



The Importance of State Capacity in the Fight Against Corruption

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Abstract

This study examines the importance of state capacity in the fight against corruption. Corruption is an important problem in the exercise of political power. For this reason, good governance requires the fight against corruption with more transparency in the relationship between the private sector and politicians/administrators, efficient and effective bureaucracy, clear legal frameworks, and strengthening institutions that implement independent power control. In other words, an effective fight against corruption and good governance requires a strong state capacity. State capacity is an important characteristic of statehood. In this context, the execution of the security function of a state -(monopoly) control of the means of violence and effective law enforcement- is a prerequisite for overcoming political and social problems. After all, a state is characterized as a strong state if it can ensure security throughout the country and take and implement political decisions and has capacity to turn public will into action. The argument of the study addresses the meaning and importance of the state capacity in the effective, efficient, and coordinated implementation of public policies and in the fight against administrative and social problems such as corruption.

Keywords: corruption, state capacity, fight against corruption

1. Introduction

The issues of corruption and the fight against corruption become prominent when it comes to the level of statehood of a state. Corruption is seen as a major obstacle to the ability of the state to reform and the people's trust in the state. Likewise, corruption is also considered one of the most important problems that have the potential to threaten both social and economic development, undermine good governance, harm moral values and social justice (Pustu, 2011)

Although there is a broad consensus on the political, managerial, and social significance of the concept, no consensus exists over a definition. A comprehensive definition of corruption exceeds the limits of the study, for this reason first a widely used definition in the literature will be adopted. Then, the concept of state capacity, which has a key role in the fight against corruption, will be addressed.

2. The Concept of Corruption

Corruption is a multifaceted concept that encompasses a wide variety of forms and problems, from immoral, illegitimate behavior to criminal offenses such as bribery, racketeering, and fraud. According to Fukuyama (2018) corruption has in many ways become the defining issue of the twenty-first century, just as the twentieth century was characterized by large ideological struggles between democracy, fascism, and communism.

Corruption has many definitions. Within the current definitions, the World Bank's definition becomes prominent. According to World Bank, corruption is “*the abuse of public office for private gain*” (World Bank, 1997). What the current definitions have in common is the presence of people who have public authority in their hands and abuse their position and power to gain personal advantages for themselves or their family or friends. Corruption can occur at both individual and institutional level in the political, administrative, and economic areas (Güran & Tosun 2003). For this reason, in recent years corruption -as a problem of economic and political importance- seen as an issue that both states and international organizations should take measures against. (Karakaş & Çak 2007). After this brief explanation about corruption, the concept of state capacity, which is another dimension paper, will be discussed.

3. The Concept of State Capacity

The concept of state capacity is used for different interrelated areas. And for political science and administration, there is neither yet an agreed definition nor a generally valid indicator for empirical measurement. Börzel (2006) states that state-centered approaches define capacity as the capacity for action arising from the sum of a state's legal competencies and financial, military, and human resources. On the other hand, neo-institutionalist approaches suggest that the internal institutional structure of the state affects the degree of its capacity for action and decision-making autonomy. He also states that it would be appropriate to make a distinction between the policy and administrative capacity of a state to evaluate both points of view (Börzel, 2006: 12). According to this approach, policy capacity refers to the inclusion of non-state actors in the political decision-making and implementation process to ensure legitimacy, while administrative capacity refers to coercive capacity, extractive capacity and human capital (Seminina 2015).

Based on Mann's conceptualization of state capacity, Fazekas (2011) states that state capacity is the result of a process of creating integrity through the interaction of three different dimensions: policy capacity, administrative capacity, and negotiation capacity.

Policy capacity is the ability and skill of a state to structure decision-making processes and organize the necessary resources for conducting research related to these processes regarding the provision and management of the right preferences in involving social actors in the decision-making mechanism of the state. *Administrative capacity* is the capacity to ensure the efficient functioning of the bureaucracy for the implementation of political decisions by serving as a bridge between policy capacity and negotiation capacity. In other words, it is the capacity of the state to manage the military, financial, technological, and human resources that state needs to implement political decisions. *Negotiation capacity*, on the other hand, is the capacity of the state to cooperate and negotiate with social actors for public support, and the capacity of society to mobilize resources such as information sharing with the state (Fazekas 2011).

Of these capacities, administrative capacity focuses on the essence of the state, since it is a prerequisite for the other two capacities (Migdal, 2001; Mann, 1984; Tilly, 1992; Fukuyama, 2005; Kalysvas, 2006; Hanson & Sigman 2021; Gökce & Gökce 2015; Shahed 2020).

Hanson and Sigman (2021) suggest a comprehensive review and analysis of the current indicators used to measure government capacity attribute the administrative capacity of the state to its ability to collect taxes, especially income taxes, and its control over corruption. However, it is not possible to consider each of the indicators such as corruption prevention and tax monopoly equivalent to state capacity. Such an approach implies reducing state capacity to administrative capacity which in turn implies limiting state capacity into a narrow and one-dimensional space (Hanson & Sigman 2021; Seminina 2015).

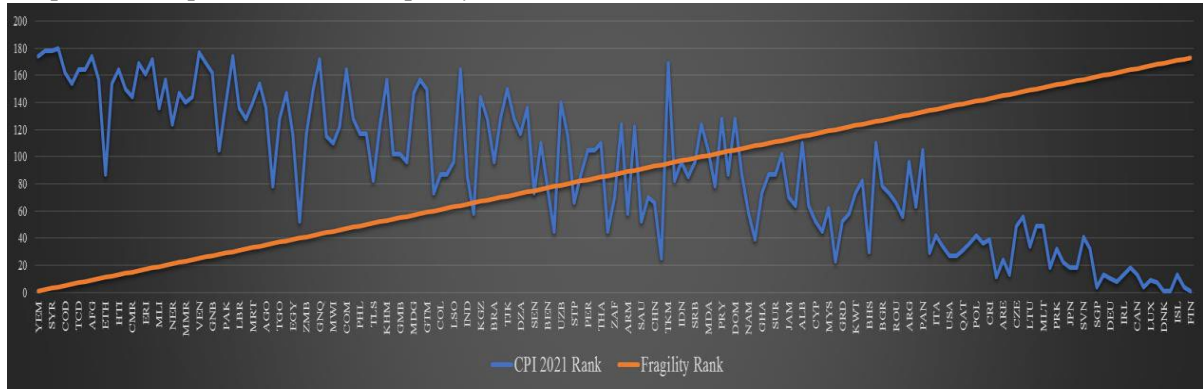
In this sense, the state capacity includes the following three elements (Gökce 2006; Gökce & Gökce 2015; Gökce, O. 2021):

- a) Policy capacity: Policy formation, decision-making and implementation, legitimacy of power
- b) Administrative capacity: Institutionalization and differentiation, human resources, the nature of public service, financial control and audit
- c) Negotiation capacity: Quality of democracy, level of consciousness, relations with NGOs, relations with central and local governments.

4. State Capacity and Corruption

A state is usually characterized as a failed state when it has a low administrative capacity. Since neopatrimonialism is dominant in these states, the state capacity is also low (Fukuyama, 2005) For this reason, the organizing and control capacity of these states are also low (Tilly 2003). The security function is partially fulfilled in this type of state, but there are significant disruptions in other functions (Gökce, 2021). Therefore, a functional legal and judicial system in these states is almost nonexistent. In the same way, there are also significant shortcomings in the provision of basic public services. The financial system is inadequate; the informal economy and corruption are prevalent (Holsti 1996; Rotberg 2004; Migdal, 1988; Schneckenner, 2004; Seidl 2007; Fukuyama 2005; Tilly 1992).

Graph 1. Corruption and State Capacity



Source: Fragilestate Index and Corruption Perception Index

The graph compares the perceived corruption index with failed states¹ in 2021. The data extracted from the Failed States Index and the Corruption Perception Index of Transparency International. The graph shows the relationship between failed state/state capacity and corruption perception. If the perception of corruption in countries is low, their ranking is also low. In terms of failed states, the lower the state capacity, the lower the ranking. It is observed that the perception of corruption in the states, which are in first place in the failed state ranking, is very high. For example, Yemen, which ranks first in the ranking of failed states, ranks 173rd in the corruption ranking. Somalia, which ranks second in failed states, and Syria, which ranks third, are 178th in the corruption ranking. In contrast to these countries with low state capacity, the perception of corruption is at a low level in developed countries. Denmark, New Zealand, and Finland, which share the first place in the corruption perception ranking, are in the last rankings in the index. Denmark is 169th in the failed states index, New Zealand is 170th and Finland 173rd. The graph significantly shows the relationship between corruption and state capacity.

In the explanations of factors that lead to the failure of a state, factors such as patrimonialism, the dominance of an unstable economy associated with it, corruption, and an apparent decrease in trust in state mechanisms are emphasized. In other words, failed states gradually lose control over the means of using violence and the capacity to govern and it brings about a power vacuum, conflicts, poverty, and corruption. (Rotberg 2003; Schneckener 2004; Lambach 2009, 2015; Gökce 2021). Religious, ethnic, and cultural entities, -especially mafia-like ones-, begin to fill the power vacuum. In general, there is a

¹ Although the concept of failed state used comprehensively in the literature, concept of fragile state is also used. The use of the concept of failed state has been preferred here. Because a failed state refers to a situation that is closer to the stage of collapse. A fragile state, on the other hand, is a state that is in the preliminary stage of a failed state. In this context, it is possible to say that the concept of a failed state is used to characterize states in which state-owned institutions (army, security, judiciary, education, health, infrastructure, transportation, finance, etc.) have largely lost the capacity to perform their functions within a state, and as a result, they have largely lost their legitimacy in the eyes of their own people. Accordingly, failed states are states that tend to collapse. However, it would be wrong to claim that every failed state will necessarily collapse (Gökce, 2019). It is also possible for states to get out of this situation. In other words, some states continue to exist by managing this process well, strengthening state capacity, moving to the next stage or maintaining their current status; others lose their legitimacy in front of the public by not managing this process well; but despite this, they retain the characteristics of statehood in the international arena. For example, Somalia, Tanzania, the Republic of the Congo, Afghanistan, Iraq, Syria, etc. they have largely lost their features of statehood, but they still take their place in the list of states (Gökce and Gökce, 2017)

consensus on the thesis that patrimonialism, nepotism, and corruption weaken the state institutions and have a destructive effect on statehood (see also Rotberg, 2004; Schneckener, 2004; Howard, 2008; Kraxberger, 2007). Although the fact that a state has a monopoly on the use of violence (functional military and security organization) is used as an indicator of a strong/consolidated state, it should be underlined that this alone does not mean that this state is consolidated state (Gökce 2021). But it is important that a state has enough level of enforcement power to continue its existence, although not at a satisfactory level. Because in case of violation of the law, the state must have the capacity to impose criminal sanctions, that is, it must have a monopoly over violence. In the absence of power, it is not possible to eliminate resistance, collect taxes and fight against all crimes including corruption. In short, the provision of basic public service is disrupted, and the state becomes ungovernable. In addition to the presence of a strong political will, police and judicial cooperation is important in the fight against corruption.

Starting in the mid-1990s, the first generation of anti-corruption measures included efforts in the form of reorganizing public service systems, encouraging officials by increasing wages, and setting official recruitment and promotion criteria. But the effect of these measures has been minimal. States with low state capacity, on the other hand, lack even to take these measures. The main problem here is that corrupt governments were expected to supervise themselves. Again, these states are expected to implement the bureaucratic systems of developed countries. Expecting states with low state capacity to implement this is far from reality. New efforts in the fight against corruption are focused on issues of transparency and accountability. However, countries with low state capacity are already at a low level in terms of transparency and accountability. In countries with low state capacity, citizens may be angry about corruption, but it is not possible to hold politicians and bureaucrats accountable due to the lack of capacity. In some countries, horizontal accountability mechanisms such as anti-corruption commissions and special prosecutors (Italy) have shown success against corruption. The secret of success in these countries is the mechanisms of collective action, the presence of administrative capacity, and public support. Here, the ability to fight corruption is again related to the state capacity (Fukuyama, 2018).

To summarize; corruption is an important cause of state failure and low state capacity (World Bank, 2000). Reducing corruption would be beneficial for society. But societies of failed and low-level state capacity state face high corruption levels. In these state, individual thinks corruption is logical given how others behave. For example, to provide public services bureaucrats, ask for bribes. Citizens pay bribes because they believe that most of the citizens involve in this. They think they get nothing -even retribution- for not paying bribes (Khemani, 2019). In states like this, for a state to ensure its legitimacy, it must have a strong political will regarding the fight against corruption. Strong political will alone is not enough. In addition, a state must have a sufficient level of state capacity, that is, a functioning public administration system. The fight against corruption requires comprehensive legal and administrative reform. It is unlikely that the failed states will be able to create the material, human and technical resources necessary for these reforms. For this reason, the cooperation of state actors, the private sector, and civil society actors is important in this process (Börzel, 2006). The private sector has an economic interest in the fight against corruption because, from the private sector's point of view, they must bear costs to the extent that bribery is widespread among other actors. From this point of view, private sector actors feel themselves in a situation reminiscent of a prisoner's dilemma. Corruption is rational for them only when

they must assume that other companies will pay bribes, for example, to receive lucrative state tenders. For this reason, private sector actors have the tendency and willingness to cooperate with state actors on legal and administrative reform related to the fight against corruption. The tendency and willingness are stronger when a state has a higher capacity to enforce the law (Börzel, 2006).

5. Conclusion

High state capacity is of great importance in the fight against corruption. In this context, making legal arrangements to detect and prevent corruption within the framework of administrative capacity, the existence of a strong and impartial system of security, the establishment of an independent and effective functioning judicial system, and an effective audit system (internal, external, supreme) are important. The ability of the state to achieve these is directly related to the high-level state capacity. The legal regulations requested by the World Bank from the states regarding the fight against corruption also address this issue. These regulations listed as Economic Policy Reform, Institutional Reform, Trust-Based Control and Multilateral Partnership (World Bank, 2007).

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