

# Assessing ‘Good Governance’ and Corruption in New Zealand: ‘Scientific’ Measurement, Political Discourse, and Historical Narrative

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Working Paper No: 13/03

Year 2013



## Institute for Governance and Policy Studies

A research institute of the School of Government

INSTITUTE FOR GOVERNANCE  
AND POLICY STUDIES  
WORKING PAPER  
13/03

MONTH/YEAR

October 2013

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ACKNOWLEDGEMENTS

The author thanks Jonathan Boston and Michael Macaulay, of the School of Government, Victoria University of Wellington, for helpful comments on two drafts of this paper.

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# Assessing ‘Good Governance’ and Corruption in New Zealand: ‘Scientific’ Measurement, Political Discourse, and Historical Narrative

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## **Abstract**

New Zealand is ranked highly on the Worldwide Governance Indicators (WGI), which assess performance on six dimensions of governance: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. In addition, New Zealand has long been rated by Transparency International’s Corruption Perceptions Index (CPI) as having the very lowest rates of corruption. It was rated as first, or first equal (that is, perceived as the least corrupt or equally least corrupt country in the world), in 2006, 2007, 2008, 2009 and 2010, and sat alone atop the rankings in 2009 and 2011. In 2012 it was ranked first equal again. This paper gives some attention to methodological and related arguments about the general validity of both the WGI and the CPI, and is based on the premise that these international rankings are not only widely accepted as valid statements of relative fact, but also can divert attention away from pertinent issues of good government within particular countries. It may be claimed on the basis of these indicators that relative to the performance of most other countries New Zealanders have little to be worried about regarding the quality of their governing institutions and processes. Yet ‘good governance’, including low levels of corruption, needs to be assessed against the country’s own standards over time, and informed by historical understanding. International league tables, using precise indexes and indicators have their uses. However, they should not be reified or allowed to dominate or supplant valid social criticism in the form of political discourse and historical narrative, which are essential in assessing any country’s quality of governance.

**Acknowledgement:** The author thanks Jonathan Boston and Michael Macaulay, of the School of Government, VUW, for helpful comments on two drafts of this paper. The usual disclaimer applies.

‘The publicity of the government, the press, and a host of private organisations constantly assures the public that New Zealand leads the world in this, that, and the other. So often is the point repeated and asserted about so many features of the Dominion’s life that it is now earnestly believed by the majority. It is held as a faith which few call in question...Under its worst forms it can degenerate into smugness and complacency, the national delusion of the self-satisfied.’

– Leslie Lipson (1948) *The Politics of Equality: New Zealand’s Adventures in Democracy*, Chicago: University of Chicago Press, pp. 459-460.

## What is ‘good governance’?

The main idea of governance—as distinct from government—has become intellectually fashionable in academic circles over the past decade or so, constituting a new conceptual paradigm that embodies ideas about the dispersal and fragmentation of formerly centralised state authority, the increasing involvement of civil society in the delivery of public goods and services, and the networked collaboration of a wide range of governmental and non-governmental bodies in the pursuit of public purposes and the public interest (Bevir, 2009; Bovaird and Löffler, 2003; Kjaer, 2004; OECD, 2001, 2005; Osborne, 2010; Pierre, 2000; Pierre and Peters, 2000, 2005; Sörensen and Torfing, 2007; Rhodes, 1996, 1997, 2007; Stivers, 2008). According to Rhodes (2007: 1247), for example, with particular reference to Britain, the model of Westminster hierarchical government is ‘no longer acceptable’, requiring ‘a different story of the shift from Government with its narrative of the strong executive to governance through networks.’ This paradigm shift—which Marsh (2008: 735) has critically described as ‘the new orthodoxy’—has been strongly contested by other scholars who are also less convinced about the scope of actual change in governing relations (Bell and Hindmoor, 2009; Frederickson, 2005; Hill and Lynn, 2005; Grix and Phillpots, 2011; Lynn, 2010, 2011; Marsh, 2008; Olsen, 2006; Robichau, 2011).

While ‘government’ can be understood as an entity, embodying such components as the ‘machinery of government’, governance is better understood as a process. ‘Good governance’, therefore, refers to processes that work well or badly according to certain criteria. Just what these criteria are or should be is a matter of political choice. As Holmberg *et al* (2008) point out, ‘...because “good governance” is such a broad concept and encompasses a range of issues, empirical analyses hinge on the definition of the term.’ However, it must also be true that the assessments as to whether ‘governance’ is good or bad, or better or worse, must depend to some extent on the outcomes that they give rise to, support, facilitate or enhance. It is possible to conceive, theoretically at least, of a country which displays ‘good governance’ but repeatedly produces disastrous policy and governmental outcomes, and a situation in which the converse is true. (Even if such possibilities seem to offend common sense, this in itself is an insufficient reason for academics to desist from conceiving them.) Thus, there is an on-going relationship between means and ends, process and result, and so on. And while this involves interaction between two clearly separable components at a conceptual level, in practice they are always in an iterative, mutually constitutive, relationship. As Friedrich (1940: 6) famously observed,

‘Public policy is being formed as it is being executed, and it is likewise being executed as it is being formed.’

‘Good governance’ is probably best defined experientially: for example, people living in what have come to be known as ‘failed states’ probably share a sense of living in a society that is chaotic, unpredictable and largely indifferent to their welfare, individually and collectively. Diamond (2007: 119) does not paint a glittering picture:

There is a specter haunting democracy in the world today. It is bad governance – governance that serves only the interests of a ruling elite. Governance that is drenched in corruption, patronage, favouritism, and abuse of power. Governance that is not responding to the massive and long-deferred social agenda of reducing inequality and unemployment and fighting against dehumanizing poverty. Governance that is not delivering broad improvements in people’s lives because it is stealing, squandering, or skewing the available resources. The Philippines, Bangladesh and Nigeria lie at different points along the path of democratic decay, but they reflect a common problem. Where power confers virtually unchecked opportunities for personal, factional, and party enrichment, it is difficult if not impossible to sustain democratic rules of the game. The democratic spirit of elections drowns in vote-buying, rigging, violence, or all three.

In reversing, in summary form, Diamond’s dimensions of ‘bad governance’ it follows that its opposite – ‘good governance’ – occurs in a democratic polity in which officialdom (political and administrative) serves the interests of all, is non-corrupt, not given to the abuse of power, seeks effectively to reduce inequality, unemployment and poverty, uses public resources in the pursuit of collective purposes, operates according to the rule of law, and maintains fair and open electoral processes.

We might assume that, if they were asked, most New Zealand citizens, for example, would say that they prefer to be subjected to ‘good governance’ than to ‘bad governance’, notwithstanding the likelihood that some people will see any form of government as ‘bad’ government. But ‘good governance’ and ‘bad governance’ are rhetorical categories, rather than scientific ones. One person’s ‘good governance’ is another’s ‘bad governance’, in the same way that, ‘One person’s “red tape” may be another’s treasured procedural safeguard’ (Kaufman, 1977: 4).

Such evaluations are obviously political rather than scientific. Citizens of virtually all of the world’s developed nations are likely to believe that their countries are more or less ‘well governed’, with their positive or negative judgements being based on a myriad of often conflicting assessments, impressions, experiences, and biases. ‘Good governance’ is

experienced by people in a wider community of shared interest, a polity—which may be another way of saying that ‘good governance’ is a process which effectively promotes and secures some albeit elusive notion of ‘the public interest’. As Rothstein (2013: 12) says, ‘Trying to define good governance while ignoring the normative issue of what should constitute “good” defies logic.’ He cites Offe’s (2009) argument that the concept is empty of agency: ‘There is no verb form of the word like there is for government. Members of the government can govern but what it is [is it – sic] that members of a network of governance are doing? In reality, the concept tends to capture all forms of collective social co-ordination, outside pure market relations or the family’ (Rothstein, 2013: 8). For his part, Offe (2009: 553) claims that ‘the use value of the concept of governance for the social sciences is jeopardized by a tendency of “over aggregating” the phenomena it refers to...It is not surprising that the concept has not been introduced by an authority in social theory, but by the World Bank, which suggested it in 1989—with rapid and obviously lasting success.’

Nor, as Rothstein (2013) argues, should elements which need explanation, in and of themselves, be included in any definition of ‘good governance’, if the quality of how the state manages to govern society is considered to be a truer measure of ‘good governance’ than how access to power is organised in a representative democracy. In this regard, Rothstein cites Sen (2011), who claims that on most standard measures of human well-being, the People’s Republic of China now clearly outperforms democratically governed India. For their part, Holmberg and Rothstein (2011) find weak, sometimes negative and sometimes no correlations between standard measures of human well-being (including child deprivation) and the level of representative democracy. They cite a study by Halleröd *et al* (2013), using data from 68 low and middle income countries, measuring seven aspects of child poverty, and showing no positive effect of democracy on levels of child deprivation for any of the indicators – access to safe water, food, sanitation, shelter, education, health care and information. Rothstein’s (2013: 4) conclusion is that, ‘Representative democracy is not a safe cure against severe poverty, child deprivation, economic inequality, illiteracy, being unhappy or not satisfied with one’s life, infant mortality, short life-expectancy, maternal mortality, access to safe water or sanitation, gender inequality, low school attendance for girls, low interpersonal trust or low trust in Parliament.’ Presumably, given the experiences of countries like Britain, the United States and New Zealand over the past couple of decades or so, he might have added high levels of income inequality to this list.

Apart from the idea of governance that grew out of the critique in western democracies of what has been seen as the growing inefficiency and rigidity of traditional Weberian public administration, Rothstein (2013) identifies two other emergent conceptualisations of governance. The first is the idea of ‘participatory governance’, which focuses on means of overcoming a ‘democratic deficit’ by involving citizens in ‘broad based and open systems for collective deliberation in public decision making either as a complement or an alternative to the system of representative democracy’ (Rothstein, 2013: 9). The second is what Rothstein calls the ‘political economy approach to governance’. This idea has not emerged from any dissatisfaction with public administration and policy in mature Western democracies, but from cross-national research on development and economic growth in so-called ‘third world’ countries. Here, ‘good governance’—central to which is the effective fight against corruption—is seen to be essential in achieving social and economic development.

This approach has been central to the work of international donor organisations, and is exemplified in the World Governance Indicators (WGI) developed in recent years under the imprimatur of the World Bank, covering more than 200 countries since 1996, and updated annually (Kaufmann, Kraay and Mastruzzi, 2008, 2010).<sup>1</sup> The WGI are widely publicised and draw upon data from many sources in ranking countries on six aggregate measures of governance: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. The first two dimensions address the process by which governments are selected, monitored and replaced; the second and third ones are intended to cover the capacity of the government to effectively formulate and implement sound policies; and the latter two deal with the respect of citizens and the state for the institutions that govern economic and social interactions among them (Kaufmann, Kraay and Mastruzzi, 2010: 4).

Because of the ambiguity of the idea of ‘governance’, and because complex definitions are too difficult to operationalize for comparative purposes, Rothstein (2013) prefers a parsimonious conceptualisation of the ‘quality of government’. This is built on the Rawlsian normative understanding of what should be seen as a just political order, and the Machiavellian strategy of practical implementation in enhancing human well-being, social trust, life satisfaction, peace and political legitimacy. Discarding the six dimensions of the

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<sup>1</sup> See: <http://info.worldbank.org/governance/wgi/index.asp>

WGI, Rothstein instead argues that the *sine qua non* of quality government is *impartiality* in the exercise of political power. Rothstein is aware of the objections that can be raised against such a parsimonious procedural conceptualisation.<sup>2</sup> The main point is to contrast such a conceptualisation of ‘good government’, one that can be operationalised for meaningful comparative purposes, on the one hand, with the WGI attempt to operationalise for cross-country comparisons six dimensions of governance, all of which in themselves embody complex relationships between ‘input’ and ‘output’ sides of government.

It may be, after all, that ‘good governance’ is something of an indefinable abstraction. Of course, in practical terms the notion speaks to a community’s collective capacity to ensure that the haunting spectre of which Diamond speaks is not allowed to visit its calumnies on that particular polity. But which factors most enhance or diminish the risk of any of these tragic outcomes? What actions are necessary to ensure that any of these tragedies are avoided? What theoretical knowledge is available to inform such action, providing governors and people with some useful understanding of the relationships among a range of variables? These are challenging questions for public policymakers.

Political considerations of what constitutes either ‘good government’ or ‘good governance’ have been around a long time. Citizens in states the world over have always engaged in arguments about the quality of the regimes under which they live. And if, for the sake of argument, we can distinguish crudely between two groups – the governors and the governed – then the former have always tried to ensure the acquiescence of the latter, just as the latter have or have not been more or less compliant. The French patriots who sought the head of Louis XVI, Hitler’s Nazis who brought an end to the Weimar Republic, the revolutionaries who overthrew Libya’s Colonel Gaddafi, and so on, are all dramatic examples of the ‘conversation’ between the governors and the governed, differing only in scope, intensity and consequences, rather than in kind, from the more mundane judgements made, for example, by voters in the regular electoral processes of stable liberal democracies.

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<sup>2</sup> For example, a procedural definition of political processes cannot preclude morally bad decisions, which might violate the rights of minorities and individuals. Rothstein (2013: 15) argues that, ‘...the strategy suggested by John Rawls is the right one. His central idea is that if a society structures its systems for making and enforcing collective decisions in a fair way, this will increase the likelihood that the outcomes are normatively just.’



What has emerged in recent years, however, and which by implication seeks to supplant political ways of judging governmental quality, is the attempt to generate comparative measures of ‘good governance’, as if such quantitative evaluations can be based on detached, better informed, rational, and scientific calculation, even assuming that we know what ‘good governance’ actually is. Apart from the WGI, there has been an explosion of indexes and indicators, as various international organisations develop measures to rank comparatively the performances of different countries, both globally and regionally. Among the most widely cited of other indexes to have emerged within the past 20 years, Transparency International’s Corruptions Perceptions Index (CPI), established in 1995, ranks countries according to the degree of corruption experienced across all areas of society. Others include the Asia Foundation’s Economic Governance Index, the OECD Better Life Index, the UNDP’s Human Development Index, the Fund for Peace Failed States Index, the Economist Intelligence Unit’s Democracy Index, the World Justice Project Rule of Law Index, the Open Budget Index, the Freedom House Index of Press Freedom, the UN Industrial Development Organisation’s Competitive Industrial Performance Index, and the Reporters Without Borders’ Press Freedom Index. Then there is Hofstede’s (2001) heroic attempt to rank countries on a set of six indexes which purport to measure, respectively, ‘power distance’ (PDI), ‘uncertainty avoidance’ (UAI), ‘masculinity versus femininity’ (MAS), ‘individualism versus collectivism’ (IDV), ‘long-term versus short-term orientation’ (LTO), and ‘indulgence versus restraint’ (IVR). And so it goes, seemingly without end.

One inevitable by-product of the emergence of such indexes has been a burgeoning of academic criticism of the methodologies adopted in formulating them. While it is not the purpose of this paper to canvass and try to assess the relative merits of all such criticisms, it is worthwhile mentioning some of those pertaining to the WGI, to at least gain a sense of how problematic are the foundations of such indexes in general.

## **Criticisms of the WGI**

### *Indexes result from simplistic reductionism*

Probably the most common criticism of the WGI (and other indexes) is that the vast complexities of ‘good governance’ cannot be reduced to any meaningfully precise single index number. Arndt and Oman (2006, 2010) and Arndt (2008), perhaps the most widely

cited critics of the WGIs, emphasise this point in their critiques. While a single composite number is seductive, and enables quick comparisons to be made among countries, the problem is that for comparative purposes these numbers are virtually meaningless, since they are based on sources and information which vary greatly between countries, and even within countries, over time (Anderson, 2009). As Pollitt (2008: 19) argues, the concept of ‘governance’ itself is ‘so vague, abstract, value-laden and multi-faceted as to present an insurmountable challenge for expert measurers and lay decisionmakers alike...the idea of reducing governance to six composite indicators—let alone one, as some indices attempt—seems just too Olympian.’

### *Indexes are ideological and ahistorical*

The WGI emerged out of, and were intricately connected to, the neo-liberal ideas which constituted the so-called ‘Washington Consensus’ in the 1980s, as noted above. This sought to progressively replace ‘Weberian’ public administration with market-driven modes of policy formulation and service delivery. It also, however, sought to ‘roll back the state’, by means of economic deregulation, cutting back public expenditure, guaranteeing individual property rights against collective predation, and privatising state assets. In this view, diminished governance is good governance, and the ‘sound policies’ of which Kaufmann and his collaborators speak are assumedly those policies which serve such ends, as distinct from those that might serve other – perhaps more social democratic? – ones. It may not be necessary to agree fully with Pollitt’s (2008: 20) trenchant assessment in taking his point: the operationalization of the elusive concept of ‘governance’ has been taken over by ‘a group of technocrats employed at an intergovernmental, non-majoritarian institution which is both well-heeled in resource terms and well-insulated against conventional political questioning.’ The WGI are based on a strong ideological orientation towards the amorphous notion of ‘good governance’, interpreting it as a product of ‘less government’, with a strong ‘minimalist’ bias in operating assumptions about the legitimate scope of state power and authority. In Offe’s (2009: 555) words, ‘governance’ ‘...is not interested in enhancing state capacity, but in substituting or at least restraining it according to neo-liberal premises.’ According to Oman and Arndt (2010), bias in the WGI stems from the imbalance between the weight given to household surveys, and similar instruments, and that given to the opinion of firm surveys and expert assessments.

The indicators are also ahistorical, in that they tend to represent their key dimensions as central to a liberal democratic ‘end of history’ apotheosis. They say almost nothing about the complex historical, cultural and political forces which have shaped the present day representation of a state in the form of a series of index numbers. They say nothing, therefore, about how those historical factors can shape the future of governance in those states.

*They are tautological, lacking in transparency, and non-theoretical*

Langbein and Knack (2008) argue that the six dimensions of the WGI do not in fact measure different things, but that each of the indexes reflects the perceptions of the quality of governance more broadly. Similarly, the ambiguity of the idea of ‘good governance’ gives rise to tautology: as Rothstein and Teorell (2008: 168) put it, ‘What is required for the quality of life enjoyed by citizens? Quality of governance. What is quality of governance? That which promotes the quality of life...’ This in itself assumes that ‘good governance’ is in fact that which enhances citizens’ quality of life, which is what Rothstein and Teorell themselves quite reasonably argue. But if quality of governance is considered to be that which enhances economic production and commercial profitability, then as *The Economist* (June 4, 2005) critically observed, ‘What is required for growth. Good governance. And what counts as good governance? That which promotes growth. And what is required for growth...’ Rothstein and Teorell’s (2008: 168), argument that Kaufmann *et al*’s conception of ‘good governance’ is ‘just about as broad as any definition of “politics”’, is hard to resist.

Do the six WGI dimensions simply say roughly the same thing, but with different words in each case? If there is indeed some substantive relationship between economic development and ‘good governance’, then is it a causal one—and if so, in what direction?—or is it a spurious correlation more explicable by other independent variables? For example, do low levels of governmental and/or business corruption foster good governance, or does good governance keep the lid on governmental and/or business corruption? Is it possible to have simultaneously both good governance and high levels of corruption, and low levels of corruption together with not-so-good or bad governance? These are theoretical possibilities at least, but the WGI do not recognise them as such, since low corruption is taken *a priori* to be one of the six dimensions of good governance. The situation is clouded by the fact that low and high corruption, on the one hand, and good or bad governance, on the other, are relative not absolute concepts. Countries like the United States, Britain and Australia, for example, score relatively well on both good governance indicators and on the CPI, but not as well as a

number of other countries, including New Zealand, on either indexes. It is not at all clear how the WGI can help to explain, as distinct from demonstrating, such differences (Andrews, 2008).

As Oman and Arndt (2010) see it, the WGI suffer from a transparency paradox, in that while the construction of the indexes is itself not transparent, they are nevertheless used by international aid agencies as a means of enhancing the transparency and objectivity of their aid-allocation decisions. The lack of transparency results in the main from the absence of any coherent theory or analytical framework of governance to guide their scoring systems. They simply produce scores according to aggregated subjective perceptions relating to each indicator. They do not say anything explicitly about the priorities that governments might be encouraged to attend to, or the sequencing of reforms and developments that might arguably be needed to lift a country's WGI scores. Are there social, political or economic 'tipping points', for example, which can have a major impact, for better or for worse (depending on the specific criteria by which 'better' and 'worse' are evaluated)?

#### *Misuse*

Not only do the WGI tend to oversimplify complex realities, but the indexes themselves tend to become reified, that is, they become accepted as precise and objective measurements, as largely indisputable 'facts'.<sup>3</sup> They therefore diminish rather than enhance the capacity for more insightful analysis and judgements about the countries themselves. Because they lack any coherent theoretical foundations, they say nothing about how individual countries can develop better governance (assuming that it is possible to know in what specific ways 'better' governance differs from 'good governance', or 'not so good governance').

Worse than this, however, to the extent that the WGI (and the CPI) become used as decision tools for international agencies, the WGI can actually impede what might be considered by many to be desirable forms of development, simply because the indicators do not necessarily provide valid and meaningful comparisons among different countries.

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<sup>3</sup> See Oman and Arndt (2010: 15-16) for a critique of the over-estimation of the accuracy of countries' point scores for cross-country comparisons and the identification of change (or the lack of it) in the quality of governance over time.

The problem lies with composite indexes, like the WGI, rather than with indexes per se. Pollitt (2008: 18) argues that, ‘WGIs...are highly attractive to elite groups yet almost useless, if not actively misleading, for lay decisionmakers...By contrast PISA [OECD’s Programme for International Student Assessment] measures are attractive *and* useful, though with some significant pitfalls concerning what the tests do and do not mean, and with a considerable gap between the results and the drawing of policy conclusions.’

In other words, indexes are useful and valid to the extent that they measure what can sensibly and reasonably accurately be measured, rather than trying or purporting to measure accurately what they cannot so measure. In this regard, the Serendipity Prayer may be recast: ‘Grant me the ability to measure those things that can sensibly be measured; the intelligence to understand those that cannot be measured; and the wisdom to know the difference.’

#### *The timeless fallacy of the ‘one best way’*

The issue of the lack of a theoretical model or conceptual framework to explain what ‘good governance’ actually is and how it might be achieved, undermines the implicit assumption that there is any single pathway to ‘good governance’. (Or it defines ‘good governance’ in such a way that it is a function of a particular set of elements and factors – the tautological problem again.) As discussed, the WGI, developed under the auspices of the World Bank, suggest that ‘good governance’ is essential to socio-economic development. Indeed, international donor organisations stress the need for the development of sound political institutions, together with effective anti-corruption strategies, to be key components in their decisions on the allocation of aid.

However, there has emerged a growing scepticism about these sorts of assumptions, one which rejects the idea that ‘one size fits all’ when it comes to development, and is much more open-minded about the relationships between such factors as economic development and the progressive establishment of the institutions believed to be central to ‘good governance’. For example, in his comparative study of public financial management in a selection of OECD and non-OECD countries, Andrews (2010) found that there was no single best way, no best practice model, in achieving sustained sound practice, and that good public financial management means different things in different countries.

In similar vein, Sundaram and Chowdhury (2012), in their edited volume entitled ‘Is Good Governance Good for Development?’, strongly question any received wisdom that economic development is dependent upon action that would substantially raise countries’ scores on the six WGI dimensions. The rapid rates of economic development displayed over the past two or three decades by countries like China and Vietnam are obvious cases in point. In Vietnam the regime has deliberately eschewed the progressive development of Western institutions like ‘the rule of law’, in the apparent belief that economic growth is the main priority and any real concern over ‘good governance’ – if it is a concern at all – can be left till later (Painter, 2012). (The same can also be said of China, of course.) Painter (2006) has mounted a similar argument in regard to Vietnam’s apparent adoption of some of the principles of Western ‘New Public Management’ (NPM) before securing the rule of law and an administrative system based solidly on the principles of Weberian legal-rational authority. He is not convinced that some of the key ideas embodied in NPM cannot be successfully adopted in developing countries where legal-rational foundations have not been consolidated—a view that runs counter to the widely cited argument made by Schick (1998).

That there are indeed many different ways to achieve economic development, rather than a single technocratic template based on the sort of dimensions embodied in the WGI, is reflected in the pragmatic programmes of marketization displayed in post-Mao China, according to the idea of ‘crossing the river by feeling the stones’ (Gabriel, 1998). More generally, Grindle (2004: 541-542) argues that the path to ‘good governance’ as a means of effectively tackling poverty in developing countries is ‘fraught with ambiguities, challenges, and the potential for failure and less-than-anticipated results.’ She suggests that the best that can be hoped for, at least in the shorter-term, is ‘good enough governance.’

### *Response*

The authors of the WGIs have offered detailed and sometimes quite persuasive refutations of these and other criticisms (Kaufmann, Kraay and Mastruzzi, 2007, 2010). In response to Thomas (2010), who queries what the WGI actually measure, they argue that the absence of definitional consensus regarding governance ‘would paralyze any effort to measure governance using any means (2007: 24).<sup>4</sup> Similarly, ‘Endlessly waiting for the articulation of a complete, coherent and consistent theory of governance before proceeding to measurement and action (of course with due regard to limitations), while perhaps intellectually satisfying to

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<sup>4</sup> They were responding to an earlier (2006) draft of Thomas (2010).

a few, would be impractical to the point of irresponsibility’ (2007: 26). They are particularly careful to offer caveats regarding the interpretation and use of the WGI, cautioning users that, ‘...aggregate indicators such as the six WGI measures are often a blunt tool for policy advice at the country level’, and that ‘Users...can usefully complement their analysis with an in-depth examination of the detailed disaggregated data sources underlying the WGI, together with a wealth of possible [sic] more detailed and nuanced sources of country-level data and diagnostics on governance issues (2010: 21).

Regarding ideological biases, they point out that they found no substantial difference between the views offered by business people and those household surveys that they did use, nor any apparent bias in the ways rating agencies assessed the performances of governments of the political left or right. At least in regard to perceptions of corruption, this argument may be supported by Rothstein (2013: 22-23), who cites a large survey of ‘ordinary people’ in various EU countries, which produced results ‘surprisingly similar’ to expert-based measures (see Charron *et al*, 2013).

However, much of their response focuses on narrower methodological points, without really offering a convincing refutation of the argument that (a) ‘governance’ is too elusive a concept in the first place to be operationalized with the precision that the WGI purport to offer; and (b) that their own assumptions as to what constitutes ‘good governance’ do not really demand critical scrutiny. Moreover, their pleas for caution in the interpretation and use of the WGI—‘our estimation of, and emphasis on...margins of error is intended to enable users to make more sophisticated use of imperfect information’—while valid in itself, overlooks the reality that most (especially non-academic) users of the WGI are likely to have neither the time, expertise nor inclination to act on such warnings. As Pollitt (2008: 20) asks, ‘...what percentage of the users of WGIs access the technical documentation [that supports them]?’

### **New Zealand: well governed and non-corrupt?**

Ranking very highly on all dimensions of the WGI, well up in the 90<sup>th</sup> to 100<sup>th</sup> percentile rankings in each case, New Zealand is thereby identified as one of the best governed countries in the world. Further, New Zealand does even better on the CPI. It was rated as first, or joint first (that is, perceived as the least corrupt or equally least corrupt country in the world) in 2006, 2007, 2008, 2009 and 2010, sitting alone atop the rankings in 2009 and 2011,

and sharing the top position again with Denmark and Finland in 2012. Since the CPI was established in 1995, New Zealand has never ranked below fourth, with absolute scores ranging between 9.3 and 9.6 out of 10.

There are other international indexes on which New Zealand scores highly. Included among these are the World Justice Project Rule of Law Index, which in 2011 ranked New Zealand in second place in 'open government' and third on 'regulatory enforcement', among a total of 66 countries; the Open Budget Index, ranking New Zealand first out of 100 countries in 2012 with a score of 93/100 (18 OECD countries averaged a score of 72); and the Freedom House Index of Press Freedom, which ranked New Zealand in 16<sup>th</sup> equal place in 2012, among a total of 197 countries.

While the growing use of such 'objective' measures in making international comparisons has proved useful for research purposes of various kinds, it also raises questions. Some criticisms, although addressing primarily methodological issues, do not challenge the inherent validity of using such indexes as tools for assessing countries' performances in both absolute and relative terms.

The CPI, for example, is based on a series of cross-national surveys of business people's views on their own country's economic performance. Each survey includes several questions on corruption. Responses to these questions are processed by way of a complex algorithm that also incorporates the views of groups of academics. This algorithm determines an international ranking of countries, from least corrupt to most corrupt. The CPI was designed so that there would be stability and consistency in rankings over time, and it is very unusual for a country to move up or down the rankings significantly in a one or even two-year period. (Iceland after 2008 became the major exception in this regard.)

An analysis by Ignite Consultants and Transparency International New Zealand (2011) concluded that there was no systematic methodological bias in favour of New Zealand in the compilation of the scores, despite the fact that in 2010 the assessments of two experts accounted for one third of New Zealand's score (Petrie, 2012). However, it found that the CPI was widely misinterpreted by the New Zealand news and social media, using the index as a measure of the incidence of, rather than perceptions of, corruption. The consultants recommended, *inter alia*, that the State Services Commission and the Office of the Auditor-



General should design an indicator measuring the incidence of corruption in New Zealand's public sector (though they did not specify how this might be done).

Perceptions are real in their effects, and New Zealand's consistently high scores and positions on the CPI are valued for instrumental purposes, such as maintaining a national image which helps the country's cause in international trade and foreign investment, and so on. Other countries that are ranked lowly, however, can be caught in a 'corruption trap', whereby development aid, essential in fighting corruption, is cut off or reduced because little 'progress' is apparent on the CPI (Andersson and Heywood, 2009). The World Bank can easily be seen as an institutionalised embodiment of powerful political interests, so the widespread use of its indicators may not be neutral in its effects on developing countries (Arndt 2008). For his part, one of the founders of the CPI has argued that the index should be discontinued in its present form because it tends to undermine the efforts of reformers (Galtung, 2006). This is a particular take on the 'Matthew Principle': 'For he who has shall more be given, and from he who hath not shall more be taken away' – or 'the rich get richer and the poor get poorer'.

The main problem with measuring perceptions of corruption lies not in the measurement but in the perceptions. That is, believing is seeing, rather than seeing is believing. Donchev and Ujhelyi (2009) argue that there is substantial evidence indicating that the use of corruption perception indexes as a measure of corruption experience may be more problematic than is commonly believed. They argue that better measures of the levels of actual corruption are needed. Arguably, without them the CPI can be self-fulfilling, both positively and negatively. It is positively so to the extent that those whose opinion and expertise is canvassed themselves have some interest in not seeing or acknowledging it, when it exists, and negatively so to the extent that corruption is seen even when it does not exist. The former, analogous to Horatio Nelson putting his telescope to his blind eye, is more likely to apply in New Zealand's case, for a number of possible reasons (Gregory, 2002). One of these might simply be the absence of a dedicated anti-corruption agency; another may be official interests in promoting a strongly positive image of 'Brand New Zealand'; another may be the lack of real incentives for the leaders of public organisations to seek out corrupt practices within their own agencies. In this latter regard, it is worth noting that in New Zealand since the introduction of the State Sector Act 1988 there has been no central record kept of criminal offences committed by state servants. Nor is there in New Zealand any common law covering

‘misconduct in public office’, as there is in Britain and Hong Kong, for example.<sup>5</sup>

Conversely, negative perceptions may be generated and exacerbated from excessive news media attention paid to what are in fact infrequent and atypical cases of corruption, or what is presented as such.

As with the WGI, so too with ‘corruption’: the definitional issue is crucial. The World Bank has defined governmental corruption as ‘the abuse of public office for private gain’, and Transparency International refers to it as ‘the abuse of entrusted power or private gain’. These generic definitions are widely accepted, with relatively minor variations. But more encompassing definitions can be invoked—for example, ‘the abuse of public interest and the undermining of public confidence in the integrity of rules, systems, and institutions that promote the public interest’ (Baker, Christensen and Shaxson, 2008). This definition suggests that ‘corruption’ can involve much more than those practices which are commonly understood to be ‘hard core’ forms of corruption, like active or passive bribery and the seeking and granting of secret commissions. Definitions of corruption must include activity that occurs in society at large, in business and not-for-profit organisations, and not just in the public sector.

Cultural and historical factors shape the meaning of ‘corruption’ in different countries—for example, a gift in Vietnam may be a bribe in New Zealand—but it can be argued that in all countries what is considered to be corruption is a function of legality and legitimacy. An act may be illegal but not widely considered to be socially illegitimate; or it may be socially legitimate but formally illegal; both illegal and illegitimate, and both legal and legitimate (Gregory, 2002).<sup>6</sup>

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<sup>5</sup> In Hong Kong, public officials can be prosecuted for serious forms of corruption under the Prevention of Bribery Ordinance, and for other offences they can be charged with ‘misconduct in public office’, in cases where they are alleged to have received unwarranted personal advantage. For example, in the late 1990s/early 2000s, the chief property manager of the Government Property Agency was found guilty of misconduct in public office after exerting improper influence in the award of large management contracts to a company in which the brothers of his sister-in-law had a financial interest. He was sentenced to nine months in prison, later increased on appeal by the prosecution to 30 months. Apart from being dismissed from the public service, he also lost his pension rights, then totalling HKD six million.

<sup>6</sup> For example, the huge remuneration paid to top executives in the financial sector in the United States, and elsewhere, even after the global financial crisis, was not illegal but many considered it highly illegitimate, and a form of corruption. At the other end of the income scale, the pilfering of

Clearly, behaviour which is both legal and legitimate is the desirable norm, the antithesis of that which is both illegal and illegitimate—in other words, hard core corruption. All crime is by definition illegal, but not all crimes are corruption; not all forms of what can be considered to be corruption are illegal, in that they may not be socially abhorred.

So while such definitional issues are challenging and important, especially for comparative analytical purposes, in general terms it may be best to accept that, ‘corrupt behavior is behavior that is considered wrong – immoral – and condemned as such’ (Reder, 1975: 607). Definitional issues aside, indexes such as the WGI and the CPI establish the firm impression that New Zealand is doing very well, that its quality of governance is among the very best in the world, and that corruption is virtually non-existent in Aotearoa. This sanguine view is problematic for several main reasons.

First, marginal differences in scores among countries mean that proximate rankings are a product of the methodology rather than a true depiction of relative levels of corruption, year by year, even putting aside the fact that the country sources of CPI data can and do change year by year. In regard to the incidence of corruption, what can reasonably be inferred from the fact that the CPI ranked New Zealand first in 2011 and fourth in 1998? Obviously, it suggests that New Zealand’s performance has ‘improved’ since 1998, but what accounts for any such marginal improvements, even assuming they are not a function of the measuring methodology rather than of the performance itself? And, of course, it could also mean that New Zealand’s shift in the rankings is a reflection of performance in other countries rather than within New Zealand itself.

Secondly, while the CPI’s real value may lie in ranking countries according to broad categories, such a least corrupt, most corrupt, and relatively corrupt, such judgements can also readily be made, and always have been made, through well-informed observation. Marginal differences among countries which lie within the same general category are usually considered to be more interesting than major variations between countries which are in different groupings. New Zealanders and Australians, for example, are likely to display what Sigmund Freud called the ‘narcissism of small differences’ in focusing their attention on

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workplace material for private use is illegal, but has often been widely accepted as a legitimate ‘perk’ of employment, especially for lower paid workers.

those differing elements, which through the eyes of someone from a markedly different cultural background might seem to be trivial.

Thirdly, such observation is arguably of most value when it provides insight not into why some countries are most different, but into why they are most similar, but still—perhaps marginally—different.

Finally, it may simply be more productive to consider issues of ‘good governance’ and ‘non-corruptibility’ according to the circumstances, conditions, norms and values within any particular country rather than in comparison with others. In drawing up its 2013 National Integrity System Assessment Report, Transparency International (New Zealand) rightly examines circumstances and changes within New Zealand, and against local standards, rather than evaluating these in the light of what may be occurring in other countries.

The first issue speaks for itself. Turning to the second one, it can be asked whether or not explanations of the quality of governance in any country are impeded by the absence of such indicators. In other words, to what extent, if at all, has the comparatively recent emergence of these data bases enhanced the assessment of the quality of governance in individual countries, in ways which were not possible in their absence? Beyond that, it can be asked whether the emergence of such league tables has in fact impeded rather than enhanced the generation of valid knowledge about the quality of governance in different countries. These are matters worthy of serious consideration, the sort of consideration that can too easily be pushed aside on the grounds that any ‘advancement’ in social scientific inquiry, such as the emergence of what purport to be valid measures of complex social and political phenomena, is—*ipso facto*—desirable.

In this context, therefore, the age-old epistemological question reasserts itself: what constitutes valid knowledge? Is the ‘knowledge’ generated by indexes like the WGIs and the CPI more reliable—scientific and rational, for example—because it is distilled into a single number, than that body of usually disparate, verbalised, contested, and subjectively shaped knowledge which can be found in any political community?

Such arguments were well canvassed, for example, by Lindblom and Cohen (1979) in their examination of the differences and relative utilities of what they called ‘professional social inquiry’, on the one hand, and ‘ordinary knowledge’, on the other. Their arguments, later

extended by Lindblom (1990), challenged any assumptions that the use of formal social science methodologies had generated knowledge which provided an undeniably indispensable contribution to governments' capacities to grapple effectively with what are tendentiously called 'social problems'. In particular, the distinction made by Lindblom and Cohen (1979) between political authoritativeness and scientific conclusiveness, and the relationship between the two, speaks to the same issue: scientific conclusiveness, even when it can be achieved, does not in and of itself generate political authoritativeness, in the sense that science can pre-empt political and policy decision-making. If this were the case, then the strong consensus reached by scientists on anthropogenic climate change would long since have been enough to secure collectively effective political action, notwithstanding the recalcitrant power exercised by strong vested interests.

To illustrate the third issue—the relative utility of examining marginal rather than radical differences among countries—it may be asked, for example, why Somalia has much more corruption than Denmark. Any half-plausible explanation would refer to historical and cultural circumstances and differences rather than to the relative effectiveness of governmental institutions, and the like, in each country. Conversely, historical and cultural factors are likely to be much less important than institutional approaches in explaining why two countries, say Denmark and New Zealand, are consistently ranked on the CPI as being largely corruption-free. In comparisons of similar cases like these, cultural and historical factors seem less important than the fact that both countries are highly rated on five of the six dimensions comprising the WGI (obviously, reference to corruption levels on the WGI would be tautological). Historical and cultural differences have less explanatory force than do institutional similarities.

What about, say, Australia and New Zealand—two countries with similar cultures and heritages, and both Westminster-styled parliamentary democracies, but which have continued to display consistently different rankings on the CPI? New Zealand has always ranked significantly higher than Australia. In the 13 years from 2000 to 2012, New Zealand's lowest position on the CPI was third or joint third position, while from 2006 to 2012 it was either first or joint first position. On the other hand, Australia's lowest ranking was 13<sup>th</sup> position in 2000, and its highest ranking was joint seventh position in 2012. New Zealand's average CPI score during this period was 9.42, while Australia's was 8.65 – a substantial difference in

perceived levels of corruption within these two countries with such similar backgrounds. How can these differences best be explained?

Some factors immediately spring to mind, as possibilities: for example, early European Australia was to a large extent a penal colony, whereas New Zealand was a British settler society; and Australian political culture never embraced egalitarian ideals, as did New Zealand's. Australia, perhaps because of resentment of the English, developed its self-image along individualist and competitive American lines. By contrast, New Zealanders generally looked fondly on Britain as 'home' and were one of the first countries to develop a welfare state, with Australia lagging well behind for a long time, in that respect. Moreover, as a federal system, Australia experienced political corruption reminiscent of American 'Tammany Hall' politics, especially in New South Wales and Victoria in the earlier half of the 20<sup>th</sup> century (see Griffin, 2004). This form of politics was much less apparent in New Zealand.

Such explanations are clearly contestable. For example, while it might seem plausible to suggest that Australia's 19<sup>th</sup> century history as a British penal colony gave rise to non-compliance norms and values (presumably because a higher propensity for unlawful behaviour has been somehow passed down through Australian generations), it would be drawing a very long bow to conclude that this helps to explain why New Zealand has always been markedly higher on the CPI than Australia. After all, the central figure in New Zealand's early colonisation—the Director of the New Zealand Company, Edward Gibbon Wakefield—had in 1827 himself been sentenced to three years in London's Newgate prison on abduction charges (Temple, 2002). It is more likely that the relatively small but significant differences between New Zealand and Australia on the CPI result from the well grounded perceptions among those whose views help to shape the scores that organised crime has a much stronger presence in Australia than in New Zealand, and that police corruption too is more widespread in some Australian states than it is in New Zealand, notwithstanding the much publicised formal inquiries in Queensland and New South Wales in the 1980s and 1990s. In fact, the very existence of dedicated anti-corruption agencies in these two states, and now in Victoria, can reinforce the popular perception that if such agencies exist then corruption must be a significant if not serious problem.

The final issue—assessing any country against its own standards rather than in comparison with other jurisdictions—is readily illustrated by the New Zealand case. An approach based on an historical narrative is required if corruption levels are to be explained in any particular country, regardless of how that country may rank on a league table such as the CPI. Most New Zealanders are probably little interested in the fact that, according to the CPI, New Zealand has far less corruption than does China, the Philippines, and South Africa, for example, and significantly less than Australia. However, they are likely to be much more interested in any evidence indicating that in their own country corruption in its various forms is becoming more prevalent. In short, comparisons with other countries may be interesting, especially to academics, but they will seldom ignite political controversy or public policy challenges in the way that evidence of corruption at home can do.

Apart from this, there is also the possibility that New Zealand’s consistently high ranking on the CPI and the WGI reinforces political and social complacency, as if such indicators confirm that all is well. Such an effect will be greater to the extent that such indicators, and the means of their construction, are accepted uncritically. In the case of the CPI, there is likely to be a self-fulfilling effect at work: not only does the algorithm work against any rapid shifts in a country’s ranking, but also the perceptions of those whose views and opinions determine a country’s score are likely to be influenced by their knowledge of the country’s previous ranking. Reputations, good and bad, are sometimes difficult to shake—giving a dog a good name might, in such cases, have the same effect as giving a dog a bad one.

Supposing, however, that New Zealand’s performances, as gauged by both the WGI and the CPI, dropped significantly during a relatively short space of time, leading to mounting public demand that something be done about it. What body of knowledge, formally theoretical and/or experientially practical, would inform any such action? In this ‘high modernist’ era of ‘big data’ (Cukier and Mayer-Schoenberger, 2013), there is available a growing body of information on corruption and its relationships to a range of variables, including—but not limited to—GDP growth, income inequality, universally state-provided education, fair and progressive taxation, the rule of law, and so on (see, in particular the research carried out by the Quality of Government Institute, at the University of Gothenburg: <http://www.qog.pol.gu.se/>).

However, Cukier and Mayer-Schoenberger (2013) argue that the advent of ‘big data’ shifts attention from trying to understand the deeper reasons behind how the world works ‘to simply learning about an association among phenomena and using that to get things done’, a supplanting of causations by correlations. They see real benefits in this, especially in areas like medical research, ‘even when the underlying causes remain obscure’. Nevertheless, such underlying causes in social behaviour are even more difficult to identify and understand, if they can be identified and understood at all. To this end, insightful social inquiry and criticism will probably be more productive than formal social scientific research. Any real understanding of why one country ranks much higher than another on the WGI or on the CPI must be substantially—mainly?—dependent on knowledge of the history and culture of that *particular* country, rather than on correlations in data across countries *in general*. Such knowledge and insight is also essential, especially in public policymaking, to help ensure that ‘big data’ correlations are not interpreted as spurious correlations engendered by confounding variables. For example, it has been an article of faith among monetarist economists that in western countries high levels of central bank political independence are essential in keeping down inflation (that is, in ‘causing’ financial stability). However, it has also been argued that the relationship between the two is spurious, since both conditions are the product of a third variable—the political power of ‘financial markets’ (Dillow, 2007; Posen, 1998). In this connection, Stiglitz (2006: 279) sees a ‘depolicitization of the decision-making process’:

No economic issue affects people more than the macroeconomic performance of the economy. Increasing the unemployment rate makes workers worse off, but the resulting lower inflation makes bondholders happy. Balancing these interests is a quintessentially political activity, but there has been an attempt by those in financial markets to depoliticize the decision, to turn it over to technocrats, with a mandate to pursue the policies that are in the interests of financial markets.<sup>7</sup>

(The reified concept of ‘financial markets’, as if they were some tangible apolitical entity, was dramatically exposed by the global financial crisis of 2008-2009, yet the inordinate political power of those who are the main players in international finance, the very wealthy, seemed to be scarcely weakened as a result.)

### **What explains New Zealand’s high rankings?**

Why does New Zealand rank very highly on the WGI? And why has the country historically experienced low levels of corruption – at least since the earlier years of the last century? The

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<sup>7</sup> See too Flinders and Buller (2006); and Marcussen (2006).



answer to the first question requires more than a tautological referral to the six dimensions of the WGI. It would also need to acknowledge that New Zealand's journey along the pathway of liberal-democratic development has not been as smooth as many might at first believe, and remains very much a work in progress, in which little if anything should be taken for granted. Beyond the betrayal by the Crown of the Treaty of Waitangi for so long, other institutional and behavioural factors have studded this development with controversy.

Any historical analysis would need to reflect on changing standards of political acceptability over time and not judge what can be seen as anti-democratic occurrences by the standards of today. It would focus on constitutional legislation such as the New Zealand Constitution Act 1852, the Constitution Act 1986, the Bill of Rights Act 1986, and the Electoral Act 1993, and also—perhaps more importantly—on the evolution of constitutional conventions. It would examine events such as: the abolition of the provinces in 1876; Massey's Cossacks of 1913; the passage of the Public Service Act 1912; the political riots during the Great Depression; the case of the deliberate radio jamming undertaken by the government in 1935 before the election; the monopoly on radio news by the state broadcaster under the government's direction; the abolition of the second chamber in 1950; industrial conflict of 1951 and the state of emergency with its draconian regulations; the advent of the first 'independent' public broadcasting news services in 1962; the introduction of the Ombudsman in 1962; the *Fitzgerald v Muldoon* case of 1976; the introduction of the Official Information Act 1982; the 1984 post-election constitutional crisis; the Maori 'renaissance' of the 1970s and the advent of the Treaty settlements process, the 1987 judgement of Justice Sir Robin Cooke on the Treaty and State owned enterprises; the history of local government reform; the politics of the move to MMP in the early and mid-1990s, and the consequences; the passage of the Protected Disclosures Act 2000; the changing character and status of the foundational Westminster doctrine of ministerial responsibility, especially relationships between ministers and public service chief executives; and the funding of political parties. There are, of course, many other developments, events and episodes which could be included in any such analysis.

Then there is the counterpoint, lest it be assumed that New Zealand's political development has been on a track leading inexorably and progressively to some sort of social and political utopia. Any such temptation should be tempered by an interrogation of the country's suicide and imprisonment rates, youth unemployment, child poverty, violence against children, the gap in reading performance between New Zealand students from different socio-economic

backgrounds (the widest among all OECD countries), housing affordability—especially for young people, and the fact that a political poll found that more than half of the respondents thought New Zealand was a better place to live ten years ago than it is today (Fairfax Media-IPSOS Political Poll, reported in *The Dominion Post*, 25 February 2013). And all this is to say nothing of the ‘leaky homes’ disaster of the past 20 years, nor the progressively declining standards of occupational health and safety.

‘Big Data’ has provided cross-national evidence of correlations among levels of governmental corruption and a number of institutional variables. Universal free education, generally fair and progressive taxation, and reasonably high levels of gender equality—three factors characteristic also of New Zealand—have been identified as key elements in explaining low levels of corruption in some European countries (Charron *et al*, 2013). Gerring and Thacker (2004) have found from their cross-national data that ‘unitarism and parliamentarism’—also central to New Zealand’s political system—‘contribute to a lowering of political corruption’, which they define as ‘an act by a public official (or with the acquiescence of a public official) that violates legal or social norms for private or particularistic gain’ (pp. 311, 300).<sup>8</sup>

However, such data cannot substitute for the sort of insightful social commentary that is embodied in classic studies like those of de Tocqueville on America (de Tocqueville, 1994), or either Siegfried (2014) or Lipson (1948, 2011) on New Zealand. Nor could it sensibly ignore historical narratives, such as those offered by Sinclair (2000) or King (2003), to name but two. Historical narratives such these offer the insights needed to explain how a country or a political system came to be as it is, and also to assist in establishing how different ‘traditions’ in politics and government—or in governance—came to be established and maintained over time, albeit subject to various influences, endogenous and exogenous, that may have transformed or may transform those traditions (Painter and Peters, 2010). Indeed, before its (still contested) transformation into a behavioural science, the study of politics was

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<sup>8</sup> They conceive of ‘unitarism’ as a political system where the national government is sovereign relative to its territorial units (if any), and as a continuum that varies along two dimensions—(a) the degree of independence between national and subnational units, and (b) if any separation at all, then the relative power of the two, with more central power equating to more unitarism. Parliamentarism refers to a system of government in which the governmental executive (the prime minister and cabinet) is chosen by, and responsible to, the legislature, thus creating a single locus of sovereignty at the national level.

itself almost totally an historical research enterprise, in which narrative was the dominant methodology (Bevir, 2000, 2006). In Bevir's (2006: 16) words:

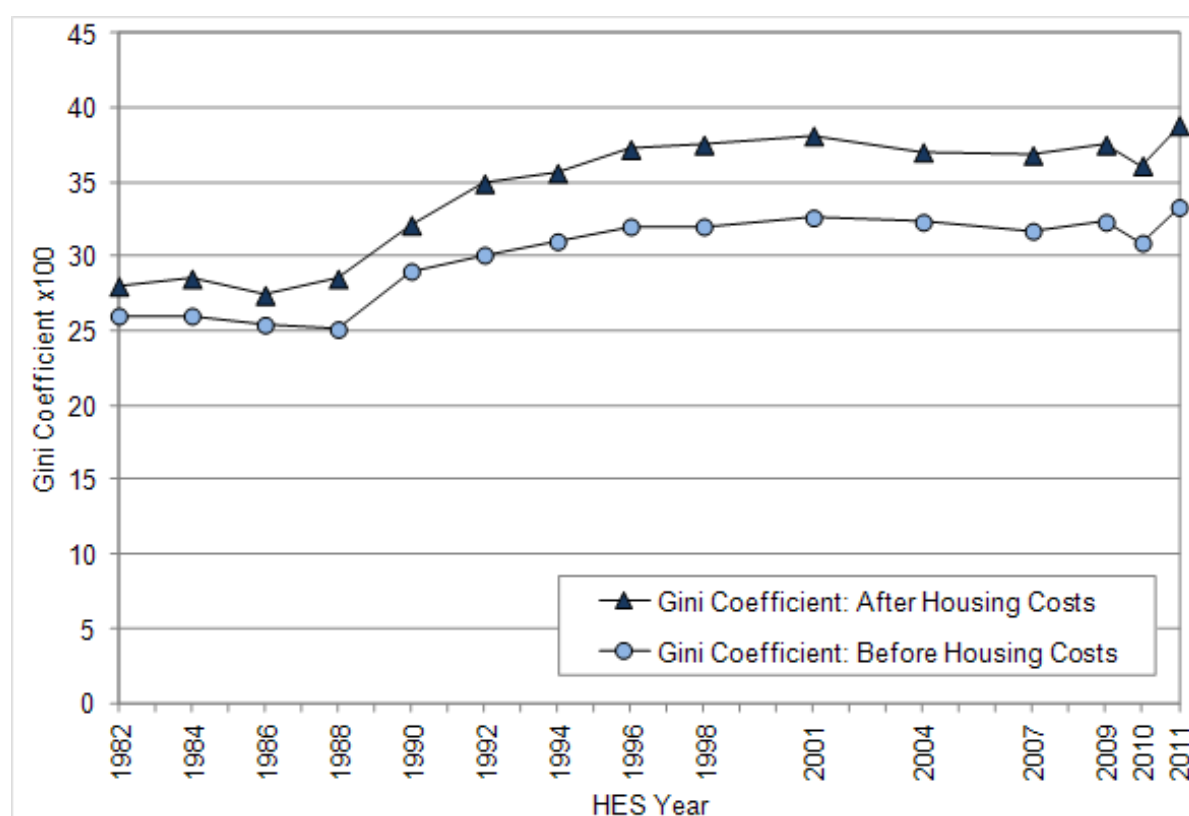
History instantiates a narrative form of explanation. Human actions are explained by pointing to conditional and volitional connections which relate objects to one another in an intelligible manner without evoking the idea of necessity...Historians must offer us narratives they believe retell the way in which things really did happen in the past or really are today, whereas writers of fiction need not do so. Historians can not ignore the facts, although we surely should accept that no fact is simply given to them.

For their part, Bevir and Rhodes (2008, 2010) have sought to reinterpret, by means of historical narrative, the idea of state governance as the 'differentiated polity', and to outline what they believe promises to be a new and productive research agenda.

Turning attention to New Zealand's long-standing reputation as a country with little corruption, a historical analysis is necessary to help to understand why this has been so (assuming, of course that the perception largely matches the reality). Arguably, a key factor in this has been the strong egalitarian ethos that underwrote one of the world's first welfare states (King, 2003; Lipson, 2011; Sutch, 1969). As Boston (2013) shows, there are different kinds of equality, including equality before the law, equality of opportunity, equality of (certain specified) outcomes, and social equality. In his words, 'Achieving greater *specific* egalitarianism...is a noble objective and should be one of the foremost goals of any society which treasures the pursuit of justice (Boston, 2013: 86. Emphasis in original). Throughout most of its post-European history New Zealanders have generally valued all these forms of egalitarianism, perhaps in different mixes in different periods. As Fischer (2012) has demonstrated in his comprehensive historical comparison between New Zealand and the United States, New Zealanders have traditionally been far more committed to fairness rather than freedom, while in America the converse has generally been true. New Zealand's egalitarian ethos has been described as 'a society of fair shares' (Roberts, 1978: 73).

However, over several years from the late 1980s New Zealand experienced the most dramatic increase in income inequality among all OECD countries, which was sustained until the Gini co-efficient levelled out in the 2000s (see Figure 1). This resulted largely from factors such as the Labour government's programme of economic deregulation in the 1980s, poor economic performance, and the reform of the welfare state carried out by the National government of 1990-1993. Although income inequality in New Zealand has been depicted as a national crisis (Rashbrooke, 2013), it is not clear that most New Zealanders share such a

view. Income inequality *per se* has not become a major election issue since the rise in the Gini coefficient, and some periodic surveys of public opinion have produced mixed results regarding New Zealanders' attitudes to wealth distribution (see, for example, Massey University, 2010; Carroll *et al*, 2011; Humpage, 2011). It cannot be argued with any certainty that the rise in income inequality in New Zealand, or any accompanying decline in social equality, will be associated with rising levels of corruption, in government and/or in society at large. Nevertheless, it is at least plausible to argue, on the face of it, that this will occur, especially in light of the fact that corruption levels tend to be higher in countries where income inequality is higher rather than lower.



**Figure 1:** New Zealand's Gini co-efficient, 1982 – 2011. Source: Perry (2012), derived from Statistics New Zealand Household Economic Surveys (HES), 1982 – 2011.

On the other hand, relatively low levels of government corruption are also seen in some jurisdictions, like Singapore and Hong Kong, which are by no means egalitarian. Conversely, Denmark, Norway and Sweden, all at or near the top of the CPI, are countries with historically strong egalitarian cultures, and all today have Gini co-efficient scores much lower than New Zealand's, as has Australia. All these countries (including Hong Kong and Singapore) score well on the WGI, however, confirming that lower levels of corruption are a function of factors other than just egalitarianism, which places a relatively low emphasis on

acquisitive and competitive values, especially those which define social status overwhelmingly as a function of wealth. Included among other factors which probably help to explain New Zealand's historically low levels of corruption are the strong Calvinist culture that the country's British settlers brought with them, especially from Scotland<sup>9</sup>; and a unified and merit-based, professional, civil service, with a strong ethos of ethical probity, reinforced by effective controls, and with remuneration levels closely comparable to those in the private sector.<sup>10</sup>

Other factors include high levels of social capital, and a long-standing reluctance to flaunt wealth in the faces of those less well endowed; and people's wariness of behaving in ways that could result in a loss of individual or family reputation, were it publicly exposed. All in all, New Zealand was a country of relative innocence, straight-laced, rather naïve and unsophisticated, and with virtually no organised crime built around prostitution, gambling, or boot-legging. Even low-level tipping was generally not socially acceptable.

The New Zealand Police was itself almost entirely devoid of corruption. New Zealand was also a full-fledged member of the 'Old Commonwealth' – along with Britain, Canada, and Australia, countries not generally known for having significant levels of governmental corruption. New Zealand was also the first country to adopt the Danish institution of the Ombudsman, in 1962, as a further means of mediating executive authority (Hill, 1976; Gilling, 1998). It also opened up official information to the public in the early 1980s, well before the abolition of the Official Secrets Act in Britain (Gregory, 1984). As Lipson (1948:

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<sup>9</sup> 'Individual Scots, well educated and inheriting a Calvinist concern to improve society, made important contributions to New Zealand's public life. Besides individual achievements, the egalitarian spirit of Scottish culture helped make New Zealand a nation of rough equality, compared with the class system of England. The strong Scottish traditions of the Presbyterian Church in New Zealand help explain the prominence of Scots in public life. It was a church in which liberals were divided against fundamentalists, but the two groups shared a passionate concern, derived from their common heritage, for justice in society' (*Te Ara, the Encyclopedia of New Zealand*. Accessed 10 August 2013 - <http://www.teara.govt.nz/en/scots/page-10>).

<sup>10</sup> As Polaschek (1958: 283) wrote: 'There seems to be common in New Zealand a notion that the responsibilities and moral obligations of public servants are somehow substantially greater than those of other citizens.... If his standard of conduct is more scrupulous—and, in some respects it is—the reason is to be found largely in the self-interest of the public servant. He is subject to more extensive controls than most private citizens: he is more likely to be caught if he commits an indiscretion: his career may suffer even if there is only suspicion of unsatisfactory conduct.' Similarly, as Lipson (1948: 479) argued in his seminal commentary on New Zealand's egalitarianism, 'there is a commendable absence of graft and a strict code of honesty', attributable in his view to job security, strict accounting and audit requirements, and also to an "inner check" reflecting public servants' professional commitment to the ideal of the public interest.'

481-82) argued, the state in New Zealand was not some external force in the continental European tradition—it was rather the people themselves in action, nation-building in pragmatic rather than ideological ways. Public employment was not seen as having one's 'snout in the public trough', and although New Zealand never developed an institutionalised administrative elite like that in Britain, its public service ethos similarly embodied values like honour, duty, decency and a strong sense of the public interest.

The strong normative ethos was greatly reinforced during the years of World War II by the serendipitous convergence into top leadership positions in the New Zealand public service of a group of several highly capable men. It has been suggested that the period 1940 to 1951 was 'the age of mandarins' in New Zealand government (Martin, 2010). They were fully committed to the tacit 'Schafferian Bargain' which shaped the relationship between the political executive and the top levels of the public service (Hood and Lodge, 2006). Characterising one of these men, as if describing them all, Duff (1941: 95) observed that, 'He is a public servant. With his energy, ability and bold imagination, he could have had a half a dozen careers and made half a dozen reputations. But he entered the public service. He remained in the public service. He is the public service....'

However, the whole picture was far from being entirely rosy. Māori were victims of unjust and greedy practices perpetrated by the Crown and its agents mainly in the 19<sup>th</sup> century, notwithstanding the fact that the early colonial administration in New Zealand had been at pains to deal fairly and honestly with land acquisition and settlement issues. If corruption as a governmental phenomenon has to be gauged largely by perceptions of its incidence, as with the CPI, then it certainly matters as to who is doing the perceiving.

### **What do we need to know about corruption?**

Such historical narratives do not necessarily provide a definitive understanding of why New Zealand has enjoyed a reputation as a largely corruption-free country. No doubt other factors could also be mentioned, some of which could be more instructive. Moreover, while indexes like the WGI and the CPI say something (one assumes) about changes over time, as gauged by the methodologies used, they say little or nothing about the reasons for change. To know, for example—hypothetically—that New Zealand had dropped from first to 10<sup>th</sup> place on the CPI in the space of say five years indicates that *something* is happening, but policymakers

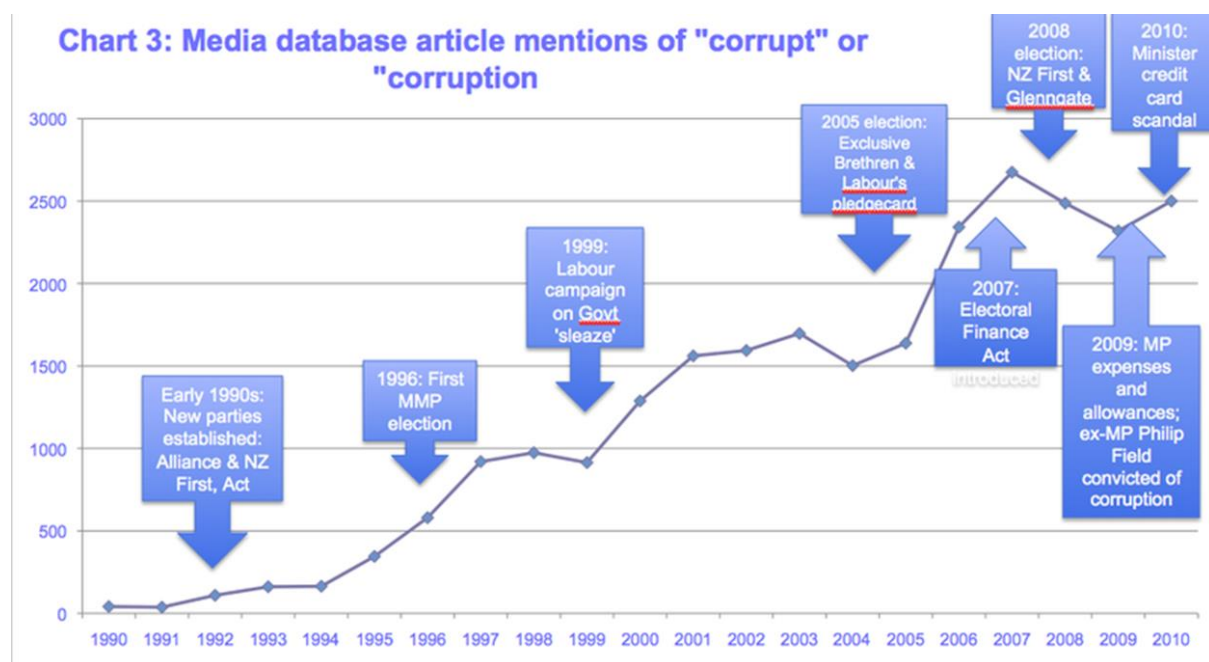
whose job it is to devise the means of combating such a decline, need to know *what* is happening and *why*. Theoretical knowledge can assist greatly in this endeavour, but indexes such as the WGI and the CPI (or most others of this kind, for that matter) do not provide much of it, in any formal quasi-scientific sense. In practice, policymakers who have to act in the short term rather than waiting till social science generates any such knowledge, if it ever does, will have to draw from informal theoretical knowledge, derived from other sources, in many forms. This will be the theoretical knowledge provided by, among other things, historical insight, social commentary and criticism, social and political disputation, and policymaking and administrative judgment, experience and wisdom.

While New Zealand has an excellent international reputation as a largely corruption-free country, at least compared with many others, this does not mean that its high standards will be maintained over the next 30 years, for example. The dramatically successful experiences of jurisdictions like Singapore and Hong Kong in combating rampant corruption over such a time period have been explained largely in historical-institutional terms (Quah, 2003, 2011). However, little seems to be known about why and how the opposite experience can occur. If the reasons sketched above are correct as to why New Zealand has historically experienced low levels of corruption, then which if any of these elements have been changing in a way that could be expected to see rising levels of various forms of corruption in the years ahead (Gregory, 2002, 2006; Gregory, Zirker and Scrimgeour, 2012)? Is there some ‘tipping point’ at which such a relatively rapid decline could take place? What would be the key circumstances that would give rise to such a scenario? How could they best be prevented from arising? And so on. Vietnam provides a *prima facie* case in point: widespread corruption began to climb exponentially after the shift from a command to a market-driven economy in the late 1980s. However, the historical, political and cultural circumstances of Vietnam are likely to provide only limited insights into why such a situation would become more of a real rather than hypothetical one in a country like New Zealand.

In this regard, even before the global financial crisis of 2008-2009, fraud had become glaringly apparent among New Zealand finance companies. A former chief executive of the Serious Fraud Office (SFO), Adam Feeley, publicly admonished corporate directors for doing too little about ‘financial crime and corruption’ in their organisations, in the light of a series of high profile convictions of finance company executives following a spate of institutional collapses linked to the international financial crisis, and involving the loss to

investors of hundreds of millions of dollars. Feeley argued that New Zealand is today socially, ethnically and financially—‘in terms of rich and poor in our society’—a ‘very different country than we were a few years ago and, particularly since the global financial crisis’ (quoted in Birchfield, 2012). The former director dismissed the value of the CPI’s rating of New Zealand: in his view, ‘company directors and legislators were sweeping the country’s growing crime and corruption problem under the board table.’

Miles’ Law—‘where you stand depends on where you sit’—may partly explain the level of concern expressed by the former chief executive of the SFO, but the results of an SFO public survey suggest that a majority of New Zealanders do not share the CPI’s view of corruption in their country: only 37 percent of respondents believed that the country was ‘largely free’ of serious fraud and corruption. Nevertheless, this may simply mean that people regard financial fraud as being different from corruption *per se*. It may also reflect the fact that over the past 20 years there has been a dramatic increase in the New Zealand news media’s coverage of corruption and allegations of corruption (see Figure 2).



**Figure 2:** From Edwards (2010). Online at:

<http://liberation.typepad.com/liberation/2010/10/political-corruption-in-new-zealand.html>

This in turn is fully consistent with the huge increase in international academic and news media attention, greatly aided and facilitated by the internet, that has been given to corruption (including the establishment of the CPI itself) since the former president of the



World Bank, James Wolfensohn, identified it in 1996 as a ‘cancer’ that had to be dealt with, especially by international donor organisations.

It seems highly inconsistent that the marked increase in the attention given to ‘corruption’ in the New Zealand news media has not been reflected in growing perceptions of corruption among those whose views are used to compile the CPI. Might this suggest that the opinions of this select group are out of kilter with the views of a much wider segment of the population? After all, a Price Waterhouse Cooper/Office of the Auditor-General (2011) survey of fraud and corruption in New Zealand organisations of various sizes found that such events in the previous two years, with a cost of more than NZ\$100,000, were reported by up to eight percent of respondents. Fraud and/or corruption events in the previous two years, with a cost of between NZ\$10,000 and NZ\$100,000, were reported by up to 9.5 percent of those surveyed. A KPMG survey in 2012 of fraud, bribery and corruption in Australia and New Zealand, while not providing separate data on each country, found that ‘almost three-quarters of respondents reported that their organisation has experienced behaviors that are defined as bribery or corruption’ (KPMG, 2013: 34). Moreover, while perpetrators of fraud were more likely to be non-management employees, a ‘real concern’ was that fraud committed by senior executives and company directors had doubled since 2006 (KPMG, 2013: 9). The study also found that more than half of the respondents indicated that their organisations did not perform active monitoring of bribery and corruption payments. A Deloitte Bribery and Corruption Survey (2012) found that one in five of about 200 New Zealand organisations had encountered corruption, mainly in the previous 12 months.

It is clear that while some activities, like bribery, are almost universally accepted as being corrupt, there are many others that may or may not be seen to be corrupt.<sup>11</sup> But like ‘social problems’ in general, they are ultimately defined politically rather than scientifically. If the old canard that ‘sunlight is the best disinfectant’ is valid, then transparent political processes and public debate are essential, not just to help combat corruption, but—just as

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<sup>11</sup> In New Zealand’s Crimes Act 1961 (sections 99-106), [bribery and] corruption is defined in what might be called the ‘hard core’ sense—that is, the offering or acceptance of bribes to public officials. The Secret Commissions Act 1910 relates to other specifically dishonest activities involving principal-agent relationships. (The penalties for conviction under the latter act are currently under consideration by Parliament to bring them more into line with those applying to bribery under the Crimes Act.)

importantly—to define what it actually is. Moreover, corruption will be understood in various ways in different countries, and within different countries, over time.

### **Social science and social criticism: keeping a balance**

Qualitative rather than quantitative analyses of ‘good governance’ and the reasons why a country experiences low (or high) levels of corruption are amenable to the discourse of social criticism, and are not excluded from this discourse by the claims to science and objectivity made on behalf of quantitative and heavily reductionist indexes. Such indexes certainly have their place as a part of this discourse.

However, Tsoukas’s (1997) notion of the ‘tyranny of light’ gives pause for thought. In his words:

Since the Enlightenment, knowledge has been viewed through the metaphor of light. More knowledge has been taken to mean a stronger human ability to see and thus an enhanced capability for action or, to be precise, for control... That more knowledge could cause problems, that light might prove another tyranny, that knowledge might bring suffering, were not thoughts the philosophers of the Enlightenment were prepared to entertain (Tsoukas, 1997: 839).

He identifies three paradoxes of the modern age: there is more information, but less understanding; more information but less trust; and more social engineering and more problems. Such contradictions suggest that a type of Gresham’s Law in economics (that is, bad money drives out good money) applies to the extent that, in the comparative assessment of ‘good governance’, quantitative data tends to drive out qualitative assessment, a process hugely enhanced by the increasing sophistication and capacity of information technology. Experimental knowledge derived from spurious calculation that is overly abstracted from lived realities can tend to supplant insightful reflection on social and political experience.<sup>12</sup>

A good example is provided by Gerring and Thacker (2004), discussed above. Their data enables them to calculate precisely that a country which swaps its federal, presidential system

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<sup>12</sup> As Bevir (2006: 592) argues: ‘If natural scientists and economists played the fullest role in directing the expansion of state activity after the Second World War, other social scientists also contributed, and a positivist concept of social science helped to legitimate their contributions at a time of optimism about technocratic reform. With state funding for social science favouring scientism and policy relevance, social scientists who defined themselves as delivering such goods were simply more likely to find stable employment. The positivist concept of science also appealed to some social scientists as a way of taking control of the mass of data then being generated. The new techniques and concerns of modernist empiricism had led, in this view, to ‘hyper-factualism’; social scientists were being overwhelmed by quantitative and qualitative data in the absence of a theoretical framework with which to make sense of it all...’

for a unitary, parliamentary one can reduce its level of perceived political corruption ‘by somewhere between 0.335 to 0.860, or by 0.586 on average’ (Gerring and Thacker, 2004: 326). Admittedly, they qualify their calculation with ‘*ceteris paribus*’, but of course when it comes to such a radical transformation of a political system all other things are most unlikely to be equal or to remain the same. While they themselves are not unmindful of this, the prospect of serious obstacles to such a change does not deter them:

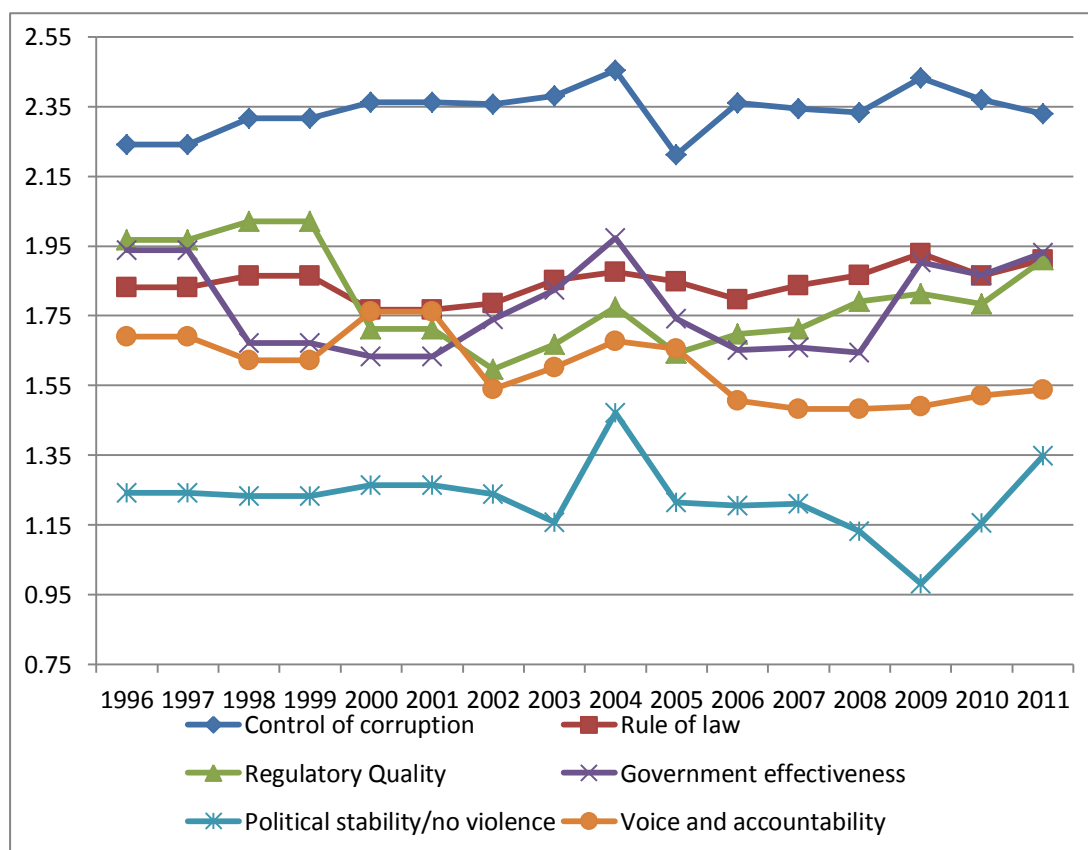
...as a practical matter, the alteration of basic-level political institutions lies more directly in the control of governments than other factors that might ameliorate political corruption. It is usually easier to change political institutions than to achieve long-term economic growth, and it is of course impossible to change cultural and historical antecedents such as religion (the presence or absence of Protestantism), legal origin (English or non-English), socialism or the tenure of democracy. Whatever its obstacles, constitutional reform may offer a relatively practical programme for the improvement of governance around the world (Gerring and Thacker, 2004: 327).

Again, New Zealand could find itself touted as a model for reform, just as it was during the heyday of NPM in the late 1980s and early 90s. According to the WGI and CPI, respectively, it is one of the best governed countries, with very little corruption—and it is a unitary and parliamentary system, to boot. However, lest New Zealand should once again become the destination for hordes of academics, politicians and governmental officials from other countries, hell bent on discovering the Holy Grail of ‘good governance’, they might first pause to ask what New Zealand’s scores on the WGI between 1995 and 2011—see Figure 3—actually mean, in their own terms, as distinct from comparing them with those of other countries, in relative terms. (And for their part, New Zealanders might ponder this article’s epigraph, from Lipson.)

Are they not largely meaningless? Or worse, are they not misleading? The scores indicate that things have not changed much over the best part of two decades, except—paradoxically—for ‘Political Stability/No Violence’, which seems to have suddenly spiked around 2004, before dropping below ‘normal’ levels around 2008-2009. How can one sensibly explain these numerical changes? Does the drop around 2004 represent the widespread protest movement against the proposed foreshore and seabed legislation? Was this movement a manifestation of increased political instability and violence, or do both the spike and the drop reflect the political predispositions of those whose opinions shaped the

scores? It would not be difficult to mount an argument to that effect, but no doubt other arguments could readily be made in refutation.

Similar ambiguity surrounds the scores for the other five dimensions. What does the graph tell us about the on-going effects of the welfare reforms of 1990-93, described as ‘the most radical social policy changes in 60 years’ (Boston, 1999: 4)? Probably nothing. In short, anyone looking at this graph for valid information about changes over time within New Zealand society and politics would probably be left imposing meaning on the graph, rather than inferring meaning from it.



**Figure 3:** New Zealand on WGI, 1995 – 2011. From Zirker, Scrimgeour and Gregory (2013, forthcoming).

This is not just a problem of social inquiry, whether formally scientific or socially critical, *per se*, but is also, and paradoxically, an incipient threat to the democratic values which are supposed to be central to at least a Western notion of ‘good governance’. It can be argued that indexes such as the WGI and the CPI make it easier rather than harder for lay people to consider ‘good governance’ because they have available to them a neat figure and a set of rankings that they can readily understand, useful reference points to guide their own

assessments. This may be so, but the question arises as to whether or not it is actually better to have no such indexes if such numbers disguise a whole host of methodological problems which by their nature tend to undermine the validity of the index itself; and secondly, whether the existence of what can easily become a reified index actually tends to disenfranchise lay people from what should be a much more inclusive debate. Most people do not display the mentality of Charles Dickens' typically Victorian schoolmaster in *Hard Times*, Thomas Gradgrind: 'A man of realities. A man of facts and calculations' (Dickens, 1961: 2).<sup>13</sup>

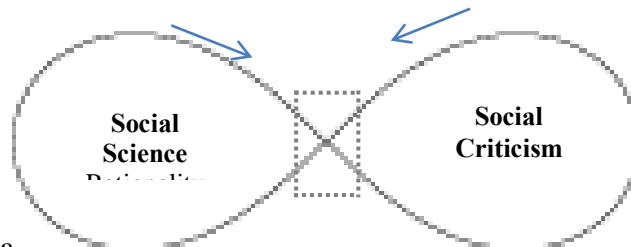
Today, in the era of what Pollitt (2008: 18) calls 'the politics of quantification', numbers embody in themselves a claim to 'science' and 'objectivity', purporting to place them above political disputation. In this sense, the 'facts' always speak for themselves, a position not dissimilar to the argument invoked in New Zealand and elsewhere during the neo-liberal heyday that, 'there is no alternative'. Tsoukas (1997) argues, in ways that are also analogous to the New Zealand experience of those times, that this claim to higher levels of scientific sophistication tends to alienate lay audiences, who see instead the machinations of a technological elite like the World Bank.

Paradoxically, however, there may be something of an inverse relationship between the artifactual nature of indexes such as the WGI and the CPI, on the one hand, and their political force, on the other. This is because although these measures may often be treated with suspicion by lay people, lay people also – in the absence of anything better – will tend to accept them as unproblematic measures, if indeed lay people take more than a cursory interest in them at all. On the other hand, however, such indexes tend to become the *lingua franca* within elite discourse. They thus have a major impact, tending to become reified constructions, which represent a short-hand means of representing, if not understanding, what otherwise have to be seen as highly complex and contingent phenomena. They increasingly take on a life of their own as valid depictions of the 'real world'. Tools for research can too readily become masters of understanding. This can diminish thoughtful communication not only within elites, but also among lay people, and between elites and lay people.

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<sup>13</sup> 'A man who proceeds upon the principle that two and two are four, and nothing over, and who is not to be talked into allowing for anything over... With a rule and a pair of scales, and the multiplication table always in his pocket, Sir, ready to weigh and measure any parcel of human nature, and tell you exactly what it comes to. It is a mere question of figures, a case of simple arithmetic' (Dickens, 1961: 2).

What is more desirable in attempts to understand what constitutes ‘good governance’—largely spurious objectivity or inevitably manifest subjectivity? And is it better to try to be roughly right than to strive to be precisely wrong? While formal social science, as exemplified in the burgeoning of indicators such as the WGI and the CPI, can usefully contribute to public debates on the extent to which any country displays ‘good governance’, it should not be allowed to displace such debate. As Bevir (2006: 601) puts it, a challenge is to ‘effectively to engage social scientists, most of whom still favour typologies, correlations and models, rather than skeptical narratives. Many social scientists are aware that their modes of knowledge create distortions and simplifications. They just regard these problems as necessary consequences of crafting generalizations that are capable of guiding action in the world.’ Social science should be mediated by such open and usually informal inquiry and commentary, as diagrammatically represented in Figure 4, where the shaping of a better informed understanding of what shapes and maintains ‘good governance’ in general, and low levels of corruption, in particular, emerges around the nexus point of an on-going, mutually constitutive, relationship.



**Figure 4:** The crucial nexus.

The irony is that seeking after scientific measure of ‘good governance’ (including levels of corruption), tends in itself to diminish the democratic essence which is so often thought to be central to ‘good government’. Democratic virtue is thereby thrice reduced, in the hubristic pursuit of a scientific objectivity which by its flawed nature can only be spurious at best, and politically self-serving at worst. Valid cross-national comparisons of factors in different countries which can be argued to diminish or enhance the quality of both government and governance are instead increasingly displaced by reified illusions.

## Out of touch or in touch?

The American political commentator, Jonathan Alter, in his critique of the graduate programmes run by Harvard's Kennedy School of Government, argued in 1983 that, 'Some day the public sector could be so professionalized that it will lose touch altogether with the people it is supposed to represent...Any movement in that direction...must be viewed as frighteningly anti-democratic' (Alter, 1983: 38). Alter was especially critical of what he saw as the excessive emphasis placed on quantitative techniques in the school's Master in Public Policy programme, seeing 'professionalisation' as the schooling of more and more top public officials in predominantly technocratic approaches to government (and by later extension, one presumes, governance). Alter's critique was a forerunner to the later arguments made by Tsoukas, and supported by Pollitt, as discussed above, regarding the development and use of highly reductionist indexes in not only the study but also in the pursuit of 'good governance'.

However, 'professionalisation' could also mean that governmental officials, elected and appointed, use more sophisticated tools to keep in touch with public attitudes and opinion, including public surveys, notwithstanding the fact that (mere) 'public opinion' is not the same thing as (substantive) 'public judgment' (Yankelovich, 1991). To this end, the surveys of public attitudes now conducted by the State Services Commission (SSC) should be considered an important tool. In 2007, the SSC instituted New Zealand's first-ever all-of-government longitudinal survey of New Zealanders' experiences and perceptions of public services (State Services Commission, 2008). In addition, the SSC has developed a 'Common Measurements Tool' to help agencies to measure and understand client satisfaction, in order to make effective improvements in service delivery. Such tools are essential if the current government's commitment to 'Better Public Services' is to be adequately fulfilled. Despite the general belief shared by many commentators that the New Zealand governmental system is more efficient and more accountable than it was before the radical changes of the 1980s and 90s, such a belief must remain a belief since no rigorous or quasi-scientific assessments have been done; and would be extremely difficult if not impossible to carry out (Boston, 2000; Gregory, 2000).

In the inevitable absence of any formal evaluation using leading-edge techniques and measurements, assessments of the quality of New Zealand's public services must be largely informal, contested, and based on conflicting perceptions and experiences. This, however,

does not render them invalid. On the contrary, in a society which espouses liberal-democratic values, such general and contestable assessments are more worthy of respect than are league table measures of 'good governance', which purport to be precise and objective but which may not withstand closer scrutiny.

All social criticism is a kind of political commentary, explicitly or implicitly. And unlike the endeavours of the social scientist *per se*, the social critics do not purport to be in any sense objective, though they may often strive to be detached. This does not mean, however, that social critics cannot contribute to a debate on what constitutes 'good governance'. Those who might believe that they cannot must by extension assume that 'good governance' is a function of some general law.

Returning briefly to the New Zealand experience, therefore, one social critic may be impressed, for example, by the strong tradition of political stability, a professional public service, little governmental corruption, the rule of law, strong judicial independence, relatively high standards of living and of environmental protection, and generally harmonious race relations. Another may be far less impressed, preferring to highlight low levels of public trust in politicians, growing evidence of 'political sleaze' (a term commonly applied to a series of political scandals in Britain in the 1980s and 90s), a lack of political accountability, poor public sector management and leadership, mounting allegations of corruption in the police, an electoral system which faithfully translates popular votes into Parliamentary seats but which leaves far too much power in the hands of the politicians in the post-election process of government formation, an erosion of the public service ethos, declining social egalitarianism, government failure to grapple effectively with a range of social problems—including child poverty and abuse—a fraught public health system, and emerging racial tensions. There would be no shortage of evidence to support the perspectives offered by such social critics.

The general principle guiding the scope of perspectives in any assessment of the quality of governance in New Zealand, including the incidence of whatever is widely considered to be corruption, should be: the broader and deeper the better.<sup>14</sup> As far as corruption in particular is

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<sup>14</sup> Lindblom (1990: 233) in his extensive examination of the 'impairments' that distort thinking and perceptions in government, politics and policymaking, and extending his earlier work on 'partisan mutual adjustment', advances the concept of 'multiplism'. In his words: '...probing of social problems requires the participation of vast numbers of people, most of whom bring significant though



concerned, systematic research is overdue into how ‘corruption’ in its various forms is assessed across the broad spectrum of New Zealand society. Any complacent parroting of the country’s high position on the CPI, while it may assist in promoting the country’s mythical ‘clean and green’ image and ‘Brand New Zealand’ internationally, will ultimately be self-defeating. Swift and dramatic changes are occurring in the composition, class structure, and ethnic mix of New Zealand society (Rashbrooke, 2013; Spoonley and Bedford, 2012). These will demand that the foundations of ‘good governance’—including those which are required to counter any growing risks of enhanced corruption—are continually appraised and developed (see Transparency International New Zealand, National Integrity System Report, forthcoming 2013). This requirement invites the development of an analytical framework within which to conduct an investigation into what New Zealanders perceive corruption to be in their own country.

## Conclusion

Indexes and indicators such as those embodied in the WGI and the CPI have a valid role to play in social science research into the means of promoting, establishing and sustaining government or governance which is ‘getting better’, ‘good’ or even ‘outstanding’, depending on the criteria by which such categorisations are made. Those who generate these measurements, as upholders of Tsoukas’ ‘tyranny of light’, are not about to turn their ivory towers into tents and steal quietly into the dark night. However, in promoting the sharp illumination that they believe measurement provides they should not at the same time be allowed to extinguish the more diffuse, yet more authentic, glow of understanding that is emitted by democratic discourse on what these criteria should be in the first place.

All public institutions—including the Institute of Governance and Policy Studies—and all components of civil society have to be committed to fostering, developing and sustaining an intelligent and balanced relationship between social science and social criticism. In the quest for ‘good governance’ the real challenge is to ensure that while we have ever burgeoning stores of data and information, we also have more knowledge of what this data and information actually means, and—above all else—more wisdom in applying it.

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greatly limited competence to their inquiries, and many of whom bring educated and experienced competences to the task. Call such a state of affairs multiplism. Multiplism requires pervasive sustained inquiry at many levels of competence broadly distributed in the society. Because formal organisations—interest groups and business enterprises, especially—tend to crowd individual participants out of activism in the political system, multiplism not only becomes essential but in fact needs a revival.’

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