So what really is the problem about corruption?

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ABSTRACT The past five years have seen a torrent of writings, pronouncements, warnings, statements of intent, programmes of action and suchlike by a range of agencies both national and international on the theme of corruption and what to do about it. Paralleling the outpouring of public utterances, social scientists have also addressed themselves to analysing the phenomenon and reflecting upon its apparent causes. Not infrequently these analyses have been centred around the notion of the neo-patrimonial state and by implication its converse, some loosely conceived ‘modern’ state. By means of an exploration of the nature and extent of neo-patrimonialism in both less developed (LDCS) and developed (DCS) countries, this article suggests that not only is the underpinning dichotomy merely descriptive and therefore analytically unproductive, but the consequent policy implications may be both misplaced and inappropriate.

The title of this article refers consciously to a significant early attempt to grapple critically with the phenomenon of corruption by Colin Leys, which appeared more than 30 years ago.1 Leys begins his article by identifying a gap in the social science literature which had hitherto failed to produce a systematic analysis of the phenomenon of corruption. In fact, in so far as corruption had been addressed, this had either been in the form of historical studies, documentation from inquisitorial investigations or sociological studies which dealt with corruption only incidentally. For these reasons the discussion of corruption in relation to contemporary societies had tended to become the preserve of moralists. Firmly in this genre was a book by Wraith and Simpkins entitled Corruption in Developing Countries.2 Mainly concerned with West Africa, the authors’ stance with regard to the phenomenon is abundantly evident when they refer to it as the ‘scarlet thread of bribery and corruption’ which ‘flourishes as luxuriantly as the bush and weeds which it so much resembles, taking the goodness from the soil and suffocating the growth of plants which have been carefully, and expensively, bred and tended’. Corruption embodies a ‘jungle of nepotism and temptation’ which has dangerous and tragic consequences, replacing the enthusiasm of the young African civil servant with disenchantment and cynicism. Wraith and Simpkins spend a large part of their book examining British history and seeking an explanation of the transformation from the situation of pervasive graft of the 18th century to the eventual institutionalisation of administrative probity 100

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years later. Their aim: to discover an answer to the question, ‘Why does the public morality of African states not conform to that of the British?’ Their answer seems to boil down to one simple cause: avarice! Leys, however, feels that the explanation is bound up with the different economic social and political characteristics of these states, together with their specific historical experience. 

Leys maintains that the results of corrupt transactions are not necessarily bad, while their elimination will not necessarily yield positive outcomes. The funds rescued from the grasp of the corrupt public servant or politician will not necessarily be spent on good causes, eg education, health facilities for the poor. He is, none the less, well aware of the potential of widespread corruption for undermining the development effort—creating economically stagnant societies in the grip of self-seeking and corrupt elites. The escape from this impasse for Leys seems to depend upon the emergence of a nucleus of ‘puritans’ drawn from the professional and middle classes who will exert pressure to apply ‘disregarded public codes of ethics’. However, Leys goes on to acknowledge that a major problem for new states is the relative absence of such independent middle and professional classes because of economic backwardness.

This paper will argue that despite the torrent of writings on the theme of corruption which have appeared over the past 30 years, mainly during the last five, our treatment of the phenomenon has not moved very far beyond the insights offered by Leys. That is to say, in spite of the implicit recognition in much writing on corruption that the West’s historical experience is distinctive, unique and unrepeatable, this experience continues to provide the model of the ‘modern’ state to which premodern or less developed forms must aspire. This line of thinking is most apparent in the heavy dependence of the development literature on the notion of the patrimonial or neo-patrimonial state. The allegedly fundamental contrast between the neo-patrimonial state, and its converse the developed and implicitly rational—legal state, continues to pervade much of the writing on Third World politics generally and corruption specifically. But does simply labelling such states neo-patrimonial tell us much about them and about why abuse of public authority is apparently at such a high level? Is the contrast with developed states really all that helpful, especially given their distinctive route to modernity, plus the fact that they too are widely held to display not insignificant patrimonial features? In addressing these questions the aim here is to relocate the problem of corruption in less developed states and, by implication, comment critically upon contemporary policies aimed at its containment.

**Patrimonialism**

Since a great deal has already been written around the theme of patrimonialism, an extended elaboration in this context is not required. Suffice it to say that a patrimonial administration is one in which the public/private boundary, central to the concept of modern administration, is to say the least unstable, and in many cases barely exists at all. The private appropriation of the spoils of office in the form of taxes, customs, gifts, land and the like is normal and not regarded as illegitimate. As Weber pointed out, despite wide variations across time and region all pre-industrial states were basically patrimonial in character. The
processes of industrialisation and modernisation are held eventually to have led to the emergence of modern administration with its strict separation of the public from the private, as captured in Weber’s ideal-type of rational–legal bureaucracy. However, the development of modern administration is generally accepted to have been contingent upon the existence of certain socioeconomic conditions. Not the least of these was a monetised economy, together with a rising bourgeois class spearheading a reforming civil society. Although such socioeconomic conditions were and, in many respects, still are confined to a minority of developed states, the discourse of public administration has been disseminated throughout the world. This means that states which are constrained by a radically different conjuncture must subscribe at least formally to the tenets of neutrality and universalism. To describe the situation in which the public/private distinction is recognised but allegedly seldom observed, the term ‘neo-patrimonialism’ has been widely employed.

Despite its potentially deleterious consequences for administrative capacity, neo-patrimonialism is none the less seen by some to make a major contribution to political stability. The distribution of the spoils of office plays a significant role in the integration of the centre. That is to say, strategically placed elites and sub-elites are incorporated into the regime by the ruling individual or faction, through the judicious distribution of jobs, contracts, loans, development grants, useful information and other opportunities for self-advancement. This mode of integration is thought to be especially suited to societies that are deeply fissured along communal lines. Ethnic, religious, regional and other ‘primordial’ big men along with their followings are suborned by a national ‘political machine’ along rather similar lines to the urban machines which allegedly pulled the US cities together during the early years of the twentieth century.

By the 1980s, however, a number of commentators had come round to taking a more jaundiced view of patrimonial or neo-patrimonial regimes. Just as more perceptive analyses of city machines and other clientelist systems have highlighted their essentially manipulative and repressive character, so also with neo-patrimonialism. Several writers have emphasised the pronounced tendency for the spoils to circulate only within hegemonic groups, with the mass of the population marginalised from this process. This marginalisation may arise from geographical and cultural isolation, as is the case with backward peasantries. More often it is the outcome of deliberate policies of intimidation and repression—Brazil 1964–84, Indonesia 1965–98 for example—often combined, in more developed economies, with a degree of low level co-option (eg of trade union leaders), as well as populist manipulation. In the case of more backward economies, neo-patrimonial regimes often descend into pervasive and unabashed theft of public resources, large-scale institutional paralysis and, in some situations, state collapse.

Overall, there seems to be general agreement that neo-patrimonialism, in the sense of the appropriation of public resources for private ends, is a major problem for Third World states. Whether these ends are directed to rewarding supporters, buying off opponents, or straightforward personal accumulation or rentseeking, the general consequences for policy making, investment, public authority, the poor, democracy and overall development are decidedly negative.
Accordingly, the much needed establishment of good governance requires *interna* the elimination of patronage and cronyism and the enthronement of merit-based principles in recruitment and promotion in the public service.9

Notwithstanding apparently widespread agreement that the neo-patrimonial character of the Third World state is the core of the problem, there is a danger that we are simply describing the symptoms rather than identifying underlying causes. There is after all a certain lack of specificity in the concept in the sense that it has been employed in such a range of empirical contexts—from Brazil to Zaire, from Paraguay to the Philippines—which raises serious questions about its analytical utility.

An obvious example of this uncertainty relates to the long-established nation-states of Latin America, which political scientists have tended to regard as falling under the rubric of corporatism: that is to say, they tend to have regimes under which social and economic groups are compulsorily and separately organised into monopolistic state-run and funded national organisations.10 Brazil under Vargas and Mexico under Cardenas were precursors, to be followed in the 1960s by Peru (1968–75) and Bolivia (1964–82) and, for some, Chile after Pinochet’s coup in 1973.11

The relationship between corporatism on the one hand, and neo-patrimonialism on the other, has not always been clearly delineated. Brazil, for example, seen by some as unequivocally corporatist,12 is viewed by others through the lens of patrimonialism.13 The main difference seems to be that in the more developed states of Latin America neo-patrimonial principles articulate with bureaucratic structures which are to a degree institutionalised along rational–legal lines. Thus in Mexico the end of every *sexenio* sees a complete change of personnel at the upper echelons of the state, while lower levels of the administration operate on more or less meritocratic lines.14 How this differs from the situation in many developed states, particularly the USA, is not entirely clear.15 Leaving this question aside for the moment, we note that some writers have seen sub-Saharan Africa as predominantly neo-patrimonial, while Latin America has moved through the stage of what we might term ‘raw’ patrimonialism—evident during the era of *caudillismo*—to corporatist mode.16 The corporatist model was eventually refined into Guillermo O’Donnell’s conception of bureaucratic authoritarianism. This had the advantage of linking the authoritarian state to unfolding stages in the process of economic development. The bureaucratic–authoritarian stage succeeds its populist predecessor and embodies the need, in the interests of capital accumulation, for the state to contain the social forces unleashed under populism.17

Notwithstanding the sophistication of O’Donnell’s approach, there lay within this and much of the strong state literature on Latin America a contradiction. Implicit in the concept of bureaucratic authoritarianism is precisely the notion of bureaucratic structures which are capable of implementing the kinds of economic and social policy that are appropriate to a given stage of development. We are in other words talking about stable, efficient and institutionalised formal organisations. And yet the literature on the state in Latin America is replete with references to the pervasiveness of patron–clientelism and other forms of personalism, the essence of which is institutional instability and weak administrative
capacity. In the light of this, Hammergren has questioned the applicability of the notion of the corporatist state to Latin America. Though not denying that corporatist policies were introduced into a number of Latin American countries in the 1970s, she maintains that these are best understood in terms of Huntington’s notion of the ‘praetorian’ character of the political contest in these societies. In the absence of strong central institutions and widespread agreement on the rules of the political game, social forces within them are in a state of permanent confrontation and politics takes the form of a zero-sum game. ‘Corporatist’ structures, thus, represent an attempt precisely to contain these social forces, not least those which express the needs and frustrations of the masses. Latin American political reality, for Hammergren, is composed of persisting low levels of national integration and the existence of large areas and populations outside the control of the national political system. In fact, such is the gap between real and formal control in Latin America as to have inspired speculation over whether there is a peculiarly Latin American attitude towards the law. One of the most obvious examples of this gap is to be found in the extremely limited success achieved by Latin American governments in their attempts to garner revenues. Despite elaborate and sophisticated tax laws and appropriately complex organisations to implement them, the level of popular compliance remains remarkably low.

In the face of such difficulties over the significance and extent of neo-patrimonial relationships, it might be helpful to focus upon the other side of the equation by turning to the case of developed states and considering the decline or rather alleged decline of patronage in that orbit.

**Modernisation and the ‘decline’ of patronage**

With regard to the literature on patronage and its so-called decline, it has become conventional to distinguish between two forms: community or peripheral patronage on the one hand and patronage at the centre on the other. Community patronage (Patronage I) refers to the traditional patron–client relationship, usually between a high-status landlord and a low-status peasant, in which scarce resources such as land, loans, intercession with outside agencies are exchanged for labour, deference, information, votes, perhaps armed support. Sometimes referred to as ‘lopsided friendship’, the traditional patron–client relationship endures over time, often across the generations.

Patronage at the centre (Patronage II) is usually understood to refer to the more familiar exchange of favours for political support. Whether at national or local levels, jobs contracts, contacts, useful information, protection form the law are exchanged by politicians for material and other forms of support—contributions to campaign funds, use of property or vehicles, banks of votes, favourable articles in newspapers and so forth. The two forms of patronage mirror each other, except that Patronage II links tend to be less clearly inegalitarian and less enduring than their counterparts at the periphery. The linkages between the two levels intensify as we move into the modern era of elections and party politics, with the need to mobilise votes, funds, staffing and the like.

Ultimately patronage is held to decline as societies industrialise and modern-
ise. The explanations for this decline, however, vary. So far as Patronage I is concerned a standard explanation is that, in the context of the modern state particularly under welfare capitalism, this form of relationship is no longer needed. In developed societies, that is to say, the affluence and security afforded by advanced capitalism, together with the accompanying recognition of rights of citizenship, render obsolete the need for relationships of personal dependence, ie for lopsided friendship. Thus Lemarchand and Legg observe towards the end of their extensive conceptual discussion of patron–client ties: ‘most individuals in an industrial polity do not require personalized political relationships: affluence and opportunity have diminished insecurity’.22

In the case of Patronage II, it is usually argued that, since the logic of industrial capitalism and the market demands efficiency and optimality, then principles of rationality and universality must necessarily extend to all areas of social or rather public life. This means that patronage is necessarily superseded by meritocracy in recruitment to, as well as movement within, modern organisations.23

But neither explanation is entirely adequate. As for Patronage I being no longer needed, one could observe that, so far as the not insubstantial numbers of unemployed, poor and homeless in developed states are concerned, it manifestly is needed. The key point is rather that such patronage is no longer on offer. This is because a necessary consequence of industrialisation and economic expansion is the restructuring of social relationships along mass lines. This means that social exchanges outside immediate family and friends are generally and unavoidably transacted through the structures of formal organisations, eg firms, trade unions, professional associations, interest groups and the like.

Turning once more to Patronage II, on closer examination the much-vaunted meritocratic principle seems to operate in a somewhat attenuated form. This is evident from a wealth of studies flowing from a wide range of developed societies which reveal the continued significance of patronage-type ties, particularly in relation to exchanges within and between elites. Whether we are talking about ‘old boy networks’ in the UK, alumni of Ivy League universities in the USA, gadzarts drawn from the grandes ecoles in France, jinyaku (‘veins in the rock’) groups from Tokyo University, or Masonic, Rotary, Buffalo, ‘quango’ or other such personal links and connections—the flow of resources along exclusive networks continues to play a central role in developed states.24 How do we explain this? The principal reasons appear to be as follows.

First, the higher we ascend organisational hierarchies, the more unspecific become the required qualifications for entry and performance. Although there will doubtless be essential technical qualifications, these will not suffice to separate the potential ‘leader’, ‘highflier’, ‘troubleshooter’, ‘entrepreneur’ or ‘innovator’, from his/her peers. Inevitably subjective measures intrude.

Second, the fact that incumbency of such positions yields highly valued rewards in terms of often exceptional opportunities for self-aggrandisement in the form of six-figure salaries, directorships, knighthoods, flights in private jets and the like, means that demand for them vastly exceeds supply. This further amplifies the need for subjective, non-specific, if not vague, criteria of appointment and, by implication, exclusion.
Third, members of such elites must routinely take far-reaching decisions which may often affect the lives of thousands if not millions. Such strategic significance renders them potential targets of public scrutiny and criticism, thereby generating a tendency to surround themselves with circles of trusted supporters and protectors.25

Last, the fact of the departure from conventional merit principles in associated appointments, together with the scale of the rewards that usually accrue, increases the premium on trustworthiness of those who are ‘chosen’. They must be the ‘right type’, ‘one of us’, discreet, ‘chaps’ (invariably chaps) who will ‘not rock the boat’.

What is particularly interesting about the persistence of this type of patronage in developed states is that it is not generally seen as a problem unless too many of its beneficiaries do indeed ‘rock the boat’ in the sense of flagrantly undermining the dominant values of universalism and merit. This is primarily because these values are firmly institutionalised within the wide range of formal organisations in which most exchanges are transacted in developed states.

However, this is not to argue that these formal organisations operate entirely or even mainly on the basis of rational–legal principles. In fact the substantial literature on modern organisations, both public and private, indicates unequivocally that they do not; that informal personal exchanges embodied in networks, cliques and factions articulate with and in many cases predominate over formal rules and procedures. In this respect the neo-patrimonial/rational–legal dichotomy significantly underplays the role of informal personal relationships in modern organisations and societies.26

But if personalism—one may even talk of patronage or neo-patrimonialism—is normal at all levels of formal structures in developed states, how then do these differ from less developed counterparts? In real life they obviously do differ in that both public and private bureaucracies in DCS are generally better able to deliver goods and services than their counterparts in LDCS. But simply to fall back upon the ideal-type analysis by proposing that this is because the former are located towards the rational–legal end of the continuum, while LDCS are overwhelmingly neo-patrimonial, is merely descriptive and ultimately tautological. Three major differences need to be highlighted.

First, and most significant, the very socioeconomic complexity of DCS as expressed in a plurality of social and economic organisations means that profit or rent seeking are not targeted upon a single sphere, ie the state apparatus, but are diffused across a range of institutional areas. Most significant among the latter is of course a developed business sector which constitutes an obvious focus for (legal or illegal) self-advancement. Hence in DCS the plunder of the state’s resources is relatively unusual, while theft in the private sector is not (think, for example, of Robert Maxwell’s fleecing of various pension funds, the not entirely reliable Bank of Credit and Commerce International, the Barings debacle, the Savings and Loans scandal and the 1996 $3 billion copper scam—to mention only the better known and more sensational.)27

Second, it has to be admitted that merit principles probably intrude into neo-patrimonial links to a greater degree in developed states than in their counterparts in the Third World. In other words such relationships are less likely
to be based upon ascriptive principles (ie kinships, clanship, ethnicity) alone. Despite this we need to be wary of overstating the importance of merit mainly for two reasons: it is by now well established in the literature on organisations that there are serious limits to rationality in decision making, and second, no doubt relating to this, a good deal of evidence on top management, in both public and private sectors, emphasises the importance of presentational and political skills.

Third, and despite the conditions outlined under the last point, it is obviously the case that routine public administration in DCS generally operates at an acceptable level of efficiency and is not subject to the levels of abuse that appear to be normal in many LDCs. The standard explanation of why this is the case centres upon the existence of a deeply rooted ethic or culture of public service in Western public administration. This culture is held to be the product of a prolonged period of continuity and stability during which, through specialised training and general socialisation, a professional ethic of service has been disseminated to, and inculcated in, successive waves of public servants.

But culture, whether at the societal or organisational level, does not float freely in the ether but both reflects and reacts upon a given pattern of structural arrangements. The culture of public administration in DCS is not therefore something that has simply been implanted but has evolved reciprocally with administrative structures and, particularly important, the resources that underpin them. Not least among these are material resources, particularly in the form of a stable salary structure with associated pension and other rights. Without wanting to reduce the ethic of public service to the size of a wage packet, one wonders how long it could be sustained were Western public servants to remain unpaid for months on end as is often the case in LDCs. A more immediate question (but one which cannot be explored here), relates to the continued health and viability of this ethic given the imposition upon the administrative systems of most DCS of a business-focused New Public Management.

**Conclusion**

In addition to the outpourings of academics, the past five years have seen a positive deluge of interest and concern about corruption. Many international organisations, including the World Bank, the International Monetary Fund, the United Nations, the Organisation for Economic Cooperation and Development, the European Union, the G7 group of industrial nations and others, have declaimed upon the urgency of dealing with the problem. What is remarkable about the current clamour is its contrast with the eerie silence which prevailed during most of the previous 30 years. Explanations are not difficult to formulate. Clearly, the ending of the Cold War exposed to criticism the regimes of former allies whose peccadillos had previously been ignored for strategic reasons. The evaporation, furthermore, of the triumphalism that followed the collapse of the Soviet Bloc, the realisation that history had not after all ended, called for a discourse which would explain the increasingly apparent shortcomings of the international capitalist system. Not least among these is the manifest inability to deal with the escalating polarisation between rich and poor. In its cruder forms
contemporary discourse identifies corruption as the principal cause of poverty, with greedy Third World politicians targeted as the main culprits. At a more sophisticated level, the theory of the neo-patrimonial state is in danger of following the same logic. The point being made here is that the preoccupation with the neo-patrimonial character of the Third World states is achieving little more than describing a salient feature of social organisation in a context of underdevelopment. The specific manifestation of personalistic ties in LDCs is primarily a symptom of a conjuncture in which escalating demands for goods and services are targeted, by default, mainly upon a single area: the state. In developed economies by contrast, such demands are diffused via established formal organisations across a range of institutional areas. A brief example will illustrate this point: in 1997 the US-based banana grower, Chiquita, was extremely fortunate in persuading US trade representative, Mickey Kantor, to raise its case against European Union tariffs with the World Trade Organization (WTO). Whereas Chiquita had hitherto been only a modest contributor to Democrat Party funds, the day after Mr Kantor asked the WTO to examine the corporation’s complaint, Chiquita transferred more than $500,000 to Party coffers. A key aspect of the transaction was that the route was suitably discreet: not to central party funds, where it would have been recorded openly, but to state-level organisation. The main point is that, although transacted through the structures of formal organisations, this series of exchanges was probably no less personal or covert than the those embodied in what might be regarded as traditional patron–client relationships.32

But this is not to argue that, since corruption seems to be a symptom of underdevelopment, the only course open to us is to wait for these societies to develop. Such Olympian detachment would be vacuous as well morally reprehensible. The fundamental point of this article is that our dependence upon a particular conception of a state whose origins lie in the unique historical experience of the West may be clouding the issue of the real problem of underdevelopment and how it might be addressed. Instead of asking whether the Third World state can be de-patrimonialised, we should perhaps be asking whether we should be focusing upon the state in the first place. Without wanting to strike an overly pessimistic note, given the resources that are likely to be available to them in the immediate future, is it feasible that the sprawling panoply of ministries, agencies and bureaux which form the state apparatuses of LDCs can be seriously reformed and reconstructed? More to the point, under the current distribution of power both within states and between them and transnational coalitions, what are the chances of the massive influx of resources that would be needed for reconstruction ever percolating down to the masses?33

Under such circumstances, might it not therefore be more productive to shift the reforming focus and the resources that are likely to follow to another level altogether? Here the city would seem to be an obvious candidate. As we enter the next century, cities—and not only cities in the less developed world—are increasingly likely to be the focal points of international movements of capital and the primary beacons of the ebb and flow of economic activity.34 Cities are also certain to be the eye of the storm of poverty, social conflict and upheaval. According to Wally N’Dow, who was secretary-general of the United Nations
Habitat II Conference held in Istanbul in 1996, ‘a low grade civil war is being fought every day in the world’s urban centres … The problems are staggering. There are now more than 600 million people officially homeless or who are living in life-threatening urban conditions. More than a billion lack sanitation and a further 250 million have no easy access to safe water.’ Along the same lines two years later, the United Nations Food and Agriculture Organisation published a report which painted an extremely bleak picture of the prospects for urban dwellers in LDCs. Infrastructure in these burgeoning mega-cities is unable to keep pace with the demand for food. Their citizens are being forced to spend up to 80% of their income on vital food items, while paid employment is increasingly scarce or non-existent. Overall the urban poor now outnumber the rural poor in many countries, a trend that is likely to continue as global urbanisation proceeds apace. Confronted with what appears to be a looming catastrophe, the apparent obsession of international agencies with reforming the state along what are assumed to be ‘Western’ lines may be somewhat misplaced. Perhaps, therefore, we need to be wary, given our preoccupation with the neo-patrimonial character of less developed states, of not acquiescing too far in the policy preferences of these agencies.

Notes
3 A list of writers in whose analyses the term has occupied a central role would, to say the least, be lengthy. For useful general surveys see M Bratton & N van de Walle, Democratic Experiments in Africa. Regime Transitions in Comparative Perspective, Cambridge: Cambridge University Press, 1997; and P D Hutchcroft, ‘Oligarchs and cronies in the Philippine state: the politics of patrimonial plunder’, World Politics, XXXIII, 1993, pp 414–430.
6 For a typical statement of the alleged functionality of the old city machines, see J C Scott, ‘Corruption, machine politics and political change’, American Political Science Review, 63(4), 1969, pp 1142–1159.
12 See, for example, K P Erickson, ‘Corporatism and labour in development’, in H J Rosenbaum & W G Tyler


In addition to Hammergren, ‘Corporatism in Latin American Politics’, see especially W Little, ‘Political corruption in Latin America’, Corruption and Reform, 7, 1992, pp 41–66: ‘The problem of underfunding of key state agencies is acute throughout Latin America and is clearly evident in the fiscal sphere. The capacity to raise tax lies at the core of the state’s power … and is clearly rudimentary in much of Latin America. Argentina is a case in point. There the revenue departments are understaffed, badly-paid and demoralized. They have no coherent data bases, no modern technology, conduct few audits, detect little evasion, and fail to successfully prosecute the few they do detect.’ (p 58) See also Callaghy’s comments on Latin America, ‘Politics and vision in Africa’, p 40, ‘Nowhere are constitutions more elaborate and less observed’.


For an excellent recent survey which highlights the salience of patronage and cronymy in developed states, see H Perkin, The Third Revolution: Professional Elites in the Modern World, London: Routledge, 1996. For copious examples of cronymy in US politics, see H Smith, The Power Game. How Washington Works, New York: Random House, 1988: ‘It [ie one-to-one lobbying] is Bob Strauss’s note to Treasury Secretary Jim Baker to help a friend seek appointment to the World Bank. It is Howard Baker’s contact with an old Senate colleague to see that some client gets a break on the “transition rules” of a tax bill. It is Bob Gray’s phone call to the White House to ask the president to address some convention or wangle an invitation to a state dinner for an industrial bigshot. It is breakfast with a committee staff director who is drafting intricate legislation. It is little favours such as tickets to a Washington Redskins football game or helping Ed Meese’s wife get a job. It is knowing which buttons to push.’ (p 232)


personal relations on the ‘margins’ of bureaucratic systems, these latter writers (as well as numerous others) see them as the core of modern formal organisations.


28 On the limitations on decision making in organisations, see especially J March & H Simon, Organizations, Oxford: Blackwell, 1993; and C E Lindblom, ‘The science of “muddling through”’, Public Administration Review, 39, 1979, pp 517–526. On the alleged rationality of ‘modern’ organisations, one might have anticipated this to be most pronounced in the case of international banks, with their highly developed accounting systems. Yet, when we reflect upon the lending policies of several world leaders in the field during recent years, it is hard to disagree with J K Galbraith’s conclusion that such institutions seem to have been driven primarily by a combination of ‘greed and sophisticated stupidity’. On the significance of ‘cronyism’ in high-level financial transactions in the West, see J Plender, ‘Western Crony Capitalism’, Financial Times, 3 October 1998; and B Cummings, ‘The Korean crisis and the end of late development’, New Left Review, 231, 1998, pp 43–72, esp pp 58.


30 Accordingly, in contemporary literature on administrative reform there is a heavy emphasis upon an adequate and stable salary structure. See, for example, World Bank, World Development Report 1997; and Klitgaard, ‘Cleaning up and invigorating the civil service’. See also F Stapenhardt & P Langseth, ‘The role of the public administration in fighting corruption’, International Journal of Public Sector Management, 10 (5), 1997, pp 311–330.


34 ‘World cities are the keyboard of the global economy.’ Cox, ‘Global restructuring’, p 47.

