



GÖTEBORGS
UNIVERSITET

DEPARTMENT OF POLITICAL SCIENCE

THE IDEATIONAL SOURCES OF POLITICAL WILL TO IMPLEMENT ANTI-CORRUPTION REFORM

Principal-Agent vs. Collective Action in Indian Sub-national States

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Master's Thesis:	30 higher education credits
Programme:	Master's Programme in Political Science
Date:	16-08-2017
Supervisor:	Anna Persson
Words:	17724

Abstract

Although anti-corruption measures has gained increased attention in research as well as by the international community's policy recommendations during the last decades, systemic corruption within many developing countries remains widespread. While the reforms provided by the international community are often based on an understanding of corruption as a principal-agent problem, this view has been contested by a contrasting theory, modeling corruption as a collective action problem. In India, an economic reform framed as an anti-corruption measure has received various responses in different sub-national states in terms of political will to implement the reform. Based on the assumption that ideas matter for the policy outcome, this thesis examines perceptions of corruption in the light of these two conflicting theories. By conducting interviews with representatives from two Indian states with the same level of corruption – Himachal Pradesh and Kerala – but with different responses to the central government's reform, the aim is to explore whether perceptions of corruption can help explain the different reactions. The results indicate that the perceptions of corruption follow different logics in the two states. While the respondents in Himachal Pradesh view the problem of corruption primarily as a principal-agent problem, the key findings from Kerala suggests an understanding of corruption as a collective action problem. The conclusion infers that actors' ideas in the case of corruption contribute in forming different solutions and hence affect whether they are willing to accept certain anti-corruption reforms.

Keywords: anti-corruption measures, systemic corruption, the ideational turn, principal-agent problem, collective action problem

Acknowledgements

The field work was funded by the Centre for Collective Action Research (CeCAR) at the University of Gothenburg. Thank you for making this project possible. I would also like to thank Martin Sjöstedt for useful feedback and guidance. Special thanks to my supervisor Anna Persson for valuable advices and for believing in my idea. My sincere gratitude goes to all the respondents in Himachal Pradesh and Kerala for participating in this study.

Especially, I would like to thank my family and friends for their support. Thank you Samir for always believing in me.

Table of Contents

1. Introduction	4
2. Previous research and theoretical framework	6
2.1 When are reforms implemented?	7
2.1.1 Rational choice	7
2.1.2 The ideational turn	9
2.2 Anti-corruption reforms	11
2.2.1 Perceptions of corruption: culture and religion	11
2.2.2 Principal-agent problem and collective action problem	12
3. Problem formulation	15
3.1 Research questions	16
3.2 Theoretical expectations	17
3.2.1 Ideas affecting policy outcome	17
3.2.2 Principal-agent problem vs. collective action problem	18
4. Methodology	19
4.1 Case selection	19
4.2 Selection of respondents	20
4.3 Semi-structured interviews	23
4.4 Ethical considerations	24
4.5 Idea analysis and ideal types	25
4.5.1 Ideal type 1: Principal-agent problem.....	26
4.5.2 Ideal type 2: Collective action problem.....	27
4.6 Data analysis and interpretation	28
4.6.1 Indicators	30
5. Results and analysis	31
5.1 Problem	31
5.2 Cause	35
5.3 Solution	36
5.4 Key findings	41
6. Conclusions and discussion	43
7. References	46
8. Appendix 1: Interview guide	50

1. Introduction

During the last decades, corruption has become an issue high on the agenda of international organizations such as the World Bank and the International Monetary Fund (Aidt, 2003:632). Moreover, the presumption of the negative effects of corruption on development, economy and human well-being is widely shared among scholars today (Rothstein, 2011, Mungiu-Pippidi, 2006). Political corruption does not only restrain, but also destruct strategies for development and poverty reduction (Widmalm, 2005:759). Despite the increased effort against corruption, few anti-corruption reforms have been proved successful in countries subjected to systemic corruption. In addition, failed anti-corruption reforms are believed to undermine citizens' trust in democracy and political institutions (Mungiu-Pippidi, 2006:86). One plausible explanation for the unsuccessfulness of the reforms posed by some scholars is that contemporary reforms are based on a theoretical mischaracterization of the problem of corruption. Rather than perceiving corruption as a principal-agent problem, some scholars emphasize the understanding of systemic corruption as a collective action problem (Rothstein, 2011; Persson et al., 2013:449; Mungiu-Pippidi, 2015:209).

In November 2016 the Prime Minister of India Narendra Modi announced a new currency reform consisting of a demonetization policy, articulated as an anti-corruption measure¹. The decision to demonetize high value currency notes overnight, accounted for 86% of the country's cash supply, was an unexpected move by the central government (Govindarajan, 2016). The reform has divided the public opinion and has gained support as well as critique, while protests have emerged throughout the country. In addition, the responses also vary between different sub-national state governments as well as within political parties in terms of political will to implement the reform. While the Chief Minister of Himachal Pradesh Virbhadra Singh has expressed appreciation and support of the central government's reform, the Chief Minister of Kerala Pinarayi Vijayan has expressed concerns for the potential effects and criticizes the move, even though both ministers are representing opposition parties (Govindarajan, 2016). In order to understand the various responses towards the anti-corruption reform, an examination of the different underlying assumptions of what type of problem corruption in fact implies is applicable.

¹The reform was moreover framed to target so-called black money – money that is earned illegally or on which the necessary tax is not paid – however, the reform as an anti-corruption measure is the primary aspect being examined.

India constitutes an interesting case for empirical research on corruption and anti-corruption reforms for several reasons. First, India is ranked 79 out of 176 countries in the Transparency International ‘Corruption Perceptions Index’ in 2016 (Transparency International, 2016) and political corruption is described to have a negative effect on economic performance as well as government efficiency (Freedom House, 2016). Second, the issue of corruption has gained increased importance in the public opinion during the last decade and political parties have been elected on an anti-corruption platform² (Transparency International, 2016; Mungiu-Pippidi, 2015:210). Third, India is a federal parliamentary republic consisting of 29 states and 7 union territories (CIA World Factbook, 2016) and due to the major decentralization reforms in the 1990s, the states possess extensive autonomy although the degree of decentralization between Indian states varies (Kalirajan & Otsuka, 2010:4). The state moreover has the primary responsibility for developing polices, rather than the national government (Singh, 2015:512).

While India is described as having a moderate to large problem with corruption, the level of corruption moreover differs among Indian states (Charron, 2010:178). Several studies have attempted to explain the differences across the sub-national level in federal or semi-federal states, however, with the main objective to examine the determinants of corruption (Charron, 2010:178). Nevertheless, in order to implement effective anti-corruption measures, it is highly relevant not only to examine different objective causal mechanisms, but also to understand the variations of attitudes to anti-corruption measures and thus examine the key actors’ perceptions of the roots of the problem. This assumption is in line with a broad range of scholars emphasizing ideas as an essential factor for understanding policy outcome (Goldstein & Keohane, 1993; Lieberman, 2002; Singh, 2014). Without rejecting the rational choice-based theories’ claim that political leaders’ self-interest influences their decision-making, ‘the ideational turn’ in political science argues that ideas in fact matter for policy outcome, even when actors behave rational to achieve their preferences (Goldstein & Keohane, 1993:5).

In addition, the varying reactions from the state governments in India are not just to be viewed as merely responses, yet also indicators of legitimacy and political will to implement the reform. Even though the demonetization is a national reform, implemented in all Indian states without consulting the state governments, the political will of the actors involved in the implementation of the reform could be critical for its effectiveness. This argument is in line

² See for example Aam Aadmi Party

with several scholars emphasizing legitimacy for how successful states are in governing their societies (Levi, Sacks & Tyler, 2009; Levi & Stoker, 2000). Levi et al. stress that it is more costly to implement reforms without legitimacy, since governments are required to spend more resources on monitoring and enforcement in order to generate compliance (Levi et al., 2009:355). According to Weber, a state that lacks legitimacy is not only problematic in terms of resources and capacity, thus also morally indefensible (Weber, 1921/1978). Moreover, political will – defined as “the will of leaders to initiate and sustain reform” (Persson & Sjöstedt, 2012:618), has been stressed as a crucial factor in the research field on development and reform. However, the concept has also gained critique for being too narrow, without taking contextual factors in concern (Persson & Sjöstedt, 2012:618).

This logic implies that if the national anti-corruption reform lacks legitimacy and political will among the key actors on the sub-national level, this might affect the capacity to implement effective policies and could at worst result in that corruption persists. Therefore, in order to understand the varying willingness to implement the national anti-corruption reform, the interest of this thesis is to explore the role of ideas for the policy outcome. Since previous research suggests a dividing line of how to understand the problem of corruption, the aim is furthermore to examine whether these ideas conceptualize corruption as a principal-agent problem or as a collective action problem. While these two conflicting perspectives identify different characteristics of the problem of corruption, they hence require significantly different solutions (Persson et al., 2013:450).

The remainder of this thesis is structured as follows: The first section introduce previous research in the area of political and economic reforms, followed by the main theoretical framework of the thesis – the principal-agent model and collective action theory. After this follows the problem formulation, the research questions as well as the theoretical expectations. In the next section, the methodological approach is discussed before presenting the results and analysis. Finally, the last section includes the key findings and conclusions. The interview guide is moreover included as an appendix.

2. Previous research and theoretical framework

In order to explore the role that ideas might play in the different responses to the anti-corruption reform between the sub-national states in India, the principal-agent model and collective action theory constitute the main theoretical framework of this thesis. Nevertheless,

in order to understand how and why these theories matter for policy outcome, an examination of previous research in the area of political behavior and decision-making is required. The literature on political and economic reforms accounts for how we can explain why some elites or political leaders choose to push for certain policy reforms. However, the overview does not attempt to be exhaustive but rather to shed light on the main dividing line of the debate.

2.1 When are reforms implemented?

The question on how to explain when political leaders initiate and implement reforms promoting public goods has been a debated topic within the research field of political and economic reforms. The issue has furthermore divided the debate between scholars basing their assumption on rational choice theory and scholars emphasizing ideas as an essential factor for understanding politicians' willingness to reform. The following section will elaborate on this matter.

2.1.1 Rational choice

How can we explain why some political leaders choose to initiate and implement reforms promoting public goods, although these reforms often are costly, both materially and politically? In advanced democracies, institutionalized parties and political competition are believed to create incentives for politicians to provide socially "responsible" policies (Kauffman & Terry, 2016:163). However, in less developed countries subjected to systemic corruption, clientelism and political inequality, the accountability mechanisms that are believed to induce public goods reforms are often insufficient (Kauffman & Terry, 2016:163).

In empirical case studies in Latin America, Geddes investigates when political leaders are willing to support reforms that increase state capacity and changes the bureaucracy into a more meritocratic and competent organization. Based on a rational choice approach, Geddes argues that political leaders face a dilemma whether to allocate state resources in order to promote long-term reforms that provide public goods or whether to secure reelection by relying on patronage networks (Geddes, 1994). The capacity to implement reforms of collective interest depends to some extent on an effective and competent bureaucracy. However, although this might seem like a universal desirable goal, the initiative of such reforms will depend on whether it serves the politician's career interests (Geddes, 1994:14). Political leaders might genuinely support some long-term development goals, however, if

they do not coincide with their political survival, the politician will make decisions that undermine these goals in order to remain in office (Geddes, 1994:19).

According to Geddes, the only solution to this dilemma is when the political leader faces incentives to implement administrative reforms (Geddes, 1994:41). For example, the likelihood of reforms being supported would increase if patronage were distributed evenly among the larger parties in the legislature (Geddes, 1994:21). Hence, political leaders might be willing to give up the political resources that secure their reelection only if their opponents are willing to do the same (Geddes, 1994:42).

A common hypothesis in the literature on political and economic reforms based on the same assumption is the so-called “new broom thesis”, referring to that new leaders are assumed to be “better reformers” while they are less tied in established patronage networks (Kjaer, 2004:389). Nevertheless, even though neo-patrimonialism might explain why reforms get blocked, Kjaer’s examination of public sector reforms and political leaders in three African countries shows that it cannot alone explain how and why reforms are being initiated and sustained. Rather, Kjaer emphasizes other factors explaining when new leaders will implement new reforms: the degree of commitment to the reform and the nature of the transition, referring to the terms under which the leader came to power, such as their formation of political alliances (Kjaer, 2004:391). According to this argument, a strong political coalition is required in order to initiate new reforms. Without political support, the leader has to build up the bases necessary to remain in power (Kjaer, 2004:406). Therefore, the circumstances under which the leader came to power will affect the terms under which the new leader performs (Kjaer, 2004:391).

Moreover, old leaders might also be “good reformers” depending on the degree of political institutionalization (Kjaer, 2004:402). According to Kjaer, formal institutions such as stable succession rules as well as strong party support increase stability and decrease the reliance on clientelism. With the future secured, the political leader can focus on reforming without taking the powerful clienteles’ interests in concern (Kjaer, 2004:402). Hence, Kjaer reaches similar conclusion as Geddes: when political leaders’ office is threatened, they will not initiate reforms of the public sector if such reforms jeopardize their support from patronage networks, unless if politics is institutionalized such as strong support from political alliances. However, this primarily explains when reforms are being blocked, yet not when new reforms are actually initiated.

2.1.2 The ideational turn

The degree of commitment to the reform as an essential factor for political leaders to implement reforms (Kjaer, 2004:391, 400) is in line with “the ideational turn” in political science, referring to ideas as a crucial explanation to political behavior and decision-making (Singh, 2015:511). Based on the classical work of Weber; Goldstein and Keohane elaborate on ideas – here referring to beliefs held by individuals – as a determinant of behavior and an essential part of explaining policy outcomes. Without neglecting the rationalist emphasis on self-interest driven decision-making, Goldstein and Keohane claim that ideas matter for policy, even when actors behave rational to achieve their preferences (Goldstein & Keohane, 1993:5). In order to understand the formation of preferences, an analysis of what ideas are available and how actors choose among them is necessary (Goldstein & Keohane, 1993:13). While ideas matters for policy outcome, yet it should not be viewed as a single causal factor but rather as a part of multiple interacting causes (Goldstein & Keohane, 1993:30). New ideas can emerge in lack of consensus; however, changes in ideas do not necessary lead to instant policy change (Goldstein & Keohane, 1993:26).

Goldstein and Keohane categorize different types of ideas – world views, principled beliefs and casual beliefs, as well as different pathways through which ideas have potential to influence policy outcome (Goldstein & Keohane, 1993:12). In the first pathway, ideas serve as a road map between the actor’s preference and the available political strategies to reach these goals. Moreover, this is especially accurate in uncertain environments where ideas can guide behaviors through either moral or ethical motivations or by providing causal patterns (Goldstein & Keohane, 1993:16). Once an idea is selected, it limits the choice of other strategies because it excludes other interpretations of reality (Goldstein & Keohane, 1993:12).

In the second pathway, ideas function as a focal point or as the means to solve collective action problems (Goldstein & Keohane, 1993:18). Ideas do not necessarily emerge spontaneously, but rather get constructed in order to enable cooperation (Goldstein & Keohane, 1993:25). In the third pathway ideas become institutionalized, embedded in rules and norms and furthermore constrain public policy (Goldstein & Keohane, 1993:12). Politically relevant ideas that become institutionalized are moreover often developed in relation to power and interests (Goldstein & Keohane, 1993:22).

Based on similar assumptions, Lieberman argues that institutionalized ideas, taken for granted political or social arrangements, both constrain as well as enable policymaking and can make

decisions seem rational and legitimize tactics for a favored policy (Lieberman, 2002:709). Nevertheless, while Lieberman also stresses the importance of ideas, he further claims that they cannot alone explain policy change because ideas do not create the incentives or opportunities for action (Lieberman, 2002:698). Instead, Lieberman argues that policy change only occurs in the “friction” between ideational and institutional patterns (Lieberman, 2002:697). With this Lieberman means that in order to understand policy change, analysts must consider both ideas and the institutional settings that enabled a reformulation of the incentives and opportunities facing political actors (Lieberman, 2002:704).

The emphasis on ideas could moreover be argued to be present in Singh’s comparative study of social development in Indian states. Singh argues that the presence of a subnational identity in a state enhances a perception of shared interests and hence individuals within this community are more likely to support policies that promote collective goods (Singh, 2015:510). Moreover, political elites in such communities are more likely to implement reforms for social welfare of universal nature. In contrast, where the subnational identity is low and rather ethnic groups are considered to be the main in-group identification, political elites tend to promote goods for the elite’s ethnic group (Singh, 2015:510).

However, Singh clarifies that ethnic identification is not necessarily a threat to subnational or national identities since nationalism is invented and can occur under different ethnic demographics (Singh, 2015:529). In contemporary India, it is not unusual that individuals hold multiple identities and an ethnic-cultural identification might even strengthen superordinate allegiances (Singh, 2015:530).

To conclude, without neglecting the rational choice approach’s emphasis on self-interest as an explanation of political behavior and decision-making, yet the literature review indicates that ideas potentially matter for policy outcome. This is based on the assumption that an understanding of what ideas are available and how political actors choose among them is necessary in order to understand the formation of preferences (Goldstein & Keohane, 1993:13). In line with the methodological concerns addressed in Goldstein and Keohane’s study (1993:29), the theory of ideas is not developed in order to limit the number of other explanatory variables, yet the claim of the theory is to evaluate the plausibility of the perspective that ideas in fact matter for policy outcome.

With that said, a presentation of the conflicting theories – or *ideas* – of how to understand the problem of corruption is required. In the following section the theories of principal-agent

model and collective action and their assumptions of the problem of corruption will be further discussed and elaborated. The thesis will then explore whether ideas – in particular ideas of corruption – potentially matter for reforms.

2.2 Anti-corruption reforms

As stated earlier, previous comparative studies on corruption primarily focus on different determinants of corruption. However, due to the unsuccessfulness of contemporary anti-corruption efforts in environments subjected to systemic corruption (Persson et al., 2013; Mungiu-Pippidi, 2006) and based on the assumption that ideas matter for how and why reforms are initiated and implemented (Goldstein & Keohane, 1993; Lieberman, 2002), an examination of different perceptions of the problem of corruption is relevant. Before introducing the main theoretical framework of the thesis, a brief presentation of alternative understandings of corruption and problem definitions in previous research related to our case is required.

2.2.1 Perceptions of corruption: culture and religion

Several studies define corruption as a contextual phenomenon and have attempted to explain corruption by cultural factors, while arguing that the problem definitions of corruption vary among cultures. A common assumption in the previous literature has been that bribing is considered differently in different contexts. What is considered to be a bribe in the Western context might be perceived as a gift in other contexts subjected to systemic corruption (Rose-Ackerman, 1999). Nevertheless, this argument has gained critique while numerous empirical studies indicate that the perception of corruption as something morally wrong and punishable is widespread also in environments where corruption is systemic (Rothstein, 2011:232; Rothstein & Torsello, 2013:3; Mungiu-Pippidi, 2015:23). For example, survey results from India suggest that the condemnation of corruption is widespread and that the definitions of corruption are in line with international organizations such as the World Bank and Transparency International (Rothstein & Torsello, 2013:3; Widmalm, 2005; 2008).

In addition, religion is sometimes used as a proxy for culture, believed to influence individual's ethical framework and acceptance of corruption (Marquette, Pavarala & Malik 2014:855). Marquette et al.'s qualitative study investigates religion and attitudes towards corruption in India, and more specific examines the function of religious values and leaders in terms of prevention and for educational purposes, such as raising awareness. The findings

indicate that, even though respondents claim that their religion condemns corruption, they referred to a gap between belief and practice. Hence, respondents were aware of the problems of corruption as well as the religions' condemnation of it, yet corruption was described as systemic and therefore induced the feeling that there was not much individual action could do, regardless of their value system (Marquette et al., 2014:861).

Moreover, the respondents were skeptical to the role of religious leaders in spreading anti-corruption messages, while scandals and mistrust against religious leaders in India were widespread. Therefore, a condemnation from an 'unprincipled principal' was seen less likely to prevent corrupt behavior (Marquette et al., 2014:863). Marquette and colleagues conclude that in environments where corruption is systemic, the problem is rather a collective action problem than an issue of individual ethics or morality. Hence, they argue that anti-corruption measures based on a principal-agent model are unlikely to succeed in these environments, even if they include the role of religion (Marquette et al., 2014:857).

2.2.2 Principal-agent problem and collective action problem

The literature on corruption usually distinguishes "grand" from "petty" corruption, where the first is defined as larger cases of corruption committed by politicians or high officials, while the latter is committed by civil servants at the lower level of the bureaucracy, for example bribery (Quah, 2008:242). However, in environments where corruption is systemic, both types of corruption are usually present. Systemic corruption refers to when corruption is the norm, rather than the exception (Quah, 2008:242).

A common definition of corruption is "the abuse (or misuse) of public office for private gain" (Rothstein 2011:230). The definition is used by both international organizations such as the World Bank as well as often adopted for research purposes (Marquette et al., 2014:855). However, the concept "abuse" refers to the act of violating some sort of normative principle and hence this definition has been argued to be insufficient. Rothstein claims that public officials should be guided by the normative principle of impartiality, or non-discrimination, while exercising public authority, resulting in the additional definition: "a holder of public office violating the impartiality principle in order to achieve private gain" (Rothstein, 2011:230).

The additional definition is crucial in order to widen the understanding of corruption beyond the parsimonious definitions of the economical model of corruption, solely focusing on the

act of accepting or paying bribes (Aidt, 2003:632). Mungiu-Pippidi argues that one of the reasons why anti-corruption measures in developing countries turn out unsuccessful is the lack of understanding corruption as “particularism” (2006:87; 2015:14). Particularism refers to the non-universalistic distribution of public goods, hence violating the principle of impartiality. Mungiu-Pippidi claims that influence, not money, is the main currency in societies based on particularism and that bribing should in these contexts be understood as a procedure for securing equal treatment for people in lack of influence (Mungiu-Pippidi, 2006:88).

This informal institution reflects the unequal distribution of power in societies with systemic corruption, and therefore few anti-corruption measures target the roots of corruption in countries where particularism is the norm (Mungiu-Pippidi, 2006:87, 2015:209). According to Mungiu-Pippidi, anti-corruption reforms based on the principal-agent theory imported from other contexts, will thus not succeed in this environment (Mungiu-Pippidi, 2006; 2015:209). This is in line with a broader field of scholars, who argues that importing reforms and institutions from developed countries or international standards to developing countries without taking the local context in consideration, are likely to fail (Grødeland, 2010:238; Persson & Sjöstedt, 2012:627).

The principal-agent theory is a rational choice model of human behavior that views corruption as a criminal behavior of a so-called ‘agent’, entrusted to act on behalf of a so-called benevolent ‘principal’ (Rothstein, 2011:230; Persson & Sjöstedt, 2012:622). This can be illustrated by a civil servant as an agent, violating the trust of a minister as the benevolent principal. In an additional model, the ministers or political leaders could also be the (corrupt) agents, violating the trust of the people, being the (benevolent) principals (Rothstein, 2011:230). The underlying assumption is that there is a goal conflict between the principals and the agents and that the agents possess more information than the principals, hence resulting in an information asymmetry between the actors (Persson et al., 2013:452). Due to the information asymmetry, the principals will not know whether the agents have act in the principals’ interest (Persson & Sjöstedt, 2012:622). The model thus assumes that if the principals do not control the agents, the agents are believed to act in their own self-interest since the benefits outweigh the costs (Persson & Sjöstedt, 2012:622). Therefore, the extent of corruption is here dependent on the motivation, the probability of being detected and the expected loss if being detected (Teorell, 2007:3). According to the principal-agent model, the solution would hence be to establish incentives in the institutional setting in order to alter the

benefit-cost calculation, such as increased salaries for public officials, increased control mechanisms in order to detect corruption or stricter punishment for corrupt activities (Teorell, 2007:2).

However, the establishment of such incentives presumes the existence of a benevolent principal that is genuinely interested in curbing corruption rather than benefit from the maintenance of it (Teorell, 2007:4). The main critique against the principal-agent model is that in an environment with systemic corruption, there is no benevolent principal. In contrast, rather than perceiving corruption as a principal-agent problem, several scholars argue for that corruption should be understood as a collective action problem (Rothstein, 2011:229; Persson et al., 2013:449). This refers to an understanding of corruption as a ‘social trap’ where corrupt behavior is “driven by agents’ beliefs about other agents’ beliefs” (Rothstein, 2011:229). Even though agents might be aware of that they will benefit from a system without corruption, as long as they cannot trust other agents to refrain from corrupt behavior, they have no incentives to do so themselves (Rothstein, 2011:31). Hence, the short-term costs of not engaging in corrupt activities are comparatively high since this will not ‘change the game’ (Persson et al., 2013:457). Furthermore, introducing anti-corruption measures based on a principal-agent model in environments where corruption is systemic is expected to fail since there is no ‘principled principal’ to enforce these measures. Hence, these reforms are thus likely to turn into a collective action problem of the ‘second order’, since the solution is subjected to the same problem it is supposed to solve (Ostrom, 1998; Persson et al., 2013:457).

Therefore, analysts must include the individual-level motives providing explanations for why individuals still engage in corruption, even though having both information and the means to abstain (Persson et al., 2013:455). Even though the collective action theory does not provide a clear-cut solution to the problem of corruption, this perspective indicates a more preventive approach in contrast to the principal-agent solutions, which are attacking the problem once it is already there by primarily “fixing the incentives” (Persson et al., 2013:464). Since corruption could be perceived as an informal institution, the solution cannot solely rely on formal institutions (Rothstein, 2011:229). Rothstein argues that the change of agents’ beliefs about others is the essential mechanism and the focus is on formal as well as informal institutions. Therefore, there is no set of institutions that is more significant than others, and strategies targeting corruption directly might not succeed unless they are supplemented with

indirect strategies. More importantly, these indirect strategies should involve a shift from particularistic practices to universalism and impartiality (Rothstein, 2011:246).

3. Problem formulation

Previous research demonstrates a dividing line of how to understand the problem of corruption, in accordance with the principal-agent model or with the collective action theory (Rothstein, 2011). At the same time, while increased attention and effort has been posed to anti-corruption strategies, this has generated few visible results in environments subjected to systemic corruption (Grødeland, 2010:241). In fact, implementing wrong reforms is claimed to decrease citizens' trust or even facilitate corruption (Mungiu-Pippidi, 2006:86; Grødeland, 2010:241, Persson et al., 2013:465). Furthermore, some scholars argue that the unsuccessfulness of these reforms could be explained by the theoretical mischaracterization of the problem of systemic corruption (Persson et al., 2013:449). In environments subjected to extensive corruption, reforms based on an understanding of corruption as a principal-agent problem might turn into a collective action problem of the 'second order' (Ostrom, 1998; Persson et al., 2013:451).

In order to attain a coherent understanding of what can become a successful reform process, Rothstein argues that research should identify different actors' roles and interests, examine who can be expected to oppose versus support reforms, as well as how the resistance or endorsement should be understood (Rothstein, 2011:236). Moreover, the 'ideational turn' suggests that an analysis of political actors' available ideas is necessary in order to understand the policy outcome (Goldstein & Keohane, 1993). Nevertheless, empirical studies of corruption in previous research mainly focus on the causal factors of corruption, yet the examination of different views of the problem of corruption appears less frequent in the literature. This indicates a necessity for an analysis of how different key actors in the field of anti-corruption perceive the problem, cause and solution to extensive corruption.

Hence, in order to examine different perceptions of corruption, a comparison of two Indian sub-national states, Himachal Pradesh and Kerala, will be conducted. The two states have the same level of corruption but have reacted with different responses to the central government's anti-corruption reform. By conducting interviews with experts and civil servants working with local anti-corruption measures, the aim is to examine the underlying assumptions of the anti-corruption measure as well as the subsequent reactions with the conflicting theories of

principal-agent model and collective action. Hence, the purpose of this thesis is twofold: to explore whether ideas potentially matter for policy outcome and whether the assumptions of these ideas follow the logic of principal-agent or collective action theories in the case of anti-corruption measures.

The findings of this study might contribute to a more comprehensive understanding of different key actors' perceptions of corruption within a country subjected to systemic corruption as well as reinforce policy recommendations of anti-corruption measures. If the ideas and problem definitions of the key actors of anti-corruption implementation affect their attitudes and responses towards anti-corruption measures, then this might determine the successfulness of certain anti-corruption measures.

The scientific relevance of the study might contribute to the field of economic and political reforms, while exploring whether ideas could help explain political leaders' willingness to initiate and implement reforms of public goods. Moreover, the study might contribute to the field of anti-corruption studies while, in environments subjected to systemic corruption, examining whether key actors' understanding of corruption is in line with the theories of principal-agent model or collective action problem.

3.1 Research questions

- How can we understand the varying willingness of political elites to conduct anti-corruption reform?
- More specifically, can the varying willingness of political elites to conduct anti-corruption reform partly be derived from that they hold different ideas about the character of the problem of corruption?

In particular, this study is concerned with the potential influence of ideas of the problem of corruption either as a principal-agent problem or as a collective action problem. As such, the sub-questions that will help me answer the overarching questions are:

- Can we see that public officers in Himachal Pradesh and Kerala hold different ideas as regards the problem of corruption?
- Do public officers in Himachal Pradesh and Kerala vary in terms of whether they conceptualize corruption as a principal-agent problem or a collective action problem?

3.2 Theoretical expectations

Based on the previous literature and theoretical framework, this section will elaborate on and present the theoretical expectations. First of all, how ideas could matter for policy outcome and the various responses in this case and second, how the theories of principal-agent model and collective action problem, or ideas of corruption, are expected to appear in the material.

3.2.1 Ideas affecting policy outcome

Even though Goldstein and Keohane analyze foreign policy, their theories of ideas are applicable while analyzing the different views of corruption. To begin with, the principal-agent understanding of corruption can be argued to have become institutionalized in the international discourse of anti-corruption. Since the principal-agent model have proven to be successful in certain contexts, the consensus view of how to solve the problem of corruption got adopted by the international community's policy recommendations. Once an idea gets institutionalized, it limits the choices of alternative ideas since it excludes other interpretations of reality (Goldstein & Keohane, 1993:12) and hence constrains as well as enables policymaking (Lieberman, 2002:698). Therefore, even though the demonetization reform in India was considered as extreme, the central government could legitimize the drastic decision and make it seem rational while the reform is in line with the institutionalized idea of the principal-agent model.

However, even if the idea of the principal-agent model can be claimed to have become institutionalized, a growing body of literature opposes this view, arguing that the model is not applicable in all contexts. Therefore, Goldstein and Keohane's argument that new ideas can emerge in the lack of consensus and furthermore that ideas can function as a road map in uncertain environments (Goldstein & Keohane, 1993:16, 26) can be applied on the understanding of corruption. While systemic corruption remains widespread in many developing countries even after several reform efforts, the uncertainty of the problem with corruption might generate ideas that guide behavior through either ethical and moral motivations or by providing causal patterns.

Hence, ideas might be a plausible explanatory factor in order to understand the various responses from the different states. While the cases in this study are ranked as the two states with the lowest level of corruption in the country, one can assume that both of them already have implemented fairly effective anti-corruption reforms in the past and hence that their preferences are to curb corruption. Moreover, neither of the two state governments are ruled

by the same party as the central government, Bharatiya Janata Party (BJP), and hence they would not gain any political resources by supporting the reform. If adopting the presumption that both state governments therefore have the preference to curb corruption in their states, the different causal ideas of how to achieve this goal might be based on different views of the problem of corruption.

3.2.2 Principal-agent problem vs. collective action problem

Even though it is not the first time implemented in India, the decision to demonetize high value notes was an unexpected move by the central government and the implementation of the reform has gained critique for being unprepared, which has caused inconvenience for ordinary citizens (Govindarajan, 2016; Venkatachalam, 2016). Demonetization refers to a change of national currency removing the legal tender status from, in this case the two biggest denominations in its currency system, the 500- and 1000-rupee notes (The World Bank, 2017). The exchange of the old notes for new was given a 50-days limit, aiming to combat corruption, terrorism financing and so-called black money – money that is earned illegally or on which the necessary tax is not paid (Venkatachalam, 2016).

The demonetization reform of the central government could be argued to contain certain features characteristic for a principal-agent based understanding of corruption. First, the reform could be interpreted as a control mechanism, since it was implemented without giving any notice in advance. To illustrate, people were required to account for their financial transactions and earnings while deposit large amount of the old currency notes to the bank. The assumption derived from a principal-agent model is that the risk of being questioned and detected will increase “honest” and “non-corrupt” behavior (Rothstein, 2011:231). Second, the reform presupposes a benevolent principal, monitoring the implementation of it, yet not being the target of the reform itself. Hence, the reform increases information and transparency of the agent’s behavior, yet not presenting how it will increase transparency of the principal’s. Third, rather than targeting a change of norms and informal institutions, the reform embodies a formal institution exclusively focusing on the “instrumental” part of corruption.

However, the understanding of corruption as particularism, referring to the non-universalistic distribution of goods (Mungiu-Pippidi, 2006; 2015) is omitted in the reform. Therefore, from the perspective understanding corruption as a collective action problem, the expected critique might be that the reform does not affect Rothstein’s requirement that public officials should be guided by the normative principle of impartiality (Rothstein, 2011:230). Hence, this reform

alone might fail unless it is supplemented with indirect strategies and informal institutions, aiming to alter the particularistic practice. Moreover, the reform takes the benevolent principal for granted and does not include any safeguards to ensure that it will not generate corruption in the future. Hence, the lack of social trust still remains, and therefore it is likely that the reform's aim of curbing corruption will fail according to this perspective, while it rather turn into a collective action problem of the 'second order'.

To summarize, the theoretical expectations of this thesis are that the antagonists opposing the demonetization reform might base their understanding of corruption as a collective action problem, believing that this reform will be unsuccessful in curbing corruption. On the contrary, the protagonists supporting the reform might share the assumptions with the principal-agent model, believing that the reform will generate transparency, induce opportunity for monitoring as well as incentives for non-corrupt behavior and therefore could be an effective measure in curbing corruption.

4. Methodology

4.1 Case selection

The research design of this paper is a comparative case study of the Indian sub-national states Himachal Pradesh and Kerala. The methodological approach is qualitative, using elite interviews as the method of collecting, or rather producing, data. Qualitative respondent interviews are preferable since the interviewees' perceptions are the main object of study. Elites refer here to interviewees with proximity to power and are often protagonists or antagonists in the phenomenon being examined (Marshall & Rossman, 2011:155). Hence, the material will be produced by conducting elite interviews with civil servants in the state governments of Himachal Pradesh and Kerala. In a survey investigating corruption in 20 Indian states, where the scores range from 2.40 to 6.95 with higher scores indicating higher levels of corruption, both states are ranked as the two states with the lowest level of corruption, while Himachal Pradesh score 3.01 and Kerala score 2.40 (Charron, 2010:185, Transparency International India, 2005). While the Chief Minister of Himachal Pradesh has announced support for the demonetization reform, the Chief Minister of Kerala has criticized the move (Govindarajan, 2016). Moreover, none of the selected states has the same ruling party as the central government, Bharatiya Janata Party (BJP), which is the case in many other states supporting the reform. Instead, opposition parties are in majority in both the selected

state governments, Congress Party in Himachal Pradesh and Communist Party of India (Marxist) (CPI(M)) in Kerala.

The ideal selection of cases would have been two states that differ on the outcome, the response to the anti-corruption reform, yet being equal on all other essential factors, such as the same political party ruling or similar level of economy (Esaiasson, Gilljam, Oscarsson & Wängnerud, 2012:103). However, in lack of such ideal cases, still the states of Himachal Pradesh and Kerala are the cases closest to the Most Similar System Design, while the level of corruption is equal, yet the responses to the anti-corruption measure differ. Moreover, the states are similar on several other variables; both states are performing well in most parameters of human development such as education and health care. For example, the level of literacy is ranked high in both Himachal Pradesh and Kerala and furthermore in both states the GDP per capita is above Indian average (Reserve Bank of India, 2017, Census of India, 2011).

An additional design would be to include an examination of perceptions of corruption at the national level as a supplement, in order to compare the motivations of the reform by the central government with the responses from the state governments. However, finding interviewees representing the central government might constitute a challenge. Furthermore, as stated earlier, the two selected states represents the antagonists and protagonists of the reform and are assumed to vary on their perceptions of corruption based on the theoretical expectations.

4.2 Selection of respondents

While conducting interviews as a data collecting/producing method, the interviewees' different perceptions of a phenomenon are sometimes described as problematic (Lilleker, 2003:2012). Nevertheless, in this case the different perceptions are indicating different perspectives, and are hence the main object of study. Perceptions of corruption are usually used in research as a proxy for the level of corruption (Erlingsson & Kristinsson, 2016:2). Hence, the aim is then to examine the respondents' experience of or exposure to corruption. Nevertheless, perceptions can be viewed differently depending on the epistemological and philosophical standpoint (Erlingsson & Kristinsson, 2016:4). Based on the theoretical framework of this study, the definition and purpose of perception is here rather the notion that

perception forms the actors' behavior (Kaufmann, Kraay & Mastruzzi, 2008:3) and as the understanding of the problem of corruption rather than experience of corruption.

Respondents might yet be influenced by several factors such as ideological aspects, support for the ruling government or the government's economic performance (Erlingsson & Kristinsson, 2016:6; Kurtz & Schrank, 2007:543). Hence, the respondents' perceptions of corruption rather become an indicator for general attitudes of trust or distrust towards the government than actual corruption (Erlingsson & Kristinsson, 2016:20). Therefore, the initial plan was that interviewees would be selected to control for known political divides in Indian politics, for example ruling-opposition parties or left-right ideologies. The ideal respondents would then have consisted of local politicians from the state governments or members of the local legislative assemblies, representing different parties. Nevertheless, considering the resources and time frame of a master's thesis, accomplishing interviews with politicians in another country appears rather unrealistic. Therefore, non-politically appointed civil servants are selected as the interviewees, working with issues related to anti-corruption measures or economic reforms on the state level.

These civil servants are identified as key actors of the states anti-corruption work. Despite constituting only a small part of the population, yet their perceptions are highly relevant for examination due to their proximity to power. Thus, it is not relevant how many interviewees express certain ideas, but rather what the ideas consist of and whether the key actors generally differ on their perceptions, since it is assumed to affect the policy outcome. Since the purpose of this study is explorative with the aim to generalize to theory rather than an attempt to make empirical generalizations, the selection is not based on a statistically representative sample. Instead, the number of interviews is dependent on when theoretical saturation is achieved, referring to when the data does not provide any new patterns or information (Marshall & Rossman, 2016:229). In line with this reasoning, the limit should be drawn when the data will "provide for and substantiate meaningful and significant claims", rather than attaining an ideal amount of data (Tracy, 2010:841).

Based on this approach, the sample selection was carried out in two steps. First, the interviewees were selected on the principle of centrality; referring to the degree the interviewees possess a central role and on their professional knowledge in the area being studied (Esaiasson et al., 2012:258) – in this study, the states' anti-corruption work. All Indian states have their own Vigilance and Anti-Corruption Bureaus, VACBs, functioning as

a separate department under the administrative control of the state governments (Quah, 2008:246). Hence, civil servants working under these departments constitute suitable respondents, while they are working close to the implementation of the states' anti-corruption measures as well as possessing detailed knowledge of the states' stance of policy. In addition, they can also recommend anti-corruption policies to the state government. Therefore, civil servants at the VACBs in Himachal Pradesh and Kerala were selected as respondents.

Due to the sensitive nature of the topic, the process of finding and convincing interviewees to participate was rather complicated. Therefore, in the second step I was constrained to use a snowball selection while the first person I interviewed suggested the next suitable respondent and provided contact details to other civil servants working at the VACBs (Marshall & Rossman, 2011:112). Yet important to note is that all civil servants participating as respondents are non-politically appointed.

The principle of centrality and the snowball selection strategy are usually applied when selecting informants rather than respondents (Esaiasson et al., 2012:258). Since the purpose of the study is to examine perceptions of a phenomenon, the interviewees play the role of respondents. However, since I am interested of the perceptions of the civil servants with professional knowledge and expertise of the anti-corruption work representing the state level, the interviewees could be argued to play the role of both respondents and informants, although their primary function are as respondents. Hence, in order to get access to this specific group I was left with no alternatives but to apply these selection strategies, although a sampling selection of maximal variation would have been to prefer.

The Vigilance and Anti-Corruption Bureaus in India are the primary agencies to deal with cases involving corruption at the state level and are governed by regulations issued by the state governments as well as national regulations. The foundation of India's anti-corruption regulations is the Prevention of Corruption Act, which was introduced in 1946 and later revised in 1988 (Peisakhin & Pinto, 2010:265). In 2005, India also adopted a freedom of information statute – the Right to Information Act – in order to increase transparency and to secure citizens' access to public service and information about government activities at all levels (Peisakhin & Pinto, 2010:262). At the national level, the Central Bureau of Investigation (CBI) constitutes the VACBs' counterpart. However, since law and order comes under the jurisdiction of the states according to the Constitution of India, the CBI cannot operate within the states without the states' permission (Quah, 2005:246). Furthermore,

India's anti-corruption agencies have generated criticism for being rather ineffective (Quah, 2005:248). One of the critiques include that neither the VACBs, nor the CBI are independent agencies, but rather perceived as "tools of the ruling party" (Quah, 2005:249).

One problematic aspect of interviewing civil servants at the VACBs is that they might tend to portray themselves and their work in an excessively positive way. For instance, logically it would be against the whole existence of the bureaus if the civil servants would say that they are not needed, that their work is ineffective, or that it will not make any difference if an individual refuses to pay a bribe. Nevertheless, this issue is not new but rather an inherent aspect and applies to all institutions aiming to reduce something but once eradicated, they are out of work. Therefore, I have attempted to formulate the interview guide in order to still capture their understanding of the corruption, although the risk of biases should be kept in mind.

4.3 Semi-structured interviews

The interviews are semi-structured with an interview guide based on the research questions and the theoretical framework. Qualitative interviews are to prefer while the purpose is to map respondents' perceptions and gather more in-depth information from fewer respondents (Esaiasson et al., 2012:229). Moreover, the qualitative interview aims to explore how a phenomenon appears in the material rather than the frequency of it, which is the purpose in a questionnaire (Esaiasson et al., 2012:252). Semi-structured interviews are suitable while it produces rich data, yet focused for efficient data analysis (Marshall & Rossman, 2016:150). Moreover, it includes the freedom to vary the order of the questions to some extent, as well as being able to ask follow-up questions or "probes". This is an essential advantage of interviews since it enables the researcher to go beyond formal information and ask the interviewee to clarify or motivate the answers, in contrast to a survey or a text analysis (Marshall & Rossman, 2016:150). The advantage of a more flexible approach is furthermore to avoid steering the interviewees in a certain direction and allow different perspectives, since the interviewee gets more freedom (Persson & Rothstein, 2015:236).

In order to formulate the interview guide, I began with constructing the two ideal types as well as the indicators of them (presented later in this section) based on the previous literature and the theoretical framework. Hence, the ideal types and the indicators are an operationalization of the main characteristics of the two conflicting theories. Thereafter, the interview guide was designed in order to capture these characteristics. The interview guide

begins with a few opening questions, followed by both direct and indirect questions structured around several themes: the state governments' anti-corruption work, the central government's demonetization reform and the respondent's own perception of the problem of corruption as well as the solution to curb corruption. The interview guide is included as an appendix.

I have conducted a total of fifteen face-to-face interviews in India during March and April 2017. Twelve of them were with civil servants working at the Vigilance and Anti-Corruption Bureaus (VACB), six in Himachal Pradesh and six in Kerala. The remaining three were so-called expert interviews with the NGO Transparency International India as well as with professors at the University of Shimla and the University of Hyderabad, practicing research in the field of anti-corruption in India. Nevertheless, while conducting the expert interviews these rather developed into respondent interviews as well, since the interviewees mainly provided answers based on their own understanding of corruption. On average, each interview lasted for around one hour.

All interviews were conducted in English since it is a common language among employees in the Indian government administration. In some cases this was not optimal since language barriers made the communication somewhat limited. However, the choice of not including a translator was based on two reasons; translation includes some degree of interpretation and hence the risk of missing out important nuances in the interview. Moreover, since corruption is a sensitive issue, I preferred not to include a third person in case it might have affected the interviewees' comfort and responses.

4.4 Ethical considerations

Since the topic is of sensitive nature, ethical issues discussed in Kvale and Brinkmann (2015:107) have been considered. First, before the interview began, some brief information about the purpose of the study as well as how the interview material will be used was presented for the interviewees, including guaranteeing that their answers will be used for academic purpose only. However, I could not share too much information about the purpose neither since this could have risked steering the interviewees' answers. Second, this initial step furthermore included the interviewees' voluntary agreement to participate in the study. Third, the interviewees were asked for permission to record the interview in order to obtain correct quotations. Finally, the interviewees were promised anonymity for safety reasons, referring to that neither names nor positions of the respondents will be displayed.

All expert interviews and five of the six interviews at the VACB in Kerala were audio-recorded with permission from the respondents and later transcribed. However, at the VACB in Himachal Pradesh recording was not allowed, and hence notes were taken during the interviews and the first step of processing the material took place right after the interview in order not to miss out on any details. This might have some implications for the analysis of the material since the recorded interviews contain richer data with more detailed information. Yet, the main features of the written interviews are captured and I consider it to contain enough information in order to analyze the material and to make inferences.

4.5 Idea analysis and ideal types

Since *ideas* are central in the theoretical framework of this thesis, it is moreover the point of departure for the method of analyzing the material. Besides Goldstein and Keohane's (1993) definition of ideas discussed in the previous section, the literature on qualitative methods commonly refers to ideas as a construction distinguished by certain stability and continuity in contrast with the more volatile *attitudes* or *impressions*. Ideas could be a perception of reality, an assessment of a phenomenon, or a notion of how one should act, where the first is expressed as a factual claim and the two latter as normative claims (Bergström & Boréus, 2012:140).

The analytical framework in this paper is based on the conflicting theories of principal-agent model and collective action problem. Even though the theories could not be perceived as entirely dichotomous, they rest on somewhat opposing assumptions of how corruption is understood. Hence, ideal types will be applied as an analytic tool on the material in order to identify underlying assumptions connected to the theories. Ideal types should not be understood as a model describing reality, but rather refers to an extreme point derived on theoretical assumptions and is used to compare and characterize a phenomenon (Bergström & Boréus, 2012:150; Esaiasson et al., 2012:139). Originally developed by the sociologist Max Weber, ideal types are often used in order to formulate hypotheses and hence the construction of ideal types requires being both all covering and mutually exclusive categories (Bergström & Boréus, 2012:150, 167; Esaiasson et al., 2012:143). Nevertheless, since the purpose of this analysis is explorative rather than hypothesis testing, ideal types are here used in a less strict sense and instead function as a "grid" on the material in order to identify and categorize the characteristic features of the phenomenon studied (Bergström & Boréus, 2012:150).

In order to construct the ideal types, the concepts and assumptions emphasized in previous research and literature on the principal-agent and collective action is used. Persson, Rothstein and Teorell's (2013) study on systemic corruption as a collective action problem constitutes the main framework for composing the ideal types. For analytic purpose, each ideal type is moreover categorized into *problem*, *cause* and *solution* to better capture the core of each theoretical perspective and unravel the logic behind the assumptions. The model is a common analytic tool in social science, used in order to examine different problem descriptions and perspectives, however Jönson's paper from 2008 is the main source of inspiration while constructing the analytic tool in this thesis (Jönson, 2008). The ideal types as an analytic tool are summarized and illustrated in table 1.

4.5.1 Ideal type 1: Principal-agent problem

The first ideal type is the extreme point of an understanding of corruption as a principal-agent problem. To begin with, the problem with corruption rests entirely with the agent (for example civil servants in bureaucratic corruption or politicians in political corruption) according to this view. Moreover, the principal should take the role of controlling corruption (for example politicians in bureaucratic corruption or "the people" in political corruption). Hence, the solution is that the principal should aim at negatively influencing the agent's motivation to engage in corruption (Persson et al., 2013:452).

This could be done by a range of different formal institutional reforms with the objective to reduce the opportunities and incentives for corruption. These could for example include increased accountability, by supporting democratization and public awareness. Moreover, increased transparency by reducing the discretion of civil servants through privatization, deregulation and meritocratic recruitment as well as reducing the discretion of politicians through decentralization, public oversight through parliament, independent media or civil society (Persson et al., 2013:453). In addition, reforms that increase the costs of corrupt behavior should be implemented, such as establishing monitoring devices and punishment regimes or increasing the salaries of civil servants. Furthermore, improvement of the rule of law should be implemented, so that corrupt behavior can be prosecuted and punished (Persson et al., 2013:453).

4.5.2 Ideal type 2: Collective action problem

The second ideal type is the extreme point of an understanding of corruption as a collective action problem. In environments subjected to systemic corruption, corrupt behavior is affected by the belief of how other actors will behave. Unless actors trust that others will refrain from corrupt behavior, they have no incentives to do so themselves. This is true even when actors perceive corruption as morally wrong. Since being honest will not change the game, the short-term costs of being honest are comparatively high (Persson et al., 2013:457). Therefore, the problem of corruption is rather perceived as the lack of political will and credible commitment of political leaders and hence the absence of stakeholders willing to act as principals (Persson et al., 2013:454). The assumed principal is also corrupt and will not act in the interest of the public good and therefore the principal-agent model will not be successful. Instead, both political leaders as well as citizens seem to at least passively maintain the corrupt system, since they are captured in a ‘social trap’ (Persson et al., 2013:454).

Nevertheless, the understanding of corruption as a collective action problem do not necessarily question control mechanisms and punishment regimes as effective measures, but rather the very assumption of the existence of a “principled principal”, required to enforce such measures (Persson et al., 2013:456). The solution is therefore based on both formal and informal institution. Formal institutions, such as control mechanism, need to be supplemented with informal institutions, such as building norms of social trust and reciprocity. In addition, it requires a change of all major political, economic and social institutions as well as a shift from particularism and partiality to universalism and impartiality (Persson et al., 2013:465-466).

Table 1: Analytic tool³	Ideal type 1: Principal-Agent Problem	Ideal type 2: Collective Action Problem
Problem: What kind of problem? What is the essence of the problem? How is the problem perceived to be related to other problems?	Criminal behavior of the agent Asymmetric information	Social trap High cost of acting honest Particularism/Non-universalism
Cause: What are the causes mentioned? One or several combined? Voluntaristic or deterministic explanations to the problem?	Lack of transparency Lack of monitoring Lack of incentives	Agents' belief about other agents' belief Lack of social trust Absence of stakeholders willing to act as principals Lack of political will and credible commitment
Solution: What suggestions to solutions are mentioned? Who is considered responsible to solve the problem?	Formal institutions: Transparency Accountability Control mechanisms The principal should take the role of controlling corruption Direct strategies targeting corruption, reducing the opportunities and incentives for corruption Incremental change	Formal and informal institutions Indirect strategies Impartiality/Universalism Non-incremental change

4.6 Data analysis and interpretation

One plausible strategy to begin with the data analysis and interpretation is to code and organize the material into the ideal type categories (Marshall & Rossman, 2016:218). Even though data-analytic schemes are an efficient tool to organize the data, nevertheless, the tool requires flexibility in order not to miss out important data (Marshall & Rossman, 2016:215). At the same time, while coding and categorizing the data, the search for alternative explanations or negative instances should be conducted in order to strengthen the credibility of the study (Marshall & Rossman, 2016:215).

³ The analytic tool is constructed by me, although based on the theoretical framework – in particular on the study of Persson et al. (2013). The categories problem, cause, solution are based on the analytic model in Jönson (2008:9).

Another common technique used in qualitative studies in order to strengthen the credibility of the study is triangulation. This is done by comparing the findings with other studies or by supplementing the interview material with data collected by other methods (Tracy, 2010:843; Marshall & Rossman, 2016:151). Nevertheless, since the aim of this study is to capture the key actors' perceptions, I am constrained to rely on the interview material as my primary source of data. Instead, I have chosen to apply the additional approach of 'thick description' on the results and analysis, referring to that rather than to solely *tell* the readers, I intend to *show* the detailed data by including illustrative quotations in order for the readers to draw their own conclusions (Tracy, 2010:843).

While interpreting the data, it is essential to bear in mind that the data production in an interview might be constructed by the very context of the interview situation. Building on a social constructionist approach, Rapley argues that the interviewees produce the answers in relation to the questions as well as concerns of others, and hence might attempt to present themselves in a "morally adequate light" (2001:308). This could be the case when it comes to sensitive issues such as corruption, while it is usually understood by most people as morally wrong, also in severely corrupt environments (Rothstein, 2011:232). Nevertheless, this tendency might be decreased while the aim is to examine the respondents' understanding of corruption rather than their personal experiences.

However, it could be argued that all qualitative interviews are producing rather than collecting data. Kvale and Brinkmann point out that a qualitative interview is an interaction between the researcher and the interviewee and hence the knowledge derived from the interview is co-constructed (2015:18). This epistemological standpoint is in contrast of a more positivistic view of science, perceiving data and knowledge as something "out there" for the researcher to discover (Kvale & Brinkmann, 2015:34; Marshall & Rossman, 2016). Nevertheless, instead of choosing between the two perspectives, both could be equally important while analyzing interview material (Kvale & Brinkmann, 2015:35).

According to Kvale and Brinkmann, there is always an inherent asymmetric power relation in all kinds of interviews since it is not a conversation between equals. Thus, interviews are a one-way communication where the researcher leads and defines the interview situation, decides the topic, and possess the monopoly of interpretation (Kvale & Brinkmann, 2015:52). However, asymmetric power relation could be argued to be present in most human relations and conversations and rather than attempting to eliminate it, it is essential that the researcher

reflects on the role power plays in the production of interview knowledge (Kvale & Brinkmann, 2015:53). Moreover, while conducting elite interviews, where the respondent usually possesses a position of power, might equate the asymmetric power relation to some extent (Kvale & Brinkmann, 2015:187).

In relation to this, a reflection of my role as researcher is especially relevant considering that the field study is carried out in another country with a different culture. Hence, the respondents' answers might be affected by the fact that I am a foreigner from a European country. Therefore, it is important to view the interview material as context specific and bear in mind that another researcher might have received different responses.

4.6.1 Indicators

In order to analyze the material collected by the interviews and answer the research questions, some indicators for each ideal type are required. Since the aim is to examine the two opposing theories, there are not only concepts to be operationalized, but also underlying assumptions derived from the theories. However, as stated earlier, it is important to clarify that the two theories are not entirely dichotomous and hence respondents might provide answers that could be interpreted as assumptions belonging to both theories.

If a respondent share the main assumptions of the problem, cause and solution to corruption stated in *Ideal type 1*, this will be interpreted as the respondent viewing corruption as a principal-agent problem. The main assumption is the existence of a 'principled principal' and that this principal is the key actor to solve the problem of corruption. Furthermore, if the respondent shares the assumption that the formal institutions alone could function as effective measures to curb corruption, this will be interpreted as a principal-agent view.

If a respondent share the main assumptions of the problem, cause and solution to corruption stated in *Ideal type 2*, this will be interpreted as the respondent viewing corruption as a collective action problem. The main assumption is that the 'principled principal' does not exist and hence corrupt behavior is viewed as a 'social trap'. The respondent does not have to be against formal institutions as measures to curb corruption, however, questions its effectiveness and express a necessity for supplementary reforms.

In addition, there might be respondents whose perceptions are neither in line with *Ideal type 1*, nor *Ideal type 2*. If the respondent express ambiguity concerning the existence of the 'principled principal' and of which kinds of reforms is considered to be the most effective to

curb corruption, this will be interpreted as not related to any of the ideal types. Nevertheless, it is important to note that the aim is not to quantify the number of respondents belonging to each ideal type, but rather to explore whether these ideal types are present in the material according to the theoretical expectations.

5. Results and analysis

In this section the results and analysis of the material produced by the respondent and expert interviews in the states of Himachal Pradesh and Kerala are presented. The results are structured in accordance with the analytic tool presented in table 1 in the method chapter: *problem*, *cause* and *solution*, and the results of the two states are compared under each section. In order to analyze the material, the two ideal types and the indicators are used as a 'grid' on the material under each section and selected quotations from the interviews are displayed in order to illustrate the main characteristics. The key findings from the results and analysis are summarized in the end of this chapter.

5.1 Problem

To begin with, the understanding of corruption as a major problem inducing devastating consequences for the economy and development of the society is widespread among the respondents in both Himachal Pradesh and in Kerala. Hence, the 'cultural explanation' in previous studies finds no support in the material while the consensus of the negative consequences of corruption is shared among all respondents and the condemnation of all types of corruption follows universal standards and definitions. However, one respondent at the Vigilance and Anti-Corruption Bureau (VACB) in Kerala elaborates on the problem definition of corruption and the issue of who is defining corruption:

The main problem of corruption depends on the definition of corruption. The opposite of that is: "What is wrong with being corrupt? What is wrong with corruption?" That depends on where you stand. If I were corrupt, I would say: "There is no problem". Like the Chief Minister of Uttar Pradesh said during the demonetization: "Black money thrives and pushes the economy, without black money the economy would be bad." That was his opinion. He justifies corruption by saying: "Some amount of corruption is required, that is healthy and functional for the society." But if I were on the other side, I would say: "Corruption is destroying this country. Corruption is more damaging than an external enemy because corruption hinders development."

The quote indicates that whether an actor defines corruption as a problem at all depends on the personal gains from corruption, rather than different cultural perceptions of what is defined as corruption. In addition, one of the expert interviewee claims that politicians, bureaucrats and businessmen - who all have a stake in a corrupt system - tends to have a more narrow view of corruption while journalists and the judiciary often perceive themselves as 'the watchdogs of corruption' and possess a more broad and moralistic definition of corruption. However, as we shall explore later, other actors might not share these perceptions.

Nevertheless, in line with the cultural approach, one respondent argues that Transparency International's ranking of corruption is a part of a liberal western discourse:

I don't trust these rankings much, especially not Transparency International's ranking. I find a certain colonial arrogance in bodies like TI, that everyone else is corrupt. I think it comes partly from the World Bank's idea of ranking countries and the discourse they are creating on 'governance'. Many developing countries are not in a position to rank others on a corruption ranking. There is a certain global world politics in this.

In relation to the problem definition of corruption, some respondents express concerns regarding how to measure corruption and the ranking of different sub-national states in India.

In a particular state you hear a lot about corruption. Is it because the anti-corruption bureau is there and doing their job or is it that people are getting caught and that's why corruption is more on the news in that state? And in a state where it is relatively quiet, is it because corruption goes on unnoticed and they don't get caught? We don't know. So one needs to take those kinds of rankings with some skepticism.

Despite some concerns regarding the international organizations' measuring of corruption, varying cultural definitions are not described as an explanation of corrupt behavior in any of the two states. Neither religion is identified as influencing corrupt behavior. However, connected to the role of religion, a common theme among the respondents in Himachal Pradesh is that people's individual moral and ethics are described as important factors affecting whether a person would engage or not engage in corrupt activities. Thus, characteristics of the human nature such as 'basic instincts of human beings' and 'greed' are emphasized as explanations of corrupt behavior: "There are honest persons and there are greedy persons." Corrupt behavior is described as a personal choice and hence a voluntaristic behavior close to the assumptions in Ideal type 1 of the problem of corruption described as a criminal behavior of the agent. According to one respondent in Himachal Pradesh, the

problem of corruption lies with individuals who are considered to have a free choice whether to engage or not engage in corruption:

When someone applies for a license, sometimes they [the public servant] delay the process. He [the public servant] is not demanding money, but they [the citizens] pay money to speed up the process. So there is no case of extortion, instead people are willing to pay and willing to accept.

While discussing the role of moral and ethics, the same respondent claim that some people do not care about the corrupt behavior of a public servant as such and might even use the VACB as a mean in order to achieve something:

People talk [about moral and ethics], but when they want something done they are ready to pay anyway. Sometimes persons who report to us [VACB] do it only in order to get something done. They file a complaint to the VACB and put pressure on the public servant by saying, “I told the anti-corruption bureau”. When we [VACB] start the investigation, the public servant might already have given the clearance to the person who reported the case of corruption, so he takes the complaint back (...) Their aim is not to eradicate corruption, but to get their work done.

However, not all respondents in Himachal Pradesh describe the behavior as voluntaristic and merely as a free choice of the individual, but rather indicate an understanding of corruption more as a ‘social trap’ where corrupt behavior is in line with Ideal type 2.

It [corruption] destroys the economy as well as the moral of the society. The upright people suffer and they also get into the same system. If he is doing it [engage in corruption], why should I not do it? If I could get the work done by paying something, why shouldn't I?

Unlike the majority of the respondents in Himachal Pradesh, most respondents in Kerala, where the official position is against the demonetization, describe corrupt behavior in more deterministic terms rather than voluntaristic. This is connected to the assumption in Ideal type 2 where corrupt behavior is argued to be driven by agents' belief about other agents' belief. Thus, actors engage in corruption because they do not trust others to refrain from corruption and hence they feel trapped in a system.

They [people of Kerala] expect that corruption is necessary in order to overcome certain situations. They think, “If I don't give a bribe it will not happened”. It is a system where it is conventional to give bribes. But gradually we [VACB] can convert this, peoples mindset can change by raising awareness.

Since being honest will not ‘change the game’ in environments with systemic corruption, the short-term costs of being honest are comparatively high according to Ideal type 2. This reasoning is expressed by one respondent in Kerala while talking about civil servants taking the opportunity to ask for so-called “speed money” in order to provide a service without delaying the process.

The cost of saying no [to pay a bribe] is very high in Kerala and in other states. Because sometimes he might have to travel ten times [to the office] and then it is the cost of his traveling, the cost of his lost wage for that ten times as well as the delay [of the service]. If he gets that service today he can use that service for something, but if he gets it after ten times traveling [to the office] and after two months, there is a problem.

Besides the social trap and the high cost of refraining from corrupt behavior, the respondents in Kerala raise an additional aspect of the problem of corruption. An essential assumption in Ideal type 2 is the understanding of corruption as particularism, identifying the non-universalistic distribution of public goods. According to this assumption, bribery should be understood as securing equal treatment in environments where corruption is systemic and where influence plays a major part. This assumption is reflected in one of the quotations from a respondent in Kerala:

At the lower level, the kind of corruption that is most common is the need-based corruption (...)
And need-based corruption exists since people are being paid less and they don't have basic facilities. So that is why he tends to engage in corruption, to fulfill his basic needs.

In addition, some respondents in Kerala express concerns of particularism while talking about the judiciary, where the rule of law is described as partial and politicians with influence stands above the law:

Take for example the Jayalalithaa case. Jayalalithaa was the former Chief Minister of Tamil Nadu. So she was corrupt, but the judgment came first after her death. 21 years it took for that case, the final judgment came now in 2017 after her death (...) So politicians escalate the legal process through several ways and escape from the consequences and the punishment (...) In Kerala, the likelihood of legal actions are low. If you have influence you can delay the legal actions and 20 years have become the norm.

5.2 Cause

The second essential dimension of the understanding of corruption is what is described as the causes to corruption. Although somewhat integrated in the very problem definition of corruption, the two aspects are divided into separate sections for analytic purpose. In Himachal Pradesh, where the Chief Minister has expressed support of the central government's anti-corruption reform, the majority of the respondents emphasize discretion and lack of transparency as some of the main causes of corruption: "If the public servants have discretion, there is a possibility of corruption". The issue of discretion is connected to the assumption in Ideal type 1 of asymmetric information, where the agent possesses information that the principal does not have access to, which is assumed to increase the opportunities for corruption. Not only public servants' but also politicians' discretion is described as a problem:

One of the main issues is how to make the political transactions transparent. Wiping out corruption would be very difficult without that. An elected politician has a lot of commitments; he has expectations from his constituencies and in order to meet the expectations he have to bend the rules. He [the politician] will try to get everything done, but that is not possible. On the other hand, bureaucrats are getting their salaries and secure positions while politicians don't get so much salary and their positions are only secured for five years at a time. Elections are expensive in India and they [the politicians] need huge amounts of money. How to generate money for the election? Only in illegal means, supplied to the top. If politicians are granted financial security, then things will improve (...) but we also need transparency in every sector of the government.

The quote highlights two essential aspects, both related to the assumptions in Ideal type 1. First, that the discretion of politicians increases the opportunity of corrupt behavior and that increased transparency is the solution. Second, the quote indicates that the respondent believes that politicians' incomes are insufficient and therefore they have to rely on the (economic) support of his/hers constituents. Hence, some sort of financial security for the politicians, such as higher salaries, is described to solve the problem of the political patronage.

In Kerala, where the state government is against the demonetization, several respondents likewise emphasize the lack of transparency as one of the major causes of corruption. Nevertheless, unlike the respondents in Himachal Pradesh, the respondents in Kerala express concerns related to the assumption of the absence of a 'principled principal'. According to

one respondent, transparency could be an effective measure to curb corruption, however, it depends on who is controlling the information. This is in line with the assumption in Ideal type 2 where the assumed principal is also corrupt and will not act in the interest of the public good and therefore the solutions of the principal-agent model will not be successful.

...transparency is definitely a solution to reduce corruption. But then - who controls information? That is an issue. I have seen in Kerala, I mean getting information is a very difficult task and if the leadership is corrupt they will find some ways to withhold information. In some ways they will classify the information, they will delay the information and they will give out the information in a way that it will become irrelevant. So who controls information is very important.

Related to this the respondents in Kerala also raise the issue of corrupt leaders, politicians or higher officials, interfering in the anti-corruption activities of the VACB, described by the respondents as one of the main challenges while working with anti-corruption. This is for example done through transferring or changing the position of the civil servant accused of corruption or by not cooperating and refusing to share information with the VACB.

Some officials are resisting the anti-corruption activities, [they] are not accepting the new policies. They are thinking and living in the old system and they are not accepting the new projects and the new thinking (...) So many people are thinking about development as only their own development, and not as the development of the nation.

The quote hence indicates a lack of political will and credible commitments among some political elites or higher officials, which is furthermore emphasized as an essential cause to corruption in Ideal type 2. Despite having an anti-corruption rhetoric, some elites tend not to follow these principles.

5.3 Solution

In addition to the emphasis on increased transparency as a solution, the general belief among the respondents in Himachal Pradesh is that interaction between citizens and bureaucrats implies an opportunity of corruption and that the solution therefore is to decrease the interaction. One way of doing so is by relying on technology and through digitalizing the applications and procedures of public services.

A lot of corruption is occurring when requesting certain contracts. Hence, digitalization – when you apply for something online – decrease the interference of bureaucrats (...) Take the

example of town planning; now you can pass your construction plan online, [which] reduces the interference and increases the visibility.

As one of the expert interviewees points out, the emphasis on technology is furthermore connected to one of the aim of the central government's demonetization - the cashless society:

I would like to share this interesting conversation we had with a group of engineers. So they thought, "The technology is the solution". This is of course coming from engineers, so they said, "Take out the human interference". And that is close to the whole cashless approach - humans can be corrupted, but technology cannot. But technology is in the hands of the human beings so...

Regarding the central government's demonetization, where the state government officially supports the reform, the opinions yet vary to some degree between the respondents in Himachal Pradesh. Most respondents argue that it is a good step towards checking corruption, especially targeting black money, while it increases transparency and controlling unaccounted assets. Others claim that the demonetization will not have any effect on corruption in the long run; while some argue that the initiative was good, however emphasize the negative side effects, such as the poor implementation of the reform.

That the people suffered, that is another aspect. Those who are against the demonetization, they are opposing that. Of course the initiative was good, but the initiative was taken without preparation. We should have prepared in advance, so the people did not have to suffer. Because they [the central government] had not visualized some of the things that happened: that the new currency was not in the banks and the long queues outside the banks.

Moreover, some respondents discuss the Chief Ministers' decisions to support the demonetization and emphasize the commitment to the reform, indicating the assumption that ideas might influence the policy outcome:

The Chief Minister [of Himachal Pradesh] also supported, even if he is from another party, because it was a general decision (...) He [The Chief Minister] supported the demonetization because he believed it would reduce corruption.

There is also a belief among the respondents in Himachal Pradesh in increased accountability as well as increased control mechanisms as effective measures to curb corruption. Nevertheless, respondents in both Himachal Pradesh and Kerala witness political leaders, even though accused of corruption, often have a chance to get reelected. According to the respondents in Kerala, this is primarily due to two reasons: the drawn-out judicial process and

that the voting behavior often is based on ethnic or religious belongings, rather than functioning as an accountability mechanism. However, in Kerala some respondents stress an increased awareness among the people and further claim that if anti-corruption is on the election agenda, corrupt politicians will be punished through elections. According to Ideal type 1, actors willing to hold corrupt officials accountable is a necessary part of the implementation of principal-agent based reforms, however, the material implies that this mechanism is rather ineffective in terms of electoral accountability in both states.

Regarding increased control mechanisms, one respondent in Himachal Pradesh emphasize stricter punishment and describes the problem: “There is no fear of the government”. According to the respondents in Himachal Pradesh, fear of getting caught and punished is the main solution to the problem of greed. The assumption that corruption could be reduced when ‘fear is greater than greed’ is furthermore in line with Ideal type 1 where the solution to principal-agent problems is to alter the incentives.

Whatever punishment is given in cases of corruption, it should be deterrent. And by deterrent I mean it should set an example so that others who are thinking of engaging in corruption, they also get afraid.

However, only a few respondents in Himachal Pradesh are concerned with who enforces these control mechanisms:

Legislation has to be there, but ultimately it is the person who implements [the rules] that is the main issue. The main problem is the enforcement. We have laws, but enforcement is hard because they have their own connections.

The quote is furthermore related to an essential dividing line between Ideal type 1 and 2 – the view of who is considered to be the key actor to solve the problem of corruption, and whether this actor exists or not. Several respondents in Himachal Pradesh point out politicians to take the lead in the anti-corruption work, however, without much further reflections on the consequences in a scenario where the ‘principal’ himself is corrupt. Other respondents describe the common people as the main watchdog of corruption and repeatedly the emphasis on the initiative of common people is raised throughout the interviews. This is in line with the statement in Ideal type 1 where the principal (either politicians in bureaucratic corruption or “the people” in political corruption) should take the role of controlling corruption, for example by aiming at negatively influencing the agent’s motivation to engage in corruption.

Nevertheless, according to the respondents in Himachal Pradesh the amount of complaints from the general public to the VACB is yet relatively low. Although the civil servants at the VACB does not reflect any further on the reasons for that, one of the expert interviewees point out lack of trust and political influence as plausible explanations:

In my study I found that the general public [in Himachal Pradesh] does not take initiative to launch their complaints, they are not coming forward. They are thinking, “It is better not to go there [to the VACB]. Maybe they [the people] don’t have trust. They have in their minds that, because of the political pressure, action will not be taken against the defaulters.

According to the principal-agent model in Ideal type 1, the general public could take the role of controlling political corruption. Nevertheless, the expert interviewees’ emphasis on political interference and lack of trust thus indicates an assumption in line with Ideal type 2, where actors refrain from checking corruption and believe it is useless to file a complaint since it will not change ‘the game’.

In Kerala on the other hand, the number of complaints and tips from the general public to the VACB have increased significantly during the last years according to the respondents. Even though delayed services seem like a common problem in both Himachal Pradesh and Kerala, in Kerala the actual prevention of such type of corruption were set into action. Several respondents give information about a new work strategy of the VACB in Kerala, aiming to prevent this kind of corruption through various projects. One of these projects is targeting the village offices, which are administrative offices under the state government where citizens can apply for various certificates and permissions. According to the respondents, this is one of the most common areas where petty corruption occurs in Kerala. One of the reasons for that is according to the respondents that the general public is not aware of the procedure, their rights and the process of filing a complaint of corruption. As a response to this, the VACB have put up boards of information outside each village office in Kerala in order to facilitate the procedure and prevent bribery. These are including the expected time and cost of the service as well as who to contact in case of any illegal activity.

We are now concentrating on preventive vigilance work and we are bringing the National Service Scheme, non-governmental organizations and activists along with us. The aim is to make the general public aware of various rights and services provided by the government departments, and thereby minimize corruption. Nowhere else in India you will find these kinds of activities.

The majority of the respondents in Kerala emphasize this kind of preventive work in order to curb corruption. Campaigns to raise awareness among the people of Kerala, education in high schools as well as training for new employees in different government departments about anti-corruption are some examples of the preventive work. Furthermore, special efforts to raise awareness among the most vulnerable groups in the society are carried out, such as poor people in the rural areas, tribal groups and fishermen's community. According to the respondents, these groups are often entitled to certain benefits from both the state government and the central government, however, due to their lack of knowledge about their rights, the full amount rarely reach the most needed since middlemen appropriate a share along the way.

Take the example of the fishermen's community. In these communities, the men are out fishing while the women stay home and take care of the household. Officials will not inform them about their rights so we [VACB] are making them aware about their rights and what financial assistance they are entitled to.

The special efforts targeting some groups in the society, considered as less privileged by the respondents, can be interpreted as an understanding of corruption as particularism, in line with Ideal type 2. The respondents in Kerala have raised the issue of unequal distribution of public goods and as a solution they attempt to mitigate the negative consequences by raising awareness. Hence, this indicates recognition of a non-universalistic distribution of public goods, violating the principle of impartiality. In line with this, some respondents also emphasized the importance of impartial appointment procedures and a meritocratic bureaucracy:

Giving a fair chance to all people to attain a job is also important. I told you earlier that some appointments, some government jobs, are earned through backdoors instead of through new processes. So that has to be avoided.

Although other measures to reduce corruption such as increased transparency, accountability and control mechanisms are not rejected; the emphasis on preventive work is clearly present among the majority of the respondents in Kerala:

The existing methods, adopted by all anti-corruption bureaus in India, are not sufficient to curb corruption. Of course, the actions of the vigilance officials and the vigilance courts will have a deterrent effect, but there is a strong need of preventive mechanisms.

Without rejecting formal institutions as measures to curb corruption, the respondents express a necessity for supplementary anti-corruption reforms in line with the assumptions in Ideal

type 2. These supplementary reforms take the shape of informal institutions and could be interpreted as an attempt to build social trust and reciprocity since they include elements of social mobilization and raising awareness. This can be illustrated by one respondent's description of his work:

I design messages and communicate for a cultural change in Kerala against corruption. I would call it package messages, in such a way that it can influence the attitudes and the minds of people; "say no to corruption" (...) I started mobilizing people against corruption. Usually the higher officials of the bureau doesn't go out of their offices, but I went to the tribal settlements in Kerala (...) I use to stay in their houses, interact with them, you know an ethnographic way of being a part of them. So even now if they have a problem, they ring me up.

The emphasis on supplementary anti-corruption reforms are furthermore manifest while discussing the central government's demonetization, where the state government of Kerala officially take a stand against the reform. The main conclusion among the respondents in Kerala appears to be that the intention of the reform might have been good, especially in terms of targeting black money, yet not enough in order to curb corruption. Thus, several respondents express a necessity for other reforms.

Has it checked corruption? Yes, by collecting money. Because generally corruption is through cash transactions, some elements of corruption only, not all. People can stash away money in so many methods and ways (...) So is the demonetization effective? I would say maybe just to some extent. Because any anti-corruption measure a good government takes, the other side will innovate and find creative solutions to the 'problem' of anti-corruption measures. So they [people engaging in corruption] see anti-corruption measures as a problem, an obstacle for their business and their way of conducting business.

5.4 Key findings

To summarize, although assumptions from both ideal types are present among the respondents in both Himachal Pradesh and Kerala, the results indicate some essential differences. First, where the respondents in Himachal Pradesh define the problem of corruption in voluntaristic terms as a criminal behavior of the agent, the respondents in Kerala highlight corruption as a 'social trap' and hence view corrupt behavior in more deterministic terms, where agents' belief about others influence their actions. Moreover, the recognition of corruption as particularism is present to a greater extent among the respondents in Kerala, while it was only the expert interviewees who raised this concern in Himachal Pradesh.

Second, although respondents in both states point out discretion and lack of transparency as some of the major causes of corruption, the respondents in Kerala raise concerns about the existence of a ‘principled principal’, both in the judicial system and at the political level. Third, while the respondents in Himachal Pradesh mainly focus on formal institutions as measures to curb corruption, the respondents in Kerala in addition emphasize the importance of informal institutions. Even though not rejecting formal institutions, the respondents claim that these are not sufficient in order to solve the problem of corruption. Hence, preventive work including social mobilization and awareness campaigns has been carried out in the state. The key findings are summarized in table 2.

Table 2: Key findings	Himachal Pradesh (Officially supporting the anti-corruption reform)	Kerala (Officially against the anti-corruption reform)
Problem: What kind of problem? What is the essence of the problem? How is the problem perceived to be related to other problems?	Criminal behavior of the agent Individual’s moral and ethics Greed Interaction increases the opportunities of corruption	Social trap Agents’ belief about other agents’ belief Lack of social trust High cost of acting honest Particularism/Non-universalism
Cause: What are the causes mentioned? One or several combined? Voluntaristic or deterministic explanations to the problem?	Voluntaristic explanations Lack of transparency Discretion of civil servants and politicians Asymmetric information	Absence of stakeholders willing to act as principals Lack of political will and credible commitment
Solution: What suggestions to solutions are mentioned? Who is considered responsible to solve the problem?	Formal institutions: transparency, accountability and control mechanisms Direct strategies targeting corruption, reducing the opportunities and incentives for corruption Decrease the interaction by technology and digitalization The principal should take the role of controlling corruption (either the politicians or the citizens)	Formal and informal institutions: Formal: transparency, accountability and control mechanisms Informal: social mobilization and raising awareness Indirect strategies – preventive work and raising awareness Universalism/Impartiality: aiming to mitigate particularism and partiality

To conclude, the key findings indicate that the assumptions about the problem, cause and solution of corruption expressed by the respondents in Himachal Pradesh primarily follow the logic of Ideal type 1, the principal-agent model, whereas the respondents in Kerala view the problem, cause and solution of corruption primarily as a collective action problem according to Ideal type 2.

6. Conclusions and discussion

The theoretical expectations outlined in previous chapters was the notion that ideas might play an important role in order to understand the various responses of the different states towards the central government's demonetization, in terms of political will to implement the anti-corruption reform. Nevertheless, the methodological approach – in the theory of the ideational turn as well as in this thesis – is not an attempt to limit the number of other explanatory variables, yet to explore whether different key actors' ideas or problem definitions might form the policy outcome. The ideas explored in this comparative case study was the understanding of the problem of corruption and whether the different actors' problem definitions have formed what they consider to be effective measures to solve the problem, and hence affected the different responses to a national anti-corruption reform.

The results indicate that the two cases examined in this paper, the state of Himachal Pradesh and the state of Kerala, to some extent define the problem of corruption according to different logics – modeling corruption either as a principal-agent problem or as a collective action problem. Even though the respondents in both states emphasize several solutions in line with the principal-agent model, such as increased transparency, accountability and to some extent control mechanisms, the respondents in Kerala argue that these strategies are not sufficient in order to curb corruption. Rather than solely relying on formal institutions, they emphasize both formal and informal institutions, claiming that preventive work, social mobilization and raising awareness are necessary measures in order to combat corruption. As the results indicate, this is because the respondents in Kerala in general view the problem of corruption as particularism as well as a social trap where the absence of the principled principal makes the principal-agent solutions ineffective without supplementary measures.

Hence, without rejecting other plausible explanations, the results indicate that ideas – here modeled as different problem definitions of corruption – could be argued to potentially affect the policy outcome. While the respondents in Himachal Pradesh describe the problem of

corruption primarily as a principal-agent problem, their response to the central governments' demonetization was overall positive since it is in line with their problem definition. On the contrary, the respondents in Kerala believed that the demonetization would not be sufficient to solve the problem of corruption since they view the problem of corruption as a collective action problem. However, the results furthermore indicate that in some cases the negative side effects of the demonetization were influencing the attitudes, rather than the very aim of the reform.

Important to note is that both theories yet rest on the same assumption about actors as rational agents, acting in order to achieve their preferences. However, the view of what the problem of corruption consists of and the conditions under which actors behave are perceived differently by the two theories. The same logic applies to the notion of ideas. Without rejecting the rationalist emphasis on self-interest driven decision-making, the theory claims that ideas can help explaining the formation of preferences. Applying Goldstein and Keohane's definitions of ideas on the results can shed light on some plausible explanations of the different perceptions of corruption. According to the respondents, the preventive work strategy in Kerala started quite recently. Before the implementation of the new strategy, the anti-corruption work in Kerala was more similar to the one in other states. This could be interpreted as a new idea, emerging in lack of consensus. Hence, the idea then serves as a road map between the preference of curbing corruption and the available strategies to reach this goal. On the contrary, the work strategy in Himachal Pradesh follow the same regulations and practice as it has done for several years, which could be interpreted as an institutionalized idea of what the problem of corruption consist of and how to solve it. Furthermore, institutionalized ideas are often developed in relation to power and interests and an interesting fact is that just a few weeks after my visit in Himachal Pradesh, the Central Bureau of Investigation accused the Chief Minister of Himachal Pradesh of embezzling money.

To conclude, and to answer the research questions, the key findings of this explorative study suggests that the public officers in Himachal Pradesh and in Kerala hold different ideas as regards the problem of corruption. Where the respondents in Himachal Pradesh primarily conceptualize corruption as a principal-agent problem, respondents in Kerala perceive corruption more as a collective action problem. Hence, the findings indicate that the varying willingness of political elites to conduct the central governments' anti-corruption reform potentially could at least partly be derived from that they hold different ideas about the character of the problem of corruption.

Since the respondents in this study both implements as well as give recommendations on anti-corruption policies to the state governments, they are identified as key actors in the area of anti-corruption at the state level in India. If their problem formulations affect the policy outcome, examining their perceptions of the problem of corruption is crucial. Without legitimacy and political will from relevant key actors at the sub-national level, the effectiveness of national anti-corruption measures might be affected. Therefore, the findings of this study highlight some essential implications: if ideas matters for policy outcome in the case of anti-corruption, an examination of different key actors' understanding of the problem of corruption might be important in order to design effective anti-corruption measures. Nevertheless, the aim of this study is explorative and hence no empirical generalizations could be drawn from these conclusions. Therefore, an empirical test of these findings could be relevant for future research in order to investigate whether this tendency remains.

7. References

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8. Appendix 1: Interview guide

Opening questions

- How long have you worked for this organization?
- What is your position in the organization?
- Did you have any other positions before this?
 - a) If yes: where did you work before and with what?
- How come you started working for this organization?
- Can you describe your daily work?

Theme 1: The state government's anti-corruption work

- How does your organization work with transparency and vigilance?
- How does your organization work with anti-corruption?
- Are there any central policies/regulations to steer the work in your organization?
 - a) If yes: which are these?
 - b) If no: on what other basis is the work in your organization governed?
- In your opinion, would you say that the anti-corruption work in your state is similar or different from the work in other states?
- Your state is ranked as one of the states with the lowest level of corruption according to Transparency International in India. Why do think that is the case?

Theme 2: The central government's demonetization reform

- What is your opinion of the central government's demonetization reform?
- What do you think is the objective of the reform?
- The central government's demonetization reform was among other things framed as an anti-corruption measure. What effect do you think that the reform will have on corruption?
 - a) If positive effect: How do you think the reform will curb corruption?
 - What type of corruption do you think the reform will affect?
 - b) If no/negative effect: Why do you think that the reform will have no/negative effect on corruption?
 - How do you think the reform should have been designed instead?

- The Chief Minister in your state has expressed support/non-support towards the demonetization reform. Why do think he/she has done so?

Theme 3: The respondent's own perception of the problem of corruption

- What do you think is the main problem of corruption?
- Why do you think some people behave corrupt?
- Why do you think some public officials receive bribes?
- Do you think peoples individual morality and ethics matters for engaging or not engaging in corrupt activities?
- What would you say is the effects of corruption?
- What kind of corruption do you think is the most common?
- What kind of corruption do you think is the most devastating?
- What do you think is the biggest challenge while working with anti-corruption?
- Why do you think corruption remains a problem?

Theme 4: The respondent's own perception of the solution to the problem of corruption

- What do you think would be the solution to the problem of corruption?
- What do you think about increased transparency as a measure to curb corruption?
- What do you think about increased accountability as a measure to curb corruption?
- What do you think about different control mechanisms as a measure to curb corruption?
 - a) If positive: What kind of control mechanisms and who should enforce them?
- Do you think the punishment of corrupt behavior is sufficient?
- Do you think the salaries of civil servants are sufficient?
- Do you think it will make any difference if an individual refuses to pay a bribe?
- Do you think the work against corruption should start from the top (with politicians) or from the bottom (street-level corruption)?
- Who is most likely to initiate anti-corruption reforms – elites, street level bureaucrats or ordinary citizens?
- What do you think the people of your state thinks about corruption?
 - a) If negative: what do the people/voters do about it?
- Do citizens punish corrupt behavior? (Through election)

Closing questions

- Is there anything you would like to add?