

# Fighting Systemic Corruption: The Indirect Strategy

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*Abstract: While attention to corruption and anticorruption policies has increased dramatically in research and in policy, the results of many anticorruption and so-called good-governance programs have so far been unimpressive. I argue that this lack of success can be explained by the reliance on a theoretical approach – namely, the “principal-agent theory” – that seriously misconstrues the basic nature of the corruption problem. In this essay, I contend that the theory of collective action is a more fruitful foundation for developing anticorruption policies. I suggest that policy measures based on a collective-action understanding of corruption will be much less direct – and ultimately more effective – than approaches derived from the principal-agent theory. Taking inspiration from military theorist Basil Liddell Hart’s “indirect approach” strategy, I argue that decision-makers should focus on policies that change the basic social contract, instead of relying solely on measures that are intended to change incentives for corrupt actors.*

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When politicians want to signal that they are very serious about a problem, they sometimes describe themselves as being “at war” with it. Well-known examples include the “war on poverty,” the “war on drugs,” and the “war on terror.” As the number of studies demonstrating corruption’s considerable negative effects on almost all measures of human well-being has risen, the war analogy has been extended to the fight against corruption.<sup>1</sup> The current president of Nigeria, Muhammadu Buhari, for example, declared a full-scale “war against corruption,” making it a centerpiece of his 2015 election campaign and early administration.<sup>2</sup> The war metaphor can be exaggerated or misplaced, but in the case of corruption, it may not be so far-fetched. First, the effects of corruption on population health are so profound that people are literally “dying of corruption.”<sup>3</sup> Second, fighting corruption can be so dangerous – with powerful economic, political, and criminal interests fighting for its preservation – that high-level anticorruption

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tion officials often feel that their work puts their and their family's lives at risk, in some cases forcing them to flee their home country.<sup>4</sup> Third, despite a number of large-scale anticorruption "attacks," especially during the last two decades, corruption has proved itself to be a very resilient, often well-organized and -entrenched enemy.<sup>5</sup> Still, large-scale armed conflicts are rarely accountable to democratic law, implying that war is not the best metaphor for dealing with corruption through democratic means. However, the *strategic* thinking about armed conflicts has useful applications in the fight against corruption. The main purpose of this essay, then, is to analyze anticorruption efforts through the lens of military strategy – in particular, that of military theorist Sir Basil Liddell Hart – to see what can be learned from theories about success and failure in military conflicts.

To observe the fight against corruption from this strategic perspective, we need to know a number of things. First, what is our current position in the conflict? In other words, how have we been doing? Are we on the retreat or the offensive, or is the situation more like Eric Maria Remarque's 1929 novel, *All Quiet on the Western Front*? Second, what type of conflict is this likely to be? Should we expect to meet a guerrilla-like enemy or an army on open fields? Third, what do we know about the enemy or, more precisely, what type of enemy are we talking about? Where is he and what are his weaknesses? And fourth, what sorts of tactics and strategies are known to be successful when attacking corruption? Should we opt for a blitzkrieg, or is this more likely to be a war of attrition? Which strategy is more likely to produce victory given the enemy's location and weaknesses?

From a social-science perspective, contemporary anticorruption efforts are looking quite good compared with those of the 1990s, when there was very little interest in

studying corruption among academics, and it was something of a taboo in policy circles.<sup>6</sup> Standard textbooks (in economics, political science, and public administration, for example) paid little serious attention to the problem. Hardly any comparative data existed, and most disciplines were dominated either by structural variables (such as modernization theory or Marxism) or behavioral variables (such as microeconomics or studies of electoral behavior).

All of this started to change in the mid-1990s. The "institutional turn" in the social sciences, pioneered by Nobel prize-winning economic theorists Douglass C. North and Elinor Ostrom, paved the way for thinking about the effects of institutions on human prosperity and well-being. Thanks to their work, we now have quite a good theoretical understanding of why some societies have good and others dysfunctional institutions (both formal and informal). Unfortunately, poor institutions are common, stable, and detrimental to prosperity and human well-being, due in part to the fact that they generate corruption. In addition, there is now a large amount of comparative (and to some extent also longitudinal) data on corruption, as well as many case studies and historical accounts of corrupt regimes and anticorruption campaigns. A search of academic journals for articles including the term "political corruption" yielded a meager fourteen articles (!) in 1992, but as of 2014 delivered more than three hundred.<sup>7</sup> The general public's awareness of the detrimental effects of corruption seems also to have increased dramatically. Recent comparative surveys have found that, among some populations, corruption is perceived as a more serious problem than unemployment, poverty, and terrorism.<sup>8</sup>

Effective political mobilization for "clean government" has occurred in some countries, including in Romania and South Korea in 2017.<sup>9</sup> In addition, since the 1990s, many countries have adopted more strin-

gent laws against corruption and established special anticorruption units. The United Nations Convention Against Corruption was signed in 2003 and has now been ratified by more than 170 countries. Furthermore, many national and international development and aid organizations have put anticorruption high on their agenda, lifting the taboo against tackling corruption. Thus, compared with the situation twenty years ago, there is room for some optimism, since many of the “weapons” needed in this conflict seem now to be in place.

However, the results on the ground have so far not been very impressive. It is difficult to trace any major positive results from the many good-governance programs that the World Bank and other international development organizations have launched since the mid-1990s. Alina Mungiu-Pippidi has summarized the new era of anticorruption work as one of “great expectations and humble results.”<sup>10</sup> Political scientist Francis Fukuyama adds that the international development and aid community “would like to turn Afghanistan, Somalia, Libya, and Haiti into idealized places like ‘Denmark,’ but it doesn’t have the slightest idea of how to bring this about.”<sup>11</sup> In his recent book *Analysing Corruption*, political scientist Dan Hough notes that “success stories are depressingly thin on the ground.”<sup>12</sup> Although some countries have improved, not much of the change can be attributed to donor-led programs or initiatives.<sup>13</sup>

A particularly painful result is that democratization seems not to be a surefire cure for corruption. Economists Philip Keefer and Razvan Vlaicu found that “in 2004 more than one-third of all democracies exhibited as much or more corruption than the median non-democracy.”<sup>14</sup> They argue that in a country that has recently democratized, politicians have no or a low reputation and thus no means of making credible electoral promises to the citizenry. Politicians must therefore rely on

local patronage networks and provide targeted goods to their supporters in direct exchange for votes. In other words, in order to attain office and to stay in power, they undermine the quality of public institutions by, for example, handing out public-sector jobs or targeting benefits directly to their presumed political supporters. Consequently, a young and fragile democracy will typically overprovide targeted goods, such as public-sector jobs and public works projects, while at the same time underproviding nontargeted goods, such as universal health care, education, rule of law, and protection of property rights.<sup>15</sup> This argument is supported by the research of political scientist Michele D’Arcy, who showed that between 1985 and 2008, scores on measures of corruption in sub-Saharan Africa have increased considerably, and that this negative development is “primarily driven by the 38 countries which have experienced increased levels of democracy.”<sup>16</sup> Systemic corruption, in which corrupt practices are the rule in interactions between citizens and public officials, seems thus to be a hardened and difficult enemy. This implies that current anticorruption strategies are in need of some serious rethinking.

A society free of corruption is probably as likely as a society free of crime. However, both crime levels and the prevalence of corruption vary dramatically between countries (and in many cases within countries). The rate of intentional homicides is 121 times higher in Jamaica than in Singapore.<sup>17</sup> Since most of what we call corruption is illegal, we should not be surprised by the existence of similarly huge variations in corruption levels between countries. Corruption also takes many forms, from outright demands for high bribes in exchange for health care to more subtle exchanges of personal favors regarding the recruitment or promotion of civil servants. Thus, when we speak about anticorruption

policies, we are usually thinking of various forms of systemic corruption.

If anticorruption policies are to be effective, we ought first to ask: where is the problem? The availability of increasingly large data sets has expanded our capacity to conduct advanced statistical analysis about what differentiates countries with high and low levels of corruption. One problem in this research is that many of the variables with a statistically high explanatory power are so fundamental on a structural-historical level that they are not susceptible to change through political action. For example, countries dominated by Lutheranism, that are geographically relatively small, that have not had a history of exploitation by colonial powers, and that have been relatively ethnically homogeneous have fared better against corruption than other countries.<sup>18</sup> These research results are valuable and scientifically correct, but since they point to factors that are inaccessible to current policies, they have very little relevance for policy-makers. A cancer patient asking her doctor for a cure is not helped by the advice that she should have chosen other parents. As political scientist John Gerring has stated, researchers “sometimes confuse the notion of statistical significance with real-life significance.”<sup>19</sup>

A related problem is the importance of “normatively impossible” variables. For example, some countries seem to have started successfully to address systemic corruption after having experienced the national trauma of losing a war.<sup>20</sup> It goes without saying that this is not a policy solution we can recommend.

In terms of determining the enemy’s location, the other spectrum of explanations focuses on behavioral issues like the level of integrity and the standard of ethics of politicians, civil servants, and other professional groups in the public sector.<sup>21</sup> To some analysts, it goes without saying that a country with high moral standards in the

civil service would not suffer from systemic corruption. The problem with this type of analysis is that the explanatory variables are hard to distinguish from what is to be explained. It is close to a tautology to say that low levels of corruption in a country can be explained by a high ethical standard among politicians, judges, and civil servants. In reality, this line of reasoning does not have any explanatory power; instead it is more a repetition of the data.

The alternative to structural and behavioral explanations is to focus on the significance of institutions. Most important is that institutions are constructed, reproduced, and sometimes destroyed by humans and thus, in principle, open for policy-induced change. It is possible to defeat the “enemy” of poor institutions. The second thing about institutions is that we can observe huge variations in institutional quality between countries, and to some extent at the subnational level as well.<sup>22</sup>

Institutions can be formal or informal, but which of these should we target to lower total levels of corruption? This is an issue to which there now seems to be a clear answer: the importance of formal institutions has been much overrated. Using panel data for 189 countries, Mungiu-Pippidi has shown that the existence of an anticorruption agency or an ombudsman office in a country has no statistical impact on the control of corruption.<sup>23</sup> A case in point is Uganda, which has remained corrupt after numerous interventions by the World Bank and bilateral donors had established an institutional framework that, according to the Swedish International Development Cooperation Agency, was “largely satisfactory in terms of anticorruption measures.”<sup>24</sup> In fact, Uganda’s formal institutions of anticorruption regulation score 99 out of 100 points in the Global Integrity 2009 index; yet according to existing measures, the country remains one of the most corrupt in the world.<sup>25</sup>

The main evidence against the importance of formal institutions comes from two large-scale surveys carried out in 2010 and 2013 by the Quality of Government Institute. The surveys consisted of interviews with about 120,000 persons (for the most part in EU countries) and asked detailed questions about citizens' experiences and perceptions of corruption, as well as perceptions of impartiality and competence in three public service sectors (health care, law enforcement, and education). These questions made possible the construction of a European Quality of Government Index capturing corruption, impartiality, and competence in the delivery of these public services. These surveys are unique in that respondents were sampled from official regions in EU countries, making it possible to study subnational variation. Results showed significant subnational variation in corruption (and the related issues of competence and impartiality) in about one-third of EU countries. The most dramatic subnational differences were found in Italy, where the best performing regions in the North are almost as clean as Denmark, while some of the Southern regions score at the same high levels of corruption as Serbia and Romania.<sup>26</sup>

From a policy perspective, this result sends an important message. Italy has had the same formal national institutions (such as its laws and courts) for one hundred fifty years. The dramatic regional differences show that whatever the quality of the national institutions, they seem to hardly have had an impact on the level of corruption "on the ground." This result implies that the strong focus on changing national formal institutions, such as the introduction of special national anticorruption agencies and more stringent laws, is in all likelihood misplaced. This is not to say that national laws against corruption are unimportant, but it is obvious from the Italian example that they are far from sufficient.

As of today, many if not most highly corrupt countries have stringent formal laws against corruption.

Does the lack of traction of formal institutions imply that corruption is somehow "ingrained" in the traditional culture in Sicily and other highly corrupt societies? This is the widespread understanding in anthropology,<sup>27</sup> but to an increasing degree also in economics.<sup>28</sup> The difference seems to be that many anthropologists, believing in cultural relativism, describe corruption as an inevitable artifact of culture, largely disregarding the vast amount of empirical research showing its detrimental effects on almost all aspects of human well-being.<sup>29</sup> Economists, on the other hand, blame the cultures of highly corrupt societies, labeling them "dysfunctional."<sup>30</sup>

If by "culture" we mean the general moral orientation of the population in question, there are (at least) two problems with both of these understandings of corruption. The first is a lack of empirical support. For example, respondents in the Afrobarometer survey for eighteen sub-Saharan African countries were asked their views on scenarios in which an official either "decides to locate a development project in an area where his friends and supporters live"; "gives a job to someone from his family who does not have adequate qualifications"; and "demands a favour or an additional payment for some service that is part of his job." Between 60 and 76 percent of the 25,086 respondents considered all three examples of corruption to be "wrong and punishable," while only a small minority view such actions as "not wrong at all." Furthermore, only about 20 percent deem these actions "wrong but understandable."<sup>31</sup>

Corroborating these data, political scientist Sten Widmalm found similar results in the Indian context. In a survey at the village level, Widmalm finds that there is surprisingly large support among the population for what is often referred

to as the Weberian civil-servant model: as many as 77 percent of the villagers responded that they deemed it “very important” that civil servants “treat everyone equally, regardless of income, status, class, caste, gender and religion” and that civil servants “should never under any circumstances accept bribes.”<sup>32</sup> Yet another study analyzing grassroots organizations’ mobilization against corruption in culturally diverse places like India, the Philippines, Mongolia, and Uganda has shown that these organizations have a very similar perception of the malfeasance they are up against.<sup>33</sup> In a separate large-scale experimental study of propensity to contribute to public goods, researchers found that when given the same institutional setup, students from highly corrupt Romania are no more likely to cheat or “free-ride” than students from Britain or Sweden.<sup>34</sup> In addition, political scientist Eliška Drápalová has shown that nearby cities in highly corrupt regions in Europe, sharing the same “culture,” can have very different levels of corruption.<sup>35</sup>

An oft-cited study showing a large variation in the propensity of United Nations diplomats from different countries to pay their parking tickets in New York need not be interpreted as a support for the “culturalist” hypothesis.<sup>36</sup> The reason why diplomats from highly corrupt countries did not pay their parking tickets may be that “standard operating procedure” in their home countries is that refusing to pay a parking ticket has no legal consequences.

The moralizing, culturalist understanding of corruption espoused by economists is also deeply problematic from a policy perspective. Blaming the culture of a nation is not very different from saying that its people are bad or dishonest, which is not a good starting point for achieving broad-based policy change. The problem is that such analyses mistake formal institutions for culture as a moral orientation. For exam-

ple, according to economist Amir Licht and colleagues, “Cultural orientations represent general societal emphases that are deeply ingrained in the functioning of major societal institutions, in widespread practices, in symbols and traditions, and, through adaptation and socialization, in the values of individuals.”<sup>37</sup> In a similar vein, economist Paul Collier has written that culture consists of both “beliefs” and “social networks.”<sup>38</sup> I maintain that informal institutions and moral values or beliefs are two different things. Philosophers have long argued for a fundamental distinction between “moral norms” and “social norms”: moral norms “justify the relevant normative principle,” while social norms consist of the “presumed social practice.”<sup>39</sup> If traveling in a country where the “presumed social practice” for getting medical treatment for one’s children is to pay bribes to health personnel, most parents would likely pay the bribe. However, they could still be morally upset and convinced that doing so is ethically wrong. Similarly, a doctor in a systemically corrupt health care system may morally disapprove of the practice of taking money “hidden in an envelope,” but it makes little sense to be the only honest player in a system where this is the presumed social practice.<sup>40</sup> The costs for an honest policeman in, for example, a Mexican police force can be very high. The point is that dysfunctional informal institutions and networks are not necessarily to be understood as part of a culture, if we define “culture” as a population’s moral beliefs and values.

In other words, cultural values and actual practices are not always consistent.<sup>41</sup> The question then becomes whether there is some social entity between formal institutions and moral culture that can solve this problem. Political economist Elinor Ostrom put forward an answer, suggesting that we should distinguish between “rules in form” and “rules in use” (which she also called “work rules”).<sup>42</sup> In a similar

manner, political economist Peter Hall has suggested that between culture and formal institutions exists an informal institution called “standard operating procedures.”<sup>43</sup> These rules are informal but well known to the participants in a community; most important, they do not necessarily reflect their adherents’ moral orientations. They are thus similar to what the philosophers label “social norms.” In a thoroughly corrupt setting, even people who think that corruption is morally wrong are likely to take part because they see no point in doing otherwise.<sup>44</sup> With the phrase “the system made me do it,” political scientist Rasma Karklins neatly encapsulates the distinction between understanding corruption as ingrained in the moral fabric of a society and its people versus understanding corruption as a series of “standard operating procedures” that may force people to act in ways they think are morally wrong.<sup>45</sup>

Analytically, we have now located where the enemy is entrenched. It is for the most part neither in a society’s formal institutions, nor in a dysfunctional culture of “bad” values or beliefs among the population in systemically corrupt countries. For the most part, corruption is entrenched in a society’s (or organization’s) “standard operating procedures.” And there are anthropological analyses that support this understanding of corruption.<sup>46</sup> Daniel Jordan Smith, for example, concludes that “although Nigerians recognize and condemn, in the abstract, the system of patronage that dominates the allocation of government resources, in practice people feel locked in.”<sup>47</sup> What locks them in is thus not a set of dysfunctional moral values but a set of dysfunctional “standard operating procedures.”<sup>48</sup>

With this understanding, the question is now why the international anticorruption regime has not been blessed with more victories and why the enemy has been so resilient. The bulk of anticorruption policies

from the World Bank and many other development organizations have been guided by an economic approach called the principal-agent theory.<sup>49</sup> Corruption, the theory says, can be remedied if the honest “principal” (such as a president, government, or head of company) changes the incentives for its dishonest and corrupt “agents,” so that they will find it in their rational self-interest to stay away from corruption. To put it simply, since the “agents” are thought to be rational utility maximizers, the theory suggests that when the fear of being caught is higher than the greed that drives corrupt behavior, corruption will decrease. From this theory flows a fairly direct and head-on strategy: more stringent laws, more surveillance, less administrative discretion, and tougher punishments. In previously trying to answer why, for the most part, anticorruption policies based on this strategy have failed, I have pointed at the shortcomings of principal-agent theory itself.<sup>50</sup> The most obvious problem is that if erasing corruption were just a matter of changing incentives, the problem should have been solved long ago, since there is no lack of knowledge about how to structure an incentive system. Simply put, if the principal-agent theory were correct, eradicating corruption should have been a piece of cake.

The problem with the principal-agent theory is that the policy solutions it generates depend on a certain type of actor (the benevolent and ethical principal) who is *not* a rational, self-interested utility maximizer. This implies that the primary mover is a type of agent that should not even exist according to the central axiom of the theory. In most systemically corrupt systems, it is the agents at the top – the presumed principals – who earn most of the rents from corruption. Obviously, such principals will have little motivation to change the incentives for their opportunistic agents who are engaged in corruption. As Robert Rotberg has demonstrated, cor-

ruption can be successfully addressed from above by determined political leaders who can credibly demonstrate the will to do it.<sup>51</sup> However, it is also quite rare that systematically corrupt societies produce such leaders. In any case, if we could find or create principals who are determined and serious about curbing corruption in a country long plagued by systemic corruption, such principals would need to send very strong signals to make their commitment to anticorruption seem credible to the population. As is well known from noncooperative game theory, creating such “credible commitments” is not an easy task.<sup>52</sup>

Together with colleagues from the Quality of Government Institute, I have suggested a theoretical alternative: namely, that systemic corruption should be understood to be a *collective action problem*. More precisely, because of the implicit lack of trust, it is what I call a *social trap*.<sup>53</sup> In such situations, agents are not motivated by utility maximization, but by what they perceive will be the most likely strategy of most other agents in their society. The theory that human behavior is based on reciprocity rather than rational utility maximization has gained substantial support in recent experimental research. It shows that agents are willing to do “the right thing” provided that they have reason to expect others to do the same.<sup>54</sup> As Ernst Fehr and Urs Fischbacher have stated: “If people believe that cheating on taxes, corruption and abuses of the welfare state are widespread, they themselves are more likely to cheat on taxes, take bribes or abuse welfare state institutions.”<sup>55</sup> Understanding corruption as a collective-action problem or social trap produces very different policy solutions from the incentive-based solutions derived from principal-agent theory. Effective policies against corruption must destabilize the corrupt equilibrium. This requires a signal of credible commitment to the population from the government to convince the majority of corrupt

agents that most other agents are willing to change. The question is what these messages of *credible commitment* are, which types of policies can send them, and how those policies should be implemented from a strategic point of view.

A specific problem in the field of anticorruption policy-making is to find a balance between taking “context” into account – since every country has its quite specific corruption problems (as well as history and culture) – and formulating a more general theory from which to derive actionable policies. The argument against “one-size-fits-all” policies has been very common in the anticorruption literature, in particular from anthropologists, but I argue that it can only be taken so far, lest we end up with one theory of corruption per country (or region, city, or village).<sup>56</sup> An analogy can be made to medical research: while there exists much universal knowledge about how to cure many types of illnesses, professional clinical physicians never prescribe a treatment without carefully examining the individual patient.

The argument so far gives one clear result: namely, that the anticorruption “regime” is in need of a new theoretical approach. Since systemic corruption is a conflict zone, I will enlist one of the most famous military theorists of the twentieth century: British writer and historian Sir Basil Liddell Hart.<sup>57</sup> Respected scholars in this field have lauded Liddell Hart as “the greatest thinker about war in this century,” “the most formidable military writer of this age,” and “one of the most profound, original and influential military thinkers of modern history.”<sup>58</sup> Liddell Hart’s theories have had, and continue to have, an “enormous” influence over thinking about military strategy in the Western world.<sup>59</sup>

Liddell Hart’s most famous theory of war strategy, “the indirect approach,” originated from a critique of the “head-on” attri-



tion strategies used by the armies on the Western Front during World War I.<sup>60</sup> Liddell Hart was not only a war strategist and historian, but a social scientist who “was constantly comparing events, individuals and situations to find generalizations that would hold across time and space.”<sup>61</sup> He developed the “indirect approach” by analyzing more than two hundred eighty major military campaigns from ancient to modern times to understand which strategies were most likely to lead to victory.<sup>62</sup> This is not the place to give a complete account of this complex strategic theory. But Liddell Hart considered his theory as not only a military strategy, but “a law of life in all spheres” to be applied wherever there is “room for a conflict of wills.”<sup>63</sup> It is in this spirit that I suggest anticorruption strategies would be a suitable area for the use of his theory.

Liddell Hart’s central argument is that a direct attack on the enemy by military force hardly ever works, but instead leads to a hardening of the enemy’s resistance and willingness to continue fighting. Instead, he argues, victory more often comes from finding and attacking the enemy’s “Achilles heel . . . in order to dislocate an opposing psychological and physical balance,” as historian Richard Larson has written.<sup>64</sup> This can be done, for example, through a blitzkrieg-type surprise attack, in which the strategy is to avoid direct attritional confrontation with the opposing army and instead penetrate in depth to reach behind the main forces and attack supply lines, headquarters, and especially centers of communication. This creates defeatism and causes “psychological dislocation” among enemy troops and leadership.<sup>65</sup>

The indirect approach can also take the form of breaking the enemy’s will to fight in a slower and more incremental way. One of Liddell Hart’s many examples is the British naval blockade of Germany during World War I, which lasted several years and led to an extreme shortage of

food and other essential goods in Germany. Thus, the indirect approach *can* involve direct physical attacks, as in the blitzkrieg tactic, but does not have to. The effect that produces victory was, according to Liddell Hart, “the dislocation of the enemy’s psychological . . . balance.”<sup>66</sup>

The main goal thus is not to destroy the enemy’s material capacity to fight, but his psychological will to do so, his “equilibrium” of control, morale, and supply.<sup>67</sup> Liddell Hart argued that of the hundreds of military campaigns he analyzed before formulating his theory, only in six “did a decisive result follow a plan of direct strategic approach to the main *army* of the enemy.” And even these six provided little justification for the direct approach.<sup>68</sup>

The relevance of Liddell Hart’s work to the formulation of anticorruption strategies is clear. The “direct approach” includes policies built upon the principal-agent theory, which attack corrupt behavior head-on with increased control, stricter punishments, and less discretion of the agents. The direct approach also often focuses on going after the “big fish.” The indirect approach has a clear resemblance to responses based on collective-action theory, which focus on reciprocity, changing perceptions about “the rules of the game,” and breaking a corrupt equilibrium. Liddell Hart’s theory is “elastic” in that it does not prescribe any specific tactics for winning military conflicts; it is context-dependent and eclectic in approach. As Mearsheimer suggests, the “indirect approach” theory “did not emphasize any single instrument; the means depended on the case at hand.”<sup>69</sup> Disrupting the moral equilibrium of corrupt agents can either be achieved through a “big-bang” approach (many things are changed at about the same time in the same direction) as I have suggested elsewhere;<sup>70</sup> a blitzkrieg approach, as Hong Kong and Singapore seem to have employed;<sup>71</sup> or a more gradual approach, as political scien-

tist Anders Sundell has promoted.<sup>72</sup> There may also be combined approaches, such that an initial gradual approach paves the way for a big-bang change, leading to a new, low-corruption equilibrium.<sup>73</sup> The important lesson we can take from Liddell Hart is thus not in the specific selections of means, such as choice of policies or political tactic for anticorruption, but the importance of the “indirectness” of the general strategy.

Is it possible to give a concrete example of a successful indirect approach to controlling corruption? The answer is yes: in a recent policy report, *Making Development Work*, my colleague Marcus Tannenberg and I have listed five indirect strategies for which we claim there is reasonable empirical support. Among these are provision of a functioning system of taxation, gender equality in the public sector, and free and universal public education.<sup>74</sup> I will focus here on education. Such reforms were introduced in many Western countries during the nineteenth century and seem to have had a considerable long-term effect on their levels of corruption. Data on mean years of schooling exist for seventy-eight countries from 1870 onward; the correlation with a standard measure of corruption for 2010 is surprisingly high (Pearson’s  $r = 0.76$ ).<sup>75</sup> Moreover, a country’s historical level of education turns out to be more correlated with corruption levels than initial wealth or degree of democracy. The historical literature about school reforms also comes with a number of surprises: For example, economic theories (whether modernization theory or Marxism), which suggest education develops alongside economic growth, do not fit. Britain, the most industrialized country, was a latecomer in free universal public education, introducing it in 1905.

The first country to modernize its education system was militaristic and autocratic Prussia, which launched massive educational reforms in 1807, one year after its hu-

miliating defeat by Napoleon’s “army of citizens” at Tilsit in 1806. Sweden and Denmark followed. The goal of all of these massive reforms was the same: state-building by way of creating new bonds among citizens and between citizens and the state. As sociologist John Boli has stated, free universal public education was established to create “new citizens for a new society.”<sup>76</sup> Shortly after being defeated by Germany in 1871, France introduced its own education reforms in order to make “peasants into Frenchmen.”<sup>77</sup> These reforms’ universality

signalled a decisive break with the voluntary and particularistic mode of medieval and early modern education, where learning was narrowly associated with specialized forms of clerical, craft and legal training, and existed merely as an extension of the corporate interests of the church, the town, the guild and the family. Public education embodied a new universalism which acknowledged that education was applicable to all groups in society and should serve a variety of social needs. The national systems were designed specifically to transcend the narrow particularism of earlier forms of learning. They were to serve the nation as a whole.<sup>78</sup>

This argument should not be interpreted as a historical-structural explanation implying that countries are forever bound by their history when it comes to controlling corruption. On the contrary, we have shown that countries that still had very little free universal education by the 1870s (such as Finland, Japan, and South Korea) managed to catch up during the interwar period and now have much better scores for control of corruption than would be expected based on their nineteenth-century education levels.

There are several reasons why reforms such as free universal public education qualify as an example of the indirect approach to combating corruption. First, these reforms did not attack corruption directly by, for example, imposing more stringent laws and

increased surveillance. In fact, they were ostensibly not even aimed at reducing corruption at all, but merely had that side effect. Second, education is known to increase levels of social trust, thereby changing individuals' psychological sense of what can be expected from their fellow citizens. Following the logic of collective action, such generalized trust is an important ingredient for controlling corruption. Third, free universal public education was for many citizens the first public good they got from the state that was beneficial for them as individuals (well before pensions and other social reforms). Until these reforms were established, the state was for most citizens a hostile entity only serving the particularistic interests of a small elite. With the introduction of free public education, citizens got a stake in a well-functioning public sector and thus found a reason to oppose corruption. To some extent, reforms like these are similar to what Michael Johnston has advocated for (in this issue and elsewhere) in his proposal for "deep democratization" as a force against systemic corruption.<sup>79</sup> Fourth, the institutionalization of public education, in addition to creating a bond of loyalty between citizens and the state, produced a large new professional sector of teachers and school leaders, who in turn helped produce citizens' loyalty to the state. Last, these costly, large-scale reforms have served as an important signal of the state's commitment to principles of impartiality and equality: the ideal behind free universal public education is that every child, no matter her or his economic or social background, should get a reasonably fair chance in life.

Italy fits this pattern surprisingly well. As mentioned above, contemporary Italy has very stark variations in corruption between its Northern and Southern regions. The country introduced a radical educational reform in 1859, with three years of free education for every child. However, the reform was implemented only in the North, while

regions in the South almost completely disregarded it.<sup>80</sup> As a result, illiteracy levels in Southern Italy were surprisingly high well into the 1930s, and the effects on corruption, as well as a lack of a social contract between citizens and the Italian state, exist to this very day.<sup>81</sup>

The example of universal public education should only be seen as an illustration of the general argument about the efficacy of an indirect approach to curbing corruption. As emphasized above, the indirect approach does not prescribe any specific tools. Instead, the means used must resonate with the historical and social context. Limiting anticorruption efforts to direct changes to the incentive structure for public officials (stricter laws, more controls, less discretion for civil servants, harder punishment, and so on) is not likely to work. Such efforts to change formal institutions are often necessary, but they are in all likelihood not enough. From the theory of collective action comes a different message: namely, the importance of changing what people have come to understand as the "standard operating procedures" when they interact with public officials. The main goal should be to convince the population that the basic social contract is about to change and to give them a stake in the existence of a well-functioning public sector that can deliver important goods to them in an honest and competent manner.

Those in power and those who mobilize to oppose corruption will have to ensure that their commitment to anticorruption is not seen as cheap talk, but instead includes efforts that are likely to change general perceptions about the state's priorities. This is likely only possible through large-scale efforts like the universal educational reforms described above.

ENDNOTES

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