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Is Lord Acton Right? Rethinking Corruption, Democracy, and Political Power

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ABSTRACT

This article examines Lord Acton's famous assertion, "power tends to corrupt and absolute power, to corrupt absolutely," including the suggestion that democratization reduces corruption. This assertion requires us to look at the meaning of political power, corruption, and democracy. By making a distinction between primary and secondary corruption (essentially, controllable and uncontrollable corruption) and between liberal democracy (emphasizing competitive politics) and classical democracy (emphasizing consensus-building politics), together with introducing Political Elasticity (PE) theory, a number of difficult questions are raised: 1. What is political power (with Hobbes and Russia, in mind)? 2. What is the linkage between political power and corruption? 3. Why is it that corruption does not necessarily prevent economic development (with China in mind)? At the conclusion the autocracy-corruption linkage is examined, as exemplified by a comparison of Singapore and Jamaica, indicating: (1) that political power, if persuasive, is not necessarily corruptive; (2) liberal or partisan democracy tends to corrupt and lawless democracy, to corrupt absolutely and (3) authoritarian regimes may recognize that controlling corruption is essential for their legitimacy and economic prosperity.

Keywords: Lord Acton, political power, corruption, democracy, authoritarianism.

Lord Acton's famous assertion, "power tends to corrupt and absolute power, to corrupt absolutely," forces us to consider a series of questions having to do with political power, corruption, and democratization: to what extent is it true?; when is it true?; and why is it true? Let us begin with the most basic question of all:

1. WHAT IS POLITICAL POWER

In turning to the question raised by Lord Acton regarding the linkage of political power to corruption, we have to improve our understanding of political power. Instead of the coercive view of political power prevalent in political science literature ("A has power over B

to the extent that he can get B to do something B would not otherwise do,” to quote Robert Dahl (1964, 50), it has to become more persuasive for political development to take place, recognizing that, while A can force B to surrender resources, he/she cannot force B to productively invest them. This requires an “enabling environment,” which must be fostered, rather than overtly imposed.

The paradox of a dictatorship that is powerful enough to undermine potential forms of opposition and political independence stemming from the legislature, the judiciary, the communication media, political parties, interest groups, and the bureaucracy itself and yet too weak to improve living conditions or stimulate widespread economic development is presented in Richard Sakwa’s 2004 book on Russia.

While, on the one hand, there has been an “authoritarian centralization of power,” on the other hand, Putin has “not been able to build a state strong enough to prosecute organized crime and stamp out corruption.” This leads the author to suggest (pp. 245, 247) that there has been “the birth of a new Leviathan in Russia;” but this is “based more on an attempt to maintain artificial stability rather than reflecting an organic order.” Consequently, the governmental institutions are too weak to deal with such problems as capital flight, concentration of ownership, protectionism, weak or lawless corporations, and extensive poverty and misery.

To understand why it is that the creation of a political “Leviathan” often leads to political weakness rather than strength, it might be useful to go back to Hobbes’s argument for despotism and for Leviathan, as explained by Sheldon Wolin in his 1960 book (257-285). Hobbes was especially concerned with the dangers of anarchy associated with the religious conflicts of seventeenth-century England. This led him to the view that “the blessings of peace are assured only when society is in total subjection to an absolute authority” (Wolin 1960, 266). This meant that it was in the interest of everyone to agree to obey a common authority, to “reduce all their wills, by plurality of voices, unto one will;” to give the Leviathan the authority to impose religious conformity; and to surrender the right of self-protection (Wolin 1960, 265). In return, it was the responsibility of the Leviathan to provide equality of treatment, fairness, and the conditions for prosperity and contentment, in addition to security. Yet, according to Wolin (1960, 285), “the Hobbesian conception of political power was a grossly oversimplified, even hollow, one.” In other words, political power, for Hobbes, was essentially a vague concept. Wealth and private property were to remain in private hands. Inasmuch as these forms of power remained in private hands, we have a picture of a “mighty Leviathan” as nothing more than a “mere spittfrog” (Wolin 1960, 285).

In thinking about Hobbes’s Leviathan, we might also point out the extent to which political power, to be meaningful, must function through institutions. We pay property taxes, for example, largely because of the trustworthiness of institutions responsible for registering our property, communicating with us, determining value and amount, transferring funds, enforcing payments, preventing misuse of public funds, etc. As these institutions are undermined, the effectiveness of political power is clearly reduced. In Kenya, when the *bwana kubwa* (rich people) were reported in the 1980s to be avoiding property taxes and service charges, the *bwana kidogo* (poor people) who had benefited from a World Bank project here, successfully resisted paying them. In Onitsha, Nigeria, officials during the 1980s threatened to cut off water supplies to those failing to pay property taxes. However, since services were unreliable and mismanaged, taxpayers considered the threat meaningless (see Werlin 1998/2001).

Using the writings of Max Weber and Hannah Arendt, Goehler (2000, 40-68) suggests an important distinction between transitive political power (referring to the authority of an individual) and intransitive political power (“social energy,” as I would define it.) To the extent that intransitive (institutional) political power is viewed favorably, manifestations of transitive (personal) power appear to be benign, desirable, and functional, thereby helping to explain why large public sectors and neo-corporatist structures do not necessarily result in massive corruption. For example, the Dutch Minister of Housing, Physical Planning and Environmental Planning can, not only supervise public sector and private sector use of land, but also control local zoning boards; force neighboring jurisdictions to cooperate, change boundaries to facilitate planning and equalize taxation; or prevent businesses and wealthy individuals from playing off one jurisdiction against another (see Hamnett 1985, 21-42). However, this manifestation of power is not viewed negatively because of the legitimacy of political and administrative systems. As explained by Toonen and Hendriks (2001, 283), “Dutch society seems relatively content to trust the self-regulatory nature of the power-sharing save energy for other purposes.”

The objective of Political Elasticity (PE) Theory (which is here briefly summarized) is to link transitive to intransitive political power (see Werlin 1998,2001; Werlin 2003). This suggests that political power takes a different form in More Developed Countries than in Less Developed Countries in that it is more elastic in two meanings of the term, that power can be delegated or decentralized without being diminished or damaged (in the form of a rubber band) and that it can affect in a predictable way (in the form of a balloon) public behavior. As it does so, it generates greater “social energy.” Political elasticity depends partly on the selection of appropriate political hardware (including “objective” forms of organization, regulation, procedure, and technology) but mostly on the enhancement of political software (i.e., policies and practices that foster respectful relations between leaders and followers). The effectiveness of political software is directly proportional to governmental success in establishing acceptable goals, hiring qualified personnel, encouraging training, delegating responsibility, stimulating motivation and competition, paying attention to morale, expanding two-way flows of communication, promoting legitimacy, maintaining supervision, cultivating contractors, protecting independent spheres of authority, and developing conflict resolution procedures. Inasmuch as a government fails to do any of these commonsensical requirements (with appropriate variations), its efforts to reform both micro-and macro-administration are going to be problematic. Yet, progress can be measured on the basis of steps taken to improve any aspect of these requirements

Dennis Wrong (1979, 22) points out that some scholars do not regard persuasion as a form of power because they equate “power with the capacity to compel obedience in the face of opposition.” In fact, coercion without persuasion is likely to be ineffective because it indicates a poor quality of political software. While political software requires a series of commonsensical steps, it is by no means an easy or inexpensive process. In this regard, Peters (1991, 153) quotes V. O. Key to the effect that “the average voter is no fool; he or she generally understands what is being done with taxes and services.” In 1998 (according to a 2001 OECD report), Swedes were the most heavily taxed people in the world, with tax receipts amounting to 52 percent of GDP (about twice the European Community average); but their willingness to pay this amount stemmed from their belief that they were receiving “a fair return in services for their taxes” (Peters 1991, 160).

In seeing political power (with PE theory in mind) as a form of social energy, we can deal with the suggestion that political power is somehow evil as well as dangerous. As we examine assertions about political power, we have to recognize the long history of hostility

towards it. According to Hobbes, “there are very few so foolish, that had not rather govern themselves, than be governed by others” (quoted, Wrong 1979, 237). Dr. Johnson expressed this hostility more humorously in noting that no one is ever “innocently employed when exercising or seeming to exercise power” (quoted, Wrong 1979, 250). Animosity towards political power strangely unites the extremes of left and right, going from Herbert Marcuse’s utopian anarchism to the advocates of complete deregulation (“let the market rule”). Between these extremes is the position that while politics is a “struggle for power,” it is also a “struggle to limit, resist and escape from power.”

Dwight Waldo (who died in October, 2000, to the dismay of his students, including myself) never lost his mixed feelings about administration. He argued (p. 219) in his 1980 book, *The Enterprise of Public Administration*, that the “enterprises of civilization and administration have from the beginning been intimately joined, each sustaining and stimulating the other.” However, as did Max Weber, Waldo feared what he believed to be the inevitable triumph of bureaucracy because it seemed to be so undemocratic. He frequently quoted Weber’s famous threat: “The bureaucratic organization is, together with lifeless machinery, about to produce the iron cage of future serfdom in which men will have to live helplessly like the fellahin in Egypt...” (Waldo 1980, 139). Yet, a successful democracy requires an efficient and effective bureaucracy to prevent secondary corruption.

As indicated in this article (using PE theory), I suggest why it is that, contrary to Weberian theory, effective bureaucracies cannot be altogether undemocratic. There must be some consensus-building (i.e., classical democracy) for adequate political software and, thereby, political elasticity to result. Consequently, neither administrative nor political leaders can simply impose their will to attain the political elasticity essential for the Weberian goals of precision, speed, certainty, continuity, and impartiality. Instead, they must consider the needs and desires of subordinates and followers. Unless political power is persuasive, more may be less. Moreover, insofar as political power is entirely coercive, it is also corruptive (inevitably undermining political software), as Lord Acton correctly observed. But not necessarily so if it is persuasive. While leaders can “persuade” people to be corrupt, they cannot in this way generate the social energy essential for political development because the required institutions cannot be built upon untrustworthy foundations. Americans view a “separation of powers” as a good thing; not so, in much of the world, where political power has an “all or nothing” connotation. In other words, institutional arrangements to divide power (including an independent legislature and judiciary, combined with forms of federalism) are viewed as “weaknesses” (regardless of the fact that they actually give legitimacy, and, as such, strength to the political system).

2 . WHAT IS CORRUPTION?

Senator Barack Obama delivered a lecture in August, 2006, at the University of Nairobi in which he suggested that corruption was “robbing people of the opportunities they fought for.” At the same time, he admitted that his own city, Chicago, “has been the home of the most corrupt local politics in American history over the years.” The difference is that various factors (well established public interest groups, the free press, the two-party system, Federal Bureau of Investigation and Justice Department agents, departmental inspectors, public attorney investigations, the judicial system, etc.) exist in Chicago but not Kenya to control manifestations of corruption.

For this reason, I believe that it is useful to make a distinction between primary and secondary corruption. Primary corruption (as exists in wealthy countries where often

governmental money, favors, or power are misused for private gain) is when institutions are strong enough to keep corruption under control; secondary corruption is when this is not the case. Secondary corruption (as exists in most poor countries) would be analogous to a basketball game in which the referees are corrupt, so that it is not only necessary to foul, but also to pay the referees to facilitate the fouling. Consequently, the concept of “fouling,” as an action disallowed by the rules, becomes no longer meaningful insofar as “payment determines the rules.” Likewise, secondary corruption is not seen as “shameful” but, rather, as “standard operating procedure.” As such, it becomes a form of “political illness,” which Bill Gates must confront if he (along with his foundation) is to really overcome Africa’s medical illnesses.

The extent to which Kenya suffers from secondary corruption is indicated in a 2003 World Bank report on Kenya. Among the factors indicated for corruption include: weak financial management and procurement systems; inadequate resources for watchdog institutions such as the office of the controller and auditor general; conflict of interest by allowing civil servants to engage in private businesses; and toleration of small bribes for provision of services. Moreover, not much improvement can be expected when reports of the auditor general are usually several years out of date and those identified in these reports as “wrong doers” are seldom prosecuted and hardly ever convicted (World Bank 2003, 94).

When Daniel arap Moi came to power in 1978, he seemed to be interested in promoting constitutionality, the rule of law, open elections, and a relatively free press. However, it soon became clear that, for Moi, as for Jomo Kenyatta, politics meant “the pursuit of profit, the creation and maintenance of personal followings, and the garnering of favors from those above in order to enhance one’s position” (Miller and Yaeger 1994, 119). Material resources were used to manipulate parliament, local government, public opinion, and the judicial system. As of 2002, Transparency International ranked Kenya among the most corrupt countries in the world, with only five other countries (out of a total of 102) below Kenya in its corruption perceptions index. How much Kenya has lost as a result of corruption is indicated by the Goldenberg export compensation scandal which cost the country in 1991 about a fifth of its gross domestic product. According to a 2002 Commission of Inquiry, President Moi himself was directly implicated, along with his two sons, his daughter, and a large number of high ranking officials (Karanja 2001, 103). During the Moi regime (1978-2002) corruption became so bad that the IMF froze funding in 2001.

When Mwai Kibaki became president in 2002, he promised a “zero-tolerance on corruption.” In support of this promise, the IMF gave Kenya in 2003 a \$252.75 million dollar loan to fight poverty and the next year, the World Bank approved 263 million dollars for development projects in transport, agriculture and water sectors. Yet, the resignation of the anti-corruption adviser, John Githongo, in February 2005 indicates the difficulties encountered when “the kingpins of corruption” operate within the top levels of government (Mulima 2005). Both the National Security Minister and the Finance Minister were allegedly involved in payments of about 93 million dollars to a shadowy foreign firm for terrorist proof passports and equipment for criminal investigation.

Based upon an allegation by the British ambassador to Kenya in 2005 that the country had lost over 187 million dollars since Kibaki came to office, the European Union suspended 50 million Euro in budget support. As explained by Sahr Kpundeh (a World Bank public administration analyst) corruption in Kenya serves “as the glue to hold the system together, allowing subordinates and close allies to embezzle public resources in return for loyalty and support” (Kpundeh 2004, 264).

Many of the criminal gangs, which are associated with the most serious forms of illegal activity, have police among their members and even leaders. Considering that police officers start at a salary of only \$61 a month, this is understandable. According to the 2003 State Department Country Report on Kenyan Human Rights Practices (2004, 7-10), it is a common practice for police to invade homes looking for firearms and then to steal valuable items unless bribes are paid. People are often arrested with the sole purpose of extorting bribes. A 2005 Transparency International study found urban Kenyans to pay nearly 20 percent of their average monthly income to the police (World Bank 2003, 95). This report goes on to list the police as the most corrupt of all the institutions surveyed.

The corruption and inefficiency of the judiciary are contributing factors in this regard. While a high percentage of judges were accused of corruption in 2003, no legal charges were filed against any of them that year. Because of the inefficiency and corruption of the legal system, at least 60 percent of the prison population consists of pretrial detainees, with some having been in prison for many years under miserable conditions.

Politics is often thought of as “partisanship” - the struggle for competitive advantage. If so, why should we not consider corruption as nothing more than a manifestation of politics? Maya Chadda (2004, 136-7) suggests that political scientists, using the currently fashionable concept of “rational choice,” might see corruption as merely “excessive rent-seeking” - maximizing opportunities to enhance wealth, status, and power. However, politics (stemming from the classical Greek word, “*polis*” - community) also refers to “statesmanship” and “governance.” It is the conflict between the two sides of politics that seems to be at issue here. Indeed, one can see corruption as “the challenge of partisanship to statesmanship” or of “greed to governance.” As an analogy, we might see disease as the challenge of harmful microorganisms to the health of the body, with the resulting fever as an indication of “corruption” (bodily decay in its original meaning).

3. WHAT IS DEMOCRACY?

Lord Acton’s assertion suggests that democratization should reduce corruption. A 2005 book by Morton Halperin, Joseph Siegle, and Michael Weinstein starts out with a strong case for democracy in raising living standards: improving health, education, and food production; generating superior levels of social welfare; maintaining higher levels of economic growth; and escaping economic collapse or disaster. Yet, in later sections of the book, the authors do have some reservations. “Elections, in isolation,” they point out (p. 61) “do not contribute to improved development.” adding: “Nations that hold elections, yet have weak institutions, display significantly lower economic growth and social welfare than democracies with strong institutions.”

The factors that are thereby required include: a free press, an independent judiciary, a meritocratic civil service, an independent private sector, standardized accounting and auditing norms, strong opposition political parties, a vibrant civil society, an anti-corruption office, an independent central bank, etc. Because of the importance of strong institutions (as against competitive elections) the reader might find the following sentence (p. 57) confusing: “while the East Asian experience demonstrates that democracy is not indispensable for development, the distinctiveness of the conditions that have fostered economic growth in its absence need to be recognized.” Indeed, how exceptional is the economic development of the East Asian regimes? After all, most European countries developed economically long before they could be considered democracies.

Returning to our earlier presentation of corruption, we can similarly make a useful distinction between classical democracy and liberal democracy. Whereas liberal democracy has to do with partisanship (elections, multi-party systems, and majority rule), classical democracy refers to the Athenian conception of community or *polis*: emphasizing statesmanship and consensus-building. Most scholars and journalists, on the other hand, recognize only a liberal conception of democracy. Yet, in the absence of statesmanship, elections appear much like an Olympics without the necessary conditions for sporting events and rules for participating, competing, and officiating. If nothing else, the American presidential elections of November, 2000, have shown us the importance of judicial decisions in determining the outcome. Consequently, it became a matter for lawyers, not generals.

In countries with strong social divisions, political parties (if allowed) tend to generate violence rather than compromise. It is common for politicians everywhere to arouse racial, ethnic, or religious animosity to generate political support. Countries, such as Yugoslavia, Sri Lanka, Rwanda, and, most recently, Kenya (to name just a few) functioned reasonably well under colonial or authoritarian rule before political liberalization tore them apart. In the Islamic world, the struggle for democracy is combined with a struggle for secularism, making elections (as in Lebanon, Iraq, Palestine, Algeria, among many others) problematic.

The linkage between democracy and the rule of law is well established in Thomas Carothers's 2006 book, *Promoting the Rule of Law Abroad*, emphasizing its importance in protecting individual rights, facilitating a modern market economy, and ensuring the authority of the people. He points out that, while more than a billion dollars from developed countries and international organizations since the beginning of the 1980s (particularly with the end of the Cold War) has gone into these efforts, the results have largely been disappointing for various reasons, including: (a) oppressive governments are fearful of undermining their own authority; (b) the goals of predictability and efficiency often conflict with the needs of the disadvantaged; (c) legal reform tends to be seen as technical rather than political; (d) equality before the law conflicts with the need to maintain power based upon ethnic, religious, and economic considerations; and (e) some aspects (e.g., improvement of security forces and legislation) often prevail over other aspects (e.g., handling of trials and implementation of reforms). Anyone reading the recent news from Iraq can appreciate such difficulties as how to improve the functioning of law-enforcement without contributing to inter-ethnic violence and how to conduct efficient and effective trials under conditions of civil strife.

Political leaders, regardless of the origins of their power, must maintain the support of such powerful groups as the military, the civil service, large business owners, trade unions, and journalists. Often these groups are more interested in rent-seeking opportunities than in anything else. The civil service, for example, is likely to oppose the curtailment of its power through privatization, deregulation, elimination of central planning, and reduction in the work force. The more democratic a government is, the more it is expected to use a participatory and consultative approach. Yet, it is difficult to use such an approach in justifying such requisites for reform as downsizing the civil service, reducing consumer subsidies and scholarships, cost recovery, privatization, and trade liberalization.

The clientelistic nature of politics, within which leaders view the public sector as their personal property and consider loyalty to be more important than competence, does not change with elections. This is so because leaders are more concerned with survival than with development. Consequently, jobs, contracts, and favors are given to those linked to powerful ethnic groups, families, and police or military officers. Such a feudalistic system usually undermines effective administration.

4. WHAT IS THE LINKAGE BETWEEN POLITICAL POWER AND CORRUPTION?

The complexity of the autocracy-corruption linkage may be apparent from a comparison of democratic India and authoritarian China, both of which have been growing by more than eight percent annually in recent years (see Yusuf 2006). While Transparency International suggests that levels of corruption are similar in these two countries, Chinese institutions appear to be much stronger than Indian ones, indicated by World Bank (2000/2001) statistical comparisons. Whereas between 1993 and 2004, the percentage of India's population living on less than \$1 a day fell from 42 to 35, it fell from 28 to 11 in China. Nearly half (45.5 %) of India's population were illiterate during the 1990s, as against 18.3 % in China; and less than half (48.9 %) reached secondary school, in comparison to 61.4 % in China. Less than half (45 %) of Indian women are literate, as against 87 % in China. India's expressway mileage is one-tenth that of China. Most (61 %) of Indian factories need their own generators, compared with 27 % in China, and the cost of power is 40 % more expensive. China can spend more on infrastructure and public services than India, not only because its economy is much larger (240 %), but also because it is able to collect twice the percentage of GDP in taxes (19 %, as against only 9 %).

Yet, it is clear that there is a linkage between autocracy and corruption in China (see Mann 2007). While China is no longer as overtly oppressive as it was during the Cultural Revolution period, organized political opposition, a free press, and an independent judiciary are still disallowed. There are only 122,000 lawyers in China for its 1.2 billion people (as against nearly 200,000 in California with 37 million people), and they face persecution, including prison or loss of their jobs. Consequently, there is not much to prevent the types of corruption described by Minxin Pei of the Carnegie Endowment (2007), amounting to an estimated ten percent of government spending and three percent of the Gross Domestic Product.

Everything controlled by the state (loans, land acquisitions, contracts, appointments, etc.) requires some sort of bribe, with an estimated half of officials involved. While press coverage is given to apparently severe punishment for officials in high profile cases, "the odds of an average corrupt official going to jail are at most 3 out of 100, making corruption a high-return, low-risk activity" (Pei 2007, 4). Manifestations of corruption have obviously intensified problems of environmental pollution, rural poverty, income inequality, discrimination against ethnic minorities and rural migrants, inadequate health care, low quality of products and services, etc.

However, corruption does not appear to be of great concern to foreign investors. In the words of the Global Advice Network (2008), "foreign investors are not being scared off" by obstacles posed by corruption, including the need to make "facilitation payments" to have things done. What seems to be happening, according to James Mann (2007, 107), is that Chinese officials are anxious to protect foreign investors from the worse manifestations of corruption "to keep investment dollars, euros, and yen flowing into the system," with the result that there is "a legal system that offers special protection to foreign investors but not to ordinary Chinese individuals, much less to targets of the regime such as political dissidents or Tibetan activists." Nevertheless, ordinary Chinese businesspeople do benefit from the fact that China ranks relatively well on a regional and international basis in regard to many aspects of doing business, such as cost of starting and closing a business, registering property, and trading across borders.

They also clearly benefit from the massive expansion that has taken place since the 1990s in the expressway network, rural roads, railroads, aviation facilities, and seaport capacity, despite the destruction of villages and the forced relocation of thousands of residents.

In Philip Pan's 2008 book about China, he points out how difficult it is to fight corruption when all the governmental institutions seem to favor it: the trade union, the state media, the police, the courts, the prosecutors, etc. Yet, there are various factors that occasionally have reduced manifestations of corruption (e.g., having to do with rural taxation, internal passport policies, and eviction without adequate compensation): (1) the unwillingness to confront persistent public demonstrations; (2) the need to protect the free enterprise system; (3) the inability to control the internet and independent newspapers; (4) the desire to discipline irresponsible officials and (5) the recognition that "crony capitalism" must also be profitable. Nevertheless, "the political system is stuck in the past, with party officials struggling to preserve their power and privileges" (Pan 2008, 321). Why "crony capitalism" may be less dysfunctional in China than in Russia is indicated in a story in *The Economist* (June 28, 2008, 21-22) having to do with the Triangle Group (a state owned radial tire-manufacturing firm), noting that, in its determination to be internationally successful, the government has installed excellent leadership, world-class manufacturing equipment, and careful attention to every detail of operations.

CONCLUSION: SINGAPORE AND JAMAICA

A social scientist comparing Singapore and Jamaica in the early 1960s (each with a population then of about 1.6 million and a GDP per capita of \$400), when independence from Great Britain was looming, might have predicted a much brighter future for Jamaica, despite the dysfunctional impact of colonial rule and racial tension (see Norris 1962). In 1960 Jamaica was the world's primary source of bauxite and alumina. Its Industrial Development Corporation was responsible for 30 factories and over 300 manufactured items. While its agricultural exports consisted largely of such plantation products as sugar, bananas, citrus, and coconuts, it was promoting various exotic fruits and spices, suitable for smallholder production. The country's beauty gave it tremendous potential as a tourist center, particularly after the Cuban revolution. At the same time, Singapore had no natural resources and was suffering from severe racial, religious, and political turmoil, intensified by its 1965 separation from Malaysia (see Lee Kwan Yew 2000).

The situation now, of course, is very different, indicated by the great disparity in per capita income (see World Bank 2001, 274-5): Singapore, nearly \$30,000; Jamaica, less than \$4,000 (as of 2000). While Singapore's government has been able to eliminate persistent poverty, unemployment, and crime, Jamaica's government has not been able to break the linkage between high teenage pregnancy rates (40 percent), female-headed households (40 percent), school drop-out and failure rates (one-third of those from poor households), poverty (one-third of the population), and extremely high rates of ordinary and violent crime (Human and Social Development Group). The departure of the most educated and qualified people (estimated to be 80% of university graduates) to Europe and North America is particularly troublesome. Whereas Singapore has been able to undertake some of the world's best programs in public housing, public transportation, urban planning, public health, and public education, Jamaica's efforts to improve living conditions have largely failed.

Yet, Singapore cannot be considered a liberal democracy inasmuch as the government has used a one-party system to suppress dissent, detain without trial, intimidate newspapers and radical trade unions, enact anti-democratic laws and administrative regulations, and

undertake “pork-barrel politics” to discourage opposition. Most recently (May, 2008) the “bankrupting libel suit” has been employed against the leaders of the Singapore Democratic Party. As explained by Mutalib (2000, 117), “an illiberal, (soft) authoritarian form of governance is certainly preferable to liberal democracy” because “economic growth demands much sacrifice from the people” which they might not be willing to support if given a chance. The resulting ambivalence towards democracy can be found in Lee Kwan Yew’s memoirs (2000, 346, 606). Whereas in 1992 he proclaimed in the Philippines that “what a country needs is discipline more than democracy,” he pointed out to a Chinese delegation to Singapore that year “that social control could not depend on discipline alone,” adding: “People had to have a decent life with reasonable housing and social amenities if they were to lead moral and upright lives. They had to accept the basic principles of our system of government.”

In a case study of Singapore’s public housing program, government officials appeared to be remarkably responsive to changing needs and demands and willing, not only to listen to criticisms and suggestions, but also to fund research on existing and emerging problems (Werlin 1998/2003). While Mutalib (2000) strongly (and rightly) suggests that Singapore should move towards more liberal democracy, he reports on the willingness of the government in 1998 to revise its economic policies, taking unusual steps to swing public opinion in favor of radical reform. During a recession in the mid-1980s, employees even of profitable firms agreed to a significant reduction in salaries as a result of a “tripartite” advisory council composed of representatives of government, employees, and labor (Campos and Root 1996, 61).

This was facilitated by “vocal and frank comment on all public policies” carried out in the press, parliament, public forums, and grass roots institutions.” Likewise, in response to the 1998 Asian financial crisis, the Parliamentary designated Committee on Singapore’s Competitiveness made a number of painful recommendations which were acceptable only because of the existing high quality of political software, including considerable respect for the integrity of public administration.

In a book that is quite critical of authoritarian rule in Singapore, one of the authors (Neher 1999, 51), points out that “Singapore does enjoy substantive democracy,” including due process of law, equality of opportunity, and “a modicum of civil liberties.” Professor Larry Diamond (2006), a leading American expert on democracy, describes Singapore’s political system as a “hybrid” - combining many formal elements of democracy (including multiparty electoral competition, rule of law, limited coercion in daily life) with many practical and subtle elements of autocracy.

Jamaica, in contrast to Singapore, has maintained a vigorous two-party system since independence, with the People’s National Party and the opposition Jamaica Labor Party alternating in power about every ten years. However, both political parties regularly employ criminal gangs (assisted to some extent by police and civil servants) to mobilize political support, distribute favors, and intimidate opponents (see Figueroa and Sives 2002, 99-100). The civil service, the judicial system, and the police have lost citizens’ respect as their effectiveness has been undermined by inadequate pay, training, expertise, and even drug money (Gray 2003, 90). The most recent Transparency International report (2007) finds Jamaica having retrogressed in regard to corruption, scoring 3.3 out of 10, as against a 2006 score of 3.7. Next to Guyana, it is considered the most corrupt of the English-speaking Caribbean countries. Singapore, on the other hand, has a 9.3 score, thereby increasing the respect for its governmental system, even among those who resent its authoritarianism.

According to *The Economist* (November 1, 2003, 36), extortion by gang leaders adds 40 % to project costs, amounting to “an official tax of perhaps \$100m a year,” further

encouraging violent turf wars between rival gangs and contributing to debt, which “eats up 60 % of Jamaica’s tax revenues.” Businesses must not only pay kickbacks and bribes, but also “there is pressure to employ workers and contractors based on political affiliation rather than competence.” A combination of “politically inspired gangsters, heroic bandits, and left-wing gunmen” have “robbed banks, challenged the security forces with hit-and-run tactics, and mocked the rule of the two parties” (Harrigan 1998, 17).

The origins of the violence goes back to the 1970s, when community leaders (known as “dons”) were armed by the parties, given control of patronage, and used as enforcers in the turf wars that divided the country. In the case of Jamaica, political disorder *clearly results from bad governance, rather than from* such common causes of political instability as racial, religious, or tribal differences.

Because liberal democracy has taken a dysfunctional form in Jamaica, it has intensified corruption, contrary to the conventional assumption. At the same time, there is not enough classical (consensus-building) democracy here to prevent persistent mismanagement of the economy manifesting itself in slow growth, budgetary shortfalls, inflation, and unpayable debt (see USAID 2006). Parastatals have been used by the government to undermine the economy because they are “monitored only in exceptional circumstances.” Moreover, banks, credit unions, and insurance companies remain under-capitalized, under-supervised, and under-regulated, with the public usually kept in the dark about this mismanagement.

The country continues to suffer from a fiscal deficit of \$ 23.6 billion, an inflation rate of 13 %, a massive debt burden, a growth rate of below 1.5 %, an overvalued currency, high interest rates, and other barriers to trade and investment. Until there is more evidence of classical democracy, Jamaica will certainly be unable to escape its poverty, violence, and misery, even though, culturally, it may remain more exciting than puritanical and authoritarian Singapore.

Implications:

What we are left with in this comparison of Singapore and Jamaica in regard to Lord Acton’s assertion is the following: (1) political power, if persuasive (i.e., legitimate), is not necessarily corruptive; (2) liberal (partisan) democracy tends to corrupt and lawless democracy, to corrupt absolutely; and (3) authoritarian regimes may recognize that controlling corruption is essential for their legitimacy and economic prosperity. However, more often than not, Lord Acton is correct, that there is a linkage between autocracy and corruption.

This is because, particularly in poor countries (as noted earlier), leaders fear independent spheres of authority and even competent subordinates as potentially undermining their authority or as indications of weakness.

They therefore surround themselves with loyalists, resulting in “political inelasticity” (as explained in this article). But this is not inevitable. The authoritarian regimes of East Asia (much as those of Nineteenth Century Europe) may tolerate a great deal of corruption but not so much as to damage their political capacity, recognizing that, while power corrupts, corruption can also undermine power.

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