Questionable Assumptions and Unintended Consequences: A Critical Assessment of the International Donor Community's Fight against Corruption in Sub-Saharan Africa

By

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Declaration

I certify that the thesis I have presented for examination for the MPhil/PhD degree of the London School of Economics and Political Science is solely my own work.

I warrant that this authorization does not, to the best of my belief, infringe the rights of any third party.

I declare that my thesis consists of 53 163 words.

Abstract

Following 15 years of high policy attention to curbing corruption in developing countries, this thesis concerns the effects of polices induced by the international donor community on curbing corruption in sub-Saharan Africa. I approach this question by assessing, in three stand-alone empirical chapters, the effects increased political competition, economic liberalisation, and the use of judicial punishment for corruption-related crimes have had on curbing corruption in sub-Saharan Africa.

In the first empirical chapter, I assess the effect on corruption from increased political competition following the third wave of democratisation. While popular theories propose that political competition helps curb corruption by inducing political accountability, I find instead, in the sub-Saharan African context that in times of tense political competition the incumbent ensures his victory by buying the loyalty of the elite through distributing state resources for private means. This prebendal politics is, in turn, associated with higher levels of corruption. In the second empirical chapter, which concerns economic liberalisation and its effect on corruption, I ask what happens to corruption as the formal institutions governing the market change. Using insights from a case study on Rwanda, I find that corruption transforms rather than disappears in the advent of economic liberalisation. The third empirical chapter concerns the use of punishment for corruption-related crimes. By using politically contextualised information on prosecutions, I find that such anti-corruption interventions risk being used for political ends instead of curbing high level impunity.

The overarching conclusion from this research endeavour is that corruption in the sub-Saharan African context has a political function which makes the reforms prescribed by the donor community difficult, or illogical, to fully comply with. The political functionality of corruption must therefore constitute the analytical cornerstone when developing anti-corruption policies in order to set realistic expectations and avoid unintended consequences.

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Contents

List of Tables

List of Figures

1. An International Donor Community at War with Corruption

"*And let's not mince words: we need to deal with the cancer of corruption*." (James Wolfensohn, President of the World Bank Group, 1996).[1]

This quote represents the beginnings of the international donor community's anti-corruption agenda: a policy agenda that has grown considerably over the past 15 years, and which rests on the conviction that corruption, most commonly defined as the abuse of public office for private gain, is "among the greatest obstacles to economic and social development."[2] This conviction is, in turn, supported by the plethora of recent academic research that empirically assesses the consequences of corruption. Corruption is found to impede economic development by reducing economic growth (Erlich and Lui, 1999; Poirson, 1998; Dreher and Herzfeld, 2005). It does so via different mechanisms, such as acting as a tax for firms and thereby decreases private investment (Mauro, 1995; Svensson, 2003; Fisman and Svensson, 2007). Corruption is also found to obstruct a country's economic growth via the misallocation of public resources (Tanzi and Davoodi, 1997). Lastly, Gupta et al. (2002) find in their cross-country analysis that a higher level of corruption is associated with a higher rate of poverty and a higher degree of economic inequality. In sum, high levels of corruption are found to have negative effects on just about every development-related indicator.

The core of this thesis consists of three stand-alone empirical research chapters. In each of these three chapters, I empirically assess, from the political context of sub-Saharan African countries, the theoretical underpinnings of one conventional policy intended to curb corruption. In chapter 3, titled 'Winning Elections with Grand Corruption in Sub-Saharan Africa', I empirically assess the effect on corruption from an increase in political competition induced by multi-party democratisation. In chapter 4, titled 'Coffee and Corruption: Economic Liberalisation and the Transformation of Political Corruption in Rwanda', I assess the effect on corruption from a decrease in state intervention in the economy induced by economic liberalisation. Both political liberalisation and economic liberalisation constitute

[1] Address to the Board of Governors (1 October 1996).
[2] http://go.worldbank.org/JF938Z5CU0 (Website last accessed on 6 April, 2011).

cornerstones in the international donor community's fight against corruption. Finally, in chapter 5, titled 'Catching the 'Big Fish': The (Ab)Use of Corruption-Related Prosecutions across Sub-Saharan Africa', I assess the effect of fighting corruption through the use of judicial punishment. While each of the three thesis chapters has its own narrow research question, theoretical discussion, testable hypotheses, and applied research methods, what links the different chapters in this thesis at the broadest level is the exclusive focus on corruption in sub-Saharan Africa.

The overarching research question in this thesis concerns the effects of the anti-corruption policies induced by the international donor community. Simply put: do they help curb corruption in the sub-Saharan African political context or not? A related research question that is implicitly addressed in each of the empirical chapters concerns the validity of the largely apolitical policy approach used by the international donor community to curb corruption in sub-Saharan Africa. More broadly, this question concerns the relevance of theories originating from the experiences of Western liberal democracies in the fight against corruption in the sub-Saharan African political context.

At large, my theoretical contribution to the academic literature on corruption comes from the serious attention I give to the political functionality of corruption in the context of sub-Saharan Africa. By focusing on the political raison d'être of corruption, and how it is connected to the way in which politics is conducted in sub-Saharan Africa, this thesis contributes to a better understanding of why African leaders may not want to fully comply with the international donor community's anti-corruption policies in the first place, and when they do, this may have unintended consequences. I also contribute to the empirical literature on corruption by using original research methods, non-conventional data on corruption, and by bridging disciplinary divides in the corruption literature. Lastly, since the thesis is linked together by the international donor community's anti-corruption agenda, it makes the research project timely and relevant to a non-academic audience of development policy-makers and practitioners.

I start the thesis introduction by presenting the international donor community's anti-corruption agenda and provide examples of how this agenda has played out in the

African context. In section 1.2, I provide a discussion about the apolitical and neo-liberal assumptions and policy parameters of the international anti-corruption agenda. Finally, in section 1.3, I provide a justification for my explicit focus on the sub-Saharan African regions and present a theoretical framework of how to view corruption in the region from a political perspective. This theoretical framework, being heavily influenced by the literature on African neopatrimonialism, stands in stark contrast to the previously presented anti-corruption focus by the international donor community and exemplifies the theoretical debates that I address in the subsequent empirical chapters.

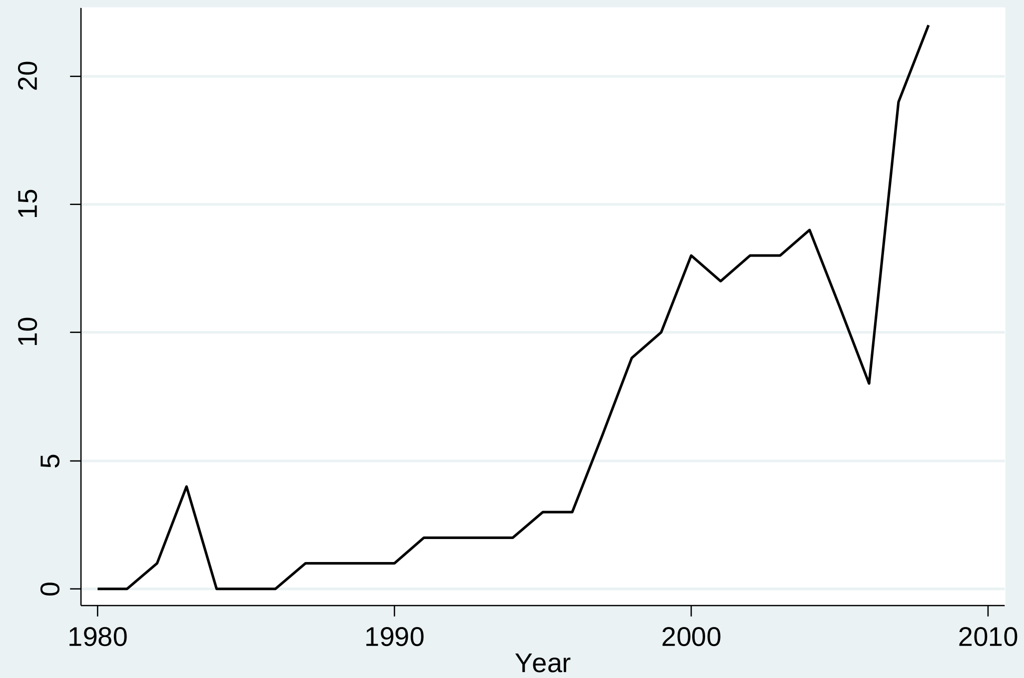
1.1 A heightened attention to corruption

In the late 1980s and early 1990s the international development discourse became increasingly preoccupied with the quality of political and economic governance systems in developing countries. This coincided with the end of the Cold War, which brought to light a new political reality where international aid was no longer required to prop up dictators for political reasons to the same extent as before. "There was no longer a geopolitical counterweight in the East to Western demands for economic liberalisation and political democratisation." (Weiss, 2000:799). For the World Bank, the new focus on governance became a way to re-invent itself with a human face after the apparent failure of structural adjustment's narrow focus on the market and minimalist attention to the role of governments (Marquette, 2003:53-54). The 'good governance agenda' is, in turn, the predecessor and umbrella under which the anti-corruption agenda sits.

Curbing corruption emerged as a priority issue in development policy in the mid-1990s on top of the good governance agenda. The then President of the World Bank officially started the anti-corruption crusade in 1996 by stating, in a speech, the Bank's need to tackle the 'cancer of corruption' (Wolfensohn, 1996). In 1997 the Bank published its first report of corruption titled 'Helping Countries Combat Corruption: The Role of the World Bank'. From the preface of this report, Wolfensohn reiterated his strong message about the new focus on corruption by writing: "The international community simply must deal with the cancer of corruption, because it is a major barrier to sustainable and equitable development… The time for action is now."

Burnside and Dollar's (1997) controversial research finding, which implied that only countries with good quality of governance are able to reap the benefits of development aid, increased the determination of the international donor community to work on promoting good governance. The World Development Report from 1997, for example, states that "only in a good policy environment will foreign aid have an impact on growth." (World Bank, 1997:140). The new anti-corruption agenda was therefore quickly transferred to the rest of the international community, and in the 1990s and early 2000s several international and regional conventions against corruption entered into force.

Figure 1.1: Corruption - from taboo to top priority

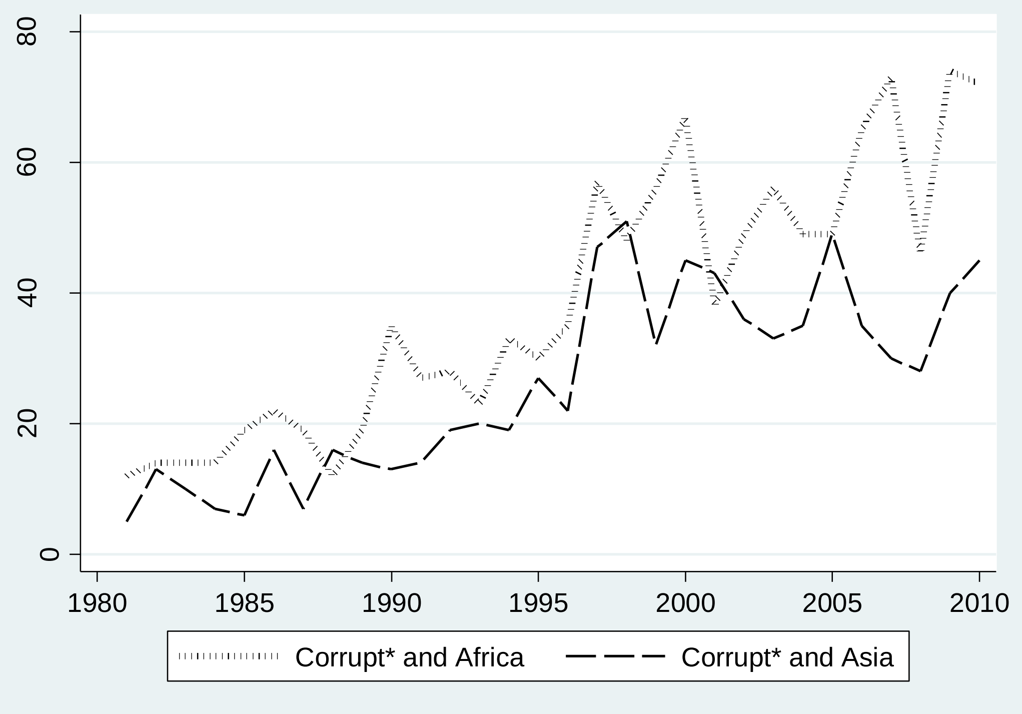


Note: Figure 1.1 shows the percentage per year of World Bank publications in English that respond to the search keyword 'corrupt*'. Author's calculation. Source: World Bank online publications database.

A simple search of the World Bank's online publications database clearly shows this heightened focus on corruption. Figure 1.1 above shows the percentage of all World Bank publications per year in English that come up when using 'corrupt*' as the search keyword. The figure shows how corruption entered into focus in the mid-1990s and that 22 percent of all World Bank publications in English published in 2008 contained some form of the word ‘corruption’.

The greater international attention to corruption can also be seen in terms of media coverage of the issue. Figure 1.2 below shows the hits per year of a search in The New York Times’ archive using the search keywords ‘corrupt* and Africa’ and ‘corrupt* and Asia’. While corruption was reported on prior to the mid-1990s, recent years have seen a large increase in the articles mentioning corruption. In addition, the number of hits for the African region has increased more than the hits for Asia in recent years.

Figure 1.2: Media attention to corruption



Note: Figure 1.2 shows the number of news articles per year responding to the search keyword ‘corrupt* and Africa’ and ‘corrupt* and Asia’, author’s calculation. Source: The New York Times’ online news archive.

A common reaction I get when I tell people that I am studying corruption in Africa is that such research will keep me busy, implying how notorious corruption is in the region. This is not a surprising reaction since corruption is one of the negative aspects often portrayed in media reports on African countries. This is expressed in the following words by an article on democratisation in Africa. “Imperfectly, reluctantly, tentatively, democracy is inching across a continent better known for wars, disease, corruption and repression.” (The New York Times, 2002, retrieved on 6 April 2011).

That fighting corruption is high on the policy agenda, as well as commonly associated with Africa, can also be seen from the discourse of Western politicians. The following quote provides an example of such a speech conducted during a visit to Africa.

> "Secretary of State Hillary Rodham Clinton sent a message of tough love to Nigeria on Wednesday, praising the country's strong military and showing public appreciation for its huge oil industry, but also harshly criticising the government for being corrupt… But when it came to corruption – and Nigeria is notoriously corrupt, from top ministers in the government to plump police officers on the street – Mrs Clinton took a decidedly different tone. She told a crowd of civic leaders that the reason so many millions of Nigerians were desperately poor, despite the nation's having so much oil, was "a failure of government at the federal, state and local level." (The New York Times, 2009, retrieved on 6 April 2011).

The international donor community's focus on corruption has not only changed the development discourse of Western donors but has also affected donor-recipient relations. The good governance and anti-corruption agendas have resulted in the freezing and suspending of aid projects; attachment of anti-corruption and governance-focused conditionalities to aid packages; and the consideration of corruption indicators in the selection of eligible recipient countries. The most extreme case of using corruption in the aid selection process is the American donor agency, Millennium Challenge Corporation, which only gives aid to countries that score above median in the Control of Corruption Index, which is a cross-country corruption index annually published by the World Bank as part of its Governance Indicators (Herrling and Rose, 2007).

The anti-corruption agenda has been widely applied across sub-Saharan Africa. Corruption in Africa was, in fact, central to the initiation of the anti-corruption agenda as the continent's lack of development, despite structural adjustment, prompted the search for a new development paradigm (Polzer, 2001:2). By now, anti-corruption projects represent a large and increasing share of aid to the sub-continent (Bryane, 2004; Harrison, 2004:241). For example, of those seven Western bilateral donors that are part of the U4 Anti-corruption Resource Centre and whose anti-corruption projects are reported on the U4 website, 154 out of a total 317 reported projects had been undertaken in Africa (U4 project database online, last accessed on 6 April 2011).

This heightened attention to corruption from the international community is mirrored in the rhetoric of African leaders. From analysing publicly available presidential speeches from across sub-Saharan Africa, I find clear evidence that these leaders have responded to the fact that corruption is high on the international development policy agenda. Firstly, to mention corruption is far from taboo and various leaders often include references to corruption and their fight against it, for different audiences, and in different contexts. Fighting corruption is clearly something these leaders need to be seen doing. The rhetoric with regard to corruption has certain commonalities. The political leaders are generous in their use of strong language, such as 'war against corruption'; 'crusade against corruption', and 'zero tolerance against corruption'. Another rhetorical commonality is for the presidents to highlight that they themselves, and their governments, are committed to the fight and, while their societies were burdened by extensive corruption during previous governments, their governments have been able to show progress in the war against corruption. The quote below from a speech by Tanzania's President, Jakaya Kikwete, provides a good example of these rhetorical commonalities.

> "With regards to the fight against corruption, I must admit it is a complicated and challenging one. Nonetheless, we are *making steady progress* and registering some success as we proceed. We are *determined to stay the course*. We are succeeding in building institutional capacity of our Anti-Corruption Bureau. Sensitisation of people to join and assist this *noble crusade* seems to be working and paying dividend. We have, now, sixteen cases of grand corruption in the courts of law which underscores our *determination in this fight* and *how far we have come*. Our efforts are being acknowledged globally. The recent report of Transparency International puts Tanzania ahead in the Eastern African region in the fight against corruption and so does the Mo Ibrahim Index on Governance." (Kikwete, 2009, my italics).

While evidence of progress in the fight against corruption in this case was supported by international comparisons, evidence of progress can also be supported by denigrating former governments once a new leader has come to power. This rhetorical technique was used by Nigeria's President, Olusegun Obasanjo, after he came to power in 1999 as shown in the following quote found in an early presidential speech.

> "And to cap it all, there was Corruption! Corruption! And Corruption! Everywhere and all the time! Corruption was not only rife, it had eaten so deeply into the marrow of our existence that looters and fraudsters had become our heroes and it seemed we

> could no longer place any faith in honesty and decency and hard work." (Obasanjo, 2000).

That the fight against corruption is high on the political agenda and a priority area for citizens can be seen from the following quote from a speech by Kenya's President, Mwai Kibaki, made close to the national elections in 2007.

> "Mr Speaker, when we took over the leadership of this country, we identified corruption as one of the most serious obstacles to development. We therefore embarked on major legislative and administrative reforms to create a system that fights corruption in a sustainable way. In the last three years, we have made significant gains in the fight against graft." (Kibaki, 2006).

Lastly, many African leaders have used speeches to assure the public about their commitment to fighting corruption, both their personal commitment and that of their governments. The quote below from a speech by Olusegun Obasanjo stresses this determination to fight and win the war against corruption.

> "We need to renew our resolve to fight corruption to a standstill. My commitment here is total. And I repeat for all those who still have not got the message that it cannot be business as usual. Some of them have been reported to believe that my fight against corruption would run out of steam while I get exhausted. As long as God gives me strength, anyone waiting for Obasanjo to get tired will be waiting in vain – until he breathes his last breath." (Obasanjo, 2000).

These quotes from presidential speeches all highlight the fact that the internationally heightened attention to corruption has had an impact on policy agendas in sub-Saharan African countries.

1.2 An apolitical and neoliberal international anti-corruption agenda

In each of the three stand-alone empirical research chapters in this thesis, I assess the theoretical underpinnings of one conventional strategy to curb corruption: through democratisation; economic liberalisation; and judicial punishment for corruption-related crimes. However, in order to understand where these strategies come from, certain features of the anti-corruption agenda need to be further discussed. First, because the anti-corruption agenda originated from the World Bank it needed to be apolitical. Second, the timing and birthplace of the agenda meant that the agenda had, and continues to have, a strong linkage to neo-liberal ideology, and third, the empirical evidence base underpinning the policy agenda is predominantly made up of quantitative analyses that assume world-wide homogeneity.

Previous academic attention to corruption, especially in the 1960s, had seen the phenomenon of corruption in the light of societal power structures and thus based the understanding of the concept in the realm of politics (Leff, 1964; Nye, 1967; Huntington, 1968; Scott, 1969). In the 1990s, such political understanding of the corruption needed to be adapted to fit the World Bank's mandate of engaging in member states' economic considerations but not their political ones.[3] In accordance with the World Bank's apolitical charter, corruption therefore became understood, not as a political feature, but as a social and economic concept that could be dealt with through institutional strengthening (Marquette, 2003). The need for this conceptual transformation can be seen from the following quote which is taken from a speech given by the World Bank's President, James Wolfensohn, before a group of NGOs in 2000 where he explained how the Bank became interested in tackling corruption:

> "When I got to the Bank, the General Council called me in to give me my briefing on what I could do and what I could not do as President of the Bank. And he said the one thing you cannot do is to talk about the 'c' word. And I said what is the 'c' word? He said the 'c' word is corruption. And under the Charter of the Bank you are not allowed to talk about politics and corruption is politics." (Ibid:11).

The role played by President Wolfensohn appears to have been crucial, not only for bringing corruption to the highest attention at the World Bank, but also for transforming the concept of corruption and thereby set the parameters for the new international anti-corruption agenda. As the following quote from Wolfensohn states: "I visited a number of countries… and I decided that I would redefine the 'c' word not as a political issue but as something social and economic" (Krastev, 2004:21). Thereby, corruption was not about politics anymore. Instead, the Bank's apolitical anti-corruption agenda came to identify corruption as "a symptom of dysfunctional public sector institutions" (World Bank, 2000:21). Although being initiated in the

[3] IBRD Articles of Agreement, Article IV, Section 10 states that: "The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I."

World Bank, the anti-corruption agenda in its apolitical form spread to the entire international community. For example, in 2007 the governments of the OECD, represented by the ministers responsible for development aid, stated the importance of the idea that "corruption is a symptom of weak governance" (OECD, 2007:3). The de-politicised conceptualisation of corruption meant that corruption could be seen as a technical problem which, in turn, could be solved through donor-supplied technical assistance. As a consequence of this apolitical conceptualisation, donors' anti-corruption policies came to rest on the assumption that "politics is positive-sum: all agents can gain from governance reform." (Harrison, 2005:247).

That the international donor community's anti-corruption agenda rests on the assumption that all agents can gain from governance reform – that if reform brings about aggregate benefits, there is no need to be preoccupied with how the benefits are distributed – is perhaps the single most flawed assumption underpinning this policy agenda, especially seen in light of sub-Saharan African reform efforts. It avoids paying attention to reform winners and losers, or politics in general, and pushes the issues of corruption and anti-corruption into the technical realm.

In terms of ideological orientation, because the international anti-corruption agenda was born at the economics-focused World Bank in the era of neo-liberalism, it was naturally tainted by Washington consensus-type policy prescriptions (Harriss-White and White, 1996). Although the anti-corruption agenda had been ostensibly de-politicised, Harrison (2004:242) writes that the World Bank was in fact ideologically driven and "acted politically under the guise of governance doctrine, consolidating a neo-liberal grip and prosecuting the construction of liberal political processes within indebted African states." According to Riley (1998:129) "In the mid-1990s an international consensus in development discourse has emerged: democratisation, public sector down-sizing, and economic deregulation are desirable goals in themselves, but they also reduce the extensive corruption in monopolistic state agencies." In this neo-liberal and government-sceptical era, the causes of corruption became conventionally seen as economic and political monopoly structures as well as the lack of accountability, or as Klitgaard's (1988) highly influential equation stated 'corruption = monopoly + discretion – accountability'. Curbing corruption on an aggregate country level thus involves political and economic liberalisation and competition; and as a form of increasing accountability, judicial punishment for corruption-related crimes. These institutional changes have constituted the foundation for micro-level anti-corruption interventions as well as for policy conditionalities and political pressure from the donor community on a macro-level.

Lastly, in terms of validating the neo-liberal approach, the quantification of corruption, particularly by the Corruption Perceptions Index initiated by Transparency International in 1994, enabled the new policy agenda to be driven by statistical evidence. The Bank became the hub for research on corruption: a research that is "…economics-led and avoids, for the most part, directly addressing overtly political issues…" (Marquette, 2003:10). It also makes great use of cross-country regression analysis and assumes homogenous effects across the world. Thus, during the last 15 years a sea of empirical literature on what causes corruption to vary across countries has emerged and it is almost exclusively quantitative. The most seminal quantitative study among those that treat corruption as a dependent variable is Treisman's (2000) 'The Causes of Corruption: a Cross-National Study' which assesses 14 hypotheses on what correlates with levels of corruption across countries. According to Google Scholar, this work has been cited 1424 times (by 6 April 2011) and has greatly shaped both the corruption literature and what accounts for conventional wisdom about how corruption can be curbed.

In sum, the international donor community's anti-corruption agenda can be roughly summarised in the following way: it is apolitical and rests on the assumption that all agents can gain from governance reform. It furthers neoliberal policy prescriptions regardless of the context in which policies are applied, and its policy evidence base is largely made up of an empirical literature that is highly quantitative and rich in correlations but poor in the understanding of processes and political motivations behind corruption. In the next section, after justifying why I focus this thesis explicitly on sub-Saharan Africa, I will present a theoretical framework that explains how I believe corruption works in the sub-Saharan African political context, which is in stark contrast to how the phenomenon is understood in the international donor community's anti-corruption agenda.

1.3 A focus on corruption in sub-Saharan Africa

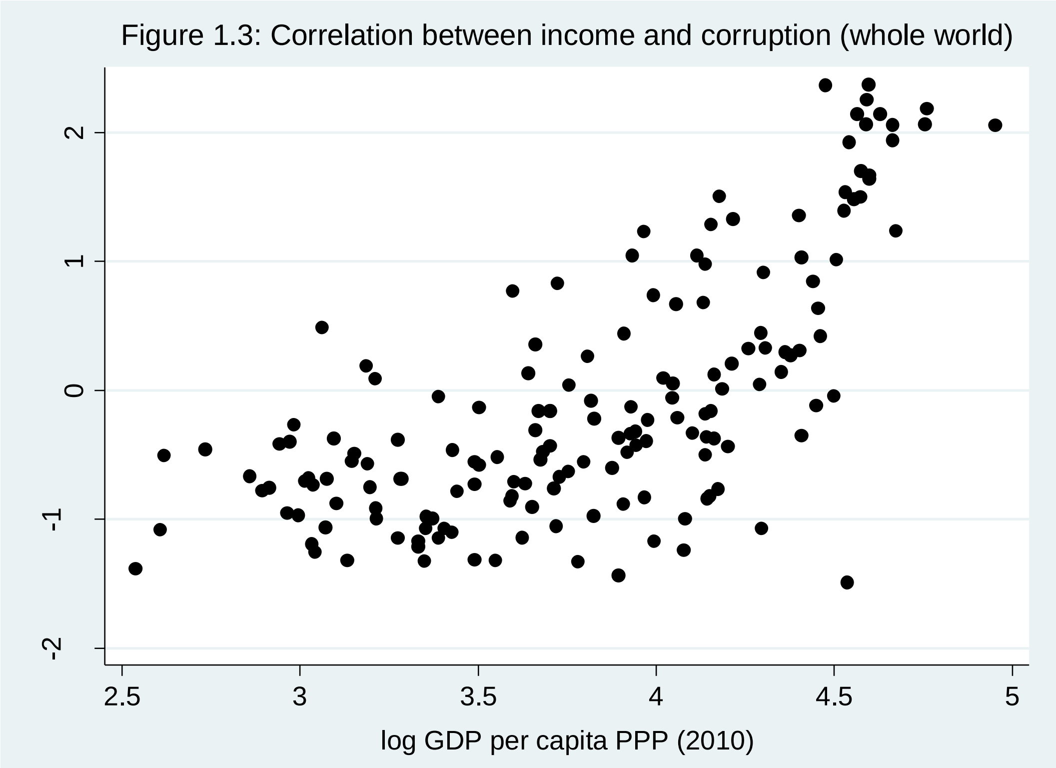
This research project specifically concerns corruption in sub-Saharan Africa, thus a justification for focusing on this region is appropriate. To start with, the sub-Saharan African region has the highest levels of perceived corruption on average of all world regions according to data from cross-country corruption indices. A 2002 report by the African Union claims that sub-Saharan Africa loses an estimated $148 billion annually to corrupt practices, a figure that represents 25 percent of the region's gross domestic product (BBC News, 2002, retrieved 6 April 2011). Another number-crunching exercise by the Washington-based institute, Global Financial Integrity, sets the bill from illicit financial flows leaving sub-Saharan Africa to $358 billion for the period 2000-2008 (Global Financial Integrity, 2010).

While different types of corruption have arguably different repercussions for development, several authors argue that the types and scale of corruption found in Africa have particularly severe consequences for development compared to other world regions (Sindzingre, 2002; Riley, 1998). In addition, domestic dissent about corruption has been, and continues to be, used to justify political changes, for example through coup d'états, and thus contributes to the instability that plagues the region (Oliver de Sardan, 1999). Médard (2002:382) argues that it is the scope and scale of corruption in sub-Saharan African that is incompatible with those in richer countries. "To say that corruption [in Africa] is all together systemic, generalised and that its price is high enables us to distinguish it from the corruption observable in most industrialised societies. In Africa, corruption encompasses the government administration and the political levels, grand and petty corruption, corruption for survival and corruption for enrichment. The entire state apparatus is affected." While numerous domestically driven efforts (rhetorical and populist or not) to curb corruption took place in several African countries long before the international donors increased their concern for the issue, few of these efforts appear to have had positive and sustainable effects (Williams, 1987; Riley, 1998). The scale and continuation of corruption in Africa, together with the international community's focus on curbing corruption in the region, underpins my interest in studying corruption in sub-Saharan Africa.

In terms of research methodology, however, my choice to focus on one region rather than one or a few African countries has to do with wanting to make use of cross-section quantitative analysis as a research method. In turn, a focus on sub-Saharan Africa as opposed to a larger set of countries or the entire world enables me to make use of the 'most similar system' logic by holding certain institutional features constant. While the vast majority of the large number of quantitative analyses on corruption that have been published in the past 15 years base their statistical analysis on as large a country sample as possible and thereby assume homogenous effects across often very different countries, I do not subscribe to this approach. Instead, I believe that the phenomenon of corruption cannot be divorced from the institutional and political structures in which it is generated and that these structures look too different across the world to be 'controlled away' using the proxies for institutional structures that data allow. In other words, assuming world-wide inference becomes problematic as I believe that the societal structures that allow corruption to exist in Zambia and Zimbabwe are different from those that exist in Sweden and Switzerland. I will discuss these institutional structures below. First, however, I will make use of some statistics to justify focusing on Africa in isolation.

1.3.1 Inference from large N analysis

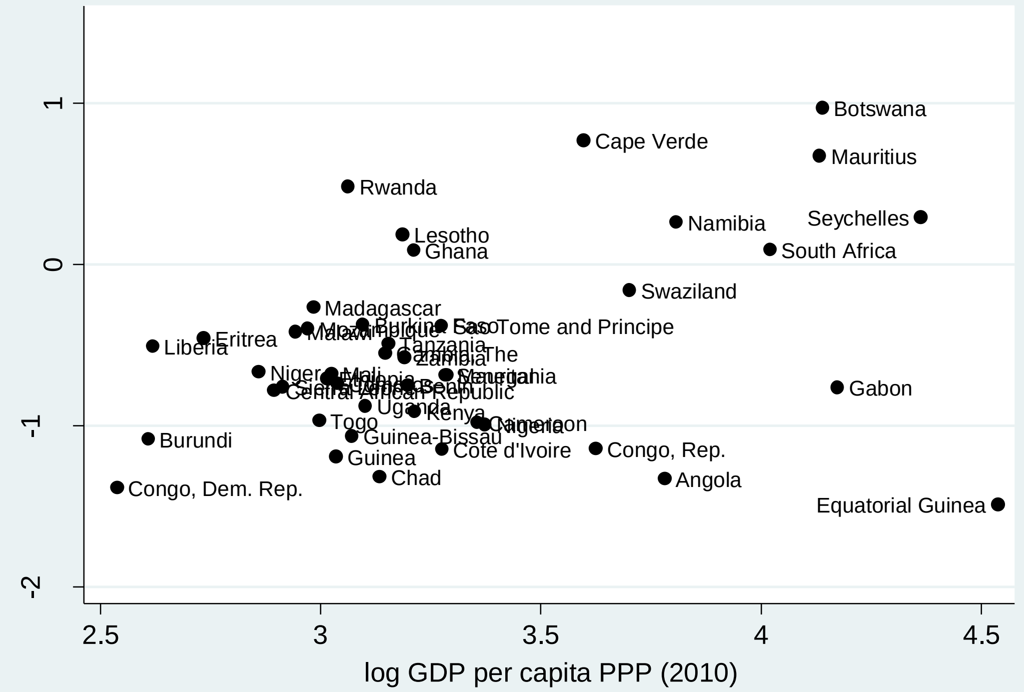
In this section, I test the assumption of homogenous behaviour of corruption across different types of countries. I do so by comparing the causes of corruption on a 'whole world' sample with a sample of African countries. The example used here is how a country's level of income (proxied by log GDP per capita PPP) is expected to affect its level of corruption. I chose this variable because Treisman (2000:430) in his seminal cross-country study on the causes of corruption, found income to be the best predictor of levels of corruption across countries among a set of 14 explanatory variables. According to that study, income can by itself explain at least 73 percent of all cross-country variation in levels of corruption. Figure 1.3 below shows a scatter plot with correlates of corruption measured by the World Bank's Control of Corruption Index, and income measured by log GDP per capita PPP. What is interesting with this graph is that it shows a curvilinear relationship between the income and corruption variables. Before a country reaches about log 4 to log 4.5 (approximately the income level of Argentina) changes in levels of corruption do not correspond very much to changes in income levels, while at the upper end of the income scale, changes in income are highly correlated with changes in corruption levels.



Note: Figure 1.3 shows the correlation between national income, measured by GDP per capita PPP, and levels of corruption, proxied by the World Bank's Control of Corruption Index. Sources: World Bank Governance Indicators and World Development Indicators online.

The same correlation between income and corruption looks very different when applied to African countries as shown in figure 1.4 below. While countries like Gabon and Botswana have similar wealth per capita, they score very differently in terms of perceived levels of corruption. It is therefore difficult to predict whether a country like Burundi, if substantial economic growth occurs, will end up looking more like Gabon or more like Botswana in terms of corruption.

Figure 1.4: Correlation between income and corruption (sub-Saharan Africa)



Note: Figure 1.4 shows the correlation between national income, measured by GDP per capita PPP, and levels of corruption, proxied by the World Bank's Control of Corruption Index on an exclusively sub-Saharan African country sample. Sources: World Bank Governance Indicators and World Development Indicators online.

Table 1.1: Statistical justification for taking a regional approach

Dependent variable: Control of Corruption Index, data from 2010	(1) 'Whole world' sample	(2) Sub-Saharan African sample
Log GDP per capita PPP	1.24***	0.42***
	(0.10)	(0.18)
Constant	-4.81***	-1.91***
	(0.39)	(0.61)
R-square	0.47	0.11
	165	44
Number of countries		

Note: The dependent variable is the World Bank's Control of Corruption Index from 2010. Data for log GDP per capita PPP is from 2010 and taken from World Development Indicators online. The parentheses contain robust standard errors. *** significant at 1%.

Table 1.1 above shows the results from regressions run with a 'whole world' sample (165 countries) and a sample including only Sub-Saharan African countries (44 countries). While income is a statistically significant predictor of corruption in both regressions, the magnitude of the coefficient as well as the value of the R-square are much greater when the whole world in incorporated as opposed to when only African (largely very poor) countries are included in the sample. This simple test shows that a ‘whole world’ sample does a poor job at predicting the trajectory of African countries.

Treisman (2000) does, to a certain degree, touch upon variation in levels of corruption across world regions and uses a set of dummies to control for such variations. However, this addition merely gives each region a different intercept but does not touch upon the fact that each region may also benefit from different slope coefficients as the outcome from the regressions in table 1.1 shows. Such heterogeneity across the world provides one justification for taking a regional focus. Next, I will take a more theoretical approach and discuss further justifications for exclusively focusing this study on corruption in sub-Saharan Africa.

1.3.2 Different types of corruption in different types of countries

Because much of the corruption literature is quantitative and most of the quantitative analyses take a homogenous view of corruption across countries, relatively little can be found in the corruption literature on qualitative differences in corruption across countries. Rose-Ackerman’s model from 1999 is an exception. The variable on which the author distinguishes the nature and extent of corruption in different societies is the relative power between political and economic actors. “Corruption describes a relationship between the state and the private sector. Sometimes state officials are the dominant actors; in other cases the private actors are the most powerful forces. The relative bargaining power of these groups determines both the overall impact of corruption on society and the distribution of the gains between bribers and bribees.” (Rose-Ackerman, 1999:113).

Where the state is the stronger of the parties, the ‘kleptocrat’ will make sure policies help transfer the maximum amount of resources into his pockets and will oppose redistributive policies that benefit large parts of society. A powerful kleptocrat facing weak private actors organises the state in a way that creates rents for him. However, if the kleptocrat is weak, he will have to share some of the extracted resources with the broader elite. Examples of extreme cases of kleptocracy include Zaire under Mobutu

Sese Seko and Haiti under Jean-Claude Duvalier where large parts of the countries' economic resources were in effect treated as the leaders' private property.

On the other hand, in cases where societal actors are comparatively powerful, such as relatively mobile multinational enterprises that are invested in the country or domestic mafia groups, bribes, according to Rose-Ackerman's theory, will be lower and the benefits divided between the political and economic actors. The Philippines since independence is given as an example of a weak state dealing with powerful business interests. Societal strength in this context comes from an oligarchic elite, comprised of large and powerful families that have exerted control over the Philippine state (Caouette, 2012). In coherence with this theory, the quantitative study by Hellman et al (2000) on transitional economies found that, by paying bribes to state officials, some firms were powerful enough to shape the rules of the game to their advantage and in that sense capture the much weaker state.

How can sub-Saharan African corruption be understood in relation to this theoretical framework? What is often mentioned in the African literature is the lack of autonomous capitalists and a power structure that is heavily tilted in favour of a political class. Sandbrook (1993), for example, recognises that power struggles in many African countries have not yielded a class hegemony shaping the state's long-term interests, such as the interest of the market. "The temptation, therefore, is for the state's executives to exercise its considerable autonomy from classes in defence of the interests of parasitical coterie of political insiders." (Ibid:23). Médard (2002:384) similarly notes that "to simplify to the extreme, one might say that in Africa, politics dominate the economy, to the extent that private economy lacks autonomy to develop." In other words the African state is pictured as being able to over-ride weakly organised societal interests. However, it would be wrong to suggest that the typical African state is strong, for example in terms of being able to enforce laws and implement policy (Chabal and Daloz, 1999). Instead, the way to think about the state is better understood as the subordination of the state by the political elite. From this brief review I can conclude that, as a generalisation, sub-Saharan African countries can be characterised as being dominated by a political elite as opposed to being dominated by private market interests. As such, according to Rose-Ackerman's

(1999) framework, the predominant type of corruption found in sub-Saharan African countries is that belonging to the kleptocratic logic.

This theoretical reasoning, and its focus on who will benefit from corruption in different countries, clearly goes some way in terms of differentiating the types and effects of corruption in different contexts. Nonetheless, it has one serious shortcoming in terms of providing an understanding of corruption in sub-Saharan Africa and in what ways it may differ from corruption found elsewhere. The theory provides but one motivation to why kleptocrats engage in corruption and that is personal profit maximisation. If this is indeed the only reason given in the literature on corruption for why political leaders engage in corruption, we run the risk of equating the existence of corruption with bad personal morality of leaders rather than seeing the wider set of incentives facing these leaders. To better understand these incentives, it is preferable to step away from the literature on corruption and borrow some insights from the literature on African clientelism and neopatrimonialism.

What distinguishes corruption in sub-Saharan Africa from corruption found elsewhere is, according to Nicolas van de Walle, the form of clientelism found in the region, which is turn, is linked to regime type and economic structure. While clientelism[4,] or a country's political reward system, is likely to exist in all modern states in one form or another, its manifestations vary to a great deal among countries. According to van de Walle, countries can be divided into those using mass clientelism and those using elite clientelism. Mass clientelism requires more resources than elite clientelism and is therefore likely to take place in richer countries, also in mature democracies. It relies on the practice of using state resources to provide jobs and services for mass clienteles, and usually involves party organisations and electoral politics. For poorer

[4] Stoke (2007:605) defines clientelism as "the proffering of material goods in return for electoral support, where the criterion of distribution that the patron uses is simply: did you (will you) support me?" The concept of patronage is linked to clientelism and often used synonymously. However, in the stricter sense, it refers to the material goods being made up of public resources, such as employment (ibid:605). The concept of clientelism is usually used to describe direct payments to citizen voters at election times, particularly in Latin America. The way in which theories of clientelism is normally used in the African context does not refer to ordinary citizens and voting behaviour. Instead, theories refer to the way in which, at the top, elite support is bought by a country's president or other 'Big Men', and how this behaviour continues down the political hierarchy with local 'Big Men' buying support from local people. An exception to this is Wantchekon (2003) who looks at direct vote buying from citizens at election times in Benin.

countries, on the other hand, where mass clientelism is not afforded, clientelism is more likely to be limited to a narrower clientele through the distribution of elite offices.

The type of clientelism that takes place in sub-Saharan African countries is, according to van de Walle, characterised by elite clientelism which is being enjoyed by the hundred or maybe thousands of people who constitute a country's top political elite.[5] Booth (2012:9) adds that clientelism in Africa is characterised by a fragmented elite (along economic, regional, ethnic, religious and other lines) who compete with each other and ensure winning coalitions by allocating private benefits to those groups on whose support they rely.

This elite clientelism found in African countries is, in turn, closely linked to corruption. According to van de Walle (2012:113), the characteristic of elite clientelism in Africa is *prebendalism*, or the strategic political allocation of public offices to key elites, granting personal access over state resources.[6] By being granted access to these offices for political reasons, the political elite can subsequently subvert the rule of law for personal gain. It can almost be seen as a given when being granted a political office that benefits other than the official salary are at the disposal of the office holder. The scale of these personal gains can be large. In Benin, for example, it was found that the average customs agent had daily 'parallel income' equivalent to two and a half times the monthly salary of a college professor (Bako-Arifari, 2001:41, referenced in van de Walle, 2007:56). Being able to hand out good positions in the customs administrations could thereby be politically highly valuable. As such, it can be argued that the type of corruption found in sub-Saharan Africa is linked to a certain type of clientelism, or reward system, in which slices of the state, or the spoils of the state, is given to a narrow political elite.

[5] According to Hadjor (1987:141), African political elite encompasses all those who through their access to the state are able to control political life, i.e. ruling politicians, government officials, and top civil servants including the judiciary, military and police.
[6] Prebendalism as a term was first used in the African context by Joseph (1983:30) where he refers it to "patterns of political behaviour which reflect as their justifying principle that the offices of the existing state may be competed for and then utilised for the personal benefit of office-holders as well as that of their reference or support group."

Having determined that the political elite are the main beneficiaries of resource distribution linked to corruption in Africa, as opposed to societal actors such as big business, landowners or mafia, and thereby distinguished some characteristics of corruption found in this region from corruption found elsewhere; I can now provide a more in-depth discussion about the political logic of corruption in sub-Saharan Africa. This can favourably be done from the perspective of Africa's 'Big Men' and the consequent theoretical lens of neopatrimonialism.

1.3.3 'Big Man' rule, winner-takes-all politics, and the logic of corruption

Neopatrimonialism is a mixed system of the two polar systems referred to by Max Weber as patrimonialism and rational-legal systems. Neopatrimonialism refers to an institutional setup in which a country's informal institutions function according to patron-client relations while, at the same time, its formal institutions are constructed along rational-legal lines. In other words, it refers to African countries having adopted the same types of institutions found in Western democracies, e.g. democracy, property rights etc., whilst, on top of this, the real politics is conducted through informal institutions, such as the type of clientelism described above. According to Médard (1991:330, referenced in Bach, 2012), "neopatrimonialism provides the common denominator for a range of practices that are highly characteristic of politics in Africa, namely nepotism, clannish behaviour, so-called 'tribalism', regionalism, patronage, 'cronyism', 'prebendalism', corruption, predation, factionalism etc." Added to this list is also 'big man politics' and 'personal rule' (Jackson and Rosberg, 1982; van de Walle, 2012), which refers to power across Africa being disproportionately in the hands of the executive branch of government. The handling of this power is of particular relevance to how corruption, including through elite clientelism, plays out in the region.

African countries are characterised by the centralisation of power around the 'Big Men', usually the countries' presidents. According to these countries' formal institutions, checks and balances should be imposed by legislators etc. However, according to the much more powerful informal institutions, a 'Big Man' is "literally above the law, controls in many cases a large proportion of state finance with little accountability, and delegates remarkably little of his authority on important matters... Only the apex of the executive really matters" (van de Walle, 2003:310). Médard's

(2012) portrait of a Kenyan political entrepreneur does a good job at depicting the political game played by the top political elite in order to claim the presidential post. It highlights the impunity of political heavyweights as they manipulate politics and institutions without consideration of legal boundaries. Because economic resources are largely under the control of the 'Big Man' and his entourage, "political power is the origin of wealth and the state is the pie that everyone greedily wants to eat." (Médard, 1982:182). Such powerful positions are naturally accompanied by much drama about the control over the presidency with stakes a great deal higher than in Western democracies. According to Hyden (2006:99), these political games tend to be zero-sum which accentuates the insecurity faced by the political actors being part of the political game. In the words of Bayart (2009:239), "it is a truism that it is easier to get rich from a position of power than from a position of dependency and penury, but it is a truism that in Africa one may not easily survive."

The type of prebendal elite clientelism and consequent corruption discussed above is a direct response to this high-staked battle over the presidency. This stems from the need of the 'Big Man' to ensure loyal followers and thereby safeguard himself against political competition and 'Big Men' in waiting. Such political battles are won through buying the loyalty of the elite. The broader the support base the more powerful the ruler and the more stable the political system (Hyden, 2006:104). "Political stability in Africa has often been constructed by using state resources to forge alliances across different social elites, often in the form of overt power-sharing arrangements." (van de Walle, 2003:312). Such political battles are also won by using political muscle to crack down on opposition. According to Cammack et al (2007), "the 'Big Man' personally uses the power of the state to protect his cronies, eliminate his rivals and to buy support, for example by handling out cabinet posts and providing opportunities for rent." Van de Walle (2007:66) offers an example of how this clientelist reward and punishment system works in practice. "A community which did not deliver the vote is punished by seeing its three ministerial positions cut down to one in the post-election cabinet. Another community which did join the presidential majority is rewarded when one of its leading light is named ambassador to Paris."

To become a 'Big Man' as well as to sustain the elite clientelist loyalty networks require the personal generation and distribution of a considerable amount of resources. While in Western democracies leaders may want to downplay their own personal wealth to win popularity among ordinary citizens, Bayart (2009:242) argues that in the African context, material prosperity is one of the chief political virtues, and that a man of power who is able to amass and distribute wealth becomes a 'man of honour'. This wealth legitimises the leader's hold on power as it signals that he is able to uphold a large elite network and thereby ensure political stability. The list is long of African 'Big Men' and their cronies who have become excessively rich during, and because of, their stay in political office. Corruption in this sense can of course be seen as personal greed but what should not be forgotten is that it also plays a political role in the zero-sum political culture symbolic of sub-Saharan Africa. Médard (2002:383) describes this logic in the following way:

> "In Africa, it is in the politician's interest, politically speaking, to redistribute part of the stolen money to keep their political clientele. The mechanics of patronage and therefore stability are at the heart of a leader's political stability. The art of governing is not only the art of extracting resources, but also of redistribution: it is the only way of legitimising power, in the absence of ideological legitimacy."

In this light, van de Walle's (1994:149) statement that "although corruption and rent-seeking exist outside of Africa, they are rarely as central to state processes" makes perfect sense. In short, corruption in Africa is associated with perfectly rational governance strategies used to uphold the political system and create political stability and continued incumbency by the 'Big Man' and his political elite.

This theoretical framework has provided a justification for looking at corruption in Africa separately from corruption found, for example in western democracies or in developing countries where different institutional structures prevail. It has also provided a basis on which to start thinking about the international donor community's anti-corruption agenda and what outcomes can be expected from this policy endeavour. While the empirical analyses in chapters 3, 4 and 5 will offer their specific narratives, the theoretical discussion in this section can offer some general ideas about the ways in which African 'Big Men' and their elite networks are likely to react when being offered to prescribe to donors' anti-corruption medicine. As I mentioned previously, donors' anti-corruption policies have largely rested on the assumption that politics is positive-sum, i.e. that all agents can gain from governance reform. In contrast, the message to take home from the discussion in this section is that, since corruption is part of conducting rational politics by African leaders, governance reforms to curb corruption by these same leaders may be far from rational to undertake. We can thereby predict that leaders will not conduct serious anti-corruption reforms if these reforms hamper their possibility of ensuring continued political power. Therefore, as long as corruption fills an important political function, external powers are unlikely to be able to create a serious dent in corruption.

This thesis consists of six chapters. The core consists of three empirical chapters which are stand-alone chapters written in the form of journal articles. Chapter 2 precedes this empirical research and deals with the issue of how to empirically study corruption. As such, the chapter can be read as a mixture between a literature review and a methods chapter. Chapter 3 constitutes the first empirical chapter. In this chapter, I use panel regression analysis of survey-based data on corruption across sub-Saharan Africa to assess the validity of popular theories proclaiming that political liberalisation will curb corruption. Chapter 4 constitutes a country case study on Rwanda in which I focus on explaining what happens to corruption in the aftermath of wide-scale economic liberalisation. In chapter 5, I use a mixture of descriptive and inferential statistics, and media analysis to assess the effects of fighting high-level corruption through judiciary means in the political context of sub-Saharan Africa. Lastly, in chapter 6, I provide a synthesised conclusion of the thesis. I emphasise, on the one hand, my theoretical and methodological contributions and, on the other hand, I discuss broader issues relevant to anti-corruption policy.

2. The Pursuit of Empirically Studying Corruption

The heightened focus on corruption in developing countries from the international donor community has gone hand in hand with an increased academic attention to the issue. What causes corruption and what are its societal consequences are questions at the heart of an empirical literature that has grown considerably in the last 15 years. Yet, the task of empirically studying corruption is far from straight forward. To start with, while the word ‘corruption’ is tainted with a negative connotation, corruption is oftentimes not as black and white as other types of crimes. Different cultures and ways of viewing the private versus the public sphere, and community versus individual, add to the difficulty of pin-pointing with certainty when corruption is taking place. One author, when discussing the difficulty of studying corruption, went as far as to state “like pornography, corruption is difficult to quantify, but you know it when you see it.” (Wei, 1999:4). According to Chabal and Daloz (1999:98), the many attempts to provide coherent and overarching definitions of such a broad concept merely result in large-scale analytical confusion. In addition, with the many acts and behaviours that fall within the definition of corruption, there is “always a danger that several people may engage in a discussion about corruption while each is talking about a different thing completely.” (Elijah, 2007:3).

The breadth of its definition and its hidden characteristics together with the realisation that it may have large consequences for development has resulted in many creative ways in which the concept of corruption has been measured and studied. This empirical literature spans the social sciences although it is fair to say that economists have favoured using quantitative methods and anthropologists have favoured qualitative ones. Political scientists are found in both methodological camps.

In this chapter, I will navigate the empirical corruption literature, the purpose being on the one hand to discuss issues for which there is no room in the three empirical chapters, such as definitions and data reliability, and on the other hand, to discuss and justify choices made in the empirical thesis chapters. These choices have to do with measurement and empirical strategy, and likely trade-offs between different types of qualitative and quantitative research methods. In this sense, this chapter is a mixture between a literature review and a methods chapter and should be read as a problem solving discussion in relation to the empirical thesis chapters.

This chapter starts with a discussion about definitions, including how corruption is conceptualised in the literature on sub-Saharan Africa. In section 2.2, I discuss different ways to empirically study corruption and what the pros and cons are of using various research methods. In section 2.3, I take a closer look at one popular way of measuring corruption: through perception-based indices. I focus the analysis on concerns about conceptual clarity and test the reliability of the data on a set of sub-Saharan African countries. Section 2.4 forms a conclusion.

2.1 Defining corruption

The concept of corruption constitutes a wonderful rhetorical tool. Phrases such as 'war against corruption' or 'zero tolerance against corruption' are frequently used by international donors, advocacy groups, and developing country leaders alike. However, the complexity of the concept of corruption makes it a tricky phenomenon to study empirically. The purpose of this section is to present various definitions of corruption and to provide a discussion about what corruption entails with specific focus on sub-Saharan Africa.

The rhetorical strength of the word 'corruption' can be gauged from the definition of the word. *Collins English Dictionary* (1994) defines the adjective 'corrupt' as lacking of integrity and open to or involving bribery or other dishonest practises. It adds to this definition the words 'morally depraved', and 'putrid' or 'rotten'. In turn, the word 'corruption' is defined as moral perversion, depravity, and decay. The negative connotation of the word 'corruption' makes it a popular word for expressing distrust in the political sphere. Gerring and Thacker (2004: 300), for example, note that "corruption is frequently employed as a generic label for *any* sort of failure on the part of politics or politicians."

Besides the simple definition of the word, various forms of corruption constitute legal offences which have given rise to legal definitions of the concept. The legal definition has, in turn, become homogenised to a certain extent across countries following recent advances in international law in the form of international conventions against corruption.[7] In Fox's (2003) *Dictionary of International and Comparative Law*, corruption is defined as the "illegal conduct on the part of officials of a government, particularly regarding the abuse of their office, such as taking bribes." The illegal nature of corruption specified in the largest international convention, the United Nation Convention against Corruption (articles 15 to 23), are further broken down to the following components:

> Acts of bribery of national public officials; bribery of foreign public officials and officials of public international organizations; embezzlement, misappropriation or other diversion of property by a public official; trading in influence; abuse of functions; illicit enrichment; bribery in the private sector; embezzlement of property in the private sector; and laundering of proceeds of crime.

The political science literature on corruption expands on the legal definition to also include certain immoral behaviour, such as nepotism and patronage. The classical definition of corruption used in this literature comes from Nye (1967: 419) and includes:

> "Behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence. This includes such behaviour as bribery (use of reward to pervert the judgement of a person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding uses)."

Thirty years later, much of Nye's definition of corruption lives on in the definition used by the World Bank (1997:8):

> "Corruption is the abuse of public office for private gain; public office is abused when an official accepts, solicits, or extorts a bribe. It is also abused when private agents give or offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefit even

[7] *Inter-American Convention Against Corruption* from 1996 (33 signatories); *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* from 1997 (adopted by the OECD members and five non-member countries); *United Nations Convention against Corruption* from 2003 (148 signatories) *African Union Convention on Preventing and Combating Corruption* from 2003 (40 signatories).

> if no bribery occurs, through patronage and nepotism, the theft of state assets, or the diversion of state revenues."

Two aspects of these definitions are worth elaborating on, starting with the motivation behind corruption. Since Nye's time of writing, the literature on corruption has further elaborated on what types of gains constitute corruption: purely private benefits or gains that fill a larger political function. Philip (2002:42), for example, breaks up the functionality of corruption by distinguishing between institutional corruption and private corruption. While private corruption produces gains purely on an individual basis, institutional corruption yields gains for a politician within the political process and is ultimately about using the public office and state resources to remain in power. The popular distinction between petty corruption (also known as bureaucratic corruption) and grand corruption (also known as political corruption) in the literature similarly touches upon a difference in motivation behind the choice of engaging in corrupt activities. As the name indicates, petty corruption is comparatively small in scale and conducted at the bureaucratic level, at the implementation stage of policies. The reason behind this type of corruption is often, although far from always, motivated by necessity as a result of low wages, and the benefits are usually internalised on an individual basis. Grand corruption, on the other hand, concern larger amounts of money and often has a political function beyond merely being a source of extrajudicial income to the perpetrator. "Political corruption is when political decision-makers use the political power they are armed with, to sustain their power, status and wealth." (Amundsen, 1999:3).

Second, the fact that corruption is defined as the deviations from formal duties of a public role requires that those duties are agreed upon, and that is where the notion of different cultures and their views on public versus private spheres comes into the discussion. Fisman and Miguel (2007) recently published a quantitative analysis on the differences in cultures across countries with regard to corruption, using data on the behaviour of United Nations officials in Manhattan. By assuming the number of parking violations to be a good measure for revealed preferences of corruption, the authors measure a country's culture of corruption by the extent to which the country's diplomats commit parking violations. Using data on parking violations by diplomats from 149 countries, the authors found that "home country corruption norms are an important predictor of propensity to behave corruptly among diplomats: those from low-corruption countries (e.g., Norway) behave remarkably well…whereas those from high-corruption countries (e.g., Nigeria) commit many violations.” (Ibid:1022).

Using an anthropological research lens, Africanist scholars have found that certain practises that in the Western world would be denounced as corruption are considered quite acceptable in the context of sub-Saharan Africa. Chabal and Daloz (1999:100) write that in Africa there is “very little serious censure of corruption so long as its fruits are deemed to have been suitably and vigorously redistributed according to the logic of patronage. Condemnation is reserved for those individuals or groups … who are seen to appropriate ‘public’ resources purely out of greed and with little regard for those who would count on benefiting from such graft.”

Smith (2007:222) in his analysis of the culture of corruption in Nigeria argues that certain forms of everyday corruption are acceptable among Nigerians. “Actions to assist family, friends, clients, and community are often undertaken out of a sense of social obligation that trumps a notion of civic duty tied to the state or national polity.” Similar to the Chabal and Daloz’s argument above, Smith argues in the context of Nigeria that “a politician who steals government money is not accused of [corruption] if he uses a substantial portion of the money to help his village.” (Ibid:223). The same conclusion was reached by Gaspar and Platteau (2005) from their case study analysis of a West African village. A Western NGO discovered that the leader of the village association had financially abused his position. The NGO put the crimes committed to the attention of the local committee of the village association, but to the surprise of the NGO, no punishment was given to the leader, and he was even re-elected as leader of the village association. That the leader had taken a big chunk of the funding to benefit himself was considered legitimate to the village constituency. The authors argue: “If the intervention of the elite results in an improvement of the predicament of the poor, however small is the improvement, the latter tend to be thankful to their leader(s): the new outcome represents a Pareto improvement over the previous situation and this is what matters after all.” (Ibid:6). In short, this research finds that corruption is to an extent culturally acceptable if money trickles down and is beneficial to kith and kin.

The high prevalence of corruption in many African countries is a recurrent theme in the literature on Africa. Several authors stress corruption's institutionalised role in the African social fabric. Williams (1987:127), for example, argues that in Africa "corruption is an integral, institutionalised feature of political and economic processes. It is particularly difficult both to envisage how African politics would function without it and to trace the precise consequences of its presence." On the same note, Médard (2002:382) states that "to say that corruption is all together systemic, generalised and that its price is high, enables us to distinguish it from the corruption observable in most industrialised societies. In Africa, corruption encompasses the government administration and the political levels, grand and petty corruption, corruption for survival and corruption for enrichment. The entire state apparatus is affected." Similarly, Chabal and Daloz (1999:99) argue that African corruption is "not just endemic but an integral part of the social fabric of life". "Corruption is not a matter of a few 'rotten apples' or of a venal 'class', even less an 'evil' to be eradicated by means of vigorous 'ethical' campaigns. On the contrary, it is a habitual part of everyday life, an expected element of every social transaction." (Ibid:99).

This section has highlighted that corruption entails a myriad of actions which adds to the difficulty of providing a simple definition of the phenomenon as well as producing a holistic measurement of it. In addition, there is scope for arguing that the popular definitions may be Western-biased because they take for granted that private and public functions are clearly agreed upon and separated, which research has shown is not always the case in the context of sub-Saharan Africa. In the next section, I will discuss how researchers have used their creativity in the pursuit of empirically studying corruption.

2.2 Using qualitative, quantitative and mixed methods to study corruption

Because of the myriad of actions that fit under the definition of corruption – ranging from bribery to nepotism to the theft of state assets – the idea that a single measurement of corruption can be determined may itself be wishful thinking. The task of measuring corruption is further complicated by its illegal or immoral, and therefore, hidden characteristics. Jain (2001:76) articulates these caveats in the following way: "by its nature corruption would be difficult to measure since it is carried out, in most cases, clandestinely and away from the public eye and records. A researcher trying to develop quantitative measures of corruption has to struggle with the question of what will be included in such a measurement, and then try to measure something that those who know about are trying to hide."

The difficulty of measuring corruption has, however, resulted in some highly creative pieces of research across the social sciences. In this section I will review some of the empirical studies found in the corruption literature. The aim of the review is not to be an all-encompassing review of the vast literature on corruption. For this task, each of the three empirical thesis chapters has its own focused literature review. Instead, the aim is to discuss how previous literature has dealt with the conceptualisation and measurement of corruption for the purpose of conducting empirical analysis and highlight some pros and cons of using different research methods. I will start by discussing some of the case study analyses which are part of the corruption literature and how they capture corruption using qualitative methods. Subsequently, I will provide some examples of how the concept has been measured and applied to quantitative analysis. Lastly, I will discuss the merits of using a mixed methods approach to studying corruption and how such an approach have been applied to some of the empirical analyses in this thesis.

2.2.1 Qualitative approaches to the empirical study of corruption

In the first group of qualitative analysis on corruption are country case studies that focus on the interplay between the state, its political elite, and the economy. Szeftel's (2000) case study on Zambia under three different political regimes belongs to this category of research. The author looks at the relationship between political change on the one hand and patronage and corruption on the other hand and focuses his analysis on the ways in which the spoils of the state have been distributed to the Zambian political elite under the country's different regimes. The historical narrative is based on data in the form of archival material and interviews. Since the author does not attempt to measure corruption or conceptualise it in any tangible way, corruption becomes synonymous with societal resource flows that are structured to only benefit the political elite. Boone's (1990) case study on Senegal is another example of a country case study on corruption. The author looks at the use of clientelist strategies of wealth accumulation and distribution, and the rent-seeking behaviour of the political elite in Senegal. The analysis spans a period of almost three decades and is based on the same type of data as the previous study on Zambia. While these case studies look at one country over time, Green's (2011) case study adds one dimension, comparing two countries over time: Uganda and Rwanda. This comparative case study looks at what strategies have been used by the political leaders of the two countries over time to maintain political support. However, rather than specifically studying corruption, the author looks at the broader concept of patronage or clientelism.

While all these case studies concern the political structures in which corruption occur, none of the studies focus on empirically investigating actual acts of corruption. Instead, they focus on the functionality or political raison d'être, of corruption and how it is used as a political tool by the countries' leaders to remain in power. These types of macro-level analyses are well suited for analysing the outcome of large societal changes, such as regime change. The in-depth focus on one country over time is also well suited for research concerned with hypothesis-building. In the second empirical chapter in this thesis titled 'Coffee and Corruption: Economic Liberalisation and the Transformation of Political Corruption in Rwanda', I am particularly interested in the political functionality of corruption, and my research question concerns the transformation of corruption triggered by changes in formal economic institutions. This research question is therefore approached using the research method of in-depth case study analysis of one country over time.

While such case study research focuses on the association between different variable, such as economic regime and type of corruption, other types of in-depth case study analyses are more descriptive, focusing on investigating and mapping out systems of corruption. Wade's (1982) anthropological and unusually close examination of corruption belongs to this category. In terms of research method, the author stumbled upon the corruption phenomenon while under contract to research irrigation systems in one Indian district between 1976 and 1981. "Only gradually, from conversations with dozens of engineers, government officials from other departments and farmers did it become apparent that a ‘system’ was at work…” (Ibid: 291). Using such anthropological and informal means to gain the necessary knowledge, the author was able to map a system of corruption at multiple levels of government and administration in the government institution responsible for canal irrigation at the district level.

Others who have provided rich description on systems of corruption come from outside academia. They include journalist Michaela Wrong (2009) who wrote a portrait of one of the largest known corruption scandals in Africa’s history: the Kenyan Anglo-Leasing scandal. The author recounts insider knowledge from the accounts of a whistle-blower on how the very top of the political hierarchy used their influence and ingenuity to enrich themselves and their political party at the expense of the Kenyan state. Another insider who has chosen to bring his insights into the public domain is former Member of Parliament for the ANC in South Africa, Andrew Feinstein (2009), who, in his book, gives an insider’s account of the web of grand corruption in that country. The author particularly recounts the events of a recent corruption scandal concerning senior politicians and their involvement in weapon deals.

To sum up, using qualitative research methods to study corruption certainly brings richer contextual understanding of corruption and its political and social functionality than more quantitative approaches are able to do. This type of research method is therefore particularly well suited for hypothesis-building purposes or even just to shed light on the phenomenon through more descriptive analysis. However, as with other small-N approaches, the price to pay for gaining a contextualised understanding is often a poorer case for making inferences to other contexts.

2.2.2 Quantitative approaches to measuring corruption

A number of research papers using innovative ways to quantitatively measure corruption have been published in recent years. The majority of them approach the task of measuring corruption by assuming corruption to account for the difference between expected and real outcomes. Reinikka and Svensson’s (2004) well-known research into missing educational funds in Uganda uses such a strategy whereby corruption is measured as the difference between the money centrally earmarked for primary schools and allocated via districts, and the money that finally reached the schools. Using this measure of corruption, the authors found that in the period 1991-1995, 87 percent of the centrally earmarked funds had leaked before they reached the schools, the bulk being captured by officials and politicians.

Such focus on financial leakages also forms the basis for more aggregate proxies for corruption, or illicit financial flows. The World Bank Residual Model compares a country's source of funds with its recorded use of funds, and the Trade Misinvoicing Model uses partner-country trade data to find pricing discrepancies. Findings from these models show that financial leakages in terms of illicit financial flows from sub-Saharan Africa amounted in the period 2000-2008 to a staggering $358 billion (Global Financial Integrity, 2010).

Chang and Golden (2006) in their quantitative analysis on district-level corruption in Italy provide another proxy for corruption similarly based on the difference between expected and real outcomes. The authors measure corruption by the difference between public money earmarked for district-level infrastructure and the actual infrastructure observed in the districts, the assumption being that the difference is used for bribes and kickbacks connected to the infrastructure contracting process. Similar focus on output is provided by Olken (2007), in his famous quantitative study on village level corruption in Indonesia. The author uses highly elaborate methods to measure corruption, for example, creating a counterfactual to what the outcome of a village road construction project would have been without corruption. By constructing an identical road to the one being built in the villages, the author gained knowledge of the real cost of undertaking the project. By comparing the real cost to the cost proclaimed by those responsible for building the road, the author could then quantify the size of the infrastructure budget that disappeared to corruption.

Instead of relying on proxies for corruption, Sequeira and Djankov (2009) were able to use a survey and directly measure the extent of bribery in two ports in Southern Africa. Relying on under-cover agents to administer the survey, the authors were able to measure the amount of bribes requested, their primary recipients, and the main reason for demanding a bribe. Using this research method, the authors found that bribes are “high, frequent, different across ports and quantitatively significant for port officials.” (Ibid:35).

This type of research that focuses on measuring the actual extent and cost of corruption is clearly useful for driving policy. For example, by providing numerical evidence of the large share of educational funds that went missing in Uganda, Reinikka and Svensson’s (2004) research findings could be readily used to demand the attention of policy makers. In addition, by measuring corruption at two points in time – once before and then after a certain information campaign had taken place – the authors could also provide numerical estimates about policy impact. One disadvantage of this type of research is, however, the lack of focus on why corruption takes place. Sensibly formulated policy should aim at providing a remedy for the causes of corruption and not merely the symptoms of it, which is what these studies are able to measure. The causes and political raison d’être of corruption are instead better addressed using qualitative research methods.

While the qualitative case study methods as well as the quantitative approaches to measuring corruption discussed thus far offer valuable insights, they would clearly be hard to extend cross-nationally. That is why the vast majority of cross-national empirical analyses that concern the causes and consequences of corruption use cross-national perception-based indices. These indices will be discussed further in section 2.3.

2.2.3 A mixed methods approach to studying corruption

Having reviewed the qualitative and quantitative literature on corruption separately, I will in this section provide a discussion of what a mixed methods approach to the study of corruption may contribute. As mentioned above, the purpose of this chapter is partly to justify choices made in the empirical thesis chapters, and I have to some extent found it useful to combine qualitative and quantitative methods in the empirical analyses in this thesis. In fact, I believe that one of the contributions of this thesis to the literature on corruption is that it bridges the academic disciplinary divide found in the literature. It does so by using the economists’ methods to test the political scientists’ and anthropologists’ propositions, for which few have been empirically tested in any rigorous way.

A great strength of quantitative methods – being numerical, deductive and focused on answering ‘how much’ questions – lies in their generalisability of results, i.e. the analysis of a representative sample of a population will help us draw conclusions about the whole population. On the other hand, a great strengths of qualitative methods – being non-numerical, inductive and focused on answering why and how questions – lies in their ability to tease out complex causal mechanisms, and offer a deeper and context sensitive understanding of the relationships between the independent and dependent variables (Munck and Snyder, 2007; Shaffer et al, 2009). In turn, a mixed methods approach that is able to draw on the strengths from both quantitative and qualitative research methods can “approach the elusive goal of an explanation that has both generality and deep understanding.” (Faguet, 2005:3). That has been the goal with combining methods in this thesis. I believe that by focusing exclusively on the sub-Saharan African regions whose countries share similarities in terms of the institutional context in which corruption flourishes, as discussed above in section 1.3, the empirical analyses have been able to benefit from the generalisability offered by cross-country statistical analysis. At the same time, I have, by using qualitative research methods, been able to offer explanations to relationships that would have been difficult to do merely using quantitative data.

Two different formal strategies for using mixed methods research, or nested analysis, that have been developed in recent years are worth discussing in light of the research strategies chosen in this thesis. First off is Lieberman’s (2005) nested analysis strategy whose mixed methods approach starts with testing a theory using large N statistical analysis and, depending on the outcome from that exercise, continues with model-testing or model-building qualitative small N analysis. In terms of this research project, I did not find Lieberman’s approach to offer the best alternative for combining research methods. The main problem was that there is a lack of readily available theories on which to apply the quantitative analysis. Of course, there is no shortage of theories on corruption but, as I argued in section 1.3, these are general theories that are not sensitive to the sub-Saharan African context. What theoretical foundation exists for hypothesising on corruption in this regional context constitute largely unproven theories and anecdotal evidence which I have had to further develop and rigorously justify before applying them to statistical analysis. In chapters 3 and 5, I did this by using qualitative data.

As a mixed methods strategy this approach corresponds more closely with Rohlfing's (2008) nested analysis approach which starts with qualitative analysis of a case study and inductively builds the theory that is in the next stage tested using more cases in a statistical analysis. Instead of using case study analysis of one country, however, I have instead developed my hypotheses with the help of qualitative data that has provided examples of the relationship between the independent and dependent variables from various African countries. In chapter 3 titled 'Winning Elections with Grand Corruption in Sub-Saharan Africa', I use examples found in previous literature as well as journalistic accounts from various African countries to develop the hypothesis that African incumbents, when faced with competition for their leadership positions, succumb to buying political support using prebendal politics, which in turn is associated with increased corruption. I then test this hypothesis using panel regression analysis on a sample of sub-Saharan African countries. In chapter 5 titled 'Catching the 'Big Fish': The Ab(Use) of Corruption-Related Prosecutions across Sub-Saharan Africa', I use as the starting point previous literature's anecdotal references to a politicisation of corruption-related prosecutions in sub-Saharan Africa. I further develop the theoretical propositions with the use of qualitative analysis based mainly on journalistic accounts from across the region, and subsequently test these propositions using statistical analysis.

In sum, by combining methods in line with the nested analysis approach, I believe that the statistical results offered by these empirical analyses are generalisable across sub-Saharan Africa while, at the same time the qualitative analyses ensure that the proposed relationships between the variables of concern are well supported by real examples.

That said, the combination of qualitative and quantitative analyses was not always possible as chapter 4 titled 'Coffee and Corruption: The Transformation of Political Corruption in Rwanda' bears witness of. Using the qualitative method of country case study, I find that corruption (the dependent variable) changed form in the advent of a change in the independent variable. However, since cross-country data on corruption are not refined enough to reveal changes in forms of corruption, the propositions developed in the qualitative study were not possible to test using quantitative methods that rely on available cross-country data. In this case, instead of looking outward and seeking generalisability of the findings to a broader set of countries, I instead chose to look inwards and provide additional light on the relationship between the independent and dependent variables through a within-country case study analysis. The next section will take a closer look at the available cross-country data on corruption.

2.3 Taking a closer look at corruption perception indices

As the name indicates, perception-based data on levels of corruption are based on perception rather than tangible measures. I will start this section by discussing how corruption is measured by the three most commonly used perception-based corruption indices: Transparency International's Corruption Perceptions Index (CPI); the World Bank's Control of Corruption Index (KKZ after its founders: Kaufmann, Kraay and Zoido-Lobaton), and the International Country Risk Group's Corruption Index (ICRG). I will then go on to discuss some alternative perception-based sources of data on corruption applicable to the sub-Saharan African region.

The CPI is perhaps the most well-known corruption index and has been produced on an annual basis since 1995. Since the index provides not only a score for each country but also focus attention on ranking countries, its annual release is frequently mentioned in media across the world. The index is a composite index, a poll of polls, itself made up of at least three sources for each country. According to its background document, the different sources used have in common their ultimate focus on the misuse of public power for private benefit, for example "bribing of public officials, kickbacks in public procurement, or embezzlement of public funds". All sources also assess "the extent of corruption among public officials and politicians in the countries in question." (Lambsdorff, 2002: no page number).

The KKZ is part of the World Bank's Governance Indicators and was published biannually from 1996 to 2002 and thereafter on an annual basis. This index has the most extensive coverage with data for 210 countries or territories included in its 2009 index. According to its sourcebook, the index measures both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests. This index is also a composite index made up from information provided from a number of indices and other sources of information. The CPI is one of these sources, so is the

ICRG although the KKZ's extensive country coverage means that some sources are available for some countries and not for others.

The ICRG is produced by the for-profit organisation Political Risk Service and is based on the perception of corruption by country experts. From the ICRG explanation of how its index conceptualises corruption, several different forms of corruption are stated. These are naturally intended to capture the types of corruption that international businesses (the rating company's main paying clients) are concerned with. From its sourcebook it highlights its primary concern with types of corruption that may impact on the political stability in the country ("excessive patronage, nepotism, job reservations, favour-for-favours, secret party funding and suspiciously close ties between political and business"). It also intends to measure "demands for special payment and bribery" that directly affects foreign investors. According to Lambsdorff (2002), the ICRG does not measure a country's level of corruption *per se*, but rather the political risk involved in corruption, which may in turn depend on a country's level of tolerance for corruption. The ICRG provides the longest time series of these three indices and has therefore been popularly used in panel regression analysis.

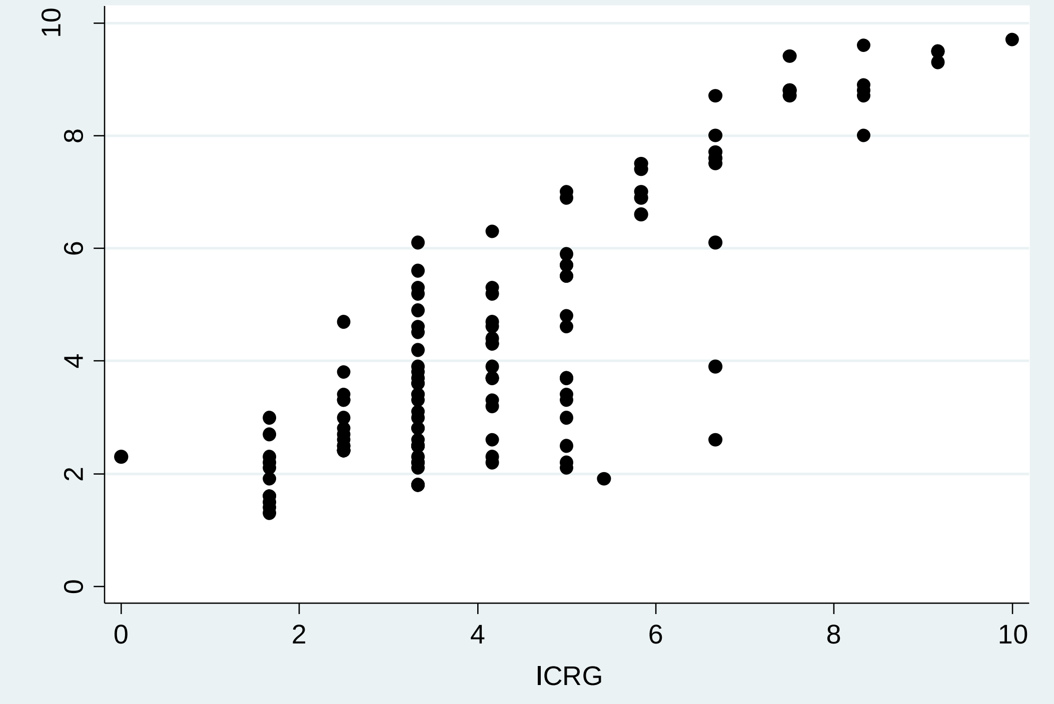
All three indices have been used by widely referenced empirical studies on corruption. For example, Treisman's (2000) analysis on the causes of corruption, and Gupta et al.'s (2002) analysis of the effects of corruption on inequality and poverty, both use the CPI. Gerring and Thacker's (2004) study on the effect of certain institutional structures on levels of corruption, instead uses the KKZ; and Mauro's (1996) focus on economic growth, and Fisman and Gatti's (2002) study on decentralization both use the ICRG. In addition, many empirical analyses triangulate their findings from cross-country regressions by using more than one corruption index.

Despite the fact that a great number of empirical analyses using these indices have been published in well-regarded journals, the indices have received some criticism, especially with regard to what they are able to measure, or their lack of conceptual clarity. "Some surveys ask about the frequency of bribes, some about their size, others about the burden imposed on the economy or about the relative seriousness of the problem. Some focus on low-level administrative corruption; others also seem to include political dirty tricks. Some have narrow regional coverage, and others are worldwide in scope. As a result, sceptics wonder what exactly the average is measuring…" (Treisman, 2007:215). Johnston (2000) refers to the composite indices' 'single-number problem', i.e. the difficulty of assigning comparable values to different types of corruption, such as petty and grand, across different types of political systems. "Some countries have high-level corruption, others find it lower down the political or bureaucratic hierarchies, and still others see most abuses in electoral politics and patronage." (Ibid:16). The task of comparing corruption across different types of societies may thereby add to the indices' conceptual vagueness.

2.3.1 External reliability of perception-based data for sub-Saharan Africa

What is usually mentioned as a justification for using these perception-based indices in empirical research despite their conceptual uncertainties is that the data must be legitimate due to high correlation between indices (Razafindrakoto and Roubaud, 2006). "That different ratings produced by different organizations using different methodologies and even slightly different definitions of corruption turn out to be highly correlated among themselves suggests to some that these different spyglasses are aimed at a common target. At least the results are not purely idiosyncratic." (Treisman, 2007:216). Figure 2.1 below shows the correlation between the CPI and the ICRG for 121 countries using data from 2003. I focus on the correlation between these two indices and not the KKZ for the reason that KKZ contains both CPI and ICRG. It appears from the distance to the '45 degree' line, that the correlation is stronger for countries that score very high on both indices than for countries that are in the low and middle range of the spectrum.

Figure 2.1: Correlation between CPI and ICRG (full sample)



Note: Figure 2.1 shows the correlation between CPI (0-10) and the ICRG (rescaled from 0-6 to 0-10) for 121 countries using data from 2003. For both indices, the closer to 10 a country scores, the lower is its perceived level of corruption. Sources: Transparency International and Political Risk Service.

Table 2.1: Correlation between two popularly used corruption indices

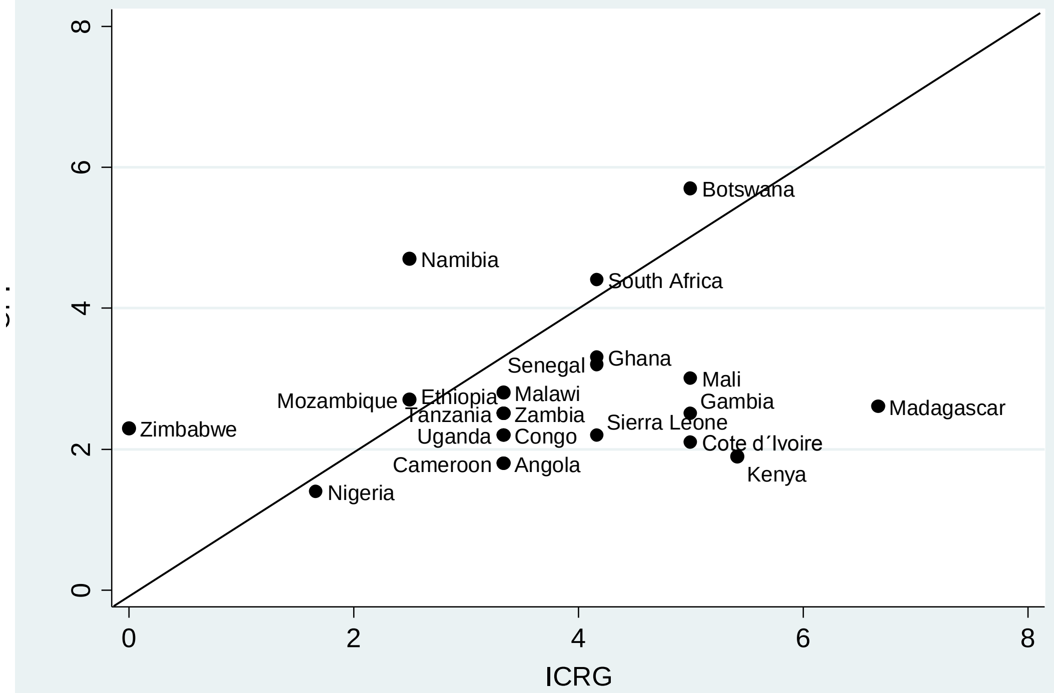
Dependent variable: CPI, data from 2003	(1) Full sample:	(2) Sub-Saharan African sample
ICRG, data from 2003	0.992***	0.135
	(0.050)	(0.145)
Constant	0.120	2.237***
	(0.215)	(0.532)
R-square	0.71	0.03
Number of countries	121	22

Note: The dependent variable is the CPI from 2003. The parentheses contain robust standard errors.
* significant at 10%; ** significant at 5%; *** significant at 1%.

The first regression model in table 2.1 above confirms the rather high correlation (R-square 0.71) between the two indices. Regressing the ICRG on the CPI using data from 2003 (which is my last year of ICRG data) shows that an increase in the ICRG score by one is associated with an increase in the CPI by almost the same. However, turning to the second model that only includes countries in sub-Saharan Africa, the picture becomes less coherent. In fact, there is no statistically significant correlation between the two indices for the sub-Saharan African sample of 22 countries, and the model fit is extremely low (R-square 0.03).

The data for the sub-Saharan African sample are plotted in figure 2.2 below. While the CPI gives Zimbabwe and Madagascar about the same score**,** these two countries span the spectrum from most corrupt to least corruption according to the ICRG. Similarly, while the ICRG finds Botswana and Cote d'Ivoire to have similar levels of corruption, the CPI gives the former a score of almost 6 and the latter a score of 2. It is safe to say that for the African sample, the reliability of measurement cannot be justified on the basis of high correlation among indices.

Figure 2.2: Correlation between CPI and ICRG (sub-Saharan African sample)



Note: Figure 2.2 shows the correlation between CPI (0-10) and the ICRG (rescaled from 0-6 to 0-10) for 22 countries in sub-Saharan Africa using data from 2003. For both indices, the closer to 10 a country scores, the lower is its perceived level of corruption. Sources: Transparency International and Political Risk Service.

While this may be a result of the ICRG focusing on measuring the political risk of corruption rather than corruption *per se* (Lambsdorff, 2002), I rather believe that the many different sources used to produce the CPI and other composite indices contribute to conceptual stretching to such an extent that it is difficult to know what the phenomenon they claim to measure actually entails. Far from being more reassuring, for the ICRG, being constructed by country experts, we are forced to take the experts' word for how a country is rated since the codebook does not provide information about what it means when a country is given a certain score; for example, what a move from a 4 to a 5 actually stands for (Knack, 2007).

In short, while these indices are the most commonly used proxies of corruption we have, they do not agree on the verdict for the sub-Saharan African region. The fact that the indices do not overlap clearly leads to high level of uncertainty about what the indices actually measure.

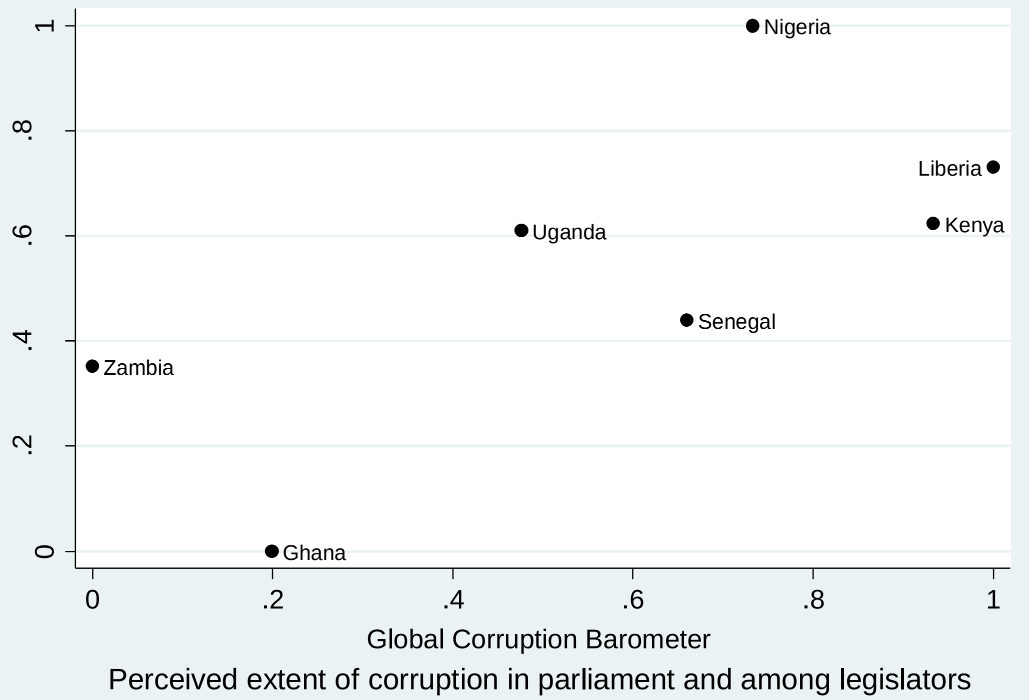
2.3.2 Alternative perception-based corruption data for sub-Saharan Africa

The perception-based cross-country indices' 'single-number problem', and subsequent concern about what exactly is measured by the indices, can be partly remedied by using non-aggregated household survey data. Two such surveys, for which questions are standardised and thus comparable across countries and over time, intend to capture households' perceptions about the extent of corruption within various institutions in sub-Saharan African countries. The Afrobarometer survey on democracy and governance has been conducted on an approximately bi-annual basis since 1999 and covers 20 sub-Saharan African countries. Although this survey does not deal exclusively with corruption, certain survey questions concern the perception on levels of corruption across 11 different institutions, ranging from the office of the President, to the police, to customs officials. Transparency International's Global Corruption Barometer, annually published since 2003 and undertaken by Gallup, likewise bases its survey questions on the perception of corruption in specific institutions. The survey includes questions about the extent of corruption in 14 different institutions, including political parties and NGOs.

While country coverage and institutional focus differ somewhat across the two indices, for seven sub-Saharan African countries and five institutions (parliament/legislators, education system, legal system/judiciary, medical services, and police) the indices do overlap. Figure 2.3 below shows a comparison between the Afrobarometer and the Global Corruption Barometer in terms of the perceived extent of corruption in a country's parliament/legislators. The rescaled indices (0-1) ranges between the country perceived to have the lowest level of corruption in this institution

(Ghana and Zambia) and the country perceived to have the highest (Nigeria and Liberia). The two indices appear to show a slightly more coherent picture that the TI and ICRG aggregate indices, although they do not agree on all cases.

Figure 2.3: Coherence between Afrobarometer and Global Corruption Barometer



Note: Figure 2.3 is based on data from two constructed indices (see Annex). The first index (ranging from 1 to 4) is based on the responses from the Afrobarometer (Round 4, 2008) question: *How many Members of Parliament do you think are involved in corruption, or haven't you heard enough about them to say?* The second index (ranging from 1 to 5) is based on the responses from Global Corruption Barometer (2008) to the survey question: *To what extent is Parliament/Legislature affected by corruption in your country?* The two indices have subsequently been rescaled from 0 to 1. Sources: Afrobarometer (Round 4, 2008) and Transparency International, Global Corruption Barometer (2009).

In two of the empirical chapters in this thesis, the location of corruption is rather specific and the conceptual vagueness of the commonly used corruption indices is a matter of concern. In the first empirical chapter titled 'Winning Elections with Grand Corruption in Sub-Saharan Africa' the theoretical debate concerns the incentive of the country's executive to act in a corruption-decreasing or corruption-increasing manner when faced with political competition. In order to translate this question into an empirical assessment, it is of some importance that the data captures the workings of the executive as opposed to capturing petty corruption, bribes paid by business or other rather unrelated phenomena which may be what the composite corruption indices capture. For that reason, I use the Afrobarometer survey and its specific survey question about the perception of corruption in the country's executive office, i.e. the Office of the President or Prime Minister depending on the country's political system. In the third empirical chapter titled 'Catching the 'Big Fish': The (Ab)Use of Corruption-Related Prosecutions across Sub-Saharan Africa', I start the empirical analysis by assessing a theory that proposes a change in corruption among government officials following a certain policy intervention. Here too is a concern that the conceptual vagueness of the composite indices will influence the empirical strategy. I therefore resort, once again, to the Afrobarometer survey because of its specific survey question on the perceived extent of corruption among government officials.

2.4 Conclusion

The purpose of this chapter was twofold. First, the three empirical chapters in this thesis each deal with a narrow research question which leaves little room for broader discussions about issues that are highly relevant with regard to conducting research on corruption, such as definitions, data availability, as well as the reliability of the available data. The aim of this chapter was to fill that hole. Second, the empirical literature on corruption is vast and covers a wide range of research methods. Therefore, this chapter discussed the pros and cons with regard to making choices between various qualitative, quantitative or mixed methods research approaches.

While interesting empirical research on corruption has come from both qualitative and quantitative methods camps in recent years, I argue for the merits of using a mixed methods approach to study corruption. However, with this approach the method of cross-country regression analysis is often left to shoulder much of the burden of hypothesis-testing. In turn, this demands good data with high levels of comparability across countries with regard to how corruption is conceptualised and measured.

I find by examining the most commonly used cross-country perception-based corruption indices that they are worryingly incoherent, and therefore conceptually unclear, with regard to measuring levels of corruption in sub-Saharan Africa. This, in turn, justifies my choice for using alternative data on corruption from the Afrobarometer survey, which is also perception-based, although less conceptually vague, and comparable across the sub-Saharan African region.

Annex: Summary of data used in section 2.3.2

Table 2.2: Data for the Afrobarometer index

Surveyed country	**None %**	**Some of them %**	**Most of them %**	**All of them %**	**Don't know %**	**Scale 1-4**	**No. of obs.**
Ghana	15	53	15	6	12	2.13	1199
Kenya	5	47	33	8	6	2.47	1101
Liberia	6	48	27	15	5	2.53	1200
Nigeria	4	38	35	16	7	2.68	2324
Senegal	10	24	18	7	42	2.37	1199
Uganda	4	49	28	9	10	2.47	2431
Zambia	6	50	21	6	17	2.33	1199

Note: Data based on the responses to the survey question 'How many Members of Parliament do you think are involved in corruption, or haven't you heard enough about them to say?' The index scores are calculated in the following way. After subtracting the 'don't know' responses from the Afrobarometer survey data, I give the remaining categories values on an ordinal scale ranging from 1 = 'none of them' to 4 = 'all of them'. I then weight the percentage of respondents in each category accordingly and add the categories together. In theory, the Afrobarometer index thus ranges from 1 to 4. Source: Afrobarometer (Round 4, 2008).

Table 2.3: Data for the Global Corruption Barometer index

Surveyed country	**1=not at all corrupt %**	**2 %**	**3 %**	**4 %**	**5= extremely corrupt %**	**don't know %**	**Scale 1-5**	**No. of obs.**
Ghana	11	20	22	21	14	12	3.08	1190
Kenya	2	7	19	30	40	3	4.01	2007
Liberia	8	4	8	27	49	5	4.09	1000
Nigeria	5	11	17	25	32	10	3.76	5007
Senegal	6	11	19	24	29	11	3.66	1480
Uganda	8	18	18	24	25	7	3.43	1000
Zambia	20	18	19	17	13	13	2.83	902

Note: Data based on the responses to the survey question 'To what extent is Parliament/Legislature affected by corruption in your country?' Data is from 2008. The index is calculated in the following way. I subtract the 'don't know' responses from the survey data and give the remaining categories values on an ordinal scale ranging from 1 = 'not at all corrupt' to 5 = 'extremely corrupt'. I then weight the percentage of respondents in each category accordingly and add the categories together. In theory, the Global Corruption Barometer index thus ranges from 1 to 5. Source: Transparency International, Global Corruption Barometer.

3. Winning Elections with Grand Corruption in Sub-Saharan Africa

Abstract

Two decades have passed since the third wave of democratisation swept over sub-Saharan Africa. The consequent regime transformations held great promises of improving dire quality of governance and high levels of corruption by inducing accountability into the political systems. However, despite the regime changes and regularly held elections, the predicted improvement with regard to corruption is, on the whole, shining with its absence. This study concerns the effect political competition for a country's executive position has on the extent of corruption at the highest political level, so called grand- or political corruption, across sub-Saharan Africa. Using insights from the literature on African neopatrimonialism and 'Big Man' rule, I seek to explain the lack of improvement in terms of corruption albeit democratisation. I propose that an incumbent, as a rational strategy of political survival, responds to an increase in political competition with an increase in the distribution of prebends with which he buys elite loyalty and, in that way, ensures continued incumbency. Such use of prebendal politics is, in turn, associated with high levels of corruption. I test this proposition using cross-section time-series regression analysis on a sub-Saharan Africa country sample and find that, as long as 'Big Man' rule continues to be the order of the day, an increase in political competition will increase the use of prebendal politics and corruption. I also find that this pattern breaks if and when a country's democratic quality – or institutionalisation – reaches a certain point. The fact that corruption continues to be closely linked to political survival – via 'Big Man' rule and prebendal politics – sets the African experiences with democratisation apart from that of Western liberal democracies and this should be better acknowledged by the academic community and development practitioners alike.

Keywords: sub-Saharan Africa, corruption, prebends, democratisation, elections

3.1 Introduction

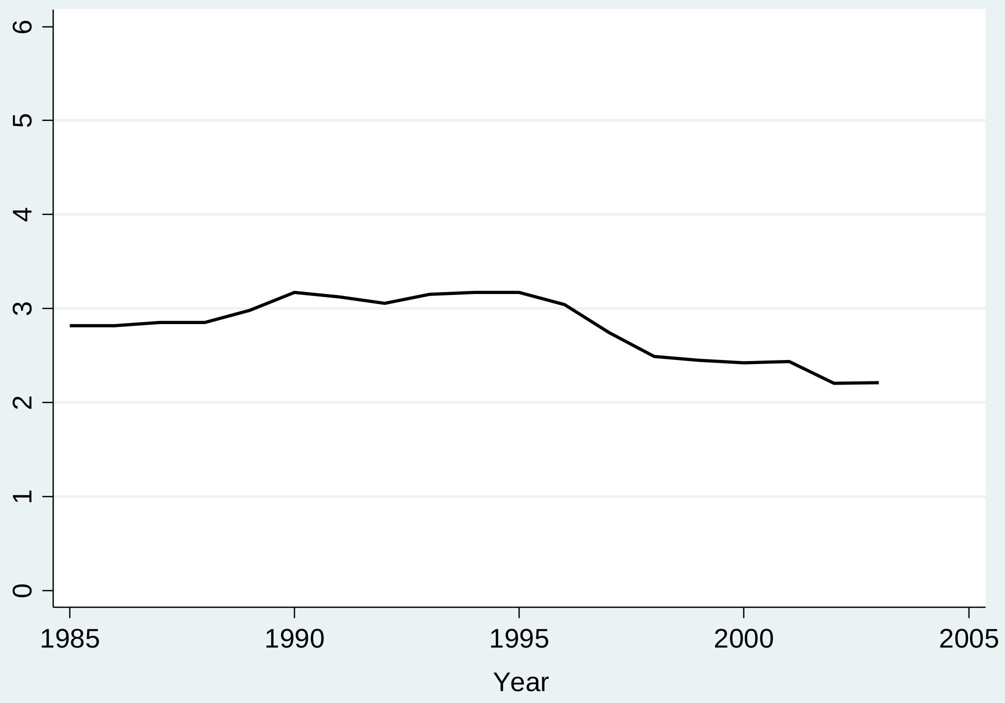
After a mixture of popular protests, aid conditionality imposed by the international donor community, and the political liberalisation of Eastern Europe, a wave of democratisation swept over sub-Saharan Africa in the early 1990s. Already in the first 18 months after the fall of the Berlin Wall, half of sub-Saharan African's authoritarian regimes had signed up to multi-party democracy (Robinson, 1993:88). At the core of the liberalisation fight – fought by African citizens and the international donor community alike – was disappointment and anger about bad governance and corruption (the abuse of public office for private gain).

From the side of African citizens, the popular demands for political liberalisation fed from a crisis of political legitimacy where "leaders had damaged their own claim to rule by engaging in nepotism and corruption." (Bratton and van de Walle, 1997:99). In terms of international pressure, donors had with the end of the Cold War lost their impetus to prop up authoritarian and kleptomaniac regimes, and by the early 1990s, pushing for political liberalisation across Africa, many of them started to impose aid conditionality. Such conditionality referred to the linking of aid to political reform, among others, to open and accountable government. Already in June 1990, France's President, François Mitterrand, announced at a summit of African Heads of State that "France would reduce its aid to regimes which conduct themselves in an authoritarian manner without accepting evolution towards democracy." (Robinson, 1993:90). It would take another few years before a consensus about the link between democracy and corruption had been formed, making the push towards democratisation a cornerstone in the international donor community's fight against corruption (Riley, 1998).

At the heart of the exerted pressure for African countries to accept multi-party democracy was a belief that leaders who are forced to face their electorate are more accountable and less corrupt. In particular, theory has it that political competition forces the incumbent to align with the preferences of the voters and thus use public resources in a way that favour public goods. Corruption, being as far from a public good there is, would thus whither in the face of the electoral competition brought about through multi-party democratisation.

Twenty years following political liberalisation, corruption levels across sub-Saharan Africa appear to have remained stubbornly high. Nicolas van de Walle, who has published extensively on the topic of democratisation in sub-Saharan Africa, writes that "democratisation has not altered long-standing political patterns in African politics… the transition [to multi-party democracy] did little to change the enduring weakness of vertical and horizontal accountability mechanisms facing executives." (Van de Walle, 2001:264). Similarly, judging from cross-country data on levels of corruption, the move to multi-party democratisation has not proven be a panacea for curbing corruption. Using time series data on corruption from the International Country Risk Group between 1985 and 2003 – where the higher the index value the lower the perceived level of corruption in the country – figure 3:1 below shows that while no drastic changes have occurred over time, average levels of corruption appear to have risen slightly from the mid-1990s onwards.

Figure 3.1: Average levels of corruption across 27 African countries over time



Note: Figure 3.1 uses data from the International Country Risk Group index on corruption for the years 1985-2003. This index spans from 0 signifying very high levels of corruption, to 6 signifying very low levels of corruption.

Moreover, the Afrobarometer survey, which target a random sample of households in a set of sub-Saharan African countries includes, in its first survey round from 1999, questions pertaining to the extent of corruption perceived in the current government compared to that of the previous government under one-party rule.[8] The survey results are ambiguous to say the least. Citizens from Malawi, Tanzania and Zambia indicated that corruption was a greater problem in the post-liberalised political environment of 1999 than under the previous one-party governments. On the contrary, citizens in Mali and Lesotho found corruption to have been a bigger problem under the one-party state than after political liberalisation. In Ghana and Nigeria, the respondents believed that corruption had been greater under previous military governments. In South Africa, corruption was perceived to have been higher in 1999 than during pre-1994 apartheid rule while the opposite was true for Namibia. In short, evidence from this small sample indicates that about half of the countries have registered improvement in governance with regard to levels of corruption while the other half have noticed an increase in corruption following political liberalisation.

Another disconcerting note comes from a report published by the Washington-based institute, Global Financial Integrity (2010). The authors calculate that financial leakages in terms of illicit financial flows from sub-Saharan Africa alone amounted, in the period 2000-2008, to \$358 billion and that this was a 30 percent increase compared to the previous decade (ibid:10). This number can be set in relation to the inflow of money to the sub-continent in the form of development aid. According to data from OECD (OECD.StatExtracts), total net official development assistance (ODA) to sub-Saharan Africa for the same period (2000-2008) amounted to \$193

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[8] Malawi, 1999, survey question 77C, "Is government of today more, about the same, or less corrupt as under the one-party regime of former President Banda?"
Tanzania, 1999, survey question 81G, "Corruption was a worse problem under the old single party government than these days."
Zambia, 1999, survey question 77C, "Is government of today more, about the same, or less corrupt as under the one party regime of Kaunda?"
Mali, 2001, survey question 81G, "Corruption was a worse problem under the old single party government than these days."
Lesotho, 1999, survey question 77C, "Is the government of today more, about the same, or less corrupt than under the government of President Leabua Jonathan?"
Ghana, 1999, survey question 80, "Corruption was a worse problem under the old military government than these days."
Nigeria, 1999, survey question 85, "Corruption was a worse problem under the old military government than these days."
South Africa, 1999, survey question 77C, "Is government of today more, about the same, or less as under apartheid?"
Namibia, 1999, survey question 77C, "Is government of today more, about the same, or less corrupt as under South African rule?"

billion, or just over half of the money that illegally left the region during the same time. Such capital outflow can be seen as the foregone chance for the elected leaders to enhance the level of public goods and thereby align with the preferences of their citizenry. In short, it fits uneasily with the notion that leaders are supposed to be weary of protecting their job titles.

In this chapter, I take a closer look at the linkage between political competition and corruption in sub-Saharan Africa. Using statistical analysis, I find that, contrary to popularly used theories originating from the experience of Western liberal democracies, in times of tense political competition the incumbent ensures his victory by using the resources of the state to buy the loyalty of the elite. In turn, since such prebendal politics works by distributing state resources for private means, it is linked to corruption. However, I argue that such political strategy is coupled with 'Big Man' rule that weakens as a country's democratic consolidation and institutionalisation of the state is enhanced.

This chapter is divided into five sections. In section 3.2, I discuss the theoretical linkages between political competition and corruption, starting with the conventionally used theories and juxtaposing these with propositions found in the political science literature on Africa. Section 3.3 deals with the data and variables used in the statistical analysis, and section 3.4 tests the formed propositions on a sub-Saharan African sample using cross-section time-series regression analysis. Section 3.5 forms a conclusion.

3.2 Linking political competition with corruption in sub-Saharan Africa

According to well-regarded literature on corruption, political competition, and the real risk of being voted out of office, goes hand in hand with increased accountability and less corruption. Lederman et al. (2005:4), for example, state that "any institution or rule that provides a punishment mechanism for politicians, such as the loss of elections or the possibility of being forced out of office, can induce politicians to improve their behaviour by aligning their own interests with those of their constituents. The more the system forces politicians to face the electorate, the higher are the incentives to stick to good governance.” Humphreys and Bates (2005) model this logic through a principal-agent model, where voters constitute the principal and the government in office the agent. In essence, the fate of the government is in the hands of voters who will punish bad policies and political behaviour, such as corruption, by not re-electing corrupt leaders. In fact, being merely an agent, the government must apportion sufficient benefits to a sufficient number of voters (the majority) so that they will approve its return to office (ibid:7).

We would therefore expect that by letting voters choose between different leaders, i.e. by introducing competition into the system, multi-party democracy, as opposed to one-party regimes, would limit the level of corruption in a country by forcing leaders to be accountable for their actions. According to Rose-Ackerman (1999:127), “a competitive political environment reduces the likelihood of corruption because it raises the stakes that politicians will be voted out of office.” Schleifer and Vishny (1993:612) argue this point by stating that leaders in countries with more political competition are more likely to use government organisations that contain rather than maximise the proceeds of corruption because of stronger public pressure against corruption. The authors add that “it is implausible to think, for example, that the US president maximises corruption proceeds, since such a president is likely to be exposed and thrown out of office.” (Ibid:612).

In terms of empirical attention to the association between political competition and corruption, Lederman et al. (2005), using panel regression analysis with a maximum of 146 countries between 1984 and 1999, find that contested elections are associated with lower levels of corruption. As a concluding remark, the authors state that “efforts should be targeted at creating competition in all levels of the political structure.” (Ibid:28). In addition, Humphreys and Bates (2005) in their empirical study on the role of political competition for ensuring good governance in Africa find that an increase in political competition is associated with an improvement in their governance quality index (comprising corruption and risk of expropriation). They conclude by stating that “governments that are subject to electoral competition are more likely to employ public power to produce collective goods rather than to extract private benefits.” (Ibid:425).

The validity of the proposition put forth here – that political competition induces more accountability and less corruption – hinges on the assumption that citizens will use their votes to punish corrupt leaders, and that these leaders are fully aware of this risk and choose their policies and political behaviour accordingly. There are, however, various suggestions in the literature that this accountability relationship between voters and leaders is rather weak in many African countries (see, for example, Bratton and Logan's (2006), and Chang and Kerr's (2009) findings using the Afrobarometer survey) and that voting behaviour is shaped by other concerns than inducing more public welfare and less corruption.

To start with, in patron-client societies, as those found in Africa, public resources are largely not distributed in the form of universal public goods and in accordance with citizens' rights or equality before the law but rather on patron-client basis in which the client offers (for example through their vote) loyalty to the patron in exchange for gaining access to resources distributed by the patron. Having a resourceful patron in this context is what can enable a community to thrive. As I will come to later, one characteristic of African societies is that the executive branch, most often the presidency, sits on a disproportionate share of a country's resources. The best patron to have in this case is therefore the president and those in coalition with him. Therefore, as van de Walle (2007:64) argues, political opposition in African countries often have difficulty attracting votes since voters believe that voting for a loser will not be rewarded with access to state resources. "Indeed, citizens often fear that they will be deprived of [social] services if they do not vote for the winning candidate." (Van de Walle, 2003:313). Thus, rather than aligning their support behind the candidate with the cleanest record, voters are incentivised to stand behind the most likely victor in the political contest. Most often this is the incumbent since he can usually count on having the largest resource base on which to further his campaign. The fact that out of 91 elections across sub-Saharan Africa (1990-2010) in which the incumbent participated in the presidential race, the incumbent was victorious in 78 elections (86 percent) is expressive of the gains perceived by voters from voting for the likely victor.[9]

[9] Notes: I have based these calculations on election information from African Elections Database, http://africanelections.tripod.com/index.html. Botswana, Ethiopia, Lesotho, Mauritius and South Africa have legislative elections only and Swaziland has non-party elections. Therefore, these countries are

This incentive to belong to the clientele of the political winner continues up the political hierarchy as can be seen, for example, from recent political developments in Malawi. When President Bingu wa Mutharika of the Democratic Progressive Party (DPP) suddenly died in April 2012, Vice-President Joyce Banda from the People's Party (PP) took over the presidential position. Banda had previously been a leading member of the DPP but had been expelled from the party and subsequently formed her own party with her own loyal followers. In the wake of this sudden presidential change, a mass 'defection' by DPP MPs to the PP has been reported (Guardian online, 2012 retrieved 20 April 2012). Seen in the light of patron-client relations and strategic alliances; when the elite clients that stood behind the DPP lost their patron, there was little benefit of staying within the losing coalition and possibly much to gain from shifting party affiliation and join the ranks of the winning coalition and ultimate patron.

If political accountability vis-à-vis citizens does not function in the way it does in western democracies, i.e., if political leaders do not really fear being punished by voters for bad policies and political behaviour; does this simply mean that political competition has little or no effect on corruption? Perhaps it does not in terms of what the abovementioned theories in the corruption literature suggest but that does not mean that political competition has no effect on corruption. To further investigate this linkage, we need to take a closer look at how leaders in Africa are likely to react when faced with competition for their office.

African countries are characterised by the centralisation of power around the 'Big Men', usually the countries' presidents. Such centralisation of power puts an enormous premium on competition for the presidency (van de Walle, 2003:315). This fierce competition is aggravated by the fact that a generally large portion of African countries' wealth (and possibility for wealth creation) is concentrated in the hands of the political leadership, either directly through state ownership or indirectly through politicised markets. This creates fierce and sometimes zero-sum political battles over who will run the state. In Africa, the never ending series of coups d'état, claims about

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not included from this data. In addition, certain elections are not included because there has been no incumbent prior to election to stand in the election, e.g. following coup d'états or death of incumbent. Liberia's two elections (1997, 2005) are examples of this.

rigged elections, and violence in connection with national elections are evidence of the serious repercussions faced by those groups of people who end up on the losing side of the political battle. Several authors have highlighted the relation between the political battle field and economic possibilities in Africa. Mungiu-Pippidi (2006:89), for example, states that "the main prize in the competition for power is the state and all of its resources." Bratton and van de Walle (1997:37) similarly argue that "where resources are scarce, the object of political contestation is to secure economic consumption, which in turn is best guaranteed by capturing the state." Oketch and Polzer (2002:104), in their political analysis of Burundi, likewise find that "control over the state and political power is synonymous with control over economic opportunity, individually and as an elite group." These features combined create a political environment where the personal stakes involved in the political game are quite a bit higher than those found in Western liberal democracies.

To safeguard his position, the political leader needs to out-compete other 'Big Men' in waiting, such as formal candidates running for the leadership position or other figures who may nurture leadership ambitions. Such political competitions are in turn won through increasing the elite clientele linked to the 'Big Man'. According to Médard (2002:383), "In Africa, it is in the politician's interest, politically speaking, to redistribute part of the stolen money to keep their political clientele. The mechanics of patronage and therefore stability are at the heart of a leader's political stability. The art of governing is not only the art of extracting resources, but also of redistribution: it is the only way of legitimising power, in the absence of ideological legitimacy." Chabal and Daloz (1999:103) similarly assert that the political strategy used by African leaders is one of 'sharing of the spoils' from the state in exchange for recognition of the status and power of the incumbent.

The loyalty of this elite clientele is in turn bought through offering *prebends*: the strategic political allocation of public offices to key elites which grant personal access over state resources (van de Walle (2012:113).[10] By being granted access to these

[10] Prebendalism as a term was first used in the African context by Joseph (1983) where he refers it to "patterns of political behaviour which reflect as their justifying principle that the offices of the existing state may be competed for and then utilised for the personal benefit of office-holders as well as that of their reference or support group." (Ibid:30). Prebends are thus closely linked to corruption as 'prebendal appropriation' is "the exploitation of public offices for private gain." (Joseph, 2003:162).

offices for political reasons, the political elite can subsequently subvert the rule of law for personal gain. Thus, such prebendal politics is heavily associated with corruption. In the words of Cammack et al (2007), "the 'Big Man' personally uses the power of the state to protect his cronies, eliminate his rivals and to buy support, for example by handling out cabinet posts and providing opportunities for rent." Van de Walle (2001:264) argues that African political leaders, post-democratisation, continue to rely on such accommodation of a narrow political elite as a way to survive. Similarly, Joseph (1987:57) argues in the case of Nigeria that "a competitive electoral system, with its vast array of ministerial and sub-ministerial appointments, with legislative offices and their private staff positions to be filled, is a veritable boon to prebendal politics." What this discussion has pointed to is that African political leaders, when faced with competition for their offices, ensure continued incumbency through offering prebends to selected elites and thereby ensure their loyalty.

Various scholars focusing on Africa have provided concrete examples of such prebendal politics where the political leader ensures electoral victory by buying loyalty from the elite. Van de Walle (2001:266), for example, uses the case of the Zambian President, Frederick Chiluba, who dramatically expanded the number of high political and ministerial positions before an election. Since these positions came with great private benefits for the office holders, Chiluba could ensure the loyalty of the beneficiaries and, in turn, secure his electoral victory. Tangri and Mwenda (2006:104) in their case study on Uganda also found such elite accommodation for political reasons to be widely used. They argue that "by enabling individual power-holders to divert public resources into their own hands, the top political leadership has been able to retain their loyalty and keep them within the ruling coalition." Similarly, Lindberg (2010) touches upon the use of prebendal political appointments in his in-depth case study on members of parliament (MPs) in Ghana. He states that President Kufour, while in office (2001-2009), created and distributed posts for MPs as ministers and deputies. The President also created a substantial number of lucrative seats on procurement and tender boards that he could "distribute on the basis of loyalty to him... The remaining MPs were in effect waiting in line to be appointed at a later stage." (Ibid:131). Lastly, in a recent public talk[11], John Githongo, Kenya's former 'anti-corruption tsar', hinted at the use of prebendal politics and its link to corruption when stating that corruption is the glue that has kept the post 2007 Kenyan coalition together as it has made no part of the elite having to feel left out.

While the practice of prebendal politics is a general characteristic of African countries, certain variation is bound to exist across countries, and this variation, according to van de Walle, boils down to how well countries have managed to institutionalise themselves away from 'Big Man' politics and related neopatrimonial or hybrid systems of governance. One proof that such institutionalisation has taken place is, in turn, when countries have reached democratic consolidation. The less democratic the system, and therefore, the less sanctioned misconducts by the elite are, the more this type of prebendal politics will be the order of the day (van de Walle, 2012:116). By contrast, "in a small set of African countries, relatively liberal democracies are emerging. I would argue that in these regimes, prebendalism is in the decline if not actually in the process of disappearing, at least as a systematic practice." (Van de Walle, 2007:66).

The proposition put forth in this section is that political competition does have an effect on corruption in African countries, not primarily in the way that theories on accountability found in the corruption literature see it, but rather in accordance with the logic on which prebendal politics is exercised. When faced with political competition, incumbents in African countries, especially those with low levels of democratic institutionalisation, react to this competition by increasing their entourage, or platform of elite loyalists. They do so by distributing prebends, which in turn is associated with an increase in corruption. As a result, in times of fierce political competition for a country's leadership position, we are likely to see corruption increase. This hypothesis will be tested using statistical analysis in the section 3.4 below.

[11] Africa Talks public lecture, "African Whistle-blowers: Fighting Corruption from the Inside", London School of Economics and Political Science, 26 October 2010

3.3 Variables and data

In this section, I will discuss the variables and data used in the statistical analysis in the subsequent section. The section starts with a substantial discussion about the pros and cons of different corruption measurements. Thereafter, the two main independent variables, political competition and prebendal politics, are discussed. Lastly, I discuss a number of institutional and political variables as well as a number of control variables that have come to be conventionally used in the quantitatively oriented corruption literature.

3.3.1 Grand corruption

The theoretical literature on corruption tends to distinguish between petty and grand corruption; a distinction which refers to the scale and protagonist, as well as the underlying functionality of corruption. As the name indicates, petty corruption (also known as bureaucratic corruption) is comparatively small in scale and conducted at the bureaucratic level. The reason behind this type of corruption is often, although far from always, motivated by necessity as a result of low wages, and the benefits are usually internalised on an individual basis: a bribe to a police officer in order to avoid a speeding ticket, money exchanged to receive a public service which would otherwise have been free of charge, or money exchanged for jumping the bureaucratic queue are all examples of such petty corruption. While this form of corruption can be deeply damaging, especially to poor households, it is not as relevant to the discussion of political competition and accountability as its counterpart, grand corruption.

As the name indicates, the scale of grand corruption (also known as political corruption) is larger. The protagonists of this type of corruption involve policy makers and takes place at a higher level of the political system than the petty counterpart. Political corruption, be it through awarding infrastructure contracts to friends, awarding high level jobs on nepotistic grounds, or granting unsecured bank loans to political allies, often has a function beyond merely being a source of extrajudicial income. Williams (1987:70) writes that "unlike petty corruption, grand corruption often has a number of beneficiaries and normally involves elements of collusion and conspiracy." Amundsen (1999:3) describes the functionality of political corruption in the following way: "political corruption is when political decision-makers use the political power they are armed with, to sustain their power, status and wealth… Political corruption is when laws and regulations are more or less systematically abused by the rulers, side-stepped, ignored, or even tailored to fit their interests". On a similar vein, Philip (2002:42) uses the functionality of corruption to distinguish between institutional corruption and private corruption. While private corruption produces gains on an individual basis, institutional corruption yields gains for a politician within the political process and is ultimately about using the public office and state resources to remain in power.

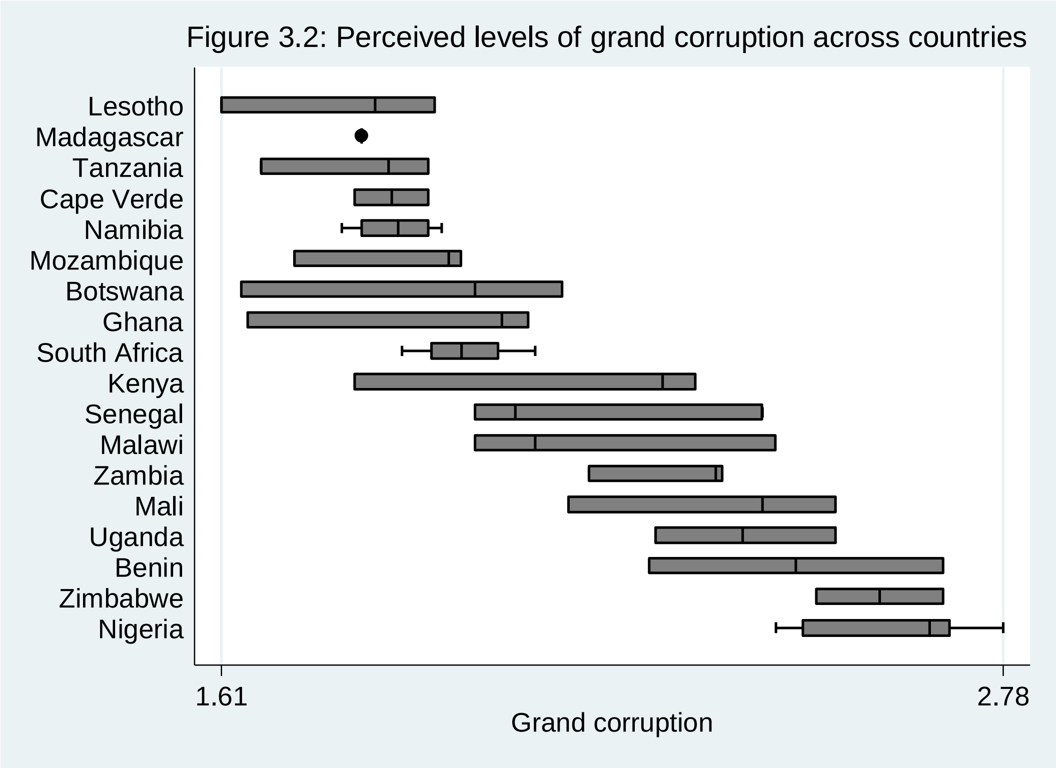
The data on corruption most commonly used in comparative research come from annual cross-country indices, such as Transparency International's Corruption Perception Index and the World Bank's Control of Corruption Index. These indices are perception-based composite indices which combine data for each country from a number of different sources, such as household surveys, analyses from country risk experts, and international investors. While these indices are extensive in country coverage, the variety of sources greatly increases the conceptual vagueness of the corruption measurement. Johnston (2000), for example, refers to the composite indices' 'single-number problem' i.e., the difficulty of assigning comparable values to different types of corruption, such as petty and political, across different types of political systems. To illustrate the problem, the author asks how much nepotism or patronage is equivalent to a certain level of bribery in road construction?

To remedy the vagueness of the composite corruption indices and specifically focus on grand corruption, I use corruption perception data from the Afrobarometer survey which is constructed, using random sampling, to be a representative cross-section of the adult population in each of the surveyed countries. The specific survey rounds of concern to this study took place between 2002 and 2009 and resulted in 56 surveys from 20 countries in sub-Saharan Africa. The dependent variable is calculated from the response to a question about the perceived extent of corruption in the country's highest executive office. For most parts, this refers to the President's office although for the few countries with parliamentary system, it refers to the Prime Minister's office.[12] By looking exclusively at corruption at the highest political level, the empirical analysis can provide a sharper focus on the political actions taken by the incumbent who, due to political competition for power, faces the risk of losing his position. This linkage is thereby not muddled by the incentives faced by other protagonists, e.g. lower level bureaucrats, whose perceived behaviour is included in the composite indices on corruption.

The eligible response categories to the survey question are: none of them, some of them, most of them, all of them, and don't know. From these responses I give each survey a score from 1-4 where the higher the value, the higher the level of perceived corruption in the executive's office. In order to create these scores, I first subtract all the 'don't knows' from the number of respondents. I then order the four categories from 'none of them'=1 to 'all of them'=4. Lastly, I weight the percentage of respondents in each category accordingly and add the categories together. In practise, the scores awarded to the different surveys spans 1.61 (Lesotho 2005) as the lowest perceived corruption to 2.78 (Nigeria 2005) as the highest score (see Annex).

Figure 3.2 below shows the comparative scores across countries on the grand corruption index constructed using data from the Afrobarometer survey (Rounds 2-4, spanning the years 2002-2009). The size of the rectangle for each country corresponds to the inter-quartile data range and the whiskers indicate the range of the more extreme values. The within-country variation in perceived corruption depicted in the figure has generally been negative with 13 out of 18 countries reporting higher levels of perceived corruption in the most recent survey round compared to the first round.

[12] The exact questions are: *How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say: The President and Officials in his/her Office? How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say: The Prime Minister and Officials in his Office?*



Note: Figure 3.2 shows the result from the Afrobarometer Survey (Rounds 2-4) on the question: *How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say: The President/Prime Minister and Officials in his/her Office?* The calculated index spans from 1 to 4 (in reality from 1.61 to 2.78) where the higher the value, the greater the perception of corruption in the office of the country's executive. The two surveys on Madagascar showed the same index result, hence the lack of variation for that country. Source: Afrobarometer.

In the statistical analysis in the next section, I use this survey-based perception of grand corruption as the dependent variable. Since I use panel regression analysis, two countries that only had one survey each had to be dropped in order to allow for the observations to be clustered by country. This technique, in turn, ensures that country-level characteristics are controlled for and that focus is set on explaining within-country variation in levels of corruption.

Certain caveats may be inherent in this type of data. First, due to the fact that the survey demands that respondents express their opinion about a topic as sensitive as high-level corruption, there is a fear that the scores may be biased downwards or that the responses disappear in the 'don't know' category. Eifert et al. (2010) use the Afrobarometer survey on the similarly sensitive topic of ethnic belonging. They argue, however, that respondents are unlikely to be guarded in their responses since, on the one hand, the surveys are conducted in a confidential manner with politically unaffiliated enumerators, and on the other hand, the issue of corruption only covers a handful of questions in a survey of more than 175 questions (Ibid:498). Whether these 20 countries constitute a representative sample of sub-Saharan Africa in its totality is another potential concern in terms of enabling inference to be drawn from the statistical results. Testing the difference in group means between the sample of these 20 countries and a larger sample of 40 countries for the year 2008 shows statistical similarity for all variables (see Annex) apart from democratic quality for which the sample of 20 scores statistically significantly higher (F=3.98) than the larger sample of 40 countries.

The greatest potential caveat may, however, be the fact that the Afrobarometer survey data is based on citizen's perception of corruption. Is perceived corruption a reflection of true corruption and, if so, how could we possibly know that when actual levels of corruption, especially the type of grand corruption that is of concern in this study, is not really measurable? While the real extent of some kinds of petty corruption can pretty much be measured using people's own experiences, ordinary citizens are unlikely to base their perception on grand corruption from own experiences and are instead likely to base their judgement on reports in the media, rumours and gossip, or direct observation of wealth being clustered among citizens with certain functions (Konold, 2007:8). Apart from believing that there would be no smoke without a fire, i.e., people would not perceive corruption to be common if this was not the reality, there is no way we can know with certainty that perceived levels of grand corruption resemble actual levels of grand corruption.

A few researchers have gone beyond this rather defeatist attitude and investigated where perceptions about high or low levels of corruption come from. Chang and Kerr (2009), for example, use the Afrobarometer survey to statistically investigate variations in within-country perceived levels of corruption at the highest level of government. They find support for their proposition that political insiders – those who share party affiliation and ethnic identity with the incumbent – perceive grand corruption to be lower than political outsiders. In other words, perceived corruption may in this sense reflect general attitudes towards those in power with supporters perhaps being overly forgiving and opponents perhaps being overly cynical. Media exposure is another variable thought to affect perceptions on corruption. A free, vibrant and wide-reaching media helps expose corruption and thus, as democratisation and media freedom improves in a country, it may affect perceptions of corruption while actual levels of corruption may remain unchanged. Chang and Kerr (2009), using Afrobarometer data, found evidence that citizens who were more exposed to media information tended to perceive higher levels of corruption, thereby providing support for the proposition that perceptions of corruption are created via media. Based on this finding, it should also matter whether citizens are exposed to government-owned media with all its censorship or independent media, and whether a country is able to provide high quality of investigative journalism. However, contrary to this finding, Mattes and Africa (1999), using citizen-level data from South Africa, found no correlation between media exposure and perceptions of corruption. In sum, the choice of equating perceptions of grand corruption – in this case perceptions at the citizen-level – with actual levels of grand corruption unfortunately comes at the cost of uncertainty of how well perception correspond to reality.

To overcome this caveat, at least partly, and to triangulate the findings using alternative data, I use the International Country Risk Group's (ICRG) corruption index as the dependent variable in alternative regression specifications. The time-series data spans the years 1985-2003 for 27 countries. The ICRG Corruption Index was developed by the for-profit organisation Political Risk Service and is based on the perceptions of corruption by country experts. As such, it is not a composite index like the ones developed by the World Bank and Transparency International discussed earlier, and neither is it constructed using perceptions among general citizens. To ease comparison with the previous proxy for corruption, I have inverted the index to span from minus 6 to zero. An increase in the value from, say, -4 to -2, indicates an increase in perceived corruption. According to its codebook, this index intends to primarily capture "excessive patronage, nepotism, job reservations, favour-for-favours, secret party funding, and suspiciously close ties between politics and business", as well as "demands for special payment and bribery".

3.3.2 Political competition/vote margins

The main independent variable of concern in this study is political competition and how it affects prebendal politics and grand corruption within the countries in sub-Saharan Africa.

Previous studies focusing on the effect political competition has on corruption have used several different measurements to proxy political competition. Treisman (2000) for example, uses the minimalist measure of 45 years of uninterrupted democracy to capture political competition in a country, and the measure of political competition used by Lederman et al. (2005) takes the form of a dummy variable for whether democratically contested elections are held in the country. Humphreys and Bates's (2005) measure of political competition is less minimalist and takes discrete values between 1 and 7; higher values indicating greater executive electoral competition. Values ranging from 1 to 5 proxy different levels of autocratic regimes where either opposition is banned or there is no electoral competition taking place. Values 6 and 7 are of more interest in the post-1990s sub-Saharan African political context, where 6 indicates that *de jure* electoral competition between candidates and parties takes place and a score of 7 is awarded to countries whose executive's vote share is less than 75 percent and would thus indicate that *de facto* political competition takes place.

In order to fully capture the *de facto* political competition faced by the incumbent, I follow Eifert et al. (2010:501) and use vote margins, i.e. the percentage difference between the winner and the runner up in the most recent election for the country's executive position, as a proxy for the level of real political competition faced by the incumbent. This means that the larger the vote margin, the lower the level of political competition facing the candidates for the executive seat. During one-party states, these vote margins would thus have been 100 percent since no competition was allowed. Data on election results are taken from the African Elections Database, and I use the data from the first round of elections in those cases where two rounds took place.

For the 40 sub-Saharan African countries constituting the statistical sample, two countries (Angola and the Democratic Republic of Congo) have only had 1 multi-party election since 1990, and four countries (Burundi, the Republic of Congo, Liberia, and Rwanda) have held only two. On the other end of the spectrum, four countries (Comoros, Ghana, Togo, and Zambia) have experienced five multi-party presidential elections since 1990. The average vote margin for each of these rounds of elections is shown in table 3.1 below.

Table 3.1: Real political competition for the executive office

Election (during period 1990-2010).	Average vote margin between the presidential election winner and the runner-up (percent of total votes).
First election	34.4 (40 countries)
Second election	44.3 (38 countries)
Third election	31.8 (34 countries)
Fourth election	29.1 (24 countries)
Fifth election	8.6 (4 countries)

Note: Author's own calculations of multi-party executive election results in 40 countries in sub-Saharan Africa between 1990 and 2010. Source: African Elections Database

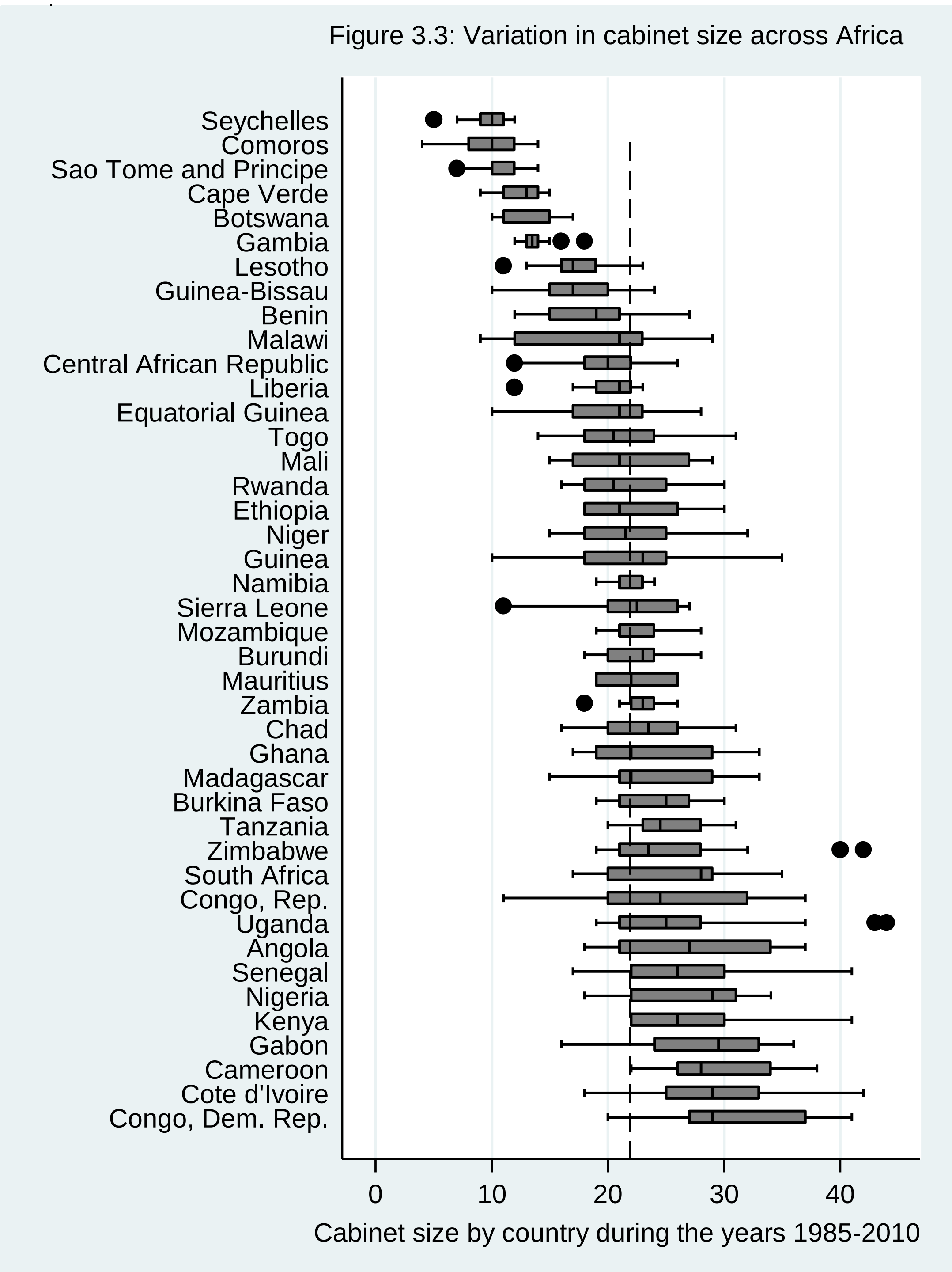
What is noteworthy is that the second multi-party election was much less competitive on average (had higher vote margins) than both the first one and the ones after that (see Lindberg (2006:74-88) for an in-depth discussion on the competitiveness of African elections over time). In comparative terms, vote margins for the presidential position during the same period (1992-2008) in the United States was 4.8 percent which indicates that African political competition for the executive position is on average relatively low, 30-40 percent vote margin besides the much smaller vote margin of 8.6 percent in the fifth election.

3.3.3 Prebendal politics

The second main independent variable, following the stated proposition in the previous section on the linkages between political competition and grand corruption, is prebendal politics, or the handing out of lucrative positions in exchange for political support. Not surprising, there is no straight forward way of quantifying such political behaviour. However, in previous empirical research, a country's cabinet size has been used as a proxy (Arriola, 2009). This proxy is, in turn, based on van de Walle's (2001:103) discussion about elite clientelism in which the author states that "in most [African] countries, a ministerial appointment is an important position for a member of the political elite, bringing with it patronage opportunities as well as significant perks and status-enhancing privileges." In Arriola's (2009) empirical study, the number of ministers in an African country's cabinet thus represent the number of elite clients sustained by a regime's leader, and an increase in this number is interpreted as an attempt by the incumbent to expand his loyalty base (ibid:1346). Thus, following the discussion in the previous section, an increase in a country's cabinet size signifies an increase in prebends and is expected to have an augmenting effect on grand corruption.

Such ministerial privileges have been reported in the media. For example, in April 2008, after the troubled presidential elections in Kenya, *The Telegraph* (2008, retrieved 20 April 2011) highlighted the large portion of the national budget that is dedicated to the running of the country's relatively large political top echelon, stating that "cabinet members benefit from annual salaries exceeding £83,000 and numerous perks, including official cars and 'entertainment' allowances of £600 per month." Salaries among Nigerian politicians, which are not made public but are believed to be among the highest in the world, received some media attention in relation to the country's 2011 elections (BBC News, 2011, retrieved 20 April 2011).

Data on the size and composition of cabinets across countries and over time are reported in the annual publication *Africa South of the Sahara* published by Europa Publications Limited. However, this data is not without its caveats as the reported cabinets may include positions, such as deputy ministers, ministers of state, and minister-delegates for certain years but not for others. To ensure consistency across time and countries, I have followed Arriola (2009) and included ministers and vice presidents, but excluded deputy ministers, minister-delegates, assistant ministers, and secretaries of state (where their position is lower than that of a minister). I have included ministers of state if these are reported as being part of the cabinet but have excluded them in cases where they are reported as being outside of the cabinet, i.e. in Uganda (2001-2010) where over 40 ministers of state where reported outside of its cabinet, and Nigeria where half of that number was reported.



Note: Figure 3.3 shows the spread within and across countries in sub-Saharan Africa with regard to their size of cabinet. The size of the rectangles in the boxplot corresponds to the inter-quartile range and the whiskers indicate the range of the more extreme values. Some countries have dots outside the boxes and these signify outliers. Source: Europa Publications Ltd "Africa South of the Sahara" (various years).

The variation across countries for the years 1985-2010 is shown in figure 3.3 above. The mean size of the cabinets in the sample is 22 members even if some countries have chosen to have significantly larger cabinets. For example, having roughly the same population size as Spain, although only a fraction of Spain's size of government expenditure, Kenya nonetheless afforded 39 cabinet ministers in 2008 compared to Spain's 18. As shown in the figure, certain countries have also seen large variations in cabinet size across time, e.g. Congo, Cote d'Ivoire and Senegal.

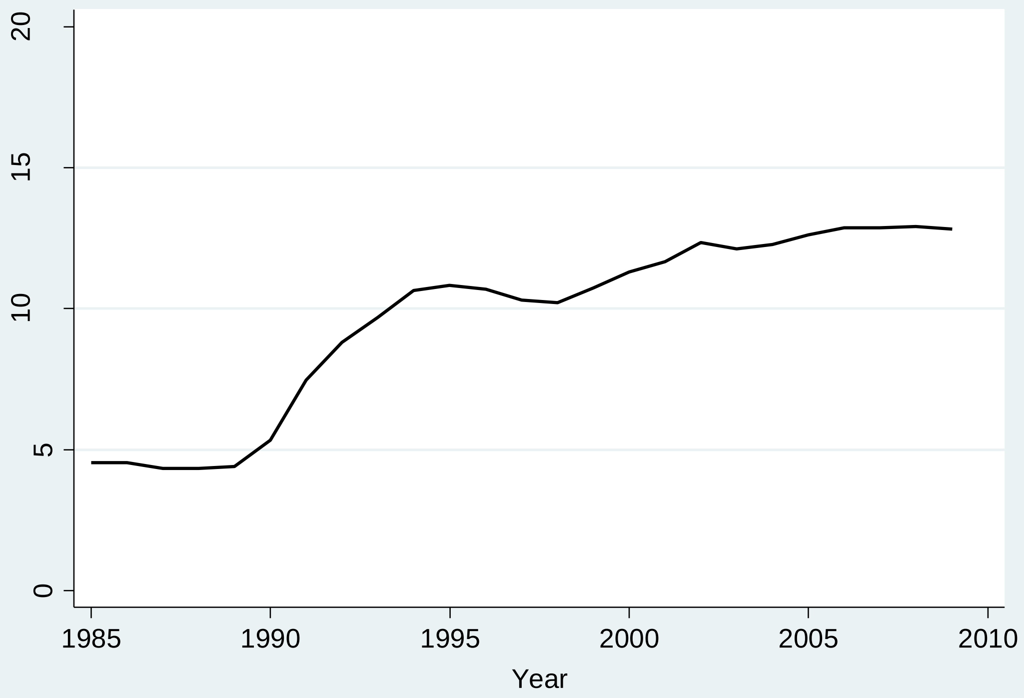
3.3.4 Democratic quality and other accountability variables

As asserted by van de Walle (2012:116) and mentioned in the previous section, some African countries have managed to step away from the systematic use of prebendal politics. They have, according to the same author, done so by institutionalising the state away from 'Big Man' rule and in favour of democratic consolidation which is more unforgiving of political abuse and elite clientelism. Therefore, at some point on a democratic quality continuum, we could expect countries to leave prebendal politics behind and, as a result, experience a decrease in grand corruption. This reasoning is in coherence with some recent cross-country empirical findings. Monitola and Jackman (2002) and Rock (2009), both using cross-section regression analysis, found that once a country has passed a threshold in terms of democratic quality and duration, they experience considerably less corruption.

Democratic maturity varies across African counties with countries such as Mauritius and Botswana constituting well-functioning democracies and countries such as Equatorial Guinea and Togo scoring very low in terms of democratic quality. While the third wave of democratisation (Huntington, 1991) swept across sub-Saharan Africa in the 1990s, the broom was more effective in some places than in others. In some countries, according to van de Walle (2003:307), democracy is not much more than the holding of elections, and "the turn to multi-party competition amounted to little more than an erstwhile authoritarian ruler donning the garb of democracy and tolerating regular elections as a successful strategy for holding on to power." For example, as stated by an opposition politician in Cameroon: "it is common knowledge that incumbent presidents in Africa use the government machinery and all the powers at their disposal to manoeuvre the electoral process." (Reuters, 2008, retrieved 10 November 2010). Where democracy has become the 'only game in town' (Linz and Stepan, 1996), however, there is little room for the electoral shenanigans that are common in many less democratic African countries.

Such electoral shenanigans have been extensively reported on in the case of African countries. For example, *Africa Confidential* reports that since President Bongo of Gabon was persuaded to share power with opposition following uncertain election results in 1993, “all credible opposition has been crushed or co-opted.” (Vol. 46, no. 2:5). In Togo, the leaders of the main opposition to President Eyadéma were either in exile or had just got out of prison when elections took place (Vol. 43, no. 14:4). A similar example of unequal playing field is the latest election in Equatorial Guinea which was scheduled for 2010. However, in October 2009, President Obiang announced that elections would take place in November the same year, leaving opposition parties 45 days to campaign and the incumbent to win with 95 percent of the votes (Reuters, 2009, retrieved on 15 November 2010). In all these cases, democratic consolidation and institutionalisation of the state is lacking and, regardless of constitutional provisions, the ‘Big Man’ still manages to set the rules of the game.

Figure 3.4: Average democracy score across 42 African countries over time



Note: Figure 3.4 uses data from Polity IV (democracy minus autocracy plus 10) for the years 1985-2009. This index spans from 0 signifying no democracy, to 20 signifying the highest quality of democracy.

Using average scores on democratic quality across African countries over time, figure 3.4 above shows how the sub-continent became more democratic in the early 1990s and how this trend has fizzled out in later years. In fact, not much average improvements in democratic quality can be seen from mid-1990s onwards.

In the statistical analysis in the next section, I use the Polity IV dataset to measure democratic quality and the institutionalisation of the state away from ‘Big Man’ rule. The choice of dataset that covers a large number of African countries over time was between the Polity IV and Freedom House’s dataset on political freedom and civil liberties and I would argue that Polity IV is more in line with the theoretical reasoning offered here to why high democratic quality would go against ‘Big Man’ rule. The Polity IV dataset offers a minimalist definition of democracy (Munck and Verkuilen, 2002) and “intends to reflect institutional characteristics of a country’s government, particularly how open and competitive are the processes for selecting chief executives.” (Knack, 2004:255). It specifically includes an attribute called ‘constraints on executive’ which deals with ‘who exercises power’ in the country and thereby touches upon democratic institutionalisation away from ‘Big Man’ rule. Freedom House’s dataset on democracy, on the other hand, offers a maximalist definition of democracy, including attributes such as socioeconomic rights, freedom from gross socioeconomic inequalities, property rights and freedom from war (Munck and Verkuilen, 2002:9). These are many more attributes than the theoretical reasoning offered here can answer for. In addition, this maximalist definition of democratic quality also contains aspects of corruption which makes it a faulty independent variable in regressions where corruption constitutes the dependent variable (Rock, 2009:61).

Following Jensen and Wantchekon (2004:822), I use the Polity IV democracy score minus its autocracy score and rescale it by adding 10. The measure becomes an ordinal measure ranging from zero to 20 where the higher the value, the greater a country’s democratic quality. Some years in the sample are given the index score of -77 (“interregnum, during which there is a complete collapse of central political authority”), or -88 (“period of transition”). In the index construction formula given above, these years receive a score of 10, which creates misleading variation in the variable. Therefore, I have added a dummy variable taking the value 1 during these troublesome years. I call this variable ‘political instability’.

Lederman et al. (2005) include two institutional variables in their analysis that may affect levels of grand corruption, both dealing with horizontal accountability induced by a country's legislative branch. The weakness of horizontal accountability exercised by legislators goes to the heart of the notion of African 'Big Man' rule. Increased horizontal accountability may have ramification for a country's level of grand corruption as the MPs would exercise their power to keep the executive in check. Lindberg's (2010) unusually close look at the accountability mechanisms for members of parliament in Ghana, however, shows a definite lack of incentives for the MPs to exercise executive oversight due to the fact that they would risk losing out when the president uses his discretion to reward those MPs loyal to him.

Lederman et al. (2005) use a dummy variable that indicates whether a country has a presidential system as opposed to a parliamentary or other system. According to the authors, parliamentary systems ought to have lower levels of corruption since their legislators can remove the executive more readily than in presidential systems. Most countries is sub-Saharan Africa have presidential systems. However, since there have been no within-country variation over time with regard to these systems, and since the statistical analysis in this study focuses on within-country variation in corruption, this variable does not lend itself to panel regression analysis. The second added variable of horizontal accountability from Lederman et al. (2005) is more time-variant. This is a dummy variable where the value 1 means that the executive's party has control over all relevant chambers of the country's legislature. If those legislators loyal to the executive do not exercise their political power vis-à-vis their own patron, as Lindberg (2010) finds, the legislators loyal to another party may well do so and affect the manoeuvring of the incumbent. It would thus be expected that the executive control dummy is associated with higher levels of corruption. Data for this variable is taken from the World Bank's Database of Political Institutions.

The final institutional control variable to be discussed here is one that distinguishes between governments which are formed by a coalition and those that are formed by one winning party. The intuition behind the inclusion of this variable goes back to the abovementioned statement by John Githongo about Kenya and how corruption has worked as the glue that has kept the power-sharing government together after the post-2007 crisis. This government solution, in turn, resulted from the contested victory and tight vote margin in the 2007 election between President Mwai Kibaki and runner-up Raila Odinga. Looking at the data for grand corruption in 2008, it is indeed perceived to be slightly higher than in 2006. At the same time, the number of cabinet ministers increased from 33 in 2007 to 39 in 2008. The same story, in terms of tight vote margin and increase in cabinet size, can be seen from the post-2008 power sharing situation in Zimbabwe. From these two cases, it would seem that the coalition variable would correlate with both the political competition variable and that of grand corruption, and a failure to account for this could result in omitted variable bias. Using information about political party compositions in the cabinet obtained from annual volumes of Europa Publications Limited *Africa South of the Sahara*, I create a dummy variable where the value 1 means that there is more than one political party represented in the cabinet, i.e. the government is based on some form of political coalition.

3.3.5 Other control variables

Certain control variables have become standard to include in quantitative cross-country analyses on corruption. National income is one of them. According to Treisman (2000:404), "economic development increases the spread of education, literacy, and depersonalized relationships – each of which should raise the odds that an abuse will be noticed and challenged." Treisman finds variation in national income to be by far the greatest explanatory variable of variation in levels of corruption across countries. Using a mixture of rich and developing countries in his statistical sample, he finds that an increase in a country's national income is associated with a decrease in levels of perceived corruption. Following Treisman, I measure national income by log GDP per capita PPP using data from the World Development Indicators online. Another standard control variable deals with degrees of ethnic diversity across countries. "The presence of many different ethnolinguistic groups is significantly associated with worse corruption, as bureaucrats may favour members of their same group." (Mauro, 1995:693). Mauro (1995) and Easterly and Levine (1997) find in their cross-section regression analyses empirical evidence that countries with higher degrees of ethnic diversity have higher levels of corruption. This variable is, however, largely time-invariant and does not render itself to panel regression analysis. In the statistical analysis, such structural country characteristics are instead controlled for using country fixed effects.

3.4 The effect of political competition on grand corruption

Using the variables described in the previous section, I will in this section asses the proposition put forth in Section 3.2, that through the logic of prebendal politics, we are likely to see corruption increase when competition for the executive position increases. In short, the dependent variable is grand corruption, or specifically, perceived corruption in the country's executive office. The two main independent variables of interest are political competition for the executive position, measured by the vote margin in the most recent election, and prebendal politics, measured by the size of a country's cabinet. To test the effect political competition has on corruption in country *i* at time *t*, I use the following baseline model:

$$\textit{Grand corruption}_{i,t} = \beta_1 \ (\textit{Vote margin}_{i,t}) + \beta_2 \ (\textit{Cabinet size}_{i,t}) + \beta_3 \ (\textit{Controls}_{i,t}) + \textit{Country}_i + \varepsilon_{i,t} \quad (1)$$

The regression models in table 3.2 below use alternative estimators including random effects and country fixed effects.[13] The fixed effects estimator controls for country-specific characteristics, such as ethnic diversity mentioned above. A lagged dependent variable is included in model 7 to account for the path dependency of levels of corruption and model 8 uses the Arellano-Bond's (1991) generalised method of moments (GMM) estimator to control for the same path dependency as well as likely endogeneity among some of the independent variables.

[13] According to the Hausman test, both random effects and fixed effects are applicable. I therefore include both specifications (pooled and fixed effects).

Table 3.2: Explaining variation in grand corruption

Independent variables:	Pooled OLS (Afrobarometer) (1)	Fixed effects OLS (Afrobarometer) (2)	Pooled OLS (Afrobarometer) (3)	Fixed effects OLS (Afrobarometer) (4)	Pooled OLS (ICRG) (5)	Fixed effects OLS (ICRG) (6)	Fixed effects OLS (ICRG) (7)	Arrelano-Bond (ICRG) (8)
Grand corruption $_{t-1}$							0.82***	0.81***
							(0.03)	(0.04)
Vote margin	-0.00	0.00	-0.00	-0.00	-0.00	-0.00	0.00	0.00*
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Cabinet size	0.02***	0.01**	0.02***	0.01**	0.02**	0.02**	0.01	0.01***
	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)
Democratic quality			0.06	0.03	0.12	0.12	0.09***	0.16***
			(0.08)	(0.13)	(0.08)	(0.08)	(0.03)	(0.03)
Democratic quality (squared)			-0.00	-0.00	-0.01	-0.01*	-0.00***	-0.01***
			(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)
Political instability			NA	NA	-0.22	-0.09	-0.13	-0.20*
					(0.29)	(0.29)	(0.00)	(0.11)
Legislative control by executive's party			0.05	0.15	-0.12	-0.15	0.02	-0.13
			(0.09)	(0.15)	(0.25)	(0.25)	(0.09)	(0.09)
Coalition government			-0.11	-0.06	-0.09	0.04	-0.10	-0.19**
			(0.11)	(0.17)	(0.15)	(0.14)	(0.07)	(0.08)
Log GDP per capita PPP			0.07	0.94	0.80	2.61*	0.69	0.43
			(0.15)	(0.74)	(0.51)	(1.35)	(0.61)	(0.46)
Fixed effects	NO	YES	NO	YES	NO	YES	YES	NO
R-square	0.18	0.11	0.36	0.21	0.04	0.12	0.73	
Number of observations	54	54	48	48	420	420	400	367
Number of countries	18	18	16	16	27	27	27	27

Note: In models 1 to 4, the dependent variable is levels of perceived corruption in the country's executive office, and in models 5 to 8 the ICRG corruption index is the dependent variable. An increase in the value of the dependent variables means an increase in the perceived level of corruption. The parentheses for models 1 to 7 contain robust standard errors clustered by country and model 8 uses GMM of Arellano and Bond (1991). * Significant at 10%; ** significant at 5%; *** significant at 1%.

Table 3.2 above shows the results from the eight different regression models using two different corruption indices as dependent variables (Afrobarometer and ICRG). The results indicate that an increase in the vote margin (i.e. a decrease in *de facto* political competition) is associated with neither a decrease nor an increase in levels of grand corruption. However, the degree of democratic quality in a country, proxied by the Polity IV democracy index, shows some statistical significance. The signs of the variables (positive in value and negative in squared value) resemble those found by Monitola and Jackman (2002) and Rock (2009) and indicate that democratic quality correlates with levels of grand corruption in a non-linear way, i.e. the correlation has the shape of an inverted U-curve. Compared to autocratic regimes, low quality democratic regimes (neopatrimonial or hybrid) are burdened with higher levels of grand corruption while, in countries with high degree of democratic quality, a further improvement correlates with lower levels of grand corruption.

Turning to the independent variables called 'cabinet size', table 3.2 confirms that prebendal politics is indeed positively associated with grand corruption. An increase in a country's cabinet size is associated with higher levels of grand corruption across the different regression specifications.

The statistical analyses thus far have rendered support for the proposition that there is a positive correlation between prebendal politics and levels of grand corruption. However, we have yet to establish that there is an association between political competition and the distribution of prebends. For this task, the dependent variable changes from levels of grand corruption to prebendal politics, which I again proxy by cabinet size. The main independent variable continues to be political competition proxied by vote margin and the regression equation is the following:

$$\textit{Cabinet size}_{i,t} = \beta_1 \, (\textit{Vote margin}_{i,t}) + \beta_2 \, (\textit{Controls}_{i,t}) + \textit{Country}_i + \varepsilon_{i,t} \qquad (2)$$

The time series span the period from 1985 to 2010 and the maximum number of sub-Saharan African countries in the sample is 40, making the number of observations much larger than was possible in the regression analyses on corruption. Table 3.3 below shows the result from the panel regression analyses. The results from the first two models indicate that an increase in the vote margin of the last presidential election, meaning a decrease in *de facto* political competition, is correlated with a decrease in the cabinet size. Put differently, the tougher the competitive environment, the larger the cabinet size. This finding supports the proposition that, when faced with political competition, the incumbent turns to prebendal politics, i.e. buying elite support with state resources.

When the rest of the variables are included, however, this correlation loses its statistical significance, which may, in turn, be due to the close correlation between political competition measured by vote margin, and the Polity IV proxy for democratic quality (R-square 0.32). Similarly to the results from the regressions on grand corruption, the level of democratic quality in a country is associated with prebendal politics in a non-linear way: in the form of an inverted U-curve. The results show that, *ceteris paribus*, compared to autocratic regimes, regimes scoring low in the democratic quality index (neopatrimonial or hybrid) distribute more prebends. However, as a country reaches a certain level of democratic quality – or institutionalisation of the state – the use of prebendal politics decreases.

Table 3.3: Political competition and prebendal politics

Independent variables:	Pooled OLS (1)	Fixed effects OLS (2)	Pooled OLS (3)	Fixed effects OLS (4)	Fixed effects OLS (5)	Arrelano-Bond (6)
Cabinet size $_{t-1}$					0.71***	0.69***
					(0.03)	(0.03)
Vote margin	-0.03***	-0.04***	-0.00	-0.00	-0.00	-0.01*
	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)
Democratic quality			0.90*	0.85*	0.30	0.49**
			(0.46)	(0.47)	(0.19)	(0.20)
Democratic quality			-0.03	-0.03	-0.01	-0.02**
(squared)			(0.02)	(0.03)	(0.00)	(0.01)
Political instability			-2.09	-2.00	-1.31**	-1.79***
			(1.47)	(1.46)	(0.63)	(0.69)
Coalition government			1.74	1.68	1.02	1.30**
			(1.55)	(1.57)	(0.65)	(0.55)
Log GDP per capita PPP			4.84***	6.75***	1.89**	9.25***
			(1.87)	(2.09)	(0.88)	(2.11)
Fixed effects	NO	YES	NO	YES	YES	NO
R-square	0.0	0.06	0.03	0.15	0.58	
Number of observations	1021	1021	875	875	841	804
Number of countries	40	40	36	36	36	36

Note: The dependent variable is number of cabinet ministers. The parentheses for models 1 to 5 contain robust standard errors clustered by country and model 6 uses GMM of Arellano and Bond (1991. * Significant at 10%; ** significant at 5%; *** significant at 1%.

A calculation of the outcome from regression model 3 in table 3.3, fixing all independent variables at their mean values, predicts that the critical point where this inverted u-shaped association turns is at a Polity IV index value of 15. As figure 3.4 above showed, the average democratic quality score across African countries was short of 13 out of 20 in 2009. Thus, a score of 15 out of 20 is at a rather high democratic level and only 20 countries in the sample of 40 countries had in 2009 managed to reach a value of 15 or above.[14]

In terms of the added control variables, the results show that an increase in a country's income, all else equal, increases the distribution of prebends. That an increase in prosperity further fuels such clientelistic behaviour is completely counterintuitive from a backdrop of Western experiences and propositions coming from modernisation theories and may be an indication that the African development path will not follow that of Western liberal democracies.

The result thus far has shown that, at low levels of democratic quality, an incumbent responds to augmented political competition by increasing the use of prebendal politics, which in turn is associated with higher levels of grand corruption. However, one piece of the hypothesised picture has thus far been missing and that is the question of timing. When does the incumbent resort to handing out prebends? Following the discussion above, it would make sense for the incumbent to make sure he takes care of the elite loyalty as an election draws closer. In that case, we would expect an increase in distributed prebends, proxied again by cabinet size, prior to a presidential election. It is also plausible that an increase in cabinet size could be the result from post-election elite bargaining and political settlements. Table 3.4 below shows the result from a regression analysis using a set of time dummy variables for a 25 year period (1985-2010) to explain variations in the use of prebendal politics in accordance with a country's election cycle.[15] The categories called 'Election$_{-2}$' and 'Election$_{-1}$' constitute the two years directly preceding all presidential elections; the category 'Election year' marks the actual year of all presidential elections; and the

[14] Benin; Botswana; Burundi; Cape Verde; Comoros; Congo, Dem. Rep.; Ghana; Guinea-Bissau; Kenya; Lesotho; Liberia; Malawi; Mali; Mauritius; Mozambique; Namibia; Senegal; Sierra Leone; South Africa, and Zambia.

[15] This statistical strategy loosely follows from Khemani's (2004) research on election cycles and economic policy in India.

two years after all presidential elections are noted as ‘$Election_{+1}$’ and ‘$Election_{+2}$’.[16] ‘All other years’, referring to years outside of election cycles and thus exempt from political competition, constitute the reference category.

Table 3.4: Prebendal politics as a political strategy

Election cycle reference category: all other years	Fixed effects OLS (1)	Fixed effects OLS (2)
Election $_{-2}$	2.35**	1.71
	(1.02)	(0.18)
Election $_{-1}$	2.28**	1.63
	(0.99)	(1.06)
Election year	2.35**	1.43
	(1.05)	(1.17)
Election $_{+1}$	2.35**	1.62
	(1.05)	(1.23)
Election $_{+2}$	2.52**	1.46
	(1.11)	(1.24)
Vote margin		-0.03**
		(0.01)
Fixed effects	YES	YES
R-square	0.04	0.07
Number of observations	931	931
Number of countries	39	39

Note: The dependent variable is number of cabinet ministers. The reference value for the categorical variables is the category ‘all other years’. The parentheses contain robust standard errors clustered by country. * Significant at 10%; ** significant at 5%; *** significant at 1%.

The statistical results from table 3.4 show that the years within normal election cycles are associated with greater use of prebendal politics than years that are further from elections, and little difference in prebendal distribution exists within the standard election cycles. However, when controlling for the degree of political competition, again proxied by vote margins, the difference in cabinet size within and outside regular election cycles disappear. In short, this result once again highlights that when faced with political competition in the form of elections, the executive rationally choses to resort to prebendal politics in order to ensure electoral victory.

[16] This categorisation requires that a country’s election cycle is five years long which is the most common length of the election cycles across sub-Saharan Africa although both shorter and longer elections cycles exist. In a few cases where the electoral cycle is only four years long, I have skipped the ‘Election $_{+2}$’ dummy, and in the very few cases where the election cycle is constitutionally set at six or seven years, the two years in between are scrapped from the sample.

3.5 Conclusion

On the backdrop of disappointing outcomes in the fight against corruption across sub-Saharan Africa during the past 20 years of multi-party democratic regimes, this analysis takes a closer look at the proposed link between political competition for a country's executive office and levels of corruption. According to well-regarded theories in the corruption literature, political competition is a key component in ensuring political accountability and a polity free of extensive corruption. The theories propose that since the incumbent can be replaced if he or she loses the favour of the electorate, political competition ensures that the preferences of the incumbent and the electorate are aligned. Hence, the more competitive the political environment, the lower is the likelihood that the incumbent will get away with high levels of corruption. While this proposition is highly plausible in the context of Western liberal democracies, in the political context of sub-Saharan Africa where voter behaviour tend to follow a slightly different logic, the proposed accountability mechanism does not stand up to statistical scrutiny. Instead, political competition for the executive office in countries characterised by 'Big Man' rule help increase levels of corruption. It does so by letting the incumbent buy elite support through the distribution of prebends, which in turn, gives the office holder opportunities to illicitly enrich himself on behalf of the state.

I use cross-section time-series regression analysis on a sample of sub-Saharan African countries to test the effect of political competition on the extent of corruption. Levels of corruption are quantified from the result of the Afrobarometer survey question of perceived extent of corruption in the country's executive office. As such, the corruption variable measures grand corruption as opposed to petty corruption and is linked, to a greater extent than composite corruption indices, to the actions taken by the incumbent when facing political competition. The statistical analysis renders statistically significant support for the proposition that an increase in political competition is associated with an increase in the use of prebendal politics. An increase in the distribution of prebends is, in turn, associated with an increase in corruption. In addition, the results show that, all else equal, such prebendal politics is likely to continue until a country reaches a relatively high level of democratic quality. Whether the countries in sub-Saharan Africa are heading that way or are stuck in a path of ‘Big Man’ rule is however beyond the scope of this research to answer.

What the statistical analyses show, for certain, is that the theoretical propositions linking political competition with good governance and accountability have thus far not been valid in explaining the phenomenon of corruption in the multi-party democratic political environment in sub-Saharan Africa. In turn, this finding points to the need for researchers and development practitioners alike to remain context sensitive and avoid the pitfall of supposing that assumptions that are valid in the context of Western liberal democracies, which is the home base for most research as well as policy formulation with regard to corruption and anti-corruption, are valid by default in the context of sub-Saharan African countries.

Annex: Summary of data

Table 3.5: Data used in regressions on grand corruption

Country and year	Perceived level of corruption in the executive's office	Vote margin in most recent election	Cabinet size	Polity IV electoral quality score	Log GDP per capita PPP
Benin (2005)	2.69	18.3	21	16	3.12
Benin (2008)	2.25	11.56	24	17	3.13
Botswana (2003)	2.12	31.20	15	18	4.05
Botswana (2005)	1.99	25.67	16	18	4.07
Botswana (2008)	1.64	25.67	17	18	4.11
Burkina Faso (2008)	2.17	75.47	29	10	3.03
Ghana (2002)	1.65	13.80	19	16	3.04
Ghana (2005)	2.03	7.81	19	18	3.08
Ghana (2008)	2.07	7.81	33	18	3.14
Kenya (2003)	1.81	30.90	24	18	3.10
Kenya (2005)	2.27	30.90	29	18	3.13
Kenya (2008)	2.32	2.35	39	17	3.16
Lesotho (2003)	1.84	32.48	17	18	3.07
Lesotho (2005)	1.61	32.48	18	18	3.08
Lesotho (2008)	1.93	33.33	19	18	3.12
Liberia (2008)	2.40	18.80	23	16	2.55
Madagascar (2005)	1.82	15.56	19	17	2.95
Madagascar (2008)	1.82	43.14	18	17	2.99
Malawi (2003)	2.44	7.20	28	15	2.79
Malawi (2005)	2.08	8.80	21	16	2.80
Malawi (2008)	1.99	8.80	21	16	2.87
Mali (2002)	2.42	7.40	21	17	2.96
Mali (2005)	2.13	7.40	29	17	2.99
Mali (2008)	2.53	52.05	27	17	3.02
Mozambique (2002)	1.97	4.58	24	15	2.77
Mozambique (2005)	1.72	32.00	26	15	2.82
Mozambique (2008)	1.95	32.00	26	15	2.89
Namibia (2002)	1.85	66.33	21	16	3.68
Namibia (2003)	1.79	66.33	22	16	3.69
Namibia (2006)	1.94	69.16	23	16	3.75
Namibia (2008)	1.90	69.16	24	16	3.78
Nigeria (2001)	2.44	25.56	33	14	3.17
Nigeria (2003)	2.70	29.75	33	14	3.19
Nigeria 2005)	2.78	29.75	30	14	3.24
Nigeria (2007)	2.67	50.94	22	14	3.27
Nigeria (2008)	2.48	50.94	21	14	3.29
Senegal (2002)	1.99	10.29	24	18	3.17

Senegal (2005)	2.05	10.29	38	18	3.21
Senegal (2008)	2.42	40.98	30	17	3.22
South Africa (2002)	1.88	56.79	28	19	3.90
South Africa (2004)	1.97	57.32	29	19	3.92
South Africa (2006)	2.08	57.32	29	19	3.95
South Africa (2008)	1.97	57.32	29	19	3.98
Tanzania (2003)	1.86	55.48	24	9	2.99
Tanzania (2005)	1.67	55.48	29	9	3.03
Tanzania (2008)	1.92	68.60	28	9	3.08
Uganda (2002)	2.39	42.05	23	6	2.91
Uganda (2005)	2.26	42.05	22	9	2.95
Uganda (2008)	2.53	21.87	26	9	3.03
Zambia (2003)	2.16	1.95	22	15	3.03
Zambia (2005)	2.35	1.95	22	15	3.05
Zambia (2008)	2.36	1.99	23	17	3.10
Zimbabwe (2005)	2.50	14.20	32	6	.
Zimbabwe (2009)	2.69	4.63	40	11	.
Mean values (this sample)	2.16	34.55	25	15.55	3.19
Mean values (sub-Saharan Africa)	X	37.57	27	12.89	3.18

Note: the data sources are described in section 3.3. The calculations of mean values for this sample of 20 countries are based on data for 2008. The mean values for sub-Saharan Africa are calculated using data from 2008 on 40 countries.

4. Coffee and Corruption: Economic Liberalisation and the Transformation of Political Corruption in Rwanda

Abstract

Following decades of international pushing for a decrease of the state's role in the domestic economy in developing countries, this analysis looks at what happens to corruption in light of widespread economic liberalisation in a sub-Saharan African political context. Applying theoretical insights from the literature on sub-Saharan African neopatrimonialism to a country case study of Rwanda, I focus on forms of state intervention in the economy and associated forms of corruption during an interventionist regime compared to a pro-market regime. The analysis particularly draws on insights from the Rwandan coffee sector. The findings suggest that with economic liberalisation, state intervention in the form of prebendalism and associated corruption has decreased. However, as the informal institutions of 'Big Man' and winner-takes-all politics have not changed across time, the incumbent elite has had to continue manipulating economic opportunities in order to ensure its continued political incumbency. It has done so by moving from predominantly sharing slices of the state (through prebendalism) to mainly allocating slices of the (on paper) free market to political loyalists. As a consequence, there has been a transformation of political corruption following economic liberalisation towards covert and intertwined relationships between politics and business. While the new type of political corruption may have dire consequences for political stability, it does not appear to have had the negative effect on economic growth or investment that theories on corruption would predict.

Keywords: corruption, economic liberalisation, Rwanda, sub-Saharan Africa

4.1 Introduction

Corruption, most popularly defined as the abuse of public office for private gain, took centre stage in development policy when the international community initiated its anti-corruption agenda in the mid-1990s. Since then, the causes of corruption as well as its negative effects on development-related indicators have been widely theorised and empirically analysed. This work has led to certain commonly held beliefs about what institutional structures are prone to cause extensive corruption.

One institutional structure that is widely believed to cause high levels of corruption in developing countries is the state's direct involvement in the national economy. As a consequence, the international community has pushed for structural change in the way developing country governments manage their countries' economic resources through liberalisation, privatisation and deregulation of the market. This neo-liberal and market-focused policy agenda, originating from academic research on corruption and rent-seeking, remains intact also after the birth of the good governance and anti-corruption agendas in the 1990s. To this end, both the World Bank and the IMF have made statements proclaiming that a decrease in the government's ability to intervene in the private market will lessen levels of corruption in developing countries (Hopkin and Rodriguez-Pose, 2007; World Bank, 1997:105). In the words of a prominent IMF economist: "…corruption will be reduced mainly in those countries where governments are willing to substantially reduce some of their functions." (Tanzi, 2000:133). And "the best policy to reduce corruption will be a reduction of the opportunities to engage in it by scaling down the government's role in the economy." (Ibid:100). On the backdrop of this extensive economic liberalisation policy agenda, this chapter concerns the effect economic liberalisation has had on corruption in the sub-Saharan African political context.

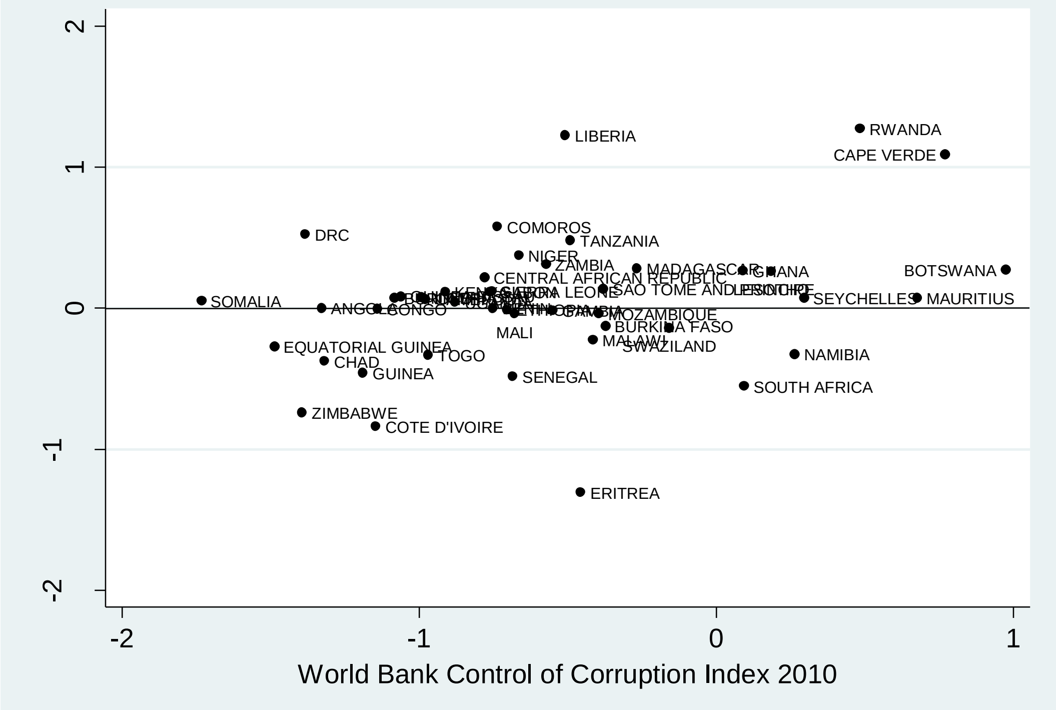
The neo-liberal distrust for the state has its origin in the rent-seeking literature that started with Krueger (1974) and argued that state intervention in the economy resulted in rent-seeking and thereby economic inefficiencies and lack of development. The solution was simply to remove the state from the economy. The economics literature particularly sees corruption flourishing where state interventions disrupt competition in the market place by creating rents which people will seek to obtain through bribing those officials responsible for upholding the market regulations. "The economist's natural approach to corruption control is to appeal to the concept of competition as it is argued that bribes are harder to sustain where perfect competition prevails." (Ades and Di Tella, 1999: 982). According to Coolidge and Rose-Ackerman (1997:4), more competitive economies have less corruption because they have fewer economic rents available for capture by corrupt agents. "Thus policies that lower controls on foreign trade, remove entry barriers for private industry, and privatise state firms in a way that assures competition will all contribute to the fight against corruption." (Rose-Ackerman, 1997:51). In short, according to these propositions, corruption will be weeded out as a result of the removal of direct state interference in the market and insurance from the government that it will uphold perfect competition in the market place. In terms of empirical evidence, Ades and Di Tella (1999) found in their cross-country statistical analysis that corruption is higher in countries with less market competition and Hopkin and Rodriguez-Pose (2007) found in their regression analysis of OECD countries that state intervention in the economy can be a powerful predictor of corruption.

While the economics literature has been highly influential in shaping policy and conventional wisdom regarding the best way to weed out corruption, its theoretical proposition has one shortcoming: it disregards politics. By assuming that a state's withdrawal from the market restores perfect market competition, it disregards the fact that the market place is not an apolitical environment in less developed countries, such as the vast majority of sub-Saharan African countries where, as I will discuss below, the governments have powerful incentives to intervene in the economy. North et al. (2007:9) argue that for countries in which rent-creation for political survival dictates the political logic, political and economic opportunities are naturally closely held by the political leadership and no private organisations, neither economic nor political and separated from the sanction of the state are allowed. Similarly, Hutchcroft (1997:641) states that "the allocation [of rents] is likely to be based not only on the market but also on a range of non-market considerations, including ethnic, regional, party, and old-school ties. Politics, not the market, provides the best clues to these processes." Finally, Szeftel (1998:233/234) argues, on the issue of economic liberalisation in sub-Saharan Africa that "it is also clear that liberalisation creates a set of new problems while not always eradicating the old sources of dishonesty. The use of patronage and bureaucratic 'rent-seeking' has not been ended by market reforms; rather they have been joined by new kinds of graft."

Because of these political considerations, the neo-liberal theories where the corruption opportunity tap can be turned on and off with the presence or absence of state intervention may work as a framework for considering corruption in its micro-form by looking at isolated government programmes, but they leave much to be considered from a macro-political perspective. Using insight from the literature on neopatrimonialism in Africa, the analysis in this chapter aims to shed light on what happens to corruption when the state formally withdraws its involvement in the economy. It suggests that the political rationale state intervention in the economy fills does not change as long as the informal institutions governing political life, such as 'Big Man' and winner-takes-all politics, remain intact. Therefore, as opposed to eliminating corruption, economic liberalisation, in a context where such informal institutions prevail, rather transforms it. The case study on Rwanda under two different political regimes, one proclaiming heavy state intervention and the other being pro-market, illustrates this case.

Rwanda can be considered an ideal case for studying corruption and economic liberalisation, having experienced large variation over time in both variables. The country has experienced large-scale economic liberalisation, and since the end of the 1990s, nearly all the country's state-owned enterprises have been privatised (Booth and Golooba-Mutebi, 2011:12). According to the Fraser Institute's Economic Freedom of the World Index on business regulations, which was used by Hopkin and Rodriguez-Pose (2007) to measure state intervention in the economy in their study on corruption in OECD countries, Rwanda received the highest score in 2008 of all countries in sub-Saharan Africa. Having previously had highly interventionist economic policies, such high scores from this free-market advocating think-tank indicate that the country has experienced a large decrease in the degree of state intervention in the economy. In addition, Rwanda was in 2009 nominated as the world's top business reformer by the World Bank's Doing Business Index.

Figure 4.1: Rwanda - a sub-Saharan African success story



Note: The index spans the values -2.5 to 2.5 where the higher the value, the lower the level of perceived corruption. Source: World Bank, Control of Corruption Index, Worldwide Governance Indicators.

In terms of changes in corruption levels, figure 4.1 above shows the level of perceived corruption in Rwanda relative to other countries in sub-Saharan Africa. The horizontal axis shows perceived levels of corruption from the World Bank's Control of Corruption Index from 2010 and the further to the right a country is placed in the figure, the lower is its level of perceived corruption. The success stories from this dimension are Botswana, Cape Verde, Mauritius and Rwanda. The vertical axis instead depicts countries' variation in perceived corruption over time (between 1998 and 2010). The further to the top of the graph the country is located, the larger decrease in perceived corruption the country has experienced during this period of time. Rwanda is clearly a success story in this regard, together with Liberia and Cape Verde.

The chapter is structured as follows: in section 4.2, I discuss the linkages between state intervention in the economy and corruption, as well as the political rationale underlying state intervention in the sub-Saharan African political context. In the subsequent Rwandan case study analysis in section 4.3, I start by applying the political rationale for intervening in the market to the country's two most recent regimes and continue by analysing how and to what extent the forms of state intervention in the economy as well as corruption have changed in the light of economic liberalisation. An in-depth case study of Rwanda's coffee sector in section 4.4 provides additional insights into the association between formal economic institutions and corruption. Section 4.5 forms a conclusion.

4.2 The politics of state intervention in the economy in sub-Saharan Africa

Before offering an analysis on economic liberalisation and corruption in Rwanda, I will in this section present a theoretical framework on how, in the context of sub-Saharan African countries, state intervention in the economy is linked to corruption, and what political rationale underpins state intervention in the economy. This theoretical framework will help approach the question of what happens to corruption in the light of widespread economic liberalisation? Does it vanish as proposed by theories found in the economics literature and popularly advocated by the international financial institutions and donor community, or is something else at play?

4.2.1 State intervention and its link to corruption

To start with, it is appropriate to set out what state intervention in the economy implies in the context of Rwanda and sub-Saharan Africa more generally, and how this is linked to corruption. The concept of *prebends* and prebendal politics will guide this discussion. According to van de Walle (2012:113), patron-client politics in Africa is characteristic by *prebendalism*, which is the strategic political allocation of public offices to key elites, granting personal access over state resources. This is opposed to broader patronage-based reward systems found in other developing and many developed countries. In the words of van de Walle (2012:114): "Hiring a member of one's ethnic group to a senior position in the customs office is an example of patronage. Allowing the customs officer to use the position for personal enrichment by manipulating import and export taxes is an example of a prebend."

The reference to prebends have its origins in describing offices in feudal states that could be obtained in recognition of services rendered to a noble person, or through outright purchase, and then utilised to generate income for the holder of such office

(Keller, 1996:214). Since Richard Joseph introduced the concept of prebends or prebendal politics in the African context in his political analyses of Nigeria, the concept has seen wider usage in the literature on African politics. Joseph refers *prebendal* to "patterns of political behaviour which reflect as their justifying principle that the offices of the existing state may be competed for and then utilised for the personal benefit of office-holders as well as that of their reference or support group." (Joseph, 1983:30).

Prebends largely result in two different types of jobs: jobs in state-owned enterprises, and jobs in public offices, ranging from ministers to low-ranking bureaucrats. What connects these jobs and make them prebends is that extra-legal wealth can be generated from them. In terms of state-owned enterprises, van de Walle (1994:133) argues that "these enterprises create a large number of (not necessarily well-paying) 'jobs for the boys' plus a few lucrative positions of power and prestige for the ruler's political allies." On the top of the political hierarchy, the political aristocracy are rewarded with prebendal control over public offices as public resources are privatised to the benefit of the presidential loyalists (Bratton and van de Walle, 1997:66). Examples of such allocation of lucrative positions in state-owned enterprises are found, for example, in MacGaffey's (1987:46-48) analysis on Zaire under President Mobuto. When the government took over all large-scale commercial, agricultural and industrial enterprises in the country, the directors of these new state-owned entities, having been appointed by the president, ended up being current or former politicians or their friends. Szeftel (2000:213), in his analysis on Zambia, found that access to parastatal employment was more lucrative than access to a government office and much more profitable than being part of the private sector.

Public offices may also come with the possibility for generating extra-judicial income, especially if the office holder has responsibility for upholding regulations. Cumbersome regulations can in fact be seen as evidence that prebends have been allocated "as corrupt officials seek to extend regulations in order to create and extract even greater rents." (Hopkin and Rodriguez-Pose, 2007: 10-11). Prebends in the form of jobs in non-production-related public offices may also be privately hugely lucrative. In Benin, for example, it was found that the average customs agent, being employed by the state, had daily 'parallel income' equivalent to two and a half times the monthly salary of a college professor (Bako-Arifari, 2001:41, referenced in van de Walle, 2007:56).

Since prebends come with personal benefits to the office holders which surpass the normal salary, they are closely linked to corruption. In fact, Joseph (2003:162) refers to ‘prebendal appropriation’ as ‘the exploitation of public offices for private gain’ which has the same ring to it as the standard definition of corruption being ‘the abuse of public office for private gain’. Since corruption can take many forms, it is useful to distinguish political corruption (also known as grand corruption) from petty corruption (also referred to as bureaucratic corruption) in terms of prebendalism. In short, the distribution of prebends by the top of the political hierarchy most closely corresponds to the definition of political corruption. Political corruption “usually takes the form of favouritism and patronage politics [and] includes a favouritist and politically motivated distribution of financial and material inducements, benefits, advantages, and spoils.” (U4 Anti-corruption Resource Centre, website last visited on 5 May 2011). The use of prebends, on the other hand, produces private benefits to the office holder and thereby corresponds more closely to the concept of petty corruption. What is important to note, however, is that the type of corruption linked to prebends is part of a specific reward system in which slices of the state, or the spoils of the state, is allocated on a personal basis.

Seeing corruption as being clearly linked to the way in which the state intervenes in the market through the use of prebends, it would be reasonable to expect that corruption would disappear if the possibility to allocate prebends disappeared. In other words, a decrease in the state’s direct involvement in the market through state-owned enterprises as well as an easing of the regulatory burden imposed by the state on the market would signify a decrease in the use of prebends, which should also lead to a decrease in corruption. In short, economic liberalisation, privatisation and deregulations, all being part of the neo-liberal anti-corruption consensus, ought to produce a significant dent in levels of corruption. However, before buying into this line of thinking we need to accept that there may be a political rationale to state intervention in the economy. As argued by van de Walle (1994:133): “African rulers have favoured state intervention in the economy because the resources it generates to the state facilitate the consolidation and maintenance of political power.” The key therefore is to see what effect, if any, market liberalisation has on changing the political rationale of corruption-related state intervention in the economy.

4.2.2 The political rationale for state intervention in the economy

The political arena in African countries is popularly looked at through the theoretical lens of neopatrimonialism. This signifies a mixed system of patrimonialism and rational-legal systems in which a country's informal institutions function according to patron-client relations while, at the same time, its formal institutions are constructed along rational-legal lines. In other words, it refers to African countries having adopted the same types of institutions found in Western democracies, e.g. property rights, whilst, on top of this, the real politics is conducted through informal institutions. While the informal institutions are where the real politics take place, they have often been ignored by scholars in favour of focusing on formal institutions. To understand the political rationale of state intervention in the economy, however, we need to focus on the informal institutions.

One such informal institution that is of interest here is that of 'big man politics' and 'personal rule' (Jackson and Rosberg, 1982; van de Walle, 2012), which refers to power across Africa being personalised and disproportionately in the hands of the 'Big Men' which are usually the presidents. A 'Big Man' is "literally above the law, controls in many cases a large proportion of state finance with little accountability, and delegates remarkably little of his authority on important matters." (van de Walle, 2003:310). Because a country's economic resources are largely under the control of the 'Big Man' and his entourage, "political power is the origin of wealth and the state is the pie that everyone greedily wants to eat." (Médard, 1982:182). Several Africanist scholars have highlighted the association between political power and economic possibilities in Africa. "Where resources are scarce, the object of political contestation is to secure economic consumption, which in turn is best guaranteed by capturing the state." (Bratton and van de Walle, 1997:37). According to Bayart (1993:89), the struggle for power in Africa is perhaps chiefly the struggle for wealth, and Oketch and Polzer (2002:104), in their political analysis of Burundi, likewise state that "control over the state and political power is synonymous with control over economic opportunity, individually and as an elite group." The competition for the 'Big Men' positions, being coupled with such extensive power, are naturally fierce and characterised by winner-takes-all in a way that is alien to political competition in Western democracies. Hyden (2006:99) calls these political games zero-sum and a recent book on Kenyan ethnic politics and corruption by Wrong (2009) captures this zero-sum politics well in its title 'It's Our Turn to Eat'.

Consequently, the type of state intervention in the economy characterised by prebendal politics and associated corruption is linked to this high-staked battle over the presidency and the resources of the state. To become a 'Big Man' as well as to sustain the elite clientelist loyalty networks require the personal generation and distribution of a considerable amount of resources. Chabal and Daloz (1999:15) describe this logic in the following way: "the legitimacy of the African political elite… derives from their ability to nourish the clientele on which their power rests." Seen in the light of this informal institution, state intervention in the economy through prebends, being in fact targeted distribution of state resources to certain individuals, fills an important function in securing the 'Big Man's continued power over the state. Bratton and van de Walle (1997:66) argue that "the fact that political authority [rests] on selective allocation of state resources to individuals [creates] powerful incentive for extensive regulation of economic activity, through which the incumbent elite [gains] control over a wide range of monopolies and economic rents." Boone (1990:428) states these points in the following way: "While patterns of state intervention in domestic economies and the distribution of state resources have enriched political classes by design and by default, they have simultaneously served other political purposes. State allocation of resources has worked to promote the consolidation of weak and loosely-integrated regimes, create social bases of support for those regimes, penalise and marginalise opponents of the status quo, and give regimes some claim to legitimacy."

To sum up, there is a political rationale to state intervention in the economy. It enables the 'Big Man' and its political entourage to redistribute spoils from the state and thereby gain legitimacy and loyalty from those who benefit from this redistribution. In fact, prebendal politics and consequent corruption fills an important role in ensuring continued political power in a context of oftentimes zero-sum political games.

Having discussed the political rationale for state intervention in the economy in the sub-Saharan African political context, it is worth looking back to the neo-liberal propositions on corruption and state intervention in the economy which argue that the best way to fight corruption is to remove the state from the equation. From the discussion in this section, it is unlikely that reality looks as simple as the cause and effect proposed by the economics theories mentioned above, especially as a removal of the state's ability to use these interventionist tools could endanger the 'Big Man' and ruling elite's prospects of holding onto power. Seen in this light, it is implausible to think that any 'Big Man' in power would voluntarily give up the possibility of using prebends by prescribing to the neo-liberal policy packages of liberalisation, privatisation and deregulation. However, the fact that the World Bank's structural adjustment programmes starting in the 1980s more or less forced African countries to prescribe to neo-liberal reform packages means that most African countries have to varying degrees changed the formal institutions governing their state-market relations. The interesting question therefore concerns what tools, if any, these 'Big Men' use, post-liberalisation, instead of prebends to distribute benefits for political survival and whether these tools are linked to corruption. The next section will analyse this question in the light of Rwandan recent history.

4.3 State intervention and corruption in Rwanda

By comparing two different regimes in Rwanda, one interventionist and one pro-market, I aim to shed light on the question of how economic liberalisation from heavy state regulation and ownership has affected corruption. I focus on the country's two most recent regimes: the pre-genocide and largely interventionist regime under President Juvénal Habyarimana (1973-1994), and the post-genocide largely liberalised regime under the leadership of Vice-president and later President Paul Kagame (1994-present). An in-depth analysis of the country's coffee sector, having constituted the largest economic sector in Rwanda, helps shed further light on the question at hand. Apart from using previous literature, the subsequent analysis is based on first-hand information gathered in Rwanda and Belgium from October 2009 to January 2010. The qualitative research strategy is particularly inspired by Tansey's (2007) discussion on non-probability sampling for process tracing as the interviewees were chosen because of their specific knowledge of Rwandan politics and its coffee sector.

It needs to be highlighted that Rwanda's troubled history which escalated into genocide in 1994, as well as the general political instability in the region, have resulted in highly polarised views on politics in Rwanda among academics as well as journalists and others expressing opinions in the public domain. Occupying one side of the spectrum are those who praise recent efforts to ensure political stability and economic development and in their praise tend to forget or foresee those aspects of political life in the country that are of a questionable nature. Occupants of the other side, many of them in exile, criticise the government for running the country as a police state. A strong political wish to waterproof the country's reputation in terms of good governance has disabled a free and vibrant media and thus hindered an otherwise possible option of using the media as a source of relatively objective information.[17] While people in the government or occupiers of public offices quite naturally have few incentives of departing from official narratives, those people occupying other successful parts of society might have equally weak incentives to offer a nuanced view in the case of Rwanda. Civil society too is not necessarily free from political infiltrations and generally fills a weak foundation for real political advocacy. This politicised environment demanded some sensitivity on the choice of interviewees. All in all, I interviewed about 25 people, some expats living in Rwanda, some Rwandans, and some with long experience of conducting business in Rwanda. While the names of these interviewees cannot be revealed due to the politically sensitive nature of the topic, where information from interviewees is used in the text, I describe them by their position, function or other ways in which they acquired expertise in the subject. The people I interviewed largely fall under the categories of

[17] The press in Rwanda is highly polarised with the regime friendly New Times being the main newspaper in Rwanda and the more regime critical UMUSESO and Newsline, being run from Uganda, constituting the main voice of government opposition. Needless to say, the stories coming out of the two polar news sources in terms of the issues with which this analysis is concerned, e.g. the power of President Kagame, corruption and the interrelationship between politics and business, differ to a great extent. This largely discourages the use of media analysis a methodology for backing up and triangulating the information gathered from interviews.

government officials, business leaders, people working in NGOs and donor agencies, and academics.

4.3.1 ‘Big Men’ and continued winner-takes-all politics in Rwanda

To set the stage for the subsequent analysis of state intervention in the economy and corruption, this section compares the two Rwandan regimes in relation to the informal institutions of ‘Big Men’ and winner-takes-all politics discussed in the previous section. In short, I propose that African politics is characterised by ‘Big Men’ who have large power over their countries’ wealth and wealth-generating possibilities and, therefore face fierce competition. The analysis in this section will show that this informal institution is applicable to Rwanda and that the two regimes in question have shown a consistent need to uphold the type of politics characterised by ’it’s our turn to eat’.

General Juvénal Habyarimana became the president of Rwanda’s Second Republic through a coup d’état in 1973. In order to secure his hold on power, Habyarimana not only put ex-President, Grégoire Kayibanda, and his wife in house arrest where they were left to starve to death, but he also dissolved the power base of his predecessor in the centre of the country and moved all power, privilege and wealth to his family’s home towns of Gisenyi and Ruhengeri in the north-western part of the country (Golooba-Mutebi, 2008:12). President Habyarimana surrounded himself with a narrow elite called the Akazu, meaning ‘little house’. This unofficial powerhouse constituted the single most influential interest group in Rwanda and was made up of relatives and allies of Habyarimana (Storey, 2001:373). They sat on top of the state machinery, and controlled the top positions in the government, the army, and the state-owned sector (Uvin, 1998:36). This group formed a special circle to ensure their continued hold on power and anyone who appeared a threat to them was quickly arrested, often tortured and sometimes killed (Kinzer, 2008:37). While this narrow elite group benefitted disproportionally from having Habyarimana as their ‘Big Man’; by extension, Habyarimana’s own region and ethnic group (Hutu) also benefitted at the cost of other regions and the other main ethnic group (Tutsi). “Gisenyi, heartland of the Akazu, supplied one-third of the top jobs in government and almost all leaders of the security forces, as well as enjoying a wholly disproportionate share of development projects and higher education places.” (Storey, 2001:367).

While Habyarimana's control over the country was extensive, it started to deteriorate in the end of the 1980 as bad economic times helped create a nascent internal opposition to the regime. In addition to the internal opposition, the Rwandan Patriotic Front (RPF), made up primarily by descendants of the large number of Tutsi that had fled the country from 1959 onwards, saw its chance to return by force to Rwanda and take over from Habyarimana. According to Storey (2001:368-369), "the question of who would retain or assume 'ownership' of this apparatus of (corrupt and repressive) control was the key stake of political struggle in Rwanda in the early 1990s." While some factions of the political elite had started to organise itself politically and militarily already in the early 1990s, in 1994, this elite chose genocide as a political strategy to remain in power (Hintjens, 1999; Des Forges, 1999). The same night as President Habyarimana's plane was shot down in Kigali, the genocide started. While almost every opposition figure in the country had been killed within the first twenty-four hours of the plane crash, the genocide lasted for three months and cost some 800,000 Tutsi and moderate Hutus' lives (Kinzer, 2008:148).

In July 1994, after assuming victory over those who had organised the genocide, the RPF formed a transitional government under the presidential leadership of Pasteur Bizimungu. President Bizimungu, a Hutu by ethnicity, had during the 1980s been the director of a state-owned enterprise and a close ally to President Habyarimana. In 1990, after falling out with the president, Bizimungu joined the RPF and rose in rank. The real power over the new Rwandan state however belonged to Vice-president and Minister of Defence, Paul Kagame, a Tutsi by ethnicity who as a young child had left Rwanda for a life in Ugandan exile. Several elements of winner-take-all politics repeated itself with the new political leaders assuming power in Kigali. First of all, the old elite, both political and economic, had to make room for a new elite, which was facilitated by the previous top elite being either in exile or in prison for having conducted the genocide.

Although Rwandan politics portrays itself for having once and for all stepped away from practising politics based on ethnicity, several authors and a number of interviewees highlight the fact that the government is overwhelmingly Tutsi by ethnicity. Ansom (2009:8) states that the "characteristics of Rwanda's current political elite contrast strongly with those of the majority of Rwandans. The former are mainly Tutsi, nearly always urban-based, and often born and raised in a neighbouring country. The latter are mostly Hutu, rural peasants, and born and raised in Rwanda." There is also evidently a pecking order among the post-1994 Tutsi elite. Waught (2004:158) states that "the Ugandan-exiled Tutsis simply walked in and took over, not only politically but materially as well. The top government and military posts were frequently allocated to the 'Left Hand Drivers' as the dominant group from Ugandan exile were nicknamed." A Wikileaks cable sent from the U.S. Embassy in Kigali to the U.S. Secretary of State in August 2008 highlights the skewed power balance between Tutsi and Hutu in terms of minister positions.[18]

> "President Kagame is a Tutsi. So, too are the important Ministers of Finance, Foreign Affairs, Justice, Infrastructure, Local Government, and Information. Close Kagame confidant, Chief of Defense Staff General James Kabarebe, is Tutsi, as are the chiefs of the army and air force, the military district commanders and the heads of the Rwanda National Police and the National Security Service. Indeed, all are English speakers who grew up in Uganda. Some major positions are held by Hutus, but their actual authority often appears limited, and they are widely perceived to be "twinned" with more powerful Tutsi colleagues."

While the Akazu had constituted an informal powerhouse during the Habyarimana regime, similar developments occurred in the post-genocide regime. A couple of years into the working of the transitional government, Prunier (1997:369) writes that in Rwanda, "there are two channels of authority: one is the official administrative structure of the cabinet and the ministers; the other is the RPF network, both civilian and military, which runs parallel to the official administration and makes up an unofficial government of the shadows controlling the reality of the decision-making process." The narrow RPF-based elite around President Kagame have thus taken the place of the old Akazu. According to Willum (2001:111), the new Rwandan elite is mainly made up of high-ranking military officials and the political elite. One indicator of where wealth is concentrated is the ownership of the mansions in Kigali that have popped up in recent years. According to one international lawyer in Kigali, the large mansions in the fashionable neighbourhood of Nyarutarama are owned mainly by members or ex-members of the RPF-affiliated military, the political elite and the

[18] Cable 08KIGALI525, title: Ethnicity in Rwanda – Who governs the Country? http://wikileaks.org/cable/2008/08/08KIGALI525.html

handful of 'legitimate' businessmen in Rwanda. This neighbourhood goes under the nickname of 'Merci Congo' which refers to the Rwandan military-related wealth that has been extracted in connection with the conflict in the neighbouring Democratic Republic of Congo.

This brief political account of the two regimes in question point to the continuation of 'Big Men' politics where both Habyarimana and Kagame and their elite circles have enjoyed large amount of power. It also points to the continuation of 'winner-takes-all' or 'it's our time to eat' politics where the elite and economic opportunities closely adhere to the regional and ethnic belonging of the 'Big Man'. With these informal institutions continuing from one regime to the other, we would also expect that both 'Big Men' would need to distribute some of the spoils from the state by intervening in the economy and thereby ensure their hold on power.

4.3.2 From a reliance on prebends to a different type of political corruption

President Habyarimana, having assumed power before the neo-liberal era of structural adjustment, practiced a largely interventionist policy vis-à-vis the market. Economic opportunities were closely guarded by the regime and there was no independent domestic private sector to talk of. According to Uvin (1998:21), "the state was the main if not the sole avenue for rapid wealth accumulation for the new elites. By far the largest share of formal sector jobs was in public service…even jobs in the private sector required permission and control from the Ministry of Labour." It can easily be assumed that this regulatory environment was highly geared towards redistributing spoils through prebends. Uvin (1998:60) argues that it was well known that the dignitaries of the regime had become increasingly corrupt during the 1980s, as evidenced, among other things, by the abuse of public enterprises. Sibomana (1999:36) similarly states that the people in power, at that time, were not interested in ensuring prosperity of the country but were instead too busy plundering the country's resources, adding that "corruption had completely eaten into the wheels of the state: anything could be bought and sold." In addition, because foreign aid was channelled through the state and other revenue sources were minimal (apart from revenues from coffee, tea and tin); wealth could not be obtained without first ensuring the power over the state (Prunier, 1997:84). According to Des Forges (1999), those who got rich in Rwanda during this time were those who worked for the state directly as well as those in charge of the state-owned enterprises, i.e. those who had been allocated prebends.

The allocation of wealth in post-genocide Rwanda under President Kagame looks different from that under the interventionist Habyarimana regime. During the past few years, large efforts have been made to liberalise the economy, ease the regulatory environment for doing business, and privatise large parts of the formerly state-owned enterprise apparatus. With these changes to the country's formal economic institutions, Kagame and his elite circle have largely foregone their chances to allocate and receive prebends. As such, it can be concluded that at least the petty corruption that come from the abuse of public offices has declined in the country with this widespread economic liberalisation. However, when it comes to the political corruption previously associated with the distribution of prebends, the story looks more complicated. In fact, while the sharing of the spoils for political survival does no longer take the form of distributing prebends, it nonetheless still exists in the form of informal ties between the 'Big Man' and the country's new economic elite.

In post-liberalised Rwanda, the country's economy has become occupied by an economic elite with close ties to the political leadership and the RPF. As one NGO-affiliated interviewee stated: "It is very important to have good relations to the RPF if you want to succeed in business in Rwanda. Everyone knows this but it is not freely expressed." This phenomenon was described by an expatriate businessman in Kigali who said that "if you want to succeed economically and have status in Rwanda, it is a given to be a member of the RPF." Another interviewed expatriate businessman similarly stated that "you get kicked out of the country if you do not keep good relations with the government." This control over wealth generating opportunities follows a political rationale consistent with winner-takes-all politics as explained by a governance expert within the donor community in Rwanda:

> "In Rwanda the main purpose of having close political and economic elite has to do with the need to obtain political control over the country. They make sure that the economic elite do not grow powerful politically. The political leadership is aware that this situation is not sustainable in the long run but they see it as a must in order to avoid potential conflicts."

However, compared to President Habyarimana's regime that exercised formal control over the economy through direct ownership in the country's productive capacities; the control exercised by Kagame is of a more informal nature. Needless to say, under the proclaimed pro-market political ideology advocated by the Rwandan government, these, more informal, relations between politics and business are highly opaque. Information about business ties to Kagame and, by extension the RPF party, is difficult to obtain, but as an indicator, one report from the International Crisis Group (2002:11) states that "eight out of nine Rwandan banks are managed by RPF members and that 25 out of 29 leaders of the top state-run companies in Rwanda are RPF members." As one expatriate long-term observer of Rwandan business life stated, "the RPF tries to control the lucrative parts of the economy little by little. All sectors are run by the RPF. This is difficult to grasp for an outsider visiting Rwanda since, according to the books, everything is in order."

The RPF is the owner of one of these businesses, formerly called Tri-Star Investments SARL, and recently rebranded as Crystal Ventures Ltd. (Booth and Golooba-Mutebi, 2011:7). According to Willum (2001:115), who has conducted much research on the topic, "Since its start in Uganda, Tri-Star has grown enormously and is today involved in a number of the most dominant and profitable businesses in Rwanda. Tri-Star is no doubt a major player in Rwandan business life, though the exact composition of its portfolio remains to be established." Kinzer (2008:241) states that digging into the holdings of Tri-Star, 'the RPF's shadowy business empire', is a taboo in Rwanda, and in the words of one donor-affiliated governance expert in Rwanda, "Tri-Star is an investment company that operates in the shadows but constitutes a clear linkage between the political and economic elite in Rwanda. Tri-Star is involved in all big enterprises." The regime-unfriendly Rwandan newspaper, Newsline (retrieved 19 December 2010), recently published a testimony by four former high-level political and military allies to President Kagame in which they describe the linkage between the RPF and Tri-Star, and President Kagame's role as the head of both. According to this source, "the RPF is the biggest business enterprise in Rwanda" and "only President Kagame has information on the complete state of affairs of the RPF's business environment.

It thus appears that the RPF, with Kagame as the ‘Big Man’ holds the key to the reward structure in post-liberalised Rwanda. However, the RPF appears to distribute few prebends and has had little patience with public officials stealing from the public till. For example, Booth and Golooba-Mutebi (2011:11) note the absence of using managerial and technical positions in Tri-Star/Crystal Ventures firms as ‘jobs for the boys’. Its strategy for ensuring legitimacy to its leadership is another form of political corruption. Instead of offering a slice of the state in order to accommodate the country’s elite which was the strategy used by Habyarimana, Kagame offers the elite a slice of the private market. As stated by a Rwandan academic during an interview: “In earlier times, the only way to get rich was to be part of the political leadership. When appointed you behaved like a king. This is now changing. Nowadays you can get rich from business.”

As such, it can be concluded that economic liberalisation has changed the way state intervention in the economy takes place. It has exchanged the reliance on prebendalism for political survival for covert ties between the political leadership and the country’s business elite. As a consequence, corruption has also changed from blatant abuse of public offices to murky relationships between politics and business based on favouritism. Table 4.1 below summarises these observations and the proposed relationship between degree/type of state intervention in the economy and corruption.

Table 4.1: The association between state intervention and corruption in Rwanda

Regime	**Degree of state intervention in the economy**	**Predominant type of corruption**
President Habyarimana 1973-1994	Heavy – both on the production side and on the regulatory side. The state or ‘Big Man’ directly controlled opportunities for wealth generation.	Prebendalism linked to political and petty corruption. Political legitimacy/control dependent on controlling and sharing slices of the state.
Vice-President (turned President) Kagame 1994-present time	Light – free market policies and reforms undertaken in terms of liberalisation, privatisation and deregulation. Still, the	Covert and intertwined relationship between political elite and big business. Political legitimacy/control

	'Big Man' and his party indirectly control opportunities for wealth generation.	dependent on controlling and sharing slices of the private market.

The next section will present an in-depth case study of the Rwandan coffee sector during the two regimes and will shed further light on the proposed relationship between formal economic institutions and corruption, and what happens to corruption in the light of economic liberalisation.

4.4 A case study of the Rwandan coffee sector

The coffee sector, having constituted the largest economic and most politically important sector in Rwanda, provides an interesting case on which to analyse the forms state intervention in the economy and associated corruption have taken during the two regimes.

The production of coffee for export has constituted the backbone of the Rwandan economy since colonial times when state-led production of coffee was introduced as a measure to extract taxes and commence a monetary economy in the predominantly rural country. The production of coffee today as well as in the past has been conducted by smallholders as opposed to being produced on big plantations. Most Rwandan coffee producers are poor farmers to whom the yearly lump sum proceeds from their coffee trees constitute the primary source for household spending. The colonial government established rules and regulations pertaining to the coffee sector, introducing a mandated minimum price for coffee, quality guidelines, and special licenses that allowed only some firms to purchase coffee (Boudreaux and Ahluwalia, 2008:7). The state-led approach to the country's coffee production continued after independence through the coffee company TRAFIPRO. The company was established in 1957 in the southern Rwandan town of Gitarama, primarily benefiting southern businessmen and politicians. During its first years, the company was headed by Grégoire Kayibanda who later became the first president of Rwanda (Kamola, 2008:64). TRAFIPRO was set up as a monopsony, buying coffee from domestic producers. In 1964, a Belgian businessman, Victor Hasson, started the company Rwandex and entered the sector as an exporter of Rwandan coffee. The export went through the London-based trading company Drucafe. At this time coffee accounted for more than 80 percent of foreign exchange earnings and little had been done since national independence to diversify the economy away from its heavy dependence on coffee.

Soon after President Habyarimana took power in the country in 1973, he dismantled the old TRAFIPRO powerhouse and in its place established the government coffee agency or marketing board, OCIR-Café. OCIR-Café and Rwandex purchased and exported all coffee grown in Rwanda. The proceeds from the sector during the Habyarimana regime continued to be of great macro-economic importance, accounting for between 60 and 80 percent of state revenues (Verwimp, 2003). To ensure political benefits from the sector, President Habyarimana nationalised Rwandex, taking 51 percent of the company and leaving the former owners with the remaining 49 percent. The coffee business in Rwanda boomed in the mid-1970s as Brazil, the largest exporter of coffee, was hit by a frost, and the international coffee prices skyrocketed at the same time as the country export quotas set by the International Coffee Organisation were temporarily relaxed. At the same time, political problems in neighbouring Uganda provided the Ugandan coffee farmers with incentives to sell their coffee via Rwanda. The Rwandan Central Bank and Rwandex used this opportunity to smuggle Ugandan coffee to Rwanda where they sold it through Rwandex as Rwandan coffee and thereby dramatically increasing the revenues from the coffee sector.

In order to ensure that the economically and politically important revenues from the coffee sector were forthcoming, a coffee law was introduced in 1978. According to this law, it became illegal to uproot or mistreat coffee trees as well as to interplant coffee trees with other crops. The Habyarimana regime used the state-apparatus down to the lowest administrative level of the country’s 143 communes to control coffee farmers and safeguard revenues from the coffee sector. Each commune was provided with a monitor whose role was to advise farmers on coffee production as well as to uphold the coffee law. The monitors were entitled to fine farmers who breached the law (Verwimp, 2003) and they tended to situate themselves hierarchically towards the farmers, and abuse their positions (Uvin, 1998:131; Newbury, 1992:207). This law was particularly dire in times when the government set the coffee prices relatively low and it made more sense economically for farmers to use their scarce land for other crops, particularly bananas. “The effect of the forced cultivation of coffee on the peasant population … became more and more coercive in the process of decreased coffee-prices.” (Verwimp, 1999:41). Boudreaux (2007:8) goes as far as to say that the government “forced people to grow coffee even when famine threatened” and “with the extensive system of local monitors, farmers found it difficult to ignore this law.” (ibid:6). The imposed coffee law is illustrative of the government’s power vis-à-vis the farmers; the political importance of the coffee revenues, and the measures the ‘Big Man’ and his elite circle were prepared to take in order to ensure that these revenues were forthcoming.

A decade-long decline in the international price for coffee began in the mid-1980s, exacerbated by the collapse of the International Coffee Agreement in 1989. Revenues from coffee exports declined from a peak of $144 million in 1985 to $30 million in 1993. Habyarimana’s government compensated for the decrease in coffee revenues by decreasing the price it paid coffee farmers for their produce (Verwimp, 2003). Farmers responded, despite breaking the law, by uprooting 300,000 coffee trees in 1992 (Rosenberg, 1999:13). Since the civil war broke out in 1990 with the Rwandan Patriotic Army marching into Rwanda from neighbouring countries, particularly Uganda, many coffee farmers had also become internally displaced which had negative impacts on the country’s coffee production.

As a result of heavy international debt, produced by falling coffee revenues and increased investment in military capacity prompted by the civil war, President Habyarimana was forced to sign a structural adjustment package with the World Bank in 1991. The policy conditionalities coupled with the financial aid package included the common Washington consensus market reforms of economic liberalisations and macro-economic stability, as well as a coffee sector reform (Storey, 2001:371). Since the old political elite, being on the receiving side of the revenues generated from the coffee sector, were naturally unlikely to constitute the driving force for change, the authorities chose not to go ahead with the coffee sector liberalisation reform.

Reform, however, happened following the death of President Habyarimana and the subsequent genocide, and soon after the new RPF-led government had come to power. With the new leadership installed, the coffee sector underwent large changes, first and foremost with regard to state intervention in the sector. The World Bank's nagging about liberalisation and privatisation of the coffee sector had, at last produced the intended results, perhaps because of the desperate need for financial aid felt by the new leadership in the aftermath of the country's absolute economic ruin (Waugh, 2004:102). A new and profitable market in refined specialty coffee for the international market has emerged since the liberalisation of the sector. Post-liberalisation, the sector has increased its output of fully-washed coffee, as opposed to the less treated bulk coffee that was sold before liberalisation, resulting in a higher value added export product (Boudreaux and Ahluwalia, 2008). Rwandan coffee can these days be bought in places such as Starbucks and Marks and Spencer. In a study by the World Bank from 2011 titled 'Yes Africa Can: Success Stories from a Dynamic Continent'; the Rwandan coffee sector liberalisation was one of 20 development success stories from across sub-Saharan Africa identified and documented.

4.4.1 State intervention and corruption in the coffee sector

The coffee sector during the Habyarimana regime undoubtedly constituted the bread and butter on which the regime survived. Boudreaux and Ahluwalia (2008:6) state that the regime captured the profits of the sector and used the funds to maintain power, and Uvin (1998:21) adds that "the control of state revenues… provided enormous opportunities for both personal enrichment and patronage." The fact that the government offices in charge of the coffee sector were filled with the presidents' friends, relatives and loyalists clearly suggests that prebendalism with consequent corruption was practised. This prebendal allocation included high level officials as alluded to by a Rwandan business man with a long career in the coffee sector:

> "Rwandex had the monopoly of the sector and was close to the government. They used to keep the proceeds outside the country, kept in the international company Drucafe. Sometimes they brought some profit back to Rwanda in the form of gifts to some ministers. The ministers had much personal interests in the Rwandan coffee sector prior to 1994."

Boudreaux and Ahluwalia (2008:8) also state that President Habyarimana appointed relatives and supporters to positions of authority at OCIR-Café and Berlage et al (2003:14) agree by stating that the Akazu were the ones in charge of OCIR-Café. Apart from being used to distribute prebends, the coffee sector under state ownership also generated revenue which in turn was used by the Habyarimana regime to buy political loyalty (Berlage et al, 2003).

All this changed after 1994 and the liberalisation of the coffee sector. Shortly after the new political regime took power in 1994, OCIR-Café left its former trading role for a purely regulatory directive. The opportunity for allocating prebends thereby diminished as the government lost the direct control over the production side of the sector. In short, the liberalisation of the coffee sector formally disentangled the state from the sector and, as such, terminated the possibilities for allowing the state to be used for personal enrichment of the political elite which had previously enjoyed such benefits. Liberalisation of the coffee sector therefore decreased political and petty corruption linked to the distribution and enjoyment of prebends.

However, as I have argued earlier, state intervention coupled with political corruption in the form of favouritism and covert relations between the RPF and the economic elite appears have replaced the distribution of prebends also in the post-liberalised coffee sector. After liberalisation, new exporting and importing companies entered the sector. Some of the new entrepreneurs were Rwandan and some were international investors and, on paper, it looks as though the political involvement in the coffee sector had completely disappeared. However, as one NGO-affiliated interviewee in Kigali asserted, the big profits from the coffee sector remain in a few hands. When the government made the coffee sector reforms, the elite close to the RPF were able to tap into the money from the coffee sector. That economic reforms bring opportunities from which a country's elite benefit is not uncommon. However, it appears that the 'Big Man' and ruling political party have enjoyed more involvement in the sector than they would formally be entitled to under its liberalised form. According to an expatriate businessman and long-term observer of the Rwandan coffee sector, while the front figures of the coffee export companies are normal businessmen, behind every company, there is RPF involvement. For example, according to the same source, among the largest exporters of Rwandan coffee, the company Rwacof is directly linked with President Kagame's family through its connection with the Ugandan-based coffee company Sucafina, and the company Coffee Business Center is partly owned by the president's wife. Thus, while the coffee sector is no longer state-owned, there is a clear connection between the 'Big Man', the RPF-linked elite and the businesses involved in the sector. These interviewees still see political muscle being used in order to manipulate economic resources as President Kagame and the RPF, far from being separated from the market, exert influence to determine the directions of wealth for political reasons.

It can be concluded from the analysis in this section that by disentangling the coffee sector from direct ownership and control by the state, the liberalisation of the sector made previous reward systems in the form of prebends obsolete. However, following the logic of 'Big Men' and winner-takes-all politics, it appears that prebendalism has been replaced by another form of political corruption: that of favouritism and covert relations between politics and business.

4.5 Conclusion

Following decades of international pushing for a decrease of the state's role in the domestic economy in developing countries, this analysis concerns the effects of economic liberalisation on the form and extent of corruption in Rwanda. I base my analysis on theories on neopatrimonialism in sub-Saharan Africa and highlight the political rationale for 'Big Men' to intervene in the economy and how this is associated with corruption via prebendalism. I then apply this theoretical framework to Rwanda and analyse how economic liberalisation has changed corruption.

The analysis of Rwanda concurs with Szeftel's (2000:222) argument based on the Zambian experience that "institutional change… is unlikely to contain corruption and factionalism unless reforms are aimed also at changing the underlying political imperatives that drive the process, namely the use of clientelism for purposes of class formation and factional rewards. Like water seeking its level, clientelism, factional competition and corruption flourish if not in one way then in another." Indeed, rather than turning off the tap of corruption as theories based on rent-seeking and corruption suggest, economic liberalisation has brought about other ways of ensuring continued political power through market interventions.

With economic liberalisation of the coffee sector as well as other sectors in Rwanda from direct state control, the predominant form of state intervention and associated corruption used to accommodate the country's elite and thereby ensure continued political power for the incumbent has changed. The allocation of prebends has decreased and with it the blatant abuse of public offices as the prebendal rewards constituted slices or spoils of the state. As such, it has moved opportunities of enrichment from the public offices to the private market where highly opaque relations between politics and business make sure that the politically loyal are on the receiving end of wealth generating opportunities. In short, while the lower degree of direct state intervention in the economy has had an impact on corruption, especially petty corruption, it has but merely transformed political corruption.

Because of the winner-takes-all politics and the political instability facing the RPF-led government, particularly with regard to its ethnic minority position in a country where the wounds of genocide are still raw; a decrease in political corruption is unlikely to take place. Instead, when political allies need to be catered for, while, at the same time, unchecked economic prosperity may mean claims for increased political influence and ultimately a threat to the government, it is natural that economic opportunities are still tied to the 'Big Man' and his elite circle.

Having discussed the changing face of corruption, the question remains what effect the form of corruption associated with the heavy presence of the RPF in the market has had on economic growth and development in the country. The first thing to note is that the Rwandan economy has not fallen prey for a rentier class of entrepreneurs that for example Boone (1990) saw happening in Senegal. The economy has, despite being in shackles after the genocide, grown with considerable force and been able to diversify away from the primary sector to higher value added ventures. At the same time, and possibly as a consequence of favouritism and the associated close links between business and politics, Rwanda has gained a reputation of supplying a good business milieu for international investors with low levels of petty corruption and cumbersome regulatory environment. As such, the business undertakings of the RPF have been long-term as opposed to predatory (Booth and Golooba-Mutebi, 2011:16). That said the side effects of the type of political corruption used in post-liberalised Rwanda is likely to be more political than economic. The risk is that the close links between having the power over the state and sitting on all serious business opportunities as President Kagame and the RPF do will lead to power struggles within the RPF as well as feed resentment among those who are in the political wilderness. In such political environment, political instability rather than economic stagnation may ultimately become the key side-effect of this type of political corruption.

5. Catching the 'Big Fish': The (Ab)Use of Corruption-Related Prosecutions across Sub-Saharan Africa

Abstract

Since the start of the international donor community's good governance agenda in the 1990s, the focus on curbing corruption has been a priority issue in donors' relations to many developing countries, particularly countries in sub-Saharan Africa. This analysis concerns the use of punitive actions to curb corruption. On the one hand, the theoretical literature on corruption argues that by prosecuting offenders for corruption-related crimes and thus ending impunity, particularly among high level political figures ('big fish'), a political culture of less corruption will evolve. On the other hand, various political commentaries on sub-Saharan Africa propose that prosecutions of 'big fish' occur, not in order to end impunity, but to get rid of opponents. I empirically test the proposition that corruption-related prosecutions affect levels of corruption, using survey-based data for a group of countries in sub-Saharan Africa that have visibly, and on a large scale, prosecuted 'big fish' for corruption-related crimes. I find little empirical support for the theoretical proposition. I then compile a unique database on corruption-related prosecutions at the level of ministers across the sub-continent and find patterns that suggest that prosecutions are politicised and serve as a way to eliminate political rivals. In particular, the results suggest that 'big fish' are not prosecuted in relation to the timing of their crimes but in relation to where a country is in its election cycle, and this timing differs for different types of 'big fish' in accordance to the threat they pose to the incumbent. These findings caution against the international community's overly technical and apolitical approach to anti-corruption in sub-Saharan Africa.

Keywords: corruption, anti-corruption, prosecution, sub-Saharan Africa

5.1 Introduction

James Wolfensohn, then President of the Wold Bank, kick-started the international donor community's anti-corruption agenda and broke the Bank's taboo on the issue of corruption when he declared, in a speech in October 1996, that the Bank needed to tackle the 'cancer' of corruption in developing countries. Since then, there is hardly a country in Africa that has not experienced donor-imposed anti-corruption conditions on their aid, as well as different types of more concrete donor-initiated anti-corruption interventions (Bryane, 2004). This international anti-corruption agenda is also highly visible in the political rhetoric coming from African leaders. The condemnation of corruption in African countries used to be voiced primarily by military leaders as a justification for overthrowing civilian governments. However, since the issue of corruption became a high priority for international donors, the public response from African leaders has become more pronounced. The language of 'zero tolerance of corruption' and 'war against corruption' has since become a popular election platform. These slogans have also been adopted by incumbents who have already enjoyed decades in power, and have been used by African leaders whose countries top the international rankings of most corrupt countries in the world. In short, the anti-corruption message has caught on.

Of course, campaigns against corruption are not new on the African continent (Harsh, 1993; Riley, 1998). For example, the executions of former political leaders in Ghana in 1979 can be seen as extreme punishments for alleged corruption. In the 1970s, President Murtala Mohammed in Nigeria launched 'Operation Purge the Nation', an anti-corruption measure that removed an estimated 11,000 persons from their offices. The subsequent Nigerian Buhari regime launched another dose of the same medicine called 'War against Indiscipline' where a large number of politicians and businessmen were arrested and tried for economic crimes before special military tribunals (Williams, 1987:109, 110). With democratisation sweeping the continent in the 1990s, such executions and collective punishments have given way for arranging the punitive actions against corruption in prosecutors' offices and courtrooms (Harsh, 1993). Coldham (1995), who has looked into the legal responses to corruption in Africa, argues that setting up special commissions, making anti-corruption law more draconian, and using the court system to punish office holders for corruption are ways in which the African governments, pressurised to produce quick results, show that they are ‘doing something’ about the problem.

As a result of the heightened international focus on curbing corruption in developing countries, many countries have institutionalised their fight against corruption by setting up anti-corruption agencies. These are state agencies set up to prevent corruption through measures such as investigation and prosecution. The Hong Kong and Singapore anti-corruption agencies, set up in the 1970s and 1950 respectively, have been popularly used as blueprints in the set-up of such government institutions throughout the developing world due to their assumed corruption-curbing effect on both city-states (Meagher, 2005). African governments and international donors alike have taken such success stories to heart in their anti-corruption efforts. By 2008, Africa had established 18 stand-alone and five integrated anti-corruption agencies (de Maria, 2008).

The donor community’s response to corruption-related prosecutions of high-level political figures, or so-called ‘big fish’, in African countries has been positive. For example, a news article in *Africa Confidential* from 2008 reports how, in Tanzania, using the courts to punish some high level political figures for corruption was enough for the donor community to disburse budget support which had been withheld due to concerns about corruption in the country (Vol. 49, No. 24:12). A news article in the *Daily Telegraph* (7 December 2007, retrieved on 17 August 2010) commended Rwanda’s many corruption-related arrests, writing that “hardly a week goes by without a prominent official going to jail in Rwanda, where the government has declared zero tolerance against corruption… Most African governments like talking about their fight against corruption… but Rwanda, most notably for the past two years, have been putting its money where its mouth is.”

While the use of criminal law to combat corruption has received attention from the academic community, the policy prescriptions for its use depend heavily on academic discipline. On the one hand, the economics literature on corruption argues that by prosecuting offenders for corruption-related crimes and thus ending impunity, particularly among high level political figures (‘big fish’), a political culture of less corruption will evolve. On the other hand, various political analysts, notably on sub-

Saharan Africa, propose that prosecutions of ‘big fish’ occur, not in order to end impunity, but to get rid of opponents. Such selective punishment will, in turn, have little effect on the culture of corruption. Theories aside, the issue has received very little systematic empirical attention. Although the use of criminal law to combat corruption has escalated with the international anti-corruption drive that has spread across Africa, no study to my knowledge has attempted to either assess the effect of ‘big fish’ prosecutions on levels of corruption or assess the counter claim about a politicisation of such prosecutions.

This empirical study, using data on corruption-related ‘big fish’ prosecutions across sub-Saharan Africa, concerns the question of whether such prosecutions end impunity as predicted by one set of theories or whether they are merely used as a tool to dismiss political rivals. The chapter is structured as follows: in section 5.2, I discuss the issue of ‘big fish’ prosecutions in terms of what the two diverging theories predict, and in sections 5.3 and 5.4, I assess the theoretically driven hypotheses using data on ‘big fish’ prosecutions from across sub-Saharan Africa. Section 5.5 concludes.

5.2 Ending impunity or eliminating political rivals?

Much of the literature on corruption from the economics discipline focuses on individual’s incentives, in the form of cost versus benefits, for entering into corrupt deals or not. Where most public offices are abused for personal gain and detection and punishments of such abuse are rare, the personal cost of being corrupt is low and office holders have an incentive to be corrupt. Following such reasoning, an increased probability of being caught for corruption-related offences has a negative impact on the personal cost-benefit ratio as it increases the personal cost of entering into such deals. At the aggregate level, a signal that the cost of being corrupt has increased would, in turn, have ramifications throughout the political system.

For such cultural change to take place, political leaders need to show their political will for change and one highly visible way of doing that is to go after the political elite. Klitgaard et al. (2000:79) argue that when a culture of impunity has developed in a country, it is essential to break this culture by ‘frying big fish’. “Big, corrupt actors must be named and punished so that cynical citizenry believes that an anti-corruption drive is more than words.” Meagher (2005:73) argues that the successful anti-corruption strategies in Hong Kong and Singapore were dependent on the ability to investigate and prosecute the ‘big fish’. By targeting the elite, including ministers, MPs and senior directors in government agencies, the political leaders in these city-states set a new moral tone against corruption across government and administration.

Collier (2002) argues with specific reference to the African continent that nothing other than a ‘big push’ on anti-corruption can alter levels of corruption in countries that have reached a locally stable equilibrium of high levels of corruption. In such cases, he reasons, the prosecution of ‘big fish’ can help change the expectations and incentives throughout the system. “Where the public believes that many top people are corrupt, unless an anti-corruption campaign includes the prosecution of some of these people, the public will not take it seriously.” (Collier, 2002:203). Taylor (2006), looking particularly at Zambia, uses a similar argument with reference to using the courts to seek retribution for corrupt offences committed by former heads of state. “Prosecution of past presidents can help to mitigate corruption by sending a message to all socio-political actors, including incumbents, that a political culture of impunity will be increasingly challenged by one that elevates accountability.” (Taylor, 2006:282). He further sees the possibility for cultural change with regard to corruption by arguing that those who catch the ‘big fish’ “are binding themselves, consciously or otherwise, to an evolving set of norms and legal-institutional remedies that constrain future corruption.” (Taylor, 2006:298). Riley (1998:153) does not suggest prosecution *per se* but argues that “African politicians could demonstrate their commitment to public integrity by dismissing corrupt ministers and announcing the reason for their dismissal…” Following these theoretical propositions, the effect that we would be likely to observe in countries that have inflicted highly visible punitive actions for corruption-related offences, particularly among the ‘big fish’, is lower levels of corruption across public offices. This hypothesis will be tested in the subsequent section.

The second type of literature that deals with corruption-related prosecutions does not focus on individual-level incentives for public office holders to engage in or abstain from corrupt behaviour, but on the political rationale for political leaders to inflict punitive actions for corruption-related offences. Africanist scholars, such as Jean-

Francois Bayart, Patrick Chabal, Jean-Pascal Daloz, Jean-Francois Médard, and Jean-Pierre Oliver de Sardan, argue that corruption in Africa is not about a few rotten apples that can be removed from an otherwise clean barrel. Corruption is the rule rather than the exception, and so is impunity. Oliver de Sardan (1999:30), for example, argues that "in the eventuality of an embezzlement hunt in high places, the majority of African politicians would stand to face trial." The very issue of politicisation of anti-corruption efforts, which several academics focusing on the sub-Saharan African region have highlighted, is therefore not a question of whether the charged official has committed corruption-related crimes or not. It is neither about the origin of the anti-corruption campaigns, which, for example, can be domestic or donor pressure for change (Gillespie and Okruhlik, 1991). Instead, it is a claim about selective punishment; why one corrupt 'big fish' is caught while his or her equally corrupt colleagues are not. These political science and anthropology scholars argue that corruption constitutes a politically important informal institution in Africa's clientelist governance systems where political loyalty to the leadership is ensured through sanctioning the ability for office holders to gain more from their position than the formal salary. Following this logic, those who are singled out to be prosecuted for having abused their public offices must therefore have dishonoured this loyalty code and thereby lost the favour of the leaders.

One direct way of losing the favours of the country's leadership would be to pose a challenge for the leadership position and the benefits (material and status) it entails. According to Bayart (1988) and referred to by Harsh (1993:33): the anti-corruption campaigns initiated in Africa are "designed in part to deny rival factions the financial resources necessary to mount effective political challenges, while ensuring a monopoly on illicit accumulation for those currently in authority and/or favour." Médard (2002:395) writes that anti-corruption sanctions are not about fighting corruption but about getting rid of someone for political reasons. Chabal and Daloz (1999:104) similarly state that corruption purges in Africa are "more often than not, convenient devices for eliminating political rivals rather than a real attempt to reform the political 'order'." Oliver de Sardan (1999, footnote no. 9) suggests that "the rare cases of prosecution in the higher spheres…correspond to the legal 'execution' of an undesirable individual." Following these assertions, we would expect those 'big fish' that do get caught for corruption-related offences, in one way or another to be an inconvenience to the country's leadership. This hypothesis will be tested below using data on 'big fish' prosecutions from across sub-Saharan Africa.

5.3 Curbing corruption by ending impunity

This section will assess the hypothesis that highly visible punitive actions against 'big fish' for corruption-related offences have a corruption-decreasing effect across government. I assess this hypothesis by comparing levels of corruption amongst government officials before and after instances of highly visible judicial actions against 'big fish' corruption offenders. Several countries in sub-Saharan Africa have in various ways used highly visible punitive actions against 'big fish' for corruption-related offences and would thus constitute good cases for testing the hypothesis. Some of these cases are, however, difficult to include in the analysis due to the lack of appropriate data by which to compare levels of corruption before and after judicial interventions.

Corruption is by its very nature notoriously difficult to measure and, therefore, the most common measure of corruption is the perception, rather than actual evidence, of the prevalence of corruption. Among the most popular perception-based data are those indices that give each country one corruption score or rank, such as Transparency International's Corruption Perceptions Index and the World Bank's Control of Corruption Index which is part of its Governance Indicators. While these indices have wide country coverage, they provide but a crude and generalist assessment of levels of corruption (Søreide, 2005). Other measurements of corruption may provide better tools for assessing the posed hypothesis. The Afrobarometer has conducted a survey on democracy and governance in several African countries on an approximately bi-annual basis since 1999. Although this survey does not deal exclusively with corruption, certain survey questions concern perception on levels of corruption across various institutions and areas of the government and the private sector, such as among parliamentarians, school teachers and government officials. For certain countries, this data source can be triangulated with data from Transparency International's Global Corruption Barometer which offers a more nuanced picture of the prevalence of corruption than the more popular perception-based indices. These two data sources constitute the basis for the descriptive statistics used in this section.

As a note of caution, however, the findings obtained from this research endeavour may be seen as indications rather than firm proof due to the fact that the data are based on citizen's perceptions rather than more concrete evidence of actual corruption taking place. Whether perceived levels of corruption - either by citizens on which the two surveys used here are based or by country experts on which some corruption indices are based - is a true reflection of corruption occurring in a country is next to impossible to know for sure. Apart from believing that there would be no smoke without a fire, i.e., people would not perceive corruption to be common if this was not the reality, we have few ways of knowing with certainty that perceived levels of corruption resemble actual levels of corruption. For some types of corruption, citizens may base their perception on their own experiences with government officials. Perceptions about corruption higher up the political hierarchy may instead be influenced by media, rumours and gossip, or direct observation of wealth and behaviour.

The perception-based characteristics of the data introduce some serious caveats to measuring the effect highly visible judicial actions against 'big fish' corruption offenders have on corruption levels among government officials. To start with, highly visible corruption raids on 'big fish' most probably come with a great amount of media exposure. In turn, media exposure of corruption most probably positively influences citizen's perception of corruption. Therefore, by definition, raids on 'big fish' should increase people's perception of corruption. In terms of empirical research on media's influence on corruption perception, Chang and Kerr (2009), using Afrobarometer data, found evidence that citizens who were more exposed to media information tended to perceive higher levels of corruption, i.e. perceptions of corruption are created via media. However, contrary to this finding, Mattes and Africa (1999), using citizen-level data from South Africa, found no correlation between media exposure and perceptions of corruption. On the other hand, the 'big fish' raids are executed in the name of anti-corruption and should be reported in the media in the context of fighting corruption rather than in the context of unearthing corruption scandals. As such, a raid against a few 'big fish' may induce a belief among citizens that the government has no tolerance with corruption and that the few that misbehave will be detected and punished. In that case, media exposure of corruption in the context of punishing corrupt ‘big fish’ may instead influence corruption perceptions negatively, meaning that media attention to corruption makes citizens perceive corruption to be lower than might be the case in reality. In short, media exposure of ‘big fish’ prosecutions for corruption-related crimes may well affect citizen’s perception of corruption without affecting real levels of corruption, and this influence may go in either direction.

Another data caveat concerns attribution from ‘big fish’ raid to a change in (perceived) corruption. Many other things could have happened in the country that could have influenced (perceived) corruption making it impossible to isolate and single out the effects on corruption from the ‘big fish’ raids. Finally, the theories discussed in the previous section are silent with regards to the amount of time it would take for highly visible punishments against corruption, i.e. raids against ‘big fish’, to have an actual effect on corruption levels across government. The Afrobarometer and Global Corruption Barometer data spans a maximum of five years so if the effect is slower than that, it would not be reflected in the data used here. Taking these data caveats into consideration, the findings from this section’s statistical analysis may be seen as indicative rather than firm proof of the validity of the theory it sets out to test. By triangulating perceived levels of corruption with citizen’s perceptions about the government’s effectiveness in fighting corruption, the data analyses nonetheless offer some clues to how well the chosen anti-corruption tactic is actually working.

The countries which have enacted on highly visible ‘big fish’ prosecutions and for which data on levels of perceived corruption exists from these two data sources are, in the order of analysis: Zambia, Malawi, Cameroon, and Nigeria. These countries have used different strategies in terms of ‘big fish’ prosecutions. While Zambia and Malawi have mainly focused on getting retribution for offences made by previous governments, the large scale corruption raids in Cameroon and Nigeria have focused on offences made under the leadership of the contemporary presidents. Thus, apart from assessing the impact of punitive actions as an anti-corruption strategy in general, the analysis also gives an indication about the effectiveness of these different strategies.

The first cases of 'big fish' corruption-related prosecutions to be assessed are the Zambian and Malawian cases which have targeted previous governments. In July 2002, after the new President, Levy Mwanawasa, who was handpicked by President Frederick Chiluba (1991-2001) to be his successor, had been in office for just six months, the Zambian parliament lifted Chiluba's immunity against prosecution. Over the following months the national courts upheld this parliamentary decision and in February 2003, Chiluba was arrested and charged with over 200 counts involving theft of state funds in excess of $40 million (Taylor, 2006:286). The ex-President's head was not the only one to roll during that time. Ketele Kalumba, having held the important positions of Minister of Foreign Affairs and Minister of Finance under Chiluba, was arrested and charged with corruption too. The prosecutions received much support from the donor community in terms of money and expertise and, according to Taylor (2006:289) the British high commissioner declared that 'this campaign against corruption is a delight to see'.

The prosecution against such high political personalities proved to be a difficult task for the Zambian judiciary and the longevity of the case against Chiluba seems to have affected people's opinion about the government's anti-corruption intentions. The news magazine, *Africa Confidential*, reported in 2005 (Vol. 46, No. 3:6) that President Mwanawasa's "anti-corruption fight against ex-President Chiluba and his cronies began with wide support but people are now doubting whether it was serious. Many prosecutions have been discontinued or lost and compensation for those acquitted costs a lot of money." The survey question 'how well or badly would you say the current government fights corruption in government?' features in the Afrobarometer Zambia surveys for the years 2003, 2005 and 2008. While 28 percent of the respondents rated the government's anti-corruption efforts very badly or fairly badly in 2003, these two response categories had almost doubled to 54 percent in 2005 and increased yet more to 67 percent of respondents in 2008. These data indicate a lower level of public trust in the government's anti-corruption efforts after the 'big fish' prosecution campaigns had taken place compared to before.

In Malawi, following the election victory in 2004 of Bingu wa Mutharika, who was hand-picked by ex-President Bakili Muluzi to succeed him, several of the political figures that had been close to Muluzi found themselves under investigation for corruption allegedly conducted during their tenure in the previous government. The level of corruption in government is believed to have been rampant during Muluzi's leadership (1994-2004). For example, it has been acknowledged that approximately one-third of the national budget disappeared into the pockets of ministers and their clients on a yearly basis (Africa Confidential, Vol. 45, No. 23:4). Despite high levels of corruption, anti-corruption drives in Malawi were not absent during Muluzi's presidency. For example, in 2000, Muluzi opted for a high-level corruption purge when, following a parliamentary report on corrupt behaviour in the government, he sacked his entire government. Anti-corruption rhetoric was also used during his time in office and full-page advertisements, apparently paid from Muluzi's own pocket, could be found in the local press carrying the slogan 'resist corruption, reject corruption, report corruption: our actions count NOW' (Africa Confidential, Vol. 41, No. 22:3).

However the use of 'big fish' prosecutions is a more recent phenomenon. The first 'big fish' to be arrested for corruption was former Finance Minister, Friday Jumbe, in late 2004 (Africa Confidential, Vol. 45, No. 23:4) although *Africa Confidential* (2008, Vol. 49, No. 6:9) states that "Most UDF [United Democratic Front] leaders have corruption charges handing over their heads from their time in Muluzi's government." The party spokes-person for Muluzi's UDF, Sam Mpasu, was charged in 2005 and sentenced to six years in prison. Investigation and the building-up of a case against ex-President Muluzi himself were initiated already in 2004 and in July 2006, he was arrested for 42 counts of corruption. At that time, however, the charges against him were dropped (BBC News online, 28 July 2006). These anti-corruption raids can be seen as evidence that anti-corruption is high on the priority list of Mutharika's government and should, according to theory, have had an effect on the levels of corruption in the country. However, an article in *Africa Confidential* from 2008 (Vol. 49, No. 6:9) states that while politicians hurl abuses at each other, corruption in Malawi is as bad as ever.

The survey question 'How many officials in the government do you think are involved in corruption?' features in Afrobarometer's data for Zambia in the years 2003, 2005 and 2008 and for Malawi for the years 2005 and 2008. These years cover the timing of the 'big fish' prosecutions in the two countries. We would thus expect, in accordance with theory that levels of corruption among government officials would have declined in the later years compare to the earlier ones. However, the survey results, calculated as percentages of respondents in table 5.1 below, do not support this proposition. In 2003, 29 percent of Zambian respondents believed that most or all government officials were involved in corruption. In 2005, two years after such high-level prosecutions, 37 percent of respondent fit into this category and in 2008, 38 percent had such high level of distrust in the country's government officials. Thus, this data indicates that the to-start-with high perception of corruption within the government in Zambia did not diminish but rather increased after the 'big fish' prosecutions. Similarly, in the case of Malawi, there is no indication that levels of corruption among government officials have decreased between 2005 and 2008, rather the opposite.

Table 5.1: Perceived extent of corruption among Zambian and Malawian government officials

Year	None	Some of them	Most of them	All of them	Don't know	No. of obs.
			Zambia			
2003	5%	56%	22%	7%	11%	1198
2005	6%	45%	31%	6%	13%	1200
2008	4%	44%	29%	9%	14%	1200
			Malawi			
2005	15%	30%	20%	5%	30%	1200
2008	14%	36%	23%	7%	20%	1195

Note: The percentages in table 5.1 have been calculated from the responses to the following survey question: *How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say: Government officials?* Source: Afrobarometer, Survey Rounds 2, 3, and 4 for Zambia, and 3 and 4 for Malawi.

While both Zambia and Malawi have inflicted highly visible punitive actions against corrupt 'big fish', there is no evidence from the data used here that such strategy has had the effect of decreasing corruption across government. Perhaps the focus on past governments' corruption after a change in political leadership, as was largely the case in Zambia and Malawi, does not have as much of an influence on the behaviour of officials in the current government as a raid that focuses on current 'big fish' might have. As argued by Klitgaard et al. (2000:79), a campaign against corruption runs the risk of becoming a campaign against opposition and, therefore, the government should focus on ‘frying some big fish’ that belong to the party in power. The experiences from Cameroon and Nigeria both provide such cases.

Cameroon has several times in recent years been awarded the title of Africa’s most corrupt country by Transparency International’s Corruption Perceptions Index, thus a big push against corruption in the form of high-level prosecutions can be seen as being just what the doctor ordered. During his long stay in office, President Paul Biya (1982-present) has acted harshly against corruption among high-level politicians several times. In 1997, the Secretary General at the Presidency, Titus Edzoa, was sentenced to 15 years in prison for embezzling state funds and in 1999, the Minister of Post and Telecommunication was sentenced to 20 years in prison for corruption. The large purge against corruption, however, came in 2006 and has been known as ‘Operation Sparrowhawk’. Between 2006 and 2008, many high-level politicians and other senior figures in Cameroon were arrested for corruption, including two former finance ministers, one health minister, and one secretary general of the presidency. While those who were sent to jail in 2008 still await their sentences, the energy and water minister, Alphonse Siyam Siwe, who was arrested in 2006, was sentenced to 30 years in prison.

To the survey question of what will happen to levels of corruption in Cameroon in the next three years, 65 percent responded that it will increase. Data on the perception of levels of corruption among government officials in Cameroon are not available from Afrobarometer. Instead, the result from the similar survey question regarding the extent of perceived corruption in political parties from Transparency International’s Corruption Barometer has been used to assess the impact of Cameroon’s anti-corruption purge. In Cameroon, the state has for long been symbolic with the leading presidential party, Cameroon People’s Democratic Movement, which obtains about 85 percent of the seats in the national assembly, thus the results from this survey question should be a good indicator also on public office corruption in the country. As shown in table 5.2 below, most respondents still believe that political parties are extremely corrupt although there has been a slight general improvement in perceived corruption levels with a fall from 60 to 47 percent in the proportion of people perceiving political parties to be ‘extremely corrupt’. Despite these signs of improvement, 62 percent of survey respondents in the 2009 Global Corruption

Barometer responded to the question 'how would you assess your current government's actions in the fight against corruption?' that the government's fight against corruption has been ineffective or somewhat ineffective. Similar signs of public distrust for the government's anti-corruption efforts were also reported in the Global Corruption Barometer in 2007.

Table 5.2: Perceived extent of corruption in Cameroonian political parties

Year	1 = Not at all corrupt	2	3	4	5 = Extremely corrupt	Don't know	No. of obs.
2006	4%	4%	8%	19%	60%	5%	528
2008	3%	7%	15%	24%	47%	4%	519

Note: The information in table 5.2 is reported in the result file in the abovementioned source for the following survey question: *To what extent is this category affected by corruption in your country: Political parties?* Source: Transparency International, Global Corruption Barometer (2007 and 2009).

Another country which has focused its anti-corruption drive on current 'big fish' is Nigeria. Anti-corruption has been high on the political agenda since Olusegun Obasanjo took office after the 1999 presidential election. The then President of the World Bank, Paul Wolfowitz, in his endorsement of Obasanjo's anti-corruption efforts stated in 2006 that "The president of Nigeria is making a strong effort to deal with corruption…taking on corrupt officials at a level that was unheard of in his country." (Cited from Africa Confidential, Vol. 47, No. 19:1). The largest purge on corruption has been targeted to the country's state governors. The first arrests came in 2005 with five governors being charged with corruption after having been impeached and thereby lost their immunity from prosecution (Lawson, 2009:85). Following these arrests, the first prison sentence came in 2007. Although the national anti-corruption body, the Economic and Financial Crimes Commission, had been thought to be compromised before the elections (Obasanjo's camp being accused of using corruption charges to remove political opponents from the 2007 election contestation, African Confidential, Vol. 48, No. 22:2; Vol. 48, No. 1:2), the purge continued and several governors were arrested also in late 2007 and 2008 (Lawson, 2009:88).

The survey result from Afrobarometer on the perception of corruption among government officials in Nigeria (illustrated in table 5.3 below) shows no significant change between 2005 and 2008. According to a news article in *Africa Confidential* from 2007, the effect of the purge on governors, at least in one area of the country, has not had the impact theory proposes. "The legacy of the outgoing group of state governors – massive vote-rigging, corrupt and opaque contracts, subterranean involvement in illicit oil deals and shadowy links to militant groups – has passed seamlessly to the next generation of state governors in the Delta." (Vol. 48, No. 12:2).

Table 5.3: Perceived extent of corruption among Nigerian government officials

Year	None	Some of them	Most of them	All of them	Don't know	No. of obs.
2005	2%	35%	39%	21%	3%	2363
2008	2%	36%	39%	18%	5%	2324

Note: The percentages in table 5.3 have been calculated from the responses to the following survey question: *How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say: Government officials?* Source: Afrobarometer, Survey Rounds 3 and 4.

By using survey-based data on the perception of corruption among government officials in four African countries, I have attempted to assess the proposition posed by several scholars, mostly from the economics discipline of the corruption literature, that the use of prosecution of high-level political figures can have a corruption-curbing effect across government. The results I obtain by comparing levels of perceived corruption pre- and post these highly visible corruption-related raids on 'big fish', which target previous as well as current officeholders do not however lend much support for the posed hypothesis. Instead, following episodes of high-level purges on corruption, some of the countries have seen a marked decrease in their populations' trust in their governments' ability to tackle corruption. The findings in this section largely correspond to what Kpundeh (1997:100) states with regard to African countries: "the record of failure is exceedingly high for measures that use the blunt instrument of prosecution (or the fear of prosecution) as their principal tool for compliance."

Does this mean that those theories claiming that corruption can be curbed by ending impunity are wrong? Not necessarily. The question is rather whether this sort of anti-corruption strategy actually ends impunity. The reason for the apparent bleak corruption-curbing effect of this type of anti-corruption strategy may be that the probability of 'big fish' getting caught has not decreased at large because only some ‘big fish’ are punished for corruption. In the next section, I will look deeper into this claim.

5.4 Eliminating political rivals through prosecution

This section will empirically assess the hypothesis derived from the work of some prominent Africanist political scientists and anthropologists that those ‘big fish’ who do get caught for corruption-related offences are targeted because they are, in one way or another, in an inconvenient position vis-à-vis the country’s leadership. In this branch of the literature the claims about politicisation of prosecutions are rarely backed up by specific cases and no study, to my knowledge, has systematically assembled evidence of, and analysed, this claim. This is not surprising since such task is filled with methodological obstacles. Since it is assumed that corruption is the rule and that those who are charged with corruption are guilty as claimed, the notion of politicisation cannot be tested by assessing the effectiveness of the judicial system, for which somewhat objective data could be gathered. Instead, the heart of the matter is internal power-politics at an informal level for which data is much harder to assemble, especially across many different cases.

I have used two strategies in order to overcome this obstacle and approach a systematic assessment of the claim of politicisation and selective targeting. First, I have collected contextualised information about ‘big fish’ prosecutions from across sub-Saharan Africa in order to find patterns of who gets prosecuted and what the political purposes, if any, of the prosecutions are. Using mainly journalistic accounts, this research strategy provided material for hypothesis building. Much of these data have come from the newsmagazine *Africa Confidential* which provides current affairs reports and analyses from across Africa. Because this news source does not reveal the identity of its reporters, it can better escape both the government censorship and self-censorship that many news providers across Africa are burdened with and can, therefore, be judged as being more objective in their analyses than media that is owned or in other ways supported by a government.

Second, in order to test the hypotheses derived from using the abovementioned strategy, I have enlarged the sample and assembled all cases of ‘big fish’ prosecutions at ministerial level mentioned in *Africa Confidential*. When looking closer into the cases mentioned in this news source using various news sources and other sources of information found through desk-top research (for example, cases reported by the Washington-based NGO *Global Integrity*) I have found additional information about other cases. The resulting database on corruption-related prosecutions across sub-Saharan Africa is intended to cover the universe of such cases, although some cases might have been missed if they have not been extensively mentioned in the news press. All in all, the database contains 39 cases of corruption-related prosecutions at the level of ministers across sub-Saharan Africa (see Annex). At first, I considered broadening the sample to include other types of 'big fish', such as members of parliament, but there were very few such cases and, therefore, I settled for prosecutions at the level of ministers. The cases are from 1996 to 2010 and this timeframe corresponds well with the start of the international donor community's anti-corruption agenda.

5.4.1 Using media articles to identify patterns in 'big fish' prosecutions

This section concerns what types of 'big fish' get prosecuted for corruption, when such prosecutions occur, and why. The first thing that becomes apparent from the cases of 'big fish' prosecutions is that formal party-political 'opposition' is rarely targeted and that, instead, the vast majority of prosecutions are targeted at officials who belong to the party of the president. Since the party systems, at large, in sub-Saharan African countries constitute a large dominant party surrounded by small and highly volatile parties (van de Walle, 2007:61), the real political rivalry for the incumbent in many places is likely to come from within the dominant party as opposed to from challenging parties.

Ghana, with its two strong parties, is an outlier in this case. In addition, the 'big fish' that have been targeted for prosecutions have belonged to the formal party-political opposition. In President John Kufour's anti-corruption campaigns, the opposition party, the National Democratic Congress (NDC), was targeted. After winning the elections in 2000, Kufour's government arrested three former ministers from ex-President Rawling's (NDC) government for corruption; in 2001 and 2002, a Fast Track High Court sentenced them to between four and 10 years in prison. These three former ministers had constituted 'big fish' at the highest level in the former government: one Minister of Finance and his deputy, and one Minister of Trade and Industry. However, in 2005, President Kufour exercised his constitutional right and pardoned the three ex-ministers only a couple of years into their sentences (Africa Confidential, Vol. 49, No. 16:9). A few years later, in 2008, a former advisor to ex-President Rawling was sentenced by the same Fast Track High Court to five years in prison for corruption. An articles in *Africa Confidential* (Vol. 50, No. 20:9) reports that many viewed the prosecution as politically motivated and an attempt by the Kufour government to tarnish a key member of the opposition. In early 2009, just days after the inauguration of the new NDC President, John Atta Mills, the former advisor was released and regained his role as key advisor to the new president. In the case of Ghana, it seems that the weapon of corruption-related prosecutions has been used in a party political war rather than being used to seriously signal a change in political culture away from impunity with regard to corruption.

This first category of ‘big fish’ prosecutions can be described as ‘old big fish’ since they were targeted after a new incumbent had taken the political throne. The cases of Zambia and Malawi, which were discussed in the previous section, also constitute examples where prosecutions may have been used in order to get rid of opposition. In both Zambia and Malawi as mentioned earlier, the investigations, arrests and prosecutions began following the inauguration of the new presidents, Mwanawasa in Zambia and Mutharika in Malawi, and they predominantly targeted those ministers who had constituted ‘big fish’ under the previous presidents. In both cases, the new presidents came from the party that was already in power, thus, one can assume that many of the previous ‘big fish’ could continue in their already established roles, forming a power house that might have sufficient political strength to pose problems for the new presidents. In the case of Zambia, Taylor (2006:288) states that President Mwanawasa “moved to marginalise or remove powerful insiders remaining from [ex-President] Chiluba’s government”. In the case of Malawi, a news article in *Africa Confidential* from 2004 (Vol. 45, No. 16:6) states that after President Mutharika won the election, the ‘old guard’ were at ‘daggers drawn’ with the new president’s reformers who, in turn, used arrests and dark warnings of corruption proceedings to keep their powerful adversaries at bay. Another article states that “Most [United Democratic Front] leaders have corruption charges hanging over their heads from their time in Muluzi’s government.” (Africa Confidential, Vol. 49, no.1:8). Even in

2009, five years into Mutharika's presidency, *Africa Confidential* (Vol. 50, No. 18:12) reports that much of the Malawian Anti-Corruption Bureau's time continues to be spent chasing ex-President Muluzi's allies.

The second category of prosecuted 'big fish' can be called 'upcoming big fish' and consist of political figures close to the incumbent who have risen in political hierarchy and pose some sort of challenge to the incumbent. In Malawi, Brown Mpinganjira, senior minister and former right hand man of President Muluzi, was sacked from government and subsequently arrested for corruption in 2000. It is widely believed that the political heavyweight was having presidential ambitions and had fallen out with President Muluzi over the former's attempt to change the constitution to be able to run in the 2004 election. According to a BBC news report (2000, retrieved on 15 October 2010), the former minister was "accompanied to the police by a horde of supporters who chanted songs praising him as the next state president of the Republic of Malawi." He later formed his own party for which he ran, and lost, in the 2004 elections (Africa Confidential, Vol. 42, no. 7). In Senegal, the internal rivalry between President Abdoulaye Wade, in power since 2000, and Idrissa Seck, prime minister between 2002 and 2004, is also believed to have prompted prosecution. The two of them go back far in time and Seck was for many years seen as the protégée and right hand man of Wade. However, in April 2004, Seck, having gained popularity and influence, was sacked from his post and suspended from the Senegalese Democratic Party. In July 2005, he was detained and charged for corruption as well as for threatening state security and was put in prison until February 2006 when the charges were dropped. In April the same year, Seck announced that he would run for president in the 2007 election against Wade (Africa Confidential, Vol.48, No. 3:12; Vol. 49, No. 5:9; Vol. 50, No. 8:9; BBC New online, 25 July 2005, retrieved on 5 August 2010).

The case of the Cameroonian ex-Secretary-General of the Presidency, Titus Edzoa, who was sentenced to 15 years in prison for corruption, is another example of such internal rivalry. Edzoa had, at the time of his arrest, just resigned from his post as Minister of Health to stand in the 1997 presidential elections against President Biya (Africa Confidential, Vol. 49, No. 6:4). Biya's more recent anti-corruption campaign, Operation Sparrowhawk that was discussed in the previous section, can also be seen in this light. One news article from *Africa Confidential* report that “One advantage of [Biya’s] anti-corruption crusades, apparent and real, is that they warn potential successors to keep their political ambitions to themselves, for fear of becoming the next head on a spear outside the Presidential Palace.” (Vol. 49, No. 12:10). A few months after this report, the same news source wrote that “Many criticise [Biya’s] much trumpeted anti-corruption drive…as highly selective and designed to strengthen his hand as he organises his next reshuffle and prepare for yet another presidential term.” (Africa Confidential, Vol. 49, No. 15:9).

Having distinguished the ‘old big fish’ and the ‘upcoming big fish’ as certain types of ‘big fish’ being prosecuted for corruption, the final category can be called the ‘recycled presidents’ and it constitutes cases in which former presidents have risen to directly challenge the incumbent. The case of Rwanda’s first post-1994 president, Pasteur Bizimungu is telling in this regard. In 2000, Bizimungu resigned from his post as president after having been politically side-lined by his vice-President, Paul Kagame. In 2001, Bizimungu announced the establishment of a new political party with which he would enter the 2003 presidential election race. He was subsequently arrested, put under house arrest and imprisoned, and later sentenced to 15 years in prison for corruption and for attempting to form a militia and inciting violence. He was, however, released from prison in 2007 after having been pardoned by President Kagame (Amnesty International, 2008; Front Line, 2005:10; BBC News online, 31 May 2001, retrieved on 5 August 2010).

The show-trial given to ex-president, Pascal Lissouba, of the Republic of Congo can also be put in the ‘recycled presidents’ category. Lissouba was the Congolese President from 1993 to 1997 when he was overthrown by Denis Sassou-Nguesso. In December 2001, three months prior to the presidential elections in which Lissouba was seen as the main rival to President Sassou-Nguesso, the exiled ex-president was sentenced in absentia to 30 years hard labour for corrupt deals involving the personal abuse of oil revenues back in 1993. The trial lasted only two days and was dismissed by the ex-president as a joke. President Sassou-Nguesso subsequently won the 2002 elections with nearly 90 percent of the vote (Africa Confidential, Vol. 42, no. 7; Vol. 43, no. 6; BBC News online, 2001, retrieved on 15 October 2010). In the case of Malawi and President Mutharika’s anti-corruption campaign against ex-President

Muluzi, the ex-President had been arrested for corruption in 2006 although the case against him had at that time been discharged. Muluzi had continued to be the leader of the United Democratic Front, the party that President Mutharika had left in 2005, and was in 2008 chosen to be the party's presidential candidate for the 2009 elections. However, only three months prior to the elections, Muluzi was arrested and charged with over 80 counts of corruption (BBC News online, 27 February 2009, retrieved on 18 August 2010).

The news articles mentioned here appear to support the proposition from the Africanist scholars that the 'big fish' that constitute a source of political opposition or rivalry to the incumbent are the ones who are prosecuted for corruption, i.e. the use of prosecution for corruption-related crimes appears to fill a power-political function. From the analysis based on news material, I have derived three different categories of 'big fish' prosecutions with regard to who gets prosecuted, why, and when it happens. The first category consists of the 'old big fish' who are lingering on the political scene after a presidential change. The second category of prosecuted 'big fish' consists of the 'upcoming big fish'. Finally, the third category is called 'recycled presidents' and include three previous presidents who were prosecuted while preparing to directly challenge the incumbent in the polls.

5.4.2 Testing patterns of 'big fish' prosecutions

While it would be practically impossible to systematically test the hypothesised reasons for why prosecutions of the three types of 'big fish' take place because of the informal nature of such power-politics, it is possible to indirectly assess whether politicisation and targeting of prosecution is likely to have taken place. This can be done by systematically analysing the timing of prosecutions. Two hypotheses on timing can be tested. First, *there are no patterns in the timing of prosecutions*, i.e. there is no evidence of politicisation and targeting of corruption-related prosecutions. A lack of pattern would indicate that 'big fish' are indiscriminately prosecuted as soon as evidence of corruption emerges. Second, *there are patterns in the timing of prosecutions*. A pattern in the timing for anti-corruption raids may be evidence that prosecutions are politicised. If prosecutions are selective and used in order to eliminate certain types of 'big fish', we would expect a difference in the timing of prosecutions between the three categories of 'big fish'. This is because the urgency for getting rid of the 'big fish' differs slightly among the three categories, although the underlying reason for their dismissal appears to be to ensure a continued hold on power.

From the analysis in the previous sub-section, some theoretical propositions can be derived with regard to the expected timing of prosecutions of the three categories 'big fish'. The previous analysis showed that the first category, the 'old big fish', may constitute competing powerhouses and, in that capacity, deny the new leader extensive political autonomy, as was the case in Malawi and Zambia. The rational incumbent is likely to want to eliminate such competition as soon as possible and we could therefore expect prosecutions of this category 'big fish' to occur shortly after the inauguration of a new political leader. Those 'big fish' belonging to the second category, the 'upcoming big fish', constitute political insiders who have risen in hierarchy and become rivals to the incumbents. The rational incumbent would likely want to deal with this rivalry before having to directly face the rival in the party's election of presidential candidate or later in the national elections. Therefore, we could expect to find prosecutions of this category 'big fish' to occur from the middle of the election cycle and onwards as the incumbent prepares for the next election. Finally, as the name indicates, the 'recycled presidents' are former leaders who have chosen to directly challenge the incumbent in national elections. In order to avoid being challenged and risk losing an election we could expect the rational incumbent to support prosecution of this category 'big fish' close to the upcoming election when presidential candidates are known.

I have divided the 39 assembled cases of corruption-related prosecutions at the level of ministers into these three categories. Fifteen cases have been placed in the first category, the 'old big fish' lingering on the political scene after a change of president. These cases are linked by the fact that the prosecuted individuals held ministerial positions in the previous government. Seventeen cases belong to the second category, the 'upcoming big fish'. These are all the cases in which the minister charged for corruption did not hold a ministerial position in the previous government. Finally, three ex-presidents can be put in the third category 'recycled presidents'. Although these three are leaders of previous governments, because of the context of their prosecutions they deserve a category of their own. One of these ex-presidents, Pascal

Lissouba, was charged in absentia for the same crime and at the same time as four of his cronies, including two former prime ministers. These additional four 'big fish' have been included in this category, leaving it with seven 'big fish' in total.

With this division in place, I have, for each case of prosecution in the database, divided the number of months into the election cycle that arrests took place with the total number of months of a country's election cycle. For example, in the case of former Malawian Minister of Finance, Friday Jumbe: as he was arrested five months after the previous presidential election and there are 60 months in the Malawian election cycle, thus, his case gets a score of 5/60=0.08. In this case, the fraction of time when the arrest occurred was 0.08 or eight percent into the election cycle.

The question of whether there is a difference between the three different categories of prosecuted 'big fish' can be statistically analysed. The dependent variable is a continuous variable and constitutes the fractions of time into the election cycle when arrests occurred in the 39 cases and the independent variable constitutes a categorical variable based on the three categories of prosecuted 'big fish' discussed above. Using one-way analysis of variance (ANOVA), I find statistically significant differences in timing of prosecution between the three groups of 'big fish'. The results are presented in table 5.4 below.

Table 5.4: Differences in timing across 'big fish' categories

Dependent variable	Old big fish	Upcoming big fish	Recycled presidents	F-value
Fraction into election cycle when arrests occurred	Mean = 0.29 Std. Dev. = 0.22	Mean = 0.48 Std. Dev. = 0.24	Mean = 0.89 Std. Dev. = 0.13	18.60***
No. of obs.	15	17	7	

Note: The dependent variable constitutes the sum of the fractions of time into the election cycle when arrests occurred. *** signifies p<.001.

The average fraction of time when arrests occurred for the ministers belonging to the category 'old big fish' was 29 percent into the election cycle; for 'upcoming big fish', the average was 48 percent, and for 'recycled presidents', the average time was 89 percent into the election cycle.[19] Figures 5.1, 5.2 and 5.3 below show the three categories of 'big fish' on an election cycle continuum (see the annex for further information about the 39 cases).

Figure 5.1: Timing of arrests for ministers in the 'old big fish' category

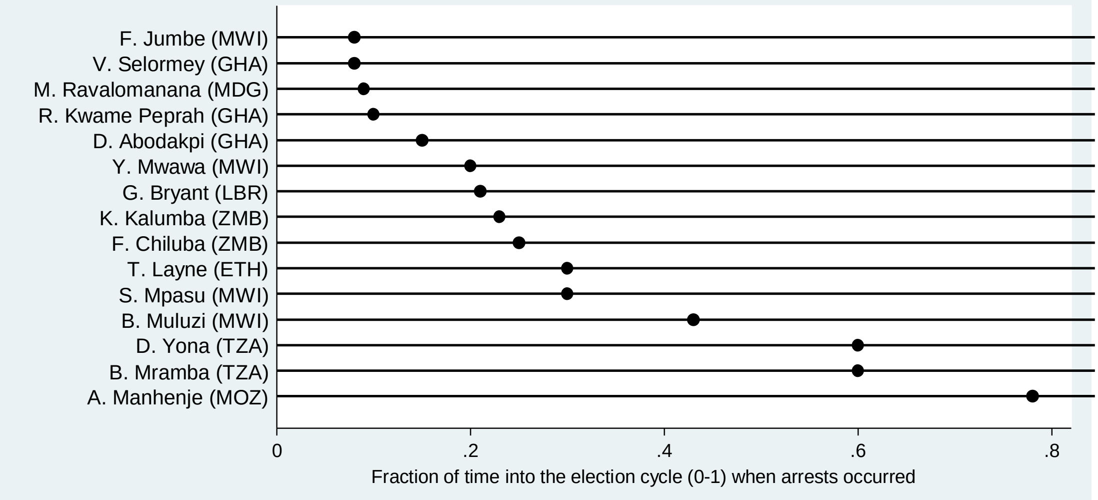
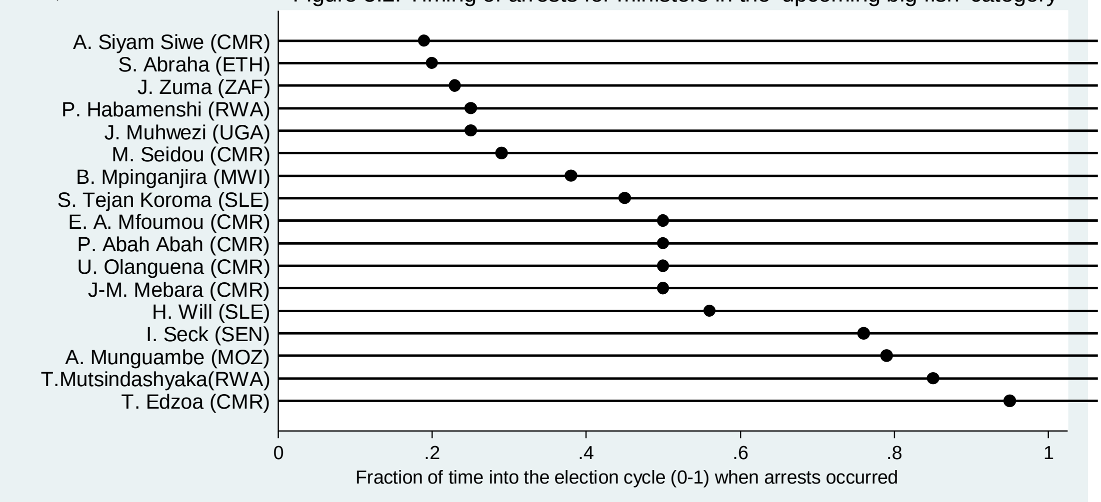


Figure 5.2: Timing of arrests for ministers in the 'upcoming big fish' category



[19] In certain countries multiple 'big fish' have been prosecuted as a result of larger raids, for example Cameroon's 'Operation Sparrowhawk'. The statistical analysis in table 5.4 is based on one observation per 'big fish'. In an alternative calculation I have clustered such multiple entries as the average of timing of prosecution within the same raid. As such, for Cameroon the abovementioned raid (2006-2008) gets one observation; and so do Congo (2001); Ghana (2001); Malawi (2004-2006); Tanzania (2008), and Zambia (2003). Following this alternative calculation, the ANOVA mean for 'old big fish' is 0.31; 'upcoming big fish' is 0.51, and 'recycles presidents' is 0.83 (F=5.31, p=0.01). In short, such clustering of observations does not alter the conclusion that the three categories differ in their timing of prosecution in a statistically significant way.

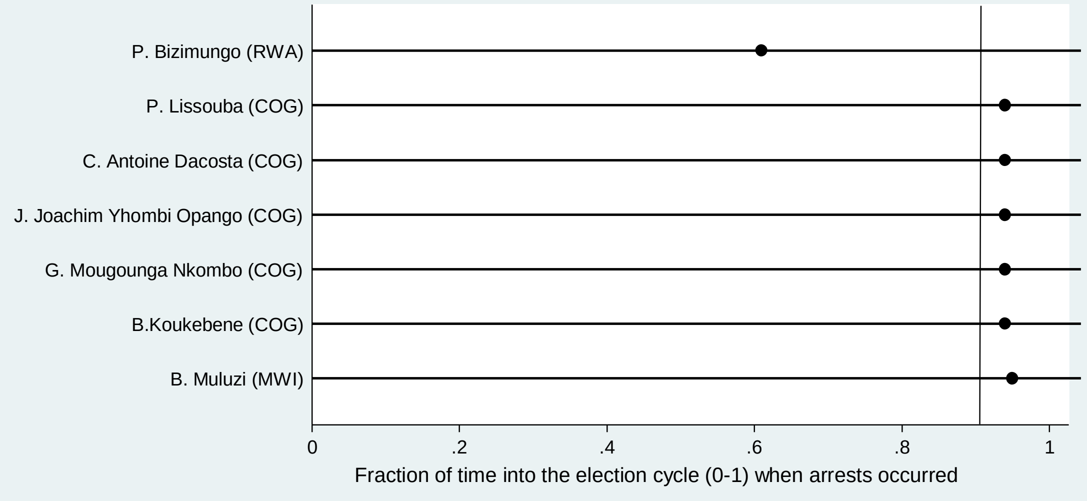


Figure 5.3: Timing of arrests for ministers in the 'recycled presidents' category

The statistically significant patterns found in the analysis of variance support the hypothesis above stating that there is a pattern in ‘big fish’ prosecutions in accordance with the propositions about the timing of each of the three categories of ‘big fish’ derived from the analysis of media articles. While these findings are silent with regard to whether the prosecuted ministers were guilty or not of corruption-related crimes, these patterns suggest that we cannot dismiss that a politicisation in this type of anti-corruption effort may be occurring.

5.5 Conclusion

In this chapter, I focus on the issue of corruption-related prosecutions of high-level political figures, co-called ‘big fish’, across sub-Saharan Africa. First, I assess the hypothesis that highly visible punitive actions against ‘big fish’ for corruption-related offences decrease levels of corruption across government. I use survey-level data on people’s perceptions on levels of corruption among government officials in four countries in sub-Saharan Africa and compare the data pre-and post the highly visible ‘big fish’ prosecutions. The results from this empirical assessment do not lend much support to the posed hypothesis. This, however, does not necessarily mean that the hypothesis is faulty. Instead, it may be that the probability of being caught for corruption has not increased in a significant way, which in turn, may be a result of prosecutions being used for political reasons other than ending impunity across government.

In the second part of the chapter, I look into the claims that 'big fish' prosecutions are used as political tools to eliminate certain individuals. I use politically contextualised data on 'big fish' prosecutions from news articles to discern hypotheses about who is likely to get prosecuted; when, and for what reason. Using 39 cases of corruption-related prosecutions at the level of ministers, I then test the hypotheses about who gets prosecuted and when, using statistical analysis. The result shows patterns in the timing of prosecutions that supports the claim that corruption-related prosecutions are used in order to eliminate political rivals.

The presence of such politicisation and targeting of corruption-related prosecutions are coupled with serious concerns. If prosecutions of 'big fish' are used as a means to target those who constitute political rivals, the use of prosecution, instead of increasing the personal cost of being corrupt and thereby inducing change across the political system, as the theories by Klitgaard et al (2000) and Collier (2002) propose, would increase the personal cost of letting go of power due to the risk of being prosecuted by the successor incumbent.

While the majority of the new constitutions that came into force across sub-Saharan Africa following democratisation in the 1990s included rules about presidential term limits, 14 countries in sub-Saharan Africa have thus far gone through the process of having these rules amended. One reason for this may well be the fear of being prosecuted for corruption by the new government, as happened in Malawi and Zambia. In fact, even if the former president is granted immunity, his family and inner circle will in general not be which adds to the incentive of clinging onto power. According to Tangri (2006) this is one reason why Uganda's President, Museveni, has refused to let go of power. "In Uganda there seems to be real fear within Museveni's family and *akazu* (an inner ruling clique of six relatives, in-laws and friends) that a new government could follow them up on alleged corruption." (Ibid: 194).

A politicisation of corruption-related prosecutions would also increase the personal cost for high level political figures to stand up against a powerful executive and thereby decrease the space for horizontal accountability that high-level political actors may provide. In short, when prosecutions are deployed for political reasons, this type of anti-corruption measure is not expected to bring about less corruption but, instead, it runs the risk of altering dynamics that are fundamental to a functioning democracy.

The international donor community is a major stakeholder in African countries' anti-corruption efforts. On the one hand, development assistance is often coupled with some kind of anti-corruption strategy being in place. On the other hand, donors provide funding and expertise to various anti-corruption institutions, such as anti-corruption agencies. They have also financially supported various 'big fish' investigations and corruption trials (BBC News online, 9 December 2003, retrieved on 20 August 2010; allAfrica.com, 18 April 2007, retrieved on 20 August 2010). Several voices have, however, expressed caution about donors' lack of focus on the political environment in which their anti-corruption projects in Africa and elsewhere take place (Unsworth, 2009; Fjeldstad & Isaksen, 2008:17). For example, Rocha Menocal (2007) argues that "…donors tend to shy away from grappling with political factors more directly. They prefer to address challenges such as corruption and poor governance from a technical perspective…" By turning a blind eye on the effects their sponsored anti-corruption efforts have on internal politics, and in this case, how anti-corruption measures can affect political dynamics, donors risk reinforcing the very institutional structures in which corruption flourishes.

Fighting political rivals and opposition through judicial means is not a new phenomenon in sub-Saharan Africa. In Zimbabwe, for example, it has been popular to charge high-level individuals with treason (Guardian online, 3 January 2010, retrieved 26 September 2010) and in Rwanda, high-level politicians continue at present time to be accused for having taken part in the 1994 genocide. However, the official motivation for getting rid of someone for political reasons may have been altered by the advent of the international anti-corruption agenda. This point was stressed in an interview I conducted with a lawyer in Kigali in 2009 who argued that "especially the West, which is not overly sympathetic of genocide accusation, applauds a legal system that puts people in jail for corruption." Whether the anti-corruption agenda has resulted in corruption-related 'big fish' prosecutions having merely substituted 'big fish' prosecutions for other types of crimes would be an interesting issue for future research.

Annex: Database on corruption-related prosecutions at the level of ministers across sub-Saharan Africa

Country	Name; Date when arrested, or charged; Verdict if applicable	Office held that was allegedly abused	President and election cycle
Cameroon	Titus Edzoa July 1997 Sentenced to 15 years in prison	Secretary General of the Presidency and Minister of Health until 1997	Paul Biya (November 1982- present) October 1992- October 1997 (60 months)
Cameroon	Mounchipou Seidou October 1999 Sentenced to 20 years in prison	Minister of Post and Telecommunications until 1999	Paul Biya (November 1982- present) October 1997- October 2004 (84 months)
Cameroon	Alphonse Siyam Siwe February 2006 Sentenced to 30 years in prison	Director-General of the Autonomous Port of Douala (1999-2005)	Paul Biya (November 1982- present) October 2004- October 2011 (84 months)
Cameroon	Edouard Akame Mfoumou April 2008	Minister of State for the Economy and Finance until 2001	Paul Biya (November 1982- present) October 2004- October 2011 (84 months)
Cameroon	Polycarpe Abah Abah April 2008	Minister of State for the Economy and Finance until 2007	Paul Biya (November 1982- present) October 2004- October 2011 (84 months)
Cameroon	Urbain Olanguena April 2008	Minister of Health until 2007	Paul Biya (November 1982- present) October 2004- October 2011 (84 months)
Cameroon	Jean-Marie Atangana Mebara April 2008	Secretary-General of the Presidency (2002-2006)	Paul Biya (November 1982- present) October 2004- October 2011 (84 months)
Congo, Rep.	Pascal Lissouba December 2001 Sentenced to 30 years of hard labour	President (1992-1997)	Denis Sassou-Nguesso (October 1997- present) October 1997 (no election was held)- March 2002 (53 months)
Congo, Rep.	Claude Antoine Dacosta December 2001 Sentenced to 20	Prime Minister (1992-1993)	Denis Sassou-Nguesso (October 1997- present) October 1997 (no election was held)- March 2002 (53 months)

	years of hard labour		
Congo, Rep.	Jacques Joachim Yhombi Opango December 2001 Sentenced to 20 years of hard labour	Prime Minister (1993-1996)	Denis Sassou-Nguesso (October 1997- present) October 1997 (no election was held)- March 2002 (53 months)
Congo, Rep.	Guila Mougounga Nkombo December 2001 Sentenced to 20 years of hard labour	Finance Minister (1994-1997)	Denis Sassou-Nguesso (October 1997- present) October 1997 (no election was held)- March 2002 (53 months)
Congo, Rep.	Benoit Koukebene December 2001 Sentenced to 20 years of hard labour	Oil Minister (1993-1997)	Denis Sassou-Nguesso (October 1997- present) October 1997 (no election was held)- March 2002 (53 months)
Ethiopia	Tamirat Layne October 1996 Sentenced to 18 years in prison	Prime Minister, (1991-1995)	Meles Zenawi (prime minister, August 1995-present) May 1995- May 2000 (60 months)
Ethiopia	Siye Abraha May 2001 Sentenced to 6 years in prison	Minister of Defence until 2000	Meles Zenawi (prime minister, August 1995-present) May 2000- May 2005 (60 months)
Ghana	Victor Selormey April 2001 Sentenced to 8 years in prison	Deputy Finance Minister (1992-2001)	John Kufuor (January 2001- January 2009) December 2000-December 2004 (48 months)
Ghana	Richard Kwame Peprah May 2001 Sentenced to 4 years in prison	Finance Minister (1995-2001)	John Kufuor (January 2001- January 2009) December 2000-December 2004 (48 months)
Ghana	Dan Abodakpi July 2001 Sentenced to 10 years in prison	Minister for Trade and Industry until 2001	John Kufuor (January 2001- January 2009) December 2000-December 2004 (48 months)
Liberia	Gyude Bryant February 2007	Chairman of the Transitional Government of Liberia (2003-2006)	Ellen Johnson-Sirleaf (January 2006- present) November 2005- October 2011 (71 months)
Madagascar	Marc Ravalomanana June 2009	President (2002- 2009)	Andry Rajoelina (March 2009-present)

	Sentenced to 4 years in prison		March 2009 (no election was held)- December 2011 (33 months)
Malawi	Brown Mpinganjira December 2000	Minister of Education 1997-1999	Bakili Muluzi (May 1994- May 2004) June 1999-May 2004 (47 months)
Malawi	Friday Jumbe October 2004	Finance Minister (2002-2004)	Bingu wa Mutharika (May 2004- present) May 2004- May 2009 (60 months)
Malawi	Yusuf Mwawa May 2005 Sentenced to 5 years in prison	Minister of Education until 2005	Bingu wa Mutharika (May 2004- present) May 2004- May 2009 (60 months)
Malawi	Sam Mpasu November 2005 Sentenced to 6 years in prison	Minister of Education (1994-1996)	Bingu wa Mutharika (May 2004- present) May 2004- May 2009 (60 months)
Malawi	Bakili Muluzi July 2006 Charges dropped	President (1994-2004)	Bingu wa Mutharika (May 2004- present) May 2004- May 2009 (60 months)
Malawi	Bakili Muluzi February 2009	President (1994-2004)	Bingu wa Mutharika (May 2004- present) May 2004- May 2009 (60 months)
Mozambique	Almerino Manhenje September 2008	Interior Minister (1996-2005)	Armando Guebuza (February 2005- present) December 2004- October 2009 (58 months)
Mozambique	Antonio Munguambe October 2008 Sentenced to 20 years in prison	Minister of Transport and communication (2005-2008)	Armando Guebuza (February 2005- present) December 2004- October 2009 (58 months)
Rwanda	Pasteur Bizimungo April 2002 Sentenced to 15 years in prison	President (1994- 2000)	Paul Kagame (2000-present) March 2000- August 2003 (41 months)
Rwanda	Patrick Habamenshi May 2005 Acquitted after trial	Minister of Agriculture (2003- 2005)	Paul Kagame (2000-present) August 2003- August 2010 (84 months)
Rwanda	Théoneste Mutsindashyaka	Governor of the Eastern Province (2006-2008)	Paul Kagame (2000-present)

	July 2009 Sentenced to one year in prison		August 2003- August 2010 (84 months)
Senegal	July 2005 Idrissa Seck	Prime Minister (2002-2004)	Abdoulaye Wade (April 2000- present) February 2000- February 2007 (84 months)
Sierra Leone	August 1999 Harry Will Acquitted in 2008	Agricultural Minister (1996- 1999)	Ahmed Tejan Kabbah (March 1996- September 2007) February 1996- May 2002 (75 months)
Sierra Leone	Sheiku Tejan Koroma November 2009 Sentenced to 5 years in prison	Health and Sanitation Minister (2007-2009)	Ernest Bai Koroma (September 2007- present) August 2007- August 2012 (60 months)
South Africa	Jacob Zuma June 2005 Acquitted in 2009	Deputy President (1999-2005)	Thabo Mbeki (June 1999-September 2008) April 2004- May 2009 (61 months)
Tanzania	Daniel Ndhira Yona November 2008	Minister for Energy and Minerals until 2006	Jakaya Kikwete (December 2005- present) December 2005- October 2010 (58 months)
Tanzania	Basil Pesambili Mramba November 2008	Minister of Finance (2000-2006)	Jakaya Kikwete (December 2005- present) December 2005- October 2010 (58 months)
Uganda	Jim Muhwezi May 2007	Minister of Health (2001-2006)	Yoweri Museveni (January 1986- present) February 2006- February 2011 (60 months)
Zambia	Katele Kalumba January 2003 Sentenced to 5 years in prison	Minister of Finance (1999-2002)	Levy Mwanawasa (January 2002- August 2008) December 2001-September 2006 (57 months)
Zambia	Frederick Chiluba February 2003 Acquitted in 2009	President (1991-2002)	Levy Mwanawasa (January 2002- August 2008) December 2001-September 2006 (57 months)

6. The Primacy of Politics: Some Lessons for Policy Makers

Fifteen years have passed since the start of the international donor community's heightened focus on corruption led by the World Bank. In this thesis I have critically assessed, from the political context of sub-Saharan African countries, the theoretical validity underpinning the international donor community's fight against corruption. I have approached the overall research question, which concerned the effects of the anti-corruption policies induced by the international donor community, by assessing three distinct policies that are part of the international donor community's anti-corruption agenda: political liberalisation, economic liberalisation, and the use of 'big fish' prosecutions to curb corruption.

The overarching conclusion from the three empirical chapters constituting the core of this thesis is that corruption in the sub-Saharan African context has a political function which makes the reforms prescribed by the donor community difficult, or illogical, to fully comply with. In particular, I argue that corruption in the sub-Saharan African context is linked to politically rational governance tools – i.e. prebendalism and the generation and distribution of resources on a personalised patron-client basis – which are used by the political leaders in power to buy elite loyalty and thereby ensure continued political control over the state. Political leaders thereby have few incentives to seriously buy into the anti-corruption prescriptions offered by the international donor community if these reforms jeopardise their use of these corruption-related governance tools. External pressure to prescribe to the anti-corruption prescriptions may, rather than curbing corruption, produce unintended consequences. I predict that corruption, in one way or the other will continue flourishing regardless of reforms to the formal institutions as long as the informal institutions, characterised by 'Big Man' and winner-takes-all politics, continue to be the order of the day. I hope that the empirical findings in this thesis will contribute to setting realistic expectations of the likely effects of externally driven good governance and anti-corruption policies in sub-Saharan Africa and give support to a new generation of more politically sensitive and engaged development policy makers.

This concluding chapter is organised as follows: In section 6.1, I summarise and discuss the methodological choices and contributions of this thesis. In section 6.2, I discuss the substantive contributions of the thesis and in section 6.3, I discuss some policy implications.

6.1 Methodological contributions

Since the fight against corruption took centre stage in development policy, political pressure in the form of policy conditionalities to aid as well as direct governance and anti-corruption interventions through technical assistance have greatly helped transform formal institutions across sub-Saharan Africa towards becoming, at least on paper, liberal democracies. As I argue in chapter 1, the ideological foundation of the good governance and anti-corruption agendas are inherently liberal and so is the theoretical foundation for the subsequent donor policies. These are highly influenced by Klitgaard's (1988) equation 'corruption = monopoly + discretion – accountability'. On this basis, I chose to focus the empirical research on assessing the impact, and thereby the theoretical validity, of three macro-level institutional changes brought about in coherence with the international donor community's good governance and anti-corruption agendas. I chose democratisation and economic liberalisation, being institutional changes that would indirectly lead to less corruption through ending monopoly (political and economic), limit discretion, and augment accountability. I also chose to look into the use of judicial punishment for corruption-related crimes as one way of increasing accountability and directly fighting corruption.

There are, of course, other areas of institutional change across sub-Saharan Africa that have been provoked and sponsored by the good governance and anti-corruption agendas: instead, I could have focused on public sector reform or de-centralisation. However, regardless of issue, I believe that I would have found the same general answers, i.e. that while formal institutions can be changed through donor pressure, it is the continuation of the informal institutions, such as 'Big Man' and winner-takes-all politics, that enables corruption to flourish in the African political context. Regardless of research focus I would also have struggled with the same obstacles that are inherent in the empirical study of corruption. In chapter 2, I discussed some of these obstacles, such as the difficulty of measuring corruption, which result in conceptual uncertainty and incoherence with regard to the existing cross-country data on corruption.

I believe that one methodological contribution of this thesis to the literature on corruption is that it bridges an otherwise rather rigid academic disciplinary divide by putting politics-focused propositions, previously supported largely by anecdotal evidence, through rigorous empirical testing. This is done by mixing quantitative and qualitative methods in a way that produces context sensitive yet generalisable results. In short, I argue that corruption works differently in different types of countries. Africa's underlying institutional characteristics or 'Big Man' and winner-takes-all politics produce different scale and types of corruption than do the institutional set-up found in, for example, Western liberal democracies. These institutional characteristics cannot easily be 'controlled' away in statistical analysis and, as a consequence, I argue that a too wide application of cross-country regression analysis on corruption produces faulty results. In addition, since the main characteristics of corruption are context sensitive, there is a risk that the widely used cross-country corruption indices become too conceptually stretched and vague in terms of what they actually measure.

Instead, I argue that by focusing exclusively on the sub-Saharan African regions whose countries share similarities in terms of their institutional context, the statistical results produced by the empirical analyses are generalizable within the sub-Saharan African region. At the same time, I have, by using qualitative research methods, been able to offer explanations to relationships that would have been difficult to do merely using quantitative data. I have in particular made heavy use of journalistic accounts from across sub-Saharan Africa in the qualitative parts of the empirical analyses. For the analysis in chapter 5, in particular, I read approximately a decade's worth of the bi-monthly journal *Africa Confidential* in order to derive hypotheses about the characteristics of those high-level political figures in Africa that have been subject to corruption-related judicial actions, and grasp the political contexts in which this action were taken.

Apart from focusing exclusively on one region, another way I have controlled for data incoherencies connected to the composite cross-country corruption perception indices, such as conceptual stretching and conceptual uncertainty based on the variety of underlying data sources, is to use the Afrobarometer and Global Corruption Barometer survey data. Since these surveys ask the respondents to distinguish their perceptions of a country's extent of corruption across specific public functions and institutions, they enable a closer fit between corruption data and relevant theoretical propositions. In chapter 3, for example, the relevant protagonists are the political leaders across sub-Saharan Africa. How they act when faced with political competition, and how these actions are associated with grand corruption, is of crucial importance. Therefore, it made sense to use data on corruption in the countries' executive offices rather than data that express levels of corruption elsewhere. For the same reason, I used data on perceived levels of corruption among government officials in chapter 5 since that was directly linked to the theoretical proposition I was testing.

6.2 Theoretical contributions

The empirical findings in chapters 3, 4, and 5 all show disagreements with popular theories found in the corruption literature and conventional wisdom on how corruption can be curbed. As such, each makes significant contributions to the corruption literature. Added together, the findings in these chapters touch on the important question about the applicability of universal laws, i.e. whether theories on corruption are valid regardless of the context in which they are applied. This is the same question as development economists raised in the 1950s with regard to the mono-economics debate. Hirschman (1981:5), for example, stated that "certain special features of the economic structure of the underdeveloped countries make an important portion of orthodox analysis inapplicable and misleading."

In the literature on corruption, there is a tendency to rely on conventional wisdom based on experiences from the richer part of the world, where most of the universities and research institutes are based. Many of the heavyweights in the corruption literature base their theoretical insights on institutions in Western liberalised democracies, Rose Ackerman's influential book from 1978 titled *Corruption: A Study in Political Economy* being one example. The findings in this thesis propose that the conventional wisdoms derived from these types of theories may be of questionable use for understanding corruption in the sub-Saharan African context and therefore advocate for a more context sensitive approach to researching corruption.

In chapter 3, I assess the validity of the conventional wisdom that an opening up for political competition leads to a decrease in corruption. This is a powerful theory that few scholars have argued against. However, looking at data from across sub-Saharan Africa, I do not find that corruption decreases with competition for the executive office. I propose that this fails to occur as a result of political legitimacy and political survival being dependent on the incumbent's ability to distribute personalised patronage, or prebends, which in turn are associated with corruption. I also find that such logic changes as countries reach a high degree of democratic consolidation when the informal institutions of 'Big Men' and winner-takes-all politics have lost their importance. As a suggestion for further research, it would be interesting to analyse, using in-depth country case study method, changes in this incumbent logic over time, as Lindberg (2003) does for members of parliaments in Ghana.

In chapter 4, I assess the high standing conventional wisdom about the role of governments in domestic markets. According to theory, an end to state control and ownership means an end to corruption, apart from during privatisation when the risk of corruption is high. This theoretical insight has had large ramifications in terms of development policy in the last few decades. However, based on an in-depth case study analysis of Rwanda, I find instead that economic liberalisation has shifted the basis for personalised patronage from the public sector to the private market. Rather than ending corruption, changes in the formal economic institutions have transformed it, once again, pointing to the importance of corruption as a political feature. For future research, it would be interesting to compare the Rwandan experience in terms of large scale economic liberalisation with other countries in sub-Saharan Africa, such as Mozambique, or Asian counties like Singapore, and further investigate the transformation of corruption using the theoretical lens of developmental states.

Lastly, in chapter 5, I start the analysis with assessing the validity of a theoretical proposition that argues for using judicial measures to directly hold a corrupt elite to account, a proposition which has led the way for the establishment of anti-corruption agencies and their mandate to curb corruption through punishment. When I did not find any support for this theoretical proposition in the data, I sought a counter argument in the literature and found many voices highlighting the issue of politicisation of such anti-corruption interventions. However, no previous literature existed that systematically analysed such claims about foul play. Using journalistic accounts as well as statistical analysis, I found that prosecutions for corruption-related crimes among high level political figures in sub-Saharan Africa are probably not as apolitical as they are portrayed to be, and that a focus on politics is as important in understanding anti-corruption as it is in understanding corruption.

6.3 Policy implications

Focusing on the political functionality of corruption naturally clashes with the apolitical focus of the international donors' anti-corruption agenda discussed in chapter 1, especially its assumption about neutrality with regard to governance and anti-corruption reforms, i.e. reforms being positive-sum. To give an example, there is no question that corruption creates non-optimal allocation of resources and that curbing corruption would thus potentially result in better aggregate economic outcomes. If one disregards the association between corruption and the governance tools used to hold onto power in the sub-Saharan African political context, one would reach the conclusion that such reforms provide win-win situations. However, by accounting for the political functionality of corruption, we would instead see that any reform that would limit the incumbent regime's ability to generate and distribute resources on a personalised patron-client basis would potentially have dire consequences for the survival of the incumbent regime. Therefore, by focusing on the political functionality of corruption, it is easy to see that such governance reforms would not result in win-win outcomes but provide situations where the political elite are on the losing side. In that sense, it is also understandable that reforms that have been intended to curb corruption have had certain unintended consequences.

In chapter 3, the unintended consequence from electoral reform that opened up for increased political competition was that the extent of corruption (proxied by corruption perceptions), in fact, increased because it was directly linked to ensuring continued political power for the incumbent in the face of increased political competition. In the analysis on economic liberalisation in chapter 4, I found the unintended consequence of this type of corruption-curbing reform to be an increasingly covert relationship based on favouritism between the political top and the market which was needed in order to ensure political control and power. The most severe unintended consequence, however, was found in chapter 5 and shows that anti-corruption policies can be hijacked by the political leadership and used for the purpose of getting rid of political opponents, rather than curbing corruption by dealing with impunity. The assumption about an unproblematic win-win situation from governance reforms intended to curb corruption may, as argued in that chapter, lead to less accountability and worse governance outcomes. These findings support the argument by Leftwich (2008:5; 2010:101) that focus must be on understanding the 'thick politics' – political interest, power struggles, patronage, socio-political compromises, legitimacy-building and security considerations – instead of limiting our analysis to finding missing links, e.g. institutional and policy reforms.

The disregard for politics have reportedly led to frustration also in other governance and anti-corruption reform programmes, especially where donors have relied on the recipient governments to implement, or 'own', the reforms. During the last 15 years, governments have, in fact, received the largest share of donor funding for good governance (Bhargava et al., 2011: XI). As Mungiu-Pippidi (2006:86) puts it: "many anti-corruption initiatives fail because they are non-political in nature, whilst most of the corruption in developing and post-communist countries is inherently political." For example, Doig et al. (2005:43), in their evaluation of government-based and donor-financed anti-corruption agencies in five sub-Saharan African countries, find that results are lacking because of the "low level of political commitment to reduce corruption and more significantly the high level of political resistance to attempted anti-corruption initiatives." The following quote from Cammack (2007:604), which also concerns anti-corruption agencies in Africa, shows the adverse effect from basing policy on the assumption that anti-corruption reforms are apolitical and offer win-win situations.

> "The regimes will often blame [the anti-corruption agencies'] poor functioning on national poverty; so donors step in and fund these agencies and train their members. But this strengthening is often wasted because some other means of undermining their operations will be devised, for example, the president will appoint a tame commissioner or get a law passed to ensure that no prosecutions are forthcoming without the permission of the attorney general. It is now well-recognised that the anti-corruption commissions started up in sub-Saharan Africa since the transition have rarely functioned as designed. Indeed, it would be illogical for their governments to have allowed them to do so". (Cammack, 2007:604).

Having highlighted the importance of viewing corruption from a political lens, the question is how this approach stands vis-à-vis current thinking in development policy. It appears, at least on paper, that international aid donors have started exercising greater political awareness. In recent years, several donors have initiated political economy analyses into their country and sector programmes. According to Unsworth (2009:886), these analyses have intended to explore the underlying causes of poor governance, looking at factors that shape formal and informal relationships between the state and organised groups in society, and thus the incentives that drive politicians and policymakers. Or, as stated in the Department for International Development's (2009:1) 'how to note' on political economy analysis, they get "beneath the formal structures to reveal the underlying interests, incentives and institutions that enable or frustrate change." Among the pioneers of such political economy analysis on development in the donor community was the UK's Department for International Development's Drivers of Change initiative and the Swedish Sida's Power Analysis series.

In the World Bank's most recently published strategy on fighting corruption from 2007 titled "Strengthening World Bank Group Engagement on Governance and Anticorruption", one of the lessons learned is that governance reforms must be tailored to country context, recognising that "the trajectory of change will vary from one country to another, depending on both the initial political impetus and the longer-term historical processes that can shape and constrain political and institutional reform." While this lesson acknowledges the importance of conducting some kind of country analysis before developing anti-corruption strategies, there is no mention of the importance of taking into account the underlying political functionality of corruption. As argued by Unsworth (2009:885), the strategy contains no diagnosis of the underlying causes of weak governance or development performance, and hence no recognition of the scale of the challenges or the processes involved in creating more effective public authority.

On the whole, despite donors' recent interest in political analysis, Unsworth (2009:884) argues that their use remains fragmented, and donors' default position and assumption about good governance and corruption remain technocratic. "While most donors readily acknowledge (when pressed) that development challenges are political, not just financial and technical, there is a disconnect between the rhetoric about politics and the mainstream operational agenda”. Similarly, in a recent article published by the donor-funded research programme, Africa Power and Politics Programme, Booth and Golooba-Mutebi (2011:1) alludes to this policy disconnect.

> “Despite the frequently reported death of the Washington Consensus, international policy prescriptions for low-income Africa remain ideological, unimaginative and out of touch with reality. The intellectual capital and financial leverage Western donors and concessional lenders still exercise are dissipated on the promotion of a standard package of institutional ‘best practices’ which includes sound macroeconomic management, transparent public finances, free and fair elections, the rule of law, well-defined property rights and an arm’s length relationship between private enterprise and the state. There are increasing grounds for regarding this approach as bankrupt.”

It is my wish that the findings in this thesis will be used to support a new generation of politically engaged international donor initiatives.

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