Can corruption be the reason for civil unrest and uprising in young democracies?

Final paper for Quality of Government Course

Oleksandra Kryshtapovych

3 556 words

Table of Contents

[Introduction 3](#_Toc451354183)

[Young democracies are in particular risk 4](#_Toc451354184)

[Necessary conditions and social attitudes 6](#_Toc451354185)

[Fighting for an idea – grassroots mobilization 7](#_Toc451354186)

[Driving force for anti-corruption protest 8](#_Toc451354187)

[Conclusions 8](#_Toc451354188)

[Avenues for further research 9](#_Toc451354189)

[Reference 10](#_Toc451354190)

# Introduction

The literature on quality of government generally refers to three large groups of research problems. One is focused on causes and reasons for bad/good governance and economic consequences thereof. Another bunch of the literature is investigating citizen’s perception of corruption in different settings, such as developed and developing countries, autocracies or democracies etc. Third large chunk of literature focuses on possible ways of decreasing corruption, where principal-agent theory is highly criticized, but still dominant. Not much of the literature, however, directly addresses impact of corruption on social processes and its role in political changes.

Synthesizing some of the findings from all three groups of literature, I will try to find a theoretical answer whether corruption can be a cause of civil unrest even in middle-income country characterized as democratic, without significant ethnic or religious fractionalization, and not engaged in violent cross-border conflicts[[1]](#footnote-1). This question is inspired by the “Revolution of Dignity” in Ukraine in 2013-2014, which was characterized by significant grass-roots mobilization and anti-corruption slogans. This is a relatively new type of uprising – not against autocratic leaders like Arab Spring, but more against corrupt government that captured the power in a democratic country (that has competitive elections).

I will look at the situation from the perspective of the power balance in young democracies and citizen’s reaction to it. This will be a small contribution of this paper to the literature, because, to my knowledge, social scientists look either at the state, elites or citizens, rarely building a chain of their reaction on each other’s action. From a practical point, if there is a confirmation of such an assumption in the literature, further research on possible indicators of corruption-induced civil unrest can be fulfilled as well as it may be used as an argument for governments to curb corruption, because in this case social benefit will also be converted into self-interest of the government, which may prove useful as per social norms diffusion strategy (Finnemore and Sikkink, 1998).

The paper is organized in “building blocks”. First, I will explain why young democracies are specifically in a “risk group” following argument of Keefer (2007) and crucial role of public goods provision in keeping internal peace (Taydas and Peksen, 2012). Then, I will briefly examine variations of social attitudes to particularistic policies following Mungiu-Pippidi (2006, 2013) and will put them in the context of a young democracy. Finally, I will examine patterns of reaction of civil society to corruption and under which conditions it may act, inspired by several papers on civil wars and citizens’ demand for punishment of corruption activity. Finally, I will summarize the literature around main assumptions and provide possible avenues for future research.

# Young democracies are in particular risk

Keefer (2007) finds that there is a correlation between the age of democracy and its performance on various corruption indicators. By “democracy” he understands that states hold competitive elections, which allows him to compare a wide range of different democracies and control for types of institutions and social fractionalization. He finds that ability of a democracy to provide public goods to the citizens on a universalistic basis grows with the age of democracy and that young democracies provide more targeted goods (for the elite, to secure voters’ support), less of non-targeted goods intended for wider population (health, education), are highly corrupt and exhibit less rule of law. He argues that such performance is the result of the inability of politicians in young democracies to make credible pre-electoral promises to broad groups of voters, which in part is explained by the fact that it takes time to build reputation. This has an effect of inertia: in order to secure support of at least some part of voters, politicians chose to be engaged in clientelist relations with smaller, but more influential groups of voters (patrons), and do this from election to election, because it is also cheaper than trying to reach wider audience. This causes distortion in provision of public goods, which Mungiu-Pippidi (2006) also calls particularistic policies, and subsequent division of society into ruling elite and citizens.

Theoretical model by Acemoglu and Robinson (2008) is helpful in understanding the dynamics of power between the elite and citizens in states that are “young democracies” according to Keefer (2007). By introducing the difference between de-facto and de-jure political power into the constant competition between the citizens (they are many and face collective action dilemma) and elite (as there are less of them, even numerous elite groups are generally better at solving collective action problems than citizens, and as groups they have a lot to gain from remaining in power), they explain persistence of economic institutions favoring the powerful minority. Moreover, they show that in case of change in political institutions providing more de-jure power to citizens (democratization), elites have more incentives to retain their de-facto power in both economic and political institutions. This is in line with the assumption that political power is determined not only by de-jure allocation of power, but also de-facto power distribution, which also depends on economic power (ownership of resources, labour, capital, production etc). Consequently, societies, where de-facto political and economic power is concentrated in the hands of elites, despite that de-jure power belongs to citizens, are labeled “captured democracies”. Synthesizing characteristics of young and captured democracies, one may arrive at a conclusion that the problem of young democracies is that they are de-facto captured by elites, and this also explains why they don’t provide public goods on a universal basis.

Combining arguments by Keefer (2007) and Acemoglu and Robinson (2008), it becomes clear that particularistic policies (which include corruption, but also clientilism and favoritism) are *systemic* characteristics of young democracies. Mungiu-Pippidi (2006) provides a definition for the phenomenon:

*“particularism” –* amode of social organization characterized by the regular distribution of public goods on a nonuniversalistic basis that mirrors the vicious distribution of power within such societies (p. 86)”.

Thus “young democracy” is a political regime, where de-facto power over distribution of public goods is captured by the elites, conducting particularistic policies, as a consequence of such power capture.

This characteristic feature of young democracies puts them at a particular risk of civil uprising and violence, because non-provision of public goods in a universal manner diminishes governments’ credibility in view of the wider population (Bueno de Mesquita et al., 2003). A historical example of this mechanism was discussed by Acemoglu and Robinson (2000), who argued that government’s fulfilled commitment to redistribute public goods to the poor was the instrument that allowed the West rulers in 19th century to secure their legitimacy and prevent revolutions. It is because governments are regarded as worthy of support, i.e. credible and legitimate, if they make decisions and policies that allow especially the poorest to receive services and goods they value. If government is successful in this activity, it can expect compliance with its regulations even without resorting to coercion (Taydas and Peksen, 2012). On the contrary, if the state fails to perform the tasks that are seen by its citizens as fundamental, it hurts government’s credibility and decreases its chances of remaining in power, and even can lead to political violence (Azam, 2001). As we discussed earlier, young democracies are specifically known for particularistic policies, and this makes them vulnerable to social unrest. According to the logic of Bueno de Mesquita et al. (2003) who argues that citizens evaluate government performance based on satisfaction of their self-interested needs, provision of a range of widely-available public goods can strengthen the relations between the government and the people, which enhances power base of the regime. Taydas and Peksen (2012) add that it is social (welfare) spending policies that show citizens how much the state cares about them and their needs. They go further to develop their argument through empirical cross-country time-series study of relation between welfare spending and civil war onset. Their findings outline strong correlation between amount of welfare spending and onset of civil war. Despite checks for robustness, there is a flow in their paper, which may be decisive in explaining uprisings in young democracies. Taydas and Peksen (2012) use data on welfare spending from official government resources, which means they only cover “input” side: i.e. how much money was allocated to social spending in the budget. Without doubting their general result, I would argue that it doesn’t account for situations that are particular for young democracies: enormous welfare budgets “dissolve” while being channeled through corrupt government structure and thus they don’t reach the recipients in the initially intended amount. Such extensive rent-seeking reduces the amount of government revenue actually used for welfare spending, which consequently limits the recipient base and thus decreases amount of its supporters (Bueno de Mesquita et al., 2003). Concluding this part, young democracies are in a particular risk for civil uprising because their inability to provide public goods to wider groups of citizens diminishes their credibility in the eyes of their constituencies. This situation takes place because of the distorted balance between de-facto and de-jure power of elites and citizens, which allows existence of economic institutions catering towards extensive rent-seeking by elites. It also explains why even if welfare spending is decent, the output on the recipient side is not necessarily satisfying citizen’s demand, therefore undermining government’s credibility.

# Necessary conditions and social attitudes

It is widely known that for chemical reactions to happen, besides the ingredients, the experiment requires certain conditions. Looking at young democracies, one may conclude that according to theoretical research and some available, though not in abundance, empirical studies, they possess the “ingredients” for the civil uprising (diminished credibility due to failure to fulfill commitments). Below I will describe possible conditions, which could make “reaction” happen.

So far we have been looking at the state organization of young democracies, but trying to explain and possibly predict civil uprising, one should pay attention to the civil society in such countries and their attitudes towards particularistic government policies.

Several types of attitudes to particularism were examined by Mungiu-Pippidi (2006, 2013) in an attempt to explain why anticorruption efforts fail more often than succeed. Basically, she finds that a context for anticorruption policies will determine their chances for success, and this “context” is the social attitude to particularism. According to her, in a particularistic society selective provision of public goods is viewed as a norm. Moreover, it is viewed as illogical, if someone in power is not using it to benefit his political allies or personal network. This assumption found its empirical confirmation in examination of Liberia’s internal politics (Funaki and Glencorse, 2014). However, this may not be fully the case for young democracies. As long as these regimes were established as a result of change from autocratic regimes (e.g. post-Soviet countries, post-colonial African countries and Latin American post-dictatorship states), there will be several competing elites, which will try to pursue particularistic policies towards their patrons. This type of policies is labeled “competitive particularism” by Mungiu-Pippidi (2006) and the reasons for them were explained earlier. The main difference, according to her, is in the people’s attitudes in such societies: having gone through change of regime, they are less likely to tolerate particularism than in purely particularistic societies, and demand accountability through more transparency, support for free press, increased participation in election. These demands, however, may be not successful due to power imbalances (Keefer, 2007), but also due to unintended consequences. One of the striking findings that may explain why, for example, in Ukraine, long-time awareness of people about corruption, resulted in uprising only after some 20 years of independence and democracy, is high level of transparency about corrupt acts. As Bauhr and Grimes (2014) show, more transparency in highly corrupt societies actually reduces demand for accountability. The mechanism is theoretically explained by Mungiu-Pippidi (2006) as cost/benefit dilemma: if people know how deeply corrupt the system is and that they realize that immediate costs of opposing it are much higher than costs associated with participating in it, they will chose to participate, although knowing it is not ethical or good. Unaccountable behavior of rulers justifies similar behavior of citizens thus corruption becomes endemic and viewed as unavoidable (Mungiu-Pippidi, 2006). Especially if particularistic society is “open”, i.e. provides some opportunities for upward movement such as marriage or work for ruling elite, the opposition is less likely to be strong (Mungiu-Pippidi, 2013). Bauhr and Grimes (2014) call this reaction a “resignation”. In their model, they also touch upon a situation where society actually protests against corruption. Earlier studies by Grimes (2008) point that citizens may demand improvement of quality of government through accountability mechanisms by engaging in contestation of government policies and organizing in order to represent public interests, i.e. resort to “indignation”. She surveys successful cases when civil society managed to hold officials accountable of the abuse of power for public gains.

In my opinion, these studies explain why people act or don’t act against the cases of corruption understood as abuse of power for the private gain. This may explain, why despite a lot of information about corrupt officials in the media in Ukraine within the first 15 years of independence, there was no significant protest.

The very different picture may be drawn, if we consider that citizens start realizing that corruption is a systemic issue, a sign of their loss against elites in the power game.

One of the options for the people may be to turn to civil society activists and organizations. Beyond often cited problems of collective action, a new explanation from the analysis of civil society organizations landscape in the post-USSR countries may be more informing. Ishkanian (2014) introduces the term “engineered civil society”, meaning that after gaining independence, post-Soviet countries introduced West-style democracies, which allowed international donors to support creation of civil society organizations: on one side, they were in line with social demand for government’s accountability, on the other side, due to lack of grassroots experience, it were donors who determined the agenda, and by 2000s such NGOs received a reputation of being closed and far from the general public’s needs.

Such social attitude to civil society organizations together with little trust in government institutions, deprived people of the majority of instruments developed countries have to impose checks and balances on their governments.

# Fighting for an idea – grassroots mobilization

Another perspective, helping to explain why corruption could be a reason for uprising comes from the ideational theories in politics. As Liebermann (2002) puts it, unlike institutional theories that put more emphasis on structure over agency, ideational theories look at the motives and values that are relevant to certain society and actors in particular. Moreover, they don’t take these motives and values as given, suggesting that “human agency can defy the constraints of political and social structures and create new political possibilities” (Lieberman, 2002, p. 698). This happens because actors’ perception of their own role in the change evolves with the time and under certain political conditions, like those in the young democracies. Indeed, in a situation where there is no credible structured actor to turn to (corrupt legal system and engineered civil society), but understanding of improper citizen-elite power balance is present, new norms and values are likely to appear from agents of change (Finnemore and Skikkink,1998). Ishkanian (2014) also explains social unrest in Ukraine and Armenia starting from 2000s by this grassroots mobilization. She argues that this type of civil society is different from “engineered” one due to its focus on local and regional social problems, which under further scrutiny, turn out to be the direct consequences of systemic corruption. He even goes on to say that corruption was the cause of larger uprisings like in 2004 in Ukraine[[2]](#footnote-2).

# Driving force for anti-corruption protest

Changed perception of own role and a situation of ‘captured democracy’ make citizens look for the ways out. Assessing the situation from the ‘classical’ game theory approach, where there is a prisoner’s dilemma of collective action, suggests that citizens will most likely accommodate or try to join the corrupt elite (Mungiu-Pippidi, 2006, 2013). But a newer research and economic experiment by Yap (2014) proposes another mode for analyzing the situation – a stag-hunt game. According to the game, hunters have two options: collectively hunt a stag, while giving up on hare, or individually hunt a hare. There is no guarantee that joined forces will help to hunt a stag, but at the same time it is guaranteed that decision to hunt a stag will mean no hare for each individually. Two types of equilibrium are possible in this game: risk-dominant equilibrium, where each decides to hunt a hare (and get less than they could if hunted stag together), and payoff-dominant equilibrium, where all hunt stag. The prediction of the model related to the citizens’ demand for punishment of corruption, is that in the presence of high payoff people will overcome coordination issue and demand punishment for corruption in a concerted manner. She tests this assumption through economic experiment with students in the USA and Australia, countries, known for their individualism, and arrives at confirmation of this model. This experiment also produced interesting result that people demand punishment ofr corruption even if themselves they were not victims of it.

Put into the situation of young democracies, with their characteristics described above and when ‘windows’ to join the corrupt elite are already closed, it is possible to predict that citizens will turn to payoff-equilibrium, because previous risk-dominant strategies didn’t bring enough benefits or protection from the corrupt elites.

# Conclusions

In this paper I was trying to understand if corruption could cause social uprising in a peaceful and democratic country, and this question originated from my own witnessing of the “Revolution of Dignity” in Ukraine. I was also investigating what particular conditions and attitudes could be responsible for igniting such uprising in order to potentially be able to predict similar events in other young democracies.

My paper is inspired by Taydas and Peksen (2012) who outline connection between welfare spending and civil war onset, but builds on it arguing that it is not enough to maintain certain welfare spending, but people should perceive it as impartial and non-corrupt (contrary to particularism in young democracies), otherwise spending itself will not secure peace. Particularistic policies are not able to secure government large support for its credibility (Bueno de Mesquita et al., 2003), with important addition that this statement is relevant in the context of “competitive particularism”, when citizens no longer tolerate corruption (Mungiu-Pippidi, 2006). This is important, because context is critical for action from the citizens, which, according to Mungiu-Pippidi (2013), is based on the instruments they have to mitigate the elite superiority over themselves: protest (fight), become a part of elite or be worse off.

When there are no more opportunities to accommodate (‘windows’ to join the elite are closed) and citizens start realizing that they are losing power game in the long term, their reactions will be predicted by a stag-hunt rather than a prisoner’s dilemma approach. Unfair and particularistic distribution of public goods, according to experiment (Yap, 2014), will cause concerted action from the citizens, and not just those who are worse off, but even those that only observe it. Such concerted action could be transformed into movement of civil society organizations or trials. But when NGOs are perceived by the population as ‘engineered’ (Ishkanian, 2014) and legal system is corrupt, concerted action is likely to result in the grass-roots protest against corruption.

# Avenues for further research

Of course, these were theoretical assumptions driven from several sets of literature, which itself is not connected to each other. Therefore empirical analysis, for example, case study of the Ukrainian revolution, could help test these assumptions. The case study should include analysis of power balance in citizen-elite competition, opportunities to join the elite, corruption perception indexes including ease of doing business, and indicators on trust in civil society organizations. This could be done both through quantitative analysis (indexes), but also survey of country experts.

Some data from a randomly selected young democracy – Botswana (Afrobarometer, 2012) – suggests that certain indicators are possible to be used for prediction, like satisfaction with government performance, with democracy, low trust in opposition, increasing corruption prevalence perception etc. There may, however, be other important indicator – social attitudes to corruption (whether it is seen as inevitable evil or systemic failure and a sign of that elites ‘overplayed’ citizens in the power game), the difference that can turn a ‘prisoner’s dilemma’ to a stag-hunt game, where citizens actually cooperate in demand for punishment of corruption.

The analysis of protest participants’ profile would be an interesting addition, because it wasn’t the poorest people who protested: ca. 40% were ‘blue’ and ‘white collars’ with higher education (Polishchuk, 2013). Literature on the influence of education on corruption levels could help explain this, because citizens with education and certain social status were first to realize their losses in the power game. This assumption, however, must be rigorously tested.

# Reference

Acemoglu, D. and J. Robinson. 2008. “Persistence of Power, Elites and Institutions” American Economic Review 98(1): 267–293.

Acemoglu, Daron and James A Robinson. 2000. Why did the West extend franchise? Democracy, inequality and growth in historical perspective. Quarterly Journal of Economics 115(4): 1167–1199.

Afrobarometer. 2012. Survey in Botswana: Summary of Results. Round 5

Azam, Jean-Paul. 2001. The redistributive state and conflicts in Africa. Journal of Peace Research 38(4): 429–444.

Bauhr, Monika and Grimes, Marcia. 2014. Indignation or Resignation: The Implications of Transparency for Societal Accountability. Governance 27(2): 291-320.

Bueno de Mesquita, Bruce; Alastair Smith, Randolph M. Siverson and James D Morrow. 2003.The Logic of Political Survival. Cambridge, MA: MIT Press.

Finnemore, M. and Sikkink K. 1998. International Norm Dynamics and Political Change. International Organization. 52(4): 87-917.

Funaki, Y. and Glencorse, B. 2014. Anti-Corruption or Accountability? International Efforts in Post-Conflict Liberia Third World Quarterly 35(5): 836-854.

Grimes, M. 2008. The conditions of successful civil society involvement in combating corruption: A survey of case study evidence. QoG Working Paper Series, 22.

Ishkanian, A. 2014. Engineered civil society: the impact of 20 years of democracy promotion on civil society development in the former Soviet countries In: Beichelt, Timm and Hahn, Irene and Schimmelfennig, Frank, (eds.) Civil society and democracy promotion. Challenges to democracy in the 21st century . Palgrave Macmillan, Basingstoke, UK, 150-170

Keefer Philip. 2007. “Clientelism, Credibility, and the Policy Choices of Young Democracies” American Journal of Political Science 51(3): 433-448.

Lieberman, R. C. 2002. Ideas, institutions, and political order: Explaining political change. American political science review, 96(04), 697-712.

Mungiu-Pippidi, Alina. 2006. Corruption: Diagnosis and Treatment. Journal of Democracy 17 (3): 86-99.

Mungiu-Pippidi, Alina. 2013. Controlling Corruption through Collective Action. Journal of Democracy 24 (1): 101-115.

Polishchuk N. 2013. The Face of Euromaidan (social portrait of protest participants). Available at: <http://infolight.org.ua/content/oblichchya-ievromaydanu-socialniy-portret-uchasnikiv-protestiv> (in Ukrainian)

Taydas, Z., and Peksen, D. 2012. Can states buy peace? Social welfare spending and civil conflicts. Journal of Peace Research, 49(2), 273-287.

Yap, O. F. 2013. When do Citizens Demand Punishment of Corruption?.Australian Journal of Political Science, 48(1), 57-70.

1. This paper was written in March 2015, before the military crisis in the East of Ukraine broke out. [↑](#footnote-ref-1)
2. The book was published in 2014, but it was written in 2013, that’s why the author did not relate to the “Revolution of Dignity” in Ukraine. [↑](#footnote-ref-2)