



ACADEMY OF PUBLIC ADMINISTRATION UNDER
THE PRESIDENT OF THE REPUBLIC OF KAZAKHSTAN

Political Economy and Anti-Corruption Culture

Week 3

POLITICAL SYSTEMS AND CORRUPTION

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Readings

1. *“Political corruption and democratic structures”* by Susan Rose-Ackerman (p. 35-62)
in Jain, Arvind K. ed. et al, 2002.
The Political Economy of Corruption Routledge, London and New York. 220 pages.
2. Krueger, Alan. 2004.
What's the most cost-effective way to encourage people to turn out to vote?



Public goods

Provision of **public goods** requires that a large number of people contribute to producing a good that is **non-excludable** and **non-rival**.

A good is excludable if its provider can effectively deny you access to it, in other words if consumers do not pay for it.

Non-excludable goods are goods that are impossible or impractical to prevent people who do not pay for products from consuming them.

A good is rival if consumption by one individual reduces a quantity or quality left for another individual (in other words, reduces the utility of another).

Non-rival products are not reduced in availability as they are consumed.



Public Goods

	Excludable	Non-Excludable
Rival	Private Good (food, electronics, clothing)	Common Resource (fisheries, forests, oil fields)
Non-Rival	Club Goods (religious organizations; movie at the mall; computer software)	Public Good (national defense, public parks, street lighting, lighthouses)



“Political corruption and democratic structures” *by Susan Rose-Ackerman*

Are democracies less corrupt than other forms of government?

- The desire for re-election constrains the greed of politicians.
- The protection of civil liberties and free speech, which generally accompanies democratic elections, makes open and transparent government possible.
- In contrast, non-democratic states are especially susceptible to corrupt incentives because their rulers have the potential to organize government with few checks and balances.



Corruption depends on:

- the organization of electoral and legislative processes
- the extent to which wealthy interests seek benefits from the political system



Three factors are central in determining the incidence of political corruption:

- the existence of narrow **benefits** available for distribution by politicians
- the ability of **wealthy groups** to obtain these benefits legally
- **the constraints** imposed on politicians by their desire for re-election



Constitutional structure the fundamental variable to consider, although many factors determine the actual incidence of political corruption

First dimension: Presidential vs. parliamentary systems.

A presidential system has a separately-elected chief executive who serves a fixed term. In a parliamentary system a subset of parties in the legislature forms the executive, has no fixed term in office, and can be removed by a vote of no confidence.

Second dimension: Plurality voting in single-member districts vs. national proportional representation.

Within the proportional representation (PR) category, distinction between candidate-centered (the most familiar example is open-list PR where voters rank candidates within each party) and party-centered systems (closed-list PR, where party leaders rank the candidates).



Types of constitutional structures

		Proportional representation	
	Plurality single-member districts	Party centered	Candidate centered
Presidential	1 US, Zambia	2a Latin America: Argentina, Bolivia	2b Latin America: Brazil
Parliamentary	3 Westminster: UK, Canada	4a Belgium, Spain	4b Italy (pre-1993), Finland



Hypothesis on system with **the lowest level of narrow benefits:**

1. party-centered PR parliamentary systems (4a)
2. plurality parliamentary systems (3)
3. party-centered PR presidential system (2a)
4. plurality presidential system (1).
5. candidate-centered PR parliamentary system (4b)
6. candidate-centered PR presidential system (2b)

Hypothesis on system with **the most efficient in dealing with corruption:**

1. party-centered PR parliamentary systems (4a)
2. plurality parliamentary systems (3)
3. party-centered PR presidential system (2a)
4. candidate-centered PR presidential system (2b)
5. plurality presidential system (1)
6. candidate-centered PR parliamentary system (4b)



What's the most cost-effective way to encourage people to turn out to vote?

by Alan Krueger

What is the best way to increase voter turnout?

The defining feature of the election is the focus on voter mobilization.

The bottom line is that getting out the vote is difficult and costly;
only money spent wisely has a noticeable effect



Median Voter Theorem video: https://www.youtube.com/watch?v=cFt0k6n_HKc

Corruption is legal in US: https://www.youtube.com/watch?v=5tu32CCA_Ig
(Additional supplementary video: <https://represent.us/anticorruption-act/>)

Lobbying video:

1. Airline industry: <https://www.youtube.com/watch?v=6yeIF4v8jrU>
2. Oil company: <https://www.youtube.com/watch?v=VKaNfTLTw84>



The Logic of Collective Action *by Mancur Olson (1965)*

Analyses why some groups are able to have a **larger influence on government policy** than others.

The book challenged accepted wisdom in Olson's day that:

- if everyone in a group has interests in common, then they will act collectively to achieve them
- in a democracy, the greatest concern is that the majority will tyrannize and exploit the minority



Political Institutions and Corruption: The Role of Unitarism and Parliamentarism

by JOHN GERRING and STROM C. THACKER

The general finding seems to be that **more democracy – specifically, a longer experience with competitive, multi-party elections – fosters lower levels of corruption.**

Writers have also begun to address the relationship between electoral systems and corruption, but results thus far are highly ambiguous.

Authors focus on two constitutional factors of presumptive importance:

- territorial sovereignty (unitary or federal)
- the composition of the executive (parliamentary or presidential).

Key concepts are unitarism and parliamentarism.

Main argument - unitarism and parliamentarism are inversely correlated with political corruption.



	Federal	Unitary
Presidential	High corruption	Intermediate
Parliamentary	Intermediate	Low corruption