



IDEAS

From post-Trojan War colony, to Ottoman Empire pawn, to European Union member:
Gerald Owen provides a brief history of Cyprus

From 1997 to 2002, Canada's UN mission in New York didn't generate a single unpaid parking ticket. Here's why

CORRUPTION AND CULTURE

EDWARD MIGUEL
AND RAYMOND FISMAN

Canada is not a corrupt country. Nigeria is. What is it that keeps us from slipping a 50 to a policeman who pulls us over for speeding, whereas such transactions are the norm on the roads of Lagos? That is, why do Nigerians bribe with impunity, while we in Canada have a collective reputation as a law-abiding society?

First, you don't try to pay off the police because you know that this is unlikely to end well for you. By contrast, not only can you get away with bribing a Nigerian policeman, it is actually *expected*. That is, the economic incentives facing the would-be briber are very different.

But there is a second factor at play here: From a young age, our parents and teachers instill in us a *culture* of law-abiding behaviour. Our parents are not forced to pay bribes to government officials in order to survive day-to-day (for water, for phone service or electricity) as in many places.

Scholars are very good at capturing the effects of economic incentives. But cultural effects are harder to measure. Can you quantify the extent to which a given culture motivates corrupt behaviour — even in the absence of the material inducements toward corruption contained in that milieu?

It turns out you can.

To perform such an experiment, you first need to bring together public officials from around the world to the same place, where they are given the opportunity to break the law. You also have to make sure that they are permitted to break the law *without fear of consequence* — in order to remove the influence of tangible incentives, and isolate the effect of culture.

While this is not a common set of circumstances, it does accurately describe the situation faced by UN diplomats parking their cars on New York City streets between 1997 and 2002. Diplomats could park their cars illegally, and were protected by diplomatic immunity from any legal repercussions. This left a paper trail of illegal activities in the form of unpaid parking violations for diplomats from each represented nation. We obtained these data from the Finance Department of the City of New York. And in a National Bureau of Economic Re-



JONATHAN KAY / NATIONAL POST

search paper published this year, we analyzed the results.

So, who breaks the law when given the opportunity to do so?

Evidently, there is an inner Dudley Do-Right in each Canadian. Canada's UN mission never generated a *single* unpaid parking violation throughout the studied period.

Chad accumulated 1,243 unpaid parking violations. Bangladesh racked up 1,319

(Someone in the mission did get a couple of tickets, but these were both paid on time to New York City). Contrast Canadian diplomats with those from Chad and Bangladesh, the two countries that shared the bottom ranking last year in Transparency International's Corruption Perceptions Index. Chad accumulated 1,243 and Bangladesh 1,319 unpaid parking violations, respectively — even though their UN missions are much smaller than Canada's.

Before pulling out the doughnuts and beer for a celebration of Canadian honesty, a few important words of caution. First, remember the Canadi-

an in Nigeria and the Nigerian in Canada: People do adjust to local circumstances. That's why we don't typically find recently arrived immigrants from Nigeria or Bangladesh trying to bribe their way past Immigration Canada officials. Conversely, many Canadian businesspeople living in the developing world pay

gal compliance given, for example, the findings of the recent Gomery Inquiry. We would argue that this episode only reinforces our main point: Not only did this set of shady government deals come to light (suggesting that Canada has effective government and civil society institutions), the scandal generated public outrage and indignation that likely helped to topple the recent Liberal government. Corrupt Canadian officials are held accountable by the public; corrupt Nigerians are not.

Getting back to the big picture, what do these New York City parking violations tell us about how to fight corruption around the world? They tell us that reformers of government institutions — whether local reformers or the World Bank — must be aware that local values and social norms can undermine their attempts at reform. Changing the letter of the law may be insufficient to generate positive changes, in the presence of a pervasive culture of corruption.

National Post
emiguel@econ.Berkeley.EDU
rf250@columbia.edu

Edward Miguel is Associate Professor of Economics at University of California, Berkeley. Raymond Fisman is a professor at Columbia University Business School.

I believe Alexander Litvinenko

CHARLES KRAUTHAMMER
in Washington

The poisoning of Alexander Litvinenko, renegade Russian spy and fierce critic of Vladimir Putin's government, is everywhere being called a mystery. There is dark speculation about unnamed "rogue elements" either in the Russian secret services or among ultra-nationalists acting independently of the government. There are whispers about the indeterminacy of things in the shadowy netherworld of Russian exile politics, crime and espionage.

Well, you can believe in indeterminacy. Or you can believe the testimony delivered on the only reliable lie detector ever invented — the deathbed — by the victim himself. Litvinenko directly accused Putin of killing him.

Litvinenko knew more about his circumstances than anyone else. And on their deathbed, people don't lie. As Machiavelli said on his (some attribute this to Voltaire), after thrice refusing the entreaties of a priest to repent his sins and renounce Satan, "At a time like this, Father, one tries not to make new enemies."

In science, there is a principle called Occam's razor. When presented with competing theories for explaining a natural phenomenon, one adopts the least elaborate. Nature prefers simplicity. Scientists do not indulge in grassy-knoll theories. You don't need a convoluted device to explain Litvinenko's demise.

Do you think Anna Politkovskaya, the journalist who was investigating the war in Chechnya, was shot dead in her elevator by rogue elements? What about Viktor Yushchenko, the presidential candidate in Ukraine and eventual winner, poisoned with dioxin during the campaign, leaving him alive but disfigured? Ultra-nationalist Russians?

Opponents of Putin have been falling like flies. Some jailed, some exiled, some killed. True, Litvinenko's murder will never be traced directly to Putin, no matter how dogged the British police investigation. State-sponsored assassinations are almost never traceable to the source. Too many cutouts. Too many layers of protection between the don and the hitman.

ON THEIR DEATHBED, PEOPLE DON'T LIE

Moreover, Russia has a long and distinguished history of state-sponsored assassination. Does anyone believe that Pope John Paul II, then shaking the foundations of the Soviet empire, was shot by a crazed Turk acting on behalf of only Bulgaria?

If we were not mourning a brave man who has just died a horrible death, one would almost have to admire the Russians, not just for audacity, but for technique in Litvinenko's polonium-210 murder. Assassination by poisoning evokes the great classical era of *raison d'état* rubouts by the Borgias and the Medicis. But the futurist twist of (to quote Peter D. Zimmerman in *The Wall Street Journal*) the first reported radiological assassination in history adds an element of the baroque of what a world-class thug outfit such as the KGB (now given new initials) should be proud.

Some say that the Litvinenko murder was so obvious, so bold, so messy — five airplanes contaminated, dozens of places in London radioactive — that it could not have possibly been the KGB.

But that's the beauty of it. Do it obvious, do it brazen and count on those too-clever-by-half Westerners to find that exonerating. As the president of the Central Anarchist Council (in G.K. Chesterton's *The Man Who Was Thursday*) advised: "You want a safe disguise, do you? ... A dress in which no one would ever look for a bomb? Why, then, dress up as an *anarchist*, you fool!"

The other reason for making it obvious and brazen is to send a message. This is a warning to all the future Litvinenkos of what awaits them if they continue to go after the Russian government. They'll get you even if it makes negative headlines for a month.

Some people say the KGB would not have gone to such great lengths to get so small a fry as Litvinenko. Well, he might have been a small fry but his investigations were not. He was looking into the Kremlin roots of Politkovskaya's shooting. And Litvinenko claimed that the Russian government itself blew up apartment buildings in Moscow in 1999, killing hundreds of innocent civilians, in order to blame it on the Chechens and provoke the second Chechen war. Pretty damning stuff.

But even Litvinenko's personal smallness serves the KGB's purposes precisely. If they go to such lengths and such messiness and such risk to kill someone as small as Litvinenko, then no critic of the Putin dictatorship is safe. It is the ultimate in deterrence.

The prosecution rests. We await definitive confirmation in Putin's memoirs. Working title: *If I Did It*.

Washington Post Writers Group

Cyprus' two solitudes



GERALD OWEN

The European Union knowingly put the cart before the horse in 2004 by admitting Cyprus to membership. That decision is now bedeviling the EU's membership negotiations with Turkey. Many people, including the Pope, think that Turkish membership would build a bridge between the West and the lands of Islam. To this, Cyprus is a stubborn obstacle.

What is "Cyprus"? It is a large island where East and West have met for 3,000 years, ever since Greeks settled there after the Trojan War.

The state called Cyprus, on the other hand, has effective control over most, but not all of island. On the remainder, there is a government that calls itself the Turkish Republic of Northern Cyprus (TRNC), recognized only by Turkey. The 180-kilometre "green line" that divides these territories is a small iron curtain.

Though the EU denies it has an embargo against northern Cyprus, it is not set up to receive exports from places

without recognized governments, though Cyprus is supposedly part of the EU. Some "single market"!

So the TRNC's only access to the world is through Turkey.

For its part, Turkey has closed its ports and airports to goods from the rest of Cyprus — a most unpromising state of affairs between an actual and a prospective member of what is, at the very least, an economic union.

The European Commission (more or less the EU's cabinet) has proposed to put on hold the negotiations with Turkey, on eight of 35 policy areas. As I write, Turkey has informally proposed to open one seaport and one airport to Cyprus. Greece and Cyprus have said that is not enough.

This mess is one of the many that have been begotten by the winding-up of empires and the attempts to make nation-states out of the remains, with mixed success; India/Pakistan, the Balkans, the Middle East and Ireland all come to mind.

Cyprus is the setting for a great tragedy about jealousy. Shakespeare makes the Venetian Republic send Othello, an African general, to defend the island against the Ottoman Sultan, the head of a Turkish dynasty.

But three decades before Shakespeare wrote *Othello*, the Sultan had conquered Cyprus from Venice. Turks began to settle there, but Greeks have remained the large majority. At the time, most other Greeks were already the Sultan's subjects anyway.

In the late 19th century, the British wanted to secure the northern entrance to the Suez Canal. In exchange for un-

dertaking to protect the waning Ottoman Empire against a dynamic Russia, the Sultan entrusted the government of Cyprus to Britain, in 1878.

Empires went swiftly out of fashion after the Second World War. In Cyprus, that raised the question of how the Greek majority and the Turkish minority would get on in an independent democracy. Many Greek Cypriots wanted to join Greece. The Turks were not concentrated in any one part of the island; no Turkish "province," equivalent to Quebec, was possible. The Greek advantage in numbers was and is offset by how much closer Turkey is to Cyprus than Greece.

Cyprus became independent in 1960, but nothing was resolved. It became a major trouble spot of the '60s. (Canadians were among the first UN peacekeepers there in 1964, and stayed until 1993.) Then in 1974, a shaky military dictatorship in Greece tried to reinvigorate itself by sponsoring a *coup d'état* in Cyprus by hotheads who promised quick unification with Greece.

Turkey then invaded. The phrase "ethnic cleansing" had not been coined, but some of that took place. Many Greeks fled south, and many Turks fled north. Of a total Cypriot population of 500,000, 180,000 suddenly moved.

The British Foreign Secretary, James Callaghan, is said to have warned the parties that Cyprus would become two big refugee camps — an exaggeration that expresses what did result. At least this botch-up induced the fascist rulers of Greece to abdicate.

Little has changed since then. The

declaration of the TRNC in 1983 made no great difference.

Both parts of Ireland being in the EU has helped calm one island, and EU membership seemed hopeful for Cyprus. As the prospects of its joining rose, Kofi Annan, the UN Secretary-General, proposed a plan for relations between Greek and Turkish Cypriots in a reunited Cyprus. The EU forged ahead, trusting that a referendum would ratify Mr. Annan's plan, but most of the Greek Cypriots rejected it on April 24, 2004. Cyprus was still admitted to the EU, one week later.

Lawrence Durrell — best known for *The Alexandria Quartet* — wrote in his memoir of Cyprus in the 1950s, *Bitter Lemons*, that "we," the British, should have been "honest enough to admit the Greek nature of the island at the beginning ... Now, it was too late!" That is still true.

Turkey should not be the only party to the dispute making concessions. The EU should also lean on the Greek Cypriots and Greece to do so, and reunite Cyprus.

National Post
gowen@nationalpost.com



ISTOCKPHOTO.COM