to promote universalistic welfare allocation rather than concentrated, client-based territorial benefits was mostly preserved in the subsequent dictatorship of Pinochet and the democratization which followed (see **Figure 5.2**).

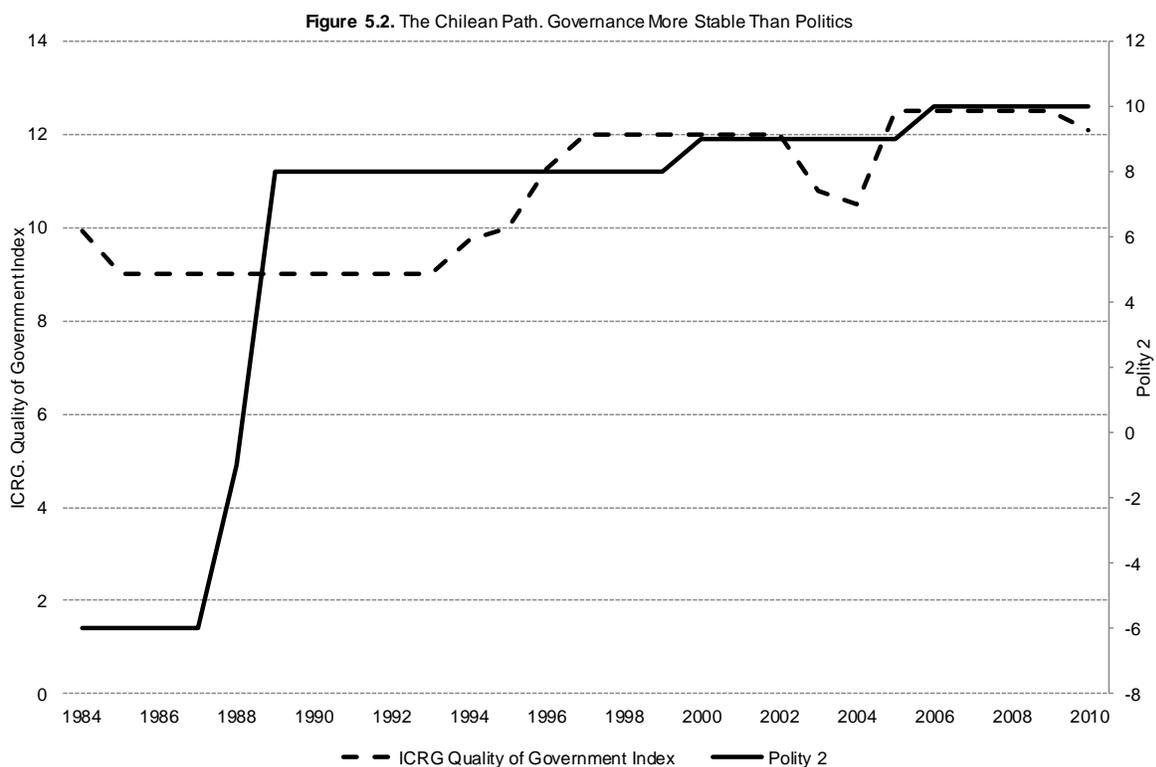
The 1980 constitution passed under Pinochet reaffirmed many of the budgetary rules that were already present in the legislation prior to the authoritarian period. For example, the president alone has the right to propose legislation related to wages, public employment, social security, and other entitlement programs. Congress, therefore, has “limited opportunities and mechanisms to bargain with and extract concessions from the executive branch” (Montecinos 2003: 14). Unlike other authoritarian regimes in the region, the Pinochet regime promoted economic reforms based on decentralization and privatization which further reduced opportunities for rent-seeking. The main reforms which might have played a role in control of corruption came from neoclassical economics: property rights security; a subsidiary role of the state, which limited state interventions to cases of clear market failures (except for the preservation of the state ownership in the mining sector); freedom of choice, reflected in rationing procedures, price controls, and the elimination of trade permits and prohibitions; fiscal consolidation and orthodox management of monetary and foreign exchange policies; and trade and financial openness, which would provide both the impulse for growth that the limited size of the domestic economy could not provide as well as the creation of competition in the local economy. There was also a systematic reduction of the room for public discretion and potential arbitrariness – impersonal rules were introduced whenever possible – and an institutionalization of the “rules of the game” in such a way that it would not be easy to change

them, with the purpose of granting stability to those rules under different governments (Edwards & Lederman 1998).

After the redemocratization of 1990, politics were dominated by two large coalitions, one more defensive of the legacy of the authoritarian regime and the other against it. Pluralism was quickly installed, but governance did not change, and despite a slight backslide the country did not return to competitive particularism. Corruption and government favoritism in Chile remain the exceptions rather than the norm. New institutions introduced as an Office for Transparency and E-Government have helped foster a change of culture after dictatorship, though it remains exceptional to Chile that the previous lack of transparency did not seem to foster corruption.⁴ As to the legislation passed after 1990, it may be that its greatest merit has been continuity rather than innovation, considering Chile's good governance roots.

<Figure 5.2 here>

⁴ Author's interview, Office for Transparency, Santiago, May 7, 2014.



Source: The PRS Group and Polity IV data

Chile is an example of the gradual building of control of corruption. Each period of democratization left some positive heritage, as did authoritarianism. Chile’s success seems to be related to the liberalization of the economy and the need for a sound financial system (after all the Comptroller was created to save money and rationalize expenses more than to control corruption), the privatization of companies that offer public services, and the consolidation of markets – in other words, to the fact that resources for corruption gradually dried up. But Chile has natural resources which provided rent opportunities all along, so its achievement is all the more remarkable. Control of corruption to a great extent seems to have preceded the economic liberalization under Pinochet – it has been a declared concern of nearly each presidency and the crucial time seems to have been the 1960s. In addition, there are traces of

earlier control of corruption reforms which managed to take root. Current proposals to “improve” on these institutional arrangements – for instance by making the Comptroller accountable to parliament or creating an anticorruption agency – should be regarded with caution. The strength of Chile’s institutional arrangements lies in their originality and organic development.

Uruguay has a long tradition of liberal democracy going back to the beginning of the 20th century, and in public opinion surveys citizens strongly endorse its political regime. Unlike Chile, where citizens tend to be more skeptical of the integrity of politicians and magistrates, public trust is very high in Uruguay⁵. Although this democratic tradition was interrupted by a military dictatorship between 1973 and 1985, the country has not only succeeded in democratizing peacefully, but also in bringing to justice those accountable for misdeeds during the authoritarian period. The integrity of the ruling elite, military and civilian, has a long tradition. Again, rulers seem to have been for most of the time major stakeholders in the country, not upstarts. The unanimous opinion is that people have never joined politics to become rich: there have always been better alternatives for that. However, business and politics are not clearly separated, and public integrity in Uruguay needs further explanation than the original integrity of its ruling elites, which runs through several generations of elite-born rulers (visible in the modest museum of previous presidencies in Montevideo) to the current president, Jose Mujica, a former urban guerillero who rules from his private apartment and drives his old VW Beetle to the office.

5 Author’s interview with Latinobarometer Director Marta Lagos, Santiago, May 3, 2014.

Uruguay has a semipresidential system with two chambers; a functioning system of checks and balances; and it has experienced for many decades with consociative institutions inspired from Switzerland, granting to the opposition seats in many executive positions, including the board of public companies (Altman 2008).⁶ Government actions are subject to parliamentary and judicial review, the latter by the *Tribunal de lo Contencioso Administrativo*, the administrative high court. Members of *Contencioso Administrativo* are usually career judges appointed by the Parliament and are perceived as neutral. The judiciary is traditionally independent, free from unconstitutional influence, differentiated and professionalized, although it sometimes suffers from a lack of efficiency and expediency against organized crime. Uruguay has a long history of interest representation, organization, and pressure group formation, evidenced by the dense network of differentiated interest groups reflecting competing economic and social interests. Labor, both urban and rural, is well represented. Political parties have deep societal roots, having existed for more than 150 years, and have managed to integrate new parties successfully. Civil society has been an important contributor to democratization and has a long tradition in the mostly urban population, descended predominantly from European immigrants. Uruguay has a numerous well-educated elite in politics and public life and far less inequality than other Latin American countries.

During its last period of democratization Uruguay experienced a positive evolution of all four components of the equilibrium model: a reduction in power discretion and material resources and a strengthening of legal and normative constraints. As in Chile, however, we find

⁶ Author's interview with David Altman, Santiago, May 3, 2014.

that the recent transition to control of corruption is built on an older history and grounded deep in society. Even before the last democratic transition, for example, a strong civil society and media contributed to increased normative constraints – voters punished corrupt behavior, although patronage was widely accepted. Clientelistic social allocation is nevertheless conducive to deficits. For nearly 50 years after the Second World War Uruguay's growth was far inferior to the growth of public employment and state pensions (Buquet & Pineiro 2014). This fed the political and social conflict of the 1960s, when the level of urban violence and contestation reached its peak, making political parties realize that the traditional ways of gaining support should give way. A reduction in material resources began during the military regime, when important privatizations occurred, and continued throughout the 1990s and also the 2000s, following an economic crisis. Starting in the early 1970s, Uruguay's economy became more outward-oriented. But Uruguay is no triumph of the Washington consensus like Chile: quite to the contrary, it retains a large public sector with high public employment. After the dictatorship, however, parties respected fiscal consolidation, clientelistic allocations dried up, and creative tailor-made policies reduced both the informal economy and tax evasion. The consolidation of an independent judiciary also took place early, not long after redemocratization, with an agreement to appoint Supreme Court judges with a two-thirds majority of parliament.

Between 1985 and 2004, the Uruguayan party system seems to have reached a new equilibrium which decisively influenced control of corruption as it shifted the lines of political competition from a clientelistic logic to a programmatic logic (Buquet & Pineiro 2014; Kitschelt et al. 2010). The military dictatorship itself was an attempt to prevent what had been perceived

as a radical challenger party from shaking up traditional rules of the game. The later integration of this programmatic left wing former guerilla party, Frente Amplio, into politics ultimately forced new rules of the game with traditional parties reconciled to the changes. The social and technological modernization during years of dictatorship had already considerably changed the old patronage society, and ethical universalism triumphed for practical as well as ideological grounds. There was political consensus that a return to previous rules of the game (which played their part to stir radical contestation and then dictatorship) was no longer possible, and this consensus generated the new policies enshrining the end of particularism in a society where corruption had never been pervasive to start with, but where particularistic distribution of benefits and public services had been the norm.

WGI Control of Corruption already placed Uruguay in the “green area” in 1998. Later positive developments, such as the adoption of specific anticorruption legislation, appear to have reinforced the foundation that was already in place. The most successful policies were in the field of tax collection and reduction of the informal economy, showing that a main motivation beyond Uruguay’s evolution was the need for fiscal consolidation. Tax simplification, smart incentives, and commissioning tax collection largely to the private sector led to the most spectacular growth of collection in the world after 2000.

Estonia

Estonia has been a regional leader in urbanization and literacy since the 19th century. But it is also overperforming its excellent modernization goodness of fit. As a champion of liberal

economic policies, civil society, and e-government, Estonia progressed considerably after 1989. Estonia's success in transforming into an open access order remains the most significant in post-communist Europe, if not in the entire world. It is worth mentioning that Estonia was constantly governed by center-right coalitions since the fall of communism and has excluded from the vote most of its Russian-speaking residents, resulting in an unusually homogenous and politically cohesive community of voters numbering under 900,000.

In less than 20 years Estonia has made rapid and notable progress from a totalitarian regime to a quality democracy. The principles of ethical universalism seem to have taken root in the country's governance, although the country is not free of corruption, and the public mentality remains still tributary to the Soviet times. For example, a 2004 survey carried out on behalf of the Ministry of Justice found that about one-half of respondents did not consider giving gifts to officials to be corruption; about the same proportion found that an official who orders computers from a firm where his son is a partner is not wrong in doing so. Respondents deemed misuse of official positions to be the most common form of corruption, and bribery the least common: 16 percent of the respondents overall acknowledged giving bribes, 24 percent of entrepreneurs claimed that they had been asked for a bribe for performance of a public service, and 27 percent of public sector employees claim to have been offered a bribe (Kasemets 2012).

The country has seen almost simultaneous improvement in all four dimensions of the equilibrium since restoration of independence with the collapse of the Soviet Union. During the first government of Mart Laar (1992-95), policies were implemented which reduced material resources and strengthened legal constraints. Estonia pioneered important liberal reforms such

as the adoption of a flat tax, which later became very popular in Eastern Europe as an instrument to combat tax evasion and the informal economy, and embraced advanced e-government reforms inspired by neighboring Finland. But Estonia's key successful reform was anticommunism. In barely two years, from 1992 to 1994, Laar, a former anticommunist historian who declared that the only book on economics he had read before becoming prime minister at the age of 32 was *Free to Choose* by Milton Friedman, was the first in Europe to introduce the flat tax, privatize most national industry in open and transparent public tenders, abolish tariffs and subsidies, and achieve macro stabilization despite opposition and protests. Part of his abrupt break with the USSR was to restore the prewar currency and peg it to the stable deutsche mark. Laar often spoke about corruption and explained that these early reform choices prevented Estonia from sliding into the corrupt transition from "plan to clan" as many other postcommunist countries which evolved to crony capitalism rather than ethical universalism. As he put it "any reform which increases the competitiveness of the economy will reduce corrupt behavior" (2007).

As part of the same policy seeking deep and fast separation from the Soviet legacy Estonia adopted a radical policy towards the Soviet-era judiciary, opting to replace most of the inherited system and start afresh with newly trained magistrates (the cost: Courts were practically closed for many months). Normative constraints are also high, with public opinion intolerant of bribery (though relatively tolerant towards other forms of particularism), an active civil society, and a free press which benefited from investment by its Scandinavian neighbors. Estonia's commitment to civil society development is also greater than its neighbors, with dedicated EU funds and a pact committing both sides to rule of law (Kasemets & Lepp 2010).

Since February 2000, when the Estonian Parliament passed legislation guaranteeing the general population access to the Internet, Estonia has become one of the most technologically connected populations in Europe; some have nicknamed the country “E-stonia.” The country’s high Internet usage rates are due not only to the prevalence of household computers, but also to the availability of free Internet access points countrywide. All schools in Estonia are connected to the Internet, more than half of all households pay their bills electronically, and the state portal *eesti.ee* allows citizens to access official records and to log into various information systems (e.g., e-Tax Board or the Land Registry) (Kasemets & Lepp 2010). In addition to high rates of Internet usage, nearly 90 percent of the population have mobile telephone subscriptions and more than half have digital identity cards. Another cornerstone of the control of corruption is Estonia’s system of public e-procurement (RISO 2012) and the more recent online public expense tracking system *riigipilv.ee* (ERR News 2012).

The cost of Estonia’s neoliberal consensus was the exclusion of non-Estonian speakers from the vote – about one-third of Estonia’s population are Russian speakers who settled in the country during the Soviet period. According to World Values Survey 2000, this group shows greater support for collectivism and lower support for the market economy and democracy than the Estonian-speaking population and its by-passing by political decision probably helped Estonia’s swift reform advance. Nationalism and liberalism therefore combine to explain Estonia’s success. The country’s achievement is not a minor one, considering that it inherited the same institutional problems as all other parts of the former Soviet Union, and that party competition presented the same incentives for political clientelism as in neighboring Latvia, which evolved into typical competitive particularism despite having the same existential threats

from neighboring Russia. Slovenia, the other prominent Eastern European success story, began from a far stronger position (e.g., early economic integration with neighboring Austria, a small urbanized population, far higher income, and excellent modernization goodness of fit), but as it turned out in recent years its new capitalism is far more based on rents than previously acknowledged (*Al Jazeera* 2013; Cerni 2013).

Botswana

Botswana, like Uruguay, was considered in the “green” area by the World Bank already at its first assessment in 1998. Transparency International also has consistently rated Botswana as the least corrupt of all African countries included in its Corruption Perceptions Index. The country is frequently pointed to as a classic anticorruption success story, largely due to its anticorruption agency – although there have been recent suggestions that its role might be overrated (Acemoglu et al. 2003; Von Soest 2009). Nonetheless, Botswana’s achievements are obvious when considering that it started out as one of the poorest countries in the world when it gained independence from Britain in 1966 and is now overperforming its modernization goodness of fit. Since that time Botswana seems to have traveled a virtuous path in comparison with its neighbor, Zimbabwe, which has descended into social and economic collapse. Its structural determinants – geography, urbanization, and health – were no better than those of its neighbors.

But Botswana’s achievement is quite different from the ethical universalism ideal and the resources/constraints model. For one thing, material resources for corruption are high, given

the country's large potential rents. Diamond reserves are the most important resource in the country (successfully exploited through a monopoly jointly operated by the state-run Debswana and the private company De Beers), although cases of corruption in this sector are rare (Bertelsmann Foundation 2010). Botswana's public sector has a heavy weight in the economy. Government consumption spending as a share of GDP has remained above 20 percent since 1980 and reached 24 percent in 2009 – the highest level among the six contemporary achievers examined here. Public sector employment accounts for around 45 percent of total employment. Since the early years following independence, recruitment into the public service has been mostly merit-based (Von Soest 2009), although some public positions have been subject to patronage (Johnston 2005).

Botswana's positive evolution originates from the path opened by Seretse Khama, the country's first president, who pursued a tough stance against corruption (e.g., Adamolekun & Morgan 1999: 592) which quickly earned the country a reputation for the "clean" management of public resources. Although its political system has limitations in terms of competition, among the cases studied here it is the country with the longest uninterrupted democratic regime. Throughout 45 years of democracy, power concentration and material resources have remained high. Nevertheless, two positive aspects can be traced back to the foundation of the state: the establishment of an autonomous civil service, which has been protected from widespread politicization; and the development of an autonomous judiciary.

Policy formulation and public spending are, however, some of the most transparent aspects of Botswana's governance system. Budgeting and development planning and prioritizing processes are extensively consultative, involving communities, local government

structures, non-state actors, and political institutions. The social allocation process is targeted but universalistic, as there are specific programs for poorer sections of the population, such as inhabitants of remote areas, including indigenous San people. All allocations are included in a national development plan which is openly debated long in advance, leaving little room for discretion.

Botswana's politics have a dominant role for the president (Von Soest 2009), who is constitutionally accountable to Parliament and has the power to dismiss the legislature, but who cannot be impeached by it (Freedom House 2010). Botswana is also an exception among the positive outliers with regards to political competition: the same political party and political elite have been in power since independence. Although the country has a multiparty system, the Botswana Democratic Party (BDP) has remained largely unchallenged by the opposition and its presidents have enjoyed very long tenures (four presidents in 45 years). Its current president, Ian Khama, is the first-born son of Sir Seretse Khama, who was the country's foremost independence leader and who served as president from 1966-80, himself the male descendent of the traditional ruling family of the Bamangwato people and the great-great grandson of Kgosi Kgomo I, Chief of the Bamangwato (1815-85). While the good governance mantra advocates short, non-renewable mandates as a better model for control of corruption, Botswana has all the features of a paternalistic and enlightened constitutional monarchy, with political domination by one group rather than real competition, despite regularly-held elections. Most senior political positions including the president, vice president, foreign minister, and speaker of parliament were held between 2008 and 2013 by former public

servants. The cabinet is regularly filled with blood relations or village connections of the president and the diplomatic service is filled with former ministers (Sebudubudu 2014).

The public-private separation of Botswana's political and economic elite is incomplete, which in all likelihood allows certain particularistic practices to flourish. Members of the BDP government are often owners or directors of commercial companies and farming enterprises, and the BDP has consistently refused to pass legislation requiring MPs and cabinet ministers to declare their assets and economic interests. Recurrent reports have also criticized the relationship between the BDP and De Beers, including evidence that De Beers has financially supported the party, particularly during the presidency of Ketumile Masire (1980-98). Botswana is a rare case where ethnic particularism and elite capture are formally organized and coexist with the rule of law. The House of Chiefs (upper chamber), for instance, only has representatives of the country's eight main tribes.

The autonomy of the state towards private interests remains therefore relative. Big businesses like car dealers, mining and constructions enterprises as well as tourism and environmental agencies are said to have strong ties with the ruling party and to contribute to its financing, with party executives directly involved in business (Sebudubudu 2014). High-level corruption scandals erupt periodically. One area particularly prone to irregularities has been the allocation of state land: cases have been reported of allocations to private business persons and members of the political elite. Another series of scandals occurred in 1993, when newspapers revealed that government politicians (and other members of the elite) had accrued huge repayment arrears with the state-owned National Development Bank (NDB), which nearly led to the bankruptcy of Botswana's largest public lending institution (Good

1994: 511; Tsie 1996: 602). Then-president Masire was among the loan defaulters. These cases were documented in reports by various presidential commissions to demonstrate the government's capacity to control corruption. Institutions for executive control were also created, the most prominent of which were the Directorate of Corruption and Economic Crime (DCEC) (launched in 1994) and the position of the Ombudsman (launched in 1995) (on the DCEC, see Olowu 1999; on the Ombudsman, see Fombad 2001). Their achievements and reputations, however, are controversial, as the president appoints the heads of both offices.

The judiciary, on the other hand, is independent and actively reviews the executive's decisions; it has become the main accountability instrument within Botswana's political system. The institutional framework underpinning this branch of government does, however, leave open the possibility of political influence as it grants the president discretion to appoint the highest judicial authorities (TI 2007). Except Botswana's first president, under whose tenure a minister committed suicide when suspected of corruption, it is not clear that the presidency has objectivity enough to fulfill this role. The last president appointed his brother over more qualified MPs as minister and the cabinet has far too many blood relatives, again giving the impression of an enlightened monarchy rather than of a republic. By and large, it seems that the first generation of post-colonial leaders put the country on the right path, allowing legal constraints to develop, but their inheritance should not be taken for granted under new, less idealistic politicians (Sebudubudu 2014).

Normative constraints are indeed less impressive and might become a concern if good governance flows less in a top-down manner as previously. Over the last two decades, civil society in Botswana has grown greatly, but it is concentrated in the public health sector and

dependent on public funds – it is not active in a watchdog role (Transparency International 2007). Freedom of the press has shown signs of deterioration in recent years: Freedom House downgraded Botswana from a “free” to “partly free” press in 2005, and it had not evolved since. Among the reasons cited for the decline are a rise in political influence over state-owned media and the government harassment of journalists and private media outlets, both through formal and informal channels. In August 2012 the ruling BDP stifled a vote on a proposed freedom of information bill, and access to public information remains a major problem for journalists (Freedom House 2013).

Cases of corruption have recently surfaced again across all areas of the public sector, from public procurement, recruitment, land and housing allocation, to transport and road licensing services, management of state agencies and local government services, mining, and tourism licensing; not even the allocation of student loans and the distribution of medicine in health facilities are spared. Party membership and position – especially but not exclusively – in the ruling party have become an important ticket for accessing jobs, business loans, opportunities, and government contracts (Sebudubudu 2014). The increased frequency of media reports on corruption-related court cases involving ministers, senior politicians, and public officials might signal the effectiveness of the anticorruption mechanisms but also a genuine increase in corruption reflected in public perception indicators.

Acemoglu, Johnson, and Robinson (2003) argue that Botswana’s development success lies in institutional arrangements which adequately protect the property rights of actual and potential investors. With law and order maintained, diamond revenue wisely managed, and an efficient, meritocratic bureaucracy, the country grew economically between 1965 and 1998 at

an annual rate of 7.7 percent. This economic prosperity made many things easier, and presently Botswana is overperforming on governance. However, it would be difficult to argue that Botswana's equilibrium is based on ethical universalism, even if the choice of the political elite after independence was to organize the state as an autonomous defender of property rights, rather than as a source of continuous spoils (Von Soest 2009).

The Botswana path is thus close to the historical Danish path, through a mix of traditional authority and top-down reforms by enlightened leaders, but present Botswana society is not similar to present Danish society, even if control of corruption is to an important extent achieved in both cases.

Taiwan and South Korea

Corruption scholars have for many years marveled why corruption in sub-Saharan Africa is so detrimental for development while in Asia it seems to have fewer effects. The obvious answer, discussed quite a while ago by Barrington Moore Jr. (1966) in a book less quoted today, is that at different levels of societal development predatory behavior by elites can meet different degrees of resistance. Where there is no resistance at all because the population is helpless, famine results from corruption. Where some normative constraints exist and society can fight back, rulers will posit a commission on general economic activity for their self-enrichment, with fewer detrimental effects on the society as a whole. This seems to have been the Asian situation for most part, but being superior to the world's most disfranchised and poor countries was not really a measure of Asian performance. Only recently has demand for good

governance stepped up in importance on the continent, as traditional achiever, West-emulating Japan was joined by two new achievers, South Korea and Taiwan, and countries like Indonesia and India have started to have more important anticorruption activity. The average across the region is personified by China, India, or Thailand, who perform quite poorly, though in comparison to Afghanistan and Pakistan do reasonably well. The achievers, however, do twice as well or more. Four of them are atypical polities and therefore will not be discussed here (Hong Kong, Singapore, Bhutan, and Brunei Darussalam), though the story of each of them is fascinating in itself. Leaving aside city states and monarchies, traditional or atypical, we are left with only two recent performers, still struggling to evolve from borderline to full control of corruption status: Taiwan and South Korea.

Taiwan's goodness of fit to the modernization model is very good; therefore, it is a predictable performer: a well-developed, educated, homogenous nation. However, its governance improvement only started after 2000 (Göbel 2014). And its fit to the equilibrium model is less ideal. The country underwent a successful and peaceful transition to democracy, although it is somewhat controversial whether this transition also led to a better governance regime. Corruption has been indicated as the most pressing political issue in many opinion surveys over the years, and Taiwan's democratization in 1992 worsened the perception of corruption, because of more transparent deals on party finance and political support. During the authoritarian period of Kuomintang (KMT) rule, corruption was practically institutionalized, and the party was able to build a real estate and business empire (Hsueh 2007: 11). Companies bribed the government for preferential policies and public contracts. During the period of democratic transformation, corruption dominated the electoral agenda. In fact, the DPP's

(Democratic Progressive Party) anticorruption campaigns in the 1990s were a critical factor in terminating the single-party authoritarian regime controlled by the KMT for over 50 years (Yu et al. 2008).

In May 2000, when the KMT peacefully turned over the presidency to the DPP, Taiwan was regarded as a textbook case of successful democratization. Yet in the short run, the political changes led to an increase in corrupt exchanges, as political campaigning became competitive and more expensive and there was greater dependence on resources from the business sector (Hsueh 2007: 12). Challengers proved just as vulnerable to corruption as incumbents, and privatization added to older, existing rents. Some government officials made use of insider information to “[...] secure interests in profitable enterprises for themselves, party supporters, or their family members” (Hsueh 2007: 17).

Despite swings in government, power discretion remains high, with semipresidentialism granting significant power discretion to the president, who appoints the prime minister without approval by the legislative. Additionally, the president has the power to appoint the members of the Control Yuan (main oversight body), Judicial Yuan (Taiwan’s highest judicial body), and constitutional judges (Huang 2006) – which contributes to the view that the judiciary is not particularly independent (Freedom House 2010; Polity IV 2010). The Control Yuan, constituted as an independent government branch, has auditing and investigative powers and also exercises the function of an Ombudsman (Shin & Chu 2004: 34). Bureaucrats in Taiwan are a class in their own right – well educated, protected, and paid. Different from other young democracies, in Taiwan it is unheard of for there to be high turnover in the bureaucracy following elections or for positions to be assigned to party-affiliated incompetents. Civil

servants must pass a merit-based exam with the historical examination committee, established in 1925 when China became a republic. Taiwanese civil servants have among the most secure jobs in the world, with a monthly pension and 18 percent preferential bank interest, giving them the world's best income replacement ratio (the percentage of the working income needed to maintain a desired standard of living in retirement) (Cho-shui 2011; Khan 1998).

Taiwan began building an anticorruption framework in the 1990s. The 1993 Public Functionary Assets Disclosure Act required the disclosure of assets by high-level officials and elected representatives (Bertelsmann Foundation 2010); later, President Chen (2000-08) pushed the issue to the forefront of the political agenda and, shortly after winning the 2000 elections, mapped out an "Action Plan for the Elimination of Corruption and Organized Crime." In 2004 a Political Contribution Act was passed, which imposed limits on political donations and attempted to make political financing more transparent. A Freedom of Government Information Law was also passed in 2005.

The main factor motivating the key reforms was the change in the ruling party after the DPP's electoral success. As the previous regime was based on engrained political corruption the survival of the DPP depended to a large extent on a change to the rules of the game: anticorruption policies were the best way to enfeeble their political opponents (Göbel 2014). The crackdowns on bribery, embezzlement, money laundering, and vote-buying removed many top bureaucrats who had been loyal to the previous regime. Popular support to remove what was perceived as a corrupt regime preceded the DPP's anticorruption agenda and indeed contributed to the swing of government.

But democratization simultaneously brought more resources for corruption and greater normative constraints. The latter are apparent in the popular movement against President Chen and the low trust in government institutions even after the implementation of new anticorruption legislation. NGOs and think-tanks have a very active presence in the country. Legal constraints are among the highest in the world, with harsh penalties against corruption, even at the top levels of power, and they are enforced. However, early into President Chen's second term his administration's anticorruption efforts were largely discredited, due to the eruption of numerous scandals involving top-level officials, the President himself, and some close family members. The general public is still unconvinced that particularism as a regime is finished and that anticorruption is impartially implemented.

South Korea is the favorite case in Asia for economists studying development, as Chile is in Latin America. Like Uruguay, Korea has experienced positive change in all four dimensions of the equilibrium model in the last decades. The immediate trigger for good governance reforms was the financial crisis in 1997, which led to a change in policy towards the institutionalized rents of *chaebols* (large industrial conglomerates) and a gradual opening up of economic competition. There are older roots of Korea's control of corruption, however, as well as of external support for its improvements in governance that economists tend to neglect (You 2012).

South Korea gradually achieved important milestones, including a major land redistribution (1950s), the creation of a meritocratic and efficient bureaucracy (1960s to 1980s), industrialization and the creation of an educated and financially independent middleclass (1960s to 1990s) and, finally, democratic elections and a free press (since 1987).

Particularism persists around South Korea's *chaebol*, which exert their influence through political financing, family ties, and public relations campaigns, but bribery and petty corruption are quite uncommon. More recently, there have also been gradual improvements on the constraints side: some anticorruption policies were adopted in the early 1990s and there has been increasing anticorruption activism within civil society since 1996. Legal constraints continued to increase with the implementation of a comprehensive anticorruption agenda by Kim Dae-Jung (1998-2002), the first opposition leader to be elected president, whose policies also contributed to the reduction of material resources. Although the judiciary has proved its independence since at least 2003, and has convicted many politicians and businessmen on corruption charges, some individuals still received light sentences or even presidential pardons.

While Korea's control of corruption ratings are inferior to the other countries described above, it is the most populous country among contemporary achievers, which makes its progress even more significant. The suicide in 2008 of former President Roh Moo-Hyun due to corruption allegations shows how strong normative constraints have become. Korea is doing significantly better than regional averages on all components of the modernization model: it is nearly three times richer, better educated by half, and more ethnically homogeneous than many other countries in the region. Similar to other Asian countries, its economy grew well (at nine percent) for two decades during relatively corrupt years (1970-92); corruption became an issue following the Asian financial crisis in 1997, when the IMF insisted that the deep linkages between *chaebol* and the state must be brought to an end. Economists argue that Korea's model of state-led capitalism actually played a positive role in its development and that stable rents, conditioned by the overall country's performance, generated incentives for growth (Khan

1998). You (2012) argues that normative constraints played a far larger role in building Korea's progress to open access order than economists allow: first, the land reform promoted by American occupation allowed the massive increase in educated people and a rise in the middle class: second, protest movements in the cities, especially by students, played a large role in the development of an accountable government in Korea.

Borderliners: Georgia

Georgia has been labeled by the World Bank as the country which has made the greatest progress in controlling corruption, jumping over 50 percentiles in the control of corruption global ranks in just a few years, and has intensively promoted this label in the international media for several years. Georgia ranks between 50 and 60 in the list of countries surveyed by Transparency International, which has over 160 countries: its score climbed over the years much higher than its neighbors Armenia, Russia, and Azerbaijan to surpass Greece or Hungary, among other EU members, although it remains well below the other "achievers" presented here. Georgia's improvement started in the aftermath of the 2003 Rose Revolution, and since then the country has successfully managed to reduce petty corruption through several high profile anticorruption campaigns, including the prosecution of senior corrupt officials, police reform, deregulation, and the liberalization of the business environment, as well as public sector reform. If Georgia has not managed to climb further than six on our recoded 1-10 World Bank scale despite overperforming its modernization determinants, it is due to major challenges that the other achievers lack. Georgia has important state building problems, does

not control a part of its territory where Russian-speaking minorities seceded in the early 1990s following its independence, with the resulting destruction and impoverishment unleashed by civil wars. Its income, despite growth during the regime of Mikheil Saakashvili, its reform minded president (2004-13), remains below \$4000 USD per capita. In other words, Georgia has the poorest fit with the modernization model possible. Its rapid progress is also noteworthy given corruption's deep roots in the country's Soviet past: In Soviet Georgia there was no distribution of financial and material resources without bribery and nepotism. According to non-market rules of life and business, personal and intellectual qualities and hard work did not guarantee material well-being. Rather, one needed a special ability (the so called "mariphathy") to find a corrupt bureaucrat and/or to offer bribes (Jandieri 2004). Yet although Georgia had very poor goodness of fit to our control of corruption model, its stride is the greatest. What explains its success?

In 2003, mass protests prompted by fraudulent parliamentary elections resulted in the so-called Rose Revolution – the resignation of President Eduard Shevardnadze, a revamp of the governing elite, and the election of opposition leader Saakashvili in January 2004 by an overwhelming margin. The three leaders of the reformist faction campaigned on an anticorruption platform, calling the country to rid itself of the destructively corrupt Shevardnadze leadership and to follow a path of modernization. Once in power, Saakashvili cracked down on high-level officials from the former regime and on Shevardnadze's affiliates, including his family members. Those indicted were often summoned to the prosecutor's office for questioning, charged with corruption and embezzlement, and arrested. They were asked to repay the allegedly stolen amounts, sometimes amounting to several million US dollars, but

were then released without standing trial. While the media reveled in the spectacle (these proceedings were often broadcast live on national television) and most of the public felt vindicated, the practice was actually in breach of Georgian legislation. These heavy-handed tactics did, however, allow the government to quickly mobilize enough revenue to repay the outstanding arrears in pensions and wage payments for public sector employees. After losing elections in 2013, some of the top executives who implemented these reforms were sentenced for power abuse by their successors, who had accused Saakashvili of authoritarian tendencies.

Fighting corruption did not stop with chastising the associates of the old regime. In 2004 the entire staff of the country's traffic police, which was notorious for its incompetence and penchant for bribe-taking, was fired and replaced by a well-equipped and newly trained patrol police. Another major achievement was an overhaul of the thoroughly corrupt system of university admissions, which became centralized and standardized for the first time in 2005, replacing the previous policy of individual university admissions. Safeguards were put in place to make corruption or favoritism all but impossible (Anderson & Gray 2006). These two reforms had a particularly great impact on ordinary citizens, given their regular contacts with these institutions. The other reforms which were introduced were mostly aimed at easing the business environment and reducing excessive red tape. These included changes in the areas of licenses and permits: the number of legally required licenses fell by 85 percent (from a previous level of about 900 licenses) and the introduction of "one-stop shops" not only sped up the bureaucratic procedures, but also dramatically reduced the opportunities for corruption. Authorities also promoted the principle of "silence means consent," forcing time limits for approvals from the administration on the penalty of automatic granting of requests in case of

delays. With only four procedures and four days necessary, Tbilisi is the most expeditious city in the world for foreigners registering a business.

Critics argue that rampant petty bribery was eliminated to be replaced with more subtle and high level state capture. This manifested itself through a discretionary distribution of public services by the state, whereby decisions about resource allocation were made in order to secure the loyalty of powerful groups or individuals to maintain political control (Kupatadze 2011). Allegations also existed that the media had been captured by the new regime, both through changes of ownership and the censorship/self-censorship of journalists. However, the yielding of power by reform champion President Saakashvili indicates that he was a genuine reformer who might have cut some corners to get things done and not a new dictator in the making.

On the legal constraints front, Georgia has everything – a Freedom of Information Act, an ombudsman, and whistleblower protection legislation – and has ratified the UNCAC. Following Saakashvili's election as president, the anticorruption council created in 2001 under former President Shevardnadze disbanded itself, and no new national strategy has replaced it. The country had made its improvements without the usual plan cherished by the anticorruption industry, one which so frequently remains only on paper.

Georgia's improvements can be attributed to changes in all four dimensions of the equilibrium model. Resources were drastically curtailed by reductions in red tape, and policies promoting economic liberalization were even stronger than those enacted in Estonia. Legal and normative constraints created a new equilibrium through a "big bang" change – the 2003 Rose

Revolution – followed by top-down reforms. Civil society played a large role in bringing down the Shevardnadze regime, but was later weakened by its participation in the Saakashvili's government (Tsitsishvili 2010). Independent monitors of the government existed under all regimes, although the third sector overall is still quite weak in fighting corruption in Georgia. The few civil society organizations dedicated to fighting corruption engage in heroic deeds with little volunteer support from the grassroots and practically no funding from Georgia's business sector. The judiciary remains the most problematic part. As it showed in particular after the second change of regime the interference of the judiciary is more to be feared than welcomed. Saakashvili himself has been harassed after his peaceful departure from power in November 2013 for the accidental death of an ally nearly ten years ago. The judiciary is not independent enough from political control to exercise impartial legal constraints.

Discussion

The contemporary achievers differ from one another on many dimensions (See **Table 5.1**), including the number of years since independence and current trends in control of corruption (e.g., the most advanced among them have been stagnating or even regressing slightly). The two borderline cases – South Korea and Georgia – are more advanced than their neighbors and show a positive trend toward control of corruption, but some challenges remain, in particular for Georgia due to its less-than-ideal fit to the model. Botswana is a remarkable achiever considering the sub-Saharan context, but of a more narrowly defined control of corruption than ethical universalism, which remains far and may be slipping even further.

Estonia and Georgia needed a revolution, top anticorruption leaders, and popular participation to achieve their progress. South Korea and Taiwan have experienced gradual but confrontational evolutions, with each step forward fought back, leading to an oscillating progress curve – though many individuals contributed to their advance, there is no one clear leader having led the evolution to open access. Chile and Uruguay transitioned gradually as well, but with less confrontation. Chile had leaders aware of the need to build open access – but the final product had many contributors. As a member of the EU, Estonia is in the safest position of all the cases examined here, as it has now joined a club based on good-governance rules – a good omen for its further consolidation. External factors are strong in other cases as well: South Korea and Taiwan were both on the front lines of the Cold War and received 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 were frequently educated in US. Uruguay had a Swiss model and its population descends from immigrants from various European countries, a far more diverse background 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 control of corruption model as well as assistance from the Scandinavian countries.

<Table 5.1 here>

Table 5.1. Contemporary Achievers at a Glance

Country	Evolution Type	"Goodness of Fit" to Model	Sequence	Trend	External Triggers and Influences
Botswana	Gradual	Poor	Control of corruption preceded genuine pluralism	Stagnant	Southern African Customs Union
Chile	Gradual	Good	Control of corruption preceded pluralism	Stagnant	Economic crisis prior to first good governance reforms; American model emulation
Estonia	Big-bang revolution	Good	Pluralism preceded control of corruption	Positive	EU accession; Scandinavian emulation
Georgia	Big-bang revolution	Poor	Pluralism preceded control of corruption	Stagnant	Some diffusion across former republics; American emulation
Slovenia	Gradual	Excellent	Control of corruption preceded pluralism	Negative	Austrian emulation, investment
South Korea	Gradual, confrontational	Good	Partial control of corruption preceded pluralism	Positive	American and IMF conditionality; Japanese emulation
Taiwan	Gradual, confrontational	Good	Partial control of corruption preceded pluralism	Stagnant	Important American assistance in the past
Uruguay	Gradual	Good (highest literacy rate in Latin America)	Control of corruption preceded pluralism	Positive	European influence always important, European descent

Across the contemporary achievers, control of corruption was reached by changes in no less than three dimensions of the model. The legal constraints developed gradually and following changes in the balance of power and other good governance policies – even in Chile, the best-placed achiever, people do not credit the judiciary for control of corruption and do not trust it in full. The anticorruption institutional equipment in these countries is quite varied. Only Botswana has an agency which prosecutes anticorruption, but no Freedom of Information Act; all other countries have FOIAs. Some, however, were adopted fairly late and therefore have had

a negligible impact on control of corruption measures thus far (e.g., Chile). Audit and controlling institutions carry some weight in Chile, Uruguay, Taiwan, and South Korea. Having an autonomous, merit-based, and prosperous civil service prior to democratization was a positive factor in all but the post-Soviet cases that had to do without and therefore replaced nearly all civil servants from Soviet times. All countries had some type of anticorruption policy coordination committee with no direct prosecution power; these may have played a role in the formulation of cohesive control of corruption policies but no clear evidence exists.

Liberal economic policies with simplified taxation systems and low levels of red tape played a role in five cases: Estonia, Georgia, Chile, Botswana, and South Korea. Democratization played an important and positive role everywhere: corruption was high on the public agenda and candidates had to champion integrity, sometimes to their peril, as in the Taiwan case. The seven cases examined here have presidential, semi-presidential, or parliamentary systems (Estonia, Uruguay), all possible types of electoral systems and legislature organization, different types of party financing legislation (party financing is actually still a sensitive area in most of them), and varying types of judicial organization. In almost all the selected cases, the executives are strong compared to the other tiers of government: if power discretion is low, it is mostly due to strong accountability mechanisms and a functioning system of checks and balances, but these states are not federal.

Press freedom and collective action by civil society played a considerable role in all these countries, except Botswana and including Georgia, where civil society's roots are still fairly superficial. In South Korea and Estonia, the role of civil society seems to have been greater than elsewhere: Estonia's governing elite is its former civil society opposition from Soviet times.

Media pressure is a key factor, but the media itself seems to have sustainability problems in some of these cases. Political leaders played a role everywhere, except in Uruguay where its recent transformation was so gradual – however, Uruguay now has a model president for anticorruption, one who lives in his old apartment and drives in his old Beetle to the office. The tenure of a successful anticorruption leader needs to be short in order to avoid the onset of favoritism and disillusionment.

Contemporary achievers have managed their performance at different speeds and by different paths, but all cases confirm that progress is only achieved through a change in the equilibrium involving all four dimensions (see also Mungiu-Pippidi et al. 2011). Some arrived at control of corruption over decades of gradual build-up, others mixed gradual evolution with big-bang approaches. Half of the selected countries built control of corruption on the rule of law and sound economic policy inherited from a previous authoritarian regime; half started with pluralism and competition for power and then turned to control of corruption. Most of them have a reasonable fit to the basic modernization model, and some, like Estonia and Uruguay, have an excellent fit. This makes those cases distant from the model – such as Georgia – quite remarkable indeed. A stake in and commitment to change from some part of the elite, either political or professional, was essential. While crises and existential threats (present in the post-Soviet and Asian cases) occasionally provide a window of opportunity to move to another norm of governance, and popular demand helps to challenge the existing governance order, the sustainability of control of corruption is due to elite groups who become committed to changing the status quo either by a buildup of critical mass (as in Uruguay and Estonia) or by using their disproportionate power (as in Chile and Georgia) in politics, the legal profession, civil

society, and the media. How these evolutions are achieved would need far more detailed process tracing than this chapter can allow and would certainly deserve a whole book in themselves. But the cases do teach us important lessons even at a more summary reading. All these cases overperform their modernization goodness of fit, although none of them is presently a poor country. And it is telling that Slovenia, which started on the top with an income close to nearby Austria and a large middle class, ends being a questionable achiever. Leaders and groups in society emulating a clear governance model, sometimes with help and guidance from the countries they were emulating, changed the governance in their countries, profiting from further legitimacy and prosperity. Other reasons for growth might exist in this interval – but as even the history of these cases shows, nothing sustains better growth than a gradual buildup of ethical universalism as one's governance principle.