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# EXPERT INTERVIEW

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## What are the Prospects for Institutional Reforms under State Capture?

### Expert Interview with Professor Michael Johnston

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*"Accountability institutions and transparency amount to little unless there are people and groups with a stake in putting them to use, and that most likely refers to their own interests and agendas rather than (at the outset, at least) any sort of public reform agenda."*

**Michael Johnston** is a professor of Political Science Emeritus at Colgate University, New York, USA. His expertise areas cover comparative and American politics, public policy, corruption, democratization, and development. He has taught at the University of Pittsburgh and has been a visiting lecturer in politics and a visiting fellow, Centre for Urban and Regional Research, University of Glasgow, Scotland; visiting fellow, Department of Politics and Institute for Research in Social Sciences, University of York, England; visiting professor, Department of Politics and college fellow, St. Aidan's College, University of Durham, England; visiting professor, Departamento de Ciencias Politicas, Universidad de Santiago de Compostela, Spain; Member, School of Social Sciences, and National Endowment for the Humanities Fellow, Institute for Advanced Study, Princeton, NJ.

In the anti-corruption field, he is a pioneer who started his research on corruption back in the 1970's when few talked of the issues. Among his publications are *Public-Sector Corruption* (four-volume anthology), (London: Sage UK, 2010); *Syndromes of Corruption*. (Cambridge and New York: Cambridge University Press, 2005); *Civil Society and Corruption: Mobilizing for Reform* (Proceedings of the Colgate University Center for Ethics and World Societies.) Lanham, MD: University Press of America; *Political Corruption: Concepts and Contexts* (New Brunswick, NJ: Transaction Publishers, 2002) (Co-editor A. Heidenheimer); *Political*

*Corruption: A Handbook* (1989); *Fraud, Waste and Abuse in Government: Cause, Consequences and Cures* (1986); *Political Corruption and Public Policy in America* (Brooks/Cole Publishing, 1982). Besides, he has written articles for in journals such as *Crime, Law, and Social Change*, *Asian Perspectives*, *Comparative Politics*, *Public Integrity*, *African Studies Quarterly*, *Publius*, *Polity*, *The Political Quarterly*, *American Political Science Review*, *Urban Affairs Quarterly*, *Review of Black Political Economy*, *Journal of Democracy*, and in numerous edited volumes including several research reports of the British Social Attitudes Survey. In addition, Prof. Johnston has produced public policy consulting and publications under the auspices of the World Bank, USAID, United Nations, and other groups. Worthy of mentioning is that among his publications, *Syndromes of Corruption* was awarded the 2009 Grawemeyer Award for Ideas Improving World Order, presented by the University of Louisville. The book has appeared in Romanian- Arabic and simplified Chinese-language editions. Prof. Johnston is a senior member of the Editorial Board of *Crime, Law, and Social Change* (a refereed research journal published quarterly by Springer) and from 1995-2010 he was a member of the Board of Directors, Transparency International-USA.

*T.Z. Based on the European Council's decision, it's clear that Georgia's European integration largely depends on its commitment to fulfilling the EC's recommendations. The overwhelming majority of civil society and the opposition parties agree that fulfillment of those recommendations is vital for the country. However, among civic and political actors there is no agreed approach about the means of achieving this. One reason given for the existing lack of clarity is that the European Commission has not prioritized its recommendations - the published sequence of recommendations is an action list but without any indication of the European Commission's preferred order of precedence. From your point of view, for the time being, which recommendation should be prioritized in a country where state capture is evident?*

**M.J.** What strikes me most strongly about the EU list is that it seems to demand that Georgia accomplish the work of decades by year's end...? I also have to wonder about criteria - how might Georgia show, for example, that it is reducing the power and influence of oligarchs? I could make up a list of possible measurement/assessment tools, but they would all need a much longer timeline than Georgia is being given. I'm aware that the EU wants to see progress, not completed accomplishments, but even at that level, it's hard to know what they are thinking.

Of the goals listed, I might suggest focusing on judicial reform and action on the issue of women's status, and violence against women, as ways of demonstrating good faith. For the former, Georgia would seem to have some momentum in place already, given the extensive turnover in personnel since the Rose Revolution; no doubt there is more to be done, and perhaps launching a second major transition in the judiciary might be possible. As for the latter, part of the value here is showing significant determination to change some deeply-ingrained aspects of Georgian society (much the same could be said about the US, in that regard); and some synergy between the two, showing that the courts are handling anti-woman violence and discrimination cases in a more aggressive and professional manner, would be both a good thing in itself and a useful answer to the EU. That combination, in turn, could and should involve civil society groups in more extensive fashion.

As for the anti-corruption agency point, launching a movement to expand its efforts in terms of public education and involvement - along the lines of Hong Kong, perhaps - might be possible by year's end. Another idea might be to introduce new indicators and benchmarks of government performance that could identify corruption "hot spots" and begin a process of demonstrating progress in terms of quality-of-life functions citizens can identify with.

*T.Z. For Georgia's democratic progress, many representatives of the international institutions are strongly recommending to Georgian political parties and civic actors that they should cooperate with the Georgian Dream (and impose pressure on the party if needed) to implement institutional reforms, including strengthening the rule of law and establishing an independent anti-corruption agency. Is it possible for institutional reforms to be implemented under state capture (if so, how? If not, why?)*

**M.J.** Here it's hard to answer definitively without knowing more about the current party leaderships, but I do think that a solid middle- to long-term approach is to undercut the political hegemonies and collusion that support state capture. That might be done through political funding schemes that underwrite greater competition (funding for parties) and popular participation (various schemes for matching small private contributions with public funds are one way to go). In other words, attack and weaken the political foundations of state capture before moving directly against the specific kinds of corruption state capture enables. So, pressure, yes, but also incentives and resources to encourage and then reward better patterns of competition and behavior - I suppose what I'm suggesting is to avoid strengthening the position of the Georgian Dream, and to help *bona fide* contributors competitors to gather strength over the middle to long term.

*T.Z. Currently, in Georgia, state capture is related to the billionaire Bidzina Ivanishvili, founder of the ruling party Georgian Dream. However, in Georgia several power elites still have large financial resources and a specific interest in politics and the media. According to the ruling party representatives' recent statements, they will*

*use the anti-oligarch law not against Bidzina Ivanishvili but their opponents. Accordingly, due to the extreme political polarization, there is no unequivocal agreement in the country on which of the oligarchs will be covered by the EU Commission's recommendation on de-oligarchization. From your point of view, what does the European Commission's recommendation about "de-oligarchisation" mean for Georgia, and why?*

**M.J.** At the risk of seeming cynical, which I don't want to do, I think their recommendation mostly tells me that they haven't taken time to understand Georgian politics, or that their recommendations are not really proposed in good faith. The fear that anti-oligarch laws and policies will be used against competitors strikes me as very plausible and likely - so much so that law-enforcement approaches to de-oligarchization strike me as fundamentally unpromising, for now. Better would be, as suggested above, to use resources and incentives to gradually increase political competition - "gradually", not in order to be timid about it, but rather to avoid causing a corruption apocalypse among officials and politicians who might suddenly feel insecure, and therefore might grab as much as they can, as quickly as possible - and, to do that over a period of quite a few years as a matter of political reform, not law enforcement and not even - at first - as an effort to stop specific kinds of corruption. Those corruption patterns are aided by political, administrative, and economic monopolies, and undermining *them* is the most promising sustained strategy.

*T.Z. Georgia's international partners and some civic or political actors in Georgia also believe that implementing institutional reforms (noted in the European Commission's recommendations) would naturally cause "de-oligarchisation" and*

*elimination of the excessive influence of vested interests in economic, political, and public life; How powerful are vested interests in the blocking of reforms? What is the practice in transitional democracies?*

**M.J.** That is a fascinating question, as I would agree that most of that sort of progress will be accomplished – if at all – in gradual and indirect ways. Vested/entrenched interests can be very powerful in blocking reforms that directly attack their bailiwicks, but measures that open up alternatives to them might strengthen some emerging competitors. Two parallel concerns should be emphasized from the beginning – bringing more voices and interests into the political and economic arenas, even if at the outset they are not mobilizing against corruption (they probably won't be, at first); this means encouraging all sorts of groups (women, students, farmers, small merchants, etc, etc) to organize and develop leadership and social capital. The second is to create *and protect* open and valued political and economic space in which people and groups can articulate their interests and organize around common concerns. This is a question, among other things, of civil liberties, freedom of speech and assembly, etc., even if none of that is immediately being used against corruption or oligarchs. Those assets are, instead, useful in a variety of ways and will help build up social and political capital not immediately under the control of the oligarchs. However, none of this will be easy or done without opposition. I know, but I also believe Georgia already has some experience and momentum in those areas.

**T.Z.** *The studies on state capture point out a causal link between capture and reform running in both directions, which makes a so-called "vicious circle" for countries. Generally, the scholars mention three mechanisms (vertical, horizontal,*

*and international) that can trigger accountability. However, because of weak political parties and vote-buying, one-party rule in all branches of the government, loyal "clans" in the judiciary system, and a questionable pro-Western orientation of the ruling party, none of those mechanisms work in Georgia. What do you suggest: how can Georgia break that vicious circle? Could you recommend some best cases from international practice?*

**M.J.** Those are good reasons why I emphasize longer-term action and social/political competition. Accountability institutions and transparency amount to little unless there are people and groups with a stake in putting them to use, and *that* most likely refers to their own interests and agendas rather than (at the outset, at least) any sort of public reform agenda (that can come later when the groups have gathered some strength and unity). Encouraging and protecting the emergence of those competing interests, using indicators and benchmarks to show progress where possible and to call positive attention to those who manage and govern well, is an indirect but essential approach. Social revival should be seen as a way of energizing any institutional reforms. Particular attention, and skepticism, should be directed at any "reform" efforts that are really new forms of control and abuse masquerading as anti-corruption, and at GONGOS and other pseudo-civil-society activities (we have them here too) that talk a big game when it comes to "people power" scenarios but are really efforts at renewed control from above. Historically, a number of today's better-governed countries got that way via contention among self-interested groups objecting to official mistreatment, rather than by way of anti-corruption master plans – that is, the key action went from the ground up rather than the top down. The UK, historically, fits that scenario; so do the US, Australia, and Canada, even though

none of them can claim to be governed perfectly (!). These days I would look closely at Uruguay, Rwanda, and Estonia, and of course look at Georgia's own story since the Rose Revolution. In no way do I want to minimize the country's

challenges, but the key variables here might be people and groups advocating their own interests rather than those pushing for some sort of specific institutional change.



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Georgian Institute of Politics (GIP) is a Tbilisi-based non-profit, non-partisan, research and analysis organization. GIP works to strengthen the organizational backbone of democratic institutions and promote good governance and development through policy research and advocacy in Georgia.

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