

**LEGISLATIVE OVERSIGHT AND CURBING CORRUPTION:  
PRESIDENTIALISM AND PARLIAMENTARIANISM REVISITED**

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A THESIS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY AT THE  
AUSTRALIAN NATIONAL UNIVERSITY

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## STATEMENT

This thesis was researched and written solely by me, subject only to the acknowledgements on the following page.

Frederick Stjepanich

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## ABSTRACT

Scholars generally agree that corruption hinders economic development (Johnston, 1997; Hellman, Jones, and Kaufmann, 2000; Tanzi and Davoodi, 1997; Mauro, 1997; Rose-Ackerman, 1975, 1978). There are two main schools of thought regarding the causes of corruption. The first focuses on *structural* causes, including a country's history, socio-political context, culture and norms, values, and loyalties. This view is reflected in the work of Rose-Ackerman (1975), Kaufmann and Dininio (2006), Yao (2002), Johnston (1997), and Knack (2000), among others. While this body of work helps explain the drivers of corruption, as well as the extent and types of corruption, it is "...often difficult to translate into policy solutions for the reduction of corruption (Thomas and Meagher, 2004, p. 4). The second school, exemplified inter alia by Klitgaard (1998), Rose-Ackerman (1998), and Polinsky and Shavell (2001), focuses on *behavioral* causes and draws on new institutional economics, in particular the principal-agent theory, to explain corruption.

Until recently, research has tended to overlook the role of legislatures in influencing corruption. However, recent work suggests that one of the principal factors determining a country's level of corruption is its form of government; that is, whether a country has a presidential or a parliamentary system. Yet there is no consensus on what exactly these factors are, nor on how they operate. Gerring and Thacker (2004) and Lederman et al. (2005) demonstrate that countries with presidential forms of government have higher levels of corruption than those with parliamentary forms. This runs counter to corruption theories that stress the importance of checks and balances and independent "institutions of accountability" (Doig and Theobald, 2000; Hope, 2000; Persson, Roland and Tabellini, 1997; Treisman, 2000). This latter group of authors asserts that the legislature is better able to hold the executive to account in presidential systems, in which the two branches of government are independent of each other, than in parliamentary systems, in which the two branches are fused. They argue that greater accountability reduces corruption.

Pelizzo and Staphenurst (2004) found that one of the differentiating factors between presidential and parliamentary forms of government is the number of oversight tools available to the legislature—legislatures in parliamentary systems tend to have more tools at their disposal than those in presidential systems. However, researchers have not

considered whether more, and which, oversight tools result in better oversight and less corruption.

In this thesis, I explore the issues raised by the studies mentioned above. I examine and answer (i) whether countries with parliamentary forms of government (Gerring and Thacker, 2004; Lederman et al., 2005) are less corrupt than countries with presidential forms of government, or countries with presidential forms of government are less corrupt (Doig and Theobald, 2000; Hope, 2000; Persson, Roland and Tabellini, 1997; Trieisman, 2000); (ii) whether the availability of legislative oversight tools is a determining factor (Pelizzo and Stapenhurst, 2004) of legislative oversight itself, and lower corruption; and (iii) what other factors may explain differences in the degree of oversight and corruption.

The overall objective of this thesis is specified in the following research question:

*Does legislative oversight reduce corruption and, if so, how and why? In particular, what are the differences regarding oversight in countries with parliamentary and presidential forms of government—and do these explain the lower levels of corruption in countries with parliamentary systems?*

The general question I ask is: “Is corruption reduced when the level of legislative oversight is raised?” In answering this question, I assume that the relationship between legislative oversight and corruption is a policy process; the desired policy outcome is reduced corruption and the input is legislative oversight. The underlying question is: how does the input affects the outcome? I also believe that legislative oversight comprises specific tools used by legislatures in a particular context; in other words, I examine oversight tools and contextual factors.

To facilitate cross-country comparisons of legislative oversight, and to enable me to answer this overall research objective, I developed a comprehensive Legislative Oversight index. I then conducted statistical analyses to see to what extent this index could explain variations in corruption levels across countries. I found that the index is positively associated with lower corruption and that the relatively better score on oversight tools for countries with parliamentary forms of government is somewhat offset by the slightly better score on contextual factors for countries with presidential forms of government. However, even

allowing for this, I found that countries with parliamentary forms of government have greater oversight, and lower corruption, than those with presidential forms of government.

In summary, this thesis has added to our knowledge in three ways. First, I have developed a set of useful methodological tools which enables more rigorous cross-country comparisons of legislative oversight and its components than was previously possible. The tools comprise an index of Oversight Tools, an index of Contextual Factors, and the combined index of Legislative Oversight, noted above. Second, using these tools, I have demonstrated that legislative oversight is an important determinant of corruption. I have shown that contextual factors are relatively more important, although oversight tools are relevant as well. Finally, I have developed a comprehensive conceptual framework which synthesizes different neo-classicist theories and explains the policy process between legislative oversight and corruption.

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## CHAPTER 1. INTRODUCTION

Scholars generally agree that corruption hinders economic development (Johnston, 1997; Hellman, Jones, and Kaufmann, 2000; Tanzi and Davoodi, 1997; Mauro, 1997; Rose-Ackerman, 1975, 1978).

There are two main schools of thought regarding the causes of corruption. The first focuses on *structural* causes, including a country's history, socio-political context, culture and norms, values, and loyalties. This view is reflected in the work of Rose-Ackerman (1975), Kaufmann and Dininio (2006), Yao (2002), Johnston (1997), and Knack (2000), among others. While this body of work helps explain the drivers of corruption, as well as the extent and types of corruption, it is "...often difficult to translate into policy solutions for the reduction of corruption (Thomas and Meagher, 2004, p. 4). The second school, exemplified inter alia by Klitgaard (1998), Rose-Ackerman (1998), and Polinsky and Shavell (2001), focuses on *behavioral* causes and draws on new institutional economics, in particular the principal-agent theory, to explain corruption. While such an approach "...lends itself to the generation of policy solutions, there remains the question of whether corruption problems can be treated without regard to the broader context in which they are situated" (Thomas and Meagher, 2004, p. 4). In other words, both approaches offer partial models with limited explanatory power.

Until recently, research has tended to overlook the role of legislatures in influencing corruption. However, recent work suggests that one of the principal factors determining a country's level of corruption is its form of government; that is, whether a country has a presidential or a parliamentary system. Yet there is no consensus on what exactly these factors are, nor on how they operate. Gerring and Thacker (2004) and Lederman et al. (2005) demonstrate that countries with presidential forms of government have higher levels of corruption than those with parliamentary forms. This runs counter to corruption theories that stress the importance of checks and balances and independent "institutions of accountability" (Doig and Theobald, 2000; Hope, 2000; Persson, Roland and Tabellini, 1997; Treisman, 2000). This latter group of authors asserts that the legislature is better able to hold the executive to account in presidential systems, in which the two branches of

government are independent of each other, than in parliamentary systems, in which the two branches are fused. They argue that greater accountability reduces corruption.

Pelizzo and Stapenhurst (2004) found that one of the differentiating factors between presidential and parliamentary forms of government is the number of oversight tools available to the legislature—legislatures in parliamentary systems tend to have more tools at their disposal than those in presidential systems. However, researchers have not considered whether more, and which, oversight tools result in better oversight and less corruption.

In this thesis, I explore the issues raised by the studies mentioned above. I examine and answer (i) whether countries with parliamentary forms of government (Gerring and Thacker, 2004; Lederman et al., 2005) are less corrupt than countries with presidential forms of government, or countries with presidential forms of government are less corrupt (Doig and Theobald, 2000; Hope, 2000; Persson, Roland and Tabellini, 1997; Trieisman, 2000); (ii) whether the availability of legislative oversight tools is a determining factor (Pelizzo and Stapenhurst, 2004) of legislative oversight itself, and lower corruption; and (iii) what other factors may explain differences in the degree of oversight and corruption.

The overall objective of this thesis is specified in the following research question:

*Does legislative oversight reduce corruption and, if so, how and why? In particular, what are the differences regarding oversight in countries with parliamentary and presidential forms of government—and do these explain the lower levels of corruption in countries with parliamentary systems?*

In examining legislative oversight, scholars tend to distinguish between external factors, located in the external *milieu* of a legislature, and internal factors, part of the legislature itself (Olson and Mezey, 1991; Olson and Norton, 1996; Norton and Ahmed, 1999).<sup>1</sup> There are two types of external factors: (i) contextual variables, such as a country's constitution, political parties, and electoral system; and (ii) oversight institutions (e.g., ombudspersons

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<sup>1</sup> There are other distinctions, too, including formal and informal mechanisms (Beerman, 2006) and ex-ante and ex-post (Ringquist, Worsham, and Eisner, 2003). These will not be explicitly developed further in this thesis.

and supreme audit institutions), which are integral to the legislature's oversight activities.<sup>2</sup> Internal factors comprise factors within the legislature, such as legislative political party groups and institutional mechanisms, like committees, questions, and interpellations.

The general question I ask is: "Is corruption reduced when the level of legislative oversight is raised?" My question builds on the extant literature and follows a critical realistic approach, consistent with an abductive logic of inquiry. In answering this question, I believe that the relationship between legislative oversight and corruption is a policy process; the desired policy outcome is reduced corruption and the input is legislative oversight. The underlying question is: how does the input affects the outcome? I also believe that legislative oversight comprises specific tools used by legislatures in a particular context; in other words, I examine oversight tools—both internal and external—and contextual factors.

The *purpose* of this thesis is to determine how legislative oversight impacts the level of corruption, so that policy-makers, legislators, practitioners, and scholars can use the results to improve oversight and reduce corruption.

The *theories* that guide my research are drawn from the literature on corruption, accountability, and legislative oversight from the institutionalist school of thought, especially the rational choice, historical, and sociological sub-schools. The nexus between these theories is not well developed, and one of my objectives is to synthesize these theories regarding the oversight function of legislatures.

### **Conceptual and Theoretical Underpinnings**

In addressing the principal research question of this study, I draw upon theories from the literature on corruption, accountability, and legislative oversight from the institutionalist school of thought, principally the rational choice, historical, and sociological sub-schools. The nexus between these theories is not well developed, nor is their application to the issue of legislative oversight. One of my objectives is to develop a conceptual framework based

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<sup>2</sup> I am grateful to David Olson for highlighting this dichotomy.

on a synthesis of these theories to provide a more comprehensive framework with which the oversight function of legislatures can be examined.

The pure *classical institutional* approach focuses "...on how the 'rules' channeled behavior...[and]...on how and why the rules came into being in the first place, and, above all, whether or not the rules worked on behalf of the common good" (Rhodes, Binder, and Rockman, 2006, p. xii). This approach is largely atheoretical and fails to provide a framework for analyzing the research question at the heart of this thesis. The pure *behavioralist* approach is a reaction to the classical institutional approach and is grounded in the recognition that "[p]eople frequently did not adhere to the rules, and [that] informal groups of peers often became more influential than the formal organizational settings these individuals found themselves in" (Rhodes, Binder, and Rockman, 2006, p. xii). I also reject this approach, as it does not consider institutional factors that shape and influence behavior.

The *neo-institutionalist* approach emerged as a reaction to the pure behaviorist approach and comprises elements of both the classical institutional and behaviorist styles. It connotes "...a set of theoretical ideas and hypotheses concerning the relations between institutional characteristics and political agency, performance and change" (March and Olsen, 2006, p. 4). However, there is no consensus in the literature regarding the exact meaning of *neo-institutionalism*. According to Scott (2001, p. 33), there are "...two quite distinct groups: the *historical* and the *rational choice* theorists", while Hall and Taylor (1996) add a third school: *sociological* institutionalism.

This thesis draws on all three institutionalist schools. As a result, my methodological approach can be regarded as *neo-institutionalist*. I acknowledge that institutionalism has "...experienced a sort of *renaissance* among political scientists" (Pelizzo, Staphenurst, Sahgal, and Woodley, 2006, p. 775) and that neo-institutionalism has moved beyond the simple belief that institutions matter, to an understanding of "whether, why and how much they matter." In following this approach, I examine whether, why, and how much legislative oversight contributes to the control of corruption.

I use *principal-agent* theory, drawn from the rational choice school of institutionalism, in an attempt to cut through the complexity and confusion surrounding the concept of

government accountability. I do so because, despite its limitations<sup>3</sup>, this theory provides a theoretical framework and starting point for answering the research question.

Principal-agent theory focuses on the institutional mechanisms whereby *principals* can monitor and enforce compliance on their *agents*. It seems particularly appropriate for explaining the accountability relationship between citizens (as principals) and the executive and the legislature (both as agents) on the one hand, and between the legislature (acting as principal, on behalf of citizens) and both the executive and the bureaucracy on the other hand.

But while principal-agent theory can help reveal some of the underlying relationships between governments and legislatures, it cannot explain why legislatures around the world are structured the way they are. I turn to the historical institutionalist notion of *templates for organizing* to understand the relative homogeneity of global legislative systems. I also use the notion of *path-dependency* to explain the relative stability over time of the type of legislature a country has and the type of oversight tools it uses. But path-dependency cannot explain the diffusion and adaptation of oversight tools around the world, nor their use by legislatures that would not normally be expected to adopt such mechanisms. For instance, why have Public Accounts Committees, a feature traditionally associated with Westminster parliamentary systems, been increasingly adopted by non-Commonwealth parliamentary and presidential systems? Here, I draw upon sociological institutionalism's theory of *convergence* that stresses the convergence of organizations by framing the question as "Why [is there] such startling homogeneity, not variation?" Finally, I draw on the sociological concept of *social capital*, to explain the importance of an apparently important contextual variable, trust in parliament. I conclude that social capital, generally, and trust in parliament, in particular, is the glue that combines structure (oversight tools) and process.

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<sup>3</sup> Principal-agent theory usually offers only a partial analysis (Thomas and Meagher, 2004) and often cannot be applied to issues in public sector governance (Fukuyama, 2004b).

## Methodological Framework

I recognize that there are inherent weaknesses in using only a quantitative or only a qualitative<sup>4</sup> approach to research and I therefore adopt a *mixed methodology*, involving both. This has enabled me to verify the statistical findings regarding oversight gained through the quantitative analysis, with an in-depth qualitative look at oversight within a particular socio-political context.

In addition to the mixed (quantitative/qualitative) methodological approach, I also adopt a mixed fixed/flexible research design, which allows further triangulation of results by cross-checking statistical results with field survey results. An initial large-scale statistical analysis, the fixed part of the research design, enabled me to test some initial research questions and develop some generalizations about the relationship between corruption and legislative oversight. The results allowed me to develop testable questions for the comparative case study. The case study was the flexible part of the research design, as the research questions explored were not specified in any detail prior to the large-scale statistical analysis. In other words, through quantitative analysis I examine *what* the relationship is between legislative oversight and corruption, while the qualitative analysis enables me to consider *how* these relationships work and what other (non-specified) variables might be relevant. With this knowledge, I revert to a second and final large-scale statistical analysis, which tests the new hypotheses generated by the case studies. With these results, I develop an integrated explanation of how and why legislative oversight reduces corruption. This approach is recognized in the literature, and was initially proposed by Lieberman (2005).

## Thesis Outline

Chapter 2 reviews the literature pertaining to corruption and legislative oversight. I note that scholars examining corruption have tended to ignore the legislature (and even where

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<sup>4</sup> For example, Sartori (1970) noted “conceptual stretching” by those practicing quantitative approaches, while Lijphart (1971), Achen and Snidal (1994), and King, Keohane, and Verba (1994) have argued that it is difficult to draw general conclusions from intensively studying a few cases. Recognizing the advantages and disadvantages of both approaches, several scholars, such as Tarrow (1995) and Lieberman (2005), have suggested a synthesis of methodological approaches, which allows triangulation of both sources of data and analytical methods.

they have not, their empirical results are contradictory), while legislative studies specialists have generally avoided the linkage between legislative oversight and corruption. This gap in the literature provides the rationale for this thesis. I conclude this chapter by establishing specific research questions, based on this gap.

In Chapter 3, I elaborate on the conceptual underpinnings of this thesis and on the methodological approach adopted. I note that principal-agent theory is a useful starting point for understanding legislative oversight, especially for explaining why legislatures adopt oversight tools as a means by which they (as principals) hold governments (agents) to account. Institutional theory is useful in explaining why contextual factors are important; the notions of archetypical systems, templates for organizing, and path-dependency can help explain why countries have different forms of government. Finally, social capital is useful for understanding different levels of trust in parliament; this trust is the glue between structure (oversight tools) and process.

I present a more detailed outline of the methodological approach in Chapter 4. I specify the dependent and independent variables (corruption and legislative oversight, respectively) and their operationalization. I construct a research framework, building on and modifying Wang (2005), who in turn synthesized Olson and Mezey (1991), Olson and Norton (1996), and others. I then present detailed plans for both the statistical and case study components of this thesis

Chapter 5 examines the issues raised by Pelizzo and Stapenhurst (2004). I examine whether the existence and use of oversight tools is the determining factor for national variations in levels of corruption. I first consider how and why oversight tools and mechanisms *could* contribute to lower corruption. Then, guided by principal-agent theory, I undertake a large-scale statistical analysis to determine if, in fact, the existence of legislative tools and mechanisms is associated with lower corruption. I pose two hypotheses: (i) that the level of legislative oversight potential, as measured by the existence of oversight tools, is a determining factor in variations of corruption across countries, and (ii) that it is the interaction between oversight tools, not merely their existence, which determines levels of corruption. In order to facilitate cross-country comparisons of both oversight tools and

legislative systems, I develop an Oversight Tools index and statistically examine the relationship between this index and corruption.

Chapter 6 builds on the findings of Chapter 5. I examine how oversight tools work in parliamentary and presidential countries and consider what other factors influence oversight and corruption. I investigate these issues through comparative case study analysis of Ghana, a semi-presidential system with strong Westminster parliamentary roots, and Nigeria, a presidential system modeled on the United States congressional model. This case study draws on the notions of *templates for organizing* (using the archetypical presidential system of the United States and the archetypical parliamentary system of the United Kingdom) and *path-dependency*. The case study examines *how* the oversight tools work, noting that there is considerable similarity between their use in Ghana and Nigeria.

In Chapter 7, I examine whether the contextual factors identified in Chapter 5, together with the additional factor of electoral systems, help explain cross-country variations in levels of corruption. First, I consider how and why contextual factors *could* contribute to lower corruption. Then I undertake a large-scale statistical analysis to determine if, in fact, contextual factors are associated with lower corruption. I develop a Contextual Factors index and statistically examine the relationship between this index and corruption, in order to facilitate cross-country comparisons of contextual factors. The statistical study does not include the variable *political party strength* because there are no global data to enable cross-country analysis. Further, while there is consensus in the literature that electoral systems matter, there is no agreement regarding how they affect corruption. A majoritarian electoral system would seem to enhance the principal-agent relationship, and thus be associated with stronger oversight and lower corruption; however, some scholars (e.g. Gerring and Thacker, 2004) suggest that proportional representation – at least in parliamentary systems – is related to lower corruption. My analysis supports the former argument.

I analyze and discuss the findings of the three previous chapters in Chapter 8. My first contribution to our knowledge is the index of Legislative Oversight, which comprises the oversight tools and contextual factors indices. This combined index has a relatively strong

explanatory power in cross-country variations of corruption. The index enables me to comprehensively answer the principal research question of this thesis.

Chapter 9 presents the principal conclusions of the thesis. My second contribution to our knowledge is a synthesized framework which explains legislative oversight. The framework draws on principal-agent theory, to explain the development and use of oversight tools by legislatures, and on other neo-institutional concepts to explain contextual factors. These neo-institutional concepts include templates for organizing/archetypes, path-dependency, critical junctures, isomorphism, and social capital. My third contribution is to reconsider the accountability relationship between the executive and the legislature. I note that the literature diverges on definitions of horizontal and vertical accountability, as they relate to executive-legislative relations. I argue that Bovens' (2005a, 2005b, 2006) notion of vertical accountability best explains the accountability relationship in parliamentary systems, while O'Donnell's (1999) notion of horizontal accountability better explains the accountability relationship in presidential countries.

I conclude by suggesting some future research directions.

## CHAPTER 2. LITERATURE REVIEW

In recent years, two strands of research have proceeded more or less in parallel, with little cross-over – despite apparent synergy. Over the past decade or so, controlling corruption has emerged as an important element of governance and, as will be illustrated, there is a substantial body of literature that demonstrates that corruption *matters*. From early claims that corruption was either a byproduct of development (Naim, 1994) or even the grease that aided development (Huntington, 1968; Neff, 1964), thinking has shifted 180 degrees and there appears to be consensus that corruption hinders development (e.g. Mauro, 1997; Wei and Kaufmann, 1998; Kaufmann 2000). Indeed, reducing corruption has become a stated goal of many governments.

Legislative oversight has also attracted attention from scholars and practitioners alike, although there is no consensus on what oversight actually is. Some scholars have suggested that it consists of legislative supervision of the policies and programs enacted by government (Schick, 1976); others extend the definition to include supervision of the executive's legislative proposals (Maffio, 2002). In recent years, attention has focused on the tools that a legislature has to oversee government (Maffio, 2002; Pennings, 2000) and, more recently still, to the relation between legislative oversight tools, forms of government<sup>5</sup> and democracy (Pelizzo and Stapenhurst, 2004; Pelizzo and Stapenhurst, 2008).

Kaufmann and Dininio (2006), Johnston (1999) and others have highlighted the fact that multifaceted strategies are required to curb corruption – and one of the key components of such strategies is legislative oversight. However, research into *how* legislative oversight curbs corruption has been lacking; this issue has not been studied by either corruption scholars or legislative experts.

Lederman, Loayza and Soares (2005) determined that political institutions do matter when it comes to curbing corruption. They found that legislatures in parliamentary systems are more effective in controlling corruption than legislatures in presidential systems. This finding has been corroborated by Gerring and Thacker (2004) and Gerring, Thacker and

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<sup>5</sup> That is, presidential, semi-presidential and parliamentary.

Moreno (2005) who show that parliamentary forms of government help reduce corruption.<sup>6</sup> Kunicova and Rose-Ackerman (2007) also point out that presidentialism<sup>7</sup> is associated with higher levels of corruption. Organizations such as the World Bank and Transparency International note the importance of legislative oversight in countries' strategies to curb corruption, but, again, they have not described *how* legislative oversight helps curb corruption.

Missing from both strands of research is the intersection between agency and structure. Corruption experts identify the fundamental causes of corruption as individual actors, on the one hand, and structural issues, on the other, but little attention has been paid to the interaction between the two. At the same time, legislative scholars have focused mainly on structure and less on agency, largely overlooking the fact that an unused structure is irrelevant. In both instances, *process* is the 'glue' which holds the interaction between agency and structure together – an issue I will return to in Chapter 6.

In this chapter, I survey the scholarly literature regarding the nexus between corruption and legislative oversight. I note that the scholars examining corruption have tended to ignore the legislature (and even where they have not, their empirical results are contradictory) while legislative studies specialists have generally avoided the linkage between legislative oversight and corruption. It is this gap in the literature that I seek to address in this thesis. I proceed as follows. First, I review the literature on corruption, and second, the literature on legislative oversight. In both instances I highlight any (often only passing) references to the importance of legislative oversight in curbing corruption. I conclude by establishing research questions for this thesis, based on the gaps within these two schools of literature.

## **Corruption**

Thomas and Meagher (2004) note that causal analysis of corruption typically falls into one of two broad approaches. The first focuses on structural, or contextual, causes, such as the structure and history of the political regime, culture, values, norms and loyalties. A rich literature exists regarding the patrimonial state (e.g., Weber, 1964; Scott, 1972), social

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<sup>6</sup> Along with unitarism (Gerring and Thacker) and proportional representation (Gerring, Thacker and Moreno).

<sup>7</sup> Associated with proportional representation electoral systems.

relationships (e.g., Cartier-Bresson, 1997; Fitchett and Ignatius, 2002; Yao, 2002) and unchecked government (e.g., Scott, 1972; Johnston, 1997; Moore et al., 1999). Here, the analyses often draw upon institutional theory. While these, and related, analyses contribute to a deeper understanding of the drivers of corruption, they are difficult to translate into policy solutions that reduce corruption.

The second approach focuses on the incentives that drive individuals to choose corrupt acts. Here, the unit of analysis is the individual, who has rational preferences and expectations and who makes choices so as to maximize his own utility (Thomas and Meagher, 2004; p. 12). Klitgaard's (1988) formula explaining corruption:  $\text{Corruption} = \text{Monopoly} + \text{Discretion} - \text{Accountability}$  provides a framework for further analysis. Corruption will exist when a public official has monopoly power, with unfettered discretion and there is a lack of accountability. Scholars have looked at these, and related, factors that encourage corruption. For example, Rose-Ackerman (1998) and Shleifer and Vishny (1993) examined opportunity (discretionary authority), while Besley and McLaren (1993) considered the impact of low wages on corruption and Tyler (1990) and Polinsky and Shavell (2001) analyzed the sanctions which discourage corrupt behavior. Underlying much of this analysis is the principal-agent model. For example, Becker and Stigler (1974), Banfield (1975), Rose Ackerman (1975, 1978) and Klitgaard (1988, 1991) treat the government official's hierarchical superior as the principal who has the problem of preventing the agent from engaging in corrupt acts. Alternatively, the principal can be the legislature (acting on behalf of citizens) or citizens themselves.

My interest in this thesis centers on a less-studied aspect of corruption, namely, its relationship to legislative oversight. Both approaches noted above make passing reference to the importance of legislatures in reducing corruption, but there have been few attempts to study the relationship between legislatures and corruption and there is no consensus on the results. Under the first approach, scholars such as Treisman (2000) and Persson et al. (1997) have looked at the relationship between form of government and corruption and found that countries with more clearly demarcated political powers (i.e., those with presidential forms of government) have lower levels of corruption. By contrast, Gerring and Thacker (2004), Gerring, Thacker and Moreno (2005) and Lederman et al. (2001, 2005) have found that countries with fewer veto points in the political system (i.e., those where

executive and legislative functions are fused, as in parliamentary systems) have lower levels of corruption. There are fewer studies under the second approach, but noteworthy is Stapenhurst and Pelizzo (2008) who found that countries with more legislative oversight tools (i.e., where legislatures, acting as principals, have more tools with which to oversee actions by the executive) have lower levels of corruption.

This paucity of research is surprising, when there appears to be a consensus that multifaceted strategies are required to curb corruption and that one of the key components of such strategies is legislative oversight (Kaufmann and Dininio, 2006; Johnston, 1999). Curbing corruption through case-by-case basis investigation and enforcement is not enough. Effort also needs to be made to reduce opportunities for corruption, improve political accountability and increase civil society participation<sup>8</sup>. Such reforms target the relationships among core state institutions, the interactions between the state and firms, the relationship between the state and civil society, the political system and public administration. Diagram 2.1, which presents a strategic framework proposed by the World Bank, is illustrative.<sup>9</sup>

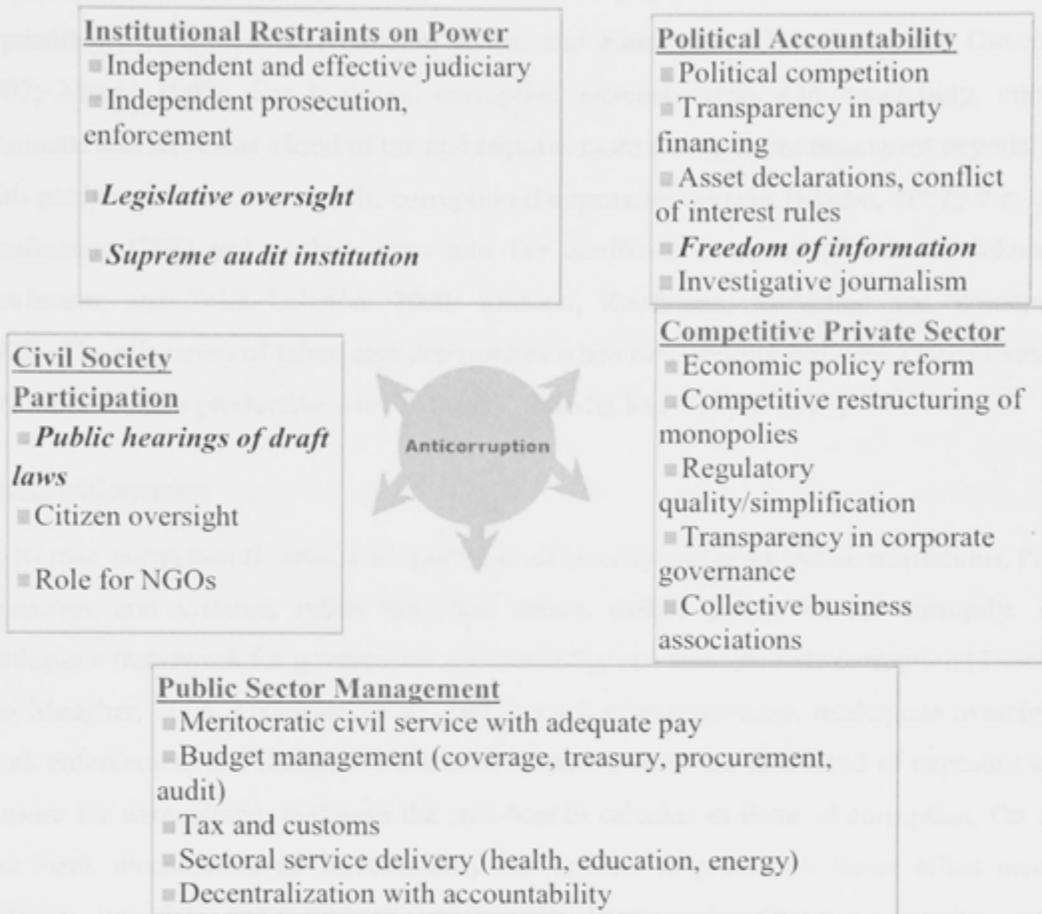
Much has been written on the need for public sector reform, civil society participation and private sector competition in broad-based strategies to curb corruption. Likewise we often hear about the need for institutional restraints involving an independent and effective judiciary, prosecutorial and enforcement agencies and political competition. However, much less has been written on the role of the legislature. Indeed, the role of the legislature in curbing corruption is often mentioned only in passing and is fragmented and/or confused. For example, the World Bank's model for curbing corruption (Diagram 2.1) has failed to note the important linkages between supreme audit institutions and the legislature (institutional restraints on power), the role of legislative committees in holding public hearings on draft laws (civil society participation), political competition and campaign finance rules (political accountability) and the role of the legislature in developing ethics regimes for members of the executive, the legislature, and for bureaucrats.

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<sup>8</sup> Plus increase competition in the economy and improve incentives for good performance.

<sup>9</sup> Transparency International proposes a similar multifaceted strategy, using the notion of 'pillars of integrity', where one such pillar is legislative oversight.

**Diagram 2.1: A Multifaceted Anticorruption Strategy**



Source: Kaufmann and Dininio (2006)

*Italics* = author

### Costs of Corruption

Recent research on corruption has affirmed the significant negative impact it has on economic growth. Mauro's (1997) examination of more than a hundred countries offered a quantitative estimate of this effect. He found that if a given country were to improve its corruption score by 2.38 points on a ten-point scale, its annual per capita GDP growth would rise by over half a percentage point (Mauro 1997, p. 91).

Corruption can weaken economic growth through many channels. Unsound policies, unpredictable processes and distorted public expenditures resulting from vested interests

lead to macroeconomic instability, weakened property rights, reduced competition, inefficient allocation of resources, deteriorated physical infrastructure and smaller expenditures on education (Hellman, Jones, and Kaufmann 2000; Tanzi and Davoodi, 1997; Mauro 1997). For business, corruption increases risks and uncertainty, entails payments that represent a kind of tax and requires more management time spent negotiating with public officials. As a result, corruption dampens investment (Mauro, 1997; Wei and Kaufmann, 1998) and pushes firms into the unofficial economy (Friedman, Johnson, Kaufmann, and Zoido-Lobaton, 2000; Johnson, Kaufmann, McMillan and Woodruff, 2003). The allocation of talent also deteriorates when rent-seeking provides more lucrative opportunities than productive work (Murphy, Shleifer and Vishny, 1993).

### Causes of Corruption

At its root, corruption flourishes in conditions of poverty and weak public institutions. Poor incentives and systems, rather than bad ethics, induce people to act corruptly. An inadequate framework for government accountability can also facilitate corruption (Thomas and Meagher, 2004; Lederman et al., 2005). Lack of transparency, inadequate oversight, weak enforcement and ineffective electoral systems reduce the likelihood of exposure and censure for wrongdoing, and push the cost-benefit calculus in favor of corruption. On the one hand, mechanisms of accountability can operate to greater or lesser effect across different branches and units of government. From a legislative perspective, such mechanisms of horizontal accountability include, inter alia, the creation of anti-corruption agencies, audit requirements, investigative bodies and legislative oversight<sup>10</sup>. On the other hand, vertical mechanisms of accountability operate between government and the public. Such mechanisms include free and fair elections, democratic political party structures and access to information<sup>11</sup>. I consider these notions in more detail in the following section on legislative oversight and in Chapter 3.

### Types of Corruption

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<sup>10</sup> Other mechanisms include ethics codes, internal reporting and whistle-blowing, prosecutors, the judiciary and law enforcement.

<sup>11</sup> Other mechanisms include competitive political party funding, a free and independent media, freedom of assembly and freedom of speech.

Recognizing that there is a consensus among scholars and practitioners, Jain (2001, p. 73) defines corruption as "...acts in which the power of public office is used for personal gain in a manner that contravenes the rules of the game." Jain goes on to identify three types of corruption: grand corruption, bureaucratic corruption and legislative corruption. These three types of corruption "...differ from each other in terms of the types of decisions that are influenced by corruption, by the source of (misused) power by the decision-maker" (p. 73).

**Grand** corruption, as its name implies, is large and usually involves political leaders<sup>12</sup> accepting large international bribes and/or abusing their power to shape economic policies. As elected officials, government leaders are expected to make economic and financial decisions that further the interests of their principals – the citizens who elected them. Jain points out that they have to balance the interests of the electorate at large with their own desire to stay in power. Corrupt political leaders can change national policies to serve their own interests, at some cost to citizens. Public funds are "...diverted to those sectors where gains from corruption are the greatest...[with] little attention paid to whether the needs of [citizens] are served by these works or services." (Della Porta and Vannuci, 1997, p. 519). In the extreme, grand corruption has been classified as 'state capture' by powerful conglomerates, which represents a particularly distorting kind of grand corruption that challenges traditional approaches to governance (Kaufmann, 2000). Jain notes that grand corruption is "difficult to identify, unless bribes are paid, since the debate on public policy may be couched in terms of the public interest. It is especially difficult to measure...[since] at least some segments of the population will gain" (p. 74).

While grand corruption refers to distortions in the *formulation* of laws, policies and regulations, **bureaucratic** corruption refers to distortions in *implementing* such laws, policies and regulations. In its most common form, public servants demand small rents, or bribes, from the public to either receive a service to which they are entitled, to receive a service to which they are not entitled, or simply to speed up a bureaucratic procedure. This is usually known as petty corruption. Jain (2001, p. 75) notes that bureaucrats may also extract payments while carrying out tasks assigned to them by the political elite.

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<sup>12</sup> Jain (2001, p. 105) defines the political elite as "...the collective of executive, legislative and administrative positions that has worked out an equilibrium relationship between its constituents and is able to make and implement economic and political decisions."

Finally, **legislative** corruption refers to "...the manner and the extent to which the voting behaviour of legislators can be influenced. Legislators can be bribed by interest groups to enact legislation that [favours their clients/members]. This type of corruption ...include[s] vote-buying, whether by legislators in their attempts to get re-elected or by officials in the executive branch in their efforts to have some legislation enacted." (Jain, 2001, p. 75).

While opening up interesting questions for research, scholars have found it difficult to operationalize these types of corruption and have tended to use proxies for more generalized corruption. I discuss this in more detail in Chapter 4 and return to this dichotomy of corruption type in Chapter 8.

In sum, the literature on corruption is wide-ranging and comprehensive. There is general agreement on the definition and costs of corruption and some strategies to combat it, but not on its causes, nor how the components of an anti-corruption strategy should be sequenced. Regarding causes of corruption, the principal debate is whether structural/contextual factors, drawing on institutional theory, or incentives/individuals, based on rational preferences and expectations, best explain corruption (Thomas and Meagher, 2004). In both, the role of the legislature and of individual legislators is acknowledged, but not well developed. Similarly, national anti-corruption strategy frameworks – such as that proposed by the World Bank (Kaufmann and Dininio, 2006) – highlight the importance of legislative oversight, supreme audit institutions, public hearings of draft laws and freedom of information (see Diagram 2.1) but fail to “knit” these, and other, elements of legislative oversight together. The implementation of such national anti-corruption strategies generally ignore the role of the legislature in reducing corruption.

### **Legislative Oversight**

There is no consensus in the literature on the definition of legislative oversight (Olson, 2008) and, like the broader field of legislative studies, the concept is under-theorized. There are few global analyses.<sup>13</sup> Most analyses are undertaken at a country or regional level, often within a loose theoretical framework (e.g., Olson and Norton, 1996; Norton and Ahmed,

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13 The principal of which are Gerring and Thacker (2004), Lederman et al., (2005), Doig and Theobald (2000), Hope (2000), Persson et al. (1997) and Treisman (2000).

1999). These studies typically examine legislative functions within countries more generally, and do not focus solely, or particularly, on oversight. Furthermore, while there is a plethora of studies on the oversight function in the United States, there is only a relatively small number of studies outside the United States.

Scholars have proposed different definitions for oversight. Schick (1976) noted that it consists of legislative supervision of the policies and programs enacted by government. Others, such as Ogul (1976) and Maffio (2002), noted that it is not just supervision of what the executive branch of government has done, but also supervision of the executive's legislative proposals. By contrast, Olson and Mezey (1991) and McCubbins and Schwartz (1984) suggest that oversight refers to the set of activities that a parliament performs to evaluate the implementation of policies<sup>14</sup>. Some scholars, such as Doering (1995), Drewry (1989), Blondel (1973) and Olson (2008) distinguish between oversight and scrutiny.<sup>15</sup>

The National Democratic Institute (NDI) (2000, p. 19) defined oversight as “the obvious follow-on activity linked to law-making. After participating in law-making, the legislature’s main role is to see whether laws are effectively implemented and whether, in fact, they address and correct the problems, as intended by their drafters.” This definition captures the role that legislatures play in overseeing government policies *ex-post*, but overlooks the role that legislatures may play before a policy is enacted. The NDI definition is implicit in Olson’s (2008) distinction between oversight (which is similar to this definition) and “scrutiny,” which concerns the role of the legislature in preparing policies. In this thesis I use the *ex-post* definition, since I am concerned with the role of the legislature in tracking and overseeing public expenditures; that is, in policy *implementation*, rather than in policy formulation more generally.

Within the context of *ex-ante* and *ex-post* oversight in the United States, Ogul (1976) suggested seven “opportunity factors” that promote or limit the potential for oversight. These are: legal authority or obligation, adequate staff, importance of the policy being overseen, the legislative committee system and its status within the legislature, the scope of oversight given executive-legislative relations, political party influences and the priorities

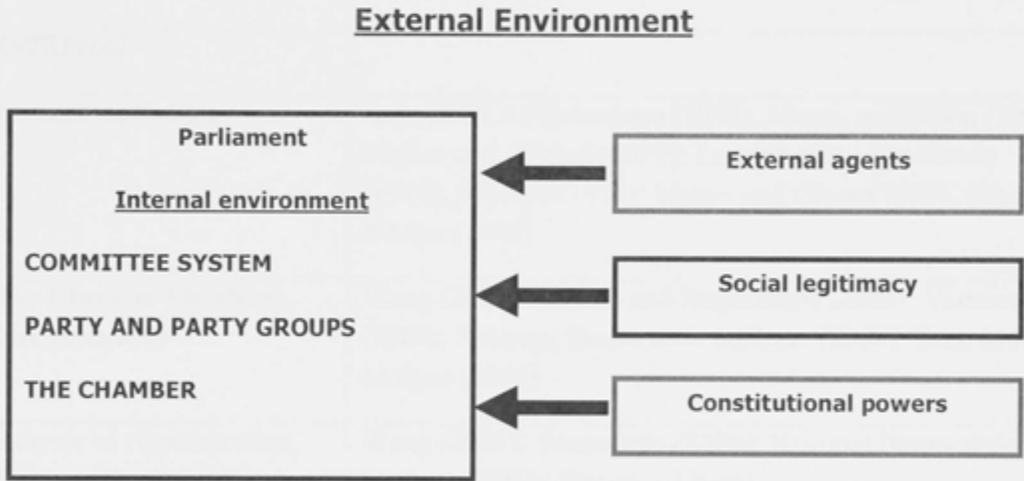
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<sup>14</sup> However, Rockman (1984) and Ogul and Rockman (1990) noted that there is much greater variety as to how oversight can be defined, and that definitions of oversight range from minimalistic to all-encompassing.

<sup>15</sup> See footnote 1, chapter 3.

of individual legislators. Olson and Mezey (1991), Olson and Norton (1996), Norton and Ahmed (1999) and Crowther and Olson (2002) go further, distinguishing between internal factors that influence oversight and external or contextual factors. Wang (2005) usefully proposed a diagrammatic framework for studying these variables (Diagram 2.2). Nevertheless, she, as well as other scholars such as Olson and Mezey (1991), point out the difficulty in distinguishing between internal and external factors<sup>16</sup>. For this thesis, I modify Wang’s framework (Diagram 2.1) to take into account factors identified by other scholars (Table 2.1 and Diagram 2.3).

**Diagram 2.2: Legislative Oversight Factors: Wang’s Framework**



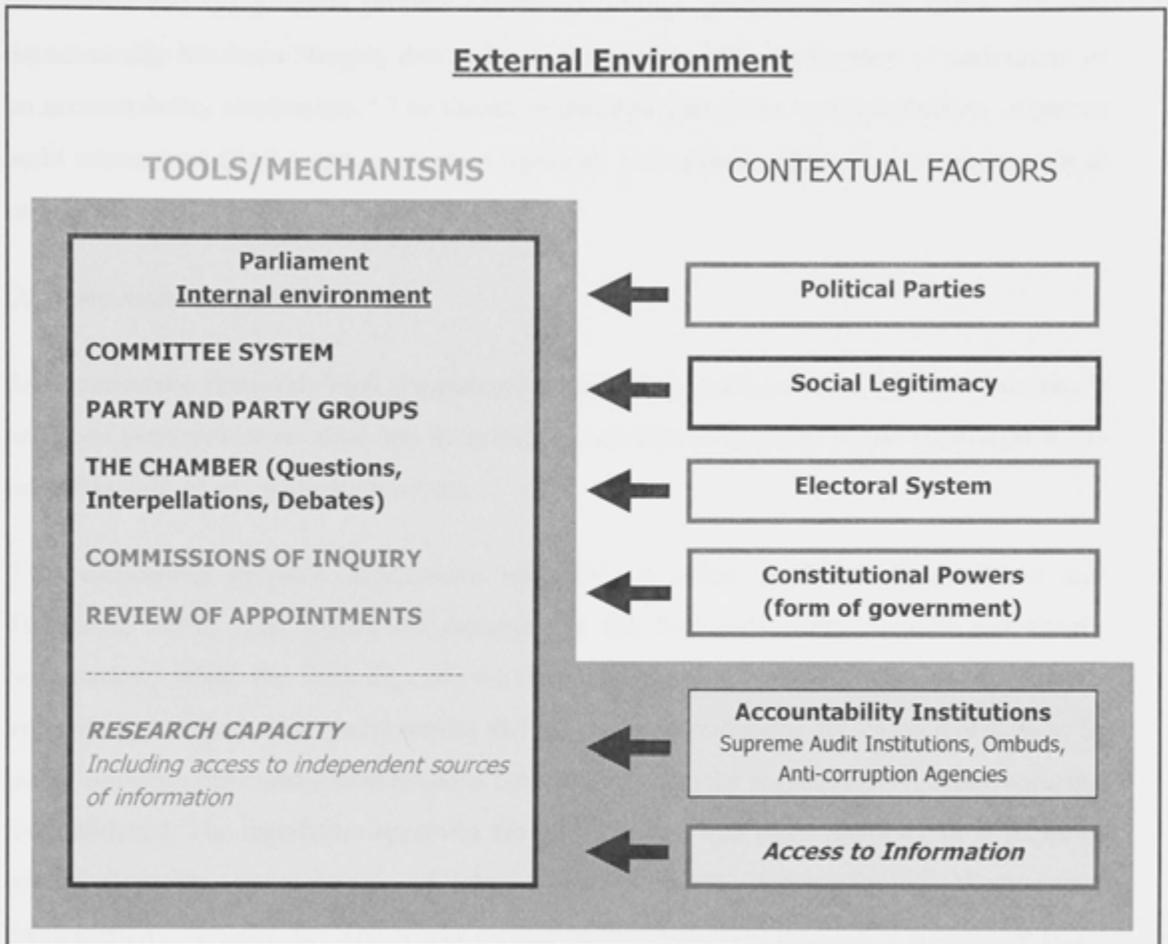
Source: Wang (2005, p. 16)

<sup>16</sup> There are other frameworks for analyzing oversight besides those based on “internal” and “external” factors. For example, McCubbins and Schwartz’s (1984) propose a distinction between “**Police Patrols**” and “**Fire Alarms**” models of oversight. Police Patrols oversight is defined as centralized, active and direct. For instance, a legislature examines a sample of executive agency activities with the aim of detecting and remedying any violations of legislative goals and, by its surveillance, discouraging such violations. On the other hand, the Fire Alarms model is less centralized, and involves less active and direct intervention. In this model, the legislature establishes a system of rules, procedures and informal practices that enables individual citizens and organized interest groups to examine administrative decisions, charge for violations, and seek remedies from agencies, courts and the legislature itself. The legislature then waits for someone to pull the “alarm,” indicating that there is a problem requiring investigation (e.g., through a public hearing). This may lead observers to (perhaps mistakenly) view the legislature as not sufficiently exercising its oversight role. Yet proponents of this view argue that legislatures are more likely to get involved in oversight when it is worthwhile to them, in terms of gaining political support from such activities. The Fire Alarms model increases the likelihood that oversight time is spent on issues important to constituents, and that legislators will get “credit for redressing grievances.” However, these two models are not mutually exclusive and most legislatures use a combination of the two.

**Table 2.1: Oversight Tools and Supporting Factors**

<i>EXTERNAL</i>	<i>AUTHORS</i>
Supreme Audit Institutions	Wehner (2004, 2006); Wang (2005); Pelizzo and Stapenhurst (2004); Stapenhurst and Titsworth (2001); Yamamoto (2008)
Ombudspersons	Wehner (2004, 2006); Wang (2005); Pelizzo and Stapenhurst et al. (2004); Stapenhurst et al. (2006); Yamamoto (2008)
Anti-Corruption Agencies	Heilbrunn (2004); Stapenhurst et al (2006)
<i>INTERNAL</i>	
Committee System	Inter alia: La Palombara (1974); Mezey and Olson (1991); Norton and Ahmed (1999); Lowenberg and Patterson (1979); Blondel (1973); Mezey and Olson (1991); Olson and Norton (1996)
The Chamber-Questions, Interpellations	Wang (2005); Pelizzo and Stapenhurst (2004); Yamamoto (2008); National Democratic Institute (2000); Bach (2000); Mulgan (2003)
Review of Appointments, Votes of No Confidence/ Censure, Impeachment	Wang (2005); Yamamoto (2008); National Democratic Institute (2000); Beerman (2006)
Plenary Debates	Wang (2005); Pelizzo and Stapenhurst (2004); Yamamoto (2008)
<i>SUPPORTING FACTORS</i>	
Research Capacity (Library and Staff)	Miller, Pelizzo and Stapenhurst (2004); Gouin (2001)
Access to Information	Mendel (2005); Robinson and Miko (1994); Islam (2006); Taveres (2007)

**Diagram 2.3: Legislative Oversight Factors: Extended Framework**



In this section, I focus on the oversight tools available to the legislature and the supporting factors that are under the control of the legislature and possibly enhance the use and effectiveness of these tools. Table 2.1 highlights these factors and their authorship. These factors are the independent variables for the large-scale statistical analysis presented in Chapter 5. I consider the contextual factors in the section below, and use them as the independent variables for the large-scale statistical analysis in Chapter 7.

External Oversight Tools

Evans (1999, p. 1) describes extra-legislative accountability institutions as a diverse set of institutions designed “to enhance accountability of government, which operate outside parliament and the political process expressed through parliament,” and whose creation paradoxically has been “largely driven by a perception of the inadequacy of parliament as an accountability mechanism.” The literature distinguishes three such institutions: supreme audit institutions (SAIs), anti-corruption agencies and ombuds offices<sup>17</sup>. I consider each in turn.

### *Supreme Audit Institutions*

SAIs undertake financial, legal (compliance) and, often, performance (“value-for-money”) audits of government revenue and spending—work that is essential to the legislature’s ex-post oversight of government accounts.

The relationship between legislatures and SAIs is often symbiotic (Stapenhurst and Titsworth, 2001). The legislature depends on the SAI submitting reliable and timely information, while the SAI depends on the legislature to provide a public forum for presenting and discussing audit results and any recommendations for corrective action. In many countries the constitution requires SAIs to report to the legislature—thereby ensuring independence. The legislature approves the SAI’s budget and often appoints, or is required to approve the appointment of, the Auditor-General. Especially in Westminster parliamentary systems, the SAI works closely with a dedicated legislative committee (e.g., the Public Accounts Committee (PAC), state audit committees, budget or finance committees) or sub-committee and may even provide the committees with special technical assistance. This assistance might include preparing legislative proposals on state auditing, financial management or matters that have been the subject of major audits (Mazur and Vella, 2001, 2003).

There are three broad external audit models: the Westminster model (also known as the Anglo-Saxon or parliamentary model), the Board or Collegiate model and the judicial or Napoleonic model (Stapenhurst and Titsworth, 2001). Recent research on SAIs indicates

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<sup>17</sup> I use the terms ombuds office, ombuds and ombudsperson interchangeably.

that perceived corruption levels are significantly higher in countries in which the SAIs are a Court of Accounts (Blume and Voight, 2007).

### *Anti-Corruption Agencies*

Many countries have established anti-corruption agencies, but their performance is generally disappointing (Meagher, 2004). There are four models of anti-corruption agencies: the *universal model*, which combines investigative, preventative and communications functions; the *investigative model*, which is characterized by a small and centralized investigative commission; the *multi-agency model*, which includes several offices across government departments that are individually distinct but together form a web of agencies to curb corruption; and the *parliamentary model*, which includes anti-corruption agencies that report directly to parliament and are independent from the executive and judicial branches of state (Heilbrunn, 2004, p. 3).

While anti-corruption agencies could play an important role in reducing corruption, they are often ‘captured’ by the government to protect its own leadership and/or to harass opposition leaders.<sup>18</sup> There have been no cross-country analyses of the effectiveness of such agencies in curbing corruption. Nevertheless, as is the case with other external accountability institutions, it can be hypothesized that anti-corruption agencies are most effective when independent of government and free of political interference regarding their operations.

### *Ombuds offices*

Originally developed in Sweden in 1809, the ombuds office<sup>19</sup> represents the interests of the public by investigating and addressing complaints reported by individual citizens against public authorities. In some countries ombuds offices have mandates that go beyond oversight of legality and good governance—to include human rights and mediation

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<sup>18</sup> Comment made to the author by Navin Beekarry, former director of the anti-corruption agency in Mauritius.

<sup>19</sup> Other names for the ombudsperson include *Defensor del Pueblo* in several Spanish-speaking countries (e.g., Spain, Argentina, Peru and Colombia), *Parliamentary Commissioner for Administration* (Sri Lanka, United Kingdom), *Médiateur de la République* (e.g., France, Gabon, Mauritania, Senegal), *Public Protector* (South Africa), *Protecteur du Citoyen* (Québec), *Volksanwaltschaft* (Austria), *Public Complaints Commission* (Nigeria), *Provedor de Justiça* (Portugal), *Difensore Civico* (Italy), *Investigator-General* (Zambia), *Citizen's Aide* (Iowa), *Wafaqi Mohtasib* (Pakistan) and *Lok Ayukta* (India).

between citizens and public authorities. Less typical is an explicit anti-corruption mandate, such as that found in Papua New Guinea, Uganda and Namibia.

In some countries (e.g., Belgium), the ombuds office may investigate a particular administration at the legislature's request. Furthermore, the impetus for legislative oversight may be reinforced by the ombuds office, ensuring that information from its investigations is widely available to the media and the general public.

The decisions of the ombuds offices in most countries are not binding and their powers to act reside more in the realms of mediation and conciliation, providing guidance, making recommendations and issuing reprimands. Only in a few countries (e.g., Finland, Sweden) do ombuds offices have the power to initiate criminal prosecutions, although the legislature itself may follow-up where there is a legislative ombuds committee.

### Internal Oversight Tools

Scholars have identified four internal oversight tools: (i) committees and special commissions of inquiry; (ii) review of appointments and power to censure/impeach/dismiss; (iii) chamber proceedings: questions and interpellations; and (iv) chamber debates. I review each in turn.

#### *Committees and special commissions of inquiry*

Joseph LaPalombara (1974, p. 311) held that, "if the national legislature is to be a significant political factor, then it must have specialized committees of limited membership and considerable scope of power". Wehner (2004, p. 13) calls committees "the engine room" of the legislature...[where] in-depth and technical debate can take place, away from the political grandstanding that often characterizes proceedings in the chamber." The outcome of a committee's investigations typically takes the form of a report to the legislature, which is also published. The report and its recommendations may be debated in the plenary, and the legislature may require a response or follow-up actions from the government.

While all committees perform some level of oversight, some legislatures have established specialized audit or PACs, which work closely with the SAI. Such committees can enhance

ex-post budget oversight and complement the policy oversight of other committees. In some legislatures, such as those in Nigeria, Bulgaria and some Australian states, anti-corruption committees have also been established, to work closely with anti-corruption agencies.

Political parties often have significant influence on the functioning of committees and strong party discipline and/or single-party dominance may weaken committees and their oversight potential. Membership independence is often a contentious issue, as the ruling party may seek to remove members seen as being too “critical.” Dubrow (2001, p. 26) argues that:

“In parliamentary systems...the domination of committees by members of the governing party significantly limits the effectiveness of parliamentary oversight. Frequent turnover of pro-government committee members by the governing party can also weaken the cumulative knowledge of the committee...[and prevent] members from acquiring any significant policy expertise.”

Examining legislative oversight in post-communist countries, Olson (2004, p. 19) concurs, noting that “opportunities for committees to engage in administrative review and oversight increase to the extent that single party control is relaxed.” Similarly, as single-party dominance has decreased in Ghana and Kenya, their parliaments have become more effective in their oversight activities (The Africa Report, Oct. 2006).

Committees’ outreach activities can help forge synergy between people’s awareness and concerns, and the oversight function of parliament; thus, creating the linkage between legislative oversight and public engagement that has been noted, but not developed, by the World Bank (Diagram 2.1). Yamamoto (2008) notes that 71 out of 88 reporting legislatures have procedures for holding public hearings and receiving submissions from the public.

In addition, committees may try and make up for insufficient staff by going to outside specialists from civil society and academia. Civil society organizations often assist legislatures and their committees in budget oversight. For example, the Uganda Debt Network has helped to monitor and correct serious leakages occurring in the transfer of funds from the National Ministry of Finance to individual schools. South Africa’s Public Sector Accountability Monitor (PSAM) works closely with the legislature to track the

executive branch's response to allegations of misconduct contained in the Auditor General's report (Krafchik, 2003).

Apart from regular committees, the legislature may set up *special commissions of inquiry*, or investigation committees, to examine issues of public concern and to make recommendations on current and future policies and legislation. Such commissions are time-bound and their subjects typically cut across the responsibilities of several government agencies or departments and several parliamentary committees. Such commissions are usually empowered to summon witnesses to testify under oath, including officials of the executive branch, and to demand documents and order on-site inspections. Hearings to gather evidence may be held in public. In some countries they have even broader powers of investigation, similar to those of the investigating magistrate or prosecutor (OECD, 2001).<sup>20</sup> At the end of their investigation, the commissions generally issue a report to the full chamber or to the public. Countries that have established such commissions to examine corruption include Kenya (Matiangi, 2006), Peru (BBC, 2001a), São Tomé and Príncipe (Chabal et al., 2002) and Brazil (BBC, 2005).

#### *Confirmation of appointments, no confidence, censure and impeachment*

Another oversight power lies in whether the legislature plays a role in executive appointments. The legislature's authority may vary—from the power to reject a candidate to a more advisory role (NDI, 2000). Confirmation of executive appointments is more common in presidential systems (e.g., South Korea, Nigeria, the Philippines, and the United States), and tends to involve comprehensive investigations of the executive's proposed candidate. Some semi-presidential and parliamentary systems also have procedures for oversight of appointments of high-ranking senior civil servants (IPU, 2006).

Even after executive and judicial officials have been appointed, the legislature may have the power to remove or impeach them. Some parliamentary systems also allow for no-confidence votes on individual ministers; such votes are not considered a referendum on overall government policies, but rather on that person's performance in office (NDI, 2000).

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<sup>20</sup> For example, this is the case in Belgium, France, Germany, Hungary, Ireland, Italy, Japan, Luxembourg, the Netherlands, Portugal and Switzerland.

The *threat* of a vote of no confidence, more common than votes of no confidence themselves, may also lead individual ministers to resign.

In some countries the legislature has the power to remove the government from office, either through impeachment or a vote of no confidence. Impeachment, again more commonly found in presidential systems, is used as a last resort, when the president is seen to have committed a significant breach of the law or constitution (NDI, 2000). In parliamentary systems, a vote of no confidence is more likely to indicate a loss of political support than illegal actions on the part of the government (IPU, 2006).

#### *The chamber: questions and interpellations*

The right to question ministers, both orally and in writing, is among the traditional forms of oversight in both parliamentary systems and semi-presidential systems, where ministers are also members of the legislature. Originally developed in the United Kingdom, this practice can now be found in legislatures worldwide (NDI, 2000).<sup>21</sup> Questions are used to obtain information, request government action to solve problems, criticize government, expose abuses and seek redress. Answering publicly for any potential shortcomings is seen as an important contribution to accountability and is the direct consequence of ministerial responsibility and accountability to the legislature (Mulgan, 2003).

Interpellations are similar to parliamentary questions, but often more formal and extensive, “designed to provoke comprehensive debate on an issue or a particular case of ministerial neglect” (NDI, 2000). Some parliaments require more than one member to file an interpellation—for example, a parliamentary group of at least 34 members in Germany, and at least 10 legislators from two party factions in India (NDI, 2000). In Finland, interpellations are generally made by the opposition parties and require the signature of at least 20 MPs.

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<sup>21</sup> Don Wolfensberger, director of the Congress Project at the Woodrow Wilson International Center for Scholars and former staff director of the House Rules Committee, explains that the U.S. Congress has not yet adopted a question period for government ministers. Proposals calling for a question period for members of the Cabinet were introduced by Rep. Estes Kefauver (D-Tenn.) in the 1940s, Sen. Walter Mondale (D-Minn.) in the mid-1970s and, most recently, by Rep. Sam Gejdenson (D-Conn.) in 1991 (with then-Rep. Schumer as one of 40 co-sponsors). The House Rules Committee conducted a full-fledged hearing on this last proposal. However, members seemed satisfied that the Congressional committee system is the best mechanism for eliciting information from Cabinet members (see Bimonthly Column on Procedural Politics from Roll Call, “*How Much Did the Yanks Really Split From the Brits in 1776?*,” July 2, 2007).

Ultimately, the effectiveness of questions and interpellations may rest upon parliament's power to sanction government by censuring individual ministers or dismissing them or the government. Interpellations sometimes end with a formal resolution or a motion that the minister should resign, although these rarely pass in legislatures with government majorities (NDI, 2000).

*Chamber: debates in plenary*<sup>22</sup>

Yamamoto (2008, p. 62) defines debates in plenary as "...oral exchanges of opinion that are intended to facilitate the chamber's collective decision-making on certain issues." They can, he suggests, "...take place on special occasions, such as opening speeches or at different stages of draft legislation [and can] address issues that are chosen by parliamentarians themselves or highlight the work of parliamentary committees." The effectiveness of plenary debates as an oversight mechanism is influenced by the time allowed for debates, whether the opposition has reserved time for debates on subjects of its choosing, whether the debates are open to the public, the degree of nonpartisanship and professionalism on the part of the presiding officers and so on.<sup>23</sup>

In Westminster parliamentary systems, not only are there "opposition" days, when the opposition leader determines which debates will take place, but there are also debates on adjournment, which are held at the end of every session and are typically initiated by an individual parliamentarian. It is common for such debates to focus on problems in constituencies or on individual complaints rather than on national issues, such as corruption (Yamamoto, 2008).

Supporting Factors

In addition to the oversight tools and mechanisms used by the legislature to hold the executive to account, there are *supporting factors*<sup>24</sup> that help strengthen the legislative

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22 Some scholars, such as Doering (1995) and Wang (2005), include agenda setting as an important factor affecting legislative oversight. However, since this is not an oversight tool but a procedural mechanism, and because of the difficulty in operationalizing this variable internationally, I do not include it here.

23 As during question time, "the Speaker (President) of the Parliament plays a key role in...ensure[ing] the smooth progression of parliamentary debates and is vested with wide powers and authority to this end (e.g., right to invite or curtail speeches by members)" (OECD, 2001).

24 There are additional supporting factors—such as the administrative capacity of the legislature, agenda control and chamber leadership and control. While these factors are undoubtedly important, their review and

oversight function. These include the legislature's research capacity and its access to government information. I consider each in turn.

### *Research Capacity*

Arguing that legislatures should adopt strategic plans, Gouin (2001, p. 79) contends that “[W]here the parliamentary administration is effective in providing the right services, at the right cost, the capacity of parliaments and parliamentarians to exercise their legislative and oversight functions will be greatly improved.” Conversely, lack of autonomy has a negative effect on oversight and on parliament in general.

Legislatures may not be able to afford a professional parliamentary service or adequate research and library facilities if they cannot control their own budget, especially as the legislature competes with the executive to attract high-calibre staff. Where the executive controls the legislature's budget, there is a risk that the executive will attempt to constrain the legislature financially, particularly if it feels threatened by legislative oversight. Yet the relationship between the executive and the legislature does not have to be combative; indeed, the executive may seek to reinforce the accountability relationship with the legislature.

Scholars have highlighted the need for adequate parliamentary staff, especially research staff who can assist legislators in their oversight work (Robinson and Miko, 1994; Robinson, 1998; Miller, Pelizzo and Stapenhurst, 2004). Legislatures require the resources for, and access to, (independent) information through research and library facilities. Wehner (2004) highlights the importance of access to independent budget analysis to support legislators in assessing the integrity of the figures in the draft budget, deciding whether changes might be desirable and evaluating the budgetary implications of proposed amendments.

### *Access to Information*

Robinson and Miko (1994) note that the need for information increases as a legislature progresses from a rubber-stamping institution to an informed or transformative institution.

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operationalization remain under-developed and their impact on oversight is generally unexplored. I return to these issues in Chapter 6.

Access to information (ATI) laws can make it easier for legislators, researchers and others to obtain otherwise difficult to find government information, thereby assisting the legislators in their oversight function (Mendel, 2005).

Many legislatures have enacted ATI laws, which assist both citizens and the legislature to hold governments to account. The power to summon papers and records strengthens parliament's accountability function (Dubrow, 2001, Commonwealth Parliamentary Association (CPA), 2006). Moreover:

“[a]ccess to information is a key to effective accountability, including access to classified information. Freedom of information legislation which allows extensive exemptions or a ministerial veto on disclosure may well be mirrored by and reinforce limitations on parliament's own access to sensitive information” (IPU, 2006, p. 130).

Islam (2006) has shown that countries that have enacted ATI laws have lower levels of corruption than those that have not. Taveres (2007) qualifies this finding, arguing that it is not merely the *enactment* of such legislation, but rather its *implementation*, which is the significant factor influencing corruption. Taveres (2007) also discovers that ATI laws coupled with plurality electoral systems are important explanatory factors in cross-country variations in corruption.

In sum, the descriptive literature regarding oversight tools is quite rich, notwithstanding the lack of consensus on what legislative oversight actually is. However, what is lacking is a conceptual underpinning of this literature and a consideration of *how* these oversight tools work, particularly beyond a single or small sample case study analysis. In Chapter 3, I present some theoretical constructs that are useful in providing such an explanation.

### Contextual Factors

I now consider the contextual factors influencing legislative oversight, which are the independent variables in the large-scale statistical analysis I present in Chapter 7. There is consensus in the literature regarding *which* contextual factors influence oversight, but *how* these factors influence oversight remains largely unexplored – at least for some factors. Moreover, as for legislative oversight tools the area is under-theorized. There are few global analyses (principally, Gerring and Thacker (2004), Lederman, et al, (2005), Doig

and Theobald (2000), Hope (2000), Persson, et al. (1997) and Treisman (2000). Most analyses are undertaken at a country level (e.g., Wang, 2005), often within a loose theoretical framework (Olson and Norton, 1996; Norton and Ahmed, 1999; Crowther and Olson, 2002; Leston-Bandeira, 2004). They typically examine legislative functions within the country of concern more generally, and do not focus solely, or particularly on oversight. Furthermore, while there is a plethora of studies on the oversight function in the United States, there still only a relatively small number of studies outside the United States.

**Table 2.2: Contextual Factors Affecting Oversight**

	References
Form of Government (Type of Constitution)	Mezey (1979); Copeland and Patterson (1998); Olson and Norton (1996); Norton (1998); Wang (2005); Shugart and Carey (1992)
Electoral system	Copeland and Patterson (1998); Olson and Norton (1996); Olson and Mezey (1991);
Political parties	Norton and Ahmed (1999); Olson and Norton (1996); Hazen (2006); Pelizzo (2006)
Social legitimacy	Olson and Norton (1996); Olson and Mezet (1991); Wang (2005)
Political culture	Norton and Ahmed (1999)
Administrative structure	Norton and Ahmed (1999); Olson and Norton (1996)
External actors/patrons	Wang (2005); Norton and Ahmed (1999)
Interest groups	Olson and Mezey (1991); Olson and Norton (1996)
Level of Democracy	Pelizzo and Staphenurst (2004); Staphenurst and Pelizzo (2008)

Table 2.2 summarizes the principal contextual factors that impact on a legislature’s ability to oversee government and lists the scholars who use these factors. Contextual factors include type of government, the electoral system, political parties, social legitimacy, political culture, administrative structure, external actors and patrons and interest groups. Olson and Norton (1996), Norton and Ahmed (1999) and Wang (2005) recognize that it is difficult, if not impossible, to make a straightforward distinction between some of the contextual factors and variables internal to the legislature. For instance, political parties function outside and inside the legislature. Other variables overlap and scholars may use different names for similar variables. Thus, Olson and Norton’s (1996) interest groups are akin to Norton and Ahmed’s (1999) political culture which in turn could “...be seen as partly embraced by the concept of social legitimacy” (Wang, 2005 p. 3). In turn, the notion

of social legitimacy could also include external actors and patrons. Nonetheless, a dichotomy between contextual factors in the larger sense (e.g., including political parties, which have an 'internal' dimension) is a useful starting point for analysis.

### Type of Government

Most democratic countries can be grouped under one of three forms of government: parliamentary, presidential and semi-presidential (Blondel, 1973); however, there are many variations within these three categories. For example, Shugart and Carey (1992) differentiate between semi-presidential systems which are "premier-presidential" and those which are "president-parliamentary" constitutions. Siaroff (2003, p. 445) suggests that parliamentary systems may be divided into three types: "those of cabinet dominance (where the Westminster-based systems fall); those that are polarized with a central role for a fragmented parliament; and those of cooperative policy-making diffusion with a working parliament".

Despite these variations, the trademark of parliamentary systems is "that the executive is chosen by and may be removed by the elected assembly" (Shugart and Carey, 1992, p. 4). Bach (2000, pp. 38-39) argues that:

"In theory, the government is the agent of the parliament; should the government ever lose sight of that fact and attempt to assert powers independent of parliamentary control, the parliament can withdraw its confidence at any time and compel the government to resign. In practice, on the other hand, the parliament sometimes is the agent of the government, when parties and their leaders in government are so strong that the institutional capacity of parliament is stunted and the political futures of MPs depend on the loyal support they give their leaders, especially when in government."

Presidential systems, on the other hand, are characterized by a separation of powers between the legislative and executive branches; "...the process of forming the executive is institutionally distinct from the process of filling the seats in the assembly, as both branches are popularly elected" (Shugart and Carey, 1992, p. 4). The president and his/her cabinet are not and cannot be members of the legislature and do not require its confidence, although the legislature may play a role in confirming the executive's cabinet appointments and typically have the power to impeach the president in cases of extreme wrongdoing.

Semi-presidential systems are characterized by a dual executive in which "...there is some combination of presidential and assembly control over the composition of the executive" (Shugart and Carey, 1992, p. 4). They typically have popularly elected presidents who appoint the prime minister and the cabinet (NDI, 2000). As with presidential systems, these systems are open to "cohabitation" or "divided government" in which different parties dominate the executive and the legislature (Elgie, 2001).

This three-way categorization has been used in cross-country studies by, for example, Pelizzo and Stapenhurst (2004), Lederman et al., (2005), Gerring and Thacker (2004) and Gerring, Thacker and Moreno (2005) simply distinguish between parliamentary and presidential systems.

#### Electoral system

Norton and Ahmed (1999) note the importance of the electoral system, in terms of the conduct and nature of elections. Lijphart (1991) argues that it is the juxtaposition between the form of government and the electoral system that is the decisive factor in a legislature's oversight powers. He suggests that presidential systems, coupled with single-member plurality systems, like that of the United States, tend to produce two relatively strong cohesive parties and thus the potential for stronger oversight. The worst combination, he suggests, is presidentialism and proportional representation which characterizes many political systems in Latin America and has led not only to gridlock, but to presidents having to bargain with disorganized and fragmented parties. Kunicova and Rose-Ackerman's (2005, p. 597) study of East European and former Soviet Union countries concurs; "proportional representation systems are more susceptible to corruption relative to plurality systems" partly due to "severe collective action problems for...opposition parties in monitoring corrupt incumbents".

At the same time, parliamentary systems combined with party-list proportional representation may also hinder oversight as "[W]hen the parliamentary careers of MPs depend on their placement on their party's list, the last thing they should want to do is to engage in activity that challenges the policies and actions of their own party's government" (Bach quoted in National Democratic Institute, 2000, p. 20). Going further, Gerring and Thacker (2004) demonstrate that countries with parliamentary forms of government and

proportional representation tend to have lower levels corruption, as the resulting governments tend to be weaker, with smaller majorities and/or a coalition of political parties. These authors suggest that both these characteristics strengthen a parliament's oversight capability.

### Political Parties

Legislative oversight takes place in a broader political context. However, unlike constitutional provisions or electoral systems, political party dynamics tend to be more fluid. Political parties are part of the mediating institutions between government and citizens and oversight is mediated to some extent via the struggle and competition between political parties.

Cooperation between governing and opposition parties is an important element of constructive and efficient governance, particularly when it comes to oversight. It has been suggested that legislators have a responsibility to put the welfare of the country above that of narrow party concerns when they are exercising their oversight function, regardless of their party affiliation.

Following an approach consistent with Hazen (2006), Wehner (2004) considers two variables that shape the political party balance of power in the context of which parliament exercises its budget oversight functions: political party majorities and party cohesion. Both can be applied to oversight more generally. Stable political party majorities in the legislature help to ensure the predictability of voting outcomes. The same is true of a two-party system which can constrain a legislature through a disciplined and cohesive majority party (Olson, 1995). While potentially more stable, these first two may restrict oversight. Conversely, coalition governments, or a "several" party system, may lead to increased oversight. Wehner (2004, p. 10) argues that:

"If the legislature features several parties without one of them having an outright majority of seats, the executive will have to assemble the support of a number of political parties to have its budget passed. It is likely to have to bargain and make concessions during this process."

At the same time, a highly fragmented party system can incapacitate the legislature, leaving it incapable of making decisions, and opposition parties can be subject to severe criticism if they are perceived as merely being obstructionist.

Wehner's second variable is (intra) party cohesion, as party majorities only ensure the predictability of legislative behavior when matched with tight party discipline. For Wehner (2004, p. 10) party cohesion "...entails voting along party lines, even if the outcome does not fully match the preferences of the individual legislator." Hazan (2005) makes a similar point and distinguishes between party cohesion in the extra-parliamentary arena and discipline in the parliamentary arena.

Where party cohesion is strong, there will be less opportunity for government backbenchers to play an objective oversight role. In extreme cases, the government may treat every policy vote as a potential confidence vote, essentially dictating that the majority party will support the government on all proposals and freezing potential criticism from backbenchers.

### Social Legitimacy

Wang (2005, p. 3) suggests combining Norton and Olson's (1999) concept of interest groups, with Norton and Ahmed's (1999) notion of political culture under the broader heading of social legitimacy, since "...interest groups can be seen as partly embraced by the concept of social legitimacy" while "[S]ocial legitimacy may to a certain degree also be taken to cover political culture since it is the different layers of society that constitute the basis for this culture".

According to Wang (2005, p. 6), "the degree of social legitimacy attained by the legislature is reflective of its strength and position vis-à-vis the executive. Moreover, social legitimacy in combination with influence on the policy process provides an indication of the future position of a legislature in the political system". Election turnouts, media coverage (and whether the public follows this coverage, e.g., parliamentary sittings broadcast on television or radio) and opinion polls provide some evidence of public perceptions of legislatures. Key questions include "...to what extent [is the public] supportive of parliament? Is it respected and trusted? Is parliament seen as a 'rubber stamp' or is it

believed to have the ability to exert influence on the executive? Are MPs seen as self-seeking and corrupt or as competent and hardworking?" (Wang, 2005, p. 6).

### Level of Democracy

The Freedom House computes an annual index of freedom for all countries in the world. Pelizzo and Stapenhurst (2004, p. 17) state that "...this index is regarded by many social scientists as a proxy index for democracy." They find that the more democratic a country, the greater the number of oversight tools available to the legislature (Pelizzo and Stapenhurst, 2004) and that the more democratic a country, the greater the potential for oversight and the lower the level of corruption (Stapenhurst and Pelizzo, 2008). Fish (2006) reported that stronger legislatures (and, by implication, stronger oversight) were associated with stronger democracies.

In sum, there is consensus that these contextual factors include form of government, electoral system, political parties, social legitimacy and level of democratic development. However, empirical studies are either partial (Gerring and Thacker, 2004; Lederman et al., 2005; Stapenhurst and Pelizzo, 2008) or are country and region-specific and thus not generalizable (Olson and Norton, 1996; Norton and Ahmed, 1999 and Wang, 2005). What is still lacking is whether *all* or just *some* contextual factors are important in explaining oversight and *how* they do so.

### **Conclusions and Research Questions**

Despite apparent synergy, research on corruption and on legislative oversight has proceeded more or less in parallel, with little cross-over. On the one hand, controlling corruption has emerged as an important element of governance. There appears to be consensus that corruption *matters*, that it hinders development and that multifaceted strategies are required to curb corruption. There is general agreement that one of the key components of such strategies is legislative oversight, yet scholarly thinking in this area is not well developed and we lack empirical research on whether this is true, and if it is, *how* legislative oversight curbs corruption.

At the same time, there is no consensus on what legislative oversight actually is, and we lack a conceptual underpinning for oversight factors, despite a rich descriptive literature. Also lacking is a consideration of *how* oversight factors work, particularly beyond a single or small sample case study analysis.

As I will show in Chapter 3, the nexus between corruption and legislative oversight can be considered as a *process*; whereby, legislative oversight is as a policy instrument comprising oversight tools, but at the same time affected by contextual factors, and reduced corruption is considered the policy outcome<sup>25</sup>. The problem is that scholars examining corruption and legislative oversight have not explored this process. Corruption specialists assert that structures, institutions and processes are important, but they do not look at this from the perspective of legislative oversight. Legislative specialists are not looking at legislative oversight as an input to the policy process. I suggest that this process is the ‘glue’ which holds the intersection of structure and agency together. Focusing just on structure leaves out the critical aspect of individual actions and motivation; focusing only on agency ignores the constraints and incentives generated by particular structures.

In this thesis, I seek to address these gaps in the literature. I first examine whether legislative oversight reduces corruption. I then try to resolve, in my overall research question, the lack of consensus regarding whether countries with a presidential or a parliamentary form of government have lower levels of corruption. I do this by exploring the existence and impact of legislative oversight tools and of legislative contextual factors in each system. I develop a comparative conceptual framework which considers both the institutional design and contextual factors, while recognizing the importance of process. More specifically, I aim to: (i) develop and apply a framework for assessing the oversight role of legislatures; (ii) explore the determinants of cross-national variation in institutional arrangements and contextual factors; and (iii) assess empirically the impact of legislative oversight on corruption. Throughout, I focus on the intersection between structure and agency. In so doing, I answer the following specific research questions:

## Chapter 5

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<sup>25</sup> Of course, reduced corruption is only one of many policy outcomes associated with legislative oversight.

In Chapter 5, I draw on principal-agent theory, to examine the accountability relationships between the executive arm of government and the public sector bureaucracy, on the one hand, and the legislature on the other. Here, it is argued that there is a principal-agent relationship between the legislature (principal) and government officials (agents) and that the legislature has developed a variety of oversight tools to address problems of information asymmetry and to help it hold government officials to account.

**RQ1: Does the adoption by the legislature of a particular oversight tool, such as an audit or Public Accounts committee, or Question Period, result in lower corruption?;**

**RQ2: Is the *number* of oversight tools significant – that is, do countries where legislatures have more oversight tools at their disposal have lower levels of corruption?**

**RQ3: Is the difference in the number of oversight tools adopted by a legislature an explanatory factor in determining why one form of government is less corrupt than another?**

These research questions test the assumption that the number and/or type of oversight tools adopted by a legislature will result in better oversight, as measured by lower levels of corruption<sup>26</sup>.

## Chapter 6

In Chapter 6, I test through comparative case study, the results of the analyses contained in Chapter 5. I examine legislative oversight in two countries with different forms of government, Ghana (a country with a semi-presidential form of government, albeit with strong parliamentary/Westminster overtones) and Nigeria (a country with a U.S.-style presidential form of government). If the structuralists are correct in their assertion that countries with presidential forms of government have built-in checks and balances, then it might be expected that Nigeria would have a lower level of corruption than Ghana. In fact,

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<sup>26</sup> I acknowledge that, throughout this thesis, that precise levels of corruption are impossible to determine. Like other researchers, I use as levels of *perceived* corruption, as measured, for example, by Transparency International, as a proxy for *actual* levels of corruption.

its level of corruption is far higher. Could this be due to the fact that Ghana has more oversight tools available? Here I draw on both principal agent and institutional theory.

**RQ4: Does Ghana have more effective internal oversight tools than Nigeria?**

**RQ5: Does Ghana have more effective external oversight tools than Nigeria?**

**RQ6: Is the Ghanaian Parliament better equipped in terms of resources (supporting factors) than the National Assembly of Nigeria?**

**RQ7: Do Ghanaian MPs make more use of available resources than Nigerian legislators?**

**RQ8: Does Ghana have a more institutionalized political party system than Nigeria**

**RQ9: Does the Ghanaian Parliament and its Members enjoy a greater degree of social trust than does the Nigerian National Assembly and its Members?**

Respondents in both countries suggested that additional contextual factors, such as political parties and level of democracy and social trust in the legislature may be important factors in explaining differences of corruption. Institutional theory suggests that contextual factors determine oversight/levels of corruption while social capital theory suggests that where trust in parliament is high, agency costs are reduced, thus making oversight potentially more effective.

### Chapter 7

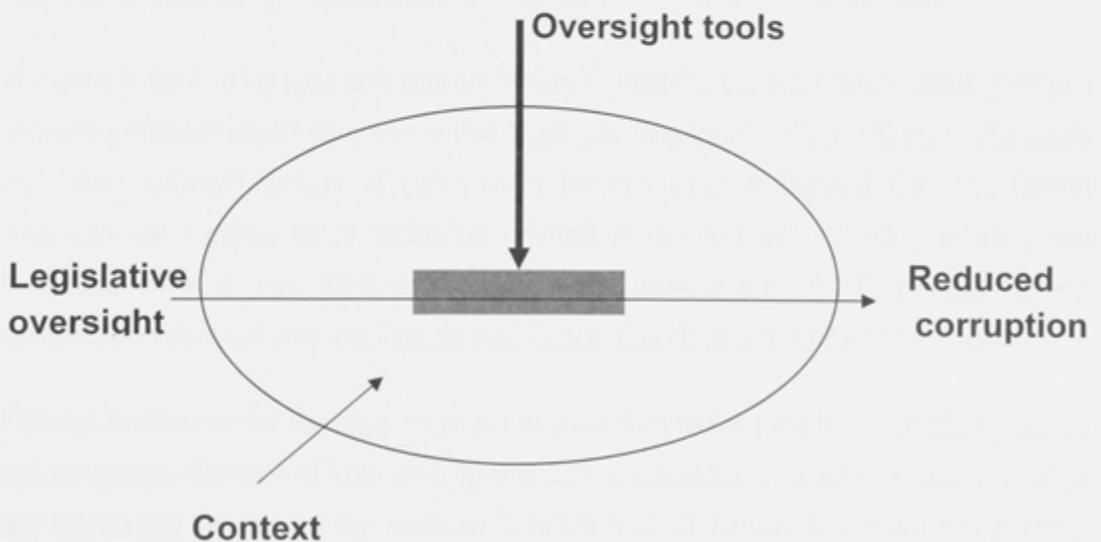
In Chapter 7, I examine the importance of the contextual factors identified in Chapter 6. Institutional theory, together with the rich descriptive/case study literature in legislative studies suggest that contextual factors are the principal determining factor in oversight capacity and that oversight tools can, at most, only reinforce such capacity.

**RQ10: Are contextual factors a significant determinant of legislative oversight; in other words, do these factors determine levels of corruption?**

## CHAPTER 3. THEORETICAL FOUNDATIONS OF LEGISLATIVE OVERSIGHT

There is a rich descriptive literature on legislative oversight, especially as it is practiced in the United States. However, the subject – like the broader field of legislative studies – is under-theorized. In this chapter, I explore the concept presented at the end of the previous chapter; namely, that the relationship between legislative oversight and corruption should be considered a policy process. The desired policy outcome is reduced corruption. The input is legislative oversight. How the input affects the outcome is the policy process. This notion is presented in Diagram 3.1. Legislative oversight comprises the oversight tools that a legislature adopts (e.g., specialized committees and supreme audit institutions (SAIs)) and the governance context (e.g., form of government and type of electoral system). Process is the glue binds these two concepts – oversight tools and governance context.

**Diagram 3.1: Realist Explanation of the Relationship between Legislative Oversight and Corruption**



**Source:** Author, adapted from Robson (2002)

This relationship is implicit in much of the current literature, but it has not been empirically tested. Moreover, the nature of the process linking legislative oversight and corruption is not well understood. As noted in Chapter 2, scholars make passing reference to the importance of legislative oversight in multifaceted anti-corruption strategies and to the policy outcome of legislative oversight (i.e., reduced corruption). Yet, the relationship is not well understood. This thesis begins to unpack this relationship.

The *theories* that guide my research are drawn from the literature on corruption, accountability, and legislative oversight from the institutionalist school of thought, especially the rational choice, historical, and sociological sub-schools. The nexus between these theories is not well developed, and one of my objectives is to synthesize these theories with regard to the oversight function of legislatures.

The methodological approach I follow in this thesis is *neo-institutionalist*. I reject both the pure *classical institutionalist* and pure *behavioralist* approaches. The pure *classical institutional* approach was rooted in law and legal institutions and focused "...on how the 'rules' channeled behavior...[and]...on how and why the rules came into being in the first place, and, above all, whether or not the rules worked on behalf of the common good" (Rhodes, Binder, and Rockman, 2006, p. xii). This approach is largely descriptive and atheoretical, failing to provide a framework for analyzing the research question.

The pure *behavioralist* approach was a reaction against the classical institutional approach and was grounded in the recognition that "[p]eople frequently did not adhere to the rules, and [that] informal groups of peers often became more influential than the formal organizational settings these individuals found themselves in" (Rhodes, Binder, and Rockman, 2006, p. xii). This approach does not provide a useful framework for my analysis, as it does not consider institutional factors that shape and influence behavior.

The *neo-institutionalist* approach emerged as a reaction to the pure behavioralist approach and comprises elements of both pure approaches. It connotes "...a set of theoretical ideas and hypotheses concerning the relations between institutional characteristics and political agency, performance and change" (March and Olsen, 2006, p. 4). The neo-institutionalist approach offers a better conceptual framework than the earlier behavioral approach, which generally assumed that "[i]nstitutions were... empty shells to be filled by individual roles,

statuses and values...[and that o]nce you had these individual-level properties, and summed them up properly, there was no need to study institutions; they were epiphenomenal" (Shepsle, 1986, p. 113).

However, there is no consensus in the literature regarding the exact meaning of *neo-institutionalism*. According to Scott (2001, p. 33), there are "...two quite distinct groups: the *historical* and the *rational choice* theorists." In this regard, Scott is implicitly supported by North (1990), Thelen and Steinmo (1992), and Sanders (2006). However, Hall and Taylor (1996) add a third school, that of *sociological* institutionalism. All three variants of this school are outlined below.

*Historical institutionalists* define institutions as the formal or informal procedures, routines, norms, and conventions embedded in the organizational structure of the polity (Hall and Taylor, 1996). By contrast, *rational choice* scholars believe that institutions are important mainly as features of a strategic context, imposing constraints on self-interested behavior. Historical institutionalists and rational choice practitioners largely agree that "...institutions constitute the humanly devised constraints that shape human interaction" (North, 1990, p. 384); however, they differ in the object and time-span of their studies. Rational choice advocates tend to be more interested in the "microcosmic game;" that is, "...the particular interaction of preference-holding, utility-seeking individuals within a set of (stable) institutional constraints...[while] historical institutionalists are more concerned with the construction, maintenance and adaptation of institutions and are...generally more concerned with the long-term evolution and outcome of a welter of interactions among goal-seeking actors, both within institutions, and their challengers outside." (Sanders, 2006, p. 42). Despite these differences, "[t]here is no reason why the two approaches should be viewed as antithetical...They may well be complementary" (Sanders, 2006, p. 43). Hall and Taylor (1996) note that *sociological institutionalists* focus on the processes whereby institutions "borrow" from the existing world of institutional templates. In other words, sociological institutionalists emphasize the way in which the existing institutional world circumscribes the range of institutional creation. In short, rational choice scholars are increasingly aware that actors are constrained by structures, while the sociological institutionalists now recognize that structure without agency cannot fully explain outcomes, such as reduced corruption. In this thesis, I draw on all three institutionalist schools.

Because I draw on each of these areas, the methodological approach adopted in this thesis can be regarded as *neo-institutionalist*. In adopting this approach, I acknowledge that institutionalism has “...experienced a sort of *renaissance* among political scientists” (Pelizzo, Staphenurst, Sahgal, and Woodley, 2006, p. 775), and that neo-institutionalism has moved beyond the simple belief that institutions matter, to an understanding of “whether, why and how much they matter.” In following this approach, I examine whether, why, and how much legislative oversight contributes to the control of corruption. In particular, I consider the intersection between agency and structure as the process or glue that binds these theoretical strands – and that elements of both theoretical schools are required to explain corruption.

In an attempt to cut through the complexity and confusion surrounding the concept of government accountability, I utilize the *principal-agent* theory drawn from the rational choice school of institutionalism. I do so because it provides a theoretical framework and starting point for answering the research question.

### **Principal-Agent Theory**

The principal-agent theory emphasizes the institutional mechanisms whereby *principals* can monitor and enforce compliance on their *agents*. This theory is particularly appropriate for explaining the accountability relationship between citizens (as principals) and the executive and the legislature (both as agents) on the one hand, and between the legislature (acting as principal, on behalf of citizens) and both the executive and the bureaucracy on the other hand<sup>27</sup>.

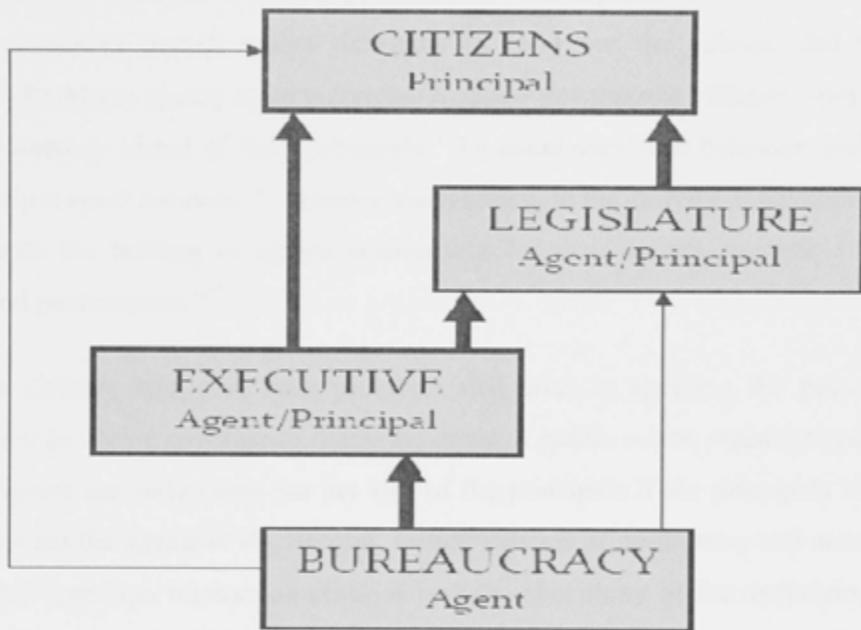
Diagram 3.2 applies the principal-agent theory to legislative oversight. The ultimate principals are citizens; the ultimate agents are civil servants (the bureaucracy). The executive and the legislature are both principals and agents. The executive, as agent, is

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<sup>27</sup>Strom (2000) usefully suggests that *principal-agent theory* is related to *delegation*. He argues that, because it is not possible to trust people to whom one delegates (e.g. politicians), delegation needs to be coupled with some mechanisms of *accountability*. Strom argues that, in its ideal form parliamentary democracy is a chain of delegation and accountability, from the voters to the the ultimate policy-makers, in which at each stage a principal delegates to an agent. A shortcoming of this linkage, implicitly recognized by Strom, is that it applies to parliamentary democracies. As I illustrate in Chapter 8, accountability relationships are fundamentally different in presidential systems.

accountable directly to citizens through the electoral process, and to the legislature which acts on behalf of citizens and exercises an oversight function over the executive.<sup>28</sup>

Diagram 3.2: Accountability Relations as Agency



Fukuyama (2004a), referencing Berle and Means (1932), notes that ownership has been divorced from management in private sector corporations and that managers (or “agents”) have subsequently been charged with looking after the interests of the owners (or “principals”). A problem arises in that “...agents often face individual incentives that differ sharply from those of the principals.” This time referencing Jensen and Meckling (1976),

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<sup>28</sup>There are different definitions of oversight in the literature (see Olson, 2008) and different meanings in different legislative systems. Nevertheless, Ogul (1976, p. 11) usefully defined legislative oversight as “the behavior of legislators and their staffs, individually or collectively, which results in an impact, intended or not, on bureaucratic behavior, which affects executive behavior.” Legislative oversight thus includes the legislature’s review and evaluation of selected activities of the government, both before and during the policy-making phase and the subsequent policy implementation phase. Its goal is to ensure that the government and its agencies, as agents, remain responsive and accountable to citizens directly and to the legislature, as principals (Ogul and Rockman, 1990).

Fukuyama (2004b) also highlights the “agency costs” which principals incur to ensure that agents do their bidding; for example, monitoring agent behavior.

Rose-Ackerman (1978), Weingast and Moran (1983), and Moe (1984) adapted the principal-agent framework to explain public behavior. According to Fukuyama (2004a, pp. 190-1), “[I]n the public sector, the principals are the public at large. In a democracy, their first level agents are their elected representatives; the legislators act as principals with regard to executive branch agents delegated to carry out the policies that they have legislated. [Problems occur] when individual agents—government officials—put their own pecuniary interests ahead of their principals.” To counteract such behavior, and to better align principal-agent interests, “...greater transparency in the activity of agents is required, coupled with the holding of agents accountable for their actions through a variety of rewards and punishments.”<sup>29</sup>

Fukuyama (2004b) identifies three problems that arise in applying the principal-agent model to public sector governance. First, the goals of public sector organizations are often unclear. Agents can only carry out the will of the principals if the principals are clear in what they want the agents to do. Second, formal systems of monitoring and accountability either entail very high transaction costs or lack the specificity of the underlying activity. And third, the appropriate degree of delegated discretion will vary over time. All delegation involves a tradeoff between efficiency and risk—and the appropriate level may be difficult to determine, and vary from one setting to another<sup>30</sup>.

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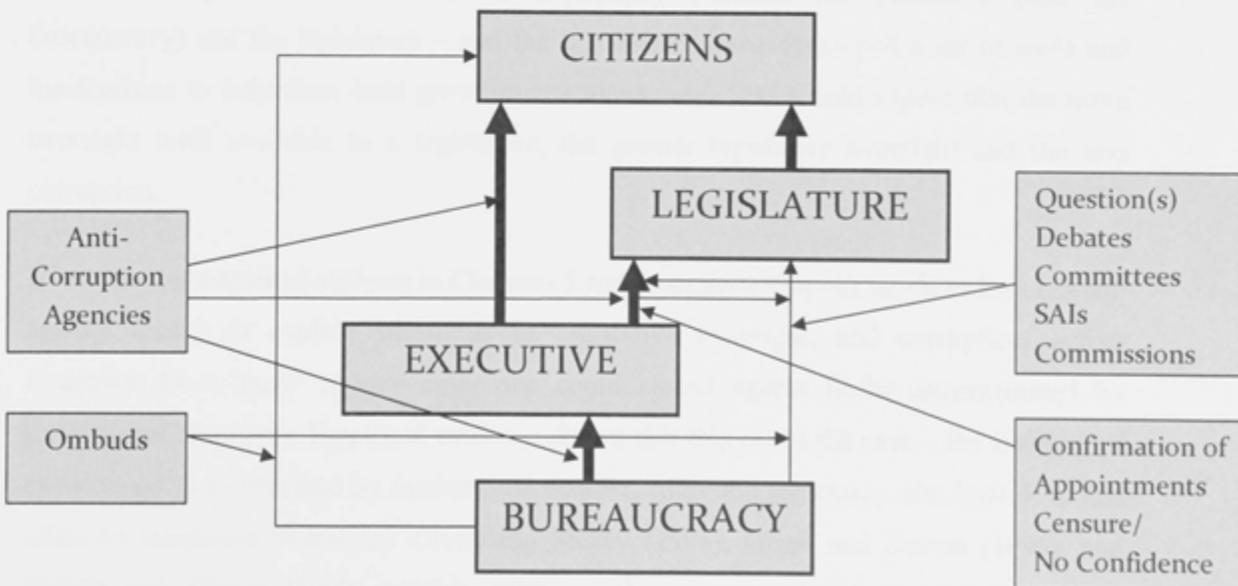
<sup>29</sup> However, as Mulgan (1997) stresses, people of equal status may be accountable to one another as part of a mutual authority relationship as long as each accepts the authority of the other.

<sup>30</sup> Meier and Hill (2005) go further in their criticism of the principal-agent model. These authors recognize that the basic idea behind the model is that all relationships can be reduced to contractual terms and, therefore, that bureaucracy does not matter. They note that the model “...miss[es] the informal side of bureaucracy, the relationships among individuals that are based on affect and trust” (p. 60) and point out three additional problems regarding the principal-agent theory. First, the notions of information asymmetry and goal conflict within the model inevitably lead to shirking and negligence on behalf of the agent. But, “[I]n many cases, the real problem is the agent will act even more than the principal seeks” (p. 60). Second, the model misses the element of coercion in bureaucracies: “[t]he model was designed to examine voluntary relationships between equals in a market-like setting. In this case it is applied to mandatory relationships between unequals in a nonmarket-like situation” (p. 60). Finally, agents often provide what principals want, not for contractual reasons but “...for normative reasons or because the principal’s demands are within the agents’ zone of acceptance” (p. 60).

Criticisms of the principal-agent theory seem to apply as much to legislative-executive relations as they do in a more general sense. First, citizens are often not clear about what they would like their agents (the executive and the legislature) to do, leaving substantial room for agents to develop their own, self-serving, goals. The transaction costs for citizens to oversee executive government or the bureaucracy may be too high—resulting in a “derived” oversight function of the legislature to hold the government and the bureaucracy to account. There is substantial information asymmetry. The bureaucracy (as agent) has more detailed knowledge than the executive, the legislature, or citizens (as principals). The executive (as agent) has more information than citizens or the legislature (as principals). And the legislature (as agent) has more information than citizens (as principal).

However, these criticisms do not negate the principal-agent relationship in legislative-executive relations. Instead, these weaknesses have stimulated the development of specific tools and mechanisms (e.g., legislative oversight tools) that principals (i.e., the legislature) can use to hold agents (i.e., the executive and bureaucracy) to account.

**Diagram 3.3: Accountability Relationships and Oversight Tools**



Legislatures have developed oversight tools and mechanisms to help them, as principals, hold their agents (the executive and the bureaucracy) to account. The literature has not considered how the various oversight tools are used in these accountability relationships. I present this in Diagram 3.3. Considering external oversight tools first, supreme audit institutions (SAIs) are mostly used to improve legislative oversight over the bureaucracy, although they may also be used to enhance executive accountability to the legislature. By contrast, ombuds offices can be used directly by citizens to enforce bureaucratic accountability, although there is often a role for legislative follow-up. For example, in Finland the ombuds office reports to the legislature and there is an oversight committee to follow up on the ombuds' recommendations. Anti-corruption agencies can help enforce the accountability relations of both the executive and the bureaucracy; again, there is a direct legislative role where the agency reports to the legislature and especially to a legislative committee (as in the states of New South Wales, Queensland, and Western Australia). Regarding internal oversight tools, committees/commissions, questions and interpellations, and debates are used to enforce bureaucratic and executive accountability to the legislature. Executive accountability to the legislature is enforced by reviewing appointments, censure and impeachment, and no confidence motions.

In short, oversight tools have been developed in response to agency problems. There is considerable power and information asymmetry between the executive (and the bureaucracy) and the legislature – and the legislatures have developed a set of tools and mechanisms to help them hold governments to account. One would expect that the more oversight tools available to a legislature, the greater legislative oversight and the less corruption.

However, the empirical analysis in Chapters 5 and 6 suggests that one needs to look beyond agency theory to explain variations in legislative oversight, and corruption, across countries. In a 'pure' agency case, one could expect agents to be unconstrained by institutional structures. Empirical evidence shows that this is not the case – the freedom of agent to act is constrained by institutional context, rules and structures. But how does this relate to legislative oversight? Olson and Mezey (1991), Olson and Norton (1996), and Norton and Ahmed (1999) provide guidance; they suggest that contextual factors are important determinants of oversight capacity. However, Olson and Mezey (1991), Olson

and Norton (1996), and Norton and Ahmed (1999) fail to develop a theoretical framework for their empirical findings. Given the empirical findings of Chapters 5 and 6, it is pertinent to consider why there is a difference between parliamentary and presidential systems regarding the use of oversight tools and to what extent these differences might be explained through institutional concepts such as templates for organizing/archetypical systems, path-dependency and isomorphism.

I now turn to such a consideration.

### **Institutional Context**

Recognizing that "...the beginning of wisdom in approaching institutional theory is to recognize that there is not one but several variants" (Scott, 1987, p. 493), I draw upon the notion of the impact of the institutional context and templates for organizing/archetypical systems.

Institutional theory suggests that regularized organizational behaviors are the result of ideas, values, and beliefs that have their origin in the institutional context (Meyer and Rowan, 1977; Meyer, Scott, and Deal, 1983; Zucker, 1983). According to this notion, organizations have to accommodate institutional expectations in order to prosper and survive, even though these expectations may have little to do with technical notions of performance accomplishment (D'Aunno, Sutton, and Price, 1991; DiMaggio and Powell, 1991; Scott, 1987). Thus, for example, a legislature may be organized as a parliament, as opposed to a congress, not because that form of organization has been analyzed and found to be the most efficient and effective form, but rather because a Parliament has been defined, a priori, as the most appropriate way of organizing a legislature. In other words, institutional theory suggests that legislative organizational behaviors are responses to institutional pressures. DiMaggio and Powell (1991, p. 27) term these "institutional pressures" which lead organizations to adopt the same organizational form as "templates for organizing." This is developed further in Appendix 8 and is illustrated in Diagram A8.2.

Appendix 8 presents two archetype legislative systems – the United Kingdom Westminster parliamentary system and the United States presidential system. For the purpose of this

thesis, the examples of adoptive systems are Ghana and Nigeria. Both are former British colonies, but it appears that ties to the United Kingdom are possibly stronger in Ghana than in Nigeria, at least in part because Nigeria adopted a U.S.-style presidential system in 1999.

But if archetypical templates explain the initial adoption of legislative types, what explains their subsequent evolution? This is relevant for both Ghana and Nigeria. In the first instance, the notion of path-dependency is useful—the development of the type of government can be said to be “path-dependent;” that is, it will be mediated by the contextual features of a given situation, often inherited from the past, and not follow the same trajectory nor generate the same results everywhere. Path-dependency assumes that there will be long periods of institutional continuity, which will be interrupted only at “critical junctures” of radical change (March and Olsen, 2006, p. 12, drawing on Streek and Thelen, 2005). At independence, both Ghana and Nigeria adopted Westminster parliamentary systems. In both countries, there were critical junctures of military government and constitutional change. As a result, some institutional factors have changed considerably—Nigeria has adopted a presidential form of government drawing heavily on the U.S. model, while Ghana has adopted a semi-presidential system. However, as a result of path-dependency, both countries—but especially Ghana—retain features of the Westminster system, including Public Accounts Committees or PACs (see Diagram A8.3).

At the same time, both in Ghana and Nigeria, and elsewhere, there appears to be pressure for convergence. In Ghana, there are plans to establish a parliamentary research office – a feature traditionally found in presidential systems. In many parliamentary countries, legislatures are establishing stronger committees and enhanced ex-ante budget oversight power. Again, these features are more commonly associated with legislatures in presidential countries. At the same time, legislatures in many non-Commonwealth countries are establishing Public Accounts Committees, a feature exclusive to Westminster-style parliamentary systems until just a few years ago. An explanation for this can be found in mimetic isomorphism - a term initially introduced by DiMaggio and Powell (1983) to explain the convergence of processes and structure of organization through imitation. The logic behind this is the belief that certain institutional processes or structures are beneficial and therefore worthy of imitation.

In sum, one would expect path-dependency to explain why some contextual factors (e.g., form of government and type of electoral system) are similar across countries, reflecting the initial template for design. But over time, there is movement away from the template, and the notions of convergence and mimetic isomorphism can explain similarities in legislative oversight institutions, despite different organizational templates. But even this does not explain all contextual factors. I turn to theories of social capital to provide a theoretical construct to explain the social legitimacy of, and public trust in, the legislature.

### **Social Capital**

If agency theory, in its pure form, treats actors as unconstrained by institutional context, structures and rules, and institutional theory focuses on structure and context, process can be considered the glue between structure and agency, on the one hand, and between the theory and the practice of legislative oversight and corruption, on the other. The notion of social capital can help explain this process. It is a concept initially developed by sociologists, and initially referred to social cohesion and personal investment in the community (Hanifan, 1916). Modern use of the term is traced to Jacobs (1973), who used it with reference to the value of networks. One of its first uses in political science was by Salisbury (1969). Since then, Putnam (1995, 2000), Bourdieu (1977), and Coleman (1988), have refined and popularized the concept.

Scholars initially sought to define social capital as a resource that should be used for the public good or for the benefit of individuals. Putnam (1993) suggested that it could facilitate co-operation and mutually supportive relations in communities and nations and would therefore be a useful means for combating social disorders. While his thought was to use this notion to help fight crime, it is also relevant to reducing corruption<sup>31</sup>. However, Putnam (2000) argues that while social capital is a key component to building and maintaining democracy, it is on the decline in the United States, as evidenced by less trust in public institutions and less civic participation.

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<sup>31</sup> Other scholars, such as Uzzi and Dunlap (2005), emphasize the benefit to individuals from a web of social relationships and ties to individual actors.

The various frameworks of legislative oversight outlined in Chapter 2 (e.g., Olson and Norton (1996), Wang (2005)) refer to trust in parliament as an important contextual variable; however, there has been little empirical work to operationalize this variable and even less conceptual linking of this to notions of social capital.

Nevertheless, Fukuyama (2002) points out that there is a symbiotic relationship between social capital and political institutions. Fukuyama defines social capital as "...shared norms or values that promote social co-operation" (p. 27) and argues that social capital is a necessary precondition for development. At the same time, a strong rule of law and basic political institutions are necessary to build social capital. His view is not uncontested, however. Fine (2001) and Harriss (2001) criticize the inappropriate adoption of social capital as a panacea for the inequalities in society and there is controversy as to the role of state institutions in promoting social capital. It would seem that social capital is a necessary condition for modern democracy and that a low level of social capital leads to an excessively rigid and unresponsive political system and high levels of corruption. At the same time, formal public institutions require social capital to function properly. It is easy to extend social capital to trust in the legislature, as opposed to more general trust in government, especially given Fukuyama's suggestion that political institutions are necessary to build social capital. Trust in the legislature would seem, a priori, an important factor affecting legislative oversight – if citizens do not trust the legislature to act in their own interests, then the legislature itself may well act against citizens' interests. However, this has not been empirically tested.

One of the problems noted above regarding principal-agent theory is the high monitoring costs. Typically, there is information asymmetry – government agents have a great deal more information regarding government operations than do legislative principals. In my own experience as a civil servant, agents only supply the information precisely requested and often, legislators know they want information on a particular issue, but do not know how to phrase such requests to obtain the information they require. Where social capital and trust in governance institutions are high, then monitoring costs are lowered. For example, in developing countries where legislatures are often poorly equipped to obtain, understand and analyze government information, where trust in legislatures is high, civil society organizations are often prepared to work with legislative committees to enhance the

legislative information. The case study of Ghana, presented in Chapter 5, is a case in point. In this way, social capital can be seen to modify agency relationships as the agents re-adjust to changing institutional constraints. In this regard, social capital may provide a useful construct to explain the different extent to which legislative oversight mechanisms work in different countries.

## Summary and Conclusion

In this chapter, I demonstrate that the subject of legislative oversight is under-theorized. I draw upon a variety of *neo-institutional* theories to explain the relationship between legislative oversight and corruption. I believe this relationship is a policy process, where the desired policy outcome is reduced corruption and the input is legislative oversight,

I draw first on *principal-agent theory* to explain the relationship between citizens, the executive, and the legislature and how legislatures have adopted a variety of oversight tools to help them (as principals) hold the executive and the bureaucracy (as agents) to account. However, the empirical analysis in Chapters 5 and 6 suggests that one needs to look beyond agency theory to explain variations in legislative oversight, and corruption, across countries. Olson and Mezey (1991), Olson and Norton (1996), and Norton and Ahmed (1999) provide guidance. They suggest that contextual factors are important. Given the empirical findings of Chapters 5 and 6, it is pertinent to consider why there is a difference between parliamentary and presidential systems regarding use of oversight tools and to what extent these differences might be explained through *institutional concepts* such as *templates for organizing/archetypical systems*, *path-dependency*, *isomorphism*, and *convergence*. Finally, to explain the social legitimacy of parliament, I draw upon the notion of *social capital*. Using these different theories, I start to unpack the relationship between legislative oversight and corruption.

I return to these different theories and propose a comprehensive conceptual framework for studying the relationship between legislative oversight and corruption in Chapter 8. Chapter 4 presents the methodological framework that guides my empirical research. Chapters 5, 6, and 7 describe the empirical analysis that was a conceptual base for testing the relationship.

## CHAPTER 4. METHODOLOGY

In the previous chapter I argued that the relationship between legislative oversight and corruption is a policy process. To examine this relationship, I developed a mixed methodology research design incorporating large-scale statistical analysis and a comparative case study using both quantitative and qualitative approaches. In this chapter, I explain this research design and the methods used. I proceed as follows. First, I provide an overview of the methodological approach adopted and the underlying research philosophy. Then, I present a detailed research framework, which is followed by a discussion of the dependent and independent variables. I then discuss the statistical and case study components of my research. I conclude by presenting the steps taken to ensure validity and generalizability.

### **Methodological Approach and Research Philosophy**

I adopt a mixed methodology, involving both quantitative and qualitative elements, because there are inherent weaknesses in using only a quantitative or qualitative approach. If I had adopted a solely quantitative methodology, I would have missed some of the texture and “real life” experience gleaned through a qualitative study. At the same time, had I relied solely on qualitative analysis, I would have been unable to answer the broad questions that require quantitative analysis. Indeed, Sartori (1970) noted “conceptual stretching” by those practicing quantitative approaches, while Lijphart (1971), Achen and Snidal (1994), and King, Keohane, and Verba (1994) have argued that it is difficult to draw general conclusions from intensively studying a few cases. Several scholars, such as Tarrow (1995) and Lieberman (2005), have recognized the advantages and disadvantages of both approaches and have suggested that researchers synthesize methodological approaches and triangulate both sources of data and analytical methods. This methodology has enabled me to verify the statistical findings regarding oversight gained through the quantitative analysis, with an in-depth qualitative look at oversight within a particular socio-political context.

In addition to the mixed (quantitative/qualitative) methodological approach, I also adopt a mixed fixed/flexible research design. This allows further triangulation of results by cross-

checking statistical results with field survey results. An initial large-scale statistical analysis, the fixed part of the research design, enabled me to test some initial research questions and develop some generalizations about the relationship between corruption and legislative oversight. Variables were specified in advance and the results of the statistical analysis enabled me to develop testable questions for the comparative case study. The comparative case study was the flexible part of the research design, as the research questions explored were not specified in any detail prior to the large-scale statistical analysis. In other words, through quantitative analysis I examine *what* the relationship is between legislative oversight and corruption; while the qualitative analysis enables me to consider *how* these relationships work and what other (non-specified) variables might be relevant. With this knowledge, I revert to a second and final large-scale statistical analysis, which tests the new hypotheses generated by the case studies. With these results, I develop an integrated explanation of how and why legislative oversight reduces corruption.

This approach is informed by a *constructionist* philosophy, based on the assumption that knowledge is constructed, not simply discovered; that it is multiple, rather than singular; and that it is a means by which power is exercised. In other words, I reject a positivist approach, which assumes that knowledge is objective and can be tested against a benchmark of “truth” (Stainton-Rogers, 2006). Instead, I assume that knowledge represents the real world and is influenced by what researchers choose to observe, how they interpret their findings, and how they report their findings. I further assume that knowledge is contingent on time and cultural location. And finally, I recognize that knowledge provides researchers with power to report what is true and not true.

Given the constructionist paradigm, the logic of inquiry is abductive. This allows me to postulate the specific theories and rules that, if valid, explain previously unexplained phenomena. I noted previously the complexity of issues regarding corruption, accountability, and legislative oversight, given the many conflicting theories and the lack of synthesis among these schools of literature and the theories therein. I develop such a synthesis. I use an iterative research design, in which the results of the first phase of analysis determine the nature and scope of the second phase, the results of which determine a third phase. In so doing, I reject both the deductive and inductive logics of inquiry; the former because, despite its analytical logic, it fails to expand our knowledge base and the

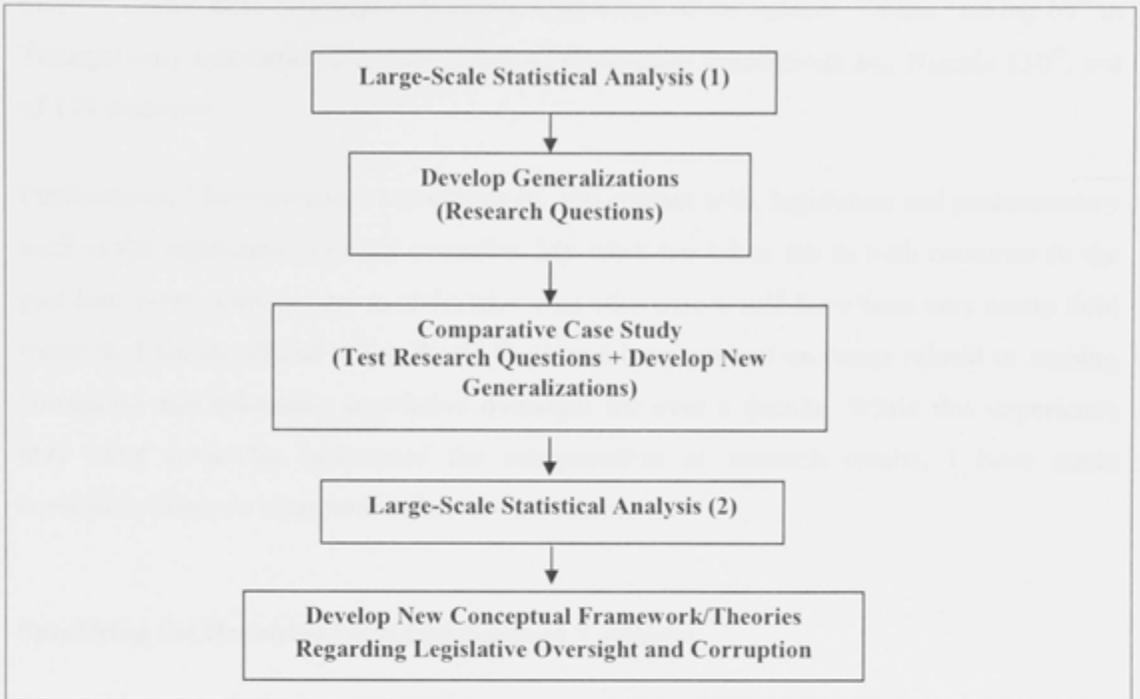
latter because, despite the fact that it increases our knowledge, the knowledge it provides is not certain.

### **Research Framework**

I adopt Lieberman's (2005) approach to establishing a mixed methodology framework. He advocated a mixed method approach to comparative analysis, which he calls *nested analysis*, which "... combines the statistical analysis of large sample of cases with the in-depth investigation of one or more cases contained within the large example" (pp. 435–6). In this approach, "...primary causal inferences are derived from statistical analyses which ultimately lead to quantitative estimates of the robustness of a theoretical model" (p. 436). This theoretical model is then tested and refined by investigating "...qualitative comparisons of cases...and in which the relationship between theory and facts is captured largely in narrative form" (p. 436). I use this approach as it combines the rigor of large-scale statistical analysis with the rich descriptive and contextual dimensions of case study analysis, and because it facilitates an iterative approach for developing a theoretical and conceptual framework. My adaptation of Lieberman's approach is presented in Diagram 4.1.

I start with a large-scale statistical study, in order to test the hypothesis that oversight tools adopted by legislatures (acting as principal) to help them hold governments (as agent) to account, are a determining factor of legislative oversight—namely, lower corruption. While the results suggest that oversight tools do play a role in reducing corruption, a large residual remains. These results help me to identify questions to be explored in the comparative case study. The findings of this case study confirm that oversight tools are important, but also suggest that contextual factors affect legislative oversight. I then test the importance of contextual factors in a second large-scale statistical analysis. The results help me develop a new framework for understanding the relationship between legislative oversight and corruption.

**Diagram 4.1: Application of Mixed Approach (“Nested Analysis”)**



**Source:** Author, adapted from Lieberman (2005).

For the flexible (case study) component, I adopt a cross-sectional case approach. This design is more appropriate than others,<sup>32</sup> since I am comparing legislatures without any temporal component (Gerring, 2004). I selected four countries: the United States and the United Kingdom, as the two archetypical presidential and parliamentary countries, and Ghana and Nigeria, as the two “adaptive” countries that have adopted a parliamentary system and a presidential system of government, respectively.

Ghana and Nigeria were chosen because they differ in terms of key independent variables (form of government, number and degree of cohesiveness of political parties, and research capacity). At the same time, they share several contextual features. They are geographically close; they have a common heritage: they are both former British colonies and; post-independence, they both have a history of military rule with a return to democracy in recent

<sup>32</sup> Such as within-unit case studies, time-series cross-sectional case studies, hierarchical and hierarchical-time series case studies; and comparative-historical case studies.

years. Moreover, both countries have held regular (multiparty) elections for a decade or more and their electoral systems are based on the “first-past-the-post” (majoritarian) system. Lastly, both countries experience high levels of corruption—Ghana ranking 69<sup>th</sup> in Transparency International’s 2009 Index of Corruption Perceptions and Nigeria 130<sup>th</sup>, out of 179 countries.

Furthermore, I have personal knowledge of, and contact with, legislators and parliamentary staff in the legislatures of both countries. My work has taken me to both countries in the past four years, allowing me to undertake what otherwise would have been very costly field research. I am an official at the World Bank and have worked on issues related to curbing corruption and enhancing legislative oversight for over a decade. While this experience may have somewhat influenced the interpretation of research results, I have made conscious efforts to keep such influence to a minimum.

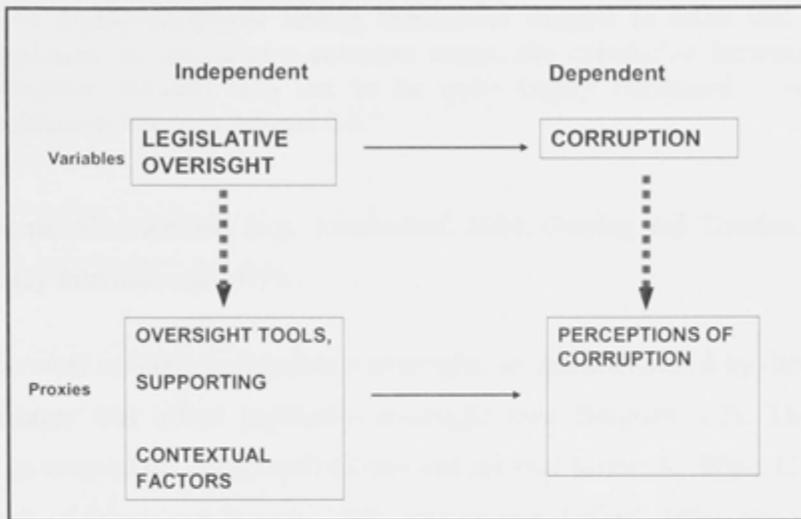
### **Specifying the Dependent and Independent Variables**

In this section, I specify the dependent and independent variables: corruption and legislative oversight. I adapt the legislative oversight framework developed by Wang (2005), which synthesized Olson and Mezey (1991), Olson and Norton (1996), and Norton and Ahmed (1999), among others (see Diagram 4.2).

The *dependent variable* is level of corruption; However, as I note in Chapter 2, corruption is an elusive phenomenon and there is no consensus in the literature about its definition, let alone measurement. Many scholars and practitioners adopt Transparency International’s working definition of corruption as ‘the misuse of entrusted power for private gain’.

Ideally, I would have used ‘hard’ data, where measurements of corruption are based on direct and first-hand observations of corrupt transactions made by unbiased observers. Given the elusive and illegal nature of corruption, “...this kind of empirical data hardly exists” (Andvig and Fjelstad, 2001, p. 25). As a result, like other scholars, I relied on a proxy. Most studies of corruption are derived from some subjective evaluation surveys, based on opinions of international business leaders, countries’ citizens themselves, or experts on country risk analysis.

**Diagram 4.2: Operationalization of Independent and Dependent Variables**



There are several such indicators. Transparency International's corruption perceptions index (CPI) integrates surveys that measure perceptions of corruption. The International Country Risk Guide (ICRG) measures corruption as the likelihood that government officials demand and/or accept bribes in exchange for special licenses, policy protection, biased judicial sentences, avoidance of taxes and regulations, or simply to expedite government procedures. The index is based on the analysis of a worldwide network of experts, and treats corruption mainly as a threat to foreign investment. The World Development Report (WDR) uses a similar definition and treats corruption as an obstacle to business in general. The index calculated by GALLUP International surveys citizens to measure the frequency of cases of corruption among public officials. The Global Competitiveness Survey (GCS) indices measure the frequency of irregular payments connected with imports, exports, business licenses, police protection, loan applications, etc., and the frequency of irregular payments to government officials, including the judiciary. GALLUP and GCS are based on surveys of business executives. Finally, the Country Risk Review (CRR-DRI) index is part of Standard & Poor's credit rating system for emerging markets. It uses analysts' opinions to measure the prevalence of corruption

among public officials and the effectiveness of anti-corruption initiatives. Treisman (2000, pp.8–9) notes that:

“Different ratings, produced by different organizations, using different methodologies, and even defining corruption in slightly different ways turn out to be highly correlated among themselves suggest to some that these different spyglasses are aimed at a common target...the correlation between [the different corruption indices] turn out to be quite highly correlated – with correlation coefficients between 0.6 and 0.8.”

I follow some other scholars (e.g., Lambsdorf, 2004; Gerring and Thacker, 2004) and use Transparency International’s CPI.

The *independent variable* is legislative oversight, as operationalized by those external and internal factors that affect legislative oversight (see Diagram 4.2). These have been classified as external (or contextual) factors and internal factors by Wang (2005), who built on the work of Olson and Norton, 1996, Norton and Ahmed, 1999, and others. I extend Wang’s (2005) framework and include additional variables which have been identified by other scholars and/or practitioners as potentially impacting on accountability and corruption. Externally, these include extra-parliamentary oversight institutions which often report to the legislature, such as supreme audit institutions, anti-corruption agencies, and ombuds offices. Internally, I include commissions of inquiry. I also include two supporting factors: access to information and parliamentary research capacity<sup>33</sup>.

Commissions of inquiry were considered by Pelizzo and Stapenhurst (2004) and have been used by legislatures to investigate the causes and costs of corruption in countries including Kenya (Matiangi, 2006), Peru (BBC, 2001a), Sao Tome and Principe (Chabal et al., 2002), and Brazil (BBC, 2005).

Similarly, the existence of external oversight mechanisms—supreme audit agencies, ombuds offices, and anti-corruption agencies—is also a relevant factor in explaining levels of corruption (see Sahgal, 1998; Heilbrunn, 2004; Johnston, 1999). Charged with a mandate to enhance accountability and/or reduce corruption, these institutions complement internal legislative oversight tools and often report to the legislature.

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<sup>33</sup> For the purpose of the large-scale statistical analyses, I drop the external factor ‘external agents’ (international donors and organizations) because it was impossible to operationalize with existing data sets.

I use external/contextual variables identified by Olson and Norton (1996), Norton and Ahmed (1999), and Wang (2005); namely, constitutional factors (type of government), electoral system, and political parties. Kunicova and Rose Ackerman (2007) examined the relationship between electoral systems and corruption while Manikas and Thornton (2003) and Pelizzo (2006) examined the relationship between political parties and corruption. Islam (2006) found that access to information laws has a positive impact on corruption. These laws increase transparency and can be used by citizens and legislators alike to hold government officials to account.

These variables are presented in Table 4.1. Their operationalization is presented in Appendix 1.

**Table 4.1: Independent Variables and Associated Indicators**

<b>Variables</b>	<b>Indicators</b>
<i>Oversight tools</i> - <i>Internal</i>	Committee Hearings; Plenary Hearings; Question Period; Commissions of Inquiry; Interpellations
<i>Oversight tools</i> - <i>External</i>	Existence of extra-parliamentary oversight institutions
<i>Supporting Factors</i>	
Research Capacity	Existence of parliamentary libraries and their acquisitions; number of professional librarians; number of research staff
Access to Information	Access to information laws
<i>Contextual Factors</i>	
Constitutional Powers	Form of government (presidential or parliamentary)
Political Parties	Party control of the legislature
Electoral System	Type of electoral system (majoritarian or proportional representation)
Social Legitimacy	Mass and elite perceptions of the legislature (as indicated by opinion surveys)

## Large-Scale Statistical Analysis

My research begins with an initial large-scale statistical analysis, which provides information that both guides the execution, and complements the findings, of the comparative case study. Statistical analyses were carried out to determine the (co)relations between type of government, legislative oversight tools, and levels of corruption. Publicly available data was used, namely:

- For corruption: Transparency International CPI.
- Legislative Oversight tools: the Inter-Parliamentary Union – World Bank Institute data base, based on a survey undertaken in 2001 of more than 100 national parliaments worldwide and available on the IPU website.
- For form of government: publicly available information regarding a country's constitution.

Additional data was accessed from the World Bank's data base of political institutions (Keefer, 2007), the World Directory of Parliamentary Libraries, and Freedom House. These are supplemented by extensive searches on parliamentary and other websites. The data are unique in that a similarly comprehensive legislative oversight survey had not been previously carried out for such a large number of countries.

I perform three sets of statistical analyses: (i) simple correlations, using Ordinal (Spearman's rank) rather than Pearson correlations, because it is difficult to quantify corruption precisely—the CPI is *not* a precise measure of corruption but rather an interval measure of perceived corruption<sup>34</sup>; (ii) a maximum likelihood Ordered Probit specification; and (iii) a simple Ordinary Least Squares (OLS) specification. The latter two, used when running the regression models, are commonly applied in studies of the determinants of corruption (e.g., Lederman et al., 2001, 2005)<sup>35</sup>.

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34 Making the assumption of ordinality means that a country score of "4" does not imply the country in question is twice as free of corruption as a country with a score of "2" but that the first country suffers from less corruption than the second. The CPI is really an interval rather than a continuous measure, so I would have potentially introduced measurement error into the analysis if I had used a simple Ordinary Least Squares (OLS) approach.

35 The rationale for using the Ordered Probit specification is that, while the CPI can sometimes be considered an interval measure of outcomes (level of corruption), it is very difficult to effectively and uniformly measure

## Comparative Case Study

I adopt a semi-fixed approach to the case study design because I recognize that there is a tradeoff between looseness and selectivity. The looser the design, the less selective one can afford to be in data collection. A relatively tight conceptual framework may result in recognizing important features of the case or misinterpreting evidence. Thus, I juxtapose the approaches suggested by Lieberman (2005, p. 441) and Robson (2002, p.182). The former suggested that "...because such materials are produced in such different shapes and forms across time and space, it is often impossible to specify *a priori*, a set of very precise coding rules." The latter argues that "if the purpose is confirmatory, where previous work has suggested an explanation of some phenomenon, then there is a place for some degree of pre-structure." The survey instrument used in the case study field research included structured interviews with some open-ended questions and more flexible focus groups and document research. The instrument is provided in Appendix 2; test results for its content and stability are provided in Appendices 6 and 7.

I divide my cases into two, following Yin's (1994) argument that use of multiple cases is not concerned with statistical generalization but with analytic generalization. Initially, I undertook mini-case studies of the United States and the United Kingdom, to provide evidence to support my theoretical views about the differences in corruption levels and legislative oversight between presidential and parliamentary systems. This theory then guided the more detailed analysis of the comparative study of Ghana and Nigeria. The findings and patterns of data from this latter study became the basis for generalization.

Table 4.2 presents the case study plan. The mini-case studies of the United States and the United Kingdom were developed as pilot studies and were discussed informally with scholars and practitioners. This feedback informed the final design of the comparative case study of Ghana and Nigeria.

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the intensity of corruption at the national or the cross-national level. Thus, rather than assume that the CPI is not prone to such (potentially) non-random measurement errors, using the Ordered Probit specification allows for a more realistic—that is ordinal—metric of corruption to be used. This means that what is being measured is the relative ranking of countries rather than the precise and absolute incidence of corruption; however, the process hopefully ensures more valid results.

**Table 4.2: Case Study Plan**

	<b>UK</b>	<b>United States</b>	<b>Ghana</b>	<b>Nigeria</b>
<b>Overview</b>	'Archetypical' models. Both reviewed extensively in the literature. Approach will be mostly descriptive with some explanation.		'Adoptive' models. Less researched. Approach will be descriptive/exploratory/explanatory.	
<b>Procedures:</b>				
<b>-Access</b>	Legislature an open institution. Legislators, by the very nature of their profession, are accessible to the public. Many (most) official documents (e.g., Hansard, committee hearing minutes) are publicly available.			
<b>-Resources Available</b>	n.a.	n.a.	<u>Contact:</u> R. Draman	<u>Contact:</u> B. Ekeyi
<b>-Data Collection</b>  (see below)	Initial descriptive analysis from secondary resources (Jan-May 2008).  Document search (Mar-Sept 2008).		Initial descriptive analysis from secondary resources (Jan-May 2008).  Structured interviews, with some open questions (June- Dec 2008).  Focus groups (June 2008).  Document research (Mar-Sept 2008)	
<b>Reporting</b>	<u>Summary of Case Studies:</u> to participants and to Clerks/Secretaries General of Parliament.  <u>Case Studies (Ghana and Nigeria):</u> included in thesis and possible publication.			

Data Collection

Mini-case study data (United Kingdom and the United States) was collected through literature review and document search. In the 'full' case study of Ghana and Nigeria, these methods were complemented by interviews (which included closed and open-ended questions). The data collection plan and method of analysis is presented in Table 4.3.

**Table 4.3: Data Collection and Analysis Plan**

	Source of Information		Data Collection		Method of Analysis
<b>1. External Factors</b>					
<b>Social Legitimacy</b>	Afrobaramoter T.I Reports, other documents		Documentation Search		Doc. Review
<b>Constitutional Powers</b>	<i>De jure</i>	<i>De facto</i>	<i>De jure</i>	<i>De facto</i>	
- Cabinet formation	Constitution	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Censure/impeachment	Constitution	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Cabinet dismissal	Constitution	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Budgetary powers	Constitution	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Veto rights	Constitution	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Right to initiate legislation	Constitution	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- No confidence votes	Constitution	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
<b>Electoral System</b>	World Bank Political Indicators Data Base		n.a.		Statistical Analysis
<b>Political Party Dynamics</b>					
Political party cohesion	World Bank Political Indicators Data Base		n.a.		Statistical analysis
	Participants		Questionnaire		
Political party strength					
<b>Accountability Institutions</b>	<i>Exists</i>	<i>Effective</i>			
- Supreme Audit Institution	Constitution/ Legislation	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Ombudsman	Constitution/ Legislation	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Anti-Corruption Agency	Constitution/ Legislation	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
<b>ATI Act</b>	<i>Exists</i>	<i>Effective</i>			
	Legislation	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis

	Source of Information		Data Collection		Method of Analysis
<b>2. Internal Factors</b>					
<b>Committee System</b>					
- Permanence of committee	Standing Orders		Document Search		Doc. Review
- Composition of membership	Standing Orders		Document Search		Doc. Review
- Circulation of membership	Standing Orders		Document Search		Doc. Review
- Chairs	Standing Orders		Document Search		Doc. Review
- Committee jurisdiction	Standing Orders		Document Search		Doc. Review
- Agenda powers	Standing Orders		Document Search		Doc. Review
- Degree of partisanship	Participants		Questionnaire		Stat. Analysis
- Resources	Participants		Document Search		Doc. Review
- Regularity of meetings	Participants		Document Search		Doc. Review
- Power to take evidence	Standing Orders		Document Search		Doc. Review
- Power to hold hearings	Standing Orders		Document Search		Doc. Review
- Power to change legislation	Standing Orders		Document Search		Doc. Review
<b>Chamber</b>					
	<i>De Jure</i>	<i>De Facto</i>	<i>De Jure</i>	De Facto	
- Question period	Hansard	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Regularity of meetings	Hansard	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Attendance	Hansard	n.a.	Document Search	Questionnaire	Doc. Review + Stat. Analysis
<b>Political Party Dynamics</b>					
- Party cohesion/discipline	Participants		Questionnaire		Stat. Analysis
- MPs representative role vs. party loyalty	Participants		Questionnaire		Stat. Analysis
- Sanctions	Participants		Questionnaire		Stat. Analysis
<b>Commissions of Inquiry</b>					
	<i>Exist</i>	<i>Effective</i>	<i>Exist</i>	<i>Effective</i>	
	Standing Orders	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis

	Source of Information		Data Collection		Method of Analysis
	<i>De Jure</i>	<i>De Facto</i>	<i>De Jure</i>	<i>De Facto</i>	
<b>Research Capacity</b>					
- Qualified staff	Legislat. Docs	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Library	Legislat. Docs	Participants	Document Search	Questionnaire	Doc. Review + Stat. Analysis
- Links to think-tanks	Participants		Questionnaire		Stat. Analysis
- Access to independent information	Participants		Questionnaire		Stat. Analysis

### *Documents*

I searched public documents as a supplementary data resource; I considered Hansard, oversight committee reports and newspapers reports on legislative oversight and corruption over the past five years. This approach enabled me to “...make replicable and valid inferences from data in their context” (Krippendorff, 1980, p. 21). In other words, I was able to examine the relationship between content and context, which assisted me to triangulate other data collected through interviews and focus groups.

The advantages of this approach were that it was unobtrusive, and the data were in permanent form and could be re-analyzed. The disadvantages were that the documents were limited and partial - they were written for some purpose other than my research and it was very difficult to assess causal relationships from such data alone.

### *Focus groups*

Table 4.4 presents the focus group design<sup>36</sup>. In both Ghana and Nigeria, I conducted four initial focus groups, each comprising i) legislators; ii) legislative staff; iii) journalists; and iv) civil society representatives. I used focus groups because they are an efficient way of generating substantial amounts of data. In the case of the four focus groups in Ghana and Nigeria, I was able to interview 52 and 48 individuals, respectively. The disadvantage – that it was difficult to follow-up the views of individuals – was offset by the fact that I complemented the focus groups with individual interviews. I deliberately designed and carefully facilitated the focus groups to minimize the risk that power hierarchies would affect who spoke and what they said (e.g., separating legislative staff from legislators).

<sup>36</sup> I benefited greatly from the guidance and comments of Janet Mancini Billson, PhD regarding both the overall focus group research design and the development of the protocol

**Table 4.4: Focus Group Research Design**

	Legislators	Legislative Staff	Journalists	Civil Society Representatives	Mixed Group*
Ghana	Group 1	Group 2	Group 3	Group 4	Group 5
Nigeria	Group 6	Group 7	Group 8	Group 9	Group 10

\* These groups were conducted after the initial case study analysis, to present preliminary findings to participants and validate results.

Between 8 and 12 participants, comprising current and former legislators, legislative staff, journalists, and civil society representatives were invited to a one to two hour open-ended group discussion, guided by me. Participant recruitment in Ghana was undertaken by the Parliamentary Centre, which is an international non-governmental organization, with an office in Accra and a satellite office within the Parliament of Ghana. In Nigeria, participants were recruited by the Public Information Centre of the World Bank. The screener used in both instances is presented in Appendix 3. In Ghana, it is common practice to pay participants small ‘travel allowances.’ In both Ghana and Nigeria, light refreshments were served.

In Ghana, an assistant<sup>37</sup> made notes on who was speaking, noted non-verbal interactions, and gave feedback on my performance as facilitator. In both Ghana and Nigeria, I audio taped the sessions, which were subsequently professionally transcribed.

The protocol was developed to complement the personal interviews and especially to provide contextual information (see Appendix 4). It was tested for validity: a content validity questionnaire was sent to three experienced legislative strengthening specialists who were not participants. Appendix 5a presents the content validity questionnaire; Appendix 5b presents the results, using Scott’s observed percentage agreement factor.

### *Interviews*

I interviewed 52 participants in Ghana, comprising 18 legislators, 16 legislative staff, 9 journalists, and 9 civil society representatives. I interviewed 48 participants in Nigeria, comprising 12 legislators, 17 legislative staff, 10 journalists, and 9 civil society representatives.

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<sup>37</sup> Michael Alandu, a Ghanaian junior researcher who assisted in a number of the interviews.

The survey instrument comprised 34 questions and was divided into two parts. The first part focused on external oversight factors, such constitutional arrangements, political parties, extra-legislative oversight institutions, and access to information. The second part sought information on internal oversight mechanisms, such as committees, commissions of inquiry, questions, plenary debates, and research facilities. The survey instrument comprised two types of questions: *fully structured*, with pre-determined, largely closed-ended questions with fixed wording, in a pre-set order; and *open-ended questions*, which allowed me to go into more depth and clarify any possible ambiguities. Respondents were encouraged to add any additional information they deemed relevant. The survey instrument is presented in Appendix 2; it was tested for content validity (see Appendix 6a) and stability (see Appendix 6b). The wording and sequencing of the questions were slightly changed following these tests.

I chose the structured interview format because it standardizes data. I was able to clarify participant questions and my presence may have encouraged greater participation and involvement than postal questionnaires. However, I recognize that this approach also means that the data are affected by several factors, including (i) the characteristics of the respondents (i.e., their memory, knowledge, experience, motivation, personality); (ii) the fact that respondents may not accurately report their beliefs, attitudes, and so forth; (iii) my personal characteristics (skills, experience, motivation, personality); and (iv) the interactions between my characteristics and those of the respondents<sup>38</sup>.

Through the interviews, I sought to find out what participants know about corruption in their country and how legislative oversight works. I tried to uncover what the legislators do in carrying out their oversight duties (behavior) and what they think about the legislature and the role that it is currently/potentially playing in curbing corruption (beliefs/attitudes).

I designed a sequence of loosely structured questions in each of the introduction, main body, cool-off, and closure phases of the interview. Each interview took between 45 and 60 minutes. I followed Robson (2002, pp. 230–235) in designing the interview schedule, paying particular attention to:

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<sup>38</sup> Adapted from Robson (2002).

- Initial design and planning, so that I could gather descriptive information and develop new hypotheses.
- Population. I identified sub-groups of participants (namely, legislators; parliamentary staff; journalists, and civil society representatives) to enable a more detailed level of analysis.
- Interview schedule. Interview questions were designed to answer the research questions. Particular attention was paid to providing a valid measure of research questions, getting the cooperation of respondents, and eliciting accurate information. The response alternatives were fixed and pre-specified, although there were also a small number of open-ended questions.
- Ensuring reliability and validity. Tests were conducted for *content validity* and *stability* (Appendices 6a and 6b). *Reliability* was addressed by using a structured interview schedule which presented all participants with the same questions.
- Final design and planning. I paid particular attention to editorial issues, coding procedures, and how the main data analyses would be used.

During the subsequent data collection and analysis phases, I dated all contacts, resulting actions, and coding. With regard to the latter, it was a reasonably straightforward task to code the closed-ended questions. Coding the open-ended questions involved combining the detailed responses into a limited number of categories so that the data could be described and statistically analyzed. My main purpose was to simplify the many individual responses by classifying them into fewer groups, based on similar content.

#### Data Analysis

I developed a summated rating (or Likert) scale for the data collected in the interviews and focus groups. Following Robson (2002, pp. 294-5), I:

- Identified pools of items that are important to answering the research questions. These reflected both a positive and a negative stance on the issue and there was approximately the same number of positive and negative statements.

- Determined a response categorization system, having fixed-alternative expressions labeled ‘strongly agree’, ‘agree’, ‘undecided’, ‘disagree’, and ‘strongly disagree’.

I used various statistical tests, including Spearman’s correlations, Ordinary Least Squares, and Ordered Probit analysis. To undertake the content analysis, I:

- Identified documents to be searched: the Constitution, Standing Orders, Hansard, committee reports, and major newspapers.
- Defined the recording unit: corruption, parliament/legislature (House of Representatives, Parliament, National Assembly, Senate), legislators (Members of Parliament, Representative, Senator), oversight committee, committee, Public Accounts Committee. I examined the *context* in which a recording unit was set, in order to categorize it. For instance, was the treatment positive or negative, favorable or unfavorable? Thus, I took into account the sentence in which the word appeared.
- Constructed categories for analysis that can be *operationalized*.
- Carried out the analysis.

### **Validity and Generalizability**

To establish the trustworthiness of my research findings, I took steps to ensure both the validity and generalizability of the research. I distinguished between establishing validity and generalizability in the fixed and flexible components of the thesis. In both instances, validity refers to the accuracy of the result (i.e., whether the findings are ‘really’ about what they appear to be about) and generalizability refers to the extent to which the findings are more generally applicable outside the parameters of this particular study. The overall objectivity of the study was achieved by double triangulation, that is, large-scale statistical analysis coupled with comparative case analysis; and, within the case study, by having a fixed and flexible component and multiple sources of data.

#### Fixed Design Component

*Validity* in the fixed component is concerned with the accuracy of result. I sought to ensure this by addressing a number issues. First, I addressed *reliability*, or the stability or consistency of the measurement. Unless a measure is reliable, it cannot be valid; it is a

necessary, if not sufficient element to establish validity. Participant error and bias and observer error were not relevant in the large-scale analysis because I examined the relationship between forms of government and levels of corruption. Construct validity could have been a problem, and indeed, measuring corruption is problematic; here, I used only those constructs previously used in peer-reviewed research. Furthermore, in the large-scale analysis, I considered multiple constructs (e.g., Transparency International rankings of corrupt countries, World Bank rankings, etc.)

Second, I sought to ensure *internal validity* by addressing the 12 threats to internal validity identified by Cook and Campbell (1979), who extended the earlier analysis of Campbell and Stanley (1963). These threats are: history; testing; instrumentation; regression; mortality; maturation; selection; selection by maturation interaction; ambiguity about causal direction; diffusion of treatments; compensatory equalization of treatments; compensatory rivalry. My strategy to address these threats to validity was developed after a tentative account had been developed, rather than attempting to eliminate such threats through prior features of research design, as is recommended by Maxwell (1992). Maxwell also underscores that "...validity threats are made implausible by evidence, not methods; methods are only a way of getting evidence that can help one rule out these threats." (Maxwell, 1996, p.86).

*Generalizability* (or external validity) is often inversely related to internal validity. Various controls imposed to bolster internal validity often undermine generalizability (Robson, 2002). I adopted two general strategies for discounting threats to generalizability: direct demonstration (ensuring replication), and highlighting that the population of the countries considered is, in effect, virtually all countries, and that therefore there is no need to make a case that the countries studied are representative. Moreover, my selection of case studies gave double matched pairs: i) by type of government – parliamentary (United Kingdom, Ghana) and presidential (United States and Nigeria); and ii) by level of development – developed/archetypical systems (United Kingdom, United States) and less developed/adaptive systems (Ghana and Nigeria).

### Flexible Design Component

*Validity* replication is generally not possible in a flexible research design (Robson, 2002), so validity focuses more on the credibility or trustworthiness of the research. Principle threats to validity in flexible designs include (Robson, 2002, p. 173):

- Description: the main threat is inaccurate/incomplete data.
- Interpretation: the main threat is imposing a framework/meaning on what is happening rather than allowing this to emerge.
- Theory: the main threat is not considering alternative explanations.
- Reflexivity: researchers' presence may bias respondents.
- Respondent bias.
- Researcher bias.

The strategies I used to deal with these threats were: triangulation (the data was collected from interviews, focus groups, and documents); combining quantitative and qualitative approaches in the case studies; peer debriefing/support; and establishing an audit trail. To establish reliability, I double-checked for data collection problems and transcription errors.

*Generalizeability.* In order to establish analytic/theoretical generalizability beyond the specific case studies examined, I have developed a theoretical framework which will promote understanding of other cases and situations. My thesis should provide theoretical insights which are sufficiently general or universal to be legitimately projected to other situations.

## **Conclusion**

This research combines quantitative and qualitative approaches and adopts a mixed fixed/flexible research design, consistent with the methodology proposed by Lieberman (2005), which he termed *nested analysis*. For the large-scale statistical analysis, I use a fixed design where the variables are specified in advance. The results of the statistical analyses enabled me to develop testable questions for the comparative case study (the flexible part of the research design). In short, the statistical analysis generated research questions about the relationship between corruption and legislative oversight; the case

studies tested these questions and helped generate additional generalizations, which I test in a second large-scale statistical analysis.

In following the approach proposed by Lieberman (2005), I combined the statistical analysis of a large sample of countries with the in-depth investigation of two countries, I derived primary causal inferences from statistical analyses which ultimately leads to the development of a theoretical framework. I tested and refined the framework by investigating qualitative comparisons of two countries, capturing the relationship between theory and facts in narrative form.

The next three chapters present the empirical analysis. Chapter 5 describes the first large-scale statistical analysis which examines the use of oversight tools by legislatures to help them curb corruption. Chapter 6 presents a comparative case study. Chapter 7 describes the second large-scale statistical analysis, which examines the impact of contextual factors influencing legislative oversight and corruption.

## CHAPTER 5. CORRUPTION AND LEGISLATIVE OVERSIGHT TOOLS

In Chapter 2, I noted that while there is agreement that forms of government (parliamentary or presidential) influence a country's level of corruption, there is no consensus on which type of government helps reduce corruption. Gerring and Thacker (2004) and Lederman et al. (2005) demonstrate that countries with presidential forms of government have *higher* levels of corruption than those with parliamentary forms. Doig and Theobald (2000), Hope (2000), Persson et al. (1997), and (Treisman 2000) assert that countries with a presidential system—where the legislature is independent of the executive—are better able to hold the executive to account than others; this would result in *lower* levels of corruption.

Pelizzo and Stapenhurst (2004) found that one of the differentiating factors between legislatures in presidential and parliamentary forms of government is the number of oversight tools available to the legislature—with legislatures in parliamentary systems having more tools at their disposal than those in presidential systems. However, they did not explain the causes of this differentiation. In their more recent study, Stapenhurst and Pelizzo (2008) demonstrate that the more legislative oversight tools adopted by a legislature, the greater the legislative oversight and less corruption.

In this chapter I explore the issues raised by, and following from, Pelizzo and Stapenhurst (2004) and Stapenhurst and Pelizzo (2008). I examine three questions: (i) does the adoption by the legislature of a particular oversight tool, such as an audit or Public Accounts committee, or Question Period, result in lower corruption?; (ii) is the *number* of oversight tools significant; that is, do countries where legislatures have more oversight tools at their disposal have lower levels of corruption? And (iii) is the difference in the number of oversight tools adopted by a legislature an explanatory factor in determining why one form of government is less corrupt than another?

I proceed as follows. First, I summarize the design and methodology of this component of my research, present data sources, and pose research questions. I then undertake a large-scale statistical analysis to determine if, in fact, the existence of each of these tools is associated with lower corruption and what the interaction is between these tools. And

finally, to facilitate cross-country comparisons of both oversight tools and legislative systems, I develop an oversight tools index and statistically examine the relationship between this index and corruption. I conclude with a comparative assessment of parliamentary and presidential systems' use of oversight tools.

### **Design and Methodology**

In Chapter 4, I presented the overall methodology for this thesis. I follow the approach proposed by Lieberman (2005), who suggested nested analysis as way of combining the rigor of statistical analysis with the contextual richness of case studies.

In this first large-scale statistical analysis, I operationalize legislative oversight tools and conduct an analysis to determine their significance in explaining variations in levels of corruption, both individually and in combination. I find that variations in corruption across countries is best explained by the existence of supreme audit institutions (SAIs) whose head is appointed by and who reports to the legislature, coupled with the existence of a legislative audit committee, such as a Public Accounts committee (PAC) and an access to information (ATI) law. These results help me generate additional research hypotheses, which I will test in a comparative case study, which is described in Chapter 6.

To facilitate cross-national comparisons, I develop an index of legislative oversight tools, which helps me determine if the existence of oversight tools in total is a good explanatory variable in determining levels of corruption, and if there is a difference regarding the use of such tools between legislatures in parliamentary and presidential systems. Wehner (2010) recently constructed an index of legislative budgetary powers, but no-one has developed a similar index of legislative oversight. I find that while the existence of all oversight tools is associated with lower levels of corruption, only oversight committees are statistically significant, and that the interaction between such committees and SAIs is important. The oversight tools index has moderate explanatory powers regarding variations in corruption—and countries with parliamentary forms of government score better than those with semi-presidential or presidential forms.

## Research Questions

In this Chapter I to examine the accountability relationships between the executive arm of government and the public sector bureaucracy, on the one hand, and the legislature on the other. Given that there is a principal-agent relationship between the legislature (principal) and government officials (agents), and that the legislature has developed a variety of oversight tools to address problems of information asymmetry, and to help it hold government officials to account. It might be expected that countries with more oversight tools will have better oversight and reduced levels of corruption. I consider three research questions:

**RQ1: Does the adoption by the legislature of a particular oversight tool, such as an audit or Public Accounts committee, or Question Period, result in lower corruption?;**

**RQ2: Is the *number* of oversight tools significant – that is, do countries where legislatures have more oversight tools at their disposal have lower levels of corruption?**

**RQ3: Is the difference in the number of oversight tools adopted by a legislature an explanatory factor in determining why one form of government is less corrupt than another?**

These research questions test the assumption that the number and/or type of oversight tools adopted by a legislature will result in better oversight, as measured by lower levels of corruption.

## Data

The data come from various public databases. The principal data come from the 2002 Inter-Parliamentary Union (IPU) survey on executive-legislative relations, which was administered to IPU's designated contact persons within its 100+ member legislatures. Other databases include the World Bank's Data Base of Political Institutions, the World Directory of Parliamentary Libraries, and Freedom House. These are supplemented by extensive searches on parliamentary and other websites. The data are unique in that a

similarly comprehensive legislative oversight survey has not been previously carried out for such a large number of countries.

Following the literature noted in Chapter 2 and summarized in Table 2.1, I develop scores for each of the eight oversight tools:

- i) Committees/commissions of inquiry
- ii) Opportunity for questions
- iii) Debates
- iv) Vote of confidence/censure/impeachment
- v) Ombuds offices
- vi) Supreme audit institution (SAI)
- vii) Research resources
- viii) Access to information (ATI)

The variable “anti-corruption agencies” was dropped, as no cross-country data are publicly available for such agencies. The full dataset, and coding method, is presented in Appendix 1.

## **Analysis**

I perform three sets of analyses to investigate these research questions. First, I undertake simple correlations to show which oversight tools are correlated, and how strongly, with both corruption and with one another. I use Transparency International’s Corruption Perceptions Index (CPI) as a proxy for corruption levels. The CPI ranks countries on a 10-point scale, where “1” is the most corrupt and “10” the least corrupt. I use Ordinal (Spearman’s rank) rather than Pearson correlations, because it is difficult to quantify corruption precisely—the CPI is *not* a precise measure of corruption but rather an interval measure of perceived corruption. The results are shown in Table 5.1.

**Table 5.1: Ordinal Correlations of Oversight Tools and Corruption**

Ordinal Correlation	Corruption	Committee	Question	Debate	Censure	Ombuds	Audit	ATI
Corruption								
Committee	0.3733***							
Question	0.2043	0.0137						
Debate	0.1996	0.1535	0.3467***					
Censure	0.3410***	0.0570	0.1359	0.0118				
Ombuds	0.2742**	0.1438	0.0734	-0.0507	0.0378			
Audit	0.0899	0.3781***	0.0141	0.0442	0.0945	0.0931		
FOI	0.3628***	-0.1004	-0.0346	-0.0749	0.1309	0.4254***	0.1140	
Resources	0.4401***	0.0887	0.1611	-0.0612	0.1183	0.3980***	0.2072	0.3196**

\* denotes significant at 10%, \*\* denotes significant at 5%, \*\*\* denotes significant at 1%<sup>39</sup>

I find that all oversight tools are positively related to lower levels of corruption, with correlation coefficients ranging from 0.0899 (SAIs) to 0.3733 (oversight committees), and that both supporting factors are also positively related to lower levels of corruption. In other words, the existence of each oversight tool and supporting factor is associated with lower levels of corruption.

I also found strong positive correlations between some of the variables, as might be expected. These are: oversight committees and SAIs (significant at 1%); questions/interpellations and debates in plenary (significant at 1%); and ombuds and access to information (significant at 1%). I also find positive correlations between research resources, ombuds, and access to information. These results are consistent with common wisdom—it is not surprising that oversight committees and SAIs are highly correlated as, in many countries, oversight committees (such as PACs) rely principally on the reports of the Auditor General in determining their work. The relationship between debates and questions/interpellations can be explained by the fact that these tools are a means whereby legislators can publicly probe allegations and incidents of corruption—although, to date, their link has not been posited in the literature. Similarly, it can be argued that the work of an ombuds is enhanced when the office—and citizens that complain to that office—have access to government information. Without such information, the ombuds may find it

39 Using the Sidak test to avoid “multiple comparison fallacy”; that is, Type I errors (finding spurious statistically significant relationships) due to the fact that spurious correlations are likely to occur in samples that may bias the results.

difficult to gather evidence of corruption. And finally, the relationship between research resources and certain tools is interesting. The relationship is significant with ombuds (at 1% level) and with access to information (at 5% level), suggesting that research staff in parliament use ATI laws to gain information they might not otherwise obtain.

While the simple correlation analysis is an important first step in analyzing the relationship between oversight tools and corruption, it is not, in and of itself, sufficient to confidently infer how robust the relationship between the two variables really is. This is because the simple correlations do not control for a number of other variables identified as having a significant effect on corruption and, possibly, also being correlated with the oversight tools (omitted variable bias). To limit this effect, I run a multiple regression model to control for potential omitted variables. Specifically, I use the following model:

$$CPI_i = \alpha + \beta_1 X_i + \dots + \beta_8 X_i + \beta_9 Z_i + \varepsilon_i \tag{1.01}$$

where:

$CPI_i$  is country  $i$ 's score on corruption (higher scores denote less corruption)

$\beta_1 X_i$  is Committee/Commission

$\beta_2 X_i$  is Questions/Interpellations

$\beta_3 X_i$  is Debates in Plenary

$\beta_4 X_i$  is Review of Appointments/Censure and Impeachment/Confidence

$\beta_5 X_i$  is Ombuds Office

$\beta_6 X_i$  is Supreme Audit Institution

$\beta_7 X_i$  is Access to Information (ATI)

$\beta_8 X_i$  is Research Resources

and  $\beta_9 Z_i$  is a vector of control variables.<sup>40</sup>

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40 In Tables 5.2 through 5.12, all regressions include the following controls: Inpercapita openness Inpop urban educ avelf under15 over65 catho80 muslim80 protmg80 otherrel (dropped) africa america Europe (dropped) middle pacific.

Table 5.2 shows the results of this exercise. I find that oversight committees, questions, and access to information are significantly associated with less corruption, at the 5% level, when using an Ordered Probit specification. The other variables of interest, while insignificant, do have the expected positive sign (a higher score on these variables is associated with more good governance/less corruption). The exceptions are: (1) ombuds office (OLS), (2) censure powers, and (3) research resources (Ordered Probit).

**Table 5.2: Simple Regression**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Committee	0.11 (0.19)	0.54** (0.27)
Question	0.15 (0.16)	0.53** (0.23)
Debate	0.0045 (0.19)	0.0046 (0.19)
Confidence	0.021 (0.18)	-0.22 (0.21)
Ombuds Office	-0.022 (0.18)	0.056 (0.24)
Audit	0.11 (0.16)	0.14 (0.21)
ATI	0.16 (0.17)	0.52** (0.21)
Research Resources	0.030 (0.28)	-0.46 (0.40)
(Pseudo) R-squared	0.92	0.36
Observations (n)	51	51

**Note:** Robust standard errors in parentheses. \*\*\*denotes significant at the 1% level; \*\*denotes significant at the 5% level; \*denotes significant at the 10% level.

These findings are interesting and, when considered with those in Table 5.1, suggest that there is an important relationship between certain oversight tools in determining levels of corruption. In particular, the relation between oversight committee and SAI, between questions and debates in plenary, and between ombuds and access to information seem important. However, these results need to be treated with caution. The information gathered is still not sufficient—because the tools and factors do not operate in a vacuum, but are

embedded in institutional constellations, and there is reason to believe that the presence of other oversight tools may be responsible for a particular oversight tool being (un)able to reduce corruption. Theory suggests that the interaction of several tools might be critical in determining their effectiveness. In particular, theory, and some of the data, suggests that the relationship between oversight committee and SAI, between questions and debates in plenary, and between ombudsperson and access to information are potentially important determinants of corruption.

To explore this hypothesis, I run another model using interaction terms. I use the following specification:

$$CPI_i = \alpha + \beta_1 X_i + \beta_{s1} X_i + (\beta_1 X_i * \beta_{s1} X_i) + Z_i + \varepsilon_i \quad (1.02)$$

where,  $\beta_1 X_i$  is one of the independent variables of interest (tool and/or mechanisms),  $\beta_{s1} X_i$  is another of the variable of interest and  $(\beta_1 X_i * \beta_{s1} X_i)$  is the interaction term between the two.

Using this specification and principal-agent theory I identify seven potentially significant interactions between oversight tools as mechanisms developed by principals (legislatures) to help hold agents (the executive and bureaucracy) to account. For these interactions, I briefly explain what might be anticipated, given agency theory, and consider the empirical evidence supporting or refuting the anticipated interaction.

1) Committees with SAIs, Confidence, Ombuds office, plus Access to Information and Research Resources

A strong interaction might be expected between oversight committees and the two external oversight institutions from which they receive reports—especially the SAI, but also the ombuds office. Where these extra-legislative oversight institutions have strong ties to the legislature, especially in terms of reporting, it is reasonable to assume that their interaction with committees will generate more effective oversight outcomes. Furthermore, it might also be expected that the reports that oversight committees send back to plenary might provoke censure, impeachment, and/or confidence votes if they highlight incidents of corruption. It is also reasonable to assume that oversight committees will be more effective

when they have greater access to information and more legislative research resources at their disposal. In short, these oversight tools are expected to help principals best when they exist and operate together.

The results of this exercise are shown in Table 5.3. Several interesting findings emerge from interacting the committee variable with other oversight tools and factors. First, the interaction term between censure powers (confidence) and committee powers is positive and statistically significant at the 5% level (for both OLS and Ordered Probit specifications). This is consistent with the hypothesis that having a powerful committee backed by a powerful legislature works to encourage executive compliance.

**Table 5.3: Interaction—Committees with SAIs, Access to Information and Resources**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Committee*Confidence	0.44**	0.56**
Committee	0.15	0.46
Confidence	-0.31	-0.33
Committee*Ombuds office	-0.30*	-0.38
Committee	0.30*	0.57*
Ombuds office	0.06	0.09
Committee*Audit	0.12	0.62***
Committee	0.18	0.80***
Audit	0.05	-0.13
Committee*ATI	-0.12	-0.14
Committee	0.16	0.16**
ATI	0.13	0.41*
Committee*Research	0.08	0.33
Resources	0.17	0.51
Committee	0.07	-0.40
Research Resources		

Note: \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level

Second, the interaction term of the ombuds office and committee variables is negative and statistically significant at the 10% level (for the OLS specifications only). This is a surprising result but might be explained by the fact that the existence of multiple oversight

authorities generates common pool problems and a lack of clear responsibility for redressing executive actions.

Third, when controlling for the interaction effect of the committee and the ombuds office, the independent effect of committee power is positive and statistically significant at the 10% level (for both OLS and Ordered Probit specifications).

Fourth, the interaction term of oversight committee and SAI, and the independent effect of the committee variable, are positive and significant at the 1% level (for Ordered Probit specifications only). This is consistent with much of the literature that emphasizes the symbiotic relationship between a powerful audit agency (generating specialist reports) and a powerful committee able to act upon this information. This confirms the expectations generated by principal-agent theory.

Fifth, the independent effects of the committee and access to information are positive and significant (using Ordered Probit specification) at the 5% and 10% levels, respectively, once we control for the interaction of the two variables (the interaction is negative, but insignificant). This may be because the two variables facilitate different types of accountability: with committee power enhancing legislative power and access to information empowering citizens to hold the executive to account.

## 2) SAIs and Access to Information

SAIs usually have the legal right of access to all government information. Nevertheless, it can be postulated that when this legal right co-exists with an ATI law, it encourages a culture of greater transparency within the public sector. Thus, it is hypothesized that the co-existence of ATI and SAI will have a greater explanatory power than would otherwise be the case. Here, one could consider the legislature, as principal, wanting to bolster the effectiveness of the SAI by providing it with greater access to information.

Table 5.4 shows that the interaction term between SAI and freedom of information is weakly positive but insignificant—suggesting that SAIs have sufficient access to government information and have no need for an ATI law. Controlling for the interaction, both the SAI and ATI variables have positive but insignificant relationships with corruption.

**Table 5.4: Interaction—SAIs and Access to Information, Confidence**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Audit*ATI	0.006	0.07
Audit	0.12	0.21
ATI	0.11	0.30

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level

3) Questions with Confidence, Access to Information and Research Resources

Agency theory suggests that questions and interpellations are inter-related with issues of censure, impeachment, and confidence. Hard-hitting questions about impropriety might lead to censure, impeachment, and/or a vote of no confidence. It can also be assumed that legislators will ask more insightful and penetrating questions because they have greater access to information and better legislative research resources, thus redressing information asymmetry. This should result in better oversight and more likelihood of exposing incidents of corruption.

**Table 5.5: Interaction—Questions and Access to Information, Resources**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Question*Confidence	-0.08	-0.09
Question	0.07	0.19
Confidence	-0.24	-0.29
Question*ATI	-0.18	-0.32
Question	0.10	0.30*
ATI	0.91	0.36
Question*Resources	-0.13	-0.15
Question	0.07	0.25
Resources	0.08	-0.36

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level

Table 5.5 shows that the results are insignificant when utilizing the independent effect and interaction terms of: (1) the questions/interpellations and the censure variables and; (2) the questions and research resources variables. Conversely, once controlling for the interaction effect of the question and ATI variables, the independent effect of the question variable is positive and significant, at the 10% level (for the Ordered Probit specification only). These results provide mixed support for agency theory.

#### 4) Debates with Access to Information and Research Resources

Agency theory suggests that plenary debates will be a better explanatory variable of levels of corruption when the legislators (principals) initiating or taking part in such debates have greater access to information and better research resources and thus are able to at least partially redress the problem of information asymmetry.

**Table 5.6: Interaction—Debates with Access to Information, Research Resources**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Debate*ATI	-0.24*	-0.37**
Debate	0.04	0.22
ATI	0.10	0.37*
Debate*Research Res.	-0.25	-0.28
Debate	0.08	0.19
Research Resources	-.0002	-0.36

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level

Table 5.6 indicates that an interesting result emerges when interacting plenary debate with other variables. Namely, the interaction term of debate and access to information is negative and statistically significant, at the 10% (OLS) and 5% (Ordered Probit) level. This result suggests that having more powerful debate and interpellation mechanisms in conjunction with ATI is associated with more corruption. This result is surprising; it is possible that this is due to the fact that more access to information may fuel partisan debate rather than improve scrutiny of the executive/bureaucracy. The interaction between debate and research resources is also negative, but not statistically significant. The independent

effect of the two variables is positive and, in the case of the ATI, statistically significant at the 10% level (only for Ordered Probit). These results do not support agency theory.

5) Censure/Impeachment/Confidence and Access to Information and Research Resources

As in 3) and 4) above, it is reasonable to assume that better informed legislators (principals) are able to partially redress problems of information asymmetry, resulting in more effective motions of censure, impeachment, and confidence. Table 5.7 shows that the interaction term between confidence and resources is positive and significant at the 10% level (OLS) and the 5% level (Ordered Probit). In other words, a higher score on the vote of confidence component combined with more research resources is associated with lower levels of corruption. Conversely, while still positive, the interaction between confidence and access to information is not significant. Again, the evidence gives mixed support to agency theory.

**Table 5.7: Interaction—Censure, etc. with Access to Information, Research Resources**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Confidence*ATI	0.08	0.22
Confidence	-0.19	-0.19
ATI	0.12	0.37
Confidence*Res.Resources	0.24*	0.31**
Confidence	-0.14	-0.18
Research Resources	0.01	-0.38

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level

6) Ombudsperson and Access to Information, Research Resources

It can be postulated that a strong interaction between ombudsperson and research resources is to be expected. This is especially the case when the ombudsperson is an officer of parliament. It can also be postulated that the ombuds office will be more effective when there is greater access to information. In both instances, the principal’s oversight tool will be enhanced by redressing problems of information asymmetry. However, Table 5.8 shows

that these interaction terms were all negative, albeit not statistically significant; thus, refuting agency theory.

**Table 5.8: Interaction—Ombuds office with Access to Information, Research Resources**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Ombuds office *ATI	-0.13	-0.19
Ombuds office	-0.03	-0.24
ATI	0.08	0.28
Ombuds office *Res. Resources	-0.12	-0.04
Ombuds office	0.04	0.08
Research Resources	0.08	-0.31

7) Access to Information and Research Resources

It can be argued that both access to information and enhanced research services address one of the principal problems of agency theory – information asymmetry. However, Table 5.9 shows that the interaction results involving access to information and research resources are not statistically significant.

**Table 5.9: Interaction—Access to Information with Research Resources**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
ATI*Res. Resources	0.25	0.30
ATI	0.14	0.33
Research Resources	0.60	-0.28

## Summary

Agency theory would suggest positive statistical relationships between oversight tools, as legislators (as principals) apply them in an effort to hold agents (the executive and bureaucracy) to account. The simple statistical analysis so far suggests several important relationships. Initial correlations indicate that all oversight tools are positively related to lower levels of corruption. Of these tools, oversight committees, the power to censure, and an independent ombudsman office are statistically the most significant. Both supporting factors—access to information and research resources—are statistically significant (Table 5.1). Simple regressions, controlling for a vector of control variables, were used to more convincingly evaluate the individual importance of each oversight tool and supporting factor. As Table 5.2 indicates, only the oversight committee, questions, and access to information appear to be significant oversight tools. However, these results may be biased, as they do not control for the potentially additive or multiplicative effects of either the tools or the supporting factors.

In order to control for this possibility, I ran regressions including interaction terms between every oversight tool/supporting factor. Here, I find that several of the interaction terms between the variables are significant and positive (committee and confidence, confidence and SAI) or negative (debate and ATI) and consistently significant (both OLS and Ordered Probit specifications). These results suggest that individual tools and supporting factors may interact to produce significant variation in corruption outcomes. Overall, generally positive but mixed empirical support is provided for agency theory as a construct to explain oversight.

The question that consequently arises is how a cross-country comparative analysis can be undertaken to help answer both the hypotheses posed in this chapter and the overarching research question. I turn to this in the next section.

### Further Regression Analysis

In order to capture the combined effect of the tools and supporting mechanisms, I use a simple regression analysis in which the independent variable of interest is the aggregate score of a country, for each oversight tool and supporting factor. I use this identification strategy in order to examine the potentially additive relationship between legislative

oversight, as measured by the oversight tools index (see below), and the level of perceived corruption, as measured by Transparency International's CPI. The calculation and scaling of the oversight index is outlined below.

The baseline empirical specification is:

$$CPI_i = \alpha + \beta_1 X_i + Z_i + \varepsilon_i \tag{1.03}$$

where  $\beta_1 X_i$  is the oversight index score of country  $i$ ;  $Z_i$  is a vector of control variables. Obviously, given the fact that the index only exists for one year, it is not possible to utilize country- or time-fixed effects.

Construction of the Index<sup>41</sup>

The construction of such an index raises theoretical questions about the substitutability of components. The starting point for this discussion is the additive index, which assumes that oversight tools are not substitutable. This is consistent with the empirical results obtained above. This frequently used method consists of summing all scores for a given case to derive the index score for that case (Lienert, 2005; von Hagen, 1992). The simple sum index can be represented as a special case of the following formula:

$$I_j = \sum_{i=1}^n c_i^j$$

The term  $c$  captures the value of component  $i$ , and  $j$  is a power term that can be adjusted to reflect the different assumptions of substitutability. If  $j = 1$ , then the result is the simple sum index. If  $0 < j < 1$ , this favors cases with consistently intermediate scores over those with a mixture of high and low scores; that is, this approach assumes a limited degree of substitutability. Conversely, with  $j > 1$ , a greater degree of substitutability is assumed, since high scores are rewarded. In addition, it would be possible to allow differential weights for each of the components. However, the theoretical discussion does not imply that some of the variables are more important than the others, so the possibility of using differential weights is not pursued in this case.

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<sup>41</sup> This section draws from, and adapts, the review of index construction in Wehner (2010).

*Results*

I find that the index of oversight tools is statistically significant in explaining variations of corruption at the 5% level (see Table 5.10) when using the Ordered Probit specification. However, the results are not significant using the OLS specification, even though the coefficient is positive. This has an important implication—suggesting that oversight tools are a major factor in explaining levels of corruption. The more oversight tools a legislature has at its disposal, and especially if it has a Public Accounts or similar committee, and the greater its research capacity and access to information, the less corruption. A remaining question, however, is that of causality – why does this relationship exist?

**Table 5.10: Oversight Capacity Index and Corruption**

Variable	Dependent Variable: CPI (OLS)	Dependent Variable: CPI (Ordered Probit)
Oversight Tools Index	0.06 (0.06)	0.19** (0.080)
(Pseudo) R <sup>2</sup>	0.90	0.33
Obs. (n)	51	51

**Note:** Robust standard errors in parentheses. \*\*\*denotes significant at the 1% level; \*\*denotes significant at the 5% level; \*denotes significant at the 10% level.

I use this index to determine if legislatures in countries with parliamentary forms of government are better equipped, in terms of oversight tools and supporting factors, to reduce corruption than those in semi-presidential or presidential systems. Tables 5.11 and 5.12 and Diagrams 5.1 and 5.2 present the results. In Diagram 5.1, brown label denotes presidential systems; green label denotes semi-presidential systems; orange label denotes parliamentary systems with a U.K. Commonwealth heritage; white label denotes parliamentary systems with a non-U.K. monarchical legacy/actual monarchical executive; and pink label denotes parliamentary republics. I return to this dichotomy in Chapter 9.

**Table 5.11: Ratios of Regimes by Quartile**

	Lower Quartile (Parl: Semi: Pres)	2 x Median Quartiles (Parl: Semi: Pres)	Upper Quartile (Parl: Pres: Pres)
Oversight Tools Index	1:4:7	15:1:9	10:1:1

Note: Each quartile contains approximately (12) countries.<sup>42</sup>

**Table 5.12: Oversight Index and Form of Government**

System	Index Score
All (n = 49)	11.5 (2.8)
Parliamentary (n = 26)	12.8 (2.1)
Semi-Presidential (n = 6)	9.7 (3.4)
Presidential (n = 17)	10.3 (2.7)

n = number of observations; standard deviation in parentheses below the average score

Clearly, legislatures in countries with parliamentary forms of government score better than those in countries with either semi-presidential or presidential systems. The mean index score for legislatures in countries with parliamentary systems is 12.8, compared with only 9.7 for those in semi-presidential, and 10.3 for presidential systems. This supports Pelizzo and Staphenurst's (2004) conclusion that parliamentary legislatures have more oversight tools at their disposal than do semi-presidential or presidential systems. However, the results do not support Pelizzo and Staphenurst's (2004) conclusion that legislatures in countries with semi-presidential systems have more oversight tools than those in presidential systems. The finding of the current research is consistent with those of Lederman et al. (2004), Gerring and Thacker (2004), and Gerring, Thacker, and Moreno (2005); namely, that countries with parliamentary forms of government have less corruption than those with presidential forms.

<sup>42</sup> Only countries with both oversight and contextual scores used (n = 49).

**Diagram 5.1: Index of Legislative Oversight Tools (Bar Diagram)**

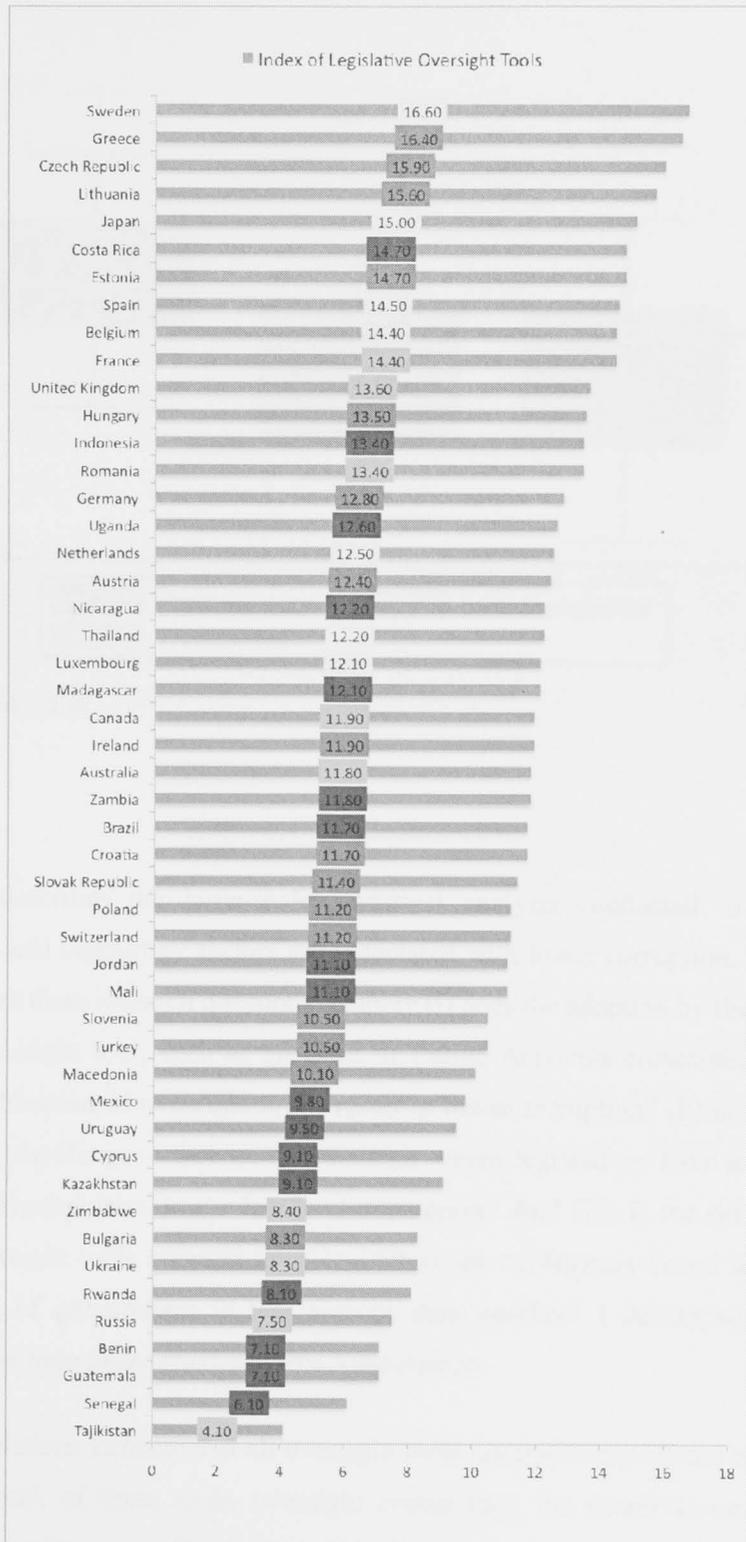
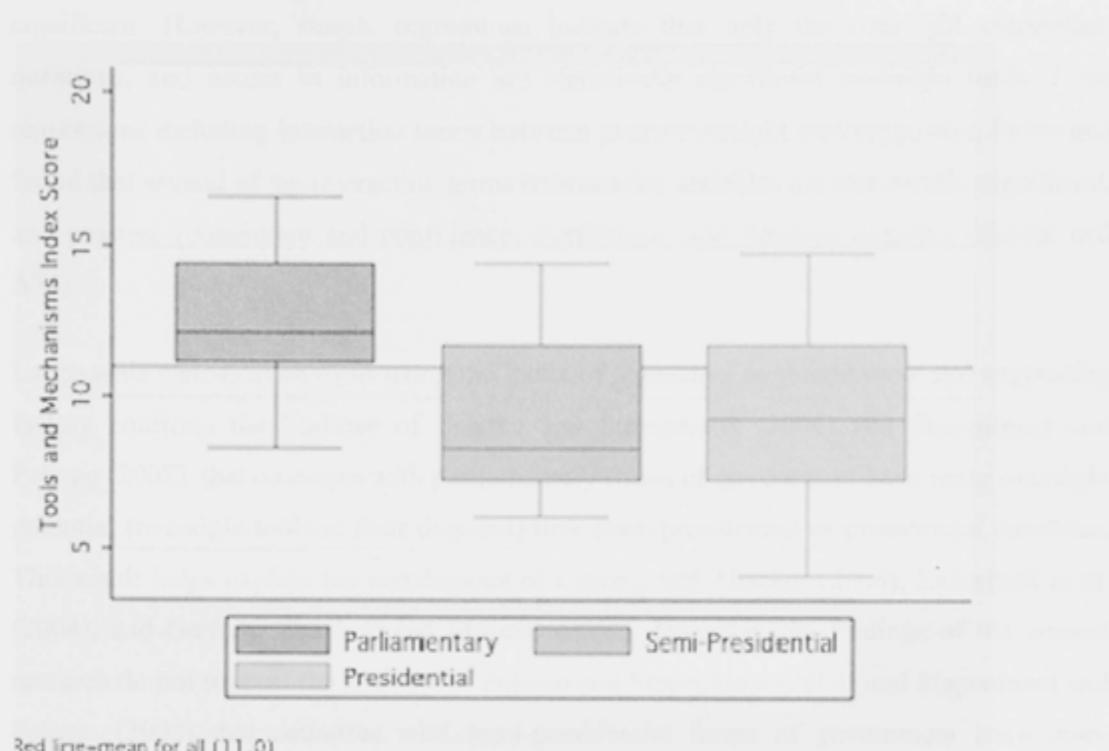


Diagram 5.2: Index of Legislative Oversight Tools (Box and Whisker Diagram)



## Conclusion

This chapter describes the large-scale statistical analysis conducted to determine if oversight tools and supporting factors are associated with lower corruption. Specifically, I sought to answer three research questions; namely (i) does the adoption by the legislature of a particular oversight tool, such as an audit or Public Accounts committee, or Question Period, or combination of oversight tools, result in lower corruption? (ii) is the *number* of oversight tools significant – that is, do countries where legislatures have more oversight tools at their disposal have lower levels of corruption? And (iii) is the difference in the number of oversight tools adopted by a legislature an explanatory factor in determining why one form of government is less corrupt than another? I developed an index of oversight tools to help make cross-country comparisons.

My initial correlations indicate that all oversight tools are positively related to lower levels of corruption, and, of these tools, oversight committees, the power to censure, and an independent ombudsperson office are statistically the most significant. I also found that

both supporting factors—access to information and research services—are statistically significant. However, simple regressions indicate that only the oversight committee, questions, and access to information are statistically significant oversight tools. I ran regressions including interaction terms between every oversight tool/supporting factor and found that several of the interaction terms between the variables are statistically significant, and positive (committee and confidence, confidence, and SAI) or negative (debate and ATI).

Large-scale statistical analysis using the index of legislative oversight tools and supporting factors confirms the findings of Pelizzo and Stapenhurst (2004) and Stapenhurst and Pelizzo (2008), that countries with parliamentary forms of government have more oversight potential (oversight tools at their disposal) than semi-presidential or presidential countries. This result helps explain the conclusions of Gerring and Thacker (2004), Lederman et al. (2004), and Gerring, Thacker, and Moreno (2005). However, the findings of the current research do not support the findings of Pelizzo and Stapenhurst (2004) and Stapenhurst and Pelizzo (2008) that countries with semi-presidential forms of government have more oversight potential (oversight tools at their disposal) than presidential countries.

While the oversight tools index explains some of the variation of corruption across countries, a substantial residual remains—clearly other factors besides oversight tools are also important. In short, agency theory can explain part, but not all, of the variation in oversight across countries. It is necessary to look beyond structure for an explanation. To explore what these other factors might be, I turn, in Chapter 6, to a comparative case study of two different systems — semi-presidential, but embedded within the Westminster parliamentary tradition (Ghana) and presidential (Nigeria). I will focus on process and context, as well as structure.

## CHAPTER 6. COMPARATIVE CASE STUDY: GHANA AND NIGERIA

In Chapter 5, I described the findings of a large-scale statistical study which revealed a positive but relatively weak relationship between legislative oversight tools and levels of corruption. While the existence of legislative oversight tools may be important in explaining levels of corruption<sup>43</sup>, other factors need to be considered. Moreover, to the extent that legislative oversight tools *are* important explanatory variables in explaining corruption, the large-scale study did not provide any information as to *how* these oversight tools help reduce corruption. I also found that legislatures in parliamentary systems had more oversight tools than did legislatures in semi-presidential or presidential systems

This chapter examines these issues through a comparative case study analysis of Ghana, a semi-presidential system with strong Westminster parliamentary roots, and Nigeria, a presidential system modeled on the United States congressional model. I first examine whether and how legislative oversight tools are important at the country level, thereby validating the conclusions of Chapter 5; I then examine what other factors, besides oversight tools and mechanisms, might explain variations in oversight. The case studies suggest two such variables: political parties and social legitimacy of the legislature. Basic data concerning Ghana and Nigeria are shown in Table 6.1.

This chapter is organized as follows. First, I undertake a comparative case study to determine *how* oversight tools and mechanisms work in different institutional settings (semi-presidential (Ghana), derived from Westminster parliamentary and presidential (Nigeria))<sup>44</sup>. In so doing, I examine both *structure* (the existence of oversight tools) and *process* (how the oversight tools work, in practice) Then, also through the case study analysis, I identify and examine three contextual variables that affect legislative oversight; namely, political parties, social trust in the legislature, and level of democracy.

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<sup>43</sup> As noted in Chapters 2 and 3, *perceived* corruption is used as a proxy for actual corruption.

<sup>44</sup> I draw on the Westminster parliamentary (United Kingdom) and presidential (United States) archetypes; see Appendix 8.

**Table 6.1: Basic Facts about Ghana and Nigeria**

	Ghana	Nigeria
Population	24 million	154 million
Ethnic groups	About 100	About 250
Major religion	69% Christian; 16% Muslim	50% Muslim; 48% Christian
Area	92,085 sq. miles	356,667 sq. miles
Independent	1957	1960
Type of Government	Semi-Presidential	Presidential
Type of Legislature	Unicameral	Bicameral
(British Commonwealth)	Yes	Yes
Transparency International Ranking	69 <sup>th</sup>	130 <sup>th</sup>
GDP per Capita	US\$1,000	US\$1,401

### Objective

As can be seen in Table 6.1, Boxes 6.1, 6.2, 6.3 and 6.4 and in Appendix 8, while there are substantial differences between Ghana and Nigeria in terms of geographic and population size and, in recent years, form of government, they share many common characteristics. Almost neighboring countries in West Africa, both have a multitude of ethnic and religious groups, both were colonized by the British in the mid-late 19<sup>th</sup> century and both became independent in the mid-20<sup>th</sup> century. At independence, both were parliamentary democracies, both have had critical junctures of military rule and both have evolved from a pure parliamentary system, with Ghana now having a semi-presidential form of government (albeit with strong Westminster overtones) and Nigeria a U.S.-style presidential system. The fundamental question I seek to answer in this chapter is “Why is corruption lower in Ghana than in Nigeria?” If structuralists such as Treisman (2000) and Persson et al. (1997) are correct, we would expect Nigeria, with a presidential form of government, to have

lower corruption. Conversely, if Gerring and Thacker (2004) and Lederman et al. (2005) are correct, we would expect Ghana to have a lower level of corruption. In answering this question, I consider how legislative oversight tools work within different legislative systems and what other factors, besides oversight tools, explain the relationship between legislative oversight and corruption.” I look at the intersection of structure, context, and policy.

### Box 6.1: The Ghanaian Political Environment

Ghana attained independence from the United Kingdom on March 6, 1957. In the 50 years since independence the country has had four republican governments—in 1960, 1969, 1979, and 1992. The fourth republican government has been the longest. Under the fourth republic, five elections have been held, the first two won by Jerry Rawlings (1992, 1996), the second two by John Kuffour (2000, 2004), and the fifth by John Atta Mills (2008). Between the four republican governments there were *coup d'états*—in 1966, 1972, 1978, 1979, and 1981—followed by military governments

Since 1992, Ghana has emerged as one of the few African countries where a peaceful change of government has occurred. The most recent election was held on December 7, 2008 and none of the parties secured the required 50 plus one majority for an outright win. A runoff was contested between the ruling New Patriotic Party (NPP) and the National Democratic Congress (NDC) on December 28, 2008, with the major opposition party, the NDC, succeeding. This marked the second alternation of government: in December 2000, power was transferred from the NDC to the NPP and in 2008, back to the NDC.

This period, after 16 years<sup>45</sup> of military rule, coincided with Ghana receiving high ratings from Freedom House: from a low of six (not free) in 1991 to a current high of two (free), in terms of political rights and civil liberties.<sup>46</sup> Similarly, the Afrobarometer surveys, conducted in March 2008, showed that nearly 80% of Ghanaians prefer democracy over military rule, one-party government, or dictatorship, and 86% of Ghanaians consider

<sup>45</sup> This calculation is made from the last military regime (1981–92). Overall, the periods of military government have been 1966–69; 1972–79; and 1981–92. The periods of democratic rule are 1969–72; 1979–81; and 1992–present.

<sup>46</sup> Freedom House defines freedom as “the opportunity to act spontaneously in a variety of fields outside the control of government and other centers of potential domination,” in accordance with individuals’ political rights and civil liberties. The ratings process is based on 10 questions about political rights and 15 questions about civil liberties. Under political rights, three questions relate to the electoral process, four to political pluralism, and three to the functioning of government. The questions on civil liberties are distributed as follows: four on freedom of expression and beliefs, three on associational and organizations rights, and four on rule of law. Raw points (0 to 4) are awarded to each. Zero is the lowest and four is the highest on the scale. The highest score attainable under political rights is 40 and under civil liberties 60. The raw points from the previous years are used as benchmarks for the year under review. Changes to the raw points are only made if major political issues arise in the country under review. The raw data are used to rate countries according to the following scale: 1.0–2.5 free; 3.0–5.0 partly free; and 5.5–7.0 not free. For further details on the methodology see [www.freedomhouse.org](http://www.freedomhouse.org).

elections and the rule of law the best vehicle for selecting leaders and maintaining order in society.<sup>47</sup> The Afrobarometer surveys also show that Ghanaians consistently recognize Parliament as the major institution in a democracy, and that the supreme responsibility of Parliament is to check the executive and restrain it from exceeding its constitutional powers.

The 1992 Constitution is the cornerstone of the Fourth Republic (Gyimah-Boadi, 2001). The constitution recognizes the Parliament of Ghana as the sole law-making branch of government with autonomy over its own agenda (Article 93), and the power to authorize public expenditure, impose and waive taxes, and authorize, grant, and receive loans (Articles 174, 178, 181). In addition, Parliament has legal oversight authority over the budget and is empowered to approve the appointment of ministers nominated by the President. Notably, the President has no right to unilaterally amend the laws of the country, dissolve Parliament, or rule by decree. On the contrary, Parliament, under Article 69, can remove the President, Vice-President, and Speaker of the House from office. In short, the Parliament of Ghana has constitutional oversight authority over the executive.

However, some argue that the constitutional powers of the Parliament are limited by Article 108 of the Constitution, which gives the President the right to introduce bills or amendments relating to the imposition of taxes, payments, and withdrawals from the national treasury. According to Article 108, the Parliament of Ghana cannot increase public spending, only reduce it (which it hardly does) or call on the Ministry of Finance (MOF) to reallocate funds from one sector to another. Article 108 is the source of much disagreement between the Parliament and the executive. Most political practitioners (primarily MPs in the minority party) believe that Article 108 is a springboard for an “imperial presidency.”<sup>48</sup> Lindber and Zhou (2009) suggest that Ghana has a “co-opted parliament” although others (e.g., Gyimah-Boadi, 2005) disagree, contending that there are provisions and missed opportunities for Parliament to assert its influence over the executive.<sup>49</sup>

### Box 6.2: The Nigerian Political Environment

Nigeria’s most recent transition from military to civilian rule in 1999 expanded the political space for political institutions to participate in the new system. However, unlike the executive and judiciary—which have a history of continuity—the National Assembly had been abolished under military rule. As a result, the National Assembly is the youngest and weakest of the three arms of government. Moreover, like many other legislatures in emerging democracies, it has modest capabilities in drafting laws and influencing national policy because it “lacks the organization, financial resources, equipment, experienced

<sup>47</sup> For further details see Afrobarometer Web page at [www.afrobarometer.org](http://www.afrobarometer.org).

<sup>48</sup> This conclusion is gleaned from news reports and summarized by Gyimah Boadi in *Democracy Watch*, Vol. 6, No. 2, June 2005.

<sup>49</sup> This debate has been extensively examined in *Democracy Watch*, Vol. 6, No. 2, 2005. The article contends that, despite Article 108, the parliament has missed opportunities to stamp its authority and assert itself. The article cites the example of the renewal of the Civil Service Amendment Act in 2001 as a case in point.

members, and staff to serve as an autonomous point of deliberation in the policy making process.” (NDI, 2000, p. 1)

In Nigeria, the first casualties of military coups were often the constitution and the legislature, which were suspended each time a new military regime came into office.

Nigeria has had four different constitutions since regaining its independence in 1960. However, Nigerians have not played a participatory role in drafting any of the country’s constitutions. “Constitution building in Nigeria has generally been initiated by military regimes as part of a transition to civilian government. The 1979 and 1999 constitutions were top-down processes and the military government had the ultimate say on the content of the constitution.” (Samuels, 2006) The 1979 Constitution, which changed Nigeria from a parliamentary to a presidential system of government, was drafted by a committee inaugurated by General Murtala Mohammed in 1975. The current constitution, adopted on May 29, 1999, is also the product of a drafting committee set up by the military government of General Abdulsam Abubakar.

The constitution divides the legislature and executive into two separate branches of government with independent electoral mandates. The National Assembly of Nigeria is a bicameral legislature, comprised of an upper chamber (Senate) and a lower chamber (House of Representatives). The Senate is made up of 109 elected senators representing 109 senatorial districts across the country. The House of Representatives is comprised of 360 elected representatives (members) from 360 federal constituencies across the country. Members of the House are often regarded as “real representative (National Assembly and NDI, 2007) because each state is divided into three senatorial districts and several constituencies, based on their respective size and population. Hence, there are more members in the House of Representatives than in the Senate. According to Chapter 1, part II, section 4 (1) (2) of the 1999 Constitution ,

“The legislative powers of the Federal Republic of Nigeria shall be vested in a National Assembly for the Federation, which shall consist of a Senate and a House of Representatives. The National Assembly shall have power to make laws for the peace, order and good government of the Federation.”

Consequently, the executive powers of the country are vested in the President. Section 5(1) of the constitution states that executive powers

“Shall be vested in the President and may, subject as aforesaid and to the provisions of any law made by the National Assembly, be exercised by him either directly or through the Vice-President and Ministers of the Government of the Federation or officers of the public service of the Federation.”

### Box 6.3: Form of Government

Ghana achieved independence in 1957 and Nigeria in 1960. Both countries had been British colonies and initially adopted Westminster-style parliamentary systems, with the United Kingdom's House of Commons providing "templates for organizing" (DiMaggio and Powell, 1991). Since that time, however, they have both experienced "critical junctures" (Collier and Collier, 1991) or "punctuations" (Kingdon, 1985). After periods of military rule and various revisions to their constitutions, both countries have exhibited constitutional stability for a decade or more. (Ghana adopted a semi-presidential form of government in 1992 and Nigeria adopted a U.S.-style presidential constitution in 1979, which was reconfirmed in 1999).

Ghana's current (1992) constitution prescribes a semi-presidential system of government. The President is popularly elected to a four-year term of office but, unlike Nigeria and other "pure" presidential systems, the majority of the cabinet members must be Members of Parliament. By contrast, Nigeria's current (1999) Constitution divides the legislature and executive into two separate branches of government with independent electoral mandates, as in the United States.

The Ghanaian constitution recognizes the Parliament of Ghana as the sole law-making branch of government with autonomy over its agenda (Article 93). The President has no right to unilaterally amend the laws of the country, dissolve Parliament, or rule by decree. Some argue, however, that the constitutional powers of the Parliament are limited by Article 108 of the Constitution, which gives the President the right to introduce bills or amendments relating to the imposition of taxes, payments, and withdrawals from the national treasury. According to Article 108, the Parliament of Ghana cannot increase public spending, only reduce it or call on the Ministry of Finance (MOF) to reallocate funds from one sector to another. A number of political practitioners believe that Article 108 is a springboard for an "imperial presidency" (Gyimah-Boadi, 2005). Linberg and Zhou (2009) argue that the country has been operating a "hobbled parliament," although others (e.g. Gyimah-Boadi 2005) disagree, contending instead that there are provisions and missed opportunities for Parliament even within these constraints.

In Nigeria, the National Assembly's constitutional powers are less equivocal. According to Chapter 1, part II, section 4 (1) (2), for example:

"The legislative powers of the Federal Republic of Nigeria shall be vested in a National Assembly for the Federation, which shall consist of a Senate and a House of Representatives. The National Assembly shall have power to make laws for the peace, order and good government of the Federation."

However, in the early 1990s, immediately after the return to civilian rule, the President often operated with the same level of authority as the military had done, making key appointments, and dissolving several executive bodies, without consulting the legislature. Despite the legislature's strong *de jure* powers, it is possible that the superior political and financial resources of the President *vis-à-vis* the National Assembly weakens Nigeria's system of checks and balances, although Lewis (2009) notes growing use of these powers by the National Assembly.

## Box 6.4: Electoral Systems

Both countries have maintained a first past the post electoral system, with separate but concurrent elections for legislators and the President. However, the transition from military to civilian rule has followed different trajectories in Ghana and Nigeria—in the latter, the elections proving to be an imperfect benchmark for measuring government accountability. The 1999 and 2003 elections were characterized by widespread violence, bribery, and vote rigging.<sup>50</sup> Afrobarometer surveys (2006) show that more than two-thirds of Nigerians believe that elections are not effective for producing the desired turnover of leadership. Only 9% of Nigerians believed the 2003 elections had been completely free and fair, 41% felt the elections had not been free and fair at all, and 22% believed the electoral process was seriously flawed. The way the 2007 elections were conducted was also below popular expectations and domestic and international observers agreed that they “were the most poorly organized and massively rigged elections in the country’s history (Africa Report, 2007).” The 2007 elections were described as “a step backwards in the conduct of elections in Nigeria.”<sup>51</sup> Nigeria’s system shows increasing dominance by one party (the People’s Democratic Party or PDP).

By contrast, 90% of Ghanaians want to continue choosing their leaders through open, honest, and regular elections while 70% are satisfied with the way democracy works in their country. Elections have not been marred by anything like the same degree of violence as in Nigeria, and twice since 1993 there have been changes in civilian government through the electoral process. The December 2008/January 2009 elections in Ghana resulted in a second alternation of power, with the National Democratic Congress regaining a slim parliamentary majority and its presidential candidate winning a second round runoff with 50.2% of the votes.

The specific research questions I seek to answer in this Chapter are:

**RQ4: Does Ghana have more effective<sup>52</sup> internal oversight tools than Nigeria?**

**RQ5: Does Ghana have more effective<sup>53</sup> external oversight tools than Nigeria?**

**RQ6: Is the Ghanaian Parliament better equipped in terms of resources (supporting factors) than the National Assembly of Nigeria?**

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<sup>50</sup> Human Rights Watch, “*Election or ‘Selection’? Human Rights Abuses and Threats to Free and Fair Elections in Nigeria*,” April 2007, and “*Nigeria: Presidential Election Marred by Fraud, Violence*,” April 24, 2007.

<sup>51</sup> Statement of the NDI election observer delegation to Nigeria’s April 21 Presidential and National Assembly elections, Abuja, April 23, 2007.

[http://www.accessdemocracy.org/library/2151\\_ng\\_election\\_statement\\_042307.pdf](http://www.accessdemocracy.org/library/2151_ng_election_statement_042307.pdf)

<sup>52</sup> Here, I use perceived effectiveness of oversight tools, as measured by focus groups and administered questionnaire. Here, I use perceived effectiveness of oversight tools, as measured by focus groups and administered questionnaire.

<sup>53</sup> See footnote 2.

**RQ7: Do Ghanaian MPs make more use of available resources than Nigerian legislators?**

**RQ8: Does Ghana have a more institutionalized political party system than Nigeria**

**RQ9: Does the Ghanaian Parliament and its Members enjoy a greater degree of social trust than does the Nigerian National Assembly and its Members?**

Research questions 4-7 are anchored in agency theory and test further the results obtained in Chapter 5, namely that oversight tools help reduce corruption through oversight by providing principals (legislators) the means through which they can hold agents to account. It might be expected that the country with the greater number/more effective tools would have lower corruption. Research questions 8 and 9 examine contextual factors. Here, it might be expected that legislatures with strong party discipline and lower levels of public trust will have less effective oversight and higher levels of corruption.

The research questions are framed in the context of the overall research design, considered in Chapter 4; namely, that the outcome (reduced corruption) of an action (legislative oversight) follows from the mechanism (use of oversight tools) plus other factors (see Diagram 3.1 in Chapter 3). Together, these questions explore how oversight tools and contextual factors, as well as the policy process, work in Ghana and Nigeria. Boxes 3.1 and 3.2 briefly describe the political environment in Ghana and Nigeria, respectively.

Before proceeding, I briefly review the conceptual underpinnings of the analysis. As outlined in Chapter 2, principal-agent theory is used to explain the adoption of oversight tools by legislatures, as a means by which the latter (as principals) hold governments (agents) to account. In Chapter 5, I found that other factors besides oversight tools likely play a role in explaining legislative oversight and corruption. If agency theory alone was capable of explaining oversight, we would expect countries with more oversight tools to have lower levels of corruption. As I shall show, Ghana and Nigeria have similar oversight tools and an argument can be made that Nigeria should have lower corruption than Ghana because it has more effective oversight tools. But the opposite is true.

I turn to the institutional theory to help explain why different countries adopted particular legislative systems and why they use oversight tools differently. In particular, recognizing that "...the beginning of wisdom in approaching institutional theory is to recognize that there is not one but several variants" (Scott, 1987, p. 493), I draw upon the notion of the impact of the institutional context and templates on organizing/archetypical systems (see Diagrams 3.3 and 3.4 in Chapter 3). I also identify other factors which impact oversight, such as trust in the legislature.

### **Design, Methodology, and Data**

In this section I consider *how* legislative oversight tools are used in two "adaptive systems"—Ghana (a semi-presidential system, with strong Westminster parliamentary roots) and Nigeria (a presidential system, based on the United States). I also consider possible contextual factors that may affect the legislature's oversight function, namely political party cohesion and trust in the legislature. In both countries I used a common survey instrument, presented in Chapter 4. I conducted four focus groups to complement data obtained through interviews.

### **Results and Analysis**

I proceed as follows. I consider the use of legislative oversight tools and mechanisms in both Ghana and Nigeria. I then review some of the contextual factors that participants suggested were important determinants of oversight, and conclude with some observations regarding the possible importance of these factors—an issue I return to in Chapter 7. I commence by replicating Table 6.2, but this time comparing and contrasting Ghana and Nigeria (see Table 6.3). I review these factors in turn, relating them to the research questions of this thesis.

**Table 6.2 Presidential and Semi-Presidential Systems Compared: Nigeria and Ghana**

	<b>Nigerian National Assembly (NASS)</b>	<b>Ghanaian Parliament</b>
<b>Oversight Tools</b>		
Audit Committees	2 x Public Accounts Committees	Public Accounts Committee
Other Committees	Strong; well resourced	Tend to be weak; poorly resourced
Question Period	No	Yes
Cabinet Formation/Dismissal	Ministers (who cannot be Members of NASS) selected by President; ratified by NASS	Selected by President; 60% must be MPs; ratified by Parliament
Censure/Impeach	NASS can censure Ministers and impeach the President	Parliament can censure Ministers and impeach the President
Vote of No Confidence	NASS cannot shorten President's fixed term of office, except through impeachment	No
Supreme Audit Institution	Audit Office	Audit Office
Ombuds Office	Prevention of Corruption Commission	Commission on Human Rights and Administrative Justice
Anti-Corruption Agencies	Independent Corrupt Practices & Related Offences Commission; Economic & Financial Crimes Commission	Serious Fraud Office
<b>Supporting Factors</b>		
Staff + Research Facilities	Somewhat poor	Very poor
Access To Information Law	No	No
<b>Contextual Factors</b>		
Form of Government	Presidential	Semi-presidential; executive. President elected directly; most Ministers from within Parliament
Electoral System	Majoritarian	Majoritarian
Political Parties	Several; relatively weak	Two, very strong
Social Legitimacy	Fairly low	Fairly high

**Table 6.3: Internal Tools and Mechanisms Influencing Legislative Oversight**

(Scale of 1–5, where 1 = very weak/never and 5 = very effective/always)

Survey Question Number	Survey Question	Ghana		Nigeria	
		Mean Score	Std. Dev.	Mean Score	Std. Dev.
1	How Frequently Does the Legislature Review Appointments	3.5	1.7	4.6	1.0
2	How Frequently Does the Legislature Censure Ministers/the President	1.7	0.8	2.1	0.9
20	How Effective Are Oversight Committees in Uncovering Incidents of Fraud and Corruption	3.2	1.5	3.5	1.1
21	How Effective Are Special Committees/Commissions of Inquiry in Uncovering Incidents of Fraud and Corruption	3.8	1.3	3.9	1.1
16	What is the Degree of Partisanship Within Legislative Oversight Committees	2.2	1.6	2.8	1.3
19	How Often do Oversight Committees Meet During a Legislative Session	4.7 (10 times)	0.7 (9 times)	4.3	1.1
22	How Effective is Question Period in Uncovering Incidents of Fraud and Corruption	3.7	0.9	-	-
24	Are Opposition Members Given at Least Equal Time to Ask Questions	1.0	0.1	-	-
25	What Percentage of Legislators Attend Plenary Sessions	3.5 (65%)	0.8	3.6 (67%)	0.8

### Internal Oversight Tools

I now turn to an in-depth examination of how oversight tools work in Ghana and Nigeria. I review internal tools and mechanisms (committees, appointments, censure, and impeachment), external factors (auditors general, ombuds, and anti-corruption agencies), and supporting factors (research capacity and access to information).

### **RQ4: Does Ghana have more effective<sup>54</sup> internal oversight tools than Nigeria?**

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<sup>54</sup> See footnote 2

## Committees

My inquiry was guided by questions about how legislators are appointed to committees, how partisanship affects committee work, the frequency of committee meetings, and the number and type of staff available to support committees. Other questions were intended to solicit responses about how legislators perform their oversight duties at the committee level, including conducting research and attending meetings. I was also interested in how effective committees were at uncovering fraud and corruption, the follow-up mechanisms they used (if any) after discovering fraud and corruption, and the use of commissions of inquiry.

In **Ghana**, the constitutions of the last three republics intended the parliamentary committee system to be a vehicle for research and investigation, as well as a platform for public participation in the legislative process (Ayensu and Darkwa, 2006). Article 103 of the 1992 Constitution gives committees the “powers, rights and privileges of the High Court or a Justice of the High Court” (subsection 6) as well as the power to subpoena witnesses and documents. There are three types of committees in the Parliament of Ghana: standing committees, select committees, and *ad hoc* committees.

In Ghana, each of the current 230 MPs, including ministers, sits on at least one standing committee. Under the standing orders of the House, the Speaker appoints the leader of most committees from the majority party. However, under subsection 5 of Article 103, the chairmanship of the PAC and the Committee on Statutory Instruments is reserved for members of the minority party. An overwhelming majority of our respondents (including members of the majority party) said that the PAC had been effective during the fourth Parliament (2004–08) primarily because it had a minority party chair.

In **Nigeria**, Section 62(1) of the constitution empowers each chamber of the National Assembly to appoint committees for both special and general purposes.

“The Senate or the House of Representatives may appoint a committee of its members for such special or general purpose as in its opinion would be better regulated and managed by means of such a committee, and may by resolution, regulation or otherwise, as it thinks fit, delegate any functions exercisable by it to any such committee.”

The size of each of the committees in the National Assembly varies, but is mostly determined by the standing orders of each chamber. In the Senate, committees are usually restricted to 9–13 members; House committees are usually larger, though the number of members varies between committees.

The special and standing committees are the principal National Assembly committees. The membership of the former is established within the first 10 legislative days following the first sitting of the National Assembly. They are established before the Assembly determines the legislative structures of the other committees and include committees on Selection, Rules and Business; Senate and House Services; Public Accounts; Public Petitions; Ethics and Privileges; and Media and Publicity. By contrast, standing committees offer the National Assembly specialized arenas to analyze bills; in 2005, the Senate had 57 such committees, while the House of Representatives had 76.

In 2007, the number of standing committees in the House of Representatives was reduced to 72 by the then Speaker, Hon. Etteh. In early 2008, the incoming Speaker, Hon. Bankole, dissolved these committees and announced that they would be reconstituted based on the “professional background, technical competence, and legislative capacity”<sup>55</sup> of the legislators. He noted that “some Members of the House of Representatives...serve on between 8 to 12 committees, so, they may be restricted to five committees to ensure their efficiency and effectiveness.”<sup>56</sup>

#### *Appointment to Committees*

Respondents believed that appointments to **Ghanaian** Parliamentary committees are not arbitrarily made by political parties or the Speaker of the Parliament, but rather influenced by a combination of factors, including background, education, specialization, interests, leadership potential, party affiliation, and experience in Parliament. MPs are required to apply for committee assignments and their applications are used by party leaders to make preliminary assignments. Although MPs may be interviewed for committee positions, respondents generally believed that ultimately the decision about committee assignments was made by the party leaders, forwarded to the Parliamentary Select Committee and to the

<sup>55</sup> See “*Reps Committee Membership may be Restricted to Five*,” *The Nation*, June 9, 2008 <http://www.thenationonline.com/dynamicpage.asp?id=52842> Accessed June 30, 2008

<sup>56</sup> *Ibid*

House. Respondents indicated that the process by which MPs in the Parliament of Ghana are assigned to committees is guided by the constitution, standing orders of Parliament, regional balance, party unity, and compromise between the majority and minority party. This practice ensures a sense of inclusiveness in a multi-ethnic community. It also encourages public support for Parliament and its work.<sup>57</sup>

In **Nigeria**, the Committee on Selection is responsible for nominating members to serve on committees. In the Senate, the Committee on Selection consists of the Senate president, deputy Senate president, Senate majority leader, chief whip, deputy majority leader, minority whip, deputy minority leader, and deputy minority whip. In the House of Representatives, the Committee on Selection is made up of the Speaker of the House, Deputy Speaker, House leader, House whip, minority leader, and another officer of a minority party so that at least two of the minority parties are represented on the committee. The president of the Senate and the Speaker of the House of Representatives serve as respective chairmen of these committees, with their deputies chairing the meetings in their absence.

### *Partisanship*

As shown in Table 6.4, I found that partisanship at the committee level in Ghana is weak, scoring a mean of 2.3 on a scale of 1–5, where 1 = very weak and 5 = very strong. This lack of partisanship permits a more collegial atmosphere for deliberation, although MPs considered committees to be less partisan than did parliamentary staff, civil society representatives, and journalists. Similarly, in Nigeria, survey respondents noted that the degree of partisanship within committees was “neither weak nor strong” – 2.8 on the 1 to 5 scale. Again, legislators themselves reported weaker partisanship than did journalists or civil society representatives. In short, process influences how structure works; contextual factors affect agency. Various reasons were offered for the absence of partisanship at the committee level. Some interviewees thought that at the committee level, national interest is supreme and that legislators are more oriented towards achieving broad national goals than

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<sup>57</sup> Wang (2005) has shown that the external environment of legislatures immensely influences their capacity to perform their oversight functions. Social legitimacy (the image of the legislature in society) is one of the many factors contributing to the strength of the external environment.

parochial party interests. Other reasons suggested were issues of collegiality, resulting from working together in small groups on issues.

**Table 6.4: External Tools and Mechanisms Influencing Legislative Oversight**

(Scale of 1–5, where 1 = very weak and 5 = very effective)

Survey Question Number	Survey Question	Ghana		Nigeria	
		Mean Score	Std. Dev.	Mean Score	Std. Dev.
12	How Effective is the Auditor General in Uncovering Incidents of Fraud and Corruption	4.2	0.9	2.6	1.2
	How Effective is the Ombudsman in Uncovering Incidents of Fraud and Corruption	3.6	0.8	2.8	1.7
14	How Effective is the Anti-Corruption Agency in Uncovering Incidents of Fraud and Corruption	3.5	1.3	3.3	1.1
	How Effective is the second Anti-Corruption Agency in Uncovering Incidents of Fraud and Corruption	-	-	4.0	0.8

The relative absence of partisanship at the committee level is worthy of further investigation. Respondents indicated that, in a few cases, partisanship did overshadow the work of committees. This suggests that there may be “triggers” for partisanship at the committee level. Although I did not probe respondents as to what these triggers might be, my document search suggests that partisanship may coincide with issues appearing before the House, when the minority party has an opportunity to use visible national issues to distinguish itself from the majority ruling party. For example, in Ghana, the government’s planned sale in 2008 of 70% of the national telecommunications company, Ghana Telecom, to Vodafone International BV of the Netherlands, generated tense disagreements between the majority and minority parties in Parliament. The government argued that the sale was intended to inject private money into the ailing telecommunications company and improve its management. But the minority party and other civil society groups rejected the government’s claim because the US\$900 million sale price grossly undervalued the company. The selling price raised suspicions and led to accusations about the government’s

sincerity and openness in the privatization deal. In addition, questions were raised about the government's publicly stated objective for the sale. The minority party referred to a celebrated economist and member of the ruling New Patriotic Party, Hon. Kwame Pianim, who had been quoted in the Daily Graphic newspaper saying that the government urgently needed an infusion of cash to strengthen the macro economy and control inflation. This issue divided the legislature along party lines. Parliament failed to pass the bill authorizing the sale before it went on recess in July 2008. In August 2008, Parliament was recalled from recess to approve the sale. The bill authorizing the sale passed after four hours of debate by a majority vote of 124 yeas and 74 nays.

### *Committee Meetings*

Oversight committees meet very regularly in both Ghana and Nigeria during a legislative session—on average, 12 times a year in Ghana and 11 times in Nigeria. In **Ghana**, an important development in the last Parliament was the opening up of PAC hearings to the media and the public. With the support of the Parliamentary Centre, and with the widely-acknowledged (by survey respondents) leadership of the then chair, Hon. Samuel Sallas Mensah, PAC hearings were both public and held in different regions of the country—factors that respondents told us contributed significantly to the effectiveness of the committee. In a now famous case emerging from its first public hearing in October 2007, the PAC ordered the Ministry of Tourism and two advertising agencies to refund 53 million Ghana cedis and US\$2,500 to the government, including interest accruing on the amounts.<sup>58</sup> The PAC sitting was prompted by an Auditor General report that revealed financial discrepancies in the accounts of the Ministry of Tourism since 2003. At the public hearing, the PAC members concluded that the Minister of Tourism and the Chief Director of the ministry were unable to satisfy the committee about the disbursement of funds allegedly paid for advertisements.<sup>59</sup> In a November 2008 news conference, the Chairman of the PAC reported that the committee had so far recovered US\$40 million. More generally, respondents also noted a longer-term trend of increased PAC effectiveness, said one “There

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<sup>58</sup> Interestingly, public disgust with the government, prompted by the PAC's public hearing, led the government to terminate live broadcasts of the PAC on the state-run television channel. However, the proliferation of private TV and radio stations in the country permitted continuous live broadcasts of the hearings. The government reversed its order and sought to associate itself with the decision to hold public hearings as further proof of its zero tolerance policy on corruption.

<sup>59</sup> For further details see *The Statesman* newspaper dated October 17, 2007. This news report is also available online at [www.ghanaweb.com](http://www.ghanaweb.com).

has been a dramatic change for the better; in 1993/6 there were no testimonies given to the committee, since 1997 there have been.”

By contrast, in **Nigeria**, survey respondents reported that committee hearings are often open to the public and the media. However, members of the public are often uninformed about the subject matter of the public hearings. Decisions in committee meetings are usually made by a majority vote, which refers to one-third of the members present at voting. The procedure for voting follows section 56(1) of the constitution and the standing orders of both chambers of the National Assembly. Committee chairmen do “not vote unless there is a tie, a member of the committee is not allowed to vote in absentia, and any member of the committee who has personal interests in the matter under discussion will also not be allowed to vote.” Committee meetings are regulated by the standing orders of the chamber in which they belong; however, committees are also authorized to implement their own rules for committee meetings, provided these do not conflict with the existing standing orders.

#### *Effectiveness of Committees in Uncovering Fraud and Corruption*

I asked respondents about the effectiveness of legislative committees in uncovering incidents of fraud and corruption. In **Ghana**, respondents generally rated the oversight committees as “neither effective nor ineffective” in uncovering incidents of fraud and corruption (see Table 6.4), with a mean score of 3.2 on a scale of 1–5, where 1 = very ineffective and 5 = very effective. **Nigerian** respondents rated committee effectiveness somewhat higher, with a mean score of 3.5, that is, mid-way between “neither effective nor ineffective” and “somewhat effective.” One senior member of the Ghanaian PAC commented that “...the PAC can only be successful in tackling petty [bureaucratic] corruption—and that, if the Committee tried to investigate cases of grand corruption, party discipline would be invoked to ensure that the majority [governing] party MPs on the Committee would squash enquiries.” This may explain the slightly higher rating for Nigeria’s PAC, as party discipline in Nigeria is weaker than in Ghana (see below).

The challenge for Public Accounts and other oversight committees is that they do not have prosecutorial powers. A variety of follow-up mechanisms were described by **Ghanaian** respondents. Some said that the committees make recommendations to the Parliament,

often calling on the parties involved to make amends and/or be prosecuted. Others said that the committees' findings are transmitted to the Attorney General's department for prosecution, referred to the police for investigation, or to the anti-corruption agency. In short, the committees have to rely on multiple agencies and channels for further action, including prosecution. In **Nigeria**, there are PACs in both the Senate and the House of Representatives; although they do not work together, they often examine the same topics. While ostensibly they both analyze audit reports presented to the Chamber, and ministries and departments are required to submit expenditure reports to these committees, in fact this practice is rare and often members of the Committee have to request expenditure reports from the ministries themselves.<sup>60</sup>

In short, the committees in **Ghana** and **Nigeria** are able to perform their functions because they are constitutionally empowered to access information and subpoena witnesses. By holding open sessions and allowing public and media access, the committees have increased scrutiny. The composition and selection of committee members demonstrates a tendency towards independence and autonomy, which is applauded by experts (e.g., Wang, 2005). While resources are limited, ties have been developed with policy think tanks and input from the public is encouraged. Finally, although partisanship is strong in both legislatures, the collective interest of legislators seems to supersede party affiliation at the committee level. The ability of legislators to minimize partisanship at the committee level has helped make the committees relatively effective oversight tools.

### Special/Ad hoc Committees

Both the Ghanaian Parliament and the Nigerian National Assembly have appointed special or *ad hoc* commissions of inquiry to investigate incidences of corruption. In **Ghana**, Parliament has the authority under its standing orders to establish special or ad hoc committees to "investigate any matter of public importance, to consider any Bill that does not come under the jurisdiction of any of the standing or select committees" (Standing Order no. 191). The most famous example of a special committee in Parliament is the Committee on Poverty Alleviation. (The committee is now a standing committee in

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<sup>60</sup> Global Integrity: "Nigeria Integrity Score Card Report-the Budget Process"  
<http://www.globalintegrity.org/reports/2006/NIGERIA/scorecard.cfm?subcategoryID=45&countryID=26>  
Accessed June 1, 2008

Parliament). In **Nigeria**, the National Assembly has established “probes” into such issues as the placement of contracts through the National Assembly’s Speaker’s Office, the allocation of some US\$16 billion to the electricity sector, and land and housing in the Federal Capital Territory. While the investigations have been revealing, there is a sense of ambivalence among many citizens who have been saturated with revelations, and are skeptical about political grandstanding.

Nonetheless, survey respondents in both countries provide a generally positive evaluation of the performance of special committees (see Table 6.4), with scores of 3.8 in Ghana and 3.9 in Nigeria, indicating their “somewhat effective” performance, compared to regular oversight committees (reported above). The general impression is that the effectiveness of these special committees depends on their composition: they are effective when evenly composed of members of both government and opposition parties but ineffective when packed with members of the majority party.

#### Review of Appointments

The Nigerian legislature is much more aggressive in scrutinizing ministerial and other appointments (mean score 4.6 = midway between “often” and “always”) than is the Ghanaian Parliament (mean score 3.6 = midway between “sometimes” and “often”). It is similarly more aggressive in censuring ministers (2.1 = “sometimes”) than the Ghanaian Parliament (1.7 = somewhat closer to “sometimes” than “rarely”). The difference was explained by some respondents as a function of tighter political party discipline in Ghana, coupled with the more definitive separation of powers in Nigeria. I describe the process in each country for both review and censure.

#### *Ghana*

The Ghanaian Parliament plays a significant role in cabinet formation. Under the constitution, the President nominates and appoints ministers. However, under Article 78 and 79 of the Constitution, ministers cannot assume office until their nominations have been confirmed by Parliament. The mechanisms by which the Parliament reviews and approves the nominees for ministerial appointments from the President are defined in Article 172 of its standing orders. My findings point to a deliberately coordinated effort

between Parliament and the President's office to avoid embarrassing the President by rejecting his nominations, except in rare controversial cases. As I show below, the process indicates that Parliament is instrumental in determining whether nominees are ultimately appointed by the President. My analysis shows that the Parliament of Ghana rigorously applies the mechanisms defined in the standing orders for reviewing and approving the appointments of Ministers; indeed, survey respondents noted that this was done "quite often" (see Table 6.4). The principal organ responsible for the vetting process is the Appointments Committee, chaired by the first deputy Speaker of Parliament.

Survey respondents described the process as follows: the list of nominees from the President is passed on to Parliament, from where it is submitted to the Appointments Committee. The Committee reviews the list and advertises it for public comment; memoranda received from the public are reviewed, nominees are vetted based on the information gathered from memoranda and other sources, and the Appointments Committee investigates the background of nominees. Public input in the process is significant and, in most cases, forms the basis for the questioning of nominees. Respondents indicated that individuals can be subpoenaed to clarify allegations if necessary and the Appointments Committee has recently allowed its hearings to be broadcast live on TV.

In theory, the Committee can reject a nominee's appointment and recommend that Parliament do the same. However, respondents revealed that this is not common practice. Rather, the debate on a nominee signals to the President the status of the nomination—rather than face rejection, in a few cases the President has withdrawn the nominee, although very few rejections have actually occurred.

The final report of the committee is submitted to the House for debate and vote by secret ballot. The House can reject the findings of the committee but such rejections are rare. Some respondents indicated that the Parliament of Ghana always reviews appointments, except when the President reshuffles the administration either laterally or horizontally.

The process by which nominees are approved by Parliament was criticized by respondents. Some indicated that not enough background research is conducted to establish the credibility of the nominees, while others said that adverse public input has not always

stopped the approval of nominees. The grounds for disapproval have often been legal—for example, a nominee not being a registered voter or holding dual citizenship. As a result, critics of the process described it as ceremonial and inadequate. By contrast, other respondents think that it has teeth—they contend that nominees are grilled, their professional backgrounds checked, and committee hearings are open to the public. Overall, there seemed to be a consensus, however, that the process of review has strengthened in recent years. “Questions used to be about voter IDs and constitutional qualifications...,” said one respondent, “...now [MPs ask] about ethics and morality. If a nominee is not [judged to be] competent, the committee will eliminate him or her.”

Once nominations are approved and the President appoints Ministers to office, the Ministers are rarely censured by Parliament, even though the constitution (Article 82) permits Parliament to do so (see Table 6.4). In the second Parliament of the Fourth Republic, there were questions about Parliament’s ability to censure Ministers. It is not clear why Parliament has not censured any Ministers yet (with the exception of one reported futile attempt to do so). The “censure-ship” of Ministers has so far been limited to statements on the floor about impropriety, accompanied by an occasional motion from the minority. Particularly, there has been no “censure-ship” of any Minister during the Fourth Republic. Ministers only appear before the House to respond to routine questions about administrative lapses and bureaucratic delays (usually unrelated to corruption).

There are two possible explanations for the inability of Parliament to censure any Minister. First, under the hybrid system in Ghana, the President is required by the constitution to nominate Ministers from Parliament. Strategically, the President usually co-opts active MPs by nominating them for ministerial assignments. Apart from inducing them to switch their allegiance from the legislature to the executive, selecting effective MPs denies Parliament some of its best legislators. Besides, MPs have over the years built very strong collegial relationships prior to and in Parliament. Without doubt, these informal relationships tend to trump the formal institutional infrastructure ushered in by the constitution. Previous research demonstrates that constitutional powers are insufficient in determining the powers of the legislature (Patzelt, 1994; Norton, 1998) because of the incongruity between formal and actual powers (Wang 2005). Formal definitions (*de jure*) do not always translate into practice. Formal institutions in Africa lack effective authority

because of deeply personalized authority (Chabal and Daloz, 1999), which tends to supersede formal authority. In addition, the tendency to override formal institutions has been enabled by a weak legal system (Bratton, 2007).

The second reason for Parliament's inability to censure Ministers is that Ghana has so far experienced a unified government (in contrast to a divided government), in which both the executive and legislature are controlled by the same party. The allegiance of Ministers is to the executive and not to Parliament. As a result, members of the majority party, led by the Speaker of the House, are reluctant to embarrass the government and, by extension, their party, whose patronage is essential for MPs to continue to contest elections and hold their seats. The election of MPs in Ghana is party-centered. Consequently, party cohesion and party discipline are very strong. Taken together, party cohesion and discipline ensures predictable voting outcomes (Wehner, 2004), thus diminishing the government's willingness to compromise and negotiate with the minority.

### *Nigeria*

Unlike the parliamentary system of government, a member of the National Assembly cannot also serve as a Minister. According to section 147(4) of the constitution, "where a member of the National Assembly...is appointed as Minister...he shall be deemed to have resigned his membership of the National Assembly...on his taking the oath of office as Minister." There were several instances under the presidential system in the Second Republic (i.e., 1979–1983), where individuals who had lost elections as Senators were made powerful Ministers (Aminu, 2007). This may also have contributed to the current hostile relationship between the executive and legislature.

Although the constitution gives the President the power to appoint members of his/her cabinet, in most cases this must be done with approval from the Senate. Section 147(2) of the constitution specifies that "any appointment to the office of Minister...shall, if the nomination of any person to such office is confirmed by the Senate, be made by the President." This requirement was noted by virtually all respondents, who reported that almost all ministerial appointments are approved by the Senate (see Table 6.1). However, this requirement does not necessarily imply rigorous scrutiny.

In 2007, the Senate played a pivotal role in confirming 39 ministerial nominees for the presidential cabinet. However, these nominees were confirmed by the Senate, without prior knowledge of their portfolios. Thus, Senators could not ask questions that effectively evaluated the capacity of the nominees. In most cases, when they were familiar with the candidate, they simply asked him/her to “take a bow and go.”<sup>61</sup> There are no provisions in the 1999 Constitution requiring the President to present ministerial candidates before the Senate, with already assigned portfolios. Consequently, this means that, since 1999, the Senate has confirmed ministerial nominees without prior knowledge of their portfolios, nor their capacity to oversee a specific ministry. The fact that the constitution does not stipulate that the President present ministerial nominees with assigned portfolios limits the ability of the Senate to effectively perform an important non-legislative function.

#### Other Executive Appointments

Section 153 of the 1999 constitution also provides for the establishment of several Federal Executive Bodies.<sup>62</sup> However, the President’s powers to appoint a person as chairman or member of any of these bodies are subject to confirmation by the Senate. Furthermore, subject to provisions in section 157(1) of the constitution, any person appointed to an office in any of the above establishments “may only be removed from that office by the President acting on an address supported by two-thirds majority of the Senate.” Nevertheless, the constitution gives the President significant control over these Federal Executive Bodies, which also share a major role in determining the composition of important institutions such as the Judiciary, Police, and Electoral Commission. The result is an undermining of the system of democratic checks and balances.

#### Censure/Impeachment

Once confirmed, there are no direct constitutional provisions that empower the National Assembly to dissolve the President’s cabinet. Ministers in the presidential cabinet have significant power over their ministries and act as advisors to the President; therefore, only

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61 Official term used by the Senate during the televised ministerial confirmation hearings to indicate that it was done interviewing and that the nominee was free to leave the floor.

62 Namely, Code of Conduct Bureau; Council of State; the Federal Character Commission; the Federal Civil Service Commission; the Federal Judicial Service; the Commission; the Independent National Electoral Commission; the National Defense Council; the National Economic Council; the National Judicial Council; the National Population Commission; the National Security Council; the Nigeria Police Council; the Police Service Commission; and the Revenue Mobilization Allocation and Fiscal Commission.

the President can dissolve his cabinet. In 2001, President Obasanjo dissolved his cabinet, and named a new one, after allegations of corruption and under-performance(BBC, 2001). The legislature, however, can summon a Minister to the House for questioning over discrepancies in their ministries. Section 67(2) of the constitution provides that “a Minister...shall attend either House of the National Assembly if invited to express...the conduct of his Ministry, and in particular when the affairs of that Ministry are under discussion.” Survey respondents unanimously reported that the National Assembly has the power to censure ministers and to impeach the President, although, as Table 6.4 indicates, it rarely does so.<sup>63</sup> The former Minister of Health, Dr. Adenike Grange, and her Minister of State, Arch. Gabriel Aduku, both resigned in March 2008 after legislative probes into excessive spending in the Health Ministry.<sup>64</sup>

While in office, the President is also protected from prosecution under several immunity clauses in section 308 of the constitution. However, the National Assembly has the unique power to initiate impeachment proceedings against the President if it deems that he is not performing his obligated functions effectively. Section 143 of the constitution, states that

“The President or Vice-President may be removed from office whenever a notice of any allegation in writing signed by not less than one-third of the members of the National Assembly is presented to the President of the Senate stating that the holder of the office of President or Vice-President is guilty of gross misconduct in the performance of the functions of his office.”

The legislature twice initiated impeachment proceedings against the former President during his first term in office. Barely a year into civilian rule, Senator Arthur Nzeribe filed an impeachment motion in 2000, citing allegations of corruption against President Olusegun Obasanjo. However, the country was still euphoric from the transition to civilian rule, so his motion barely received popular support<sup>65</sup> and was soon laid to rest. In 2002, only a few months before the President decided to run for reelection, the House of Representatives, supported by the Senate, gave him a two-week ultimatum to resign or face

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<sup>63</sup> Interestingly, civil society representatives and journalists reported more frequent occurrences of censure and impeachment.

<sup>64</sup> See “*Health Minister Quits*,” Vanguard Online Edition, March 26, 2008.

[http://www.vanguardngr.com/index.php?option=com\\_content&task=view&id=5394&Itemid=45](http://www.vanguardngr.com/index.php?option=com_content&task=view&id=5394&Itemid=45).  
Accessed June 12, 2008

<sup>65</sup> See “*Christian Leaders Blast Motion to Impeach President*” Newsroom 2000.

<http://www.worthynews.com/news-features/newsroom-nigeria-president.html> Accessed June 1, 2008

impeachment. The main reasons given for the threat were “his failure to implement the 2002 budget, and 17 charges from members of the legislature accusing him of disregarding the authority of the legislature, traveling frequently, and failing to control the spate of violence in the country.”<sup>66</sup> The legislators suspended the impeachment process after the mediation efforts of former Presidents Shehu Shagari and General Yakubu Gowon, as well as Obasanjo’s agreement to reverse some policy decisions, such as the privatization of several government agencies, which he had made without consulting with the legislature.<sup>67</sup>

### Assessment

The Parliament of Ghana and the National Assembly of Nigeria have similar internal oversight tools and mechanisms. Reflecting their common Westminster heritage, they both have a PAC; in fact, in Nigeria, the Senate and the House of Representatives have established PACs.<sup>68</sup> In both countries, PACs are considered “neither effective nor ineffective”. Both countries have established special legislative commissions/commissions of inquiry; in both countries these are considered somewhat more effective than PACs but believed to suffer from lack of follow-up and prosecutorial powers. Only the Ghanaian Parliament has question period, considered “somewhat effective” in uncovering incidents of corruption. Given these structural similarities, it would be expected that Ghana and Nigeria would have similar levels of corruption. Since they do not, other factors besides internal oversight tools account for the difference. I now turn to a consideration of external oversight tools.

### External Oversight Tools

#### **RQ5: Does Ghana have more effective<sup>69</sup> external oversight tools than Nigeria?**

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<sup>66</sup> See “*Nigeria: Impeachment Impasse*” WorldPress.org, October 18, 2002. <http://www.worldpress.org/Africa/767.cfm>. Accessed June 1, 2008

<sup>67</sup> See “*Nigerian Lawmakers Suspend Impeachment Process*” WarmAfrica.com, source: This Day (Nigeria), November 2, 2002 posted to web November 5, 2002.

<http://www.warmafrika.com/index/geo/4/cat/1/a/a/artid/print/?cat/1/geo/4/artid/102> Accessed June 1, 2008

<sup>68</sup> This is unusual—only one other presidential legislature (Liberia) has established a PAC; they are typically found in semi-presidential or parliamentary legislatures.

<sup>69</sup> See footnote 2

Both the Ghanaian Parliament and the Nigerian National Assembly have a variety of “external” oversight tools to help them carry out their oversight function: Auditors General, ombuds offices, and anti-corruption agencies (see Table 6.5). I review each in turn.

**Table 6.5: Legislative Research Facilities and Their Use**

Survey Question Number	Survey Question	Ghana	Nigeria
27	Is There a Legislative Research Service	YES	YES
26	Is There a Legislative Library	YES	YES
	How Many Volumes	1,600	9,902
	How Many Periodicals	20	35
	How Many Professional Librarians	2	19
	How Many Professional Researchers	0	37

(0=No; 1=Yes)

		Mean Score	Std. Dev.	Mean Score	Std. Dev.
27	Do Legislators/Staff use the Research Service	0.8	0.4	0.2	0.4
26	Do Legislators/Staff use the Library	0.9	0.4	0.1	0.3

(Scale of 1–5, where 1 = very rarely and 5 = always)

26	How Frequently do Legislators/Staff use the Library	3.1	1.1	2.5	1.0
27	How Frequently do Legislators/Staff use the Research Service	3.1	1.2	3.5	1.0

### Auditor General

As in other parliamentary systems based on the Westminster model, the **Ghanaian** Auditor General’s Office (AGO) plays an important role in the oversight process, because Parliament relies on its audited accounts to conduct its ex-post oversight. Under Article 187(2) of the 1992 Constitution, the AGO is charged with auditing all ministries, departments, and other agencies of the central government for the financial year ending December 31. Section 5 of Article 187 requires the AGO to inform Parliament of any

irregularities, through the audited accounts. The AGO's report to Parliament is referred to the PAC by the Speaker.

There was little consensus among respondents regarding the effectiveness of the AGO in uncovering incidences of fraud and corruption. Table 6.5 shows that respondents tended to rate the AGO as "somewhat effective"; however, the standard deviation was quite large, with responses ranging from "very ineffective" to "very effective." Those who rated the office ineffective backed their assessments with the following reasons. They believed that the AGO did not have sufficient resources to carry out its mandate and, as a result, is always in arrears with its reports. Some respondents thought that the lagged reporting resulted from sensitive political issues that tied the hands of the Auditor General. (At the time of writing, these allegations seem particularly relevant, as the AGO is currently deadlocked by demands from Parliament for the President to name a new person to the office because of Article 199, which requires public servants to retire at the age of 60. The incumbent is 69 years old at the time of writing this report. The President has resisted calls to replace the Auditor General, prompting legal suits and near gridlock in Parliament's work on documents emanating from the Auditor General's office).

On the other hand, those who rated the AGO effective, said that the department has largely caught up with the audit backlog,<sup>70</sup> enabling Parliament to deal with the issues of the day. Some suggested that a random auditing approach,<sup>71</sup> as opposed to the present comprehensive approach, might be better in ensuring accountability and keeping the AGO less burdened.

In **Nigeria**, the Auditor General is in charge of the supreme audit office of the country. This individual is appointed in accordance with section 86 of the constitution, which states the following:

"(1) The Auditor-General for the Federation shall be appointed by the President on the recommendation of the Federal Civil Service Commission subject to confirmation by the Senate. (2) The power to appoint persons to act in the office of

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<sup>70</sup> This was the general consensus of my respondents. Although a few dissenting voices said the AGO is still a year or two behind.

<sup>71</sup> The random approach is defined as auditing a sample of the total audit cases instead of auditing all government departments. The challenge of a random approach is that it may degenerate into a system of deliberate manipulation through which some groups escape auditing.

the Auditor-General shall vest in the President. (3) Except with the sanction of a resolution of the Senate, no person shall act in the office of the Auditor-General for a period exceeding six months.”

The Auditor General is not subject to the direct control of any other authority, but section 87(1) of the constitution stipulates that

“A person holding the office of the Auditor-General...shall be removed by the President acting on address supported by two-thirds majority of the Senate praying that he be so removed for inability to discharge the function of his office (whether arising from infirmity of mind or body or any other cause) or for misconduct.”

An example of political corruption is the interference by legislators belonging to the governing party in the work of the Auditor General. In 2003, without prior consultation with the Senate, the President sacked the acting Auditor General, Vincent Azie, after he published an audit report that revealed unapproved spending and corruption by federal executive bodies. Allegations in the report included over-invoicing, payments for jobs not done, contract inflation, violation of financial regulations, and release of money without the approving authority’s involvement. His report also revealed that most of the accounts audited in 2002 were inaccurate or distorted (Transparency International, 2004).

Vincent Azie had been acting Auditor General for six months, when Presidential-nominee Joseph Ajiboye was rejected by the Senate, on the grounds that both he and the President came from the same ethnic group. A Minister from the President’s cabinet dismissed Azie’s audit report as an “attempt to embarrass the government,”<sup>72</sup> and the executive replaced him with the nominee the Senate had already rejected (i.e., Ajiboye). The executive claimed that it took this action because Azie’s tenure had ended after the statutory six months, as listed in section 86(3) of the constitution and not because of his audit report (Transparency International, 2004).

In theory, the Auditor General is supposed to be protected from unjustified dismissal. He is a member of the civil service and, to ensure impartiality, he holds tenure until retirement. The retirement age in the public service in Nigeria is 35 years of uninterrupted service or reaching 60 years of age. The office of the Auditor General is also staffed with professional civil servants; however, it is also a federal institution, so its activities are funded through

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<sup>72</sup> See “Some (oil-) background of upcoming Nigerian elections,” March 20, 2003. <http://www.gasandoil.com/GOC/news/nta31268.htm>. Accessed June 10, 2008

the federal government, therefore making it vulnerable to executive control. Auditing of public accounts is conducted yearly, and the Auditor General is required to submit audit reports to the National Assembly within 90 days of the Accountant General's financial statement. Any documents or reports sent to the Assembly may be obtained from the Hansard; however, these reports are often irregular. For example, opposition political parties recently stated that no audit reports had been submitted to the National Assembly since Vincent Azie's audit report.<sup>73</sup> In short, despite an excellent *structure*, borrowed from the United Kingdom archetype, problematic *practices* limit effectiveness and may contribute to corruption. This implies that agency theory is modified by process.

There was a sharp distinction between the judged effectiveness of the Auditors General in uncovering fraud and corruption. In **Ghana**, survey respondents rated the effectiveness "4.2" (that is, rather better than "somewhat effective"). By contrast, survey respondents in **Nigeria** scored the effectiveness of the Auditor General as only 2.6 (that is, midway between "somewhat ineffective" and "neither effective nor ineffective"). Nigerian senators ranked effectiveness somewhat higher at "3.4" (that is, mid-way between "neither effective nor ineffective" and "somewhat effective"). Some Nigerian respondents suggested that political interference limited the independence, and thus effectiveness, of the Auditor General.

### Ombuds

In **Ghana**, the Commission for Human Rights and Administrative Justice (CHRAJ) functions as ombudsman. It was established in October 1993 "to foster a culture of respect for fundamental human rights and freedoms, as well as administrative justice and fairness in Ghana."<sup>74</sup> Chapter 5 of the 1992 Constitution authorizes the Commission to investigate all complaints of human rights abuses and freedoms. CHRAJ performs the functions of three organizations: human rights organization, ombudsman, and anti-corruption agency. Under the constitution, CHRAJ is independent of the three arms of government. Acting in its capacity as ombudsman, CHRAJ pursues administrative justice and investigates complaints about maladministration; it is the guardian of the code of conduct for public

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<sup>73</sup> See "CNPP Wants Auditor General to Submit Report to N'assembly," THIS DAY, April 14, 2008. <http://allafrica.com/stories/200804140937.html>. Accessed June 2, 2008

<sup>74</sup> CHRAJ Mission Statement

officials. As an anti-corruption agency, the Commission is responsible for investigating alleged corruption and the misappropriation of public funds. Its findings are reported to the Attorney General and to the Auditor General. CHRAJ is required to report annually to Parliament. This report assists parliamentary oversight by bringing to light cases of administrative malfeasance, corruption, and human rights abuses. By reporting to Parliament, the CHRAJ draws the attention of the legislature to issues that may be at the core of the legislature's oversight responsibility (see Chapter 18 of the 1992 Constitution for further details). To ensure its independence, the budget of CHRAJ is approved by Parliament and despite financial restraints at the Ministry of Finance, its budget has been funded quarterly (Doig, Watt, and Williams, 2005).

Survey respondents were split on the question whether or not there is an ombudsman in **Nigeria**. The senators were all aware of the office, while civil society representatives generally were not, and other respondents were more or less evenly split. In fact, the Public Complaints Commission (PCC) was established in 1975 and amended by Decree 21 of 1979. It has wide powers to inquire into complaints lodged before it by members of the public concerning any administrative action taken by federal, state, or local governments, public institutions, and both public and private companies.

One respondent suggested that the PCC acts like an "...unbiased referee in a game as long as the complaint lodged is considered genuine. The organization will do whatever is possible to ensure that justice is done." The Commission has recorded a high degree of success, especially in recent years, which is the result of a massive publicity campaign and increased financial allocations from the federal government. In 2006, for example, the Commission received 20,260 complaints, resolved 13,985 and carried forward 6,275. This represented a sharp increase from the 14,550 complaints received in 2005, of which 8,989 were resolved.

Most **Ghanaian** respondents rated CHRAJ "very effective," while a few thought it only "somewhat effective". Overall, respondents rated its effectiveness as 3.6, on a scale of 1 to 5 (see Table 3.6). According to the respondents, CHRAJ is encumbered by weak capacity and government interference. It also faces legal constraints emanating from the constitution—it cannot autonomously initiate investigations and the law prevents it from

prosecution. Besides, a court decision can set aside its judgment or freeze its investigation. Of those **Nigerian** respondents who were knowledgeable about the PCC, most thought that its efficacy was between “somewhat ineffective” and “neither effective nor ineffective.” House Representatives rated the efficacy higher—at 4.0 (“somewhat effective”).

### Anti-Corruption Agency

The Serious Frauds Office (SFO) is **Ghana**'s anti-corruption agency. The SFO is an amalgamation of three agencies: the Office of Revenue Commissioners, the National Investigation Committee, and the Confiscation Committee. The functions of these organizations were collapsed to form the SFO in 1993, in response to a perceived shift in emphasis towards serious economic crimes and unexplained wealth acquisition. The SFO's mandate is to investigate serious financial and economic losses to the state and to monitor such economic activities, with a view to detecting crimes likely to cause financial or economic loss to the state and to take reasonable steps to prevent the commission of crimes which may cause financial or economic loss to the state. The SFO has prosecutorial rights (on the authority of the Attorney General) and the right to seize documents, and freeze assets in the course of pursuing its mandate. Its budget is funded by the government.

There are two anti-corruption agencies in **Nigeria**. The Independent Corrupt Practices and Other Related Offences Commission (ICPC) Act of 2000 criminalizes corruption of all kinds in Nigeria. The agency created under this act to oversee its mission is called the Independent Corrupt Practices and Other Related Offences Commission (ICPC). In addition, the Money Laundering Act of 2000 criminalizes money laundering and other related offenses. This law is enforced by the Economic and Financial Crimes Commission (EFCC). Both agencies, but especially the EFCC, have made considerable progress in prosecuting several ministers, and public office holders. However, like most constitutional watchdogs, they were established to address a problem (i.e., corruption) and “insufficient attention has been paid to their design features and need for coherence in the system as a whole” (Giddings, 2006-7). For example, the EFCC was established under the Economic and Financial Crimes Commission Bill, which emanated from the executive. Furthermore, the chairman of the EFCC, with confirmation from the Senate, is appointed by the President, thereby raising questions about the independence of the Commission. This appointment process had also raised insinuations that most prosecutions made under the

Obasanjo administration were politically motivated. All the same, the efforts of the EFCC exposed the alarming rate of impunity among the political elite. For instance, in 2006 it submitted a report to Senate indicating that 15 state governors were under investigation for corruption.<sup>75</sup> The EFCC chairman, Mallam Nuhu Rhibadu, was reassigned by the new President in 2008 to undertake mandatory senior officers training. It is too early to determine if the Commission will be as proactive under its new chair, Mrs. Farida Waziri.

The **Ghanaian** SFO was generally rated as between “neither effective nor ineffective” and “somewhat effective,” scoring 3.5 on a scale of 1–5, where 1 is very ineffective and 5 is very effective (see Table 3.6). Respondents mentioned that the SFO was prevented from effectively performing its work because of dependence on the government, its frequent excuse not to investigate certain matters because of “sensitive security concerns”, government interference, lack of independence, and lack of resources. Some respondents thought that the SFO could be rendered more effective through increased prosecutorial powers. While the SFO has the powers of a high court, its judgment is non-binding. Rather, it produces a “white paper,” which it submits to the executive for implementation. The SFO is not proactive and, under its mandate, can only investigate cases after they have occurred. It is not able to take steps in anticipation of the commission of an economic crime. Besides, the SFO can only prosecute cases on the authority of the Attorney General, whose office is under the control of the executive. Some respondents thought that the office was not receiving enough support from the government, while others regard the SFO as an effective organization because it is currently penetrating rural areas of the country, where corruption largely goes unreported.

Survey respondents reported that the **Nigerian** EFCC was relatively more effective than the ICPC, scoring 4.0 on a scale of 1–5 (signifying “somewhat effective”), against 3.3 (midway between “neither effective nor ineffective” and “somewhat effective”).

### Assessment

The Parliament of Ghana and the National Assembly of Nigeria have similar external oversight tools, but, unlike for internal oversight tools, there is a significant difference in

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<sup>75</sup> See “Looting: EFCC report indicts 15 governors • Donald Duke gets clean bill of health,” *Vanguard*, September 28, 2006 via <http://odili.net/news/source/2006/sep/28/399.html>. Accessed June 30, 2008

the perceived effectiveness of these tools. Reflecting their common Westminster heritage, they both have an Auditor General. In Ghana, the Auditor General is judged as “effective” while in Nigeria he is judged to be “neither effective nor ineffective” Both countries have established ombuds offices; Ghanaian respondents judged the CRAJ to be more effective than did Nigerian respondents the PCC—indeed, several Nigerian respondents were not aware of the PCC. By contrast, Nigerian respondents considered one of their anti-corruption agencies, the EFCC, to be both the most effective external oversight tool in Nigeria and more effective than Ghanaian respondents judged the SFO. Overall, a mixed picture - but on balance, one that supports the hypothesis that one has to look beyond oversight institutions to explain different levels of corruption.

I now turn to the supporting factors of committee staff and research support.

#### *Committee Staff and Research Support.*

One of the criticisms of agency theory is that there is information asymmetry – in this case, the government has information not readily available to legislature, in an easily understandable format. To overcome this difficulty, legislatures may establish libraries and research services and enact freedom of information laws. It is likely, therefore, that countries in which legislatures have larger library collections, more librarians and research staff to support legislators and have enacted freedom of information laws (‘supporting factors’) will have better oversight/lower corruption than those that do not. I pose two research questions:

**RQ6: Is the Ghanaian Parliament better equipped in terms of resources (supporting factors) than the National Assembly of Nigeria?**

**RQ7: Do Ghanaian MPs make more use of available resources than Nigerian legislators?**

The consistently high rate of turnover of legislators experienced in both the **Ghanaian Parliament** and the **Nigerian National Assembly** hinders continuity in their committees and thus oversight—and other—functions. Against this background, respondents in both countries underscored the important role that committee staff play as “institutional

memory". Unlike elected legislators, committee clerks are members of the legislative service who may be switched to a different committee, but they cannot be voted out of office. In the Nigerian context, committee clerks play

“an invaluable role in developing and analyzing legislation because like their executive counterparts, they focus on one policy area, and may work on a particular committee for many years, and this allows them to develop key relationships with the staff of executive agencies (National Democratic Institute, 2000).”

The role of committee clerks is similar in Ghana. However, there is a marked difference in committee staff size in Ghana and Nigeria. Respondents stated that, on average, committees in the Ghanaian Parliament each have two or three administrative/secretarial staff supporting them. By contrast, Nigerian committees have five administrative/secretarial staff supporting them.

There is also a substantial difference in research capacity within the legislature on which committees can draw. The Parliament of **Ghana** has a research department but it is not devoted to any particular committees and its resources are extremely limited. Moreover, the general lack of research staff means that MPs must often rely on their own expertise and knowledge to perform their oversight responsibilities. Lindberg and Zhou (2009) suggest that limited resources for the legislature and the weak capacity of the parliamentary service<sup>76</sup> contribute to a weakness in the legislative oversight function of Parliament. The parliamentary library in Ghana is miniscule—only 1,600 books and two professional librarians. In **Nigeria**, conversely, there is both a Policy and Research Project (PARP), which provides research services to committees, and a somewhat better equipped library (9,902 volumes and 19 professional librarians). But do legislators and staff actually use these facilities?

Table 6.6 indicates that legislators and their staff in both **Ghana** and **Nigeria** do use the library and research facilities, even though—especially in the case of Ghana—the facilities are limited. Ghanaian MPs and staff use the library and research facilities “sometimes.” Nigerian legislators and staff “rarely” use the library, but the research service does, between “sometimes” and “often.”

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<sup>76</sup> Along with the high turnover of MPs, demands for constituency service and co-optation of MPs by the executive.

**Table 6.6: Contextual Factors Influencing Legislative Oversight**

(Scale of 1–5, where 1 = never (Q1,2)/very weak (Q9,10) and 5 = always (Q1,2)/very strong (Q. 9,10))

Survey Question Number	Survey Question	GHANA		NIGERIA	
		Mean Score	Std. Dev.	Mean Score	Std. Dev.
9	How Strong is Majority (Governing) Political Party Cohesion	4.7	0.8	3.1	1.4
10	How Strong is Minority (Opposition) Political Party Cohesion	4.7	0.8	2.7	1.4
8	Is Floor-Crossing Permitted	0.1	0.3	0.2	0.4

As part of my research, I sought to find out what alternatives for research were available to legislators. In particular, I wanted to know if MPs in **Ghana** compensate for the paucity of resources by conducting individual research, using research services, or connecting with think tanks in the country. I found that parliamentary committees and individual MPs do have ties to policy think tanks; those mentioned include the Ghana Centre for Democratic Development (CDD), the Institute of Economic Affairs (IEA), the Institute for Democratic Governance (IDEG), the Legal Resources Centre (LRC), the Integrated Social Development Centre (ISODEC), the Canada Investment Fund for Africa (CIFA), the Country Environmental Analysis (CEA), the Faculty of Law-University of Ghana, and the Parliamentary Center of Canada-African Parliamentary Poverty Reduction Network (APPRN). These think tanks enhance the knowledge of MPs and parliamentary staff through workshops and seminars on the proposed policies and issues that come before committees. Such links with civil society organizations and policy think tanks were much less commonly cited by respondents in Nigeria.

This nexus between MPs, parliamentary staff, and think tanks in Ghana appears to have resulted in an “opening up” of the policy process to the public and greater interaction between MPs and civil society groups. Often, the policy think tanks organize parliamentary-civil society forums to facilitate public interaction on proposed policy changes. For instance, the Asset Declaration Law, education on conflict of interest law, and African Union/United Nations Convention on Corruption were supported by ISODEC, CEA, and the University of Ghana Faculty of Law, respectively. Recently, ISODEC has

assisted MPs by preparing background papers and policy analyses, soliciting civic input, and explaining technical points (e.g., on the Millennium Challenge Account bill). These groups also assist MPs improve their oversight duties through field visits.

A note of caution must be sounded. Many of these think tanks are committed to particular issue areas ranging from economics, law, poverty alleviation, and social development, to water, environment, and the like. So it is possible that MPs are only receiving input from well-organized advocacy groups. Clearly, by organizing seminars for MPs, these organizations are able not only to inform MPs but also to lobby them to support specific legislation in particular issue areas.

#### Assessment

One would expect that a legislature with greater resources would be able to engage in more effective oversight and that the country would experience lower levels of corruption. This does not appear to be the case.

Both the Ghanaian Parliament and the Nigerian National Assembly lack qualified staff and resources, but this is particularly the case for Ghana. The Ghanaian Parliamentary library has only 1,600 volumes and subscribes to just 20 periodicals, compared to 9,902 volumes and 35 periodicals at the Nigerian National Assembly library. In terms of qualified research staff, the comparison is even less favorable – the Ghanaian Parliament employs two librarians and no research staff, while the Nigerian National Assembly employs 19 librarians and 37 researchers.

By contrast, Ghanaian MPs and their staff use available resources, and have developed interesting linkages to civil society organizations and think tanks, more so than their Nigerian counterparts. Overall, however, it would seem hard to make the case that this provides a significant advantage to the Ghanaian Parliament in terms of oversight, especially when matched with its paucity of internal resources.

The evidence presented here suggests that process, as well as structure, are important. Nigeria has better resources than Ghana, but it would seem that Ghanaian MPs make better use of their (limited) resources than do Nigerian legislators.

## Other Factors

Participants suggested that two contextual factors—political parties and social legitimacy of the legislature—were particularly important. I examine each in turn. (Social legitimacy of the legislature was sometimes mentioned in conjunction with level of democracy, a factor I will come back to in Chapter 7). A third factor, electoral systems, has been identified by scholars (Copeland and Patterson, 1998; Olson and Norton, 1996) but is not relevant here—both Ghana and Nigeria have inherited first past the post/majoritarian systems from the United Kingdom (see Box 6.5).

### Political parties

It might be expected that where political parties are more institutionalized, and party cohesion and discipline high, legislative oversight will be weaker, and corruption higher, as the governing party ‘whips’ its members to follow party instructions and not to embarrass the government. Conversely, where party discipline is weak, governing party members may have freer rein to take a more independent stance, particularly with regard to oversight. In this instance, it might be expected that corruption would be lower. I pose one research question:

### **RQ8: Does Ghana have a more institutionalized political party system than Nigeria**

**Ghana** and **Nigeria** are both largely two party systems, with a number of minor parties. In **Ghana**, the two major parties are the NPP and the NDC, the current ruling party; between them they hold 97% of the seats in Parliament. Neither country officially allows “carpet-crossing” or “floor-crossing”, which reinforces allegiance to the party and guarantees the plurality or minority obtained in Parliament at the time of election. The penalty for carpet crossing is harsh—in Ghana MPs face dismissal from the party and loss of seat in Parliament. For instance, Hon. Wayo Seini, NDC MP for Tamale Central, crossed the carpet and lost his seat. While this suggests that the rule is a barrier for potential cooperation among MPs across party lines, respondents reported that some MPs have disagreed with their party in Parliament and worked with the opposing party, and yet

survived. The case of Hon. Appiah Ofori confirms that MPs can stand up to their party if they intend to do so.<sup>77</sup> In **Nigeria**, examples of carpet-crossing are equally rare.

Party cohesion and discipline is very strong in Ghana and weaker in Nigeria. Table 6.7 indicates that **Ghanian** respondents ranked the party cohesion of both the governing and principal opposition parties at 4.7 on a 1–5 scale (where 1 is “very weak” and 5 is “very strong”). This is significant because it ensures uniform voting along party lines. This cohesion is fostered by strict party discipline, supported by a system of rewards and punishments. In **Nigeria**, by contrast, party discipline is weaker: 3.1 (“neither weak nor strong”) for the majority party and 2.7 (tending towards “somewhat weak”) for the principal opposition party. In **Ghana**, survey respondents revealed that there is a range of rewards that the party can offer to legislators. Legislators in the majority (governing) party are often rewarded with appointments to ministerial portfolios (60% of ministers should be MPs, according to the constitution), committee chairmanships, foreign travel, membership of international governmental associations, leadership positions, board memberships of public and private corporations, and protection of their seat during primaries. Rewards to legislators in the minority party are often limited to ranking memberships in committees, support during re-election, and opportunities to speak on behalf of the party. The presidential nature of the **Nigerian** government means that the majority party cannot reward loyal service through ministerial appointment. Survey respondents reported that the most common reward was protection of their seat during primaries. Party sanctions were mostly in the form of restorative justice: mediation and apologies. Occasionally, the party resorted to warnings, queries, and public and private reprimands. The most severe sanctions involved withdrawing support during re-election and suspension<sup>78</sup> from the party or the legislature, although this is rare. In **Ghana**, the election of legislators tends to be party-centered rather than candidate-centered, thus promoting loyalty to the party. This can hinder the oversight process, which is likely to be less effective if the government has a sizeable majority in Parliament.

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77 Respondents noted that Appiah Ofori’s independent-minded stance and disagreements with the party line have led to several attempts within his party to wrestle his seat from him, albeit without much success.

78 For example, the MP for Saboba was suspended for comparing his native Konkomba to Israelis. In another case of an altercation and physical assault in Parliament, the aggressive MP was required to apologize. One of our respondents indicated that the severity of the punishment in this case was minimized because the speaker was not in the House at the time of the incident.

**Table 6.7: How Much Trust Do You Have in the Following Institutions?**

(Percentage of respondents; n = 1,200 (Ghana) and n = 2,324 (Nigeria))

	Ghana		Nigeria	
	A Lot	Some-what	A Lot	Some-what
President	56	19	15	30
Parliament/National Assembly	35	27	7	26
Electoral Commission	40	36	6	22
Local Government Council	28	25	6	22
Ruling Party	42	24	7	22
Opposition Party	22	26	7	22
Police	28	18	8	17
Courts of Law	30	28	10	30
Traditional Leaders	41	25	15	30

Source: Afrobarometer 2008 survey, available online at [www.afrobarometer.org](http://www.afrobarometer.org)

In **Nigeria**, the expanding hegemony of the PDP has increasingly drawn political aspirants toward the party as the greatest source of patronage, with the All Nigeria People’s Party (ANPP) being little more than a loosely constituted association of interests, rather than a coherent organization for framing policies. This fact, coupled with weak party discipline (see Table 6.7) means that legislators are not bound by guidance from the party hierarchy (Lewis, 2009). On the one hand, this offers greater potential for legislators to exercise their oversight role, as they can then act “on conscience”. On the other, it offers more opportunity for self-aggrandizement and legislative corruption.

#### Assessment

One might expect political party cohesion to weaken oversight, especially in parliamentary systems, as government ‘whips’ its members into line and discourages potentially embarrassing oversight activities. However, this appears not to be the case.

Political parties in Ghana are considerably more institutionalized than their counterparts in Nigeria – at least in terms of party cohesion. Respondents in Ghana judged political party cohesion as “very strong” for both the governing and principal opposition parties. Respondents in Nigeria judged cohesion to be “neither weak nor strong” for the governing party and rather weaker for the principal opposition parties.

Interestingly, however, respondents in both countries considered partisanship at the committee level to be relatively weak.

In short, the evidence suggests that *process* influences structure and agency. In this instance, partisanship (party cohesion and discipline) influences how legislators and legislatures work.

### Social Legitimacy of the Legislature

Social capital theory suggests that where public trust in the legislature and legislators is high, the costs of oversight may be lower and its effectiveness (in terms of reduced corruption) higher. I pose one research question:

**RQ9: Does the Ghanaian Parliament and its Members enjoy a greater degree of social trust than does the Nigerian National Assembly and its Members?**

According to Afrobarometer surveys,<sup>79</sup> public confidence in the Parliament of **Ghana** appears to be relatively strong. Electoral turnout is high (70% in 2008) and 47% of voters knew the name of their MP. 55% of Ghanaians believe their country to be a “full democracy” while a further 28% believe it to be a democracy with minor or major (11%) problems. 83% of Ghanaians would either strongly disapprove or disapprove of Parliament being abolished so that the President could decide everything. 62% of Ghanaians report “some” or “a lot” of trust in Parliament, behind the President (75%) and the Electoral Commission (72%), but above Local Councils (63%), traditional leaders (66%), and the law courts (58%), see Table 6.8.

By contrast, public confidence in the National Assembly of **Nigeria** appears to be relatively weak. While most citizens (72%) prefer democratic governance to any other form of governance, election turnout is only moderate (57.5% in 2007). Nigerians have limited trust in the legislature as an institution, below that of the President, the courts, and traditional leaders, but marginally above most other institutions (see Table 6.8). However, only 24% of citizens can name their elected representative. 14% of Nigerians believe their country is

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<sup>79</sup> The Afrobarometer surveys have been conducted in Ghana in 1999, 2002, 2005, and 2008, and in Nigeria in 2000, 2002, 2005, and 2008.

a “full democracy” while a further 28% believe it is a democracy with minor problems, and 40% believe it has major problems.

**Table 6.8: How Many of the Following People Do You Think are Involved in Corruption?**

(Percentage of respondents; n = 1,200 (Ghana) and n = 2,324 (Nigeria))

	Ghana		Nigeria	
	Most/All	Some	Most/All	Some
President and Officials in His Office	17	53	37	51
Legislators	19	54	51	38
Local Government Councilors	19	52	55	37
Government Officials	27	51	56	36
Police	22	74	71	22
Tax Officials	32	47	53	35
Judges and Magistrates	29	50	36	49

Source: Afrobarometer 2008 survey, available online at [www.afrobarometer.org](http://www.afrobarometer.org)

These differences are reflected in data concerning legislative corruption. In **Ghana**, the public believed MPs to be less corrupt than government officials, local government councilors, the police, tax officials, and judges/magistrates, but more corrupt than the President and officials in his office. In **Nigeria**, National Assembly members were judged to be less corrupt than local government councilors, government officials, and the police, but more corrupt than the President and his officials, tax officials, and judges and magistrates. However, these differences were minor (see Table 6.8).

#### Assessment

One might expect a well-trusted legislature to be more effective in carrying out oversight, and that the country would be less corrupt. That seems to be the case. If trust in legislatures (and in public institutions more generally) is a manifestation of social capital, it may be that social trust is the ‘grease’ that links agents and principals and that higher trust results in lower agency costs.

Ghanaians generally trusted public institutions more than Nigerians did, and considered public officials less corrupt. **Nigerians** “...hold strong views about the appropriate role of the legislature in their democracy, even as they are increasingly discouraged by the actual performance of the Assembly” (Lewis, 2009, p. 202). Conversely Lindberg and Zhou

(2009, p. 148) believe that "...**Ghana** seems to have come a long way in developing a democracy with a mass-based support. Indeed, this trajectory places Ghana in a group of African countries whose transitions [from autocratic rule] seem to be relatively secure." In other words, Nigeria's relatively poor scores may be due to the fact that the growing awareness of democracy in the country is making citizens more cognizant of the way institutions are supposed to function in a democratic society (and more critical of the way they actually function). In Ghana, democracy may be consolidating and maturing.<sup>80</sup>

### **Summary and Conclusions**

Both legislatures have similar internal and external oversight tools. Both have a Westminster-type PAC (Nigeria has two, one in the House of Representatives and one in the Senate); both have established special committees/ commissions of inquiry to investigate alleged corruption; both have established ombuds offices and anti-corruption agencies (again, Nigeria has established two); both have relatively small library and research support and, in the case of Ghana, the library is miniscule and the research support all but non-existent. Only Ghana has initiated question period.

What explains these similarities? Both Ghana and Nigeria are former British colonies, and the United Kingdom's House of Commons provided a strong "template for organizing" their legislatures. However, both countries have had radical junctures in their constitutional development, which has had important implications for the way in which their legislatures fulfill their oversight function. There is evidence that both legislatures have sought to become isomorphic with their contexts (DiMaggio and Powell, 1983). The Nigerian National Assembly has adopted various trappings of the Congressional system (e.g., rigorous review of appointments, censure of Ministers, and even impeaching the President). The Ghanaian Parliament has pursued these much less rigorously, depending more on, for example, Question Period. At the same time, it appears that path dependency is an important determinant of the choice of legislative oversight tools. For example, despite having a presidential form of government, the Nigerian National Assembly has kept the quintessentially Westminster PAC as a central tool of legislative oversight.

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<sup>80</sup> The sharp decrease in Afrobarometer "corruption scores" over the past three years may support this.

Most of these oversight tools and mechanisms are judged by respondents to be “neither ineffective nor effective.” The exceptions are the Auditor General and special parliamentary commissions in Ghana, and the anti-corruption agency<sup>81</sup> and special commissions in Nigeria, which respondents judged to be “somewhat effective.” The Auditor General in Nigeria represents an interesting example of effective performance hindered by problematic processes, despite a strong structure (i.e., an independent Auditor General).

Turning to contextual factors, there is a marked difference between the two countries in terms of political party cohesion and social legitimacy of the legislature. In Ghana, in line with the Westminster parliamentary tradition, there is a majoritarian electoral system that has given rise to two principal parties and strong party discipline. By contrast, Nigeria’s experience is more akin to that of the U.S. There, a majoritarian electoral system—itsself an example of path dependency from earlier Westminster roots—has also given rise to two principal parties in the National Assembly, but with considerably weaker party cohesion. (In both countries, respondents report that partisanship does not tend to adversely influence oversight committee work).

There are also significant differences in social legitimacy of the legislature. Ghana has consolidated its democracy over the past 18 years, and public trust in state institutions generally, including Parliament, is relatively high. By contrast, Nigeria has had only 10 years of democratic governance since the last military regime, and public trust in state institutions, including the National Assembly, is much lower. However, in both countries, citizens much prefer democracy to autocratic or military rule.

I conclude from the case studies that at least some legislative oversight tools are important for enabling a legislature to hold governments to account, but their mere existence does not guarantee their effectiveness. This is demonstrated by the sharply different perceptions of the effectiveness of the Auditor General in Ghana (“somewhat high”) and in Nigeria (mid-way between “somewhat ineffective” and “neither effective nor ineffective”) and, to a lesser extent, of the ombuds in Ghana (mid-way between “neither effective nor ineffective”

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<sup>81</sup> The EFCC, not the IPCC.

and “somewhat effective”) and in Nigeria (somewhat less than “neither effective nor ineffective”).

Examining other (contextual) factors, I find that political party cohesion and social legitimacy in the legislature are sharply different in Ghana (both higher) and Nigeria (both lower). In the next chapter, I examine these and other contextual factors and their possible influence on legislative oversight

I also conclude that simple approaches, with one explanatory framework (agency, structure, or process), are not sufficient for explaining why legislative oversight and levels of corruption vary across countries. Rather, a comprehensive approach, involving all of these factors, may be necessary.

## CHAPTER 7. IMPACT OF CONTEXTUAL FACTORS ON CORRUPTION

In Chapters 5 and 6, I concluded that legislative oversight tools alone do not fully explain national variations in legislative oversight. In other words, principal-agent theory, and its manifestation in the legislature's use of oversight tools to facilitate its role as principal and government's role as agent, does not fully explain variations in corruption. The comparative case study analysis described in Chapter 6 suggests that contextual factors may also be important. These factors are: type of government, level of democracy, political parties, and social legitimacy of parliament.

These contextual factors, together with different electoral systems, were initially identified by Olson and Mezey (1991), Olson and Norton (1996), and Norton and Ahmed (1999), but have only been used in limited cross-country analysis to explain variations in corruption. In Chapter 6, I note that form of government, social trust in the legislature, and political party cohesion are possible important determinants of legislative oversight and corruption, in Ghana and Nigeria. Other authors have undertaken similar work. Kunicova and Rose Ackerman (2007) examined the relationship between electoral systems and corruption in Eastern Europe and Central Asia; Manikas and Thornton (2003) and Pelizzo (2006) examined the relationship between political parties and corruption. Lederman et al. (2005) examined the relationship between form of government and corruption, while Gerring and Thacker (2004) examined the relationship between form of government, electoral system, and corruption. Pelizzo and Stapenhurst (2004) examined the relationship between oversight tools and democracy, and later between democracy and corruption (Stapenhurst and Pelizzo, 2008).

However, the extant literature lacks an explanation of whether these factors are valid in a large-scale study, as opposed to regional or case study analyses, and whether there is an interaction function between some of them which enhances oversight?

In this chapter I explore these issues. In other words, I examine which contextual factors – individually and collectively – influence legislative oversight and thus can help explain variations in global levels of corruption. I proceed as follows. First I operationalize the

contextual factors that, from the literature, are thought to impact on legislative oversight and corruption. I then undertake a large-scale statistical analysis to determine if, in fact, the existence of each of these contextual factors is associated with lower corruption and what the interaction is between them. In other words, is it perhaps not just the simple existence of contextual factors that influences corruption, but their interaction? And finally, I develop a contextual factors index and statistically examine the relationship between this index and corruption, to facilitate cross-country comparisons of contextual factors. I conclude by assessing the differences between legislatures in parliamentary systems and legislatures in presidential systems with regard to contextual factors.

### **Research Question**

The literature suggests that contextual factors are a determining factor of legislative oversight as a means to holding governments to account and thus reducing corruption (Olson and Norton, 1996; Norton and Ahmed, 1999; and Wang, 2005, among others (see Table 5.1). However, this has not been empirically tested through large-scale statistical analysis.

The research question I consider in this Chapter is:

**RQ10: Are contextual factors a significant determinant of legislative oversight; in other words, do these factors determine levels of corruption?**

It would be expected that where contextual factors are stronger (i.e. where levels of democracy and trust in parliament) are high, where political parties are weaker, where electoral systems encourage accountability of elected officials to the electorate (i.e. plurality electoral systems) and where checks and balances are built-into the constitution (as in presidential systems) oversight would be stronger and corruption lower.,

### **Design and Methodology**

In Chapter 3, I hypothesized that legislative oversight is a determining factor of reduced corruption and that such oversight involved the use of specific oversight tools, in a

particular context (see Diagram 3.1 in Chapter 3). In Chapter 5, I tested the importance of oversight tools in explaining legislative oversight and corruption; here I focus on context. The underlying conceptual theories (agency and institutionalism, together with social capital, were presented in Chapter 3.

Here, I undertake large-scale statistical analysis to test this hypothesis that context matters. I operationalize contextual factors and conduct a large-scale statistical analysis to determine their significance in explaining variations in oversight (levels of corruption). I find that all contextual factors except for social legitimacy/trust in parliament are significant in explaining variations of corruption across countries. To facilitate cross-national comparisons, I develop an index of contextual factors, which will help me determine if these factors are a good explanatory variable for determining levels of corruption, and if there is a difference regarding such between legislatures in parliamentary and presidential systems.

## **Data**

The data come from various public data bases. Principal data come from the 2002 Inter-Parliamentary Union (IPU) survey on executive-legislative relations, which was administered to IPU's designated contact persons within its 100 + member legislatures. Other data bases include the World Bank's Data Base of Political Institutions and Freedom House. These are supplemented and complemented by extensive searches on parliamentary and other websites. The data are unique in that a similarly comprehensive legislative oversight survey has not been previously carried out for such a large number of countries.

Following the literature noted in Table 2.2 in Chapter 2, I develop scores for each of the five contextual factors:

- ix) Level of Democracy
- x) Electoral Systems
- xi) Political Parties
- xii) System of Government
- xiii) Trust in Parliament

I drop three factors: interest groups, external actors/patrons, and political culture. This was done because it is difficult to operationalize these factors in a large-scale statistical study,<sup>82</sup> and because, as Wang suggests, they are partially included in the remaining factors. The dataset, and coding method, is presented in Appendix 1.

## Analysis

I perform three sets of analyses: simple correlations, interactions among contextual variables, and a simple regression analysis.

First, I undertake simple correlations to show which contextual factors are correlated, and how strongly, with both corruption and with one another. I use Transparency International’s Corruptions Perceptions Index (CPI) as a proxy for corruption levels. The CPI ranks countries on a 10 point scale, where a score of ‘0’ denotes pervasive corruption and ‘10’ denotes no corruption.

**Table 7.1: Ordinal Correlations of Contextual Factors and Corruption**

Ordinal Correlation	Corruption	Democracy	Electoral	Party	System
Corruption					
Democracy	0.8082 ***				
Electoral	0.2756**	0.4327***			
Party	0.2774**	0.4919***	0.4507***		
System	0.6611***	0.6163***	0.2587**	0.3917***	
Trust	0.0645	-0.2198	-0.3357	-0.3372	-0.2555

\*=sig at 10%, \*\* 5%, \*\*\*1%,

I find that four contextual factors—level of democracy, electoral system, political parties, and system of government—are significantly related to levels of corruption, at the 1% (democracy and system of government) and the 5% (electoral system and party) levels, respectively. There is no significant correlation between trust in the legislature and corruption. Overall these correlations support Olson and Mezey (1991), Olson and Norton

<sup>82</sup> I am not aware of any large N study that has operationalized these concepts, nor of any data base that includes them.

(1996), Norton and Ahmed (1999), and Wang (2005), who argue that contextual factors are possibly important in determining legislative oversight and levels of corruption.

I also found strong positive correlations between some of the contextual variables. Specifically: (1) between level of democracy and the electoral system, political parties, and system of government (significant at the 1% level); (2) between electoral system and political parties (again at the 1% level) and system of government (at the 5% level); and (3) between political parties and system of government (at the 1% level). No significant correlations between trust in the legislature and any of the other contextual factors were discovered.

However, these results need to be treated with caution. It may be the case that the correlations between contextual factors are spurious, driven by omitted variable bias. To mitigate this possibility I run a regression model to control for the possible effects of other variables. The following simple model is used<sup>83</sup>:

$$CPI_i = \alpha + \beta_1 X_{1i} + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + \varepsilon_i \quad (1.01)$$

where

$CPI_i$  is country  $i$ 's score on corruption (higher scores denote less corruption)

$\beta_1 X_{1i}$  is Level of Democracy

$\beta_2 X_{2i}$  is Electoral System

$\beta_3 X_{3i}$  is Political Parties

$\beta_4 X_{4i}$  is System of Government

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<sup>83</sup> A maximum likelihood Ordered Probit specification was utilized, alongside a simple OLS specification, when running the regression models. The use of both specifications is quite common in studies of the determinants of corruption, e.g., Lederman et al. (2005). The rationale for using the Ordered Probit specification is that, while the CPI can sometimes be considered an interval measure of outcomes (level of corruption), there is considerable difficulty in effectively measuring the intensity of corruption at the national or the cross-national level in a uniform manner. Thus, rather than assume that the CPI is not prone to such (potentially) non-random measurement errors, the use of the Ordered Probit specification allows for a more realistic—that is ordinal—metric of corruption to be used. While this means that what is being measured is the relative ranking of countries rather than the precise and absolute incidence of corruption, this process hopefully obtains more valid results.

$\beta_5 X_i$  is Trust in the Legislature

and  $\beta_6 Z_i$  is a vector of control variables<sup>84</sup>

**Table 7.2: Simple Regression**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Democracy	0.46 (0.27)	3.57*** (0.75)
Electorate (PR=1; Maj. = 0)	-0.26 (0.18)	-0.79** (0.34)
Political Party	-0.17 (0.16)	-0.63*** (0.25)
System of Government	0.10 (0.27)	-0.50 (0.51)
Trust	0.27 (0.24)	0.93*** (0.38)
Obs	42	42
(Pseudo) R <sup>2</sup>	0.95	0.51

Note: \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level

Table 7.2 shows the results. The relationships between some of the contextual variables and corruption have changed, once the impact of a vector of control variables is taken into account. None of the variables are significant with the OLS specification (although democracy is almost significant at the 10% level); however, this is not the case when the Ordered Probit Specification is used. Using this specification, I find that increments in democracy (as in the case with the simple correlations) and level of trust (previously insignificant) are associated with lower corruption (higher CPI score) and significant at the 1% level (for Ordered Probit, although not OLS specifications). However, the most dramatic substantive difference between the simple correlations and the Ordered Probit regression analysis is the fact that lower corruption is also associated with a majoritarian electoral system, significant at the 5% level. Thus in contrast with the initial correlation

<sup>84</sup> The following controls: Inpercapita openness lnpop urban educ avelf under15 over65 catho80 muslim80 protmg80 otherrel (dropped) africa america Europe (dropped) middle pacific.

results, which suggested that *proportional representation electoral regimes* were associated with less corruption, more rigorous regression analysis suggests that a *majoritarian electoral regimes* are more effective at reducing corruption, when controlling for a vector of relevant control variables.<sup>85</sup>

The regression results also indicate a significant change in the effect of the party variable (highest score obtained by large minority governments); higher levels of corruption (at the 1% level) are now more likely with large minority governments. This is in contrast to the simple correlation results which suggested that there was a positive correlation between large minority governments and less corruption. Finally, the form of government is no longer significantly associated with changes in a country's CPI score.

These findings are interesting and suggest that there is a robust relationship between certain levels of corruption and contextual factors, namely democracy, electoral system, and trust in the legislature. However, the information gathered is still not sufficient. Institutions do not operate in a vacuum, but are embedded in institutional constellations. Thus, it is reasonable to presume that interactions between contextual factors may be significant drivers of variations in the level of corruption. To explore such dynamics, I run another model using interaction terms. Specifically, I use the following specification:

$$CPI_i = \alpha_o + \beta_1 X_i + \beta_2 X_{si} + (\beta_1 X_i * \beta_2 X_{si}) + Z_i + \varepsilon_i \quad (1.02)$$

Where  $(\beta_1 X_i * \beta_2 X_{si})$  is the interaction term between the two contextual variables of interest (say if  $\beta_1 X_i$ =democracy and  $\beta_2 X_{si}$  is trust then  $(\beta_1 X_i * \beta_2 X_{si})$  is the interaction term of democracy and trust).

I identify several possible interactions between contextual factors, namely:

#### 1) Democracy Electoral Systems and Trust in Legislature

It might be expected that there would be a strong interaction between levels of democracy and trust in the legislature. Higher levels of democracy are hypothesized to be associated

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<sup>85</sup> This result is not very surprising given the fact that most proportional representation systems in the sample exist in advanced OECD countries in Europe.

with greater political rights and freedoms for citizens to choose their representatives in the legislature. It is reasonable to assume that this greater freedom would result in enhanced public trust in elected legislators and in the legislature. Such an assumption is supported by social capital theory (Fukuyama, 2002).

It could also be posited that electoral systems work with democracy to enhance executive oversight. Advocates of proportional electoral systems argue that including more groups in parliament should limit the ability of any one faction to extract rents at the expense of another group. Conversely, advocates of majoritarian electoral systems argue that the enhanced constituent-representative relations and individual accountability that majoritarianism fosters should reduce incentives for individual MP's to engage in corruption and increase their incentives to pursue effective oversight in order to retain office (Persson and Tabellini, 2001).

**Table 7.3: Interaction – Level of Democracy, Electoral System plus Trust**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Democracy*Electoral	-0.11	-0.11
Democracy	0.10	1.72***
Electoral	0.51	-0.04
Democracy*Trust	0.06	-0.36
Democracy	0.24	2.21***
Trust	0.20	0.77**

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level

Table 7.3 shows that, while the OLS specifications are insignificant, the independent effect of democracy is positive and statistically significant at the 1% level, when controlling for the interaction term between democracy and the electoral system, using the Ordered Probit specification. This indicates that increments in democracy are associated with less corruption. While the electoral system variable has the (initially) expected sign (proportional representation is associated with a lower CPI score/more corruption), it is not

significant. The independent effect of democracy is again positive and significant at the 1% level, when controlling for the interaction between democracy and trust.

## 2) Electoral System and Trust

It could also be the case that a greater degree of trust is associated with a specific electoral system, since a particular electoral system can potentially enhance/diminish citizen-representative relations. However, as Table 7.4 shows, the interaction term is not significant.

**Table 7.4: Interaction – Electoral System and Trust in the Legislature**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Electoral*Trust	-0.10	-0.40
Electoral	0.26	-0.34
Trust	0.17	0.40

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level.

## 3) Political Parties, Trust, and Form of Government

It could also be the case that a greater degree of trust could be associated with a relatively large minority government which is large enough to sustain itself in office but not capable of dominating the legislature (thus under pressure to justify its policies). However, as Table 7.5 shows, this interaction term is negative, but not significant. This could be due to the fact that minority governments need to engage in complex negotiations in order to pass legislation, which increase incentives for logrolling and makes it more costly for voters to assign responsibility for policy outcomes to specific parties/legislators.

**Table 7.5: Interaction – Political Parties and Trust in the Legislature**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
Parties*Trust	-0.05	-0.24
Parties	-0.20	-0.36
Trust	-0.06	0.01

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level.

The relationship between the level of trust and the form of government is fundamentally contestable. While it may be the case that parliamentary systems may be able to hold the executive to account via direct legislative oversight, proponents of presidentialism argue that the ability of the electorate to remove the executive should provide voters with greater control over selecting the executive. As Table 7.6 indicates, the interaction term between trust and form of government is negative and, in the case of the Ordered Probit specification, is statistically significant. This suggests that voters trust legislators who cannot interfere with their selection of the executive, more than they trust those who can directly appoint the executive.

**Table 7.6: Interaction – Political Party and System of Government**

	Dependent Variable: CPI	
	(OLS)	(Ordered Probit)
System*Trust	-0.05	-0.55*
System	-0.19	0.20
Trust	0.06	0.21

**Note:** \*\*\*denotes significant at the 1% level; \*\* denotes significant at the 5% level; \* denotes significant at the 10% level.

## Summary

The data analysis shows that the relationship between contextual factors and legislative oversight is complex but potentially critical in explaining governance outcomes. The simple correlation analyses demonstrated is a strong *prima facie* case that contextual variables are critical in determining the quality and quantity of legislative oversight. The complexity of this relationship is revealed via the multiple regression analyses. Controlling for a vector of relevant variables and examining the interaction between contextual variables yields some interesting results. While some variables (notably level of democracy) remain relatively robust (positively associated with less corruption and, at least using the Ordered Probit specification, always statistically significant), others are sensitive to the modeling method used. This is exemplified by the electoral system. Simple correlation results suggest that a proportional election system is associated with less corruption; however, this relationship is reversed once the non-random allocation of electoral systems and per capita income is controlled. This suggests that the independent effect of electoral systems, while still significant under Ordered Probit specification, is the opposite of what the simple correlation analysis suggested; that is, that majoritarian electoral systems are associated with less corruption<sup>86</sup>. I undertake a more focused regression analysis in order to scrutinize the relationship between contextual factors, legislative oversight, and the incidence of good governance.

## Further Regression Analysis

In order to examine the additive effect of the contextual variables, I use a simple regression model in which the independent variable of interest is the aggregate score of a country as measured by the Contextual Factors Index (see below). Specifically, the baseline Contextual Factors Index includes: (1) a measure of democracy; (2) the nature of the electoral system (based on the assumption that majoritarian electoral systems reduce corruption); and (3) the level of trust in the legislature. Subsequently, the baseline specification used is:

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<sup>86</sup> An outcome consistent with Persson and Tabellini, 2003.

$$CPI_i = \alpha + \beta_1 X_i + Z_i + \varepsilon_i \quad (1.03)$$

Where  $\beta_1 X_i$  is the oversight index score of country  $i$ ;  $Z_i$  is a vector of control variables<sup>87</sup>; and  $\varepsilon_i$  is the standard error term of country  $i$ . Obviously, it is not possible to utilize country or time fixed effects, given that the index only exists for one year.

### Construction of the Index<sup>88</sup>

The task of constructing such an index raises theoretical questions about the substitutability of components. The starting point for this discussion is the additive index. This frequently used method consists of summing all scores for a given case to derive the index score for that case (Lienert, 2005; von Hagen, 1992). The simple sum index can be represented as a special case of the following formula:

$$I_j = \sum_{i=1}^n c_i^j$$

The term  $c$  captures the value of component  $i$ , and  $j$  is a power term that can be adjusted to reflect the different assumptions of substitutability. If  $j = 1$ , then the result is the simple sum index. If  $0 < j < 1$ , this favors cases with consistently intermediate scores over those with a mixture of high and low scores; that is, this approach assumes a limited degree of substitutability. Conversely, with  $j > 1$ , a greater degree of substitutability is assumed, since high scores are rewarded. In addition, it would be possible to allow differential weights for each of the components. However, the theoretical discussion does not imply that some of the variables are more important than the others, so the possibility of using differential weights is not pursued in this case.

### *Results*

Using this index, and running both OLS and Ordered Probit regressions, I find (Table 7.7.) that the index of contextual factors is statistically significant in explaining variations of corruption at the 10% (OLS) and 1% (Ordered Probit) levels. This has an important

<sup>87</sup> See footnote 15

<sup>88</sup> This section draws from, and adapts, Wehner's review of index construction (2010)

implication – that contextual factors are an important explanatory factor in explaining levels of corruption.

**Table 7.7: Contextual Factors Index (Democracy, Majoritarian, and Trust) and Corruption**

Variable	Dependent Variable: Corruption (CPI)	
	(1) (OLS)	(2) (Ordered Probit)
Contextual Index	0.72* (0.39)	1.71*** (0.62)
(Pseudo) R <sup>2</sup>	0.94	0.43
Obsr. (n)	42	42

Robust standard errors in parentheses.. \*\*\*denotes significant at the 1% level; \*\*denotes significant at the 5% level; \*denotes significant at the 10% level.

I use this index to determine if legislatures in countries with parliamentary forms of government are better situated, in terms of context, to reduce corruption than are those in semi-presidential or presidential systems. Tables 7.8 and 7.9 and Diagrams 7.1 and 7.2 present the results. In Diagram 7.1, brown label denotes presidential systems; green label denotes semi-presidential systems; orange label denotes parliamentary systems with a U.K. Commonwealth heritage; white label denotes parliamentary systems with a non-U.K. monarchical legacy/actual monarchical executive; and pink label denotes parliamentary republics. I return to this dichotomy in Chapter 9.

**Table 7.8: Ratios of Regimes by Quartile**

	Lower Quartile (Parl: Semi: Pres)	2 x Median Quartiles (Parl: Semi: Pres)	Upper Quartile (Parl: Semi: Pres)
Contextual Factors Index	3:3:6	18:2:5	5:1:6

*Each quartile contains approximately (12) countries. Note: Only countries with both oversight and contextual scores used (n=49)*

**Table 7.9: Contextual Factors Index (Democracy, Majoritarian, and Trust) and Form of Government**

System	Index Score
All (n=49)	1.41 (0.45)
Parliamentary (n=26)	1.43 (0.39)
Semi-Presidential (n=6)	1.27 (0.61)
Presidential (n=17)	1.44 (0.50)

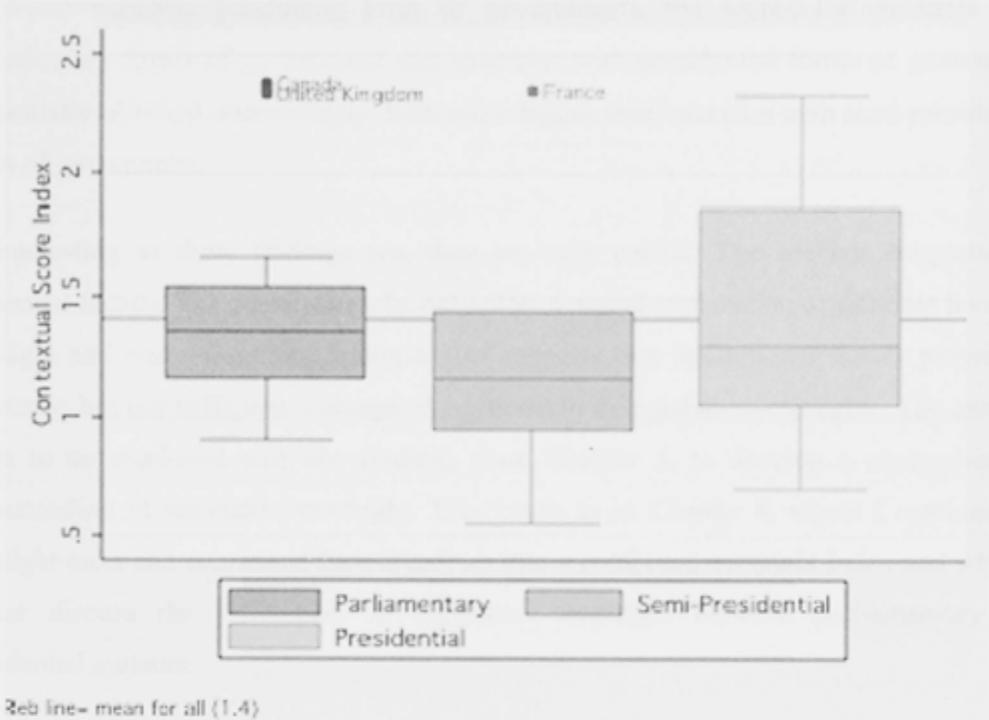
n= number of observations; standard deviation in parentheses below the average score

I find that legislatures in countries with parliamentary and presidential forms of government score better on the contextual index than those in countries with semi-presidential forms of government. The mean index score for legislatures in countries with parliamentary systems is 1.43 and that of presidential systems is 1.44 (virtually identical), compared with only 1.27 for those in semi-presidential systems. However, the standard errors caution against making too robust inferences regarding these results applies.

Diagram 7.1: Index of Contextual Factors (Bar Diagram)



Diagram 7.2: Index of Contextual Factors (Box and Whisker Diagram)



## Conclusions

The results described in this chapter are interesting. The index of contextual variables has a higher explanatory factor than does the index for oversight tools (see Chapter 4), thus supporting the claims of Olson and Norton (1996), Norton and Ahmed (1999), and Wang (2005, p. 15) that "...the external environment determines the capacity of the legislature to hold the executive accountable". This analysis contributes to the literature because the results are based on large-scale, cross-country statistical analysis. Earlier analyses have been based on country and/or regional case studies and established through loose conceptual frameworks.

Further, the analysis contained herein supports the claims of *both* schools of thought regarding the importance of form of government. On the one hand, Gerring and Thacker (2004) and Lederman et al (2005) argue that parliamentary forms of government have

lower levels of corruption. Treisman (2000) suggests that countries with presidential systems should have lower levels of corruption. Here, I find that system of government is not a significant factor in determining corruption, and when I construct an index of contextual variables (excluding form of government), the scores for countries with parliamentary forms of government and countries with presidential forms of government are virtually identical. Interestingly, both score higher than countries with semi-presidential forms of government.

As interesting as these findings are, they are only partial. The analysis suggests that contextual factors, like oversight tools, only offer a partial explanation of different levels of oversight and corruption. The analysis also suggests that institutional theory provides a necessary, but not sufficient, conceptual explanation to legislative oversight. The analysis needs to be combined with the findings from Chapter 5, to develop a comprehensive understanding of legislative oversight. This I turn to in Chapter 8, where I combine the oversight tools and contextual factors indices into a combined oversight index and where I further discuss the differences in legislative oversight between parliamentary and presidential systems.

## CHAPTER 8. POLCY APPLICATION – DEVELOPING A LEGISLATIVE OVERSIGHT INDEX

In Chapter 5, I undertook an initial large-scale statistical analysis, to determine if oversight tools – and the underlying conceptual logic of agency theory - were the determining factor influencing legislative oversight and corruption. I found that they were not; the relationship was positive, but modest. Other factors are clearly important. To assist in cross-country comparisons, I developed an Oversight Tools index. In Chapter 6, I undertook a comparative case study to see what other factors might influence a legislature's ability to better oversee government, and thereby curb corruption; I also sought to look beyond *structure*, to *process* to determine how legislative oversight tools work. I concluded that, in addition to the mere presence of oversight tools, how the process followed in their use and contextual factors, supported by institutional theories of path dependency, isomorphism and social capital are important. Form of government, electoral system, political party dynamics, and level of democracy are important influences on legislative oversight. In Chapter 7, I investigated these contextual factors through a second large-scale statistical analysis to evaluate if they determine levels of oversight, as measured by corruption. Again I constructed an index to assist in cross-country comparisons and again I found a positive, stronger, but still relatively modest, relationship. In other words, institutional theory alone cannot explain legislative oversight and corruption

This chapter builds on the findings and conclusions of Chapters 5, 6, and 7 to develop a global answer to the overall research objective of this thesis<sup>89</sup>. I discuss the findings in context of the literature and where evidence exists, provide supporting or contradictory evidence. Where such evidence does not exist, I posit possible explanations.

I proceed as follows. I combine the Oversight Tools index from Chapter 5 and the Contextual index of Chapter 7 into a comprehensive Legislative Oversight index, which facilitates cross-country comparisons and enables me to consider the overall research

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<sup>89</sup> Does legislative oversight reduce corruption and if so, how and why? In particular, what are the differences regarding oversight in countries with parliamentary and presidential forms of government – and do these explain the lower levels of corruption in countries with parliamentary systems?

objective noted above. In so doing, I combine principal-agent and institutional theories. I then undertake additional statistical analyses to see to what extent this comprehensive Legislative Oversight index can explain variations in corruption levels across countries. I find that it is positively associated with greater oversight/lower corruption. Interestingly, I find that the relative better oversight tools score for countries with parliamentary forms of government (Chapter 5) is somewhat offset by the slightly better contextual factors score for countries with presidential forms of government (Chapter 7). In other words, it may well be the case that, given the substitutability of oversight in parliamentary and presidential systems (specialized legislative oversight vs. direct electoral control), semi-presidential systems generate sub-optimal outcomes because they combine the two forms of government forms to generate a more complex policy-making environment in which voters and legislators find it more costly to exercise oversight over the entire system. However, the overall results still indicate that legislative oversight – as measured by oversight tools and contextual factors, combined – is higher in countries with parliamentary forms of government than in countries with presidential forms of government; both score higher than countries with semi-presidential systems.

### **An Index of Legislative Oversight**

Chapters 5 and 7 analyzed oversight tools (and underlying agency theory) and contextual factors (based on institutional theory), respectively, which together determine legislative oversight. Both offer partial explanations. Here, I construct an index of Legislative Oversight, comprising two components – the Legislative Oversight Tools index and the Contextual Factors index – and implicitly combining elements of agency and institutional theory.

#### *Construction of the Index*

The task of constructing the index raises theoretical questions about the substitutability of components. The starting point for this discussion is the additive index. This frequently used method consists of summing all scores for a given case to derive the index score for that case (Lienert, 2005; von Hagen, 1992). The simple sum index, as used in Chapters 5 and 7, can be represented as a special case of the following formula:

$$I_j = \sum_{i=1}^n c_i^j$$

where the term  $c$  captures the value of component  $i$ , and  $j$  is a power term that can be adjusted to reflect the different assumptions of substitutability. If  $j = 1$ , then the result is the simple sum index. If  $0 < j < 1$ , this favors cases with consistently intermediate scores over those with a mixture of high and low scores; that is, this approach assumes a limited degree of substitutability. Conversely, with  $j > 1$ , a greater degree of substitutability is assumed, since high scores are rewarded.

In this chapter, I adopt use the two sub-indices to examine the potential relationship between contextual factors and legislative oversight tools. Given the absence of strong theoretical priors justifying modification, each index is simply the aggregation of its components; that is, each sub-index is a simple sum index. However, from a theoretical perspective it would seem appropriate to combine the two sub-indices by calculating an interaction term between them, given that the oversight tools of a legislature are always nested in a given institutional context. Such a multiplicative approach can more effectively capture the nested relationship between the two sub-indices, especially vis-à-vis an additive approach that automatically assumes an equal weighting of the two indices and, therefore, fails to take into account the nested, potentially non-linear, relationship described above. Formally this is achieved by calculating the following expression:

$$I_s = \sum_{k=1}^2 sk \text{ where } s_1 = \sum_{i=1}^3 c_i \text{ and } s_2 = \sum_{i=6}^8 c_i$$

Here,  $sk$  represents the interaction terms of the two sub-indices  $s_1$  and  $s_2$ , each consisting of the sum of the different components. The rationale for the index is as follows:  $s_1$  captures the contextual variables (democracy, electoral system and trust) that define, in general terms, executive-legislative relations; they "...largely determine the capacity of [the legislature] to exercise an independent influence on regime development and policy making" (Olson and Norton, 1996, p. 6).

By contrast, the oversight tools (audit, committee, censure, debate, ombudsperson, question time, and the supporting factor- Access to Information, research capacity) "will ...reinforce

but not determine that capacity” (Olson and Norton, 1996, p. 6). These oversight tools are captured by  $s_2$ .

In summary the theoretical priors suggests that (1) contextual factors and oversight tools are necessary for effective legislative oversight; and (2) given the nested nature of the two sub-indices, it is wise to multiply the two sub-indices. However, (3) within each sub-index, at least some degree of substitutability is plausible, especially for the oversight tools sub-index. Thus, if the oversight committee system is weak, this can be at least partially offset by an effective supreme audit institution and question period. If the ombudsperson office is weak, this may be offset by special commissions of inquiry and committee work, and so on. Similarly, but not so intuitively, weak oversight related to (say) a lack of trust in the legislature could be offset by a majoritarian electoral system, which strengthens the principal (citizen)-agent (elected legislator) relationship. Furthermore, as shown below, there is a relatively strong interaction term between the Oversight Tools and Contextual factors sub-indices, suggesting that the multiplicative (interaction term) approach is justified and appears to be capturing/is consistent with the argument that there is a nested relationship between oversight tools and contextual factors.

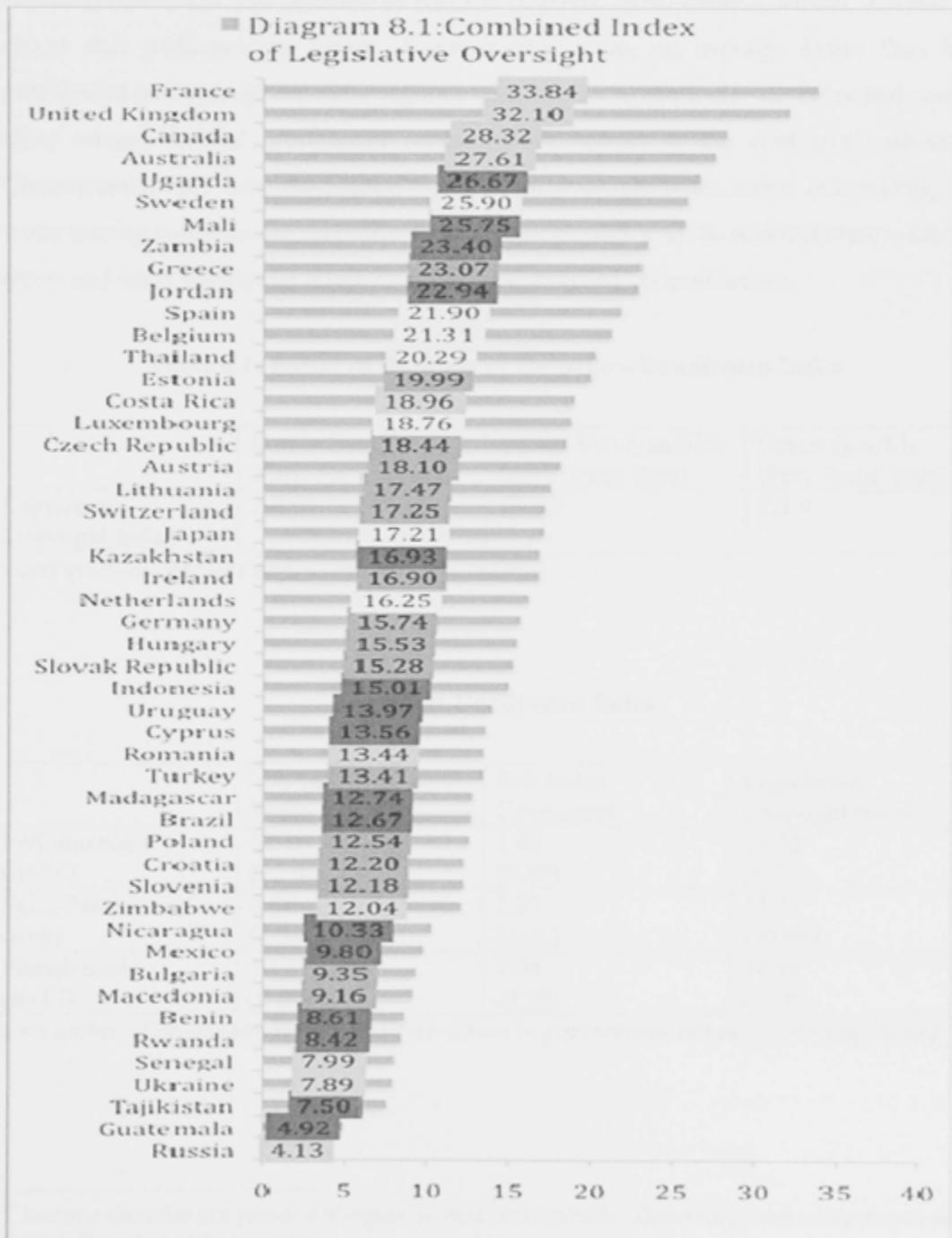
### *Discussion and Analysis*

This section presents the interaction term of the index of Legislative Oversight (contextual sub-index multiplied by the tools and mechanisms sub-index). The resulting rankings are presented in Diagram 8.1. In addition to showing the parliamentary–semi-presidential–presidential dichotomy used in Chapters 5 and 7, Diagram 8.1 also distinguishes among the parliamentary countries; that is those with a U.K. or Westminster-type parliament, parliamentary republics, and non-Westminster parliamentary monarchies. In the diagram, brown label denotes presidential systems; green label denotes semi-presidential systems; orange label denotes parliamentary systems with a U.K. Commonwealth heritage; white label denotes parliamentary systems with a non-U.K. monarchical legacy/actual monarchical executive; and pink label denotes parliamentary republics. I return to this dichotomy in Chapter 9.

I use two approaches to evaluate the index. First, I consider whether the results are broadly in line with the literature – recognizing that the literature on oversight is scanty (Pelizzo

and Stapenhurst, 2004). Second, I check the validity of the index by testing its association with one of the policy outcomes of legislative oversight, namely reduced levels of corruption.

**Diagram 8.1: Combined Index of Legislative Oversight (Bar Diagram)**



Tables 8.1 and 8.2, along with Diagram 8.1, indicate there is a strong association between form of government and the Legislative Oversight index score. Only two countries with a parliamentary form of government had a score in the lowest quartile (Bulgaria and Macedonia). Conversely, countries with a parliamentary form of government make up the majority of those scoring in the highest quartile, which includes only one semi-presidential regime (France) and four presidential regimes (Uganda, Mali, Zambia, Jordan<sup>90</sup>). Table 8.2 shows that parliamentary forms of government score, on average, better than both presidential and semi-presidential regimes with respect to the tools sub-index and come a close second, behind presidential regimes with respect to the contextual sub-index. Consequently, they have the highest (interaction) oversight index score. Interestingly, the worst scoring countries are semi-presidential regimes, although the relatively large standard errors and small population suggest caution against broad generalizations.

**Table 8.1: Ratios of Regimes by Quartile – Unadjusted Index**

	Lower Quartile (Parl: Semi: Pres)	2 x Median Quartiles (Parl: Semi: Pres)	Upper Quartile (Parl: Semi: Pres)
Legislative Oversight Index	2:4:6	17:1:7	7:1:4

*Each quartile contains approximately 12 countries.*

**Table 8.2: Unadjusted Index**

	Sub-Index Tools	Sub-Index Contextual	Legislative Oversight Index
Parliamentary (n=26)	12.80 (2.10)	1.43 (0.39)	18.32 (5.71)
Semi-Presidential (n=6)	9.68 (3.34)	1.27 (0.61)	13.22 (10.63)
Presidential (n=17)	10.27 (2.67)	1.44 (0.50)	14.84 (6.66)

*n = number of observations; standard deviation in parentheses below the average score*

<sup>90</sup> Jordan is classified as a presidential regime because the king holds substantive powers over policy-making and is independent of the legislature.

What is driving these differences? Table 8.3 shows the average scores for the different oversight tools, by type of government. Table 8.4 shows average scores for the different contextual factors, by type of government.

**Table 8.3: Average Scores for Oversight Tools Sub-Index**

	Comm- -ittees	Questions	Debates	Confid.	Ombuds	Audit	ATI	Research
Parliamentary (n=26)	2.42 (0.81)	2.61 (0.50)	0.62 (0.75)	1.87 (0.44)	2.10 (1.31)	1.77 (0.80)	0.96 (0.20)	0.45 (0.24)
Semi- Presidential (n=6)	1.00 (1.11)	2.27 (0.98)	0.33 (0.82)	1.67 (0.52)	2.00 (0.63)	1.50 (1.22)	0.67 (0.51)	0.35 (0.14)
Presidential (n=17)	2.47 (0.87)	2.53 (0.75)	0.76 (0.83)	1.03 (0.86)	1.38 (1.18)	1.83 (1.13)	0.36 (0.49)	0.21 (0.18)

*n* = number of observations; standard deviation in parentheses below the average score

**Table 8.4: Average Scores for Contextual Sub-Index**

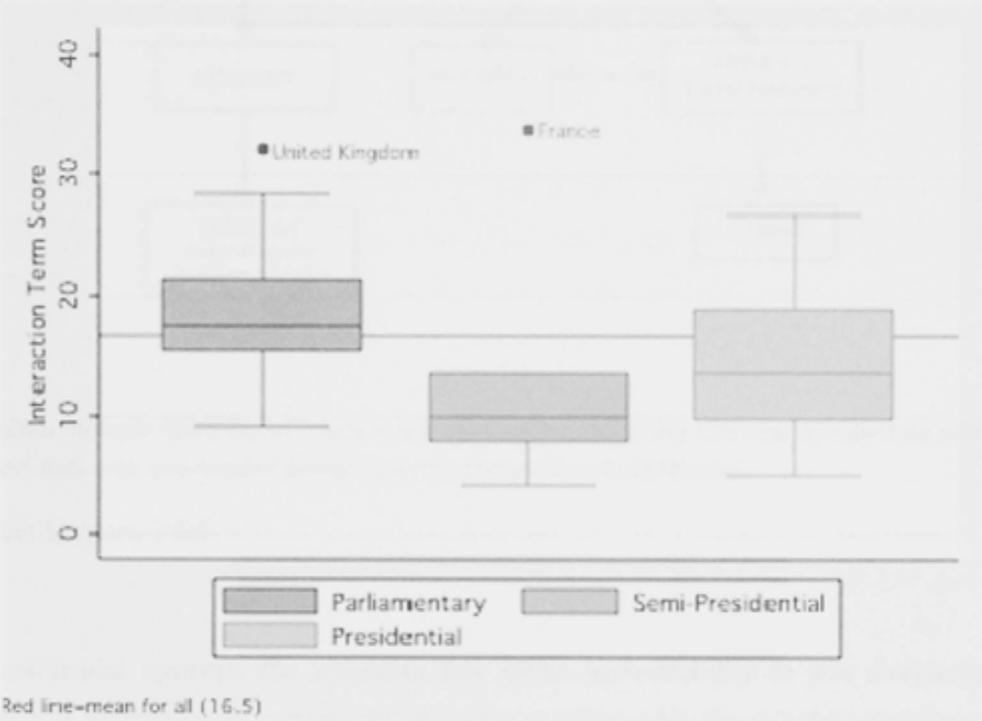
	Level of Democracy	Electoral System	Trust
Parliamentary (n=26)	0.93 (0.15)	0.15 (0.37)	0.34 (0.15)
Semi- Presidential (n=6)	0.61 (0.36)	0.33 (0.52)	0.32 (0.14)
Presidential (n=17)	0.64 (0.25)	0.35 (0.49)	0.44 (0.19)

*n* = number of observations; standard deviation in parentheses below the average score

Overall, legislatures in countries with presidential forms of government record a lower score for each oversight tool than countries with parliamentary forms of government, with the exception of committees, debate, and audit, where they outscore their parliamentary

counterparts. The lowest scoring group of countries are those with semi-presidential forms of government, which are consistently outscored by their parliamentary counterparts, although semi-presidential regimes do have higher scores vis-à-vis presidential regimes with respect to confidence, ombudsman, access to information, and research.

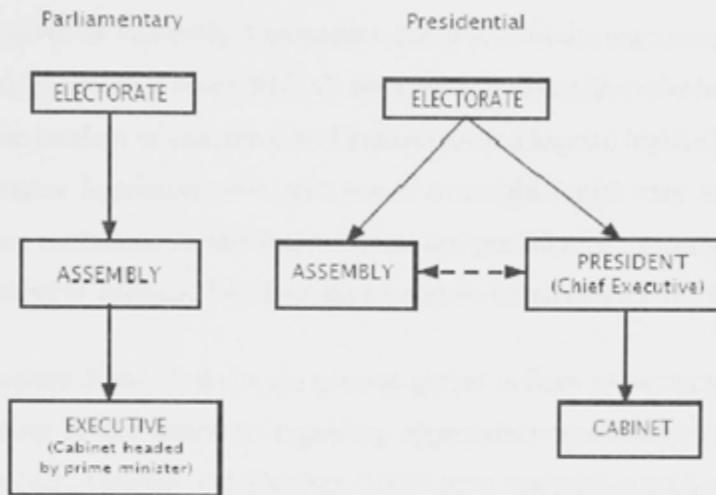
**Diagram 8.2: Legislative Oversight Index (Bar and Whisker Diagram)**



The ordinal rankings of regimes are reversed for contextual factors. Countries with a presidential form of government score highest on the electoral system (majoritarian) and trust variables. Countries with a parliamentary system do, however, score higher with respect to the level of democracy. Semi-presidential systems score the lowest with respect to level of democracy and trust and have the second highest score for electoral system.

The fact that parliamentary systems score the highest with respect to the tools sub-index and presidential systems have the highest score with respect to the contextual sub-index suggests that the two systems may have different mechanisms for holding the executive to account. This is demonstrated in Diagram 8.3.

**Diagram 8.3: Hierarchical and Transactional Relations in the 'Pure' Forms of Executive–Legislative Structure**



*Solid lines indicate hierarchical relationship, with arrow indicating selection of agent by principal. Dashed lines with two-headed arrows indicate transactional relationship.*

Source: Shugart, 2005

In presidential systems, the executive has direct accountability to the electorate. By contrast, in parliamentary systems the executive is accountable through the legislature. As a result, legislatures in parliamentary systems are required to develop specific tools of oversight in order to hold the executive to account (I return to this issue below). Instead of combining the best of both systems, it would seem as if countries with semi-presidential systems have combined the worst of both.

### *Corruption*

I test the validity of the Legislative Oversight index statistically. The index is an interaction term between the two factors that capture legislative oversight, so it should be associated with levels of corruption. It is reasonable to hypothesize that greater oversight will result in lower levels of corruption. However, as noted above, if the mechanisms of oversight are substitutable - that is direct electoral accountability - as in presidential systems - and

specialist legislative work – as in parliamentary systems - both may work to lower executive corruption, it may be that the interaction of the two is not positively associated with less corruption even though the independent effects of both sub-indices are. This may be the case if, given a relatively transparent context, introducing specialized tools for legislative oversight makes it more difficult for voters to determine whether high levels of corruption are the product of executive malfeasance or inadequate legislative oversight. In short, more complex legislative oversight (more oversight tools) may work against the simple transparent contextual factors (majoritarian and presidential systems) that voters use to hold the executive to account. This hypothesis will be tested empirically below.

As noted in Chapters 5 and 7, there are several global indices of corruption and there is considerable debate in the literature regarding appropriate measurement methodologies. Several scholars (e.g., Gerring and Thacker, 2005) have undertaken analyses which show that, regardless of methodology, the indices are strongly correlated.

I calculated ordinal (Spearman’s rank) correlations between a country’s score on the Transparency International CPI and its score for each of the (sub) indices and the combined Legislative Oversight index. The results are shown in Table 8.5. The fact that, individually, each measure of oversight is associated with less corruption (higher CPI score) is consistent with the argument that the index, and its sub-components, is a good predictor of corruption.

**Table 8.5: Correlations (%) between the CPI and the Legislative Oversight Index**

Variable	Corruption (Spearman Rank %)
Oversight Tools Sub-Index	0.48
Contextual Sub-Index	0.44
Legislative Oversight Index – Interaction	0.53

The association is positive: countries with higher Legislative Oversight index scores (more legislative oversight) generally have higher CPI scores (less corruption).

In summary, the evidence so far is mutually reinforcing and confirms that the Legislative Oversight index is a useful summary indicator of legislative oversight capacity. The ranking is consistent with the limited literature on oversight and the index is positively associated with a simple measure of a policy outcome of oversight, namely levels of corruption. Not too much should be read into small score differences between national legislatures, as the index makes no qualitative statements on the margin. Nonetheless, whether a legislature ranks towards the top, middle, or bottom of the index conveys an overall perspective on the state of legislative oversight in a particular country.

The empirical results of this analysis raise questions about accountability, legislative audit, and scrutiny. Virtually all legislatures are constitutionally assigned the power and responsibility for holding government to account; however, the analysis suggests substantial variation in the level of legislative oversight around the world and a potentially interesting relationship between oversight and form of government. Given the difficulty in changing electoral systems and or form of government, it may be beneficial for countries to adopt specific oversight tools that enhance legislative oversight of the executive. However, before proceeding, it is important to examine the robustness of these simple results using more rigorous tests of association.

Such a step is critical because, while the simple correlation analysis is an important first step in analyzing the relationship between legislative oversight and corruption, it is not sufficient to confidently infer how robust the relationship really is. This is because the simple correlations do not control for a number of other variables identified as having a significant effect on corruption. The variable may also be correlated with the oversight tools and supporting factors considered in the analyses. Thus, the results reported above may be affected by omitted variable bias. Also, it may be that the reported correlations are spurious and that the robustness of one or all of the sub-indexes' changes, once the effects of each component of accountability are controlled. To check this, I run a regression model to control for the possible effects of other variables. I use the following model:

$$CPI_i = \alpha_o + \beta_1 Tools_{i1} + \beta_2 Context_{i2} + \beta_3 (Tools * Context)_{i3} + \beta_4 Z_{i4} (Controls) + \varepsilon_i \quad (1.01)$$

where

$CPI_i$  is a country i's corruption perceptions score

$\beta_1 Tools_{it}$  is a country i's tools and mechanism's score

$\beta_2 Context_{it}$  is a country i's contextual score

$\beta_3 (Tools * Context)_{it}$  is a country i's index score (interaction term between the two)

and  $B_i Z_{it}(\text{Controls})$  is vector of control variables<sup>91</sup>.

The results of the regression analyses are shown in Table 8.6.

**Table 8.6: Regression Results**

Variable	Dependent Variable: Corruption (CPI)	
	OLS	Ordered Probit
Interaction Term	-0.22 (0.14)	-0.73** (0.34)
Oversight Tools Index	0.19 (0.16)	0.80* (0.42)
Contextual Index	3.68* (1.84)	11.1** (4.6)
(Pseudo)-R <sup>2</sup>	0.95	0.46
Obsr. (n)	42	42

*Robust standard errors in parentheses.*

*\*\*\*denotes significant at the 1% level;*

*\*\*denotes significant at the 5% level; \*denotes significant at the 10% level<sup>92</sup>.*

It is possible to make two inferences from Table 8.6. First, the independent effects of both the Contextual and the Oversight Tools indices are positive - a fact consistent with the hypothesis that higher scores on these indices should be associated with less corruption. However, while the Tools index is significant at the 10% level, when utilizing the ordered probit specification, it is not significant when utilizing the OLS specification. The Contextual index is more robust, being statically significant at the 10% (OLS) and the 5%

<sup>91</sup> See Chapter 3, page 21, footnote 15

<sup>92</sup> All regressions include the following controls: lnpercapita openness lnpop urban educ avelf under15 over65 catho80 muslim80 protmg80 otherrel (dropped) africa america europe(dropped) middle pacific.

(Ordered Probit) level. This suggests that higher scores on the Contextual index, which is associated with greater accountability of elected officials to voters, is strongly associated with less perceived corruption.

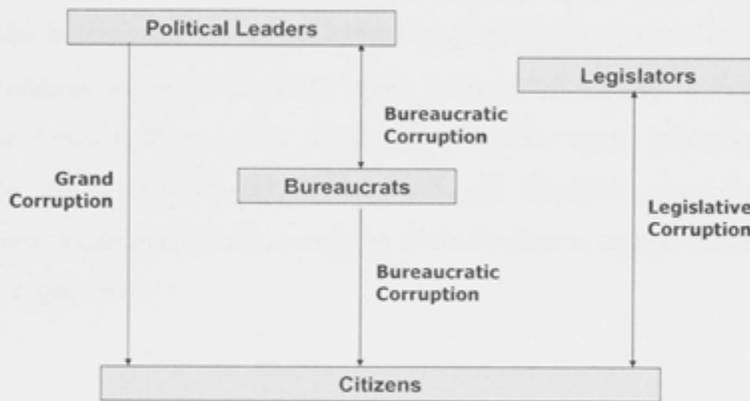
Secondly, the interaction term between the two indices is negative and, in the case of the Ordered Probit specification, significant at the 5% level. This suggests that simultaneous increments in both sub-indices have a negative interactive effect on levels of corruption. This result is paradoxical and can possibly be explained by 'clarity of responsibility' issues arising from positive increments in both indices. As Powell and Whitten (1993) have argued, increased complexity in policy-making/supervision (e.g., bureaucratic supervision by legislators, ombudsperson, auditors, etc.) can create (1) 'common pool problems' (individual actors shirk because they expect other actors to undertake supervision) and/or (2) make secondary monitoring by voters more costly because they need to understand/gather information from multiple sources. What this suggests is that, while the independent effect of the two indices is positive, there is a potential trade-off between improving scores on one or the other index. Countries which may find it easier to improve their ranking on the Tools/Contextual index should focus on this, rather than try and improve the other index score as the net effect of doing so may simply make supervision more complex rather than more effective.

The Contextual index may be a good measure of direct accountability of the executive (agents) to the electorate (principals). Voters can identify and reward legislators according to their performance when democratic freedoms are effective (voters can vote out bad/incompetent governments) and the electorate can easily identify the performance of individual legislators (majoritarian electoral systems make individual level responsibility to a specific group of voters more likely). This may reduce the likelihood that individual legislators will engage in activities (such as taking bribes) that their constituents will easily detect (via a free media) and be able to punish (via free elections). These factors may be particularly effective in reducing *legislative and grand (or executive)* corruption, but less so in reducing *bureaucratic* corruption. Jain (2001) differentiated between these three types of corruption (see Diagram 8.4). He argued that grand corruption refers to distortions in the *formulation* of laws, policies, and regulations while bureaucratic corruption to distortions in *implementation* of such laws, policies, and regulations. Legislative corruption refers to

“...the manner and the extent to which the voting behavior of legislators can be influenced. Legislators can be bribed by interest groups to enact legislation that [favors their clients/members]. This type of corruption ...include[s] vote-buying, whether by legislators in their attempts to get re-elected or by officials in the executive branch in their efforts to have some legislation enacted” (Jain, 2001, p. 75). I return to this issue in Chapter 9.

**Diagram 8.4: Types of Corruption**

### Types of Corruption



Source: Jain (2001)

By contrast, the Oversight Tools index captures the ability of legislators (principals) to hold bureaucracies/executive agencies (agents) to account. This is likely to reduce the incentives for bureaucrats to pursue their own private interests because powerful committees or auditors are more likely to detect this behavior. However, it may make it more difficult for citizens (as agents) to monitor the legislature and the executive (both as agents) because multiple actors are responsible for monitoring the bureaucracy.

The implications of these findings are that the impact of legislative oversight is directly related to the context in which the legislature operates; that is, supporting Olson and Mezey

(1991), Olson and Norton (1996), Wang (2005), and others. If a highly accountable, simple to monitor, contextual situation exists whereby citizens (as principals) can hold individual office holders to account for their actions, introducing tools of legislative control over the executive may have a limited or even detrimental effect. It may reduce bureaucratic corruption but at the cost of a more complex and less accountable relationship between citizens (principals) and their legislative agents. In this scenario, reduced bureaucratic/executive corruption may be replaced by increased legislative corruption. Of course, the data also suggest that if principal-agent (citizen-legislative) relations are weak (i.e., accountability mechanisms for removing incompetent legislators and/or multiple veto players due to proportional representation make individual legislator responsibility harder to evaluate), then introducing oversight of the bureaucracy/executive may reduce the propensity of the bureaucracy to accept bribes, even if it does not curtail the ability of legislators to continue to do so. In short, trying to improve legislative oversight largely depends on the context. If it makes direct accountability more effective through the electoral system, then corruption may well be reduced. However, where it is politically difficult to change contextual factors, it may be more feasible to pursue reduced corruption by adopting oversight tools.

## Summary

This chapter discusses how the results of my analysis make a contribution to our knowledge. I developed a comprehensive Legislative Oversight index, which facilitates cross-country comparisons and enables us to explain variations in corruption levels across countries. Interestingly, I find that the relative better oversight score for countries with parliamentary forms of government is somewhat offset by the slightly better contextual factors score for countries with presidential forms of government. Chapter 9 builds on these analytical results to present a synthesized conceptual framework to explain legislative oversight. The framework draws on principal-agent theory to explain the development and use of oversight tools by legislatures and on other neo-institutional concepts to explain contextual factors. These concepts include templates for organizing/archetypes, path dependency, critical junctures, and isomorphism. I also reconsider the accountability relationship between the executive and the legislature. I suggest that Bovens' (2005a,

2005b, 2006) notion of vertical accountability best explains the accountability relationship in parliamentary systems, while O'Donnell's (1999) notion of horizontal accountability better explains the accountability relationship in presidential countries.

## CHAPTER 9. CONCLUSIONS AND SUGGESTIONS FOR FURTHER RESEARCH

There is no consensus regarding the causes of corruption. One school, reflected in the work of Rose-Ackerman (1975), Kaufmann (2006), Yao (2002), Johnston (1997), and Knack (2000), emphasizes structural causes, such as a country's history, socio-political context, culture and norms, values, and loyalties. While this approach helps explain the drivers of corruption, as well as the extent and types of corruption, it is "...often difficult to translate into policy solutions for the reduction of corruption (Thomas and Meagher, 2004, p. 4). A second school, exemplified inter alia by Klitgaard (1998), Rose-Ackerman (1998), and Polinsky and Shavell (2001) focuses on *behavioral* causes and, while this approach "...lends itself to the generation of policy solutions, there remains the question of whether corruption problems can be treated without regard to the broader context in which they are situated" (Thomas and Meagher, 2004, p. 4).

Moreover, both schools generally only make passing reference to the role of legislatures as a factor influencing corruption. Recent scholarly research suggests that one of the principal factors determining a country's level of corruption is its form of government; that is, whether a country has a presidential or a parliamentary system. Yet there is no consensus on what exactly these factors are, nor on how they work. One group of authors (notably, Gerring and Thacker, 2004; Gerring, Thacker, and Moreno, 2005; Lederman et al., 2005) argues that countries with presidential forms of government have higher levels of corruption than those with parliamentary forms. Another group (Doig and Theobald, 2000; Hope, 2000; Persson et al. 1997; Treisman, 2000) asserts that the legislature is better able to hold the executive to account in presidential systems, in which the two branches of government are independent, than in parliamentary systems, in which the two branches are fused. These authors argue that corruption is lower in presidential systems, as a result.

Legislative scholars offer a rich descriptive literature on legislative oversight, but have generally overlooked the role of the legislature in reducing corruption.

I addressed these issues in this thesis. My overall objective was specified in the following research question:

*Does legislative oversight reduce corruption and, if so, how and why? In particular, what are the differences regarding oversight in countries with parliamentary and presidential forms of government—and do these explain the lower levels of corruption in countries with parliamentary systems?*

In answering this question, I analyzed the following issues: (i) whether countries with parliamentary forms of government (Gerring and Thacker, 2004; Lederman et al., 2005) are less corrupt than countries with presidential forms of government, or whether countries with presidential forms of government are less corrupt (Doig and Theobald, 2000; Hope, 2000; Persson et al., 1997; Trieisman, 2000); (ii) whether the availability of legislative oversight tools is a determining factor (Pelizzo and Stapenhurst, 2004) for legislative oversight itself, and lower corruption; and (iii) what other factors may explain differences in the degree of oversight and corruption. I considered the following specific research questions:

*Legislative Oversight Tools (Chapter 5)*

**1: Does the adoption by the legislature of a particular oversight tool, such as an audit or Public Accounts committee, or Question Period, result in lower corruption?**

**2: Is the number of oversight tools significant; that is, do countries where legislatures have more oversight tools at their disposal have lower levels of corruption?**

**3: Is the difference in the number of oversight tools adopted by a legislature an explanatory factor in determining why one form of government is less corrupt than another?**

*Comparative Case Study: Legislative Oversight Tools and Contextual Factors (Chapter 6)*

**4: Does Ghana have more effective internal oversight tools than Nigeria?**

**5: Does Ghana have more effective external oversight tools than Nigeria?**

**6: Is the Ghanaian Parliament better equipped in terms of resources (supporting factors) than the National Assembly of Nigeria?**

**7: Do Ghanaian MPs make more use of available resources than Nigerian legislators?**

**8: Does Ghana have a more institutionalized political party system than Nigeria?**

**9: Does the Ghanaian Parliament and its Members enjoy a greater degree of social trust than does the Nigerian National Assembly and its Members?**

*Contextual Factors (Chapter 7)*

**10: Are contextual factors a significant determinant of legislative oversight; in other words, do these factors determine levels of corruption?**

Having considered these questions, I build on the results of empirical analysis to develop a synthesized conceptual framework that explains legislative oversight. The framework draws on principal-agent theory to explain the development and use of oversight tools by legislatures, and on other neo-institutional concepts to explain contextual factors. These neo-institutional concepts include templates for organizing/archetypes, path dependency, critical junctures, isomorphism, and social capital. This synthesis provides a base on which I re-conceptualize the accountability relationship between the executive and the legislature. The literature diverges as to the definitions of horizontal and vertical accountability, as they relate to executive-legislative relations. I suggest that Bovens' (2005a, 2005b, 2006) notion of vertical accountability best explains the accountability relationship in parliamentary systems, while O'Donnell's (2009) notion of horizontal accountability better explains the accountability relationship in presidential countries.

### **Research Questions Considered**

I group the ten research questions noted above into three groups: those relating to legislative oversight tools (questions 1-3), those relating to the comparative case study of Ghana and Nigeria (questions 4-9), and one relating to contextual factors (question 10). I discuss the results for each group in turn.

*Legislative Oversight Tools (Questions 1-3)*

Initial correlations indicated that all legislative oversight tools and both supporting factors are positively related to lower levels of corruption. However, regression analysis indicated that only two oversight tools (the audit committee or PAC, and questions in plenary) and one supporting factor (access to information) were statistically significant.

I developed a Legislative Oversight Tools index to facilitate cross-country comparisons. Large-scale statistical analysis using this index confirms the findings of Pelizzo and Stapenhurst (2004) and Stapenhurst and Pelizzo (2008), that countries with parliamentary forms of government have more oversight potential (oversight tools at their disposal) than semi-presidential or presidential countries. However, the analysis did not support the findings of Pelizzo and Stapenhurst (2004) and Stapenhurst and Pelizzo (2008) that countries with semi-presidential forms of government have more oversight potential (oversight tools at their disposal) than presidential countries. While the index explains some of the variation in corruption across countries, a substantial residual remains—clearly other factors besides oversight tools are important. To explore what these other factors might be, I undertook a comparative case study of two different systems: semi-presidential, but embedded within the Westminster parliamentary tradition (Ghana), and presidential (Nigeria).

#### *Comparative Case Study (Questions 4-9)*

Ghana and Nigeria are both former British colonies in West Africa. One striking difference is the level of corruption. Ghana ranks 69<sup>th</sup> in Transparency International's corruption perceptions index while Nigeria ranks 130<sup>th</sup>. The case study in Chapter 6 considers whether this difference can be attributed to legislative oversight.

The legislatures in Ghana and Nigeria have similar oversight tools. Both have a Westminster-type PAC (Nigeria has two, one in the House of Representatives and one in the Senate); both have established special committees/commissions of inquiry to investigate alleged corruption; both have established ombuds offices and anti-corruption agencies (again, Nigeria has established two); both have relatively small library and research support; and, in the case of Ghana, the library is miniscule and the research support all but non-existent. Only Ghana has initiated a Question Period. Most of these oversight tools were judged to be “neither ineffective nor effective”, by respondents to a

field questionnaire administered in both countries. The exceptions are the Auditor General and special parliamentary commissions in Ghana, and the anti-corruption agency<sup>93</sup> and special commissions in Nigeria, which respondents judged to be “somewhat effective.” In other words, Ghana does not appear have more effective oversight tools, internal or external, than Nigeria, nor does it have more effective supporting factors, although Ghanaian MPs seem to make more use of the scarce resources available and have been creative in developing alternative resources.

Turning to contextual factors, there is a marked difference between the two countries in terms of political party cohesion and social legitimacy of the legislature. In Ghana, in line with the Westminster parliamentary tradition, there is a majoritarian electoral system that has given rise to two principal parties and strong party discipline. Nigeria’s experience is more akin to that of the U.S. There, a majoritarian electoral system has also given rise to two principal parties in the National Assembly, but with considerably less party cohesion. In both countries, respondents report that partisanship does not have a major adverse influence on oversight committee work. There are also significant differences in social legitimacy of the legislature. Ghana has consolidated its democracy over the past 18 years, and public trust in state institutions generally, including Parliament, is relatively high. By contrast, Nigeria has had only 10 years of democratic governance since the last military regime, and public trust in state institutions, including the National Assembly, is much lower. However, in both countries, citizens much prefer democracy to autocratic or military rule; indeed, they suggested that level of democracy was an important contextual variable.

In sum, I conclude that at least some legislative oversight tools are important instruments for holding governments to account, but that their mere existence does not guarantee their effectiveness. Examining other (contextual) factors, there is the obvious difference that Ghana has a semi-presidential form of government and Nigeria has a presidential form. In addition, I find that political party cohesion and social legitimacy of the legislature are sharply different in Ghana (both higher) and Nigeria (both lower). But are these factors applicable in other countries, or are they unique to Ghana and Nigeria?

#### *Contextual Factors (Question 10)*

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<sup>93</sup> The Economic and Financial Crimes Commission.

To examine the influence of contextual factors on corruption, I developed an index of Contextual Variables, comprising form of government, electoral system, social legitimacy, and level of democracy. I found that the index has a higher explanatory factor regarding the level of corruption than does the index for oversight tools (see above). This supports the claims of Olson and Norton (1996), Norton and Ahmed (1999), and Wang (2005) that "...the external environment determines the capacity of the legislature to hold the executive accountable" (Wang, 2005, p. 15). This analysis makes an important contribution to the literature as it is based on large-scale, cross-country statistical analysis. Earlier analyses have been based on country and/or regional case studies and established through loose conceptual frameworks.

I find that system of government, on its own, is not a significant factor in determining corruption, and that when I construct an index of contextual variables (excluding form of government), scores for countries with parliamentary forms of government and countries with presidential forms of government are virtually identical. Again, these findings are only partial. They need to be combined with the findings regarding legislative oversight tools to develop a comprehensive understanding of the role of legislative oversight in reducing corruption.

### *The Principal Research Question Answered*

The 10 research questions listed above lead into to the overall research question, namely:

*Does legislative oversight reduce corruption and, if so, how and why? In particular, what are the differences regarding oversight in countries with parliamentary and presidential forms of government—and do these explain the lower levels of corruption in countries with parliamentary systems?*

To facilitate cross-country comparisons of legislative oversight, and to enable me to answer this overall research objective, I combined the Oversight Tools and the Contextual Factors sub-indices into a comprehensive Legislative Oversight index. I then conducted additional statistical analyses to see to what extent this comprehensive Legislative Oversight index could explain variations in corruption levels across countries. I found that the index is positively associated with lower corruption and that the relatively better score on oversight

tools for countries with parliamentary forms of government is somewhat offset by the slightly better score on contextual factors for countries with presidential forms of government. However, even allowing for this, I found that countries with parliamentary forms of government have greater oversight, and lower corruption, than those with presidential forms of government.

Noting that the field of legislative oversight is under-theorized, and building on these analytical results, I developed a synthesized conceptual framework to explain how legislative oversight reduces corruption. I draw on principal-agent theory to explain the development and use of oversight tools by legislatures and on other neo-institutional concepts to explain contextual factors. These neo-institutional concepts include templates for organizing/archetypes, path dependency, critical junctures, isomorphism, and social capital. This synthesis provides a base on which I re-conceptualize the accountability relationship between the executive and the legislature.

### **A Theoretical Synthesis**

The empirical analysis described in Chapters 5 and 6 indicates that oversight tools alone (supported by agency theory) do not explain levels of corruption. Similarly, Chapter 7 highlights that contextual factors alone (explained by templates for organizing, path dependency, convergence, isomorphism, and social capital) do not explain levels of corruption. The synthesized framework presented below explains why the combination of oversight tools and contextual factors is most effective in explaining corruption. This framework views the nexus between corruption and legislative oversight as a process, whereby legislative oversight (combining oversight tools and contextual factors) is a policy instrument which aims to reduce corruption, *inter alia*. The framework combines both rational choice theories to explain the use of oversight tools, and historical/sociological theories to explain the importance of contextual factors. Process is the glue which holds these two approaches together. This synthesis is corroborated by the empirical analysis described in Chapters 5, 6, and 7.

At the core is the accountability of the executive to the legislature. The legislature (as principal) has developed oversight tools to help it hold the executive (as agent) to account.

The adoption of these tools by legislatures is influenced by path-dependent pressures (e.g., PACs in Commonwealth countries) and by mimetic isomorphism (e.g., PACs in non-Commonwealth countries). There is evidence to suggest that institutional isomorphism encourages legislatures operating in countries with different forms of government to converge, as they learn about each other's procedures and practices through bodies such as the Inter-Parliamentary Union and the Commonwealth Parliamentary Association.

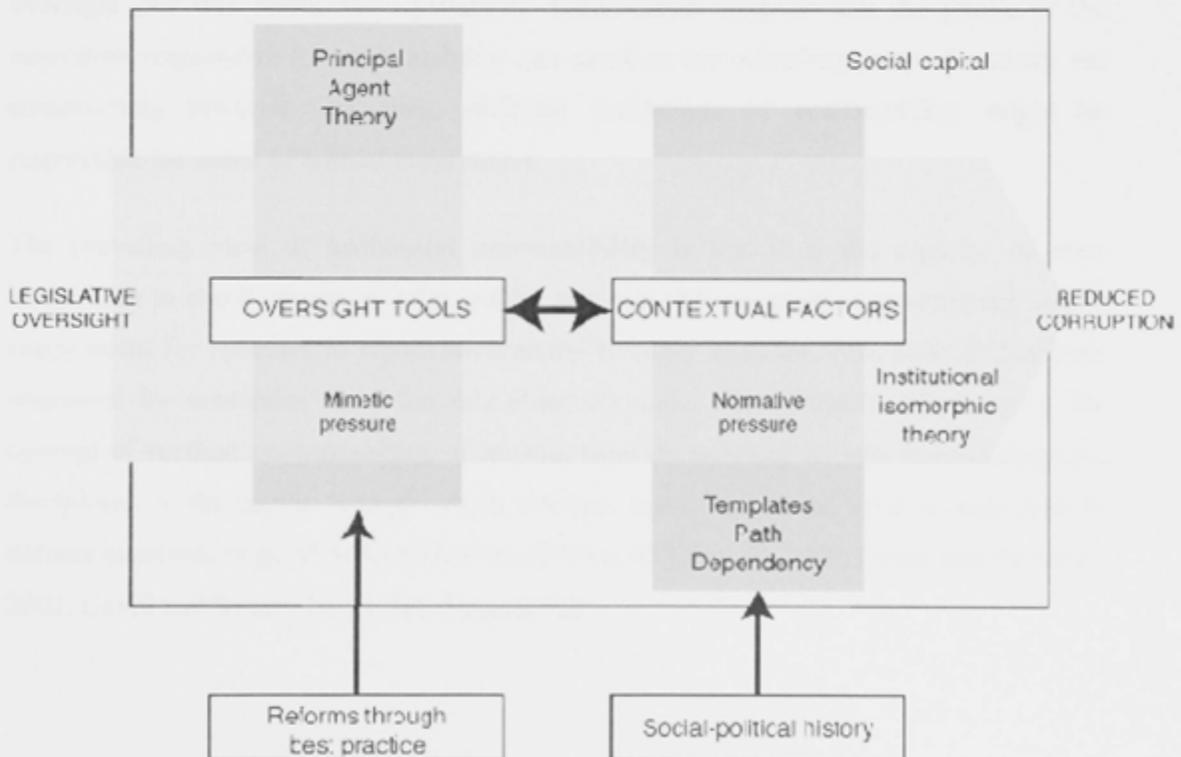
However, in Chapter 5 I find that legislative oversight tools only partially explain legislative oversight and lower corruption. In Chapters 6 and 7, I find that contextual factors matter. Four contextual factors are found to be relevant in shaping this context: the electoral system, public trust, political parties, and type of government. A country's electoral system and form of government are often path-dependent. In developed countries they tend to be relatively fixed, having evolved over time (e.g., the United Kingdom) or have changed at a critical juncture, such as a change of constitution (e.g., France). In developing countries, electoral system and form of government are often adopted from the former colonial country (e.g., Ghana) or, again, have changed at a critical juncture (e.g., Nigeria). The evolution of political parties tends to be specific to a country's socio-political history. Public trust is also specific to a country's socio-political history and can perhaps best be explained by the concept of *social capital* (Madison, 1788; de Tocqueville, 1848; Bourdieu, 1972; Coleman, 1986, 1988). Fukuyama (2002, p. 27) defines social capital as "...shared norms or values that promote social co-operation". Putnam (2000) argues that social capital is a key to building and maintaining democracy. From this perspective, one example of social capital is trust in the legislature, which, when sustained, installs and reflects 'social values' and enhances accountability. Institutional isomorphism also influences context, as institutions – such as Nigeria's National Assembly – copy the institutional structures and processes of other countries (in this instance, from the U.S. Congress).

It is the *combination* of these theories, and not any one or two, that explains legislative oversight, just as the empirical analysis of Chapters 5, 6, and 7 indicates that it is the *combination* of oversight tools and contextual factors that explains legislative oversight (see Diagram 9.1). At the heart of the diagram are the oversight tools and contextual factors. There is a two-way relationship between these variables. Contextual factors – such

as form of government and level of democracy – influence the number of oversight tools available to a legislature (Pelizzo and Stapenhurst (2002). At the same time, I show in this thesis that the greater number of oversight tools in parliamentary systems reflect may reflect the relative weakness of contextual factors in such systems, relative to residential systems (Chapter 7). The conceptual underpinnings regarding oversight tools is principal-agent theory (Chapters 3 and 5) but mimetic isomorphism also influences the adoption of such tools (Stapenhurst and Alexander, forthcoming). The principal theories impacting contextual factors are templates for organizing and path dependency (Chapters 3, 6 and 8) with normative isomorphic theory also influencing context. Legislative oversight comprises both oversight tools and contextual factors and together these influence the level of corruption.

**Diagram 9.1: Conceptual Synthesis of Legislative Oversight**

**Diagram 9.1: Synthesized Conceptual Framework**



This conceptual synthesis also lends theoretical support to Olson and Norton (1996, p. 6) who argue that external factors "...will largely determine [the capacity of the legislature] to

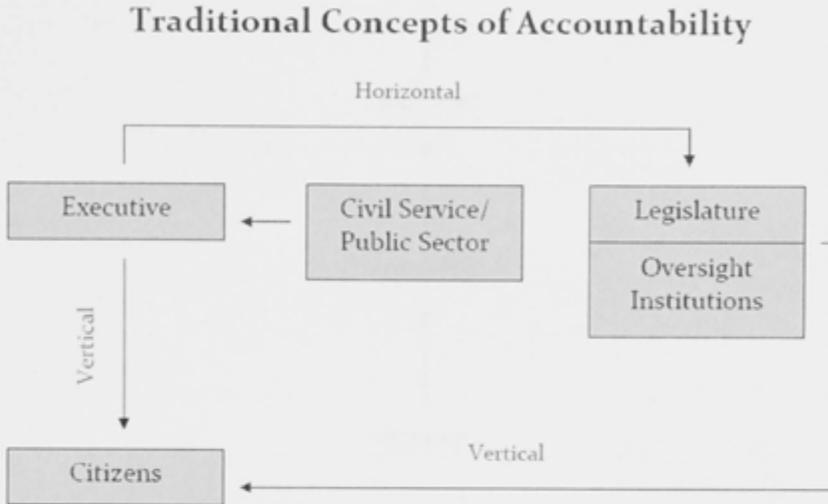
exercise an independent influence in... policy making and that variables internal to it – along with the nature of the policy brought before it – will, at most, reinforce, but not determine that capacity.”

### **Re-consideration of Executive-Legislative Accountability**

The notion of accountability is an amorphous concept that is difficult to define in precise terms. However, broadly speaking, *accountability* exists in relationships where an individual or institution, and the tasks they perform, is subject to another’s oversight, direction, or request that they explain or justify their actions. Thus, the concept of accountability involves two distinct stages: *answerability* and *enforcement*. Answerability refers to the obligation of the accountee (for the purpose of this thesis, the government, its agencies, and public officials) to provide information about its decisions and actions and to justify them to the public and those institutions of accountability tasked with providing oversight (for this thesis, the legislature). Enforcement suggests that the public or the institution responsible for accountability can sanction the offending party or remedy the contravening behavior. As such, different institutions of accountability might be responsible for either or both of these stages.

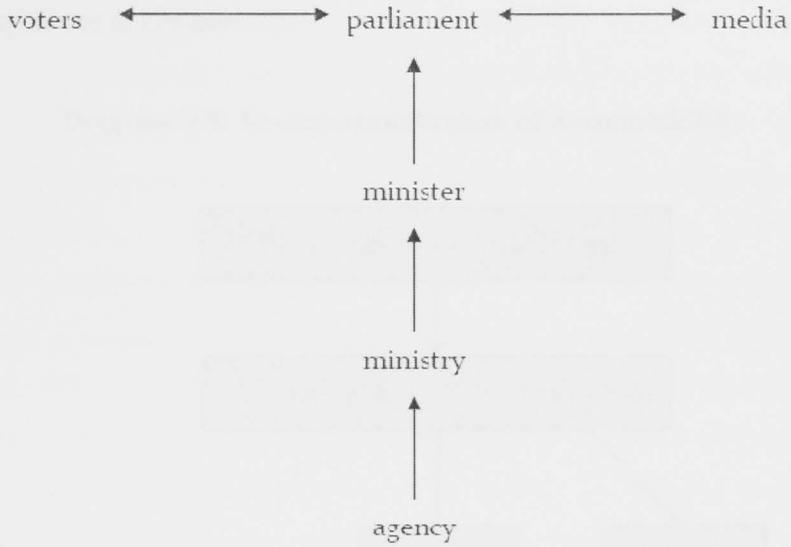
The prevailing view of **horizontal accountability** is that it is the capacity of state institutions to check abuses by other public agencies and branches of government, or the requirement for agencies to report horizontally to other agencies. This concept has been examined by academics from the discipline of public administration. Conversely, the concept of **vertical accountability**, emanating from the political science and development disciplines, is the means through which citizens, mass media, and civil society seek to enforce standards of good performance on officials (O’Donnell, 1999; Goetz and Gaventa, 2001; Cavill and Sohail, 2004). See diagram 9.2.

Diagram 9.2: Traditional Concepts of Accountability



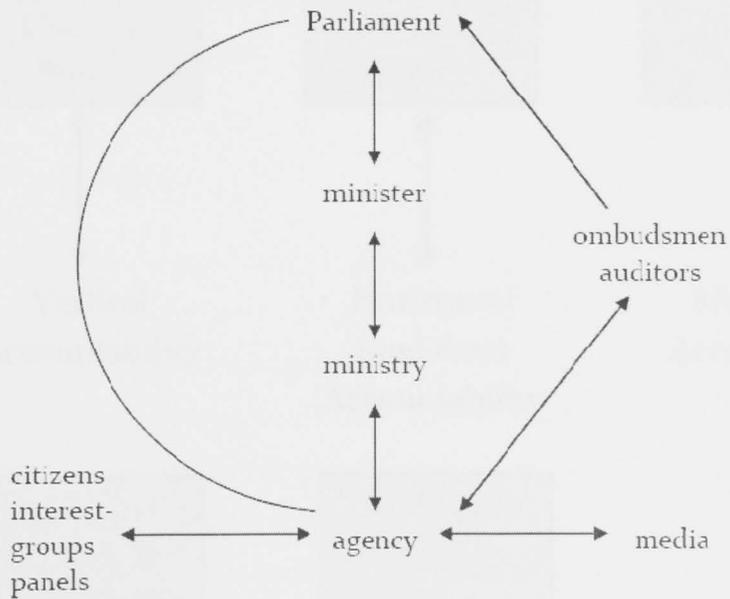
By contrast, Bovens (2005a, 2005b, 2006) presents a differing conception of what constitutes vertical and horizontal accountability. He delineates between *horizontal* and *vertical accountability* based on the relationship between the agent and the entity demanding the accountability. If it is a principal-agent relationship (as in the legislature and the executive), it is a form of vertical accountability (see Diagram 9.3). If there is no hierarchal relationship, Bovens (2005a, 2005b, 2006) argues that it must be a form of horizontal accountability. Therefore, the lack of hierarchal relationship between civil society and public officials—that is, civil society cannot make enforceable demands on public officials—implies a *horizontal accountability* relationship (see Diagram 9.4).

**Diagram 9.3: Boven's Version of Vertical Accountability**



**Source:** Bovens (2005a, 2005b, 2006)

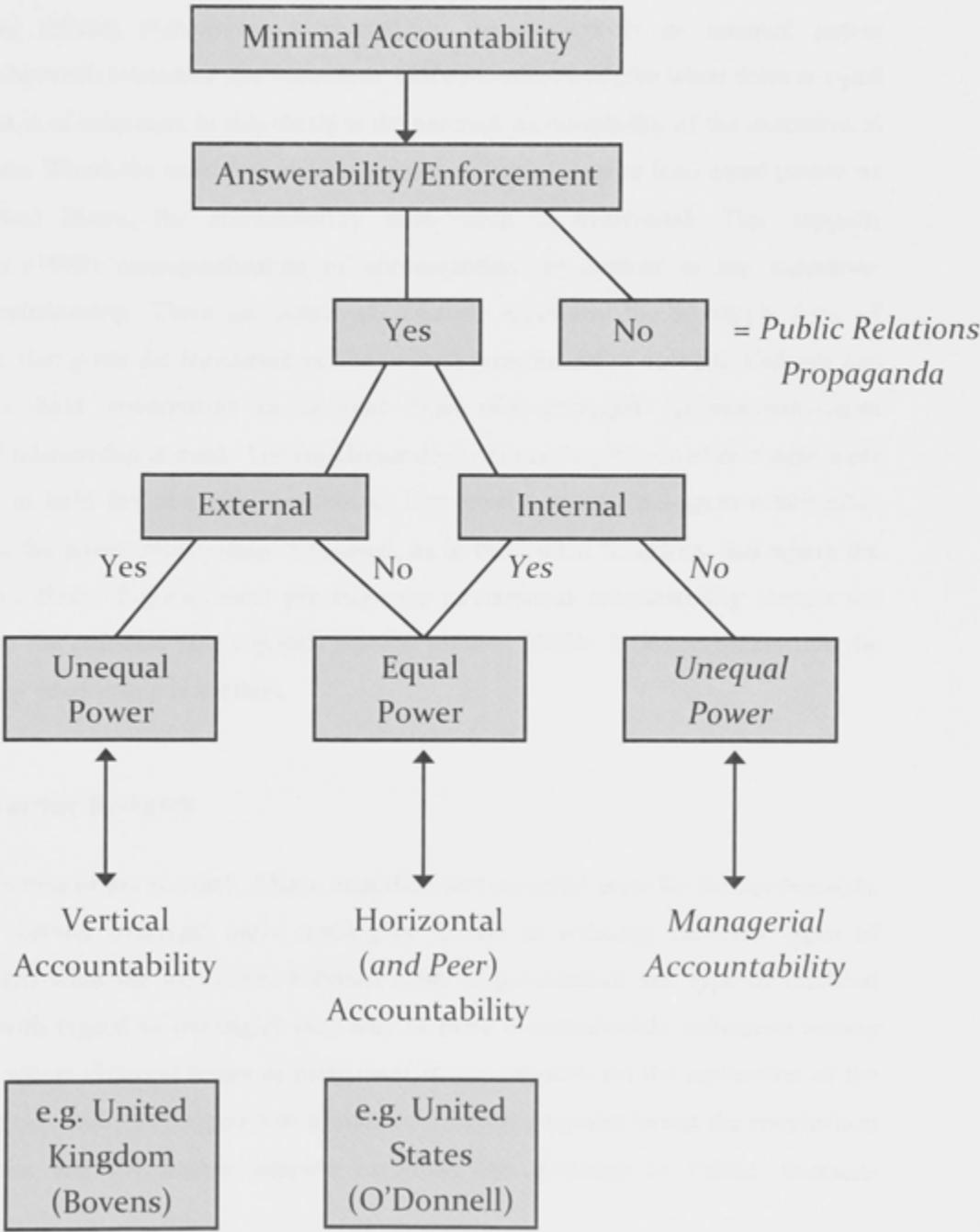
**Diagram 9.4: Boven's Version of Horizontal accountability**



**Source:** Bovens 2005a, 2005b, 2006

The synthesized framework conceptual framework presented above suggests a possible synthesis between these two contradictory and conflicting notions of accountability. I present this synthesis in Diagram 9.5.

**Diagram 9.5: Re-conceptualization of Accountability**



I recognize that for minimal accountability, there needs to be an element of answerability and enforcement; where this is lacking, there is not an accountability relationship, but rather public relations and propaganda. Where answerability and enforcement are present, the accountability relationship can either be external or internal. Mulgan (2000) is critical of the fact that accountability has been applied to internal aspects of official behavior and to controls other than formally calling for an official account by demanding answers. Internal answerability reflects *managerial accountability*, when there is an unequal power relationship between accountor and accountee, and *peer accountability* when there is equal power. What is of relevance to this thesis is the external accountability of the executive to the legislature. Where the executive and the legislature have (more or less) equal power, as in the United States, the accountability relationship is **horizontal**. This supports O'Donnell's (1999) conceptualization of accountability, as applied to the executive-legislative relationship. There are contextual factors, especially the country's form of government, that gives the legislature power to hold government to account. Citizens can more easily hold government to account when the principal (government)-agent (legislature) relationship is weak. The legislature does not need a plethora of oversight tools with which to hold the executive to account. Conversely, a principal-agent relationship exists where the power relationship is unequal, as in the United Kingdom, and where the parliamentary form of government pre-supposes government accountability though the legislature to the citizens. This supports Bovens (2005a, 2005b, 2006) argument that the accountability relationship is **vertical**.

### **Areas for Further Research**

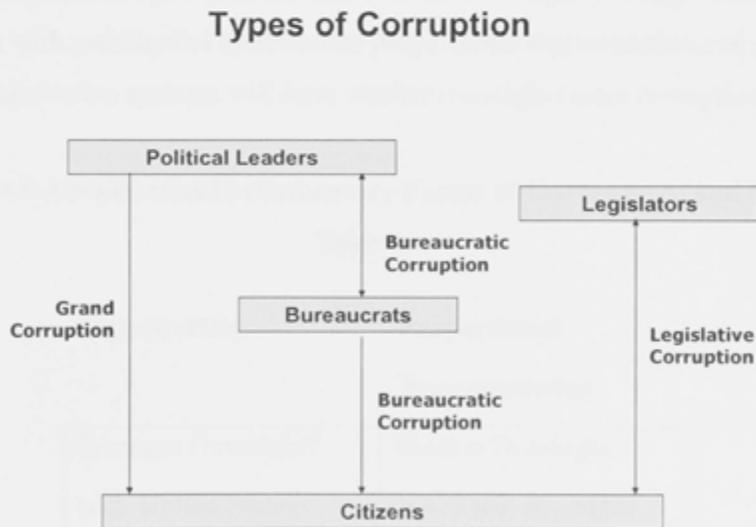
During the course of my research, I have identified five potential areas for further research: (i) whether certain oversight tools could play a role in reducing different types of corruption, (ii) what the interaction between form of government and type of electoral system is, with regard to oversight; (iii) why is there a considerable difference among legislatures within different forms of parliamentary government; iv) the replication of the comparative case study in Chapter 6 to similar, or different countries to test the conclusions found therein; and (v) further analysis regarding the diffusion of Public Accounts

Committees, beyond those countries with a Westminster tradition. I present these areas, in turn.

*Particular Oversight Tools for Different Types of Corruption?*

Jain (2001) usefully differentiated between the three types of corruption presented in Diagram 9.6. He argued that grand corruption refers to distortions in the *formulation* of laws, policies, and regulations, while bureaucratic corruption refers to distortions in the *implementation* of such laws, policies, and regulations. Legislative corruption refers to "...the manner and the extent to which the voting behavior of legislators can be influenced. Legislators can be bribed by interest groups to enact legislation that [favors their clients/members]. This type of corruption ...include[s] vote-buying, whether by legislators in their attempts to get re-elected or by officials in the executive branch in their efforts to have some legislation enacted." (Jain, 2001, p. 75)

**Diagram 9.6: Types of Corruption**



Source: Jain (2001)

It would be interesting to unpack corruption, as I did legislative oversight, and to examine if particular legislative oversight tools, or contextual factors, have greater significance than others in explaining a particular type of corruption. For example, it might be hypothesized that the existence an audit committee (PAC) is particularly useful in reducing bureaucratic corruption, while type of electoral system might better explain grand corruption.

*Interaction Between Form of Government and Electoral System*

Fukuyama (2006) proposed a simple framework pairing four combinations of type of government (parliamentary and presidential) and electoral system (majoritarian and proportional representation). He suggested that legislatures were strongest when operating in presidential and majoritarian systems and in parliamentary and proportional representation systems.

By extension, it would be interesting to test if a similar pairing holds true for legislative oversight (see Diagram 9.7). It could be posited that countries with presidential forms of government and majoritarian electoral systems, and countries with parliamentary forms of government and proportional representation will have stronger oversight (less corruption), while countries with presidential systems and proportional representation, and parliamentary systems and majoritarian systems will have weaker oversight (more corruption).

**Diagram 9.7: Presidential/Parliamentary Forms of Government and Electoral Systems**

<b>Majoritarian</b>	<b>Proportional Representation</b>
Stronger Oversight? (e.g. United States)	Weaker Oversight? (e.g. Latin America)
Weaker Oversight? (e.g. United Kingdom/ Westminster)	Stronger Oversight? (e.g. Continental Europe)

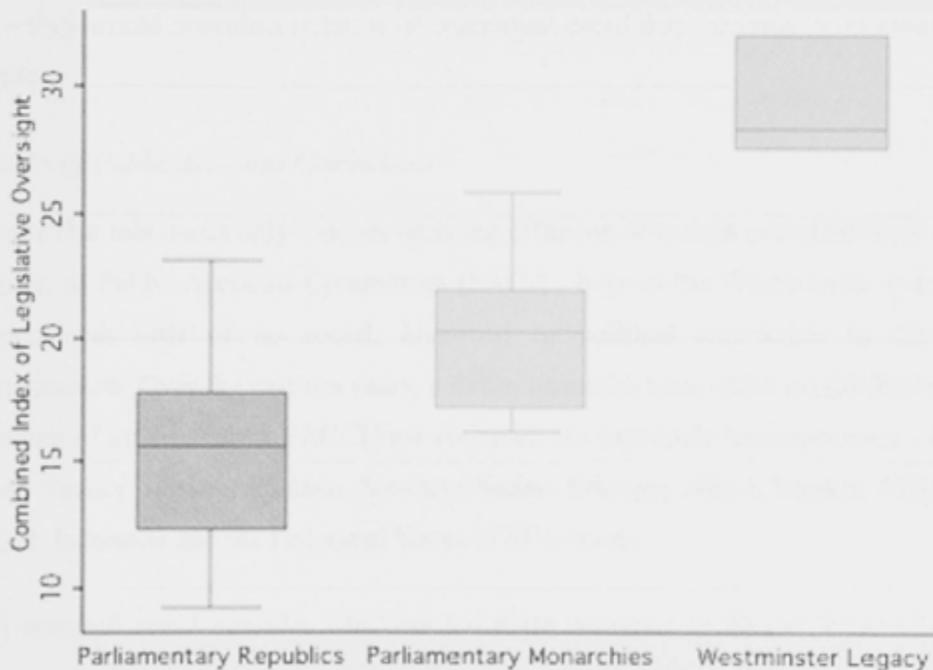
Source: Author, adapted from Fukuyama (2006)

### *Oversight in Different Parliamentary Systems*

Leinert (2003) differentiated between Westminster parliamentary systems, other parliamentary-monarchies, and parliamentary-republics and found that Westminster parliaments are the weakest in terms of input to budget formulation. This finding was corroborated by Wehner (2010). Clearly, this conclusion does not hold for oversight. But what is driving these differences?

The indexes of oversight tools (Chapter 5), contextual factors (Chapter 7) and legislative oversight (Chapter 8) indicate a considerable variation in oversight *among* the parliamentary countries; that is those with a U.K. or Westminster-type parliament, parliamentary republics, and non-Westminster parliamentary monarchies. This variation, for the combined oversight index, is presented in Diagram 9.8.

**Diagram 9.8: Legislative Oversight Index – Parliamentary Systems**



This variation is substantial and overshadows the differences between parliamentary, semi-presidential and presidential systems. Further analysis on what causes these differences, will provide greater understanding regarding legislative oversight and corruption.

### *Replication of Comparative Case Studies*

The case study in Chapter 6, comparing Nigeria (a legislature within presidential system of government) and Ghana (a legislature within a semi-presidential form of government) yielded useful information regarding how oversight actually tools work and what contextual factors are important influences on legislative oversight. I found, *inter alia*, that while at least some oversight tools are important, their mere existence does not guarantee effectiveness. I also found that social trust in the legislature is an important contextual variable and, as a manifestation of social capital, may be the ‘grease’ that links agents to principals and that higher social trust can reduce agency costs. Are these findings peculiar to Ghana and Nigeria?

Useful future research could explore this question. Further comparative case studies of either similar or different types of legislatures (e.g. legislatures in countries with a francophone or latino heritage) would greatly add to our knowledge of oversight, hopefully by corroborating the findings included in this thesis, but even if not – or perhaps especially if not – they would provide a richness of contextual detail that currently is missing in the literature.

### *Diffusion of Public Accounts Committees*

One issue that this thesis only touches on is the diffusion of certain oversight tools – and in particular, of Public Accounts Committees (PACs) - beyond the Westminster archetype to countries with little or no social, historical or political connection to the British Commonwealth. Over the past ten years, a dozen countries have either established or are in the process of establishing a PAC. These countries are extremely heterogeneous – Finland, Kosovo, Turkey, Liberia, Rwanda, Southern Sudan, Ethiopia, Nepal, Bhutan, Afghanistan, Thailand, Indonesia and the Federated States of Micronesia.

Useful research could consider what has led these countries to do so? What mimetic or other isomorphic pressures have led them to adopt such a quintessentially British institution<sup>94</sup> Do these new, ‘non-Westminster’ have similar structure and working processes

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<sup>94</sup> I recognize that the first national PAC was not, as is commonly believed, established in 1861 by the United Kingdom House of Commons, but some five years earlier by the Parliament of Denmark. Nevertheless, from

as their Westminster counterparts, or are they different? Have these countries experienced a drop in corruption, since their PACs were established?

**Conclusions**

This thesis has added to our knowledge in three ways. First, I have developed a set of useful methodological tools which enables more rigorous cross-country comparisons of legislative oversight and its components than was previously possible. The tools comprise an index of Oversight Tools, an index of Contextual Factors, and a combined index of Legislative Oversight.

Second, using these tools, I have demonstrated that legislative oversight is an important determinant of corruption. I have shown that contextual factors are relatively more important, although oversight tools are relevant as well. I demonstrated this by developing an index of Legislative Oversight which will assist future research in this area.

Finally, I have developed a comprehensive conceptual framework which synthesizes different neo-classicist theories and explains the policy process between legislative oversight and corruption. Previously, the field of legislative oversight, like that of legislative studies generally, has been under-theorized.

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8861 through to the late 19th century, all PACs – with the exception of Denmark’s – were in Commonwealth countries.

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## APPENDICES

### APPENDIX 1: OPERATIONALIZATION AND CODING OF INDEPENDENT VARIABLES

When running the regression analyses all variables were normalized in order to avoid privileging one sub-component of the indicator over another.

#### Oversight Tools

*i) Committees/Commissions of inquiry*, where the score is an aggregate of three tools (sub-variables):

- (a) are there specialized oversight committee (such as a PAC)?
- (b) are (other) committees with oversight functions?
- (c) are there, or have there been special commissions of inquiry?

Score for each sub variable is zero or one (yes = 1, no = 0); the potential score ranges from 0 to 3

*ii) Questions* where the score is an aggregate of the answers to three questions:

comprises three questions:

- (a) can legislators submit questions to government?
- (b) is time set aside for questions?
- (c) are *interpellations* used?

The score for each is zero or one (yes = 1, no = 0); the potential score ranges from 0 to 3

*iii) Debate* where the score is an aggregate of the answers to two questions

- (a) are debates held plenary?
- (b) are there motions for debates?

The score for each is zero or one (yes = 1, no = 0); the potential score ranges from 0 to 2.

**iv) Confidence/censure/impeachment**

(a) Is there provision for motions of no confidence/censure/impeachment (Yes=1; no=0)

(b) Consequences: (i) Head of Government or individual ministers resign (0.5)

(ii) Head of government + whole cabinet resigns (1)

Potential score varies between 0 and 2.

**v) Ombudsperson** the score is an aggregate of the answers to three questions

(a) is there an Ombudsman? (Yes = 1 , no = 0);

(b) who appoints Ombudsman?

President/Head of State= 0

President/Head of State w/ consultation of Judiciary = 0

Judiciary=0.5

President /Head of State w/consultation of legislature = 0.5

Legislature only = 1

Legislature on Executive proposal = 0.5

(c) Relationship Between Ombudsman & Legislature

Independent = 0

Dependent = 1

Submit reports to Legislature = 1

Question (a) determines whether there is an Ombuds; (b) the independence of the Ombuds from the Executive and (c) the relationship between the Ombudsman and the Legislature

The potential score varies between 0 and 3.

vi) Supreme Audit the score is an aggregate of the answers to three questions

(Every country has an SAI, so existence is not scored)

(a) SAI Head appointed by:

President/Head of State = 0

President/ Head of State w/ legislature approval = 0.5

Legislature = 1

President w/ Prime Minister's advice = 0

Audit Office = 0.5

Government = 0

(b) Does the SAI Report to Legislature? (Yes = 1, no = 0)

(c) Is here follow up by the legislature to SAI report (Yes, through Committee = 1; no = 0)

The potential score varies between 0 and 3.

vii) Staff and research capacity, where the size of the library collection (both books and periodicals) and the number of professional librarians was combined into an index. Sub-indices for each variable were created, with a score of 0.0-1.0<sup>95</sup>; the overall index was the total of the three indices, divided by three.

viii) Freedom of information Law, (Yes=1; no = 0)

### Contextual Factors

- i) **Electoral System:** (majoritarian/first past the post=1; other = 0)
- ii) **Democratization:** Gastil Index normalized from 0-10 and divided by 10 so that the range is (0-1); (0= non-democracy and 1= fully functional democracy).

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<sup>95</sup> The initial index was developed using a score ranging from 0-10. The current score is divided by 10 so that this factor does not 'overwhelm' the contribution of other variables. Book collections were scored 1 if the collection was less than 999 volumes, 2 if the collection comprised 1,000 – 1,999 volumes and so on up to 10 if the collection exceeded 90,000 volumes; periodical collections were similarly scored (less than 9 subscribed to scored 1, 10-19 scored 2...and more than 90 scored 10; the number of professional librarians were also similarly scored (1 if there were less than 10; 2 if there were 10-19 ...and 10 if there were more than 90. Data for research staff was incomplete and therefore this variable was not included; Miller, Pelizzo and Staphenurst (2004) found that there was a strong correlation between number of librarians and number of research staff, so it is not thought that the final index suffers as a result of their exclusion

- iii) **Trust:** percentage of the population who trust parliament ‘a little’ or ‘a lot’ divided by 10. (0=no respondent trusts parliament; 1=100% of respondents trust parliament)

**COMBINED: THE INTERACTION TERM**

In order to determine the joint effect of the tools and contextual factors the two terms were multiplied. Thus, generating an ‘interaction term’ score for all countries.

## APPENDIX 2: FIELD QUESTIONNAIRE

**1. Does the legislature review appointments?**

YES    NO  
(1)    (2)

*IF NO, PROCEED TO QUESTION iii)*

i. *IF YES, how frequently?*

NEVER	RARELY (1-2 times)	SOMETIMES (3-4 times)	OFTEN (5-8 times)	ALWAYS	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

ii. Are there other mechanisms that the legislature uses to review/approve appointments? If so, please describe them.

**2. Does the legislature have the power to censure Ministers and/or the President?**

YES    NO  
(1)    (2)  
(2)

i) *IF YES, how frequently - Ministers?*

NEVER	RARELY (1-2 times)	SOMETIMES (3-4 times)	OFTEN (5-8 times)	ALWAYS	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

ii) On what grounds?

iii) *IF YES, how frequently - President?*

NEVER	RARELY (1-2 times)	SOMETIMES (3-4 times)	OFTEN (5-8 times)	ALWAYS	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

iv) On what grounds?

**3. Does the legislature have the power to amend the budget?**

YES    NO  
(1)    (2)

*If YES:*

i) Has the legislature ever amended the budget? YES NO

(1) (2)

ii) If yes, how frequently has it done so?

NEVER RARELY SOMETIMES OFTEN ALWAYS DON'T KNOW

(1-2 times)

(3-4 times)

(5-8 times)

(1)

(2)

(3)

(4)

(5)

(6)

iii) *IF YES*, by how much (percentage of the total budget) on average?

0-19%

20-39%

40-59%

60-79%

80-100%

DON'T KNOW

(1)

(2)

(3)

(4)

(5)

(6)

#### **4 Does the legislature have the power to over-ride a presidential veto?**

YES NO

(1)

(2)

i) *IF YES*, Has the legislature ever over-ridden a presidential veto of legislation?

YES NO

(1)

(2)

ii) *IF YES*, How frequently in a legislative session?

NEVER RARELY SOMETIMES OFTEN ALWAYS DON'T KNOW

(1-2 times)

(3-4 times)

(5-8 times)

(1)

(2)

(3)

(4)

(5)

(6)

iii. On what issues?

#### **5. Do Opposition and back-bench Government legislators have the power to introduce legislation via Private Members Bill or equivalent?:**

YES NO

(1)

(2)

i) *IF YES*, What proportion of legislation is introduced by such legislators?

0-19%

20-39%

40-59%

60-79%

80-100%

DON'T KNOW

(1)

(2)

(3)

(4)

(5)

(6)

## PARTIES

### 6. How strong is political party cohesion for the majority party?

VERY WEAK	SOMEWHAT WEAK	NEITHER WEAK NOR STRONG	SOMEWHAT STRONG	VERY STRONG	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

### 7. How strong is political party cohesion for the principal minority party?

VERY WEAK	SOMEWHAT WEAK	NEITHER WEAK NOR STRONG	SOMEWHAT STRONG	VERY STRONG	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

### 8. Is floor crossing permitted?

YES	NO
(1)	(2)

### 9. How do political parties reward legislators?

### 10. How do political parties sanction legislators?

## OVERSIGHT INSTITUTIONS

### 11. How effective is the Auditor General in uncovering fraud and corruption?

VERY INEFFECTIVE	SOMEWHAT INEFFECTIVE	NEITHER EFFECTIVE NOR INEFFECTIVE	SOMEWHAT EFFECTIVE	VERY EFFECTIVE	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

12. What happens when the Auditor General uncovers incidents of fraud and corruption?

13. Is there an Ombudsman (to investigate government administration)?

YES NO  
(1) (2)

i) How effective is the Ombudsman in uncovering fraud and corruption?

ii)  
VERY INEFFECTIVE (1)      SOMEWHAT INEFFECTIVE (2)      NEITHER EFFECTIVE NOR INEFFECTIVE (3)      SOMEWHAT EFFECTIVE (4)      VERY EFFECTIVE (5)      DON'T KNOW (6)

14. Is there an Anti-Corruption Agency?

YES NO  
(1) (2)

i) How effective is the agency in uncovering fraud and corruption?

VERY INEFFECTIVE (1)      SOMEWHAT INEFFECTIVE (2)      NEITHER EFFECTIVE NOR INEFFECTIVE (3)      SOMEWHAT EFFECTIVE (4)      VERY EFFECTIVE (5)      DON'T KNOW (6)

ii) What happens when the agency uncovers incidents of fraud and corruption?

## COMMITTEES

15. How are Members appointed to Committees?

By Party

By Speaker

Other (please specify)

**16. What is the degree of partisanship within those legislative committees charged with oversight?**

VERY WEAK	SOMEWHAT WEAK	NEITHER WEAK NOR STRONG	SOMEWHAT STRONG	VERY STRONG	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

**17. In total, how many staff, other than research staff, support the oversight committee(s)?**

NONE	1-2	3-4	5-6	MORE THAN 7	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

**18. In total, how many research staff support the oversight committee(s)?**

NONE	1-2	3-4	5-6	MORE THAN 7	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

**19. How often do the oversight committees meet in a legislative session?**

NOT AT ALL	1-3	4-7	8-11	12 OR MORE	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

**20. How effective are the oversight committees in uncovering fraud and corruption?**

VERY INEFFECTIVE	SOMEWHAT INEFFECTIVE	NEITHER EFFECTIVE NOR INEFFECTIVE	SOMEWHAT EFFECTIVE	VERY EFFECTIVE	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

i. What happens when the oversight committees uncover incidences of fraud and corruption?

**21. Is there, or have there been, special legislative commissions or committees of inquiry into corruption?**

YES NO  
(1) (2)

i) *IF YES*, How effective is/was the commission/committee in uncovering fraud and corruption?

VERY INEFFECTIVE	SOMEWHAT INEFFECTIVE	NEITHER EFFECTIVE NOR INEFFECTIVE	SOMEWHAT EFFECTIVE	VERY EFFECTIVE	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

ii) What happened when the commission/committee uncovered incidences of fraud and corruption?

**CHAMBER**

**22. Is there is a Question Period within the Chamber**

YES NO  
(1) (2)

i) *IF YES*, How effective is Question Period in uncovering fraud and corruption?

VERY INEFFECTIVE	SOMEWHAT INEFFECTIVE	NEITHER EFFECTIVE NOR INEFFECTIVE	SOMEWHAT EFFECTIVE	VERY EFFECTIVE	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

**23. Are there Interpellations within the Chamber**

YES NO  
(1) (2)

*IF NO, PROCEED TO QUESTION 31*

i) *IF YES*, How effective are interpellations in uncovering fraud and corruption?

VERY INEFFECTIVE	SOMEWHAT INEFFECTIVE	NEITHER EFFECTIVE NOR INEFFECTIVE	SOMEWHAT EFFECTIVE	VERY EFFECTIVE	DON'T KNOW
(1)	(2)	(3)	(4)	(5)	(6)

ii) What happens when Interpellations uncovered incidences of fraud and corruption?

**24. Are opposition legislators given at least equal time as government party members to ask questions?**

YES NO  
(1) (2)

**25. On average, what percentage of legislators attend plenary sessions?**

0-19% 20-39% 40-59% 60-79% 80-100% DON'T KNOW  
(1) (2) (3) (4) (5) (6)

**26. Is there a parliamentary library?**

YES NO  
(1) (2)

(i) *IF YES:* Do legislators/staff use the library to assist them in oversight?

YES NO  
(1) (2)

(ii) *IF YES:* How frequently?

NEVER RARELY SOMETIMES OFTEN ALWAYS DON'T KNOW  
(1) (2) (3) (4) (5) (6)

**27. Is there a parliamentary research service?**

YES NO  
(1) (2)

(i) *IF YES:* Do legislators/staff use the research service to assist them in oversight?

YES NO  
(1) (2)

(ii) *IF YES:* How frequently?

NEVER RARELY SOMETIMES OFTEN ALWAYS DON'T KNOW  
(1) (2) (3) (4) (5) (6)

28. Does the legislature/legislative committees have links to policy think tanks?

YES      NO  
(1)      (2)

*IF NO, PROCEED TO QUESTION 40*

i.      *IF YES* Please elaborate

29. How has the performance of the PAC changed over the last five years?

30. In what ways has the role of the Auditor General changed over the last five years? What accounts for these changes?

31. What has been the role of the finance committee in parliamentary oversight over the last five years?

32. Do you think that the role of the finance committee over the last five years is different from its role in the previous five years?

33. Any additional comments?

34. Who would you recommend me to talk to on this subject?

THANK YOU

### APPENDIX 3: FOCUS GROUP SCREENER

Maximum of 12 participants per group; minimum of four

Hello, my name is \_\_\_\_\_ and I am assisting Rick Stapenhurst in conducting a short survey on legislative oversight and corruption. To ensure that his study represents all types of (legislators/legislative staff/journalists/civil society representatives) I'd like to ask you a few questions:

#### For legislators

1. Are you currently a legislator in the Parliament of Ghana/National Assembly of Nigeria? [Required answer : YES]
2. Are you a member of the opposition party or government party? [NEED A MIX]
3. [If Ghanaian] do you hold a ministerial position? [Required answer : NO]

#### For legislative staff

1. Are you currently employed by the Parliament of Ghana/National Assembly of Nigeria? [Required answer : YES]
2. Are you a permanent member of staff? [Required answer : YES]
3. Are you a political party employee? [Required answer : NO]

#### For journalists

1. Are you currently employed by a media organization that covers proceedings within the Parliament of Ghana/National Assembly of Nigeria? [Required answer : YES]
2. Is your media organization owned fully or partially by the government? [NEED A MIX]

3. Is your media organization owned fully or partially by an opposition party? NEED A MIX]

4. Is your media organization owned fully or partially by apolitical private interests? NEED A MIX]

For civil society representatives

1. Are you currently employed by a non-political civil society organization? [Required answer : YES]

2. Does your organization interact with the national legislature the government? [Required answer : YES, TO EITHER (2) or (3)]

3. Does your organization advocate anti-corruption programs? [Required answer : YES, TO EITHER (2) or (3)]

Invite participants to the appropriate focus group if they meet the above criteria

## APPENDIX 4: FOCUS GROUP PROTOCOL

**Objective** The objective of this study is twofold: i) to investigate if legislative oversight reduces corruption and, if so, how and why; and ii) to consider what the differences are regarding oversight in countries with parliamentary and presidential forms of government – and to consider whether these differences explain the lower levels of corruption in countries with parliamentary systems.

A large N statistical analysis will examine the relationship between legislative oversight and corruption across approximately 60 countries. Small N case studies will examine the dynamics of legislative oversight within countries. Two survey instruments have been developed to gather data for the case studies: a guide for document search and key informant interviews and a protocol for focus groups.

**Directions** Please read all the questions in both survey instruments carefully. After reading all the questions, please evaluate the survey instruments as a combined research instrument.

### 1. To what extent are the questions representative of the total possible questions?

1	2	3	4	5
Non- Representative	Somewhat Representative	Representative	Well Representative	Highly Representative

### 2. To what degree are the questions relevant to the purpose of the study?

1	2	3	4	5
Totally Irrelevant	Somewhat Irrelevant	Undecided	Somewhat Relevant	Very Relevant

### 3. To what degree are the questions stated for the understanding of the reader?

1	2	3	4	5
Totally Unclear	Somewhat Unclear	Clear	Above Average Clarity	High Degree of Clarity

**4. To what degree are the questions usable at another time, in another setting?**

1	2	3	4	5
No Use	Little Use	Undecided	Much Use	Great Use

**5. To what degree are the questions conceptually logical?.**

1	2	3	4	5
Highly Illogical	Somewhat Illogical	Undecided	Somewhat Logical	Highly Logical

Space has been provided for your optional comments. In addition, please feel free to make comments on the specific questions, in the margins at appropriate places

## APPENDIX 5a: CONTENT VALIDITY QUESTIONNAIRE (FOCUS GROUP PROTOCOL)

**Objective** The objective of this study is twofold: i) to investigate if legislative oversight reduces corruption and, if so, how and why; and ii) to consider what the differences are regarding oversight in countries with parliamentary and presidential forms of government – and to consider whether these differences explain the lower levels of corruption in countries with parliamentary systems.

A large N statistical analysis will examine the relationship between legislative oversight and corruption across approximately 60 countries. Small N case studies will examine the dynamics of legislative oversight within countries. Two survey instruments have been developed to gather data for the case studies: a guide for document search and key informant interviews and a protocol for focus groups.

**Directions** Please read all the questions in both survey instruments carefully. After reading all the questions, please evaluate the survey instruments as a combined research instrument.

### 1. To what extent are the questions representative of the total possible questions?

1	2	3	4	5
Non- Representative	Somewhat Representative	Representative	Well Representative	Highly Representative

### 2. To what degree are the questions relevant to the purpose of the study?

1	2	3	4	5
Totally Irrelevant	Somewhat Irrelevant	Undecided	Somewhat Relevant	Very Relevant

### 3. To what degree are the questions stated for the understanding of the reader?

1	2	3	4	5
Totally Unclear	Somewhat Unclear	Clear	Above Average Clarity	High Degree of Clarity

**4. To what degree are the questions usable at another time, in another setting?**

1	2	3	4	5
No Use	Little Use	Undecided	Much Use	Great Use

**5. To what degree are the questions conceptually logical?.**

1	2	3	4	5
Highly Illogical	Somewhat Illogical	Undecided	Somewhat Logical	Highly Logical

Space has been provided for your optional comments. In addition, please feel free to make comments on the specific questions, in the margins at appropriate places

**APPENDIX 5b: RESULTS OF CONTENT VALIDITY QUESTIONNAIRE, USING  
SCOTT'S OBSERVED AGREEMENT FACTOR**

**Observed Agreement Factor (Scott)**

	<b>Expert # 1</b>	<b>Expert # 2</b>	<b>Expert # 3</b>
<b>Questions</b>			
1.	4	4	5
2.	4	5	5
3.	3	3	3
4.	5	4	4
5.	4	5	5

	Experts # 1 & # 2	Expert # 2 & # 3	Expert # 3 & # 1
<b>Questions</b>			
1.	100%	80%	80%
2.	80	100	80
3.	100	100	100
4.	80	100	80
5.	80	100	80
<b>Average Agreement</b>	440/5	480/5	420/5
<b>Observed Agreement</b>	88%	96%	84%
<b>Experts # 1 &amp; # 2</b>	.88		
<b>Experts # 2 &amp; # 3</b>	.96		
<b>Experts # 1 &amp; # 3</b>	.84		
	-----		
<b>Between all experts</b>	2.68/3 = 0.89		

## APPENDIX 6a: CONTENT VALIDITY QUESTIONNAIRE FOR MAIN SURVEY INSTRUMENT

**Objective** The objective of this study is twofold: i) to investigate if legislative oversight reduces corruption and, if so, how and why; and ii) to consider what the differences are regarding oversight in countries with parliamentary and presidential forms of government – and to consider whether these differences explain the lower levels of corruption in countries with parliamentary systems.

A large N statistical analysis will examine the relationship between legislative oversight and corruption across approximately 60 countries. A survey instrument has been developed.

**Directions** Please read all the questions in the survey instrument carefully. After reading all the questions, please evaluate the survey instrument

### 1. To what extent are the questions representative of the total possible questions?

1	2	3	4	5
Non- Representative	Somewhat Representative	Representative	Well Representative	Highly Representative

### 2. To what degree are the questions relevant to the purpose of the study?

1	2	3	4	5
Totally Irrelevant	Somewhat Irrelevant	Undecided	Somewhat Relevant	Very Relevant

### 3. To what degree are the questions stated for the understanding of the reader?

1	2	3	4	5
Totally Unclear	Somewhat Unclear	Clear	Above Average Clarity	High Degree of Clarity

### 4. To what degree are the questions usable at another time, in another setting?

1	2	3	4	5
No Use	Little Use	Undecided	Much Use	Great Use

**5. To what degree are the questions conceptually logical?.**

1	2	3	4	5
Highly Illogical	Somewhat Illogical	Undecided	Somewhat Logical	Highly Logical

Space has been provided for your optional comments. In addition, please feel free to make comments on the specific questions, in the margins at appropriate places

**APPENDIX 6b: CONTENT VALIDITY RESULTS, USING SCOTT'S AGREEMENT FACTOR**

**Box 4.6: Content Validation**

**Observed Agreement Factor (Scott)**

	<b>Expert # 1</b>	<b>Expert # 2</b>	<b>Expert # 3</b>
<b>Questions</b>			
1.	5	4	4
2.	5	5	5
3.	4	4	3
4.	5	5	4
5.	4	5	5

	Experts # 1 & # 2	Expert # 2 & # 3	Expert # 3 & # 1
<b>Questions</b>			
1.	80%	100%	80%
2.	100	100	100
3.	100	80	80
4.	100	100	80
5.	80	100	80
<b>Average Agreement</b>	460/5	480/5	420/5
<b>Observed Agreement</b>	92%	96%	84%
<b>Experts # 1 &amp; # 2</b>	.92		
<b>Experts # 2 &amp; # 3</b>	.96		
<b>Experts # 1 &amp; # 3</b>	.84		
	-----		
<b>Between all experts</b>	2.72/3 = 0.91		

**APPENDIX 7: CONTENT STABILITY FOR MAIN QUESTIONNAIRE**

	<b>1<sup>st</sup>. Questionnaire</b>	<b>2<sup>nd</sup>. Questionnaire</b>
<b>First Expert (RG)</b>		
Question 1	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 2	1	1
i)	1	1
ii)	n.a.	n.a.
iii)	1	1
iv)	n.a.	n.a.
Question 3	1	1
i)	2	2
ii)	1	1
iii)	n.a.	n.a.
Question 4	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
iii)	n.a.	n.a.
Question 5	1	1
i)	1	1
Question 6	5	5
Question 7	5	4
Question 8	1	1
Question 9	Written	Written
Question 10	Written	Written
Question 11	1	1
Question 12	Written	Written
Question 13	2	2
i)	n.a.	n.a.
Question 14	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 15	Written	Written
Question 16	4	4
Question 17	4	3
Question 18	3	3
Question 19	3	3
Question 20	4	4
i)	Written	Written
Question 21	1	1
i)	4	4
ii)	Written	Written
Question 22	1	1
i)	4	4
Question 23	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 24	1	1

Question 25	3	3
Question 26	1	1
i)	1	1
ii)	3	2
Question 27	1	1
i)	1	1
ii)	4	3
Question 28	2	2
i)	n.a.	n.a.
Question 29	Written	Written
Question 30	Written	Written
Question 31	Written	Written
Question 32	Written	Written
Question 33	Written	Written
Question 34	Written	Written
	<b>1<sup>st</sup>. Questionnaire</b>	<b>2<sup>nd</sup>. Questionnaire</b>
<b>Second Expert (RD)</b>		
Question 1	1	1
i)	1	1
ii)	Written	Written
Question 2	1	1
i)	2	2
ii)	n.a.	n.a.
iii)	2	3
iv)	n.a.	n.a.
Question 3	1	1
i)	2	2
ii)	1	1
iii)	n.a.	n.a.
Question 4	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
iii)	n.a.	n.a.
Question 5	2	2
i)	n.a.	n.a.
Question 6	4	4
Question 7	2	3
Question 8	2	2
Question 9	Written	Written
Question 10	Written	Written
Question 11	4	4
Question 12	Written	Written
Question 13	1	1
i)	4	3
Question 14	1	1
i)	-	-
ii)	-	-
Question 15	Written	Written
Question 16	2	2
Question 17	2	2

Question 18	1	1
Question 19	?	4
Question 20	4	4
i)	Written	Written
Question 21	1	1
i)	4	4
ii)	Written	Written
Question 22	1	1
i)	3	3
Question 23	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 24	1	1
Question 25	4	4
Question 26	1	1
i)	2	2
ii)	2	2
Question 27	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 28	1	1
i)	Written	Written
Question 29	Written	Written
Question 30	Written	Written
Question 31	Written	Written
Question 32	Written	Written
Question 33	Written	Written
Question 34	Written	Written
	<b>1<sup>st</sup>. Questionnaire</b>	<b>2<sup>nd</sup>. Questionnaire</b>
<b>Third Expert (QC)</b>		
Question 1	1	1
i)	1	1
ii)	Written	Written
Question 2	1	1
i)	2	2
ii)	n.a.	n.a.
iii)	2	3
iv)	n.a.	n.a.
Question 3	1	2
i)	2	2
ii)	2	2
iii)	n.a.	n.a.
Question 4	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
iii)	n.a.	n.a.
Question 5	2	2
i)	n.a.	n.a.
Question 6	4	3
Question 7	2	2

Question 8	2	2
Question 9	Written	Written
Question 10	Written	Written
Question 11	4	4
Question 12	Written	Written
Question 13	1	1
i)	4	4
Question 14	1	1
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 15	Written	Written
Question 16	2	2
Question 17	2	2
Question 18	1	1
Question 19	4	4
Question 20	4	4
i)	Written	Written
Question 21	1	1
i)	4	4
ii)	Written	Written
Question 22	1	1
i)	2	3
Question 23	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 24	1	1
Question 25	4	4
Question 26	1	1
i)	2	2
ii)	2	2
Question 27	2	2
i)	n.a.	n.a.
ii)	n.a.	n.a.
Question 28	1	1
i)	Written	Written
Question 29	Written	Written
Question 30	Written	Written
Question 31	Written	Written
Question 32	Written	Written
Question 33	Written	Written
Question 34	Written	Written

## APPENDIX 8: ARCHETYPE SYSTEMS (UNITED KINGDOM AND THE UNITED STATES) COMPARED

In this Appendix, I first examine the differences between the United Kingdom and the United States regarding internal oversight tools. Then I consider the differences regarding external oversight tools. I conclude by examining differences regarding contextual factors. Differences are summarized in Table A8.1

### Internal Tools and Mechanisms

#### *Committees*

As noted in Chapter 2, one of the principal legislative tools of holding executive governments to account is the use of committees. Committees tend to be strong when party control over committees is weak, especially in parliamentary systems (Dubrow, 2001).<sup>96</sup>

This is the case in the United Kingdom, where, with the exception of the PAC, committees are generally weak, partly as a result of strict party discipline and typical majority government rule. Committees usually meet in public while hearing evidence, but in private when deliberating. The fact that their reports are not generally debated in the House until a Government reply has been received means that government departments are able to avoid or delay taking action by not replying to a committee report in a timely fashion. In any case, there is no formal mechanism for ensuring that recommendations are acted upon by the Government and committee performance varies: "...the readiness of departments to provide evidence and useful material as well as the experience of the clerks and special advisers supporting Select Committees has also to be brought into the equation" (Johnson, page 205). The attitude of recent governments has been to tolerate committees but they have been reluctant to allow significant new powers, partly because of self-interest and partly because of the constitutional framework (Staddon, 2009). Committees do not normally carry out prior scrutiny of appointments and have no role in the ministerial or other appointments. The exception is the PAC, which, by contrast, is chaired by a leading

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<sup>96</sup> I would like to thank Professor David Olson for pointing out that political parties and committee systems are two principal ways of "organizing" legislatures. To some extent at least, there is a trade-off—strong party discipline precludes effective committees; strong committees require weaker political party discipline.

member of the opposition and plays a central role in the ex-post oversight of government spending and in the appointment of the Comptroller and Auditor General.

**Table A8.1: Presidential and Parliamentary Systems Compared: the United States and the United Kingdom**

	<b>United States Congress</b>	<b>United Kingdom Parliament</b>
<b>Oversight Tools</b>		
Cabinet Formation and Removal	Ministers (who cannot be members of Congress) selected by the President; ratified by Congress	Selected by the Prime Minister; form the “front bench” in the House of Commons. Can be dismissed by the PM or by the House of Commons in the case of a vote of no confidence
Censure/Impeachment	Congress can censure Ministers and impeach the President	No
Audit Committees	None	Public Accounts Committee; chaired by the opposition
Other Committees	Strong; well resourced	Weak; chaired by Government Members
Question Period	None	Written and “without notice” questions, including some directed at the Prime Minister
Supreme Audit Institution	General Accountability Office	National Audit Office
Ombuds Office	No	Parliamentary Commissioner
Anti-Corruption Agencies	Inspectorate Generals	No
<b>Supporting Factors</b>		
Staff and Research Facilities	Very strong: Congressional Library; Budget Office	Weak
FOI	Yes	Yes
<b>Contextual Factors</b>		
Form of Government	Presidential; separation of powers	Parliamentary; executive and legislature “fused”
Electoral System	Majoritarian	Majoritarian
Political Parties	2 parties, relatively weak	2 parties, relatively strong
Electoral System Social Legitimacy	Moderate	Moderate

In sharp contrast to the weak committee system and strong party discipline in the United Kingdom, the committee system in the United States is central to Congressional oversight of the executive. This point is highlighted by Loomis and Schiller, who state that "...it is the standing committee system, as much as any other characteristic, that has defined the operation of the House of Representatives" (2004, page 7).<sup>97</sup> Both House and Senate committees are well resourced, although House Committees tend to be more active and powerful, simply because the Senate has fewer members, who thus have less time for committee work. In contrast to the United Kingdom, there is no single audit committee in the United States—the ex-post oversight function is divided among the various departmental committees.

#### *Review of Appointments, Censure/Impeachment, Vote of Confidence*

A defining feature of the Westminster parliamentary system is that the executive arm of government governs *through* Parliament. Central is the convention of collective ministerial responsibility—Ministers must be Members of Parliament (MPs) and constitutionally their appointment and dismissal is made solely by the Prime Minister, who can reshuffle the cabinet at any time. Another central tenet of the Westminster system is that the government is constitutionally required to retain the confidence of the House of Commons; convention dictates that the government resigns or requests Parliament be dissolved if defeated in a vote of no –confidence.<sup>98</sup> Norton (2005, page 56) argues that "formally this should ensure parliamentary control of the executive, but in practice the flow of control is the other way," one of the explanations for this being the influence of political parties.

In the United States, by contrast, the Constitution mandates a system of "checks and balances," which seeks to limit and balance power between the three branches of government. Thus, the Senate has the power to confirm presidential nominations of the Vice-President, cabinet appointments, certain judicial posts, and other significant administrative posts, while Congress can censure ministers and impeach the President. Since the presidential elections are distinct from congressional elections, and ministers

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<sup>97</sup> Party discipline in the United States is much weaker than in the United Kingdom.

<sup>98</sup> Such motions are relatively infrequent because of the voting strengths in the Commons. The last successful no confidence motion was recorded in March 1979, when the Opposition motion was passed by just one vote.

cannot be legislators, there is no issue of “confidence”—the President serves for a fixed term and only in the event of impeachment can Congress force new elections.

### *Question Period*

In the British House of Commons, day-to-day accountability of the executive is ensured through question period, which presents an opportunity for opposition MPs to directly face their ministerial counterparts and demand that they—and the Prime Minister—explain their actions. The ostensible purpose of questions is to elicit information from the executive, to request intervention, to expose abuses, and to seek redress. It is commonplace for the resignation of a minister to be demanded by the opposition for alleged wrongdoing, but such resignations are infrequent. While question period has become increasingly rambunctious, driven by performance in front of television cameras, it continues to exercise an important accountability function (Staddon, 2009). It also forces a measure of bureaucratic accountability, since government departments need to warn their ministers of questions that the opposition might raise in question period.

In the United States, question period does not exist.

### *Research and Information*

Well-informed legislators tend to result in more effective legislatures (Dubrow, 2001). The number and quality of legislative staff, the size of legislative libraries, and the extent of access to independent research on policy issues can help improve oversight. Traditionally, in the United Kingdom, little emphasis was placed on the parliamentary library and research services; while the library was created in 1817 it became a separate department only in 1967.<sup>99</sup> Since that time, however, the library and its research services have grown substantially and today its research and information service is widely recognized as an authoritative source of information in political debate (Staddon, 2009). The library currently has over 250,000 volumes and employs around 200 staff.

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<sup>99</sup> Prior to that time, it was a unit within the Speaker’s Department.

By contrast, the United States Congress is extremely well equipped. In addition to the library, which has 32 million volumes<sup>100</sup> and employs 444 professional librarians, the Congressional Research Service employs more than 800 researchers and the Congressional Budget Office employs an additional 400 researchers who specialize in budget issues.

## **External tools and mechanisms**

### *Supreme Audit Institutions*

In the United Kingdom, the National Accounting Office (NAO) reports to the Comptroller and Auditor General (CAG), who is an officer of Parliament and who reports to the PAC. Founded in 1866 as part of the Gladstonian financial management reforms (the other part was the creation of the PAC in 1861), the CAG and the NAO play a critical role in the ex-post oversight of government spending. A close working relationship has emerged between the staff of the NAO and the PAC. The Chair of the PAC, together with the Prime Minister, appoints the CAG.

In the United States, the Government Accountability Office (GAO) plays a similar function to the NAO. Created in 1921, the GAO performs audits, program reviews, management audits, and investigations as per Congressional inquiries. While it can respond to individual members' requests, it is generally more responsive to leadership rather than backbenchers. The GAO is headed by a Comptroller General, who is appointed by the President for a one-time, 15-year term, based on the advice and subject to the consent of Congress.

### *Ombuds*

In the United Kingdom, the Parliamentary Ombudsman was created in 1967, covering the activities of central government departments, while a separate (National) Health Service ombudsman was subsequently created, although this has to date always been the same

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<sup>100</sup> The United Kingdom's parliamentary library is not the legal depository of books published in the United Kingdom, as is the U.S. Library of Congress for U.S.-published books. The British Library is the legal depository in the United Kingdom: it has a collection of 25 million books.

person and the two offices are combined. There is also a Local Government Ombudsman, a position created in 1973 for England and Wales, and in 1974 for Scotland. However, critics claim that the Ombudsmen appear independent while actually being recruited from the ranks of officials, and that their function tends to entail little more than the rubber stamping of official decisions.

By contrast, there is no Ombudsman at the federal level in the United States; rather, U.S. Congress members have long performed an unofficial ombuds function. This informal responsibility has become increasingly time consuming and has been subject to criticism that it interferes with legislators' other duties.

### *Anti-Corruption Agencies*

The United Kingdom does not have an anti-corruption agency; the closest it has is the Serious Fraud Office (SFO), which is an executive agency accountable to the Attorney-General. Established by the Criminal Justice Act 1987, the SFO is responsible for the investigation and prosecution of suspected cases of serious or complex fraud (where £1 million or more is involved) or that cover more than one national jurisdiction.

By contrast, in the United States, the Office of the Inspector General was created to act as an independent inspectorate, conducting audits, investigations, and inspections of particular government departments and agencies, with the aim of uncovering waste, fraud, and abuse. There are 69 Inspectors General appointed by the President; they issue reports to the head of their respective agencies, who in turn deliver them to Congress for review.

## **Contextual Factors**

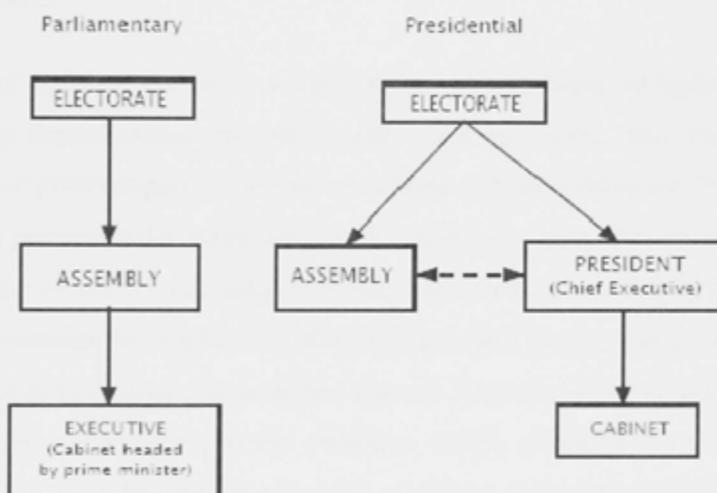
### *Form of Government/Constitutional Factors*

As noted above, in the United Kingdom, there is no separation of powers—the legislative and executive branches of government are fused (Dubrow, 2001). Members of the Cabinet

are selected by the Prime Minister from among MPs belonging to his/her political party;<sup>101</sup> the Prime Minister, by tradition, is the leader of the majority political party. Both the Prime Minister and his/her Cabinet are dependent on the confidence of the House. Bach (2000, page 48) argues that:

“In theory, the government is the agent of the Parliament; should the government ever lose sight of that fact and attempt to assert powers independent of parliamentary control, the parliament can withdraw its confidence at any time and compel the government to resign.”<sup>102</sup>

**Diagram A8.1: Hierarchical and transactional relations in the “pure” forms of executive-legislative structure**



*Solid lines indicate a hierarchical relationship, with arrow indicating selection of agent by principal. Dashed lines with two-headed arrows indicate transactional relationship.*

Source: Shugart, 2005

In the United States, by contrast, there is separation of powers: the legislature and the executive are independent, both are elected directly (see Diagram A8.1). The President and

<sup>101</sup> In the event of a no single majority party, the majority party has the option to either form a minority government, in which case Cabinet members are still selected from that party, or to form a coalition (or indeed, the principal minority parties can form a coalition), in which case cabinet members are selected from among coalition parties.

<sup>102</sup> See major qualification to this below, under “Political Parties.”

his cabinet are not and cannot be members of Congress and do not require its confidence, although Congress plays a role in confirming the executive's cabinet appointments and has the power to impeach the President in cases of extreme wrongdoing.

### *Electoral Systems and Political Parties*

Both the United Kingdom and the United States have majoritarian electoral systems. In both countries this has resulted in two principal parties, with artificial majorities within the legislature. Thus, for example, in the 2008 U.S. Congressional elections, the Democratic Party received 52.9 percent of the popular vote, 59 percent of the seats in the House of Representatives, and 59 percent in the Senate, while in the U.K. 2005 general election, the Labour Party received 35.3 percent of the popular vote but 55 percent of the seats in the House of Commons.

The dynamics of political parties is integral to the effectiveness of legislative oversight. Notwithstanding constitutional provisions and standing orders, two factors shape the oversight process: political party majorities and party cohesion (Wehner, 2004). Governing party majorities guarantee the predictability of voting outcomes. Without stable majorities in Parliament, the executive is required to bargain with the minority and forge mutually beneficial compromises. By implication, the executive will have to make concessions—and the minority is able to extract compromises that are otherwise inadmissible. Undoubtedly, this strengthens the oversight process (Wehner, 2004) although it carries the risk of gridlock. Bargaining creates opportunities for oversight and enables the minority to hold the government accountable (NDI, 2000).

Political party cohesiveness is quite different in the United Kingdom and in the United States. In the former, party discipline is strict (Staddon, 2009), while in the United States it is weaker. Bach (2000, pages 38–39) argues that the strict party discipline in the United Kingdom sometimes results in:

“Parliament ...[being...] the agent of the government, when parties and their leaders in government are so strong that the institutional capacity of Parliament is stunted and the political futures of MPs depend on the loyal support they give their leaders, especially when in government.”

Because of the separation of powers, party discipline is weaker in the United States—the executive cannot “reward” legislators for support, thus the potential for oversight is greater. An example of this difference can be illustrated in budgetary powers.

### *Social Legitimacy*

Public trust in the U.S. Congress and in the United Kingdom’s Parliament is similar. According to Holmberg (2008), the U.S. Congress ranks 37<sup>th</sup> and the UK Parliament 41<sup>st</sup>. in a ranking of 76 countries, with 38 percent of Americans and 36 percent of British citizens having faith in their legislature.

### **Adopters: Ghana and Nigeria**

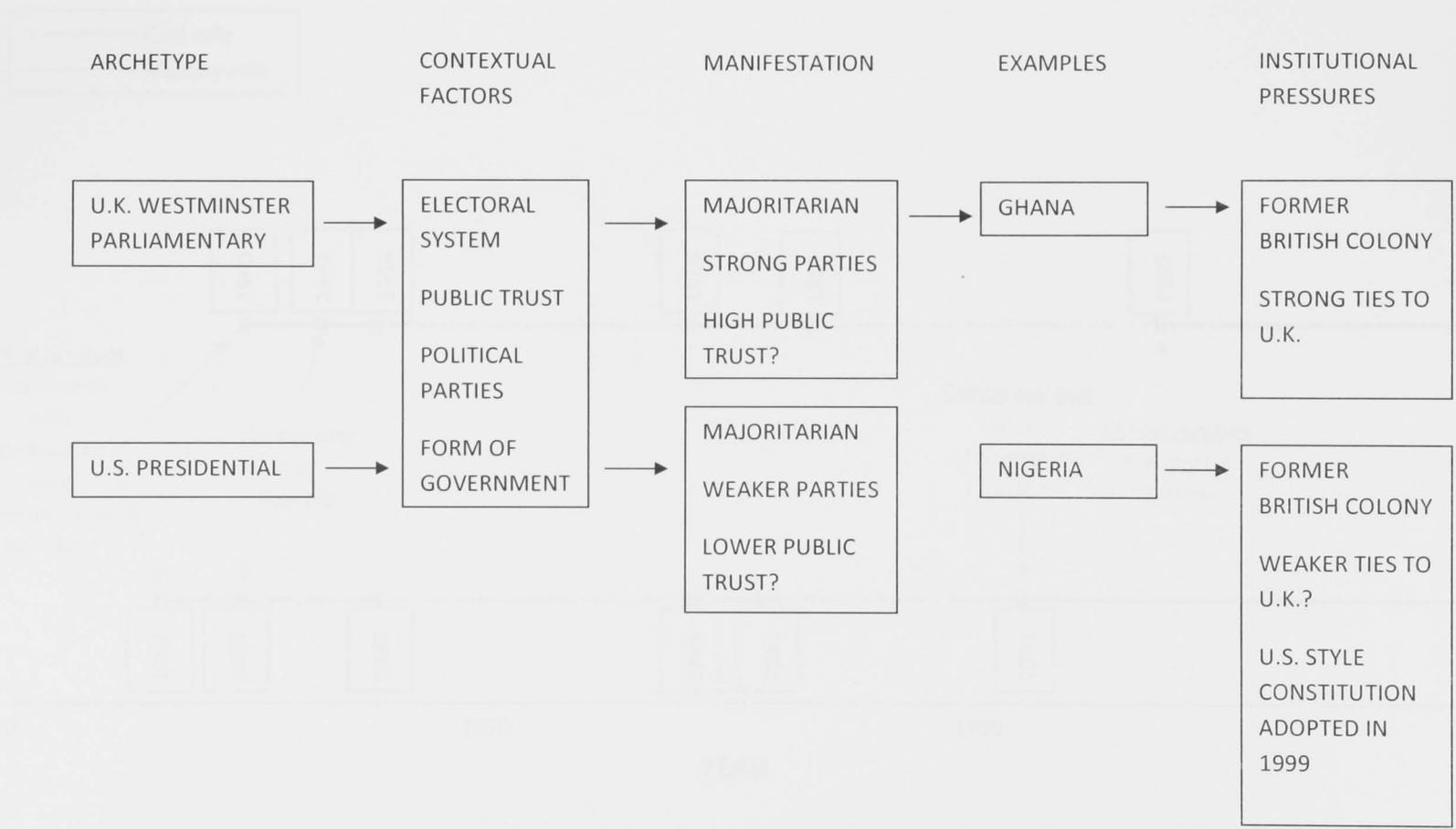
In Chapter 3 I considered how institutional theory suggests that regularized organizational behaviors are the result of ideas, values, and beliefs that have their origin in the institutional context. According to this notion, organizations have to accommodate institutional expectations in order to prosper and survive, even though these expectations may have little to do with technical notions of performance accomplishment. Institutional theory suggests that legislative organizational behaviors are responses to institutional pressures which lead organizations to adopt “templates for organizing”, whereby derivative or adopting institutions follow an archetype template.

Diagram A8.2 presents two archetype legislative systems – the United Kingdom Westminster parliamentary system and the United States presidential system. For the purpose of this thesis, the examples of adoptive systems are Ghana and Nigeria. Both are former British colonies, but it appears that ties to the United Kingdom are possibly stronger in Ghana than in Nigeria, at least in part because Nigeria adopted a U.S.-style presidential system in 1999.

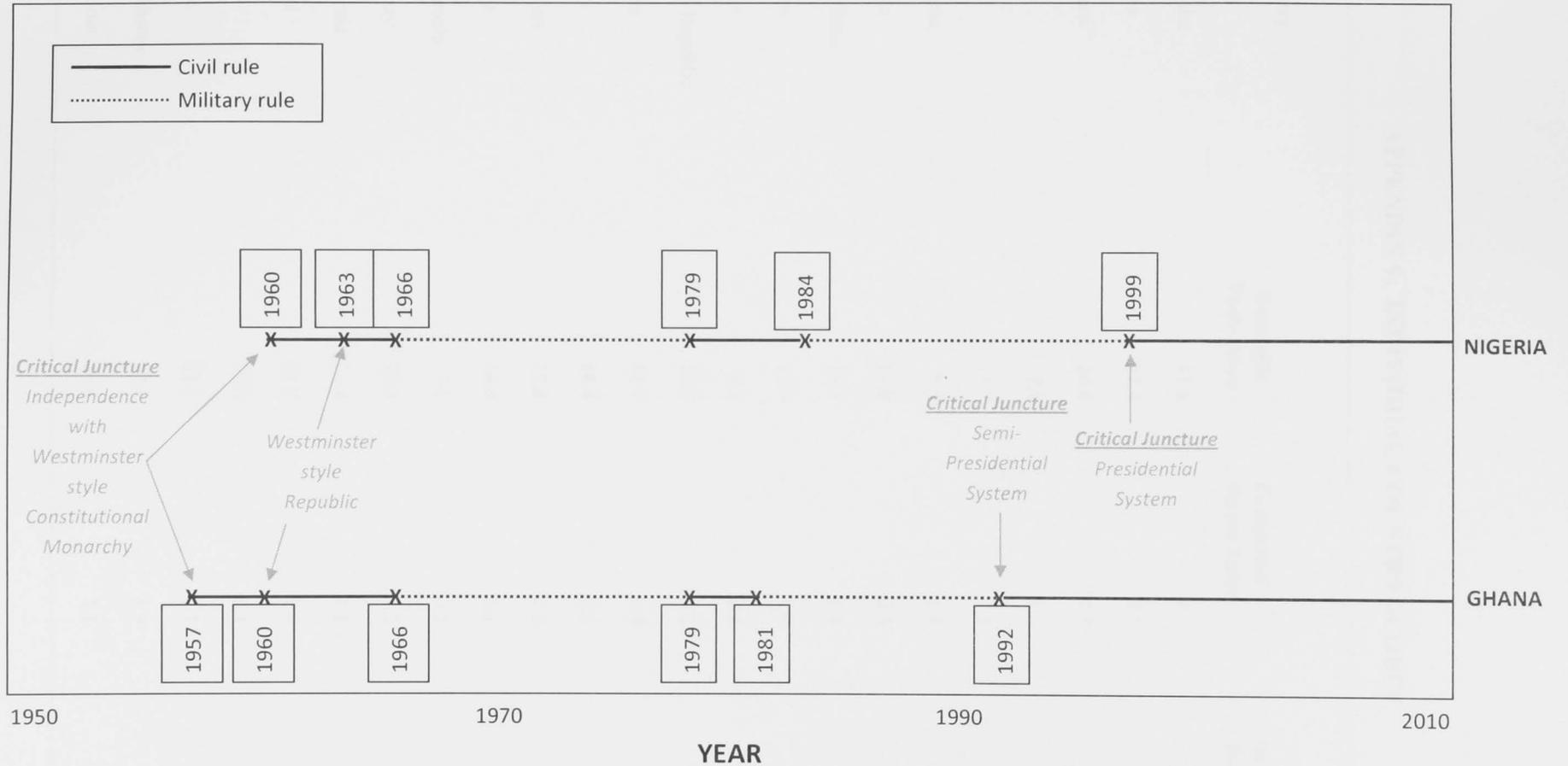
But if archetypical templates explain the initial adoption of legislative types, what explains their subsequent evolution? This is relevant for both Ghana and Nigeria. In the first

instance, the notion of *path-dependency* is useful—the development of the type of government can be said to be “path-dependent;” that is, it will be mediated by the contextual features of a given situation, often inherited from the past, and not follow the same trajectory nor generate the same results everywhere. Path-dependency assumes that there will be long periods of institutional continuity, which will be interrupted only at “critical junctures” of radical change. At independence, both Ghana and Nigeria adopted Westminster parliamentary systems. In both countries, there were critical junctures of military government and constitutional change. As a result, some institutional factors have changed considerably—Nigeria has adopted a presidential form of government drawing heavily on the U.S. model, while Ghana has adopted a semi-presidential system. However, as a result of path-dependency, both countries—but especially Ghana—retain features of the Westminster system, including Public Accounts Committees or PACs (see Diagram A8.3).

**Diagram A8.2: Templates for Organizing (Archetypes) – U.K. Westminster Parliamentary and U.S. Presidential Systems**



**Diagram A8.3: Time Line for Ghanaian Parliament and Nigerian National Assembly, Illustrating Critical Junctures**



## APPENDIX 9: INDIVIDUAL COUNTRY SCORES

Country	Oversight Tools Score	Contextual Factor Score	Oversight Score
Australia	11.8	2.3	27.6
Austria	12.4	1.5	18.1
Belgium	14.4	1.5	21.3
Benin	7.1	1.2	8.6
Brazil	11.7	1.1	12.7
Bulgaria	8.3	1.1	9.4
Canada	11.9	2.4	28.3
Costa Rica	14.7	1.3	19.0
Croatia	11.7	1.0	12.2
Cyprus	9.1	1.5	13.6
Czech Republic	15.9	1.2	18.4
Estonia	14.7	1.4	20.0
France	14.4	2.4	33.8
Germany	12.8	1.2	15.7
Greece	16.4	1.4	23.1
Guatemala	7.1	0.7	4.9
Hungary	13.5	1.2	15.5
Indonesia	13.4	1.1	15.0
Ireland	11.9	1.4	16.9
Japan	15.0	1.1	17.2
Jordan	11.1	2.1	22.9
Kazakhstan	9.1	1.9	16.9
Lithuania	15.6	1.1	17.5

Luxembourg	12.1	1.6	18.8
Macedonia	10.1	0.9	9.2
Madagascar	12.1	1.1	12.7
Mali	11.1	2.3	25.8
Mexico	9.8	1.0	9.8
Netherlands	12.5	1.3	16.3
Nicaragua	12.2	0.8	10.3
Poland	11.2	1.1	12.5
Romania	13.4	1.0	13.4
Russia	7.5	0.6	4.1
Rwanda	8.1	1.0	8.4
Senegal	6.1	1.3	8.0
Slovak Republic	11.4	1.3	15.3
Slovenia	10.5	1.2	12.2
Spain	14.5	1.5	21.9
Sweden	16.6	1.6	25.9
Switzerland	11.2	1.5	17.2
Tajikistan	4.1	1.8	7.5
Thailand	12.2	1.7	20.3
Turkey	10.5	1.3	13.4
Uganda	12.6	2.1	26.7
Ukraine	8.3	1.0	7.9
United Kingdom	13.6	2.4	32.1
Uruguay	9.5	1.5	14.0
Zambia	11.8	2.0	23.4
Zimbabwe	8.4	1.4	12.0