

# Where Does Informality Stop and Corruption Begin? Informal Governance and the Public/Private Crossover in Mexico, Russia and Tanzania

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DESPITE significant investment and anti-corruption capacity building in the past decades, ‘most systematically corrupt countries are considered to be just as corrupt now as they were before the anti-corruption interventions’.<sup>1</sup> Statements like this are indicative of the frustration shared by practitioners and scholars alike at the apparent lack of success in controlling corruption worldwide and point to the need to rethink our understanding of the factors that fuel corruption and make it so hard to abate. In this article we propose a novel analytical lens through which to understand the root causes of corruption. Our arguments emerge out of the study of commonplace practices shaping political, economic and social outcomes in Mexico, Russia and Tanzania. The comparative analysis of these three seemingly dissimilar cases revealed striking similarities in rudimentary patterns of informal governance, which in turn can be linked to specific incentives to engage in corrupt behaviours.

On this basis, we propose to integrate notions of informality and informal practices into the discussion of corruption and aim to uncover the ways in which they are embedded in social and political behaviours. Given the tacit nature of the informal order embodied by the practices of informal

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<sup>1</sup> H. Marquette and C. Peiffer, ‘Corruption and Collective Action’, U4 Research Paper, 32, University of Birmingham, 2015.

governance in groups, organizations, elites and societies, it is perhaps not surprising that until now the literature on informal governance has been somewhat limited.<sup>2</sup> Therefore, we embark on a challenging yet effective quest to assemble ethnographies of informal governance expressed in ‘vernacular knowledge’ and to identify similarities and differences across our three cases.<sup>3</sup> We discover rudimentary patterns of informal governance that perform a valued role for those actively engaged in them and establish that such patterns operate at most levels. Acknowledging the functionality of informal practices goes a long way in accounting for their resilience. The vernacular evidence we have gathered reveals the instrumental value of informal governance practices employed by authoritarian elites to ensure regime survival, which sheds light on the mechanisms underpinning the strong correlation observed between high levels of corruption and non-democratic regimes.<sup>4</sup>

The comparative analysis of informal governance is based on our respective experience of conducting extensive research in Mexico, Russia and Tanzania. Since we discovered remarkable similarities in the informal practices prevalent in our three countries, we have been working on possible ways of conceptualizing and framing informal governance norms and practices. Thus, while the ideas presented here do not stem from a rigorous comparative research design, nonetheless the parallels found are compelling enough to warrant theorization and further testing. With the prospect of opening new avenues for developing innovative approaches to anti-corruption policy-making, we hereby propose a comparative framework for further research on informal governance and corruption.<sup>5</sup>

<sup>2</sup> T. Christiansen and S. Piattoni, *Informal Governance in the European Union*, Cheltenham and Northampton MA, 2003; T. Christiansen and C. Neuhold, *International Handbook of Informal Governance*, Cheltenham, 2012; A. V. Ledeneva, ‘Russia’s Practical Norms and Informal Governance: The Origins of Endemic Corruption’, *Social Research*, 80, 2013, 4, pp. 1135–62.

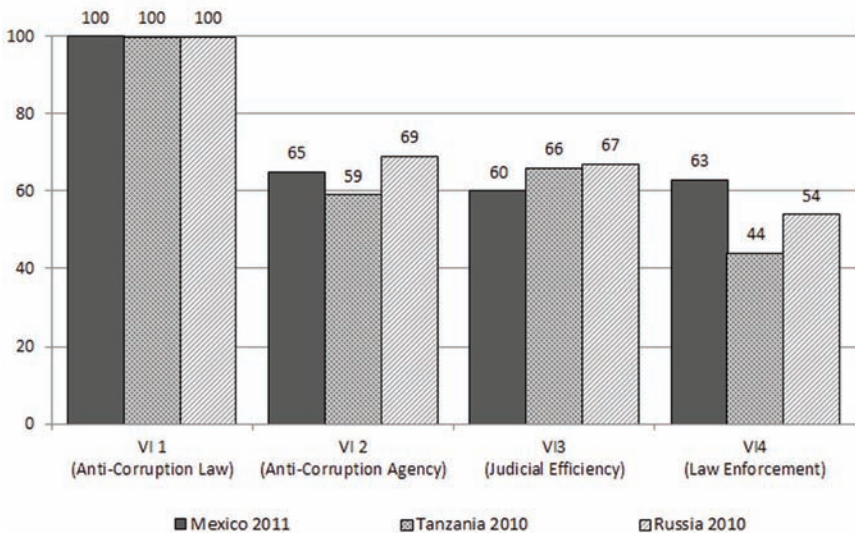
<sup>3</sup> Jan Kubik and Amy Linch, *Postcommunism from Within: Social Justice, Mobilization, and Hegemony*, New York and London, 2013, pp. 57, 63.

<sup>4</sup> Susan Rose-Ackerman, *Corruption and Government*, Cambridge, 1999; Rajeev K. Goel and Michael A. Nelson, ‘Economic Freedom Versus Political Freedom: Cross-Country Influences On Corruption’, *Australian Economic Papers*, 44, 2005, 2, pp. 121–33.

<sup>5</sup> We will further test the ideas presented here in a wider set of countries in a comparative research project funded by the British Academy/DFID Anti-Corruption Evidence Programme where the authors are Principal and Co-Investigators. The case study countries in this project are Kenya, Kazakhstan, Kyrgyzstan, Rwanda, Tanzania and Uganda. For more information and updates on this research project, please see <<http://www.britac.ac.uk/node/4660>>.

Our conceptual framework highlights the underlying factors generating and perpetuating collective action dilemmas in contexts where a ‘principled principal’ is conspicuously absent.<sup>6</sup> Our inductive approach allows us to discover how informal governance mechanisms shape or impede the performance of formal institutions, thus accounting for the so-called implementation gap. In spite of cultural, historical and regional diversity, the three countries we have studied share a characteristic that is stubbornly persistent outside of the developed world: the failure to control corruption notwithstanding the adoption of exemplary legal frameworks that incorporate many of the internationally recognized best anti-corruption practices. Figure 1 illustrates the difference between the formal quality of anticorruption legislation and actual implementation in our three countries as captured by the Global Integrity Scorecard.<sup>7</sup>

Figure 1. Indicators of the effectiveness of anti-corruption laws in Mexico, Russia and Tanzania



<sup>6</sup> E. Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge, 1990; A. Persson, B. Rothstein and J. Teorell, ‘Why Anticorruption Reforms Fail — Systemic Corruption as a Collective Action Problem’, *Governance*, 26, 2013, 3, pp. 449–71.

<sup>7</sup> Global Integrity’s scorecard summarizes key findings from that organization’s annual reports in which countries are evaluated, amongst other things, on the basis of the quality of their anti-corruption legal frameworks and the extent to which such legal frameworks are actually implemented and enforced. See <<http://www.globalintegrity.org/research/reports/global-integrity-report/>> [accessed 27 July 2016].

Such a discrepancy does not imply that these countries lack order or effective governance altogether. Rather, the evidence points to the essential role that informal norms and practices play in cases where corruption is widespread. In other words, as Anders found for the case of Malawi, ‘beneath the layer of statutes, regulations and bureaucratic hierarchies there is a complex web of interpersonal relationships amounting to a parallel structure within the civil service’.<sup>8</sup> We think that understanding the logics upon which such informal parallel structures function, and analysing them in comparative contexts, is key to overcoming limitations of conventional anti-corruption remedies.

Furthermore, while such logics may be grounded in informal norms and practices, they are not purely ‘cultural’. Rather, we underscore that they are resilient because they perform critical functions for the political elites, private interests and ordinary citizens. In fact, we find that the instruments of informal governance perform both allocative and regulatory functions that are not dissimilar to those of formal governance, whereby they both re-distribute official power and resources, on the one hand, and regulate access to and exclusion from the benefits of such redistribution, on the other.

Our conceptual framework includes three major modalities of informal governance, which we have termed *co-optation*, *control* and *camouflage*. These modalities are instruments utilized by networks of actors spanning the public-private divide to sustain informal governance regimes whereby resources are redistributed in favour of some groups at the expense of others, ensuring discipline among the recipients of resources and protecting the networks from external threats.

The research focus is on the workings of networks including the particular interests of their members, the relationships between donors and recipients and other alliances bound together by virtue of unwritten rights and obligations.<sup>9</sup> The prominent role we give to power networks is supported by evidence gathered in our previous research which suggests that these powerful elite networks channel informal flows of influence, resources and sanctions.<sup>10</sup>

<sup>8</sup> G. Anders, ‘Like Chameleons: Civil Servants and Corruption in Malawi’, *Bulletin de l’APAD*, 23–24, 2002 <<http://apad.revues.org/137>> [accessed 29 July 2016].

<sup>9</sup> By network, we mean a ‘pattern of interdependence among social actors in which at least a portion of the links are framed in terms of something other than superior–subordinate relations’. Laurence J. O’Toole Jr. and Kenneth J. Meier, ‘Desperately Seeking Selznick: Cooptation and the Dark Side of Public Management in Networks’, *Public Administration Review*, 64, 2004, 6, pp. 681–93 (p. 682).

<sup>10</sup> C. Baez-Camargo, ‘Using Power and Influence Analysis to Address Corruption

Power networks are criss-crossing, overlapping groupings of individuals linked to a person in the position of power. Such networks operate across organizations and are therefore more suited analytically to capture the complexities of informal governance as compared to the formal institutions of the state. Whereas formal organizations are meant to work on the basis of universalistic and impersonal rules, power networks operate according to particularistic and personalist criteria.<sup>11</sup>

The three modalities of informal governance are highly interdependent, all being based, directly or indirectly, upon the covert redistribution of resources. Whereas co-optation is associated with recruitment to the power network, control is about ensuring discipline among the network members, while camouflage is needed to protect the network.

### *Co-optation*

For the purposes of our analysis, we use the term co-optation to refer to the practices of building ‘capacity to tie strategically-relevant actors to the regime elite’.<sup>12</sup> What is significant about the practices of co-optation we have identified is that they not only represent a mechanism of recruitment into networks, but also involve an informal redistribution of resources in favour of the recruited. The criteria for such recruitment and the non-transparency of the redistribution are both linked to corrupt behaviours.<sup>13</sup>

Risks: The Case of the Ugandan Drug Supply Chain’, *U4 Brief*, 2012 <<http://www.u4.no/publications/using-power-and-influence-analysis-to-address-corruption-risks-the-case-of-the-ugandan-drug-supply-chain/>>; C. Baez-Camargo and R. Sambaiga, ‘Between Condemnation and Resignation: A Study on Attitudes Towards Corruption in the Public Health Sector in Tanzania’, in Davide Torsello (ed.), *Corruption in Public Administration: An Ethnographic Approach*, Cheltenham and Northampton, MA, 2016; A. Ledeneva, *Russia’s Economy of Favours: Blat, Networking and Informal Exchange*, New York and Cambridge, 1998.

<sup>11</sup> We thank our colleague Giga Zedania for pointing out this important distinction. See also, A. Ledeneva, *Can Russia Modernise? Sistema, Power Networks and Informal Governance*, Cambridge and New York, 2013.

<sup>12</sup> J. Gerschewski, ‘The Three Pillars of Stability: Legitimation, Repression, and Cooptation in Autocratic Regimes’, *Democratization*, 20, 2013, 1, pp. 13–38.

<sup>13</sup> The term co-optation is by no means new in the social sciences and has been conceptualized in various manners. In the sociological literature, and in particular in the theory of organizations, the co-optative process has been viewed as a mechanism of adjustment aimed at guaranteeing stability for an authority in the face of a threat. See P. Selznick, ‘Foundations of the Theory of Organization’, *American Sociological Review*, 13, 1948, 1, pp. 25–35. Acemoglu and Robinson categorize policy decisions as co-optation to the extent that these may be understood as a strategy to avoid upheaval (as in the extension of a franchise): D. Acemoglu and J. Robinson, *Economic Origins of Dictatorship and Democracy*, New York and Cambridge, 2005. For Bertocchi and Spagat (2001) the co-optation strategy implies the creation of a new, privileged group that separates itself

While informal practices of co-optation serve the purpose of network recruitment and maintenance rather effectively, they operate according to a logic that is different from that of the formal institutions of the Weberian state. The distribution of positions of power and authority effected through co-optation generates and supports relationships based on strong bonds of trust, reciprocity and loyalty. Such relationships, upon which the networks rely and to which they respond, are used for informal governance. Thus, in settings where co-optation practices are commonplace, formal accountability is replaced by personal loyalties and informal checks and balances (see section on control).

As the evidence suggests, co-optation practices involve not only networks of political elites but also networks associated to business interests, organized crime and grassroots social groups. Moreover, one could model co-optation practices as operating across at least three dimensions — top-down, horizontal and bottom up — depending on the nature of the networks involved (see Figure 1).

### ***Prebendal co-optation: top-down pattern***

We term the first, top-down co-optation mode utilized by political elites ‘prebendal’ co-optation because it involves the strategic political allocation of public offices to key elites, granting personal access over state resources.<sup>14</sup> In practice, prebendal co-optation entails the redistribution of the resources of the public sector to the private benefit of the ruling political networks and therefore also implies a privatization of public office.<sup>15</sup>

Our findings are consistent with the proposition that prebendal co-optation is a practice widely resorted to because it plays a key role in ensuring regime stability in that it is conducive to ensuring elite cohesion and to strategically securing bases of support for the regime. Such practices have been well documented and even conceptualized among other governance models as ‘limited access orders’.<sup>16</sup>

from its group of origin: G. Bertocchi and M. Spagat, ‘The Politics of Co-optation’, *Journal of Comparative Economics*, 29, 2001, pp. 591–607. We opt for a broad definition since we find that the practices of co-optation have multiple manifestations and can be adopted by multiple social groups, not just political elites.

<sup>14</sup> N. Van de Walle, ‘The Path from Neopatrimonialism: Democracy and Clientelism in Africa Today’, in D. C. Bach and M. Gazibo (eds), *Neopatrimonialism in Africa and Beyond*, Abingdon and New York, 2012, p. 113.

<sup>15</sup> R. A. Joseph, *Democracy and Prebendal Politics in Nigeria*, Cambridge, 1987.

<sup>16</sup> S. Chayes, *Thieves of State: Why Corruption Threatens Global Security*, New York, 2015; D. C. North, ‘Limited Access Orders in the Developing World: A New Approach

State exploitation by means of appointments of allies and potential opponents into public office has been a common practice among political elites across the three countries we studied. Whether to fill their own pockets or to selectively distribute among their own clientele, the recipients of the co-opting appointment invariably enjoy impunity in exploiting the power and resources associated to public office in exchange for mobilizing support and maintaining loyalty to the regime. This is the unwritten rule of prebendal co-optation: unconditional support for the regime is expected in exchange for impunity from corrupt exploitation of public office.

Prebendal cooptation practices in the three countries, although informal and in principle clandestine, are also commonplaces in their respective societies. They are open secrets which have come to form part of the political culture, as well as folklore, reflected by the euphemisms people use to refer to them. Strikingly, these euphemisms are similar across the three cases and point to the underlying logic of ‘feeding’.

Expectations about ‘irregularities’ in the behaviours of the *políticos* became part of popular Mexican political culture: when a state official obtained an exploitable position in public office, in popular speech this would be referred to as ‘to be given a bone’ (*le dieron un hueso*) making reference to how the office holder would be able to gnaw on the bone.<sup>17</sup> Similarly, the term ‘feeding’ (*kormlenie*) was used in Russia to denote the distribution of regional constituencies for private needs. It has evolved into a widely recognized practical norm, captured in Nikolai Karamzin’s remark, ‘one steals’ (*voruyut*),<sup>18</sup> in Soviet times, the so-called ‘feeding places’ (*kormushki*) for the party nomenklatura, and pilfering or siphoning out state property by workers (*nesuny*). While these practices are often seen as compensatory for the oppressive regimes,<sup>19</sup> in the aftermath of the collapse of the Soviet Union, Russia came to be seen as a *kleptocracy*.<sup>20</sup> It is similarly common in Tanzania for public officials to extract rents from

to the Problems of Development’, Policy Research Working Paper 4359, World Bank, Washington, D.C., 2007.

<sup>17</sup> During the seventy-year-long hegemonic rule of the Mexican Partido Revolucionario Institucional (PRI) personal enrichment of party officials was not only tolerated but even considered a sign of adeptness and suitability for public office — as expressed by a quote of a powerful PRI cadre who said that ‘a politician who is poor is a poor politician’ (*un político pobre es un pobre político*).

<sup>18</sup> N. M. Karamzin, *Primechaniia k Istorii Gosudarstva Rossiiskogo*, vols 1–4, 1852.

<sup>19</sup> K. M. Simis, *USSR: The Corrupt Society*, New York, 1982.

<sup>20</sup> J. Granville, “‘Dermokratizatsiya’ and “‘Prikhvatizatsiya’”: The Russian Kleptocracy and Rise of Organized Crime’, *Demokratizatsiya*, 11, 2003, 3, pp. 449–57; S. Rosefielde, ‘Russia: An Abnormal Country’, *The European Journal of Comparative Economics*, 2, 2005, 1, pp. 3–16; K. Dawisha, *Putin’s Kleptocracy: Who Owns Russia?*, New York, 2014.

their positions in public office. Even if the popular perception of leadership as an opportunity to accumulate resources and move up the social ladder is not fully articulated, being poor is anecdotally linked to being stupid. On the contrary, being smart and engaging in some form of prebendalism is referred to locally as 'eating' (*kula*), and is associated to what Bayart has coined as the 'politics of the belly'.<sup>21</sup>

Apart from satisfying personal needs, prebendal co-optation is an instrument of power sharing: it works by recruiting potential adversaries into the ruling network while also rewarding loyal supporters. In our three cases, prebendal co-optation is enacted through formal and informal appointments made by a strong president. In the Mexican and Tanzanian cases, the president has traditionally been both head of state and leader of the hegemonic party with extraordinary powers: the Partido Revolucionario Institucional (PRI) held power uninterrupted in Mexico for seventy-one years from 1929 until 2000,<sup>22</sup> while the Chama cha Mapinduzi (CCM) has been in power in Tanzania since independence in 1961–62. In these cases, the influential political networks were embedded in the ruling party, which was recognized as the only viable vehicle to pursue a political career. Both the PRI and CCM have accommodated a ruling elite composed of a number of political factions associated with influential social groups and regional interests. The two parties have played a crucial role promoting elite cohesion since, beyond the staging of regular elections, real competition for power took place among rival factions through internal (and mostly non-transparent) party processes whereby the 'losing' groups could be compensated in the form of appointments to plum positions in government. This was also the case within the Communist Party of the Soviet Union (CPSU) and to some extent is also replicated within present-day Russia's ruling party, United Russia.

Prebendal co-optation has therefore played an important role in maintaining the support and loyalty of influential groups and party factions. For instance, Mexican labour union leaders, many of them notorious for amassing huge personal fortunes, often had substantial powers because

<sup>21</sup> In Nigeria, the analogous practice is called 'stomach infrastructure'. J. F. Bayart, *The State in Africa: The Politics of the Belly*, New York, 1993.

<sup>22</sup> Although the PRI has been back in power since 2012, the political context has changed and can no longer be characterized as a hegemonic party regime. Thus, while many of the informal governance patterns that were established and consolidated during the period of PRI hegemony in the twentieth century have continued to be relevant to date, more research is needed to discern exactly how they have been transformed by democratization and alternation in power. The patterns identified in this study should therefore be, for the most part, understood as associated to the hegemonic party era of Mexican politics.



of the strategic function they played through the incorporation of their organizations into the ruling party. They traded social stability and votes in exchange for high-level positions and access to wealth. One finds similar arrangements between the ruling United Russia party and regional governors, where personalized loyalty is often the key criteria for political appointments, as well as within the Tanzanian CCM where the unwritten rule of impunity has always been respected for allies as long as they have remained politically influential — commanding loyal bases of support and delivering votes for the party.

In Russia, ‘sharing’ with those above and below implies a ‘certain practical sense’ with regard to feeding.<sup>23</sup> Although granted some impunity, a Russian official should remain careful not to lose his sense of proportion, and consult with the boss, exercise fairness and above all transparency in sharing kickbacks with bosses, peers and subordinates. Regional ‘feeds’ are informally, yet zealously, monitored. As a Russian anecdote has it, ‘state officials are caught not for stealing but for stealing too much for their rank’.

The pattern is slightly different in Tanzania where influential political figures associated with corruption scandals may be removed from office, sometimes relocated to other positions of public authority and returned to their home constituencies where they are received as heroes,<sup>24</sup> but in any event they are never prosecuted.

Historically, prebendalism has been associated with traditional societies where resource constraints made this method of remunerating public officials attractive, as during the late middle ages in Russia where political elites rewarded disinterested public servants who served their country well with exclusive rights to exploit regional constituencies for private needs.<sup>25</sup> Our cases, however, demonstrate that prebendal co-optation is not only a pre-modern phenomenon. Rather, prebendal co-optation has been resorted to on the part of state officials and beyond as a practical, if semi-legitimate, norm which we nowadays associate with embezzlement and political corruption. Nonetheless, we argue that it continues to serve the same purpose of facilitating elite cohesion and strategically securing bases of support for the regime.

<sup>23</sup> Ledeneva, *Can Russia Modernise?*, p. 103.

<sup>24</sup> G. Hyden and M. Mmuya, ‘Power and Policy Slippage in Tanzania: Discussing National Ownership of Development’, *Sida Studies*, 21, 2008, pp. 39–39.

<sup>25</sup> V. O. Kliuchevskii, *Kurs Rossiiskoi Istorii*, part 2, vol. 2, Moscow, 1988, p. 316.

***Reciprocal co-optation: horizontal pattern***

Co-optation practices often link political networks with other influential groups and in doing so serve the mutual benefit of those involved. For example, political leaders, faced with undertaking far reaching systemic reforms (such as in the post-Soviet transition to market economies), recognize the potentially disruptive power of major interest groups and resort to co-optation tactics, whereby these groups are turned into stakeholders by channelling significant resources and linking their self-interest to the success of the privatization project.<sup>26</sup>

In what may be viewed as reciprocal co-optation, we identify practices by means of which political elites not only gather the support of influential non-state actors but also become recruited into exercising public authority to inordinately favour particular interests. This type of co-optation pattern can be characterized as horizontal, to the degree that it turns power networks into symbiotic relationships involving political elites and business interests and, in the case of Mexico, also organized crime.

In this modality, co-optation promotes the interests of both political and business groups. Political elites need the support of major business interests, because the latter can seriously destabilize political regimes and, in the case of competitive authoritarian regimes, are also often key funders of costly electoral campaigns. Business interest groups, for their part, profit from recruiting major political figures to ensure their interests will be protected and promoted by the authorities. Therefore, through reciprocal co-optation political and business elites recruit each other into their networks — consolidating a new network — whereby the support bases of the regime are solidified and business interests capture state functions.

Whereas in Russia in the 1990s one spoke of state capture by large businesses, since the 2000s under Putin's networks-based system of governance, known as *sistema*, it became necessary for businesses to secure 'political protection' (*kryshi*). Informal alliances between state officials and businesses, elected representatives and business interests, as well as informal financial flows linking politicians and business elites are indeed perceived to be mutually beneficial.<sup>27</sup>

In a similar fashion, anti-corruption experts in Tanzania refer to so-called 'king makers', alluding to influential business interests that search out promising individuals among CCM cadres with the prospect of making connections with the right people in exchange for financial support to bolster their political careers. The beneficiaries of such sponsorship

<sup>26</sup> Bertocchi and Spagat, 'The Politics of Co-optation', p. 592.

<sup>27</sup> Ledeneva, *Can Russia Modernise?*

are then indebted and expected to equally reciprocate by garnering and allocating substantial benefits to the sponsors.

Similarly, corrupt practices emerge to serve the private interests of state and criminal actors. As aptly documented in a journalistic investigation, mutual protection relationships have developed in Mexico since the 1970s linking certain high-level political figures and drug trafficking leaders.<sup>28</sup> Such relationships have involved the exchange of significant amounts of money (delivered regularly, almost in tax-like fashion) in return for official disregard (and in some cases even facilitation) of the diverse activities of the cartels.

Reciprocal co-optation may result in awarding inordinate numbers of major procurement contracts, extra-legal tax exemptions or other kinds of benefits to business allies, and is therefore associated with corruption in both the procurement process and state capture.<sup>29</sup> A critical implication of such patterns of selective co-optation is that they entail an informal redistribution of state resources and therefore establish and reinforce a fundamental disparity between the beneficiaries of such informal exchanges and those who are excluded.

***Grassroots co-optation: bottom-up pattern***

Bottom-up co-optation is the reverse of top-down co-optation. At the grassroots level public officials deliver support for the regime in the form of tangible expressions of popular support while granting favours and delivering resources and services to particular constituencies. Co-optation at the grassroots level is a functional practice from the perspective of regime insiders because, as the vast literature on clientelism and patronage has documented,<sup>30</sup> it helps win elections, generates legitimacy for the status quo and avoids social discontent. However, we also find that grassroots networks may pressurize public officers and co-opt them, 'bottom-up' fashion.

<sup>28</sup> A. Hernández, *Los Señores Del Narco*, Mexico City, 2010.

<sup>29</sup> See Mihály Fazekas and Luciana Cingolani's article in this issue.

<sup>30</sup> D. W. Brinkerhoff and A. A. Goldsmith, 'Clientelism, Patrimonialism and Democratic Governance: An Overview and Framework for Assessment and Programming', Cambridge MA, 2002; de Walle, 'The Path from Neopatrimonialism'; J. Auyero, P. Lapegna, F. P. Poma, 'Patronage Politics and Contentious Collective Action: A Recursive Relationship', *Latin American Politics and Society*, 51, 2009, pp. 1-3; J. F. Medard, 'The Underdeveloped State in Tropical Africa: Political Clientelism or Neopatrimonialism?', in S. C. Clapham (ed.), *Private Patronage and Public Power: Political Clientelism in the Modern State*, London, 1982, pp. 162, n.192; M. W. Svobik, *The Politics of Authoritarian Rule*, Cambridge, 2012.

Tanzanian voters understand the logic of clientelism well and refer to electoral campaigns as ‘harvesting seasons’ — the season of exchanging votes for gifts of money, beer, meals and party apparel referred to colloquially as ‘food’, ‘soda’, ‘sugar’ or ‘tea’.<sup>31</sup> Through the playful use of language, people joke that they give politicians *kula* (eat) when they mean *kura* (votes), which implies that they are giving the candidates a chance to eat by electing them. In rural Mexican communities our research revealed the prevalence of more coercive ways to instruct low income indigenous communities to cast their votes for a particular political party by informing their perception of conditional entitlement to federally allocated cash benefits. Multiple practices of vote-selling can be observed in Russia and other post-Communist societies.<sup>32</sup>

From this perspective co-optation is also highly functional. What prevails in our interview data is the respondents’ emphasis on the role of informal networks, which may be formed on the basis of different criteria such as kinship, friendship, neighbourhood or profession. Here, the network expects a proactive stance on the part of the group member who is appointed or recruited into a position of public office in solving problems and enabling access to benefits and resources in the interests of the network. The importance of obligations associated with family, ethnic and other forms of social ties in Africa,<sup>33</sup> Russia<sup>34</sup> and in Tanzania specifically, has been well documented.<sup>35</sup> One of the main arguments is that people’s identification and relationship with the state and its institutions are significantly weaker than the identification and relationships with such groups, and that transactions follow what scholars call the ‘economy of

<sup>31</sup> K. D. Phillips, ‘Pater Rules Best: Political Kinship and Party Politics in Tanzania’s Presidential Elections’, *PoLAR: The Political and Legal Anthropology Review*, 33, 2010, pp. 109–32.

<sup>32</sup> A. Ledeneva, *How Russia Really Works: The Informal Practices That Shaped Post-Soviet Politics and Business*, Ithaca NY, 2006.

<sup>33</sup> J. P. Olivier de Sardan, ‘A Moral Economy of Corruption in Africa?’, *The Journal of Modern African Studies*, 37, pp. 25; G. Anders, *Civil Servants in Malawi: Cultural Dualism, Moonlighting and Corruption in the Shadow of Good Governance*, Erasmus University Rotterdam, 2005 <<http://repub.eur.nl/pub/1944>> [accessed 29 July 2016].

<sup>34</sup> Ledeneva, *Russia’s Economy of Favours*; S. Rose-Ackerman, *Trust, Honesty, and Corruption: Reflection on the State-Building Process*, John M. Olin Center for Studies in Law, Economics, and Public Policy Working Papers 255, 2001.

<sup>35</sup> G. Hyden, *Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry*, Berkeley and Los Angeles, CA, 1980; B. Heilman and L. Ndumbaro, ‘Corruption, Politics, and Societal Values in Tanzania: An Evaluation of the Mkapa Administration’s Anti-Corruption Efforts’, *African Journal of Political Science and International Relations*, 7, 2002, 1, pp. 1–19.

affection' or 'economies of favour'.<sup>36</sup> As a consequence, practices of 'eating' are socially understood in such a manner whereby the public official 'eats' not just for him or herself but for the group. An unwritten but strongly expected duty prescribes the provision of the fruits of holding the public office back to the respective constituencies. Therefore, Russian *sistema* is grounded in the practices of kickbacks sharing,<sup>37</sup> while Tanzanian public officials are expected to deliver not on the basis of national policies and priorities but rather as patrons of specific demographic groups.<sup>38</sup>

Our research in rural areas of Mexico suggests that informal practices of bottom up co-optation are not necessarily only founded on fixed attributes such as kinship or ethnicity but can also be employed creatively in constructing informal networks. Implicit is the common understanding among these communities that access to state services and benefits is conditional and requires adopting certain behaviours that will help them secure favourable outcomes. The intended outcome of such behaviours is to co-opt key state officials to ensure access to state resources. These practices involve simple, symbolic gestures, as one example from our field research illustrates: low-income women in remote rural communities organize fancy meals at their own expense for the public officials who come to their communities in order to deliver the cash benefits from a federal poverty relief programme. This action is intended as pre-emptive gift giving, which is expected to create a link of reciprocity with those public officials and to 'informalize' the distribution process to the women's advantage.<sup>39</sup>

In these examples, the co-optation of public officials on the part of grassroots network generates social pressure, whereby the informal network obligations override the duties of the public office, and practices of petty corruption emerge to bridge the conflicting demands. Thus, such informal ties play an ambivalent role in sustaining community dependence, regime

<sup>36</sup> B. Z. Osei-Hwedie and K. Osei-Hwedie, 'The Political, Economic, and Cultural Bases of Corruption in Africa', in K. R. H. Sr and B. C. Chikulo (eds), *Corruption and Development in Africa*, London, 2000, pp. 40–56; G. Hyden, 'The Economy of Affection Revisited: African Development Management in Perspective', in Henrik S. Marcussen (ed.), *Improved Natural Resource Management — The Role of Formal Organisations and Informal Networks and Institutions*, International Development Studies Occasional Paper, 17, Roskilde, 2014, pp. 53–75; Ledeneva, *Russia's Economy of Favours*; D. Henig and N. Makovsky (eds), *Economies of Favour after Socialism*, Oxford and New York, 2017.

<sup>37</sup> Ledeneva, *Can Russia Modernise?*

<sup>38</sup> Baez-Camargo and Sambaiga, 'Between Condemnation and Resignation'.

<sup>39</sup> C. Baez-Camargo and R. Megchún, 'Old Regime Habits Die Hard: Clientelism, Patronage and the Challenges to Overcoming Corruption in Post-Authoritarian Mexico', in D. Torsello (ed.), *Corruption in Public Administration: An Ethnographic Approach*, Cheltenham and Northampton, MA, 2016.

stability and its base for support. While presented as ways to compensate for the defects of state institutions, bottom up co-optation of public officials into social networks, based on social ties, amity and reciprocity, also undermines formal accountability mechanisms.

### ***Control***

Although co-optation may be effective in providing a solution to the problems associated with securing support for the regime on the part of influential groups, in practice the gap between the formal responsibilities and the priorities of various power networks can also create clashes of hidden interests and covert conflict. Thus, co-optation goes hand in hand with practices of informal checks and balances that ensure informal order and discipline within networks and embody enforcement mechanisms to manage dissent.

Such control mechanisms can be found in all three cases. They represent the second modality of informal governance emanating from the necessity to enforce the unwritten rule following obligations to which regime insiders and their supporters are bound. In a similar manner as the co-optation practices discussed above, control practices may be applied in a top-down, horizontal or bottom-up manner. Control mechanisms may also be direct or indirect in nature. When viewed in the context of informal control, it turns out that the holders of public office are not independent (within their remit) individuals or ‘iron cage’ bureaucrats — but rather are bound by personalized loyalties and are held under extra-legal pressure on the part of the networks they belong to.

### ***Top down, direct control: demonstrative punishment and selective law enforcement***

The first pattern of informal control practices that we identify is what we may call demonstrative punishment. While the punishment itself can be formal — exercised in a hierarchical, top-down and direct manner — its selective enforcement serves the informal agenda that underpins the prebendal co-optation: it ensures impunity for the exploitation of public office in exchange for unconditional support for and loyalty to the regime on the one hand, and the atmosphere of ‘suspended punishment’ on the other.<sup>40</sup>

This pattern of control and its selective enforcement for those dissenting from the informal order is essential for the co-optation patterns to work: the same extra-legal rewards used to secure support from key individuals or groups may also be held against them should it be necessary to reinforce

<sup>40</sup> Ledeneva, *Russia's Economy of Favours*.

discipline and elite cohesion. The normative ambivalence intrinsic in this type of informal control is best expressed in the saying commonly attributed to Brazilian dictator Getulio Vargas: ‘for my friends, everything — for my enemies, the law.’<sup>41</sup>

It is tempting to think about informal control as a pyramid, by analogy with formal power, because the networks involved in informal governance are somewhat vertically integrated, and somewhat hierarchical, which makes them similarly rigid and brutal ‘like a wolves’ pack’ (in the expression of one respondent).<sup>42</sup> Yet they surface in more subtle ways and involve constant and mutual monitoring by key players. In Putin’s *sistema*, state institutions are controlled through his ‘core contacts’, ‘curators’ and highly personalized monitoring and reporting practices within Putin’s networks.<sup>43</sup> Such control practices penetrate also non-state companies, which are likely to be informally supervised by ‘parachuters’ — people appointed over the heads of their formal bosses and personally connected to the political leadership.

Some of the most emblematic cases of enforcement of formal sanctions upon former allies have involved influential union leaders in Mexico. In the 1988 presidential elections, Joaquín Hernández Galicia (also known as *la Quina*), the leader of the powerful oil workers’ union, who was known for having amassed a personal fortune exploiting his position, challenged the presidential nomination of Carlos Salinas de Gortari from the PRI by instructing union members to vote for the opposition candidate. As a response, Salinas de Gortari pledged to end all chiefdoms (*cacicazgos*), especially those in which corrupt leaders enriched themselves at the expense of citizens and workers. *La Quina* was convicted for illegal possession of weapons and gangsterism in what came to be known as the *Quinazo* — a symbol for personalized and exemplary punishment of regime traitors.<sup>44</sup>

<sup>41</sup> See, for example, G. O’Donnell, *Why the Rule of Law Matters*, in L. Diamond and L. Morlino (eds), *Assessing the Quality of Democracy*, Baltimore, MD, 2005, pp. 3–17. Although most commonly associated to Vargas, this phrase has also been attributed to former Peruvian president Oscar Benavide. See ‘Knock, Knock’, *The Economist*, 21 July 2012 <<http://www.economist.com/node/21559384>> [accessed 28 July 2016].

<sup>42</sup> S. Guriev and D. Triesman, *How Modern Dictators Survive: An Informational Theory of the New Authoritarianism*, NBER Working Paper 21136, 2015 <<http://www.nber.org/papers/w21136>>.

<sup>43</sup> Ledeneva, *Can Russia Modernise?*; G. Pavlovsky, *The Russian System: A View from the Inside*, Wilson Center, 9 September 2016 <<http://www.wilsoncenter.org/article/the-russian-system-view-the-inside>>.

<sup>44</sup> *Sistema* wisdom has it: ‘Be ready to accept that you may never understand what has brought you down.’

***Indirect control patterns: blackmail and self-censorship***

Informal control can be exercised indirectly. This is vividly illustrated by the Russian politics of fear, or ‘suspended punishment’, which is more preventive than punitive and based on collecting compromising materials (*kompromat*) on enemies and protestors, but particularly on friends and allies.<sup>45</sup> Heads of the Soviet state were known to rely on their security services for gathering and keeping sensitive information (*kompromat* files) on their staff and appointees. In Putin’s *sistema*, the supervisory role of security services goes beyond assembling information and maintaining the ‘safety net’ of the regime. The presence of *siloviki*, usually associated with the security services and colloquially known as curators (*kuratory* or *smotryashchie*), has increased since the year 2000 together with the state ownership of large companies and the creation of state corporations,<sup>46</sup> and due to their own appetite for acquiring private wealth. The activities of power ministries (*siloviki*) have become associated with informal control and rent-seeking behaviour (*koshmarit’* or *otzhimat’ biznes*); ‘authorized’ corporate attacks (*sistema* raiding), and acts of depriving business owners of their business using threats of state persecution, often covered with the rhetoric of patriotism.<sup>47</sup>

Informal control and monitoring in the context of ‘politics of fear’ or ‘suspended punishment’ generates self-censorship among members of the elites and social networks. Understanding that violating unwritten rules is much more dangerous than that of formal laws ensures self-imposed discipline when it comes to the following of the unwritten rules of the game, which typically demand displaying unconditional loyalty and support for the regime.

As the leader of the main PRI labour confederation once put it, ‘he who moves does not get in the picture’ (*el que se mueve no sale en la foto*), referring to the imperative of standing still, always acquiescing to one’s boss and simply obeying those higher up in rank in order to remain part of the political game. Therefore, according to the unwritten informal criteria that prevailed under the PRI regime, the promise of personal loyalty was the most impressive qualification an individual could offer to a superior.<sup>48</sup>

<sup>45</sup> V. Gelman, ‘Politics of Fear’, in A. Ledeneva, *The Global Encyclopedia of Informality*, London, forthcoming; V. Gel’man, ‘The Vicious Circle of Post-Soviet Neopatrimonialism in Russia’, *Post-Soviet Affairs*, 32, 2016, 5, pp. 455–73.

<sup>46</sup> V. Pastukhov, ‘Mutnye instituty: “Reforma MVD” i krizis “reguliarnogo gosudarstva” v Rossii’, lecture given at St Antony’s College, Oxford, 3 February 2010; V. Volkov, *Violent Entrepreneurs: The Use of Force in the Making of Russian Capitalism*, Ithaca, NY, 2012.

<sup>47</sup> Ledeneva, *Can Russia Modernise?*

<sup>48</sup> M. Grindle, ‘Patrons and Clients in the Bureaucracy: Career Networks in Mexico’, *Latin American Research Review*, 12, 1977, pp. 37–66 (p. 41).



In Tanzania self-censorship behaviours among political groups come about through internal CCM party discipline mechanisms: the president exercises tight control over the legislature given that by law all cabinet-level ministries are to be held by members of parliament. Since all coveted cabinet-level positions are political appointees, there is an incentive for CCM Members of Parliament to show discipline and loyalty to the Executive in the hope of being awarded a high level position.

At the grassroots level, our work in low-income rural areas in Mexico revealed a strong belief among community members that benefits from the government's social programmes can be taken away as a means to punish 'bad' behaviours such as criticizing public officials, complaining against the quality of public services or voting for the 'wrong' party in an election.<sup>49</sup> The observable result of such beliefs are actions adopted by community members, which are consistent with the self-censorship pattern; namely never criticizing public officials or the quality of public services and voting for the ruling party in elections.

***Reciprocal control: peer pressure***

Reciprocal mechanisms of informal control are exercised through peer pressure within closed networks and based on peer control, mutual watch and collective responsibility. The emphasis is on the group, rather than individuals, although they may be held together by shared individual interests, often hidden behind the rhetoric of kin, communal, ethnic or national patriotism.

In our three cases, peer pressure is associated with conformity about how things should be done and a degree of collective (ir)responsibility, where one is responsible for all and all are responsible for one. Peer pressure is inherently ambivalent as peer groups provide protection against external danger and access to resources, while at the same time exercising control and consolidating cohesion within the group.

We find that the reliance on peer pressure mechanisms for monitoring and enforcement of controls is universally observable, but particularly functional in extra-legal contexts. These can be associated with rural or distant areas, closed communities (army, prisons, schools, youth gangs, socially excluded groups) or within weak legal frameworks, but also within political groups.

With regard to the latter, indicative are the internal control mechanisms within political groups or cliques in Mexico (also known as *camarillas*).<sup>50</sup>

<sup>49</sup> Baez-Camargo and Megchún, 'Old Regime Habits Die Hard'.

<sup>50</sup> Grindle, 'Patrons and Clients in the Bureaucracy', p. 42.

Such control mechanisms follow the peer pressure pattern and were seen as highly efficient in upholding internal regimes of discipline, responsibility and supervision. Clique members would be aware that mistakes made by them or their fellow group members could be extremely detrimental to the careers of all of them because the camarillas competed amongst each other for favours and for the trust of the incumbent president, who had the last word on the sensitive matter of presidential succession. Hence strict camarilla discipline reaped stages of rewards as the group's political trajectory advanced, hopefully culminating in 'the big one' (*la grande*): the presidency of the republic.

At the grassroots level, our fieldwork took place in areas of rural Mexico, where communitarian values and practices are remarkably strong. This means that decisions are taken collectively and community members are subsequently vigilant of each other's behaviours to ensure adherence, which results in rapid communication and enforcement of sanctions relative to individual members deviating from the 'official' position adopted by the community. In these cases, community-level mechanisms of social control are enforced to ensure alignment with collective decisions, which are perceived to protect the community from potentially detrimental actions on the part of outsiders.

Historians point out that the Russian state legalized the informal governance observed within peasant communities — the principle of collective responsibility (*krugovaya poruka*) — for the purposes of tax collection, army conscription and crime control. The law on collective responsibility was only abolished in 1905. Mechanisms of mutual dependence vis-à-vis the state have generated practices of vigilance, informal monitoring, in-group surveillance, peer pressure as well as collective punishments to ensure the survival of the community vis-à-vis external pressure.<sup>51</sup> In Stalin's time, regional elites used the principle of collective responsibility for resisting control and orders from above — covering up for power excesses by regional officials; protecting an official when compromising information about him was leaked to the centre; and punishing the whistle-blowers leaking such information.<sup>52</sup> The immunity and protection provided by the community for its members

<sup>51</sup> See Ledeneva, *How Russia Really Works*; Geoffrey Hosking, 'Forms of Social Solidarity in Russia and the Soviet Union', in I. Marková (ed.), *Trust and Democratic Transition in Post-Communist Europe*, Oxford and New York, 2004, pp. 47–62.

<sup>52</sup> Y. Gorlizki, 'Too Much Trust: Regional Party Leaders and Local Political Networks under Brezhnev', *Slavic Review*, 69, 2010, 3, pp. 676–700; O. V. Khlevnyuk, *Master of the House: Stalin and His Inner Circle*, Newhaven, CT, 2009; S. Fitzpatrick, *On Stalin's Team: The Years of Living Dangerously in Soviet Politics*, Princeton, NJ, 2015.

were intrinsically linked to the limited property rights and inter-group dependence, surfacing prominently again in the post-Communist transition of the 1990s in the contexts of organized crime and regional elites.

The peer pressure control pattern implies that group members protect each other and feel responsible for their mutual well-being, but will also share shame, should it come to the revealing of corrupt practices. Therefore, Tanzanians use the expression *kujipendekeza*, which means flattering or ‘looking nice to somebody’, referring to the need to lie and do all that is necessary to protect one’s peers; in order to maintain a good standing within the group and to uphold loyalty as a highly valued quality, one often needs to ‘make others look good’.

***Bottom-up control: social sanctions***

Bottom up, the obligations of the public official who must deliver back to his or her particular constituencies are also enforced through informal control mechanisms that go hand in hand with the bottom-up co-optation pattern. Thus, whereas the bottom-up co-optation is effected on the basis of group ascription (considerations such as kinship, ethnicity or exchanged favours) the relationship is maintained on the basis of an expectation of reciprocity or amity, and the control is exercised on the basis of shame and reputation damage.<sup>53</sup>

Accepting that individual needs are also extensive to each member of the group, group-belonging in Tanzania generates a strong sense of responsibility and duty among public officials that may directly be linked to the behaviours of public officials, who are expected to ‘eat’ on behalf of their extended group. This extended group reciprocity is also enforced through social sanctions, where the role of shame and shaming is significant. ‘Giving back’ to their community is a key motivation for public office holders who are intent on maintaining and ensuring loyalty, respect and status. Contrarily, failing to deliver the spoils of public office to those who feel entitled to a part of it is socially understood as an omission, entails deep shame on the part of the culprit and is considered offensive and disgraceful.<sup>54</sup>

<sup>53</sup> Hyden, *Beyond Ujamaa in Tanzania*, and ‘The Economy of Affection Revisited’; P. P. Ekeh, ‘Colonialism and the Two Publics in Africa: A Theoretical Statement’, *Comparative Studies in Society and History*, 17, 1975, pp. 91–112.

<sup>54</sup> L. Koechlin, *Corruption as an Empty Signifier: Politics and Political Order in Africa*, Basel, 2010, p. 100.

### *Camouflage*

The institutional façades covering the realities of political co-optation and control represent the third modality of informal governance. Whether covering up the distance between formal procedures and real power or creating it where it is not there, façades are only partially façades. In fact, formal constraints are essential for the effectiveness of informal practices. In other words, the formal rules and institutions of the public sector (the façade) are sustained in order to manipulate, undercut, divert or exploit for the sake of informal interests. The camouflage patterns of informal governance serve in a functionally ambivalent way: they support the formal façades of the regime but only to subvert them, thus allowing the regime to reproduce according to its declared goals, while also subverting them in practice. However, this ambivalence in camouflage practices is unavoidable as they are needed for protection of both the regime and the networks that redistribute resources informally.

### *Creative façades*

Creative façades are in place where an acceptable exterior disguises non-acceptable practices inside.

A telling illustration of the meaning of creative façades comes from Russia, where the colloquial term for façades is ‘Potemkin villages’, deriving from a historical legend of creative accounting by Count Potemkin, who built façades of fake villages made of cardboard, along the journeying path of Catherine the Great in order to account for the embezzled budget funds designated for building those villages. In the Soviet planned economy, the term was linked to practices of mis- and over-reporting on planned performance targets (*pripiski*), essential for the legitimacy of the old Soviet regime, but unable to persist according to its own declared rules.<sup>55</sup>

Historically, regime survival strategies in Mexico also relied on maintaining a façade of elite consensus among members of the Revolutionary Family. During the PRI era conflict and disagreements were channelled through specific, covert and highly coded political rituals. The media, heavily dependent on bribes and official funds, played a key role in conveying encoded messages between political elites and in building up the public images of potential presidential candidates. The importance of symbolic gestures hidden underneath official protocols was captured by the expression ‘in politics, form is the content’ (*en política, la forma es*

<sup>55</sup> In contemporary Russia, Potemkin villages are associated with hiding real owners’ assets.

*el fondo*) as minted by PRI insider and intellectual Jesús Reyes Heróles. This is illustrated by a picture of a Mexican governor greeting a municipal president who had fallen out of grace while placing his hand across his chest to prevent the subordinate from giving him the mandatory hug common among politicians who were on good terms.<sup>56</sup> This emphasis on encoded messages stands in sharp contrast with the irrelevance of official speeches, public statements and government events where the official line was strictly to maintain an image of elite consensus.

One indicator for the pervasiveness of camouflage is the implementation gap, a reflection of which is a declared commitment to anti-corruption in discourse, but not in practice in our three case studies. There are many examples of leaders' impassioned proclamations against corruption and the adoption of significant legal and institutional reforms to that effect, followed by very little substantive actions. Anti-corruption campaigns have often come about during electoral campaigns, at times of crisis or with increased pressure from international donors, and are therefore symptomatic of the manipulation of the discourse on corruption and anti-corruption as window dressing in the pursuit of narrow political interests.

A significant dimension of camouflage emerges out of the intense international donor intervention and its impact on Tanzanian anti-corruption legislation. As a major aid recipient globally,<sup>57</sup> Tanzania has given in to international donors' demands to significantly strengthen oversight and regulatory agencies. In addition to enacting numerous laws relating to public finance management, audits and anti-corruption, specialized agencies such as the Prevention and Control of Corruption Bureau (PCCB) the Public Procurement Regulatory Authority (PPRA), and the National Audit Office (NAO) have been created. The resulting legal framework adjusts perfectly to Western expectations of best practices, thus providing a politically acceptable façade to cover up the predominance of redistributive practices associated with co-optation. In practice, implementation of the anti-corruption legal framework is impeded by the lack of enforcement powers and virtual impotence of the newly founded agencies (PCCB, PPRA), which remain politically compromised by being under the auspices of the Presidential Office.

<sup>56</sup> J. Araujo López, 'En Política, La Forma es Fondo', in Jesús Reyes Heróles (ed.), *Mitos y Otros Cuentos*, Mexico City, 2012.

<sup>57</sup> Since 2007 Tanzania has been receiving approximately 2.7 billion USD per year. See also, Barak D. Hoffman, 'Political Economy Analysis of Tanzania', Center for Democracy and Civil Society, Georgetown College, Washington, D.C., March 2013, p. 22.

Very often, creative façades are put forward by way of euphemisms and references to local norms and practices. Thus, bribing in Tanzania is often given different names like *'takrima'* (which translates as favour or hospitality from Swahili) that would eventually cover up and make it look like it is a normal and legal act. Other common local terms that frame bribing as a normal practice include *'kutoa kitu kidogo/chochote'* (meaning giving out something small in return for something), *'kujiongeza'* (doing something to achieve what you want), or *'kueleweka'* (to make oneself understood).<sup>58</sup>

### ***Hidden constitutions***

The expression 'hidden constitutions' refers to situations where formal constitutional powers do not necessarily reflect how real power is exercised. The complex relationship between the formal façades and the informal backstage of power is best encapsulated by the metaphor of a puppet theatre. Playing on the distance between front and back stage, manipulating identities, using intermediaries or front persons and creating virtual realities, it provides a contextual model by which to examine presentation of self, virtual reality in the postmodernist age, virtual politics and (in theory) post-Communist privatization.<sup>59</sup>

The gap between formal and informal power is often related to blurred boundaries, as has been the case between the ruling party and the Tanzanian state. Although a formal separation exists between the two, 'almost all civil servants are indirectly accountable to the CCM and the party leadership determines almost all material policy choices'.<sup>60</sup> An illustration of this is how District Executive Directors, while formally the most powerful public servants in the districts, are in reality superseded in effective power and influence by the District Commissioners, who are presidential appointees and CCM representatives, and are known to play a significant role in mobilizing votes for the ruling party during elections.

<sup>58</sup> Baez-Camargo and Sambaiga, 'Between Condemnation and Resignation'.

<sup>59</sup> E. Goffman, *The Presentation of Self in Everyday Life*, New York, 1959; D. Holmes, *Virtual Politics: Identity and Community in Cyberspace*, London 1997; A. Wilson, *Virtual Politics: Faking Democracy in the Post-Soviet World*, New Haven, CT, 2005; J. Allina-Pisano, *The Post-Soviet Potemkin Village: Politics and Property Rights in the Black Earth*, Cambridge and New York, 2008; S. Newton, *The Constitutional Systems of the Independent Central Asian States: A Contextual Analysis*, London, 2017.

<sup>60</sup> Hoffman, 'Political Economy Analysis of Tanzania', p. 11.

***Fluid identities***

Camouflage also can be associated with a blurring of the public/private interests and associated roles taken up by influential individuals. Thus, the more extreme form of camouflage and ultimate case of ambivalence is the complete role reversal, whereby holders of a public office not only pursue their business interests or skim financial benefits, but turn into ‘werewolves in epaulets’ or ‘werewolves in uniforms’ — as expressed in this post-Soviet phrase. It reflects the appetites of the law enforcement and intelligence officers to clandestinely acquire personal wealth and in doing so, their capacity to transgress all human norms. It is when the job turns into its opposite,<sup>61</sup> and those charged with defending the public are widely perceived as abusing the public and engaging in illegal raids on private businesses, that vernacular knowledge such as ‘werewolves in epaulets’ emerge.<sup>62</sup> Russia’s ‘werewolves’ are associated with ‘moonlighting’ by law enforcement officials, routinely crossing the boundaries between their public duties and private (or informally affiliated) businesses.

A very similar pattern is mirrored in the Mexican expression ‘to bite’ (*mordida*), which refers to the subtle request by ‘biters’, such as police officers (*mordelones*), to be paid a bribe. Nowadays, the power and influence of drug cartels has added a new dimension to nebulous boundaries between outlaws and officials: deserters from the army and police forces, trained in tactical operations and the handling of weapons, are allegedly merging into one often indistinguishable group of security officials and cartel members.<sup>63</sup> A former associate of an influential drug baron described in a published statement how ‘everyone’ in the organization had either military or police affiliation. Confusing images thus arise out of the drug war in Mexico, where killings in broad daylight may be carried out by men in police uniforms and it is not always clear whether the perpetrators were thugs masquerading as policemen or actual policemen providing paid assistance to thugs.<sup>64</sup>

The intrinsic ambivalence of multiple or fluid identities means that Tanzanian leaders delivering informally accrued benefits to their groups

<sup>61</sup> G. Mars, *Cheats at Work: An Anthropology of Workplace Crime*, London, 1983.

<sup>62</sup> Ledeneva, *Can Russia Modernise?*, p. 195.

<sup>63</sup> John Bailey and Matthew M. Taylor, ‘Evade, Corrupt, or Confront? Organized Crime and the State in Brazil and Mexico’, *Journal of Politics in Latin America*, 1, 2009, pp. 3–29 (p. 19).

<sup>64</sup> P. R. Keefe, ‘Cocaine Incorporated’, *The New York Times Magazine*, 15 June 2012 <[www.nytimes.com/2012/06/17/magazine/how-a-mexican-drug-cartel-makes-its-billions.html?\\_r=0](http://www.nytimes.com/2012/06/17/magazine/how-a-mexican-drug-cartel-makes-its-billions.html?_r=0)> [accessed 12 October 2016].

are cherished as ‘*Wakwetu*’ (local sons or leaders who care about their own people), whereas the same leaders are denounced as ‘*Mafisadi*’ (a common derogatory Swahili expression) by those excluded from special treatment.

***Conclusion: ambivalence and the public/private cross-over***

So far we have identified three modalities of informal governance observed in our three cases. For analytical purposes we discuss them separately, but in practice they are highly interdependent. In order to manage and protect the informal redistribution of state resources enacted through practices of co-optation and control, camouflage measures are part and parcel. Our distinction of informal governance modalities has at least two important implications.

First, the informal re-distribution of state resources among exclusive networks entails the collapse of a public/private divide. This leads us to question some of the underlying assumptions of the prevailing, global corruption paradigm. Most mainstream definitions of corruption hinge upon a notion that something public is subverted into something private (misuse of funds, abuse of office, betrayal of trust). Thus, the analytical distinction between the public and private spheres is often taken for granted. However, neither the empirical evidence nor theoretical considerations seem to support such an a priori assumption.<sup>65</sup> Such a discrepancy has been a major obstacle for conventional anti-corruption prescriptions. Founded upon a principal-agent model, these prescriptions rely on the existence of widely accepted rules about the boundaries between the public and the private spheres. Rather, by underplaying the analytical distinction between the public and the private and focusing on the grey zones created by their overlap and interplay, we highlight the implications and impact of informal governance norms in contexts where corruption is endemic.

<sup>65</sup> J. Weintraub and K. Kumar, *Public and Private in Thought and Practice: Perspectives on a Grand Dichotomy*, Chicago, IL, 1997; D. M. L. Kennedy, ‘Stages of the Decline of the Private/Public Distinction’, *University of Pennsylvania Law Review*, 6 1982, pp. 1349–57; R. Sennett, *The Fall of the Public Man*, New York, 1977; A. M. Orum and Z. P. O’Neal (eds), *Common Ground? Reading and Reflections on Public Space*, London, 2010; L. Wacquant, *Punishing the Poor: The Neoliberal Government of Social Insecurity*, Durham, NC and London, 2009; H. Lefebvre, *The Production of Spaces*, Oxford, 1991, and *Writing on Cities*, Malden, MA, 1996; G. Blundo and J. P. Olivier de Sardan (with N. B. Arifari and M. Tidjani Alou), *Everyday Corruption and the State: Citizens and Public Officials in Africa*, London, 2006; A. Ledeneva, ‘Corruption in Postcommunist States in Europe: A Re-examination’, *Perspectives on European Politics and Society*, 10, 2009, 1, pp. 69–86; A. Persson, B. Rothstein and J. Teorell, ‘Why Anticorruption Reforms Fail: Systematic Corruption as a Collective Action Problem’, *Governance*, 26, 2013, pp. 449–71.



The informal governance patterns reveal networks of ‘insiders’ that, in pursuing their interests, affect an informal redistribution of state resources at the expense of excluded groups of ‘outsiders’. The borderline between insiders and outsiders within networks is much more indeterminate than implied by the public/private distinction, yet its shifting nature is not taken into account in policy making. In the light of these conclusions, the mere differentiation between the public and private spheres as the basis for common corruption paradigms becomes problematic, if not obsolete.

Second, the interrelationship between the three informal governance modalities where co-optation may only be sustained with adequate control mechanisms and the extent that it needs to be camouflaged entails that the practices involved in the informal governance regimes are inevitably ambivalent. In other words, we find that the tensions arising from multiple normative frameworks are resolved in practice by virtue of the ambivalent meanings and elusiveness attached to informal norms and practices.

Recognizing the inherent ambivalent nature of informal practices contributes to a better understanding of the entrenchment and resilience of corrupt behaviours. Exchange of favours can be imbued with a multiplicity of meanings, implications, values and expectations — all simultaneously implied and yet not made explicit.<sup>66</sup> For instance, what is given as a reward for loyalty can be taken away and punishment can ensue, informal understandings may be overturned by the application of the formal normative framework and the reward effectively turns into a trap.

The ambivalence of informal practices also places contradictory demands upon the occupants of a status in a particular social relation. Therefore, a public official may be expected simultaneously to execute public policy, protect collaborators and provide preferential access to resources to his or her kinship group. Since competing norms and obligations cannot be simultaneously complied with, they come to be expressed in an ‘oscillation of behaviors’, in the form of ‘detachment and compassion, of discipline and permissiveness, of personal and impersonal treatment’.<sup>67</sup> Such motivational ambivalence is linked to norms of reciprocity, which is in turn linked to social stability.<sup>68</sup> As an

<sup>66</sup> A. Ledeneva, ‘The Ambivalence of Favour: Paradoxes of Russia’s Economy of Favours’, in D. Henig and N. Makovicky (eds), *Economies of Favour after Socialism*, Oxford, 2017, pp. 21–49, and ‘The Ambivalence of Blurred Boundaries: Where Informality Stops and Corruption Begins’, *Perspectives*, 12, Winter 2014–15, pp. 19–22.

<sup>67</sup> R. K. Merton, *Sociological Ambivalence and Other Essays*, New York, 1976, p. 8.

<sup>68</sup> A. W. Gouldner, ‘The Norm of Reciprocity: A Preliminary Statement’, *American Sociological Review*, 25, 1960, 2, pp. 161–78.

illustration, where the public office is prebendal, or ridden with substantive ambivalence (partly public, partly privatized) we also observe 'normative ambivalence' or double standards displayed by the public. Thus, practices of 'receiving a bone', 'feeding' and 'eating' are not only associated with corruption but also accepted; corruption is condemned as morally wrong but at the same time tolerated. The seeming contradictions are resolved in the so-called 'misrecognition game': receiving privileges, rewards and competitive advantages is acceptable in one's own case, but are viewed as corrupt when given to others.

Furthermore, the fluidity of meanings and identities emanating from the ambivalent nature of informal norms is often manipulated by insiders of the system, for whom mastery of this hidden language is often an indispensable requisite for political survival. Across our three cases — Mexico, Russia, Tanzania — this ambivalent nature of informal norms and practices is a key to understanding how and why the same mechanisms that may be used to reward supporters and co-opt dissenters also can be utilized to enforce discipline and good governance.

To the extent that a regime is defined as 'the ensemble of patterns, explicit or not, that determines the forms and channels of access to principal governmental positions, the characteristics of the actors who are admitted and excluded from such access, and the resources [and] strategies that they can use to gain access',<sup>69</sup> we can claim that the modalities that we have identified amount to nothing less than effective instruments of informal governance, actively used for sustaining political regimes.

We believe that a next step in the direction of exploring the potential of harnessing informal practices to improve development outcomes and decrease corruption necessitates more research that continues to decode the various manners in which informal governance practices usurp the functions attributed to formal political regimes. Thus, co-optation practices serve to ensure regime survival because they play a role in addressing the essential problems faced by political elites of avoiding intra-elite splits, constructing loyalties and preventing the strengthening of groups that may contest power.<sup>70</sup> Whereas in formal frameworks associated with good

<sup>69</sup> G. O'Donnell and P. Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies*, Baltimore, MD, 1986, p. 73.

<sup>70</sup> B. B. de Mesquita, A. Smith, R. M. Siverson and J. D. Morrow, *The Logic of Political Survival*, Cambridge, MA, 2005; B. B. De Mesquita and A. Smith, 'Leader Survival, Revolutions, and the Nature of Government Finance', *American Journal of Political Science*, 54, 2010, pp. 936–50; M. W. Svobik, *The Politics of Authoritarian Rule*, Cambridge and New York, 2012.

governance and anti-corruption, enforcement typically involves elements such as transparency, informal groups are bound together by considerations such as reciprocity, loyalty, amity, reputation and coercion.<sup>71</sup>

Following this logic, we need to focus not only on the informal practices that work but also on how to make them work for promoting positive change. For instance, corruption created by bottom up co-optation could be targeted by generating incentives for social networks to discourage demands made on the basis of amity and by harnessing the collective action potential of social ties and informal practices for the reform.

<sup>71</sup> Banuri and Eckel point out that researchers have identified four main informal enforcement mechanisms that reinforce adherence to informal contracts: trust, reputation, hostage-taking and reciprocity. See S. Banuri and C. Eckel, 'Experiments in Culture and Corruption: A Review', *Research in Experimental Economics*, 15, 2012, pp. 51–76.