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POLITICAL SCIENCE QUARTERLY

Volume 126 · Number 3 · Fall 2011

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Political Science Quarterly
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Discrepancies in Perceptions of Corruption, or Why Is Canada So Corrupt?

MICHAEL M. ATKINSON

Very few countries manage to avoid corruption scandals for extended periods. In 1999, Germany was rocked by a party financing scandal involving the former chancellor, and in 2005, an accumulation of accusations regarding kickbacks for construction and waste processing contracts culminated in the revelation that top-ranking politicians were on the payroll of major corporations. In the same year, 2005, a vast kickback scheme centering on the French president when he was the mayor of Paris, resulted in the trial of 47 of his political associates. Britons were treated to drip-drip revelations in May 2009 as the *Daily Telegraph* released expense account claims of Members of Parliament (MPs) that included refunds for garden work, home renovations, chocolate bars, and pornographic movies.

Notwithstanding the media outrage over these episodes, all three of these countries and most, but not all, of their Organization for Economic Cooperation (OECD) counterparts are firmly ensconced at the low-corruption end of international corruption indices, including the World Bank Institute's Control of Corruption Index and Transparency International's Corruption Perceptions Index (CPI). These indices show some slight sensitivity to scandalous revelations, but the overall message is one of year-over-year consistency. As Melanie Manion puts it, low-corruption countries have arrived at a "clean government" equilibrium, and there is little reason to expect them to depart from it.¹ According to Manion, where low levels of corruption prevail, routine monitoring

¹ Melanie Manion, *Corruption by Design* (Cambridge, MA: Harvard University Press, 2003), 11–12.

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makes the detection of corruption relatively easy, simply because corruption is exceptional. Departures from standard practice—whether in obtaining licenses, hiring officials, or tendering contracts—light up against a background of adherence to rules and high standards of probity.

The problem with this comforting conclusion is that it does not seem to be shared by the democratic citizenry. Studies of the decline in public support for and trust in politicians and political institutions have been accumulating for over a decade.² They have been joined recently by public opinion surveys in which public judgments about corruption in ostensibly low-corruption countries are much less generous than those supplied by corruption indices. This paper examines discrepancies in perceptions of corruption in Canada, a country with an enviable corruption ranking, but with its share of alleged corruption. By Ian Greene's reckoning, during the Mulroney-Chrétien/Martin years (1984–2006), Canadians experienced 25 episodes in which plausible accusations of ethical breeches were leveled and, in several cases, sustained.³ It is not sensible to treat these episodes equally in terms of their complexity, longevity, or impact, but it is worth observing that if Greene is right, then during the 20 years in which these two governments were in power, scandals averaged slightly more than one a year.

The evidence assembled in this paper shows that Canadians believe that their politicians are not meeting expectations as defined in ethical terms. This evidence is not found solely in the complex outcomes of electoral contests. Public opinion polling has established a clear gap between what Canadians expect and what they believe they are receiving in terms of ethical conduct. Yet these judgments regarding ethical propriety are not shared by Canadian politicians or by international risk assessments of Canadian politics. Whatever impacts the political scandals of the past 25 years have had on Canadians, Canada remains, in the eyes of the rest of the world, one of the least-corrupt countries on earth.

This paper argues that behind this discrepancy lie profound differences in reference points and even more-profound differences regarding what corruption means. We know much more about corruption now than we did even 10 years ago, particularly in developing countries, where case studies have illuminated corrupt practices and evaluated anti-corruption efforts. Progress has been made in part by setting aside conceptual issues and proceeding to the task of modeling corruption and its correlates.⁴ To do so requires a willingness

² Mark Hetherington, *Why Trust Matters: Declining Political Trust and the Demise of American Liberalism* (Princeton, NJ: Princeton University Press, 2004), chap. 2; in Canada, Neil Nevitte, "Introduction: Value Change and Reorientation in Citizen-State Relations," in Neil Nevitte, ed., *Value Change and Governance in Canada* (Toronto: University of Toronto Press, 2002): 3–35.

³ Ian Greene, "The Chrétien Ethics Legacy," in Lois Harder and Steve Patten, eds., *The Chrétien Legacy: Politics and Public Policy in Canada* (Montreal: McGill-Queens, 2006), 278–279.

⁴ Daniel Triesman, "The Causes of Corruption: A Cross-National Study," *Journal of Public Economics* 76 (June 2000): 399–457.

to converge on a working definition of corruption, one that focuses on the misuse of public office for private gain. It is a definition to which authors are easily drawn, but it represents a paper-thin consensus that breaks down on the question of how corruption is manifested, on what actually constitutes “misuse” and “gain,” and what the legitimate expectations of “public office” actually are.⁵

For politicians, political advisers, and ethics officers, corruption is about breaking increasingly elaborate contracts between office-holders and the state. For international “business people,” “country analysts,”⁶ and most economists,⁷ corruption is about the prevalence of rent-seeking officials who hold processes and players for ransom. These are defensible positions, but there is growing evidence that for citizens of democracies like Canada, corruption is not fundamentally about either of these things. Or, put another way, it is only incidentally about these things. For democratic citizens, corruption is the breakdown of trust between rulers and the ruled.

This paper begins by documenting global perceptions of corruption, placing Canada in a comparative context. It then shows why elite and public conceptions appear to be so radically different. No attempt is made to itemize corruption episodes or identify trends. The focus, instead, is on conceptual disagreement (and to some extent confusion) regarding what corruption means and why progress is unlikely until politicians expand their comfortable, clinical, and ultimately self-defeating view of what constitutes corruption.

CORRUPTION SCORES: CANADA AND THE WORLD

During the past 20 years, interest in corruption has exploded. Most of the interest has focused on corruption in the political realm, and much of it has concentrated on so-called developing countries and new democracies. At the forefront of this swelling interest stands the World Bank.⁸ For years the world’s financier of development projects, the Bank has turned its attention, since 1990, to the topic of governance, including the debilitating role of corruption in the quest for good government in the world’s poorest nations and newest democracies. The World Bank has developed a set of “Worldwide Governance Indicators” arranged in six categories: Voice and Accountability, Political Stability, Government Effectiveness (GE), Regulatory Quality, Rule of Law, and Control of Corruption. In each category, information is collected from a host

⁵ Mark Philp, “Corruption Definition and Measurement,” in Charles Sampford, Arthur Shacklock, Carmel Connors, and Fredrik Galtung, eds., *Measuring Corruption* (Aldershot: Ashgate, 2006): 46–47.

⁶ Johann Graf Lambsdorff, *The Methodology of the 2005 Corruption Perceptions Index* (Transparency International and University of Passau, 2005).

⁷ Toke S. Aidt, “Economic Analysis of Corruption: A Survey,” *The Economic Journal* 113 (November 2003): F632–F652.

⁸ Heather Marquette, “The Creeping Politicization of the World Bank: The Case of Corruption,” *Political Studies* 52 (October 2004): 413–430.

of risk assessment agencies, which rely on “expert” business opinion, some non-governmental organizations (NGOs) and, recently, public opinion surveys.

Since 1995, Transparency International (TI), an NGO dedicated to developing anti-corruption strategies, has undertaken a parallel exercise employing many of the same risk assessment agencies used by the World Bank Institute. TI’s Corruption Perceptions Index is based on the views of “country analysts” and “business people,” with a final judgment rendered after TI’s own Index Steering Committee examines the data. In the early years of the Index, only a few agencies were used; now up to 14 are employed in what TI calls a “poll of polls.” Although, unlike the World Bank, TI does not use public opinion surveys in creating its CPI, in recent years, the organization has commissioned public opinion surveys in 60 countries to provide a separate grassroots perspective on the incidence of corruption. The final scores in both indices are based entirely on perceptions, but the World Bank’s index increasingly draws on thousands of respondents in polls commissioned in each country.

The 2008 CPI placed Canada in a tie for ninth with Australia among the 180 countries included in Transparency International’s annual survey. That ranking is up (where up is good) from 14th in the 2006 and 2005 surveys. However, Canada’s score has changed marginally since the surveys began in the mid 1990s. In 1995 Canada scored 8.7 out of 10, exactly the same score it was awarded 12 years later in 2008. In the interim, Canada had registered a score as high as 9.2 in the late 1990s and as low as 8.4 in 2005 and 2006. It is reasonable to posit that this slight movement in scores and ranking was in response to the back-to-back scandals emanating from Human Resources and Development Canada (HRDC) and the Sponsorship program. Whatever the reason behind the downgrading (and recovery) of Canada’s score, the main story is one of consistency, not only for Canada but also for almost all of the countries within the top quintile of the survey.

The same can be said for the bottom of the survey. Here, the same countries appear again and again, although the addition of new countries, often at or toward the bottom creates the impression of volatility. Nigeria, for example, was ranked 90th in the world in 2000, the very bottom of the index, but in 2008 it was ranked 121st in the world, far from the bottom but with much the same overall score. Looking over the wide range of countries assessed by TI and the World Bank, these indices suggest that some countries have achieved a virtuous circle of sound government, economic prosperity, and the relative absence of corruption. Others have failed to do so and exist in a parallel universe where there is neither prosperity nor good government, defined as, among other things, absence of corruption.

If business experts and country specialists are to be believed, Canada does not have a serious corruption problem. The difficulty with this conclusion is that Canadian citizens do not share it. The citizen surveys carried out on behalf of TI and the World Bank show Canadians to be quite suspicious of the corruption tendencies within key political institutions and not at all confident in

the government's ability to overcome corruption problems. Canadians are not alone in this regard. Even in the countries that sit at the apex of the corruption indices, like Finland and Denmark, not everyone is prepared to give political institutions the benefit of the doubt. In Manion's analysis, there are two blocs of countries that represent two equilibria—"clean government" and "pervasive corruption"—with countries such as Korea, Russia, and the Czech Republic scattered in between. In the case of individual citizens, however, the world does not divide up so easily. Among other things, a level of skepticism and disquiet exists in many countries, including many OECD countries, which have traditionally ranked at the top of the indices constructed primarily by business opinion. It is true, as Transparency International maintains, that public and elite perceptions are correlated, but correlations are based on standardized scores. Once the mean of these measures is set to zero, the best that can be said is that public and elite assessments are related in an ordinal fashion. Both the public and business elites place Canada in the same *relative* position on corruption indices, but their *absolute* scores are often quite different. There is a relationship, but it is not one-to-one.

A closer look at Canada shows the difference between expert opinion and public opinion. In 2008, the World Bank relied on 13 different polls to create a single corruption score for Canada.⁹ That score was 2.03 (on a scale that ranges from -2.5 to +2.5, where positive is good) and put Canada in the 95th percentile. Among the polls contributing to the mix, and dragging the overall score down from its 2002 level of 2.06, was the Gallup World Poll, first conducted in 2006 and covering 130 countries, including Canada. Gallup's question, put to over 1,450 Canadians, was the following: "Is corruption widespread throughout the government in this country?" In this poll, Canada scored 0.59, meaning that 41 percent of respondents said "yes" to the existence of widespread corruption. To put these results into context, all of the countries ranking higher than Canada on the CPI in 2008 experienced much more positive findings. Their results on the Gallup poll ranged from a low of 0.67 in The Netherlands to a high of 0.97 in Singapore. It is not until you descend the corruption ladder into the G8 economies that you begin to get public opinion results that resemble Canada's. Much more than their counterparts in the small economies that dominate the very top ranks of the CPI, citizens in the large European countries and the United States seem to believe that corruption is relatively common.

Gallup is picking up, albeit with a single question, what a much more detailed survey—the Global Corruption Barometer—has discovered with a battery of items aimed at determining the amount of corruption that exists within particular institutions. This relatively new survey, commissioned by Transparency International, covered 60 countries in 2006 and, in the Canadian case, sampled just over 1,000 individuals. They were asked the question: "To

⁹ World Bank Institute, *Governance Matters 2007*, Country Data Report for Canada, 1996–2006.

what extent do you perceive the following category in this country to be affected by corruption?" There followed a list of institutions ranging from political parties to medical services.

Within the entire population of 60 countries and the just over 1.4 million people surveyed, political parties were seen as the most corrupt of the institutions on offer, more corrupt than even the police, which is striking, given other findings. On a scale that ranged from 1 to 5, where 1 represented "not corrupt at all" and 5 "extremely corrupt," political parties averaged 4.0, followed by parliaments and the police, both with scores of 3.6. The judiciary and legal services were not far behind at 3.4. All of these scores, needless to say, put state institutions on the "corrupt" side of the ledger. The military, NGOs, and religious bodies—all with scores of less than 3.0—were perceived to be among the least-corrupt institutions.

Where do Canadians stand against this global backdrop? Almost two thirds of Canadians, approximately the same proportion as in the global sample, thought that political parties are "affected by corruption" (4.0 or 5.0 on the scale). Parliament is given a more-generous evaluation, but 44 percent of the Canadian respondents found Parliament to be in the same "affected by corruption" category, compared to only 20 percent who were prepared to say it was not corrupt (1.0 or 2.0 on the scale). Other state institutions do not fare much better. Remarkably, the Canadian judiciary and "legal services" are deemed "affected by corruption" by 39 percent of the Canadian sample, perhaps because of an appointment system that is seen by some to be influenced by partisan considerations. It is important to note, in this regard, that the police are seen much more favorably. Only 25 percent of respondents could detect a taint of corruption. This finding contrasts with the overall position that police occupy worldwide as the institution most actively involved in extorting bribes.¹⁰ Canadians make a similar, relatively favorable assessment of "registry and permit services," those responsible for licenses of various kinds. Only 11 percent of Canadian respondents could detect any corruption in these offices, compared to 32 percent among the global sample.

Finally, in a survey conducted in 1996 involving over 1,400 Canadians, Maureen Mancuso and her colleagues found that more than 75 percent of respondents agreed or strongly agreed that "political corruption is a widespread problem in this country." Compare that to only 15 percent of politicians who agreed with this statement in the same survey.¹¹ Note, too, that the public's response was registered at a time of relative calm on the corruption front, well before the HRDC and Sponsorship scandals. Moreover, Canadians appear to

¹⁰ Transparency International, Report on the Transparency International Global Corruption Barometer 2007. Berlin, December 6.

¹¹ Maureen Mancuso, Michael M. Atkinson, Andre Blais, Ian Greene, and Neil Nevitte, *A Question of Ethics: Canadians Speak Out* (Toronto: Oxford University Press, 2006), 195.

be rather fatalistic about corruption. In the Mancuso survey, approximately 70 percent of respondents agreed that “no matter what we do, we can never put an end to political corruption in this country.” With this kind of standard (“an end to political corruption”) they are probably correct. It is the combination of views that is startling. Canadians see corruption as a widespread problem that can never be conclusively addressed. Yet Canada’s corruption scores are the envy of the world. What is the problem? What are we (or they) missing?

CORRUPTION: THE PETTY AND THE GRAND

To answer this question, it is necessary to move beyond the measurement of corruption on a single scale. Although social scientists speak easily about corruption, usually employing a modern interpretation with an emphasis on the apparent contractual relation that prevails between elected and electors, most are aware that corruption comes in different forms and that some of the most-familiar of these—such as conflict of interest and patronage—are not unambiguous instances of corruption at all. The step from allegations of compromised decision makers to allegations of corruption is an easy one to make, but it is rarely as simple as that.

Consider the comparative research on corruption beyond the familiar World Bank and Transparency International indices. Here we find a simple distinction—between “grand” corruption and “petty” corruption—that represents a crude but effective way of establishing, in a preliminary fashion, the different reference points of elites and the broader public.

Petty Corruption

The term “petty corruption” has been used for a number of years to describe relatively small, discrete transactions involving minor officials, typically bureaucrats (using the term broadly) entrusted with distributive or regulatory authority.¹² These officials occupy positions at key points in the approval process, which they use to seek bribes or kickbacks from citizens who are endeavoring to obtain political authorization. The authorization sought typically involves either relief from a burden imposed by the state, or access to a privilege or opportunity controlled by the state.

The former situation, where citizens seek relief, often involves police or security officers, who either expect bribes to do their job or who will take them in exchange for not enforcing the law. Paying a bribe to a police officer who intends to issue a speeding ticket is the classic case. Wherever the authority exists to impose a penalty, including slowing down a process to the point that it stalls, citizens subject to petty corruption can remove the penalty for a price.

¹² James Scott, *Comparative Political Corruption* (Englewood Cliffs, NJ: Prentice-Hall, 1972); and Susan Rose-Ackerman, *Corruption: A Study in Political Economy* (New York: Academic Press, 1978).

On the other hand, citizens often seek access to state services that lower-level officials convert into a privilege. This includes the ability to write an exam, obtain a passport, or get a job. In these situations, officials require some kind of kickback or emolument, even though the service is one to which the otherwise-qualified are entitled.

Each of these payments may be small but they add up to a significant drag on the economy, both directly and indirectly. In direct terms, the state is deprived of income. In Russia, for example, it has been estimated that in the early 2000s, approximately \$33 billion in bribes were paid annually by businesses, equivalent to about half of the state's total income tax revenues. Citizens paid much less in total, about one tenth of that amount, but this added up to about half of their income tax.¹³ The indirect effects are numerous. For many qualified firms whose investment would yield positive social returns, the additional costs, plus the uncertainty regarding whether people would "stay bribed," may be enough to scuttle projects, particularly those dependent on foreign investment.

Just as problematic is the role of petty corruption in unleashing on society those who are not qualified. Here a host of policy objectives that depend on the achievement or maintenance of standards is undermined. For example, where unqualified firms obtain permits to pollute, the social risks associated with non-compliance are multiplied. Health and safety standards are bid down to the point that no one takes them seriously. And when university students obtain credentials by paying professors rather than attending class, trust in professional qualifications collapses and the qualified suffer disproportionately.

As offensive as these practices are, the international research on political corruption suggests that Canadians have almost no experience with this type of extortion. In 2008, only 2 percent of Canadian respondents to the Global Corruption Barometer indicated that they were obliged to pay a bribe in order to obtain a service.¹⁴ This number was up slightly from 2006, when 1 percent claimed to have had such an experience. The Gallup World Survey was more thorough, asking how much contact a household had had with a wide variety of state-provided services, including education, taxation, permits, and judicial institutions and whether bribes were required at any juncture.¹⁵ In most cases, not one of the thousand Canadians sampled had been obliged to pay a bribe to obtain a service.

More evidence of the minor impact of petty corruption comes from the World Bank. In 2000, the World Bank Institute launched a survey of firms

¹³ Michael Johnston, *Syndromes of Corruption: Wealth, Power and Democracy* (Cambridge: Cambridge University Press, 2005), 125.

¹⁴ Transparency International, Report on the Transparency International Global Corruption Barometer 2009 (Berlin, May), Appendix D, Table 3, accessed at http://www.transparency.org/policy_research/surveys_indices/gcb/2009, 1 July 2011.

¹⁵ Gallup International, *Voice of the People*, 2007.

intended, among other things, to determine how frequently they had to “pay some irregular ‘additional payments’ to get things done.”¹⁶ Of the 95 Canadian firms surveyed, 83 percent responded “never.” This compares with an average of 58 percent in the other OECD countries included in the survey (Italy, Sweden, United States, Portugal, UK, Spain, France). Only Sweden had a slightly higher proportion of firms that were never obliged to engage in this practice. Almost 90 percent of Canadian firms stated that they had to share nothing with government officials in the event they were awarded a contract (“What percentage of the contract value is typically offered in unofficial payments when firms in your industry do business with the government?”). In contrast, all of the firms surveyed in Argentina had to pay something, while only 6 percent of the firms in the Czech Republic and 25 percent of the firms in Russia escaped without some kind of unofficial side payment.

Arguably, when side payments are routinely extracted from businesses, this is more than petty corruption. It is only petty when it is infrequent, the sums are small, and there is an alternative: pay the ticket, wait a long time for processing, and so on. When the awarding of a contract depends on a bribe, and when this kind of practice is widespread, then the realm of petty corruption is left behind. But most Canadians, like their brethren in the economically developed world, do not encounter any petty corruption. And this is the principal reason why the standard indices of corruption suggest that Canada is relatively corruption free. These indices, as Daniel Triesman observes, are constructed largely from the opinions of business people, and are heavily oriented toward petty corruption performed by bureaucrats.¹⁷ Ordinary citizens see the world differently. For them, it is not petty corruption that prompts their harsh judgment, but a sense that the system is under sustained attack from another source altogether.

None of this means that petty corruption is nonexistent in Canada. A closer look at Canada’s experience with charges of corruption in the past 25 years indicates that special favors have been provided in a manner that flaunts the rules, while breathtaking liberties have occasionally been taken with expense accounts. But these episodes seldom involve bureaucrats and do not involve bribes. They are, instead, interventions by politicians to secure services for constituents or party supporters, or to claim illegitimate reimbursements. They are “petty” in the sense that the aim is to obtain an unjustified privilege, not to change the rules or to obtain favorable treatment for a large class of people. This does not make these episodes unimportant or trivial in the eyes of Canadians. Most people will not have had experience with this type

¹⁶ World Bank, World Business Environment Survey, 2005, accessed at <http://info.worldbank.org/governance/wbes/#wbes>, 1 September 2009.

¹⁷ Daniel Triesman, “What Have We Learned About the Causes of Corruption After Ten Years of Cross-National Research?” *Annual Review of Political Science* 10 (2007): 232.

of circumvention or special treatment, but they deeply resent the idea that others, even a small number of others, have.¹⁸

Grand Corruption

Petty corruption is about the selective implementation of a given policy by lower-level officials who have discretion in the application of rules. Grand corruption involves the shaping of the rules themselves, either the creation of public policy that bestows unauthorized private benefits or the twisting of institutional practice to serve private ends. Such grand corruption requires the participation of those who are at or near the apex of political power.¹⁹ For some observers, the critical difference between grand and petty corruption is the role played by politicians.²⁰ While bureaucrats may position themselves to benefit from policies, it is politicians, not bureaucrats, who direct grand corruption. And this direction often takes place through political parties, their brokers, and intermediaries. While personal enrichment is sometimes a motive, or at least a byproduct, grand corruption is also aimed at securing and consolidating political power.

Grand corruption is parasitic on that other source of political authority, namely the state.²¹ In fact, grand corruption is sometimes explained as a product of state weakness, suggesting that it develops to overcome the inability of the state to generate and distribute public goods, especially to modernizing elites.²² That is, at best, a partial picture. Grand corruption actively undermines state authority by neutralizing legitimate channels of political participation, particularly the electoral process, and colonizing state offices, making them dependent on the favors of those who hold political power. What makes it “grand” is not just the scale on which it is undertaken, although that might be substantial. Instead, the “grand” part of grand corruption is its attack on the institutional capacity of the state.

Is Canada in the grip of grand corruption? When Canadians say they believe in the presence of widespread corruption, then by default, if nothing else, it seems to be grand corruption they have in mind. But reasoning by

¹⁸ William L. Miller, “Perceptions, Experience and Lies: What Measures Corruption and What Do Corruption Measures Measure?” in Charles Sampford, Arthur Shacklock, Carmel Connors, and Fredrik Galtung, eds., *Measuring Corruption* (Aldershot: Ashgate, 2006), 169.

¹⁹ Susan Rose-Ackerman, “Democracy and ‘Grand’ Corruption,” *International Social Science Journal* 149 (September 1996): 365–380.

²⁰ Vito Tanzi and Hamid Davodi, “Corruption, Public Investment and Growth,” working paper 97/139, International Monetary Fund, Washington, DC, October 1997.

²¹ Joel S. Hellman, Geraint Jones, and Daniel Kaufmann, “Seize the State, Seize the Day: State Capture and Influence in Transition Economies,” *Journal of Comparative Economics* 31 (December 2003): 751–773.

²² Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1967), 67–68.

default is not very satisfying. It suggests, among other things, that Canada cannot be sensibly distinguished from Italy or Korea. While the distinction between grand and petty corruption helps establish what corruption in Canada is not (i.e., it is not widespread “petty” corruption), the term “grand corruption” is far too loose to be applied with any discrimination to corrupt practices that are qualitatively and quantitatively different from one another. Grand corruption involves elites, focuses more on consolidating power than achieving personal enrichment, and poses a threat to the state. All instances of grand corruption share these qualities. Grand corruption has a firm grip on politics in some countries and only a tenuous hold in others. In some countries it is the only way to do political business; in others, it is an ineffective and often counter-productive means of achieving political goals. Where does Canada fit in?

MEASURING CORRUPTION

Surveys, and the rankings they produce, cannot answer this question. The uncomfortable reality is that there is a profound mismatch between the questions that international surveys employ to determine corruption levels and the complexity of the concept. Unfortunately, the typical response has been to focus on the nature of the measures rather than the nature of the concept.²³ For example, those who are critical of international indices have focused on what they see as the troubling fact that most indices measure “perceptions” of corruption rather than corruption itself. They make the obvious point that because the rankings do not focus on the actual experience of corruption, there is no direct evidence that perceptions, whether offered by elites or the broader public, are actually reflective of the practice of corruption.²⁴

Quite apart from the difficulties of measuring corruption directly, which are serious but not impossible to overcome,²⁵ perceptions, whether they are accurate or not, are often the basis on which people choose to act. Besides, as their defenders are inclined to emphasize, there are often very strong correlations among various sources of corruption ratings, and even between elite and public assessments.²⁶ This is another way of saying that these are reliable measures: they correlate highly with one another, and are remarkably stable over time. Different researchers, using similar questions, get roughly the same results. The fact that measures of corruption are based on perceptions is in no

²³ Giovanni Sartori, “Concept Misformation in Comparative Politics,” *American Political Science Review* 64 (December 1970): 1033–1053.

²⁴ Mitchell Seligson, “The Impact of Corruption on Regime Legitimacy,” *Journal of Politics* 64 (May 2002): 415; and Triesman, “What Have We Learned,” 215–217.

²⁵ Benjamin A. Olken, “Corruption Perceptions vs. Corruption Reality,” *Journal of Public Economics* 93 (August 2009): 950–964.

²⁶ Johann Graf Lambsdorff, *Institutional Economics of Corruption and Reform: Theory, Evidence and Policy* (Cambridge: Cambridge University Press, 2007), 23–26.

way a fatal flaw from a reliability point of view. These estimates may not be correct, but any error in them is assumed to be random, and tests of such distortions as the “halo effect” (rich countries are presumed to have less corruption) have shown them to be relatively minor.²⁷

Of course, high levels of agreement among business elites do not eliminate the possibility of a validity problem. Validity is a complex and contested concept, but at its core is the presumption that measurement is valid when there is some form of correspondence between the indicators employed and the underlying concept. Questions about the incidence of corruption should give rise to responses that reflect an agreed-upon meaning of the term. Agreement need not be based on an underlying objective reality; validity in the post-modern age is, and arguably should be, negotiable and collaborative.²⁸ But there should be a common conceptual frame of reference.

If elites and the broader publics agree on what corruption means, but disagree in their assessment of corruption’s incidence, then all is well. But there is not much evidence that this is in fact the case, and high correlations among elite assessors provide no reassurances. Correlation is a weak and potentially misleading guide to validity in any event,²⁹ but it is particularly suspect when the high correlations occur among people whose frame of reference might not be widely shared. The current corruption indices, for example, may be tapping into the phenomenon as understood by elites, but these assessments may not be valid, that is, truthful or meaningful, for other pertinent observers. As Marcus Kurtz and Andrew Shrank put it in assessing the World Bank Institute’s Governance Effectiveness index, “Business people and their advisors constitute a tiny—and by most accounts politically distinct—minority of the world’s population but contribute a vastly disproportionate share of the GE index under either weighting scheme, and we are therefore neither surprised nor convinced by the high reported correlation.”³⁰

One might think that the inherent complexity of the concept of corruption would constitute a major hurdle in cross-national comparisons, but the developers and proponents of corruption indices do not seem seriously troubled by conceptual challenges. TI makes it clear that their work is based on a thoroughly modern approach to the topic of corruption, one that involves defining corruption in a behavioral way, concentrating on the illegitimate use of public

²⁷ Daniel Kaufman, Aart Kraay, and Massimo Mastruzzi, “Governance Matters IV: Governance Indicators for 1996–2004,” working paper 3630, The World Bank Institute, World Bank Policy Research, Washington, DC, June 2005; and Daniel Kaufman, Aart Kraay and Massimo Mastruzzi, “Growth and Governance: A Reply,” *Journal of Politics* 69 (May 2007): 557–560.

²⁸ Stenar Kvale, “The Social Construction of Validity” *Qualitative Inquiry* 1 (March 1995): 19–40.

²⁹ Gerardo L. Munck and Jay Verkuilen, “Conceptualizing and Measuring Democracy: Evaluating Alternative Indices,” *Comparative Political Studies* 35 (February 2002): 29.

³⁰ Marcus Kurtz and Andrew Schrank, “Growth and Governance: Models, Measures, and Mechanisms” *Journal of Politics* 69 (May 2007): 538–554.

office for private gain. As they put it, “All sources generally apply a definition of corruption such as the misuse of public power for private gain, for example, bribing of public officials, kickbacks in public procurement, or embezzlement of public funds.”³¹ Is that what counts as corruption? This is the very problem that most international indices have avoided addressing directly in the mistaken belief that a broad consensus has emerged on this topic. But there is no evidence that the public in Canada or other wealthy democracies agree that malfeasance in public office is the beginning and end of the issue.

CORRUPTION VERSUS ETHICS

To understand why there are deep differences of opinion on how corrupt Canada is, one must concede that the definition of corruption outlined above may not capture the idea of corruption for most Canadians. It directs attention to petty corruption and neglects grand corruption with its systemic implications. More importantly, it says nothing about political ethics beyond the idea that politicians should avoid the illegitimate diversion of public funds for their personal use. This impulse to narrow the term and associate it inextricably with deviance and illegality has its origins in an article by Joseph Nye published over 40 years ago. He defined corruption as “behavior 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.”³² Nye allowed that this definition has its problems: rules differ from system to system, and in particular from so-called developing countries to Western countries, thus limiting the corruption standard in terms of comparisons and rooting it in norms familiar to the West. On the other hand, he observed that a stress on formal rules and roles helps distance the concept from the need for “moral evaluation” and encourages a scientific assessment of costs and benefits.

Nye’s formulation captures the modern version of corruption, where all of the action is centered on individual behavior, moral evaluations are absent, and system consequences are simply a topic to be investigated.³³ In this view, the law is the principal source of guidance in determining whether corruption exists, and the principal instrument in limiting its spread. Most importantly, this approach to corruption directs attention away from any notion of a prescribed public good and discourages the idea that office holders need to be

³¹ Transparency International, *The Methodology of the Corruption Perceptions Index*, University of Passau, 4. Accessed at http://www.transparency.org/policy_research/surveys_indices/cpi/2007/methodology, July 1 2011.

³² Joseph Nye, “Political Corruption: A Cost-Benefit Analysis,” *American Political Science Review* 61 (June 1967): 419.

³³ Mark Warren, “What Does Corruption Mean in a Democracy?” *American Journal of Political Science* 48 (April 2004): 328–344.

inspired by a broader sense of public service or guided by the purposes to which the state is dedicated. In the modern worldview, there is no larger public purpose, or at least none that is out there waiting to be discovered. In fact, modern definitions of corruption have treated ethics as either irrelevant or culturally bound. Institutional design is premised on a contrary assumption, the idea that public office holders are perpetually poised to act in a self-serving manner. Thus, the offices that constitute the focal point of corrupt behavior need to be encased in rules and procedures that both forbid corruption and induce compliance.

A Surfeit of Policies and Protections

From this perspective, the foundation of corruption control is policies and protections. While there is no consensus on precise institutional requirements for corruption avoidance, research has suggested that the following are strong candidates: a professional career-based bureaucracy, an independent judiciary, and electoral systems that promote majoritarianism. These are part of an institutional regime characterized by clarity of responsibility and the implicit promise that the exercise of political authority will be guided by considerations of legal entitlement and the rule of law.³⁴ For the most part, Canada has enjoyed all of these apparent institutional advantages.

Added to these institutional assets are policies that limit or regulate selective interventions in favor of partisan or personal interests. Here, the picture becomes more complicated, with different countries having different priorities in terms of policy development, but Canada takes a back seat to no country in its creation of policies to control election expenses, establish codes of conduct for politicians and senior officials, and regulate lobbying. Since 2004, a number of new offices have been created to manage a comprehensive and wide-ranging set of regulations that has expanded to cover thousands of public sector employees at the federal level. Not all of these initiatives have been rousing successes,³⁵ but the overall direction of change is unmistakable. We should expect, in the words of John Langford and Allan Tupper, “more rules and more enforcement.”³⁶ The push to establish ethical conduct in government has gone beyond aspirational statements to the creation of a full-fledged “ethics program” or “business line” with all of the compliance apparatus that accompany a codification project.

³⁴ Margit Tavits, “Clarity of Responsibility and Corruption,” *American Journal of Political Science* 51 (January 2007): 218–229.

³⁵ Alastair Roberts, “Spin Control and Freedom of Information: Lessons for the United Kingdom from Canada,” *Public Administration* 85 (March 2005): 1–23.

³⁶ John W. Langford and Allan Tupper, “How Ottawa Does Business: Ethics as a Government Program,” in G. Bruce Doern, ed., *How Ottawa Spends, 2005–06* (Montreal: McGill-Queen’s Press, 2005), 132.

Whatever their impact on political elites and partisan operatives (and it promises to be substantial), these regulatory initiatives are unlikely to generate more-positive corruption evaluations from the public.³⁷ Behavioral rules are important because they constitute the first line of defense in establishing accountability, but they can only establish, in Kantian terms, what is right, not what is moral.³⁸ Specifically, they do not speak directly to the public's demand for principled justifications for political decisions. The public is inclined to conceive of corruption and its prevention in classical republican terms, where the focus is on the relations that should prevail between the rulers and the ruled, irrespective of what the law requires. For this reason, politicians and other public office holders cannot assume that respecting written prohibitions, or even following written admonitions, will be enough to satisfy ethical expectations.

An Absence of Ethical Dialogue

The classical version of corruption is rooted in the idea that all institutions are capable of being diverted from their original purpose. Some institutional arrangements are more impervious than others, but none can ensure that rulers will know and respect expectations for personal conduct in political life. Calling them “rules of political life” would be a bit misleading. They are better thought of as ethical obligations that are constantly negotiated, interpreted, and disputed. They often issue in precise regulations, such as prohibitions against bribery and nepotism, but they are typically broader than that, focusing primarily on the legitimate expectations that rulers and followers have of one another. A democratic state anxious to avoid corruption must have a robust idea of the purpose of political life and an ability to detect departures from purpose among both leaders and followers. It needs, in short, a discourse that can explain the ethical expectations that are rooted in the defining characteristics of democracy.

Such a discourse will differ from country to country and will resist being mapped onto a single corruption scale, but it is safe to say that it will extend beyond ensuring that officials refrain from exploiting public office for private gain. In the first place, political careers confer inevitable benefits on office holders' experience and knowledge, for example. When former office holders profit from writing memoirs or obtaining prestigious jobs, the question is not whether this is illegal, but whether they are violating their fiduciary duties. As long as others are not exploited or unfairly disadvantaged, a measure of tolerance seems to attend this form of ambition.³⁹ In fact, the prospect of

³⁷ G. Calvin Mackenzie with Michael Hafken, *Scandal Proof: Do Ethics Laws Make Government Ethical?* (Washington, DC: The Brookings Institution, 2002).

³⁸ I thank a reviewer for this point.

³⁹ Andrew Stark, “Beyond Quid Pro Quo: What’s Wrong with Private Gain from Public Office?” *American Political Science Review* 91 (March 1997): 108–120.

subsequent benefits may encourage office holders to enhance their reputations while in office, avoiding “cheating” and “shirking” behaviors that erode trust when they are exposed.⁴⁰

Second, the increased popularity of “appearance standards” in codes of ethics is recognition that public officials have responsibilities that extend beyond exploitation. The requirement to avoid giving the appearance of engaging in corruption introduces a positive duty to exercise political judgment that transcends respect for formal prohibitions.⁴¹ This duty is best interpreted as an investment in what Mark Warren calls “second-order trust,” the trust that an official’s public performance provides “a reliable guide to her reasons for decisions, that secretive influences are not bending the representative’s judgments, and that she is not engaged in deceit about public matters.”⁴² It is not a question of politicians assuring constituents that their interests will always be advanced or protected, but that in making decisions, politicians will not dissemble, mislead, or deceive; in short, will engage in ethical discourse.

Consider two situations, one dealing with the personal behavior of politicians, the other with public policy, that invite distrust in the *conduct* of public officials. Both involve favoritism and neither is, ipso facto, illegal.

Democratic expectations of elected officials include a strong antipathy toward the idea that public office confers special privileges. Nonetheless, the authors of a comprehensive survey of public attitudes toward corruption in Canada were surprised to discover that even routine and legal compensation for taxi rides generated very negative assessments from a large sample of Canadians.⁴³ Respondents in this survey were substantially more critical of perks than they were of gifts, a finding consistent with Andrew Stark’s observation that Canadians have a particular concern with opportunities that arise from within the public, not the private, sector.⁴⁴ Taking advantage of privileged opportunities violates the norm that public service should not confer out-of-role entitlements, unnecessary foreign travel, access to rationed medical care, or free tickets to Olympic venues. These advantages are associated with a particular form of office-holder opportunism that is not illegal, but is seldom considered ethical.

⁴⁰ Glenn R. Parker, *Self-Policing in Politics: The Political Economy of Reputational Controls on Politicians* (Princeton, NJ: Princeton University Press, 2004).

⁴¹ Andrew Stark, *Conflict of Interest in American Public Life* (Cambridge: Harvard University Press, 2000), 228–229.

⁴² Mark Warren, “Democracy and Deceit: Regulating Appearances of Corruption,” *American Journal of Political Science* 50 (January 2006): 167.

⁴³ Mancuso et al., *A Question of Ethics*, 110.

⁴⁴ Andrew Stark, “Canada’s Upside Down World of Public-Sector Ethics,” in Denis Saint-Martin and Fred Thompson, eds., *Public Ethics and Governance: Standards and Practices in Comparative Perspective* (Oxford: JAI Press, 2006), 109–134; and Andrew Stark, “Conflict of Interest in Canada,” in Christine Trost and Alison L. Gash, *Conflict of Interest and Public Life: Cross-National Perspectives* (Cambridge: Cambridge University Press), 128–137.

Behavioral rules are undeniably helpful in restricting the realm of unethical opportunism, but these rules become activated and powerful only in the context of an ethical discourse. The “rules and regulations” frame stresses legality, prudence, and retribution; the “ethical discourse” frame stresses duties and positive, principled justifications. By removing any discussion of “principles” from their 2006 Conflict of Interest Act, the Conservative government has recently reinforced the idea that among political elites, corruption is a rule-enforcement problem.⁴⁵ Most Canadians do not see it that way. The fact that they have no direct (or even indirect) experience of corruption, and yet believe in its widespread prevalence, suggests that their evaluation is rooted in deep suspicions, not about bribery but about unprincipled, self-serving conduct.

The same suspicions arise when politicians employ the instruments of public policy to achieve partisan political gain. Consider, for example, the complex array of industrial policies pursued in all countries. These policies cover public works projects, major purchases, job programs, and selective subsidies to business, which in Canada have often been filtered through agencies responsible for regional development. Theodore Lowi calls these policies “distributive,” because they produce goods that are deliberately disaggregated and vulnerable to being detached from overall policy objectives for either bureaucratic or political purposes.⁴⁶ In the worst-case scenario, they provide opportunities for politicians to channel subsidies and contracts to particular business associates in exchange for kickbacks.

The most recent and most damaging scandals in Canada have both involved policies of this sort. The Human Resources and Development Canada scandal focused on a jobs creation program, the Canada Jobs Fund, which the auditor-general claimed was characterized by gross mismanagement. The Sponsorship scandal involved contracts and kickbacks that resulted in prison terms for both public relations executives and one senior public servant. These programs unearthed undeniably serious problems in the management of distributive programs, including the propensity for political direction of contracts. In the HRDC case, research suggests that job creation efforts were not geared to reward the party in power, did not shore up marginal electoral districts, and did not result in significant financial losses.⁴⁷ They were, however, subject to continuous lobbying by local MPs of all parties; indeed, this was a feature of the program that its framers pointed to with pride.⁴⁸

⁴⁵ Lori Turnbull, “The *Federal Accountability Act*: How Ottawa Stepped Backward in Monitoring Political Ethics and Integrity,” in G. Bruce Doern, ed., *How Ottawa Spends: 2007–08* (Montreal: McGill-Queen’s Press, 2007), 87.

⁴⁶ Theodore Lowi, “American Business, Public Policy, Case Studies, and Political Theory,” *World Politics* 16 (July 1964): 677–715.

⁴⁷ Eric Crampton, “Distributive Politics in a Strong Party System: Evidence from Canadian Job Grant Programs” (paper presented at the annual meeting of Public Choice, New Orleans, 2004).

⁴⁸ David A. Good, *The Politics of Public Management* (Toronto: University of Toronto Press, 2003), 18.

The Sponsorship scandal, the subject of a judicial inquiry and intense media scrutiny, was not constructed on an industrial policy objective, but on an even more overtly political one, namely ensuring the country's unity. Procurement is inherently political because governments have grown comfortable with the idea of achieving multiple objectives with a single policy instrument.⁴⁹ In the Sponsorship case, partisan considerations were built into the purchasing (and allocative) calculus from the outset, because the program had an overtly political goal. It revealed that at least part of the world of government purchasing had not moved much beyond the nineteenth century.

These major episodes of mismanagement, and their attendant accusations of corruption, have not blunted positive assessments of the state of Canadian corruption on the part of economic and political elites. For the politically sophisticated, distributive policy is an unavoidable feature of political life, especially in a country like Canada, where the regional distribution of revenues and projects is considered a legitimate object of public policy. Excesses may be pounced upon by politicians eager to establish some distance between themselves and their tainted colleagues, but there is no evidence that political parties of different stripes have entirely different solutions to distributive policy dilemmas.

Besides, for most politicians, none of this has much to do with corruption. They have become highly sensitized to behavior that could be construed as producing unwarranted personal wealth or advantage. But these anti-corruption policies are irrelevant when it comes to diverting public funds to local advantage. For politicians, this is not corruption, this is politics. As Mark Warren observes, "Strategic maneuvering, duplicity, disingenuous speech, and compromised principles are likely to come with the territory of politics, even under the best of circumstances."⁵⁰ When it is described this way, politics begins to look almost synonymous with corruption.⁵¹

Ordinary citizens do not expect to live in this world.⁵² Their evaluation of the state of corruption is based on whether politicians pursue the public interest or pursue nothing but partisan advantage. For the most part, they see the latter. Here is how Michael Bliss, a renowned Canadian historian, put the situation: "All...forms of partisan favouritism are coming to be seen as corrupt in a society that believes in equal opportunities and non-discrimination."⁵³ Canadians may be reassured by rules that restrain the misuse of political office for personal

⁴⁹ Barbara Allen, "How Ottawa Buys: Procurement Policy and Politics Beyond Gomery," in Doern, ed., *How Ottawa Spends, 2006–07*, 95–115.

⁵⁰ Mark Warren, "What is Political?" *Journal of Theoretical Politics* 11 (April 1999): 222.

⁵¹ Gerry Stoker, *Why Politics Matters: Making Democracy Work* (New York: Palgrave MacMillan, 2006), 48.

⁵² Michael M. Atkinson and Gerald Bierling, "Politicians, the Public and Political Ethics: Worlds Apart," *Canadian Journal of Political Science* 38 (December 2005): 1023.

⁵³ Michael Bliss, "A Short Guide to our 'Culture of Corruption,'" *National Post* 13 (March 2004), as quoted in David E. Smith, *The People's House of Commons* (University of Toronto Press, 2007): 28.

gain, but they also expect their leaders to pursue non-discriminatory policies and to justify special treatment, whether for themselves or select others. Failure to do so triggers charges of “mediated corruption,” the idea that when elected officials act as intermediaries in the provision of benefits that are not self-justifying, they are being corrupt.⁵⁴ These interventions are condemned not because they produce private wealth for politicians (they seldom do), but because they require the sacrifice of democratic expectations (like equal treatment) for partisan advantage. Codes of conduct, prohibitions on post-career employment, and the registration of lobbyists are sensible, prophylactic policies. But politicians must stretch beyond them to justify their behavior in principled terms and to accept the judgment of the public should they be unable to do so.

CONCLUSION

Canada’s reputation among those who evaluate levels of political corruption globally is one of relative purity. Moreover, this generous assessment, which is based on a rollup of various episodes and crises, is, by and large, deserved. Canadians do not experience the petty corruption that plagues developing countries, and the episodes of grand corruption that have occurred in recent years do not threaten the country’s institutional structure. On the contrary, that very structure has cordoned off large portions of the public sector, making them very difficult to penetrate for corrupt purposes. Original systems of clientelism have long ago been replaced, and while patronage continues, it is on a small scale that does not threaten to undermine the autonomy of the state.

Just as changes to the institutional structure, and the introduction of behavioral rules, have made clientelism residual and limited the supply of offices and contracts, so the demand for corruption has also declined. Economic wealth is a major contributor. Almost all of the countries that have escaped the high corruption equilibrium are those able to supply generous opportunities to their citizens, in terms of both education and employment. Pockets of severe unemployment remain in Canada, but a strong market ethos combined with universal programs of health care and employment insurance has meant that there is less need for well-placed patrons to organize jobs or relief. The state has effectively de-personalized the delivery of services and in doing so has discouraged the demand for selective treatment.

Yet, notwithstanding these overall positive developments, two stubborn facts remain. First, politicians remain fixated on rules and regulations designed to restrict personal gain or its appearance. The worst succumb to the temptation to inflate any infraction and use it for partisan advantage. They are not

⁵⁴ Dennis Thompson, “Mediated Corruption: The Case of the Keating Five,” *American Political Science Review* 87 (June 1993): 369.

only missing the point, but compounding the problem by encouraging the mental merging of politics and corruption. Politicians need to tell the truth, namely that corruption, in its modern form (the misuse of public office for private gain), is a sideshow in Canada. There are very few serious cases of corrupt behavior using the modern definition. However, there are many more situations in which politicians, with an eye to personal and partisan gain, use programs and privileges opportunistically, thereby creating the impression of corruption. In these cases, politicians have to recognize that their preferred definition needs to make room for the classical formula of corruption favored by Canadians, one that emphasizes the suborning of authority to serve a singular set of interests.⁵⁵

The second stubborn fact involves the democratic public, which is harsh and unyielding in its overall negative judgment of politicians and the level of corruption that politics appears to engender. Canadians, for their part, need to become better reconciled to the costs of doing politics in a fragile political community. Generalized distrust of politicians and political institutions is counterproductive to better quality politics. There is nothing wrong with the “public interest” approach to corruption, with its theoretical roots in classical republican thought. However, there is something wrong with assuming that politicians routinely or even invariably ignore the claims of community in favor of cultivating private or particularistic interests. Citizens need not adhere to high levels of public virtue themselves, but if they insist on a classical approach to corruption, they cannot treat politics and corruption as if they were synonymous. It is partly this tendency that creates the foundations for otherwise-inexplicably harsh judgments about the incidence of political corruption.*

⁵⁵ Mark Philp, “Defining Political Corruption,” *Political Studies* 45 (Special Issue 1997): 453.

* An earlier version of this paper was presented at the Canadian Political Science Association meetings in Ottawa, 2009. In addition to the excellent comments of the *Quarterly*'s reviewers, I wish to acknowledge the helpful suggestions of Luc Juillet, Denis Saint-Martin, and Ian Greene.