

TRUST AND TRANSPARENCY IN NETWORK GOVERNANCE: THE IMPLICATION OF TAIWAN'S ANTI-CORRUPTION ACTIVITIES

Mei-Chiang Shih

ABSTRACT

A core element of governance is the role of networks. Any government is embedded in webs of relationships, and the behavior and cognition of actors in networks are affected by rules of the game created in interactive relationships. Under such circumstances, two important issues -- accountability and transparency -- emerge from the analysis of governance. Trust in networks is the foundation of accountability and transparency. Trust can facilitate efficiency and effectiveness in network governance. Transparency is the cornerstone of government competitiveness, and has a direct impact on the well-being of people's lives. Thus, trust and transparency should be examined from the network governance perspective. The network concept is applied in this research to explore the operation of Taiwan's anti-corruption network. Research findings demonstrate that the judicial system and Civil Service Ethics Office are two most effective anti-corruption mechanisms recognized by respondents. Although the effectiveness of different anti-corruption mechanisms varies, the overall evaluation of them is not high. On the other hand, even though the judicial system is recognized as the most important anti-corruption mechanism by respondents, only 67.7% of people surveyed believe their safety will be protected by the judicial system. The research findings point out that there are institutional trust problems in Taiwan, and that corruption is a significant problem affecting government competitiveness.

INTRODUCTION

Peters and Pierre (1998: 223-224) demonstrates that the traditional conception of governing has come under two major strains. The first is that the increasingly diminished capacity of governments to insulate their societies from external pressures raises the question of whether national governments are still the major actors in public policy. A second strain is from the changing relationship between the public sector and the private sector. Government is no longer capable of steering as it had in the past. After the anti-bureaucratic or anti-government era, a new concept has to be developed in order to bridge the gap between theory and reality. Frederickson (1997: 78) argues that in contemporary public administration, the concept of choice is central to governance. Scholars saw the term of governance entering academic discussion from the 1990s. At the same time, researchers were finding that government officials were increasingly required to transact with other organizations, exchange resources, and reach agreement (Bogason and Musso, 2006: 4). The paradigm shift from new public management (NPM) to governance represents the coming of a new era of academic research and debates. But, what is governance? Why is it vital to identify networks as the center of governance? How does government manage in the fluid-like network situation? What are the most important elements which will have profound impacts on the success or failure of network governance? These questions have to be examined carefully in order

to meet challenges in the network society. Trust and transparency will determine the success or failure of network governance. This article applies network concepts to explore the operation of Taiwan's anti-corruption network. Three research questions are explored:

1. What is the current situation of the anti-corruption network in Taiwan?
2. Is the anti-corruptive network effective to facilitate public trust in government?
3. Is it an effective way to increase transparency by means of network governance?

GOVERNANCE AND MULTI-LEVEL GOVERNANCE

Governments at all levels are increasingly intertwined with private sector and nongovernmental organizations (NGOs) that share the responsibility of delivering public services. Public programs are carried out in the public, nonprofit, and private sectors through webs of various actors. Thus, the meaning of government nowadays has undergone fundamental transformation. Among the numerous debates regarding the role of government in the twenty-first century, the concept of governance is the mostly discussed one.

Although the term of governance is widely used, an agreed definition is seldom reached. Governance derives from the Greek 'kybenan' and 'kybernetes', meaning 'to steer' and 'pilot or helmsman' respectively (Rosenau, 2004: 180). For Donald F. Kettle (2002: 119), governance is "a way of describing the links between government and its broader environment—political, social, administrative." As Laurence E. Lynn Jr., Carolyn J. Heinrich, and Carolyn J. Hill (2000: 235) put it, governance "refers to the means for achieving direction, control, and coordination of wholly or partially autonomous individuals or organizations on behalf of interests to which they jointly contribute." For H. George Frederickson (1997: 84), the first and most evident meaning of governance as public administration is that "it describes a wide range of types of organizations and institutions that are linked together and engaged in public activities." R. W. Rhodes (1997: 15) puts it: "governance refers to self-organizing, interorganizational networks characterized by interdependence, resource exchange, rules of the game and significant autonomy from the state." For W. J. Kickert, E.-H. Klijn and J. F. M. Koppenjan (1997: 2), governance "can be described as 'directed influence of social process'. It covers all kinds of guidance mechanisms which are connected with public policy process." Gerry Stoker (1998: 17-28) provides five propositions about governance which are "First, governance refers to a complex set of institutions and actors that are drawn from but also beyond government. Secondly, governance recognizes the blurring of boundaries and responsibility for tackling social and economic issues. Thirdly, governance identifies the power dependence involved in the relationships between institutions in collective action. Fourthly, governance is about autonomous self-governing networks of actors. Lastly, it sees government as able to use new tools and techniques to steer and guide."

The definition of governance is versatile indeed. Most scholars agree that there is a need for governance as a concept distinct from government. Despite the differences of views as to what governance means, perhaps the dominant feature of governance is the importance of networks. Generally speaking, governance is government playing a steering role in network society to fulfill public purposes. In other words, governance involves the interactions among structures, processes, institutions whether formal or informal, citizens, and other stakeholders. Governance also involves power,

relationships and accountability. Jan Kooiman (2000: 142), when discussing social-political governance, argues that interactions are the central concept for governance. In the more extreme versions, networks have sufficient resiliency and capacity for self-organization to evade the control of government (Peters and Pierre, 1998:225).

Governance mainly indicates the horizontal relationships with which government interacts with other actors in its environment. However, multi-level governance adds one more dimension which is the vertical dimension into the discussion of governance. For S. Hix (1998) and M. Smith (1997), the definition of multi-levels of governance: "...refers to negotiated, non-hierarchical exchanges between institutions at the transnational, national, regional and local levels."

Pierre and Stoker state that multi-level governance "is not just to negotiate relationships between institutions at different institutional levels but to a vertical 'layering' of governance processes at different levels." Ian Bache and Matthew Flinders (2005: 3) point out that the multi-level governance concept contains both vertical and horizontal dimensions. 'Multi-level' demonstrates the increased interdependence of governments operating at different territorial levels, while 'governance' represents the growing interdependence between governments and non-governmental actors at various territorial levels. Gary Marks and Liesbet Hooghe (2005: 17) provide two types of multi-levels governance to the research community. In their view, type I multi-level governance conceives the dispersion of authority as being limited to a limited number of non-overlapping jurisdictional boundaries at a limited number of levels. On the other hand, type II multi-level governance is a complex, fluid, patchwork of innumerable, overlapping jurisdictions. In the discussion of the concept of multi-level governance, B. Guy Peters and Jon Pierre (2005: 77) define this concept from four different aspects. These four aspects are: "the concept of governance, the notions of governance that can include several levels of government, the negotiated order, which characterizes the relationships among these multiple and often at least partially autonomous levels; and the notion of multi-level governance as a particular form of political game."

The emergence of the concept of governance and multi-level governance all indicate that a fluid, negotiated, and contextually defined relationship should play a much more important role in our research and in observing the real world. Multi-level governance not only includes context, process, and bargaining, but also various formal and informal institutions. Most importantly, government is still a major actor among the interacting network relationships.

THE CRITICAL ROLE OF NETWORK GOVERNANCE

Both concepts of NPM and governance indicate that government should steer rather than row in network society. However, the argument of "hollow state" concerns the inherent weakness of networks. Due to information asymmetry, the independence of actors, the difficulty of coordination, and the problem of accountability, all contribute to the instability of networks (Milward and Provan, 2000: 363). Meanwhile, network governance may produce ambiguity into the role of the public officials and accountability may also diminish. Therefore, fundamental democratic values should be emphasized in the steering of governance network (Bogason and Musso, 2006: 7). Gerry Stoker (2006: 42) presents a public value management paradigm to represent the achievement of public value, with networks of deliberation and delivery as central features of the network governance process. But, what elements are important to good

public governance? Tony Bovaird identifies twelve elements as keys to public governance.¹ Munro, Roberts and Skelcher's research (2008: 62-63) illustrates that forms of public governance located beyond representative government are anchored in the democratic institutions of a society. They further point out that community leaders and public managers should act as 'dual intermediaries' to operate in and around the formal institutional designs of partnerships to link them with relevant stakeholders.

Network is a social structure that consists of embedded relationships.² Embedded relationships shape not only the transaction process but also the cognitive process in the network (Uzzi, 1997: 36; Powell and DiMaggio, 1991: 15). The survival of an organization relies on resources interdependence relationships with other organizations, and interdependence characterizes the relationship between the agents creating an outcome, not the outcome itself (Pfeffer and Salancik, 2003: 40). Managing relationships within a network becomes vital to the success or failure of any actor. Thus, it can be safely said that network governance is the management within networks for particular purposes. Management within networks can mean various activities such as resource acquisition and allocation, production, distribution and exchange, planning, coordination, and collective sense-making. These activities will have important impacts on the size, structure and location of power within networks (Perry, Peck and Freeman, 2006: 121).

Due to six important developments in network society, wicked societal problems have to be dealt with.³ In addition, substantive uncertainty, strategic uncertainty, and institutional uncertainty arise when a network is confronted with wicked societal problems (Koppenjan and Klijn, 2004: 6-7). Meanwhile, when authority and responsibility are parceled out across the network, the accountability problem will be a major challenge to networked government (Goldsmith and Eggers, 2004: 121).

Government is embedded in webs of relationships, and behavior and cognition of actors in network are affected by rules of the game created in the interactive relationships. Government should steer rather than row in networked governance. Under such circumstance, two important issues--accountability and transparency emerge from the discussion of network governance. If, to a certain degree, governance is a self-organizing network involving different actors and closed off to outside supervision, then, accountability will be in question, and social justice might be in jeopardy. Trust in network is the foundation of accountability and transparency.

A well-organized and functional network should be based on trust produced in the interaction among actors. Trust can facilitate the efficiency and effectiveness in network governance. And yet, public trust in government has deteriorated dramatically since the middle of the last century. Public distrust in government causes a legitimacy crisis in governing activities. Maintaining a high level trust in government is a major challenge for network governance.

Transparency is the cornerstone of government competitiveness, and has direct impact on the well-being of people's life. It is impossible to achieve the goal of democratic governance under the control of corruptive regime. Thus, based upon the characteristics of network governance, trust and transparency should be examined from the network perspective.

TRUST, TRANSPARENCY AND NETWORK GOVERNANCE

Government overload, bureaucratic bashing, and citizen's perception toward government have all contributed to the perception of a decline in government performance, and then led to the perceived decline in public trust in government and in the public sector (Walle, Roosbroek and Bouckaert, 2008: 49-50). The decline of trust, especially in network society, may cause a legitimacy crisis. Surprisingly, the research on trust in public administration is relatively insignificant. The influence and the usefulness of trust in the context of complex decision making and the trend toward more horizontal form of governance have largely been ignored in public administration research literature (Edelenbos and Klijn, 2007: 27).

Trust has to be created through interactions, and should be the cornerstone of network, and this is especially critical for the public sector in pursuing the fulfillment of public interest. When governments have turned to various forms of cooperative partnerships between private sector, community, and non-profit organization to deliver public services, building trust within partnerships is extremely important in such arrangements if governments are expected to be more responsive to community needs and to improve public services (Brewer and Hayllar, 2005: 477). Anderson (2008: 62) argues in his research that the relational aspect of social capital is important, with social capital defined as the social stock of trust, norms and networks that facilitate coordinated actions. High levels of trust can facilitate interactions within societies and organizations. Enhancing systemic trust is an important aspect of capacity-building in public policy development and public service delivery.

Three factors of trust are concentrated on by De Vries (2005: 408): first, the past interactions between the trustee and the trusted; second, the abilities or trustworthiness, of the trusted as judged by the truster, and third, the degree to which the potential truster can afford to trust. Trust can also be defined from rational choice perspective. A rational choice definition of trust requires information about other people's trustworthiness in order to place trust on them. Under such circumstances, trust is an expectation about the trustee preferences (Herreros and Criado, 2008: 55). Kim (2005: 616) points out that it is important to distinguish trust from confidence when interpersonal trust is transformed to institutional trustworthiness. Trust requires not only confidence but also creditable commitment, honesty and fairness in procedures. On the other hand, confidence only constitutes part of trusting behavior. Institutional trustworthiness needs public employees be to competent, credible and willing to act in the interest of the general public. Institutional trust means that citizens are willing to follow government decisions even without sufficient information. Edelenbos and Klijn (2007: 30) define trust as a more-or-less perception of actors about the intentions of other actors, and opportunistic behavior is prevented in the interaction process. Furthermore, they elaborate that trust has three values which are: facilitating cooperation, solidifying cooperation, and enhancing performance of cooperation.

Corruption is a governance problem, because information asymmetry, low transparency, and accountability problems in governance all contribute to shirking, opportunism, and rising corruption. Corruption is a reflection of governance failure, and anti-corruption activities must start by taking into account the transformation of governance structure. Corruption is the dark side of network relationships. The needed requirements to remedy or prevent the occurrence of corruption are transparency and information symmetry in governance mechanism. In other words, since corruption is a network phenomenon, the network is the place where anti-corruption activities should begin.

DATA AND METHODS

How to create an anti-corruption network and the effectiveness of the anti-corruption network are two of the major concerns for Taiwan's Ministry of Justice. A research project was launched in 2007 to examine the anti-corruption situation in Taiwan. Three research methods, focus group, CATI (computer aided telephone interviews), and anti-corruption network interviews, were adopted in this project. 3600 telephone interviews were conducted from November 13 to 19 to examine the attitude of the general public toward the effectiveness of anti-corruption activities adopted by Ministry of Justice. In addition, public servants, scholars, business person, representative from non-governmental organizations, news reporters, and local legislators were invited to participate in focus groups, and four focus groups were convened on July 10, July 17, July 20 and July 28 in northern, central, southern, and eastern part of Taiwan respectively. There were a total of 34 participants gathering in focus groups. At the beginning of a focus group, each participant was asked to fill out a questionnaire regarding anti-corruption network activities in Taiwan. Although data were collected by different research methods, the data to be analyzed in this article is from the anti-corruption network questionnaire only.

The main purpose of this paper is to analyze data collected from the 34 anti-corruption network questionnaires in order to examine the effectiveness and trust of the anti-corruption network in Taiwan. Network analysis software (Ucinet 6.15) is employed to analyze questionnaire data. The anti-corruption network questionnaire contains two major parts. The first part tries to investigate the current situation in anti-corruption networks (see Table 1), and the second part examines the interactive relationships in anti-corruption networks (see Table 2). The anti-corruption network questionnaire is a multiple-choice questionnaire, and each participant can select any item which he or she sees fit. In Table 1, twenty anti-corruption mechanisms are divided into five categories: government internal mechanism, government external mechanism, business internal mechanism, business external mechanism, and general public.

Table 1: Current Anti-Corruption Network Situation Analysis

	1. Based upon twenty anti-corruption mechanisms provided, please identify which one is currently established one.	2. Please identify which anti-corruption mechanism people will approach to report a corruption activity.	3. According to your own viewpoint, which anti-corruption mechanism will be more effective than other means?	4. Please identify which anti-corruption mechanism can protect informant's safety better.	5. Please identify which anti-corruption mechanism can be trusted.	6. Based on your own experience, which anti-corruption mechanism will have more interaction with people.	7. From score 0 to 100, please give each anti-corruption mechanism's performance a fair score.
1 Civil service ethics office							
2 Superintendent							
3 Budget, accounting and statistics office							
4 Accounting office							
5 Auditing office							
6 Judicial system							
7 Legislative Yun							
8 Control Yun							
government internal				government external			

Furthermore, seven questions are raised to examine those 34 participants' attitude or evaluation toward the above anti-corruption mechanism in Table 1.

1. Based upon twenty anti-corruption mechanisms provided, please identify which one is currently established one.
2. Please identify which anti-corruption mechanism people will approach to report a corruption activity.
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5. Please identify which anti-corruption mechanism can be trusted.
6. Based on your own experience, which anti-corruption mechanism will have more interaction with people.
7. From score 0 to 100, please give each anti-corruption mechanism's performance a fair score.

Table 2 intends to establish a connection between effectiveness of anti-corruption mechanisms and corruption activities, and 34 participants are asked to provide comments on which anti-corruption activity is more effective in dealing with the following corruption activities. Twelve corruption activities have been identified by researcher.

Table 2: Anti-Corruption Network Interaction Analysis

	1. Jerry- built	2. Inflated expen- ses	3. Individual public official asks for a return	4. Public officials as a collecti- ty ask for a return	5. Cover- up	6. Kick- back	7. Stock inside trading	8. Illegal election bribery	9. Illegal political dona- tion	10. Public official collaborates with business person for profit	11. Intern- tional money laundry	12. Hollowing out company's assets
government internal	1 Civil service ethics office											
	2 Superinten-dent											
	3 Budget , accounting and statistics office											
	4 Accounting office											
government external	5 Auditing office											
	6 Judicial system											
	7 Legislative Yun											
	8 Control Yun											

FINDINGS

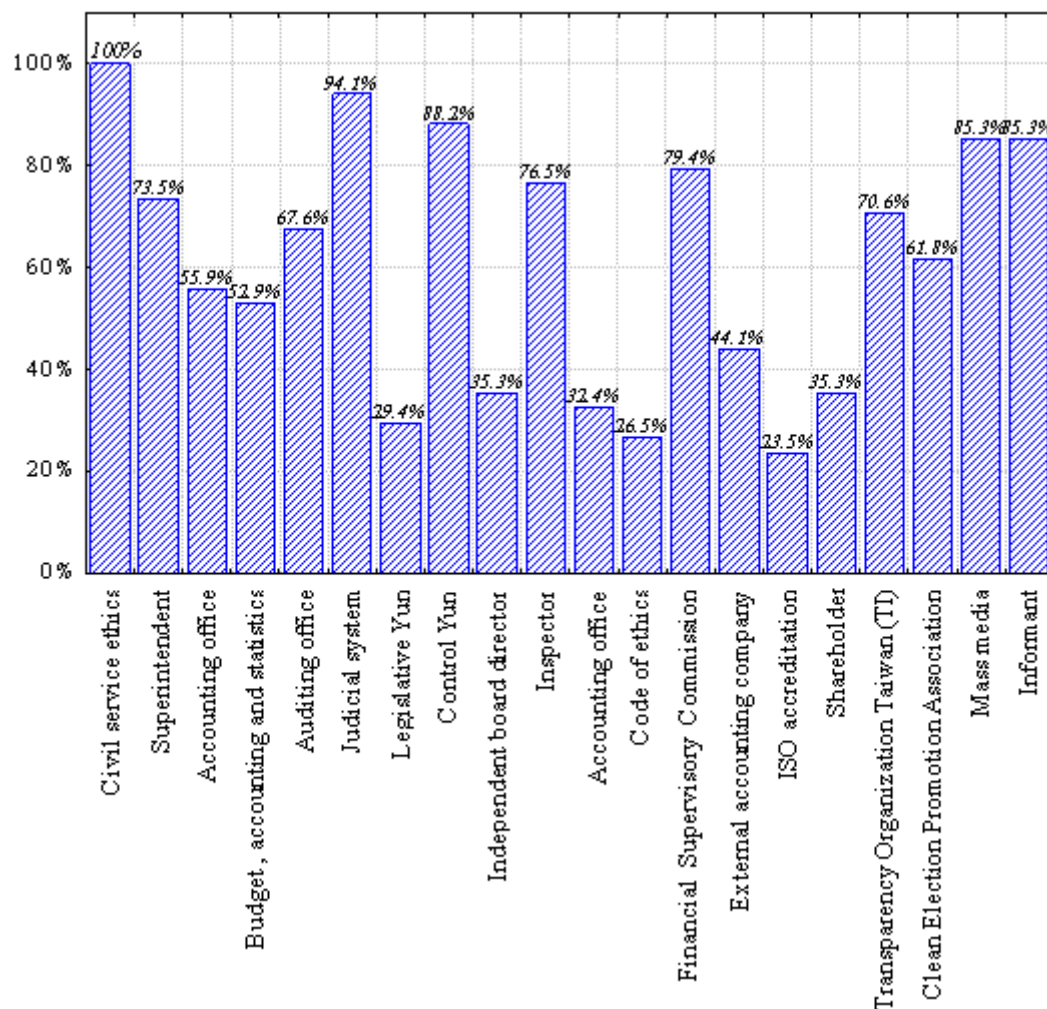
Current Anti-Corruption Network Analysis

Question one in Table 1 tries to examine which anti-corruption mechanism can be identified by respondents. Among twenty anti-corruption mechanism, the top five identified by respondents in Figure 1 are the Civil Service Ethics Office, the judicial system, mass media, informants, and Control Yun.

At the other end of the scale, the percentage for Legislative Yun, business internal anti-corruption mechanism and business external anti-corruption mechanism are quite low. However, among business anti-corruption mechanism, inspector and external accounting company are viewed as two important mechanisms by respondents.

Figure 1

Based upon twenty anti-corruption mechanisms provided, please identify which one is currently established one.

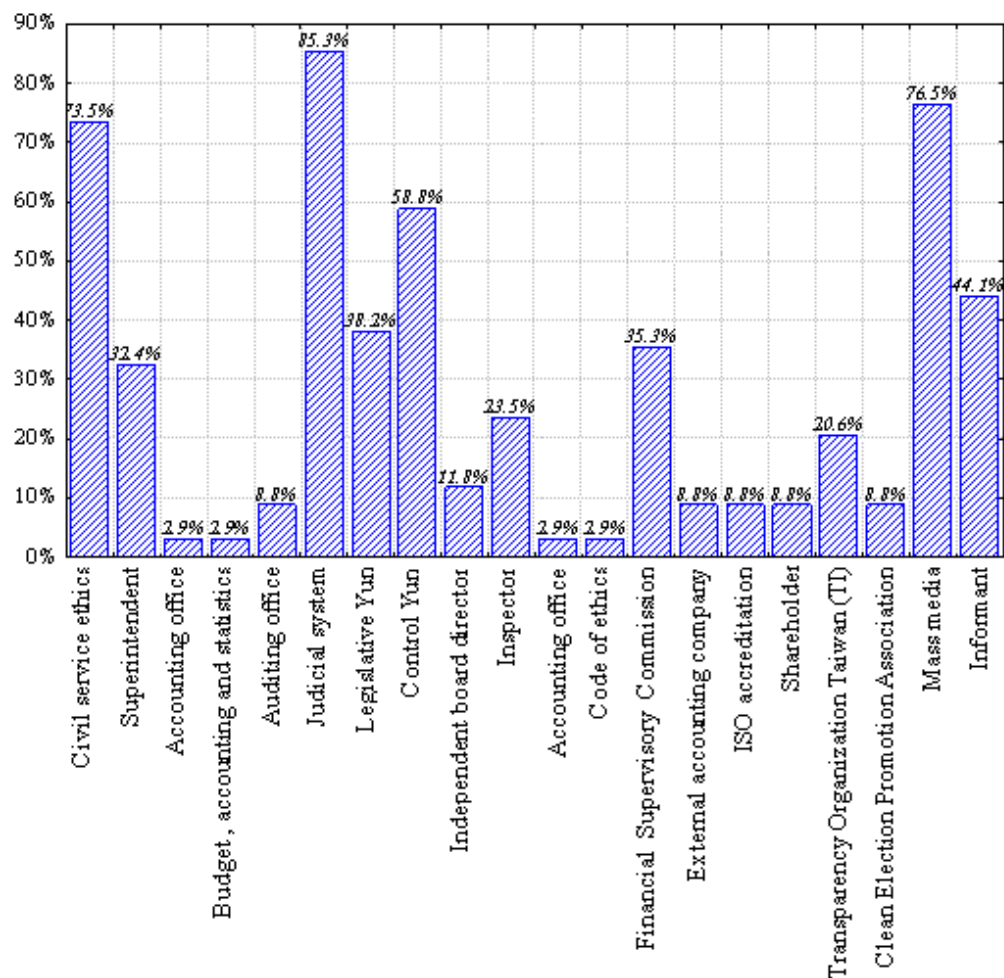


Source: Author, 2009

Question two seeks to identify which anti-corruption mechanism people will approach to report a corruption activity. The judicial system, mass media and Civil Service Ethics Office received the highest rating among twenty mechanisms. Control Yun, Legislative Yun, Financial Supervisory Commission and superintendent system are the second best choice for respondents. Perhaps, participants are not as familiar with the remaining anti-corruption mechanism, therefore, their percentage are quite low.

Figure 2

Please identify which anti-corruption mechanism people will approach to report a corruption activity.

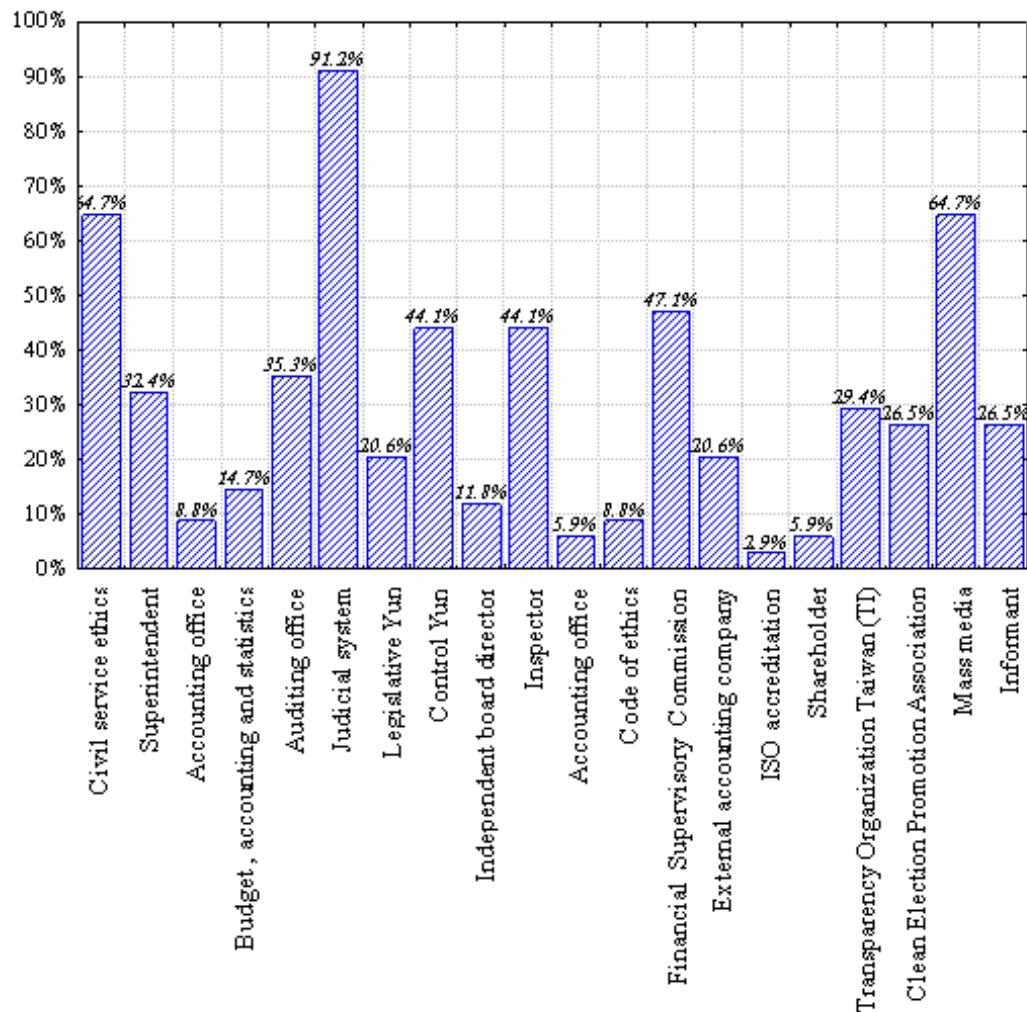


Source: Author, 2009

Question 3 intends to find out which anti-corruption mechanism will be more effective than others. The three leading ones are judicial system, mass media and Civil Service Ethics Office. The accounting and auditing offices, two government internal anti-corruption mechanisms, receive the lowest percentage, perhaps indicating that these two mechanisms have not performed well as it should be.

Figure 3

According to your own viewpoint, which anti-corruption mechanism will be more effective than other means?

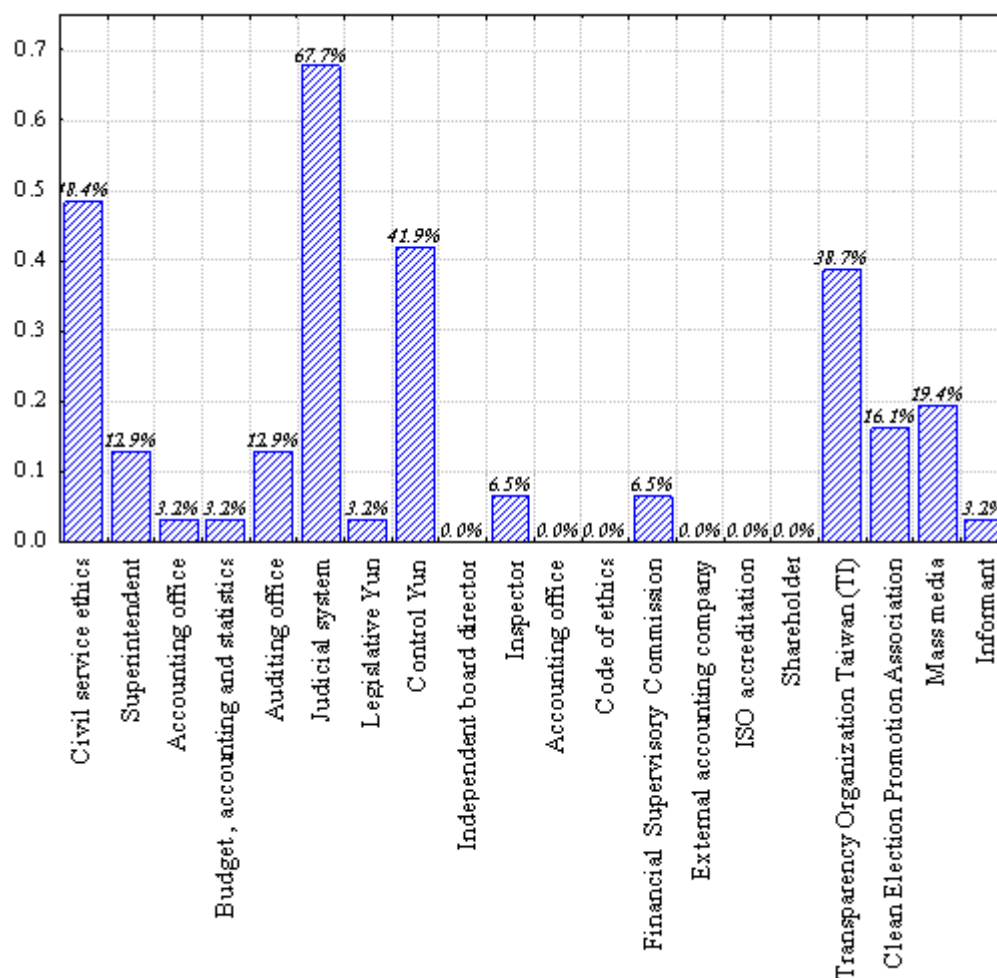


Source: Author, 2009

Question 4 examines the safety issue if one corruption activity is reported. Surprisingly, the percentage for all anti-corruption mechanisms declines significantly. Obviously, respondents don't think that anti-corruption mechanisms are able to provide sufficient protection for their personal safety. The percentage for judicial system is 67.7%. The percentage for civil service ethics office is 48.4%. The percentage for Control Yun is 41.9%. Government internal anti-corruption mechanism, such as auditing office and accounting office, receives the lowest rating.

Figure 4

Please identify which anti-corruption mechanism can protect informant's safety better.



Source: Author, 2009

Question 5 illustrates respondent's trust toward anti-corruption mechanisms. Figure 5 demonstrates that only judicial system and civil service ethics office receive a rating higher than 50%. Except these two mechanisms, no other anti-corruption mechanism has percentage higher than 41%.

Figure 5

Please identify which anti-corruption mechanism can be trusted.

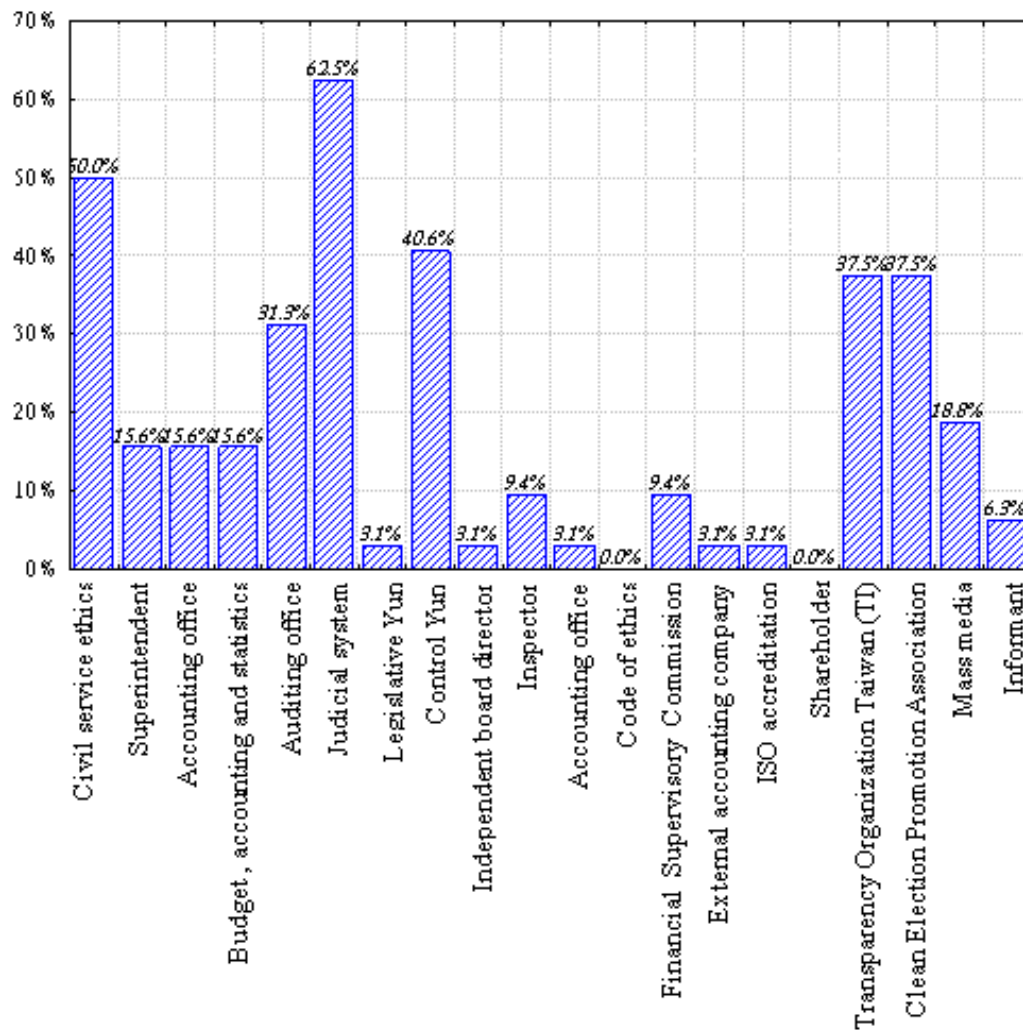
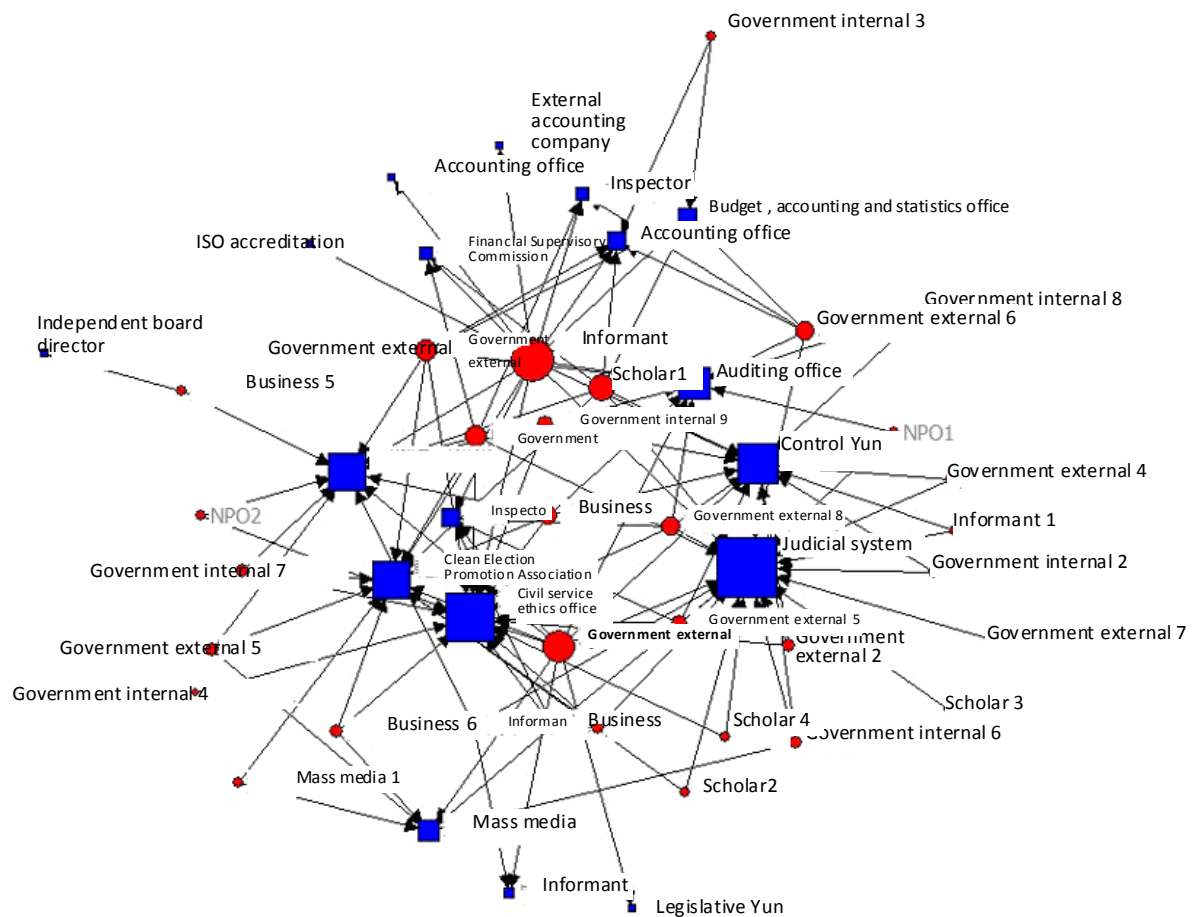


Figure 6

Ucinet analysis for institution trust



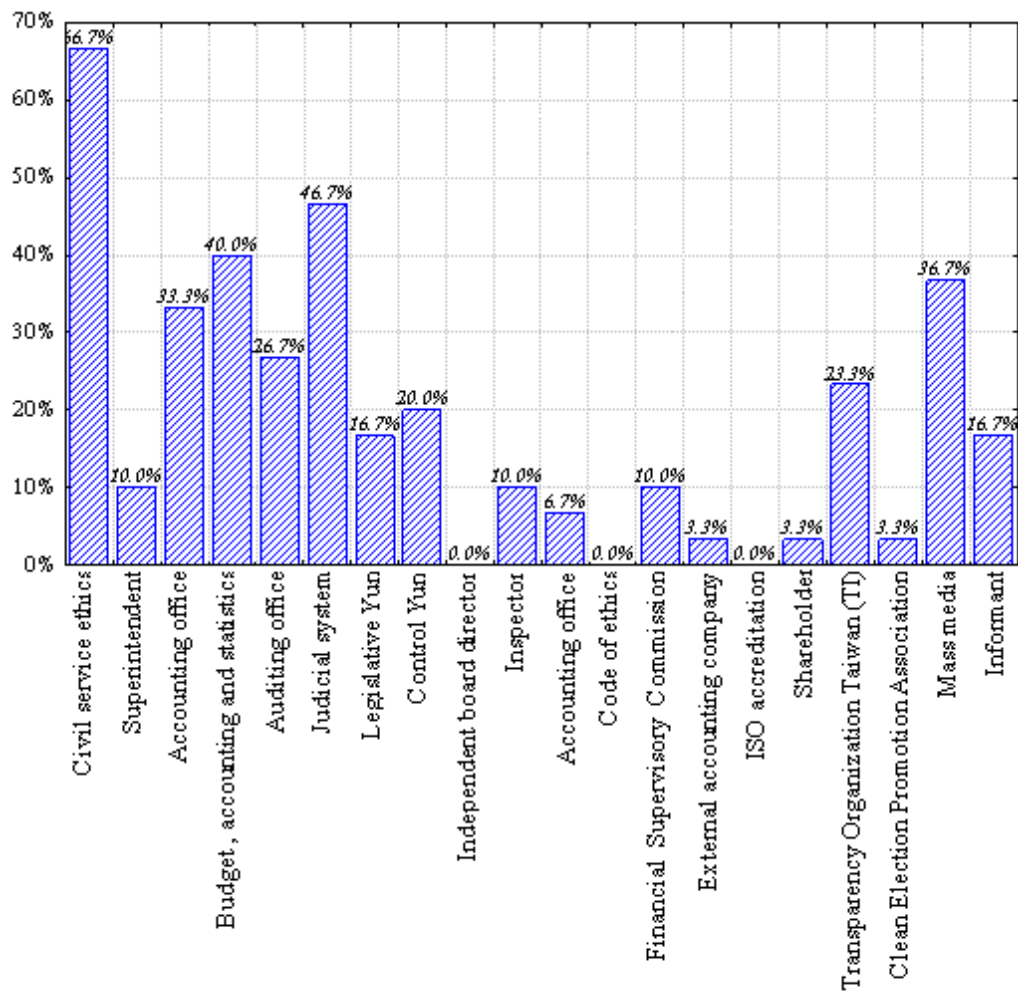
Source: Author, 2009

In Figure 6, red circles represent 34 participants who were interviewed, and blue squares are anti-corruption mechanism selected. The line between red circle and blue square demonstrates trust relationship. The bigger the blue square is, and the more trustworthy the anti-corruption institution is. Judicial system, civil service ethics office, and Control Yun have the three biggest blue squares, indicating that these three blue squares have more lines pointing to them than other blue squares. It can be said that these three institutions are the most trusted institution among twenty anti-corruption mechanisms.

Question 6 examines interaction between citizen and anti-corruption mechanism. In Figure 7, it can be found that citizen is still willing to interact with anti-corruption mechanisms. Among them, civil service ethics office has the highest rating of 66.7%, and judicial system has the rating of 46.7%.

Figure 7

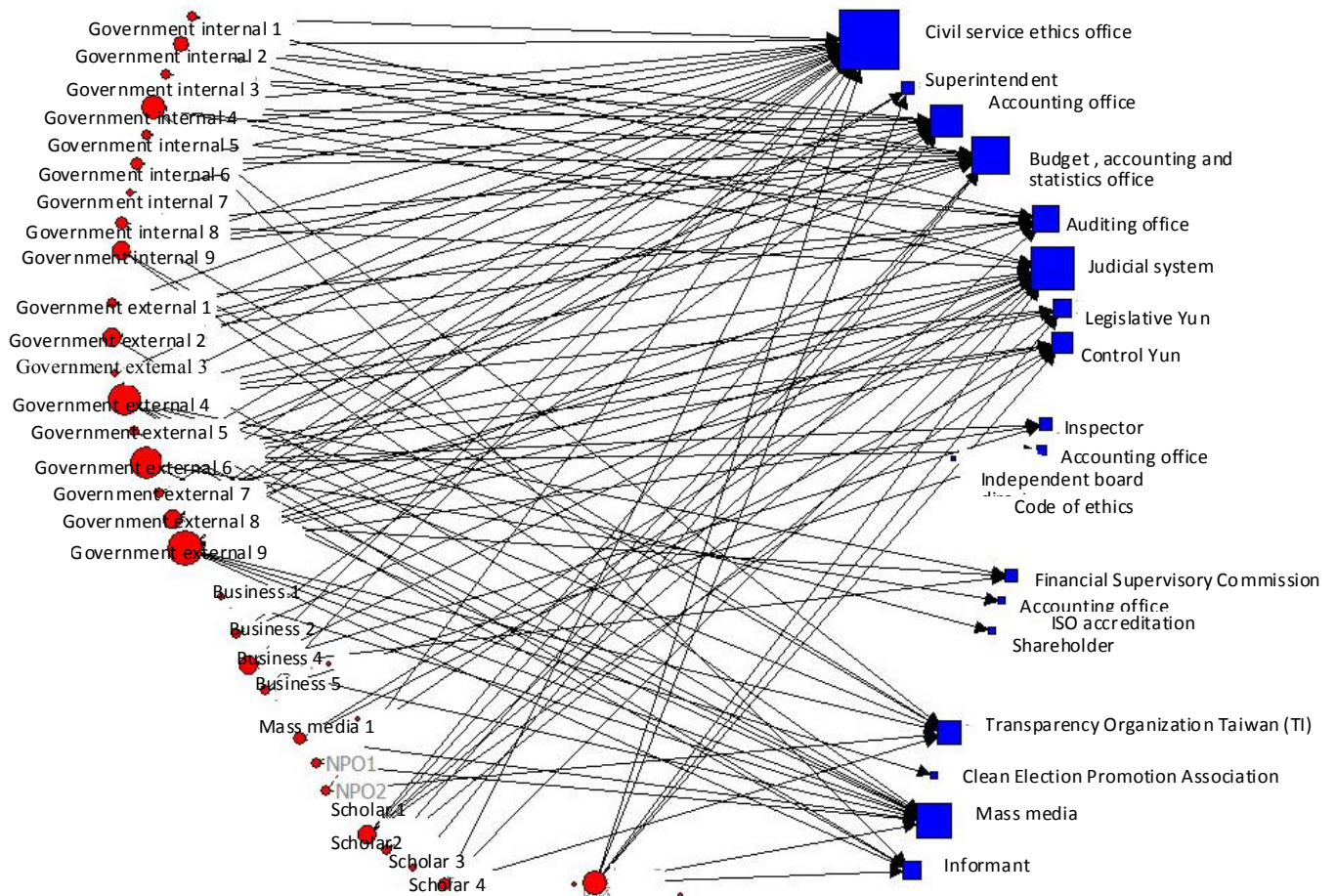
Based on your own experience, which anti-corruption mechanism will have more interaction with people.



Source: Author, 2009

Figure 8

Ucinet analysis for anti-corruption mechanism interaction



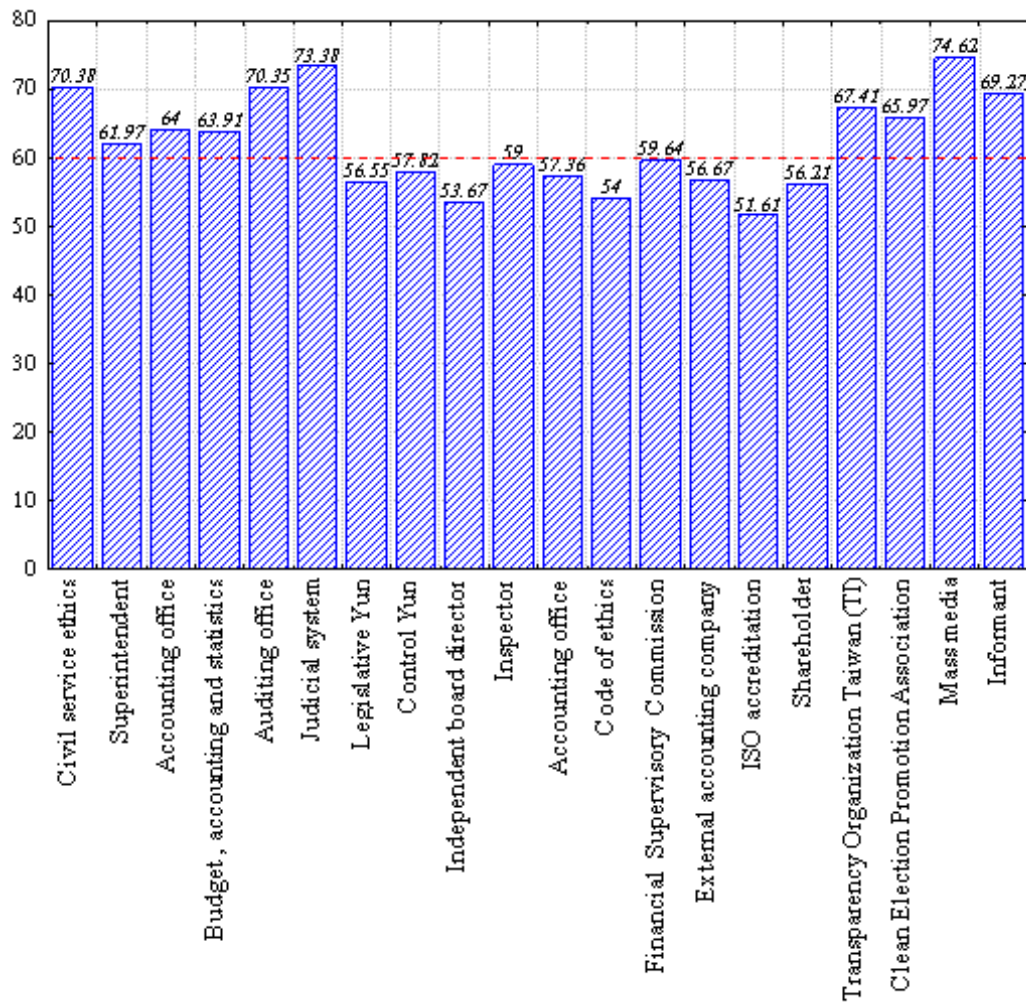
Source: Author, 2009

On the left hand side of figure 8, red circles represent 34 participants. On the right hand side of figure 8, blue squares represent anti-corruption mechanism. The line between red circle and blue square is the presence of interaction relationship. The bigger the blue square is, and the more interaction exists. It is obvious that the Civil Service Ethics Office and judicial system are the two largest blue squares. Therefore, these two institutions are the centers of the anti-corruption network.

Question 7 seeks to evaluate the performance of anti-corruption institutions. The scores for judicial system, Civil Service Ethics Office, mass media, and Audit Office are slightly above 70, and the remaining scores for other anti-corruption institution are around 60.

Figure 9

From score 0 to 100, please give each anti-corruption mechanism's performance a fair score.



Source: Author, 2009

Analysis of Anti-Corruption Network

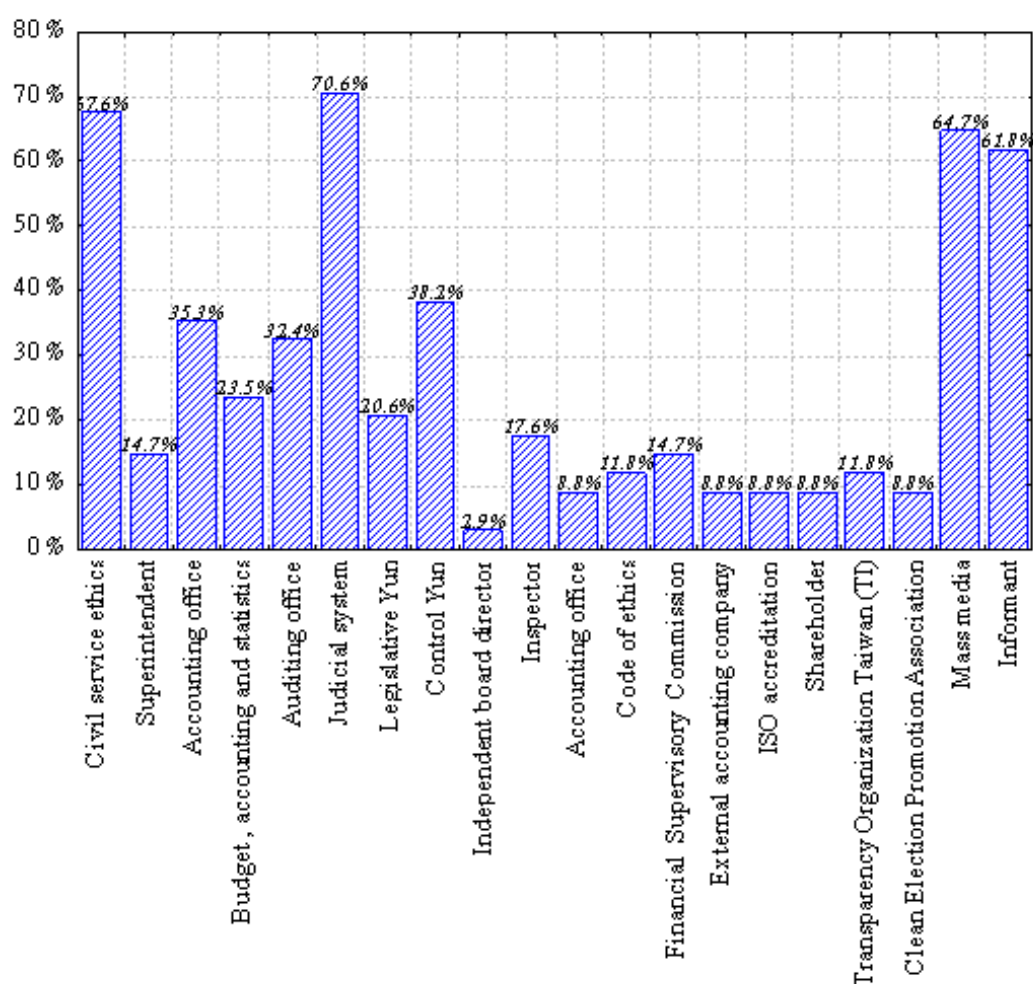
Twelve corruption activities have been identified in Table 2, and each participant is asked to select those anti-corruption mechanisms which can deal with those corruption activities effectively.

Jerry-Built

To jerry-built activity, there are 70.6% respondents who view judicial system as an important anti-corruption mechanism. Civil Service Ethics Office (67.6%), mass media (64.7%), and informants (61.8%) are also viewed by respondents as effective anti-corruption mechanisms.

Figure 10

Fighting Jerry-Built



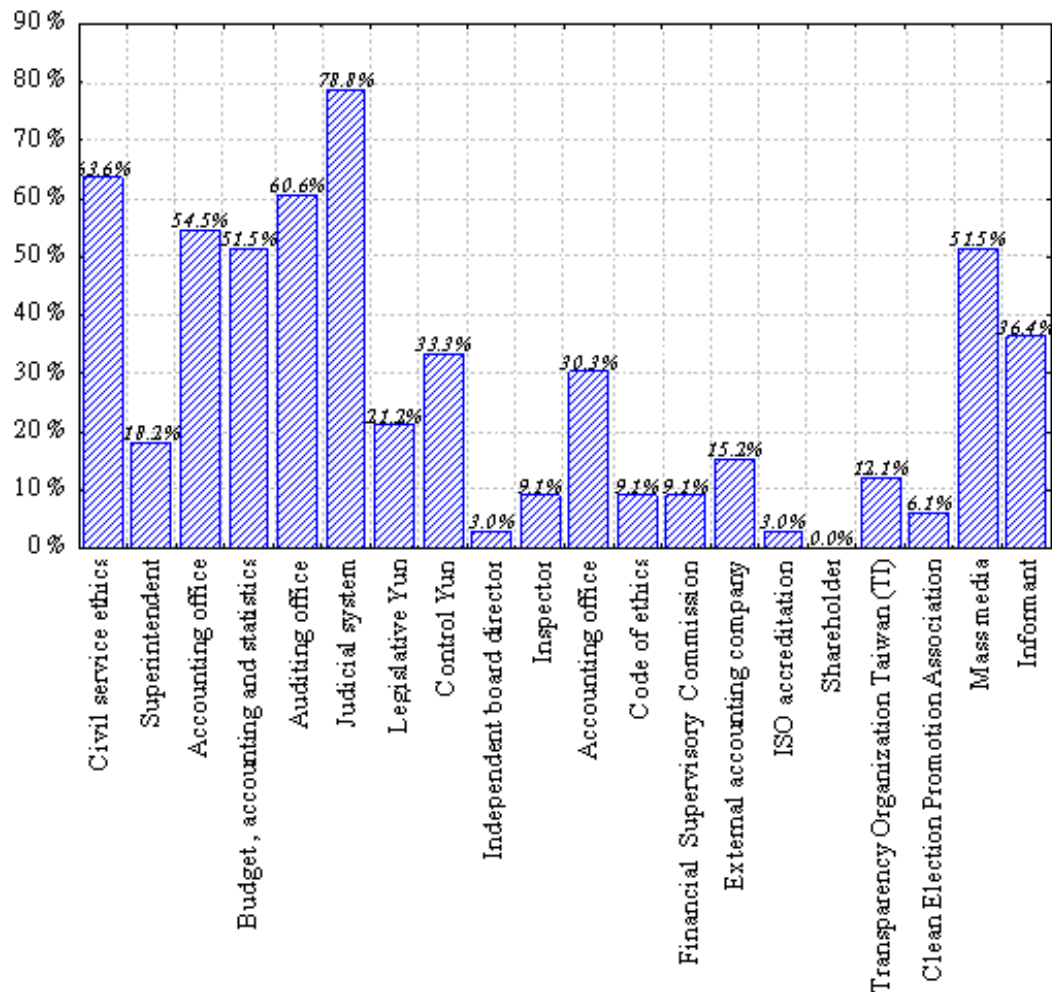
Source: Author, 2009

Inflated Expenses

78.8% of respondents view the judicial system as the most effective mechanism to address inflated expenses activity. Figure 11 shows that the percentages for most government anti-corruption mechanisms except superintendent system is higher than 50%. For mechanisms in society, the percentage for mass media is 51.5%.

Figure 11

Fighting Inflated Expenses



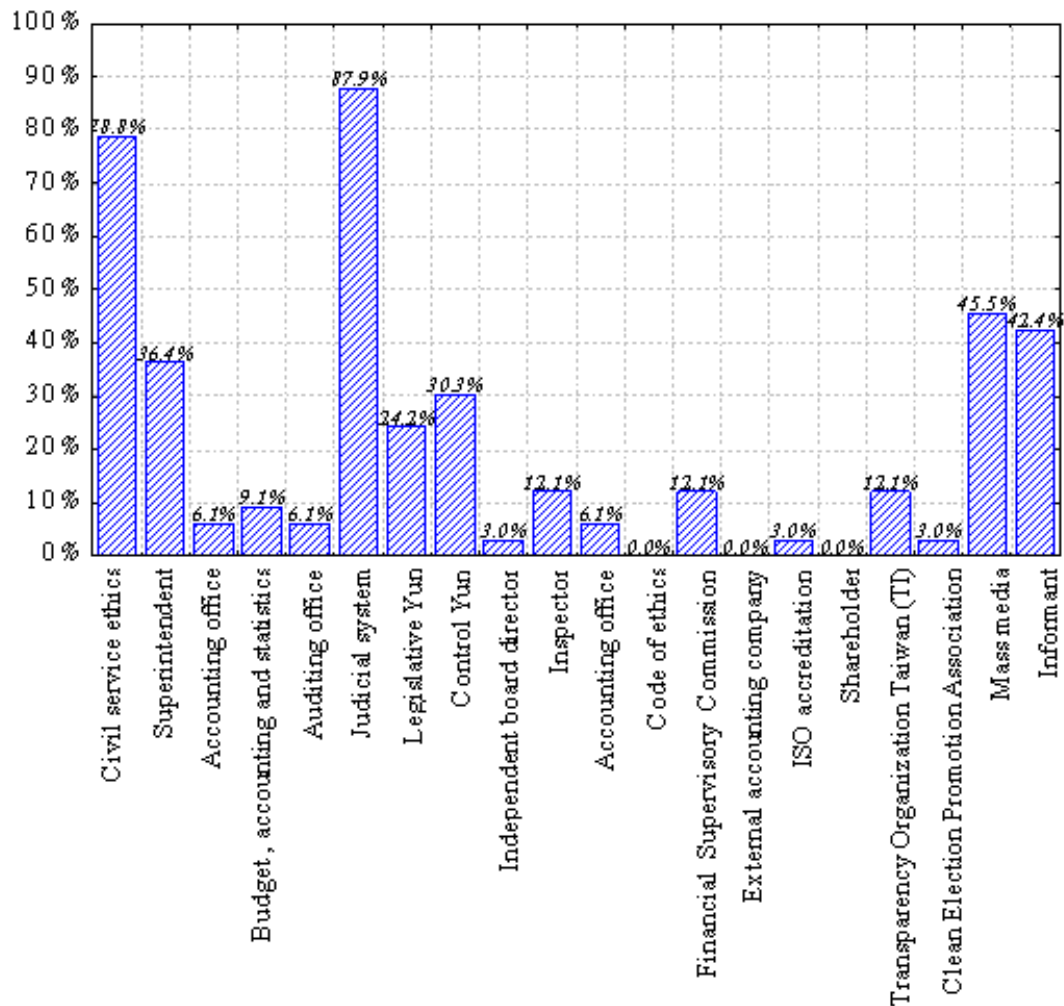
Source: Author, 2009

Individual Public Official Asking for a Return

87.9% of respondents view the judicial system as one of the effective mechanism to fight corruption activity, and 78.8% of respondents recognize the Civil Service Ethics Office as one of the effective mechanisms. The percentage for mass media and informants is 45.5% and 42.4% respectively.

Figure 12

Fighting Individual Public Official Asking for a Return



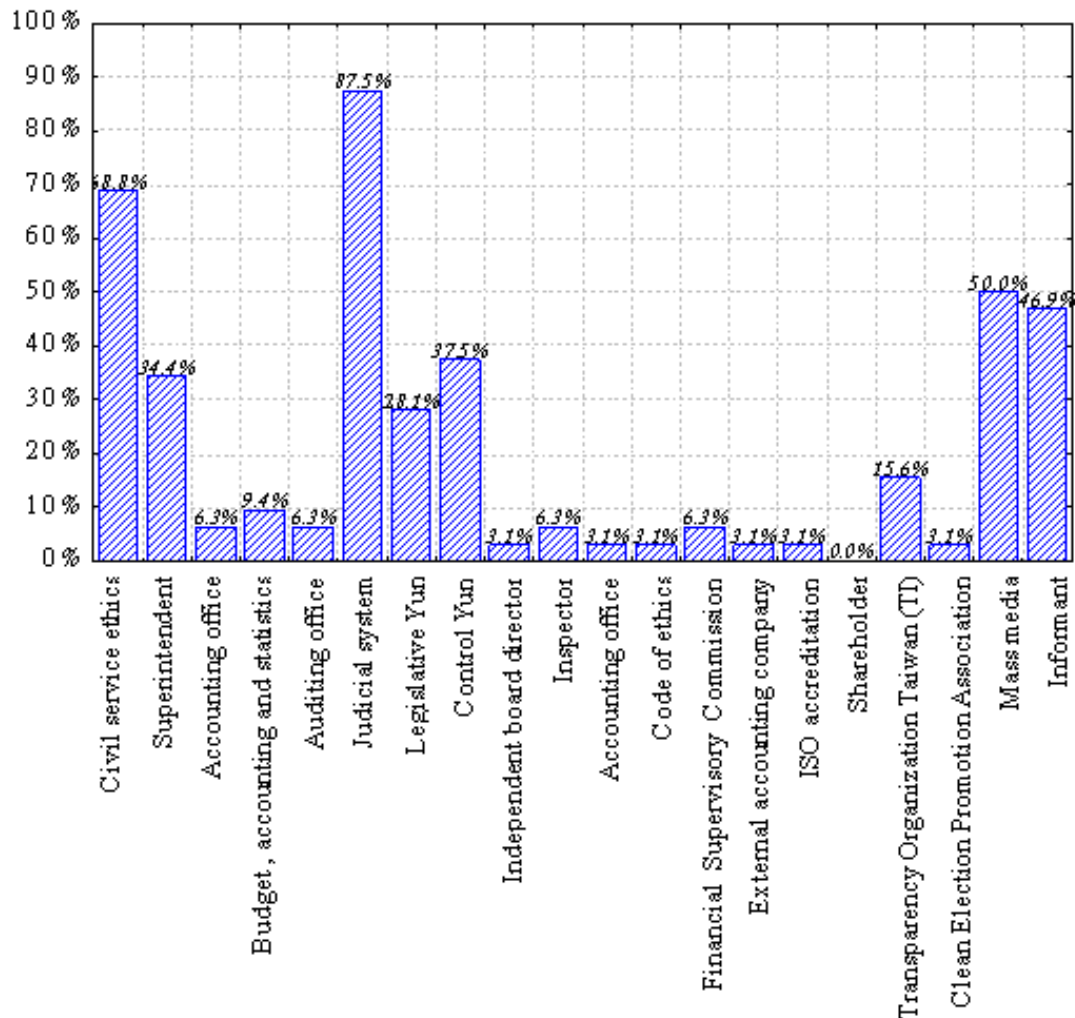
Source: Author, 2009

Public Officials as Collectivity Asking for a Return

87.5% of respondents view the judicial system as one of the effective mechanisms to fight corruption activity, and 68.8% of respondents recognize the Civil Service Ethics Office as one of the effective mechanisms. The percentage for mass media and informants is 50.0% and 46.9% respectively.

Figure 13

Fighting Public Officials as a Collectivity Asking for a Return



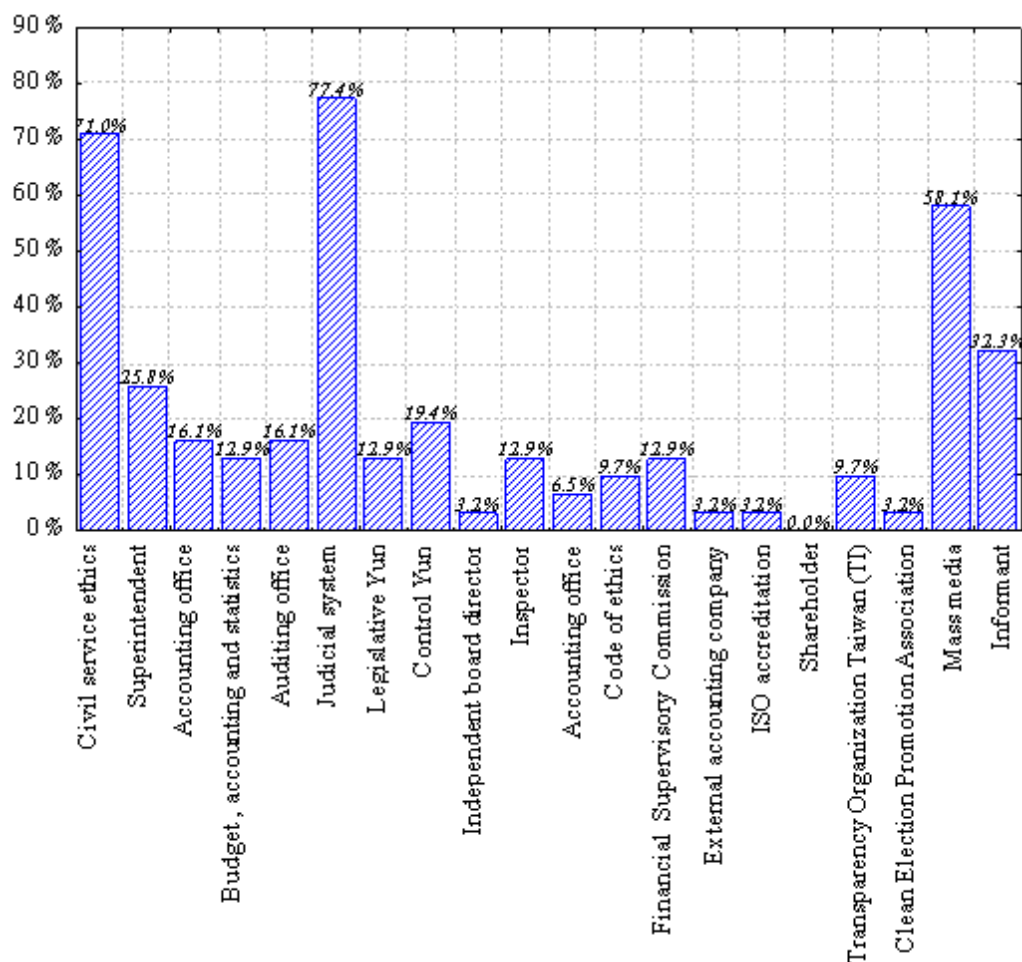
Source: Author, 2009

Cover-up

77.4% of respondents view the judicial system as one of the effective mechanisms to fight cover-up activity, and 71.0% of respondents recognize the Civil Service Ethics Office as one of the effective mechanism. The percentage for mass media and informants is 58.1% and 32.3% respectively.

Figure 14

Fighting Cover-up



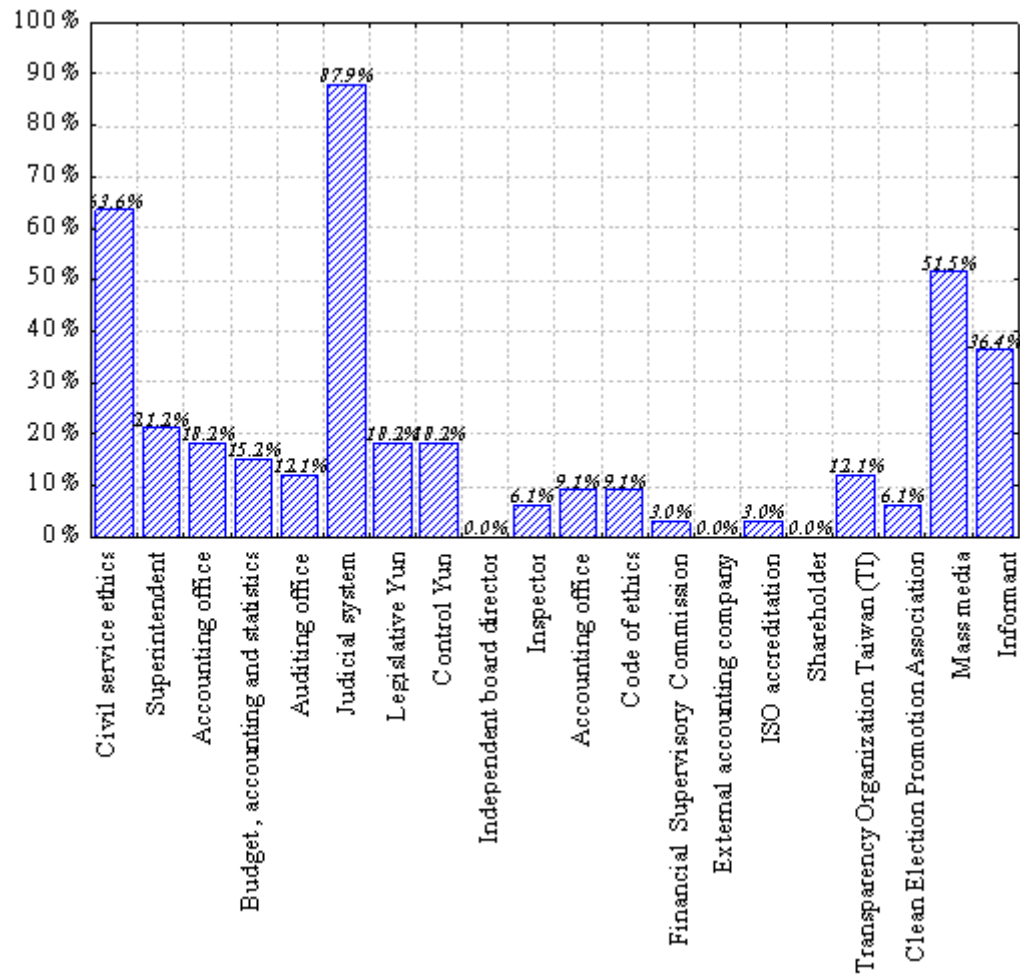
Source: Author, 2009

Kickback

87.9% of respondents view the judicial system as one of the effective mechanisms to fight kickback corruption activity, and 63.6% of respondents recognize the Civil Service Ethics Office as one of the effective mechanisms. The percentage for mass media and informants is 51.5% and 36.4% respectively.

Figure 15

Fighting Kickbacks



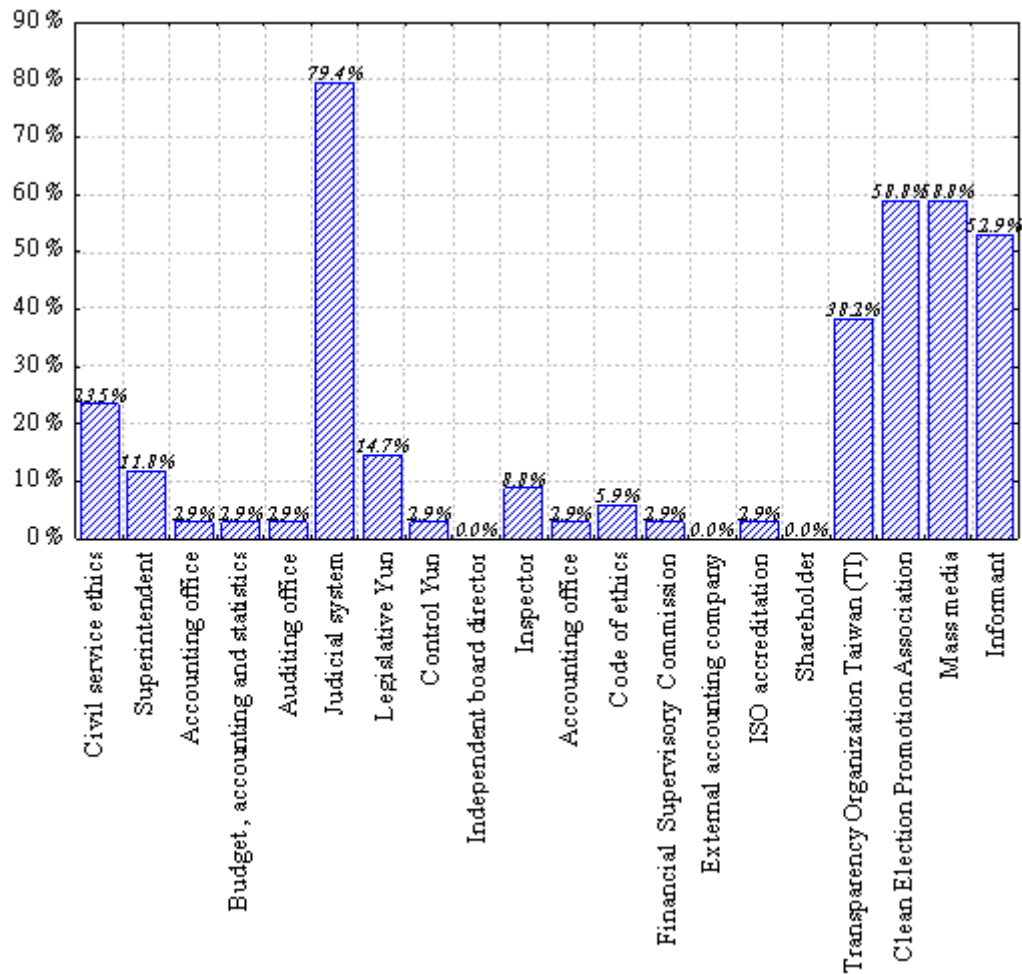
Source: Author, 2009

Illegal Election Bribery

79.4% of respondents view the judicial system as one of the effective mechanisms to fight against illegal election bribery activity. The percentages for Clean Election Promotion Association, mass media, informants, and Transparency Organization Taiwan is 58.8%, 58.8%, 52.9%, and 38.2% respectively.

Figure 16

Fighting Illegal Election Bribery



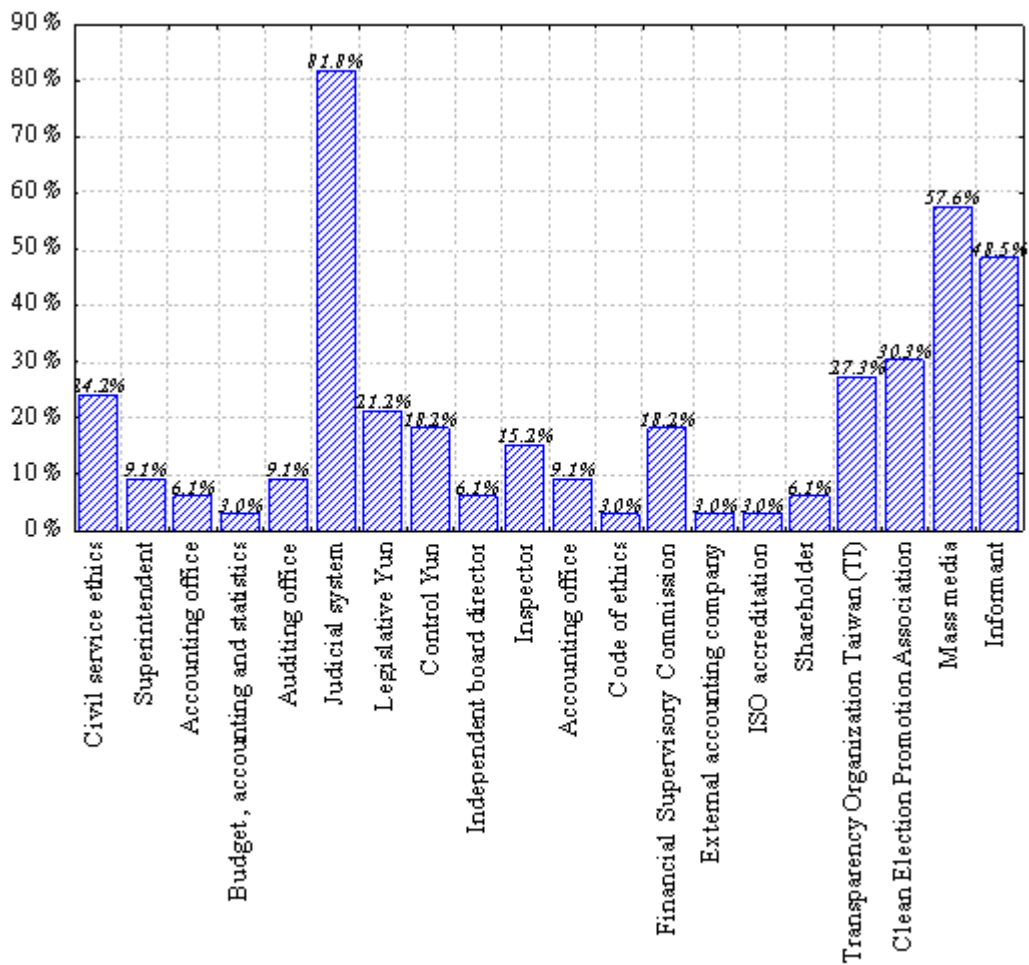
Source: Author, 2009

Illegal Political Donation

81.8% of respondents selected the judicial system as one of the effective mechanisms to fight against illegal political donation. The percentage for Clean Election Promotion Association, mass media, informant, and Transparency Organization Taiwan is 30.3%, 57.6%, 48.5%, and 27.3% respectively.

Figure 17

Fighting Illegal Political Donations



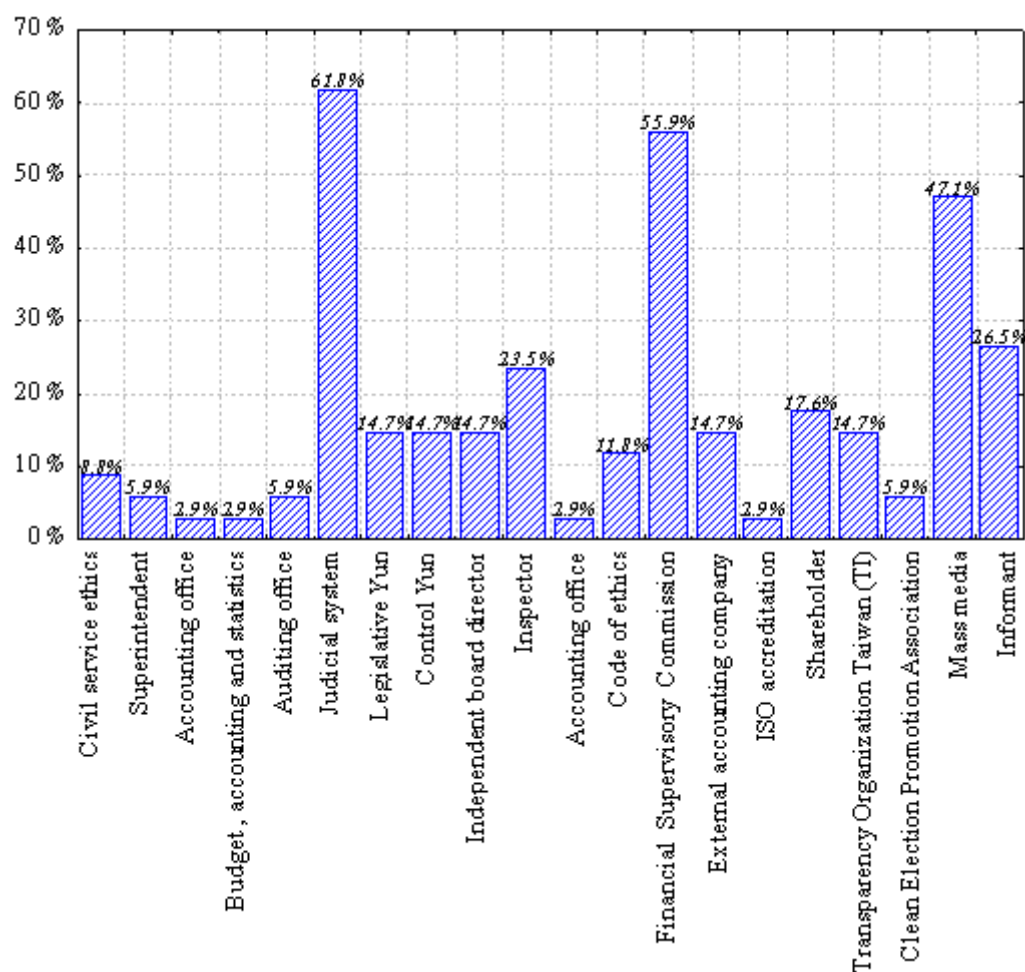
Source: Author, 2009

Stock Insider Trading

Among 34 respondents, 61.8% of respondents recognize the judicial system as one of the effective mechanisms to fight inside trading activity. 55.9% of respondents view Financial Supervisory Commission as the mechanism to fight the corruption activity. The next highest percentage is for mass media at 47.1%.

Figure 18

Fighting Insider Trading



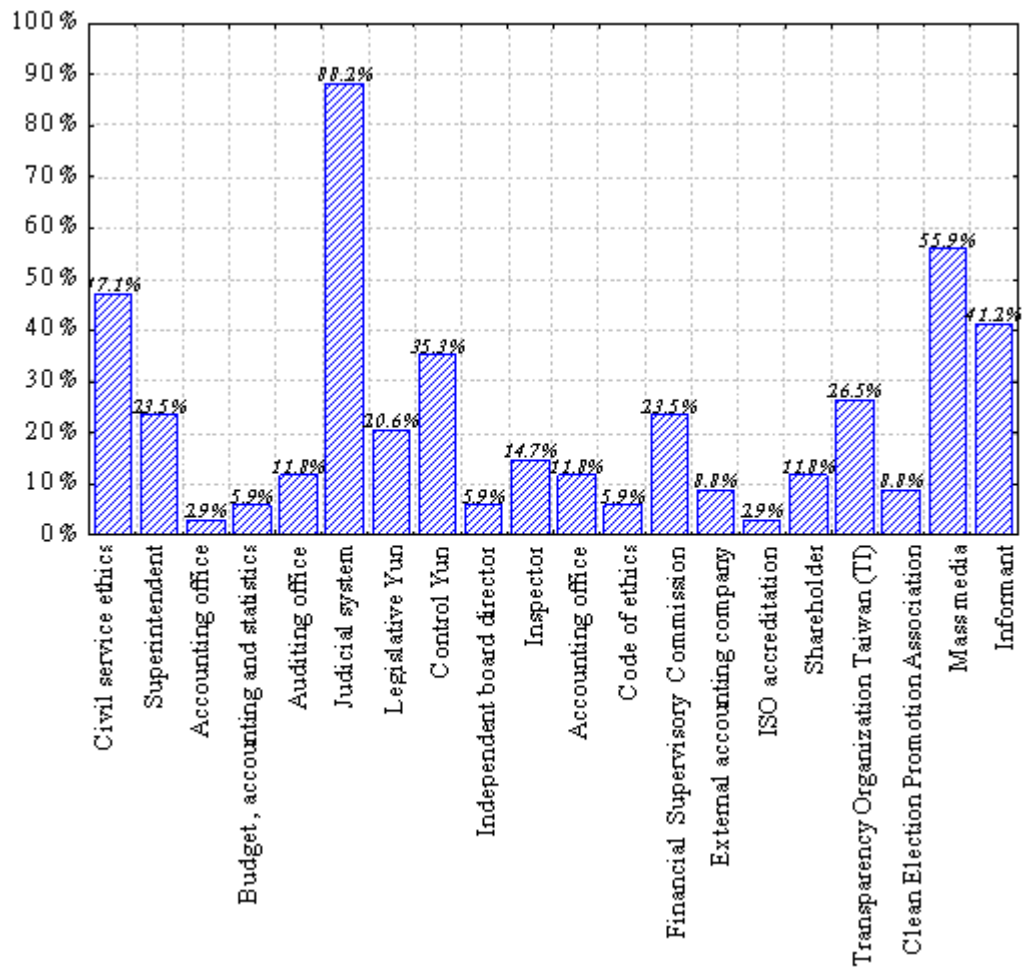
Source: Author, 2009

Public Official Collaborating with Business for Profit

88.2% of respondents recognize the judicial system as an effective mechanism to fight against such corruptive activity. The percentage for mass media, Civil Service Ethics Office, and informants is 55.9%, 47.1% and 41.2% respectively.

Figure 19

Fighting Illegal Collaborations



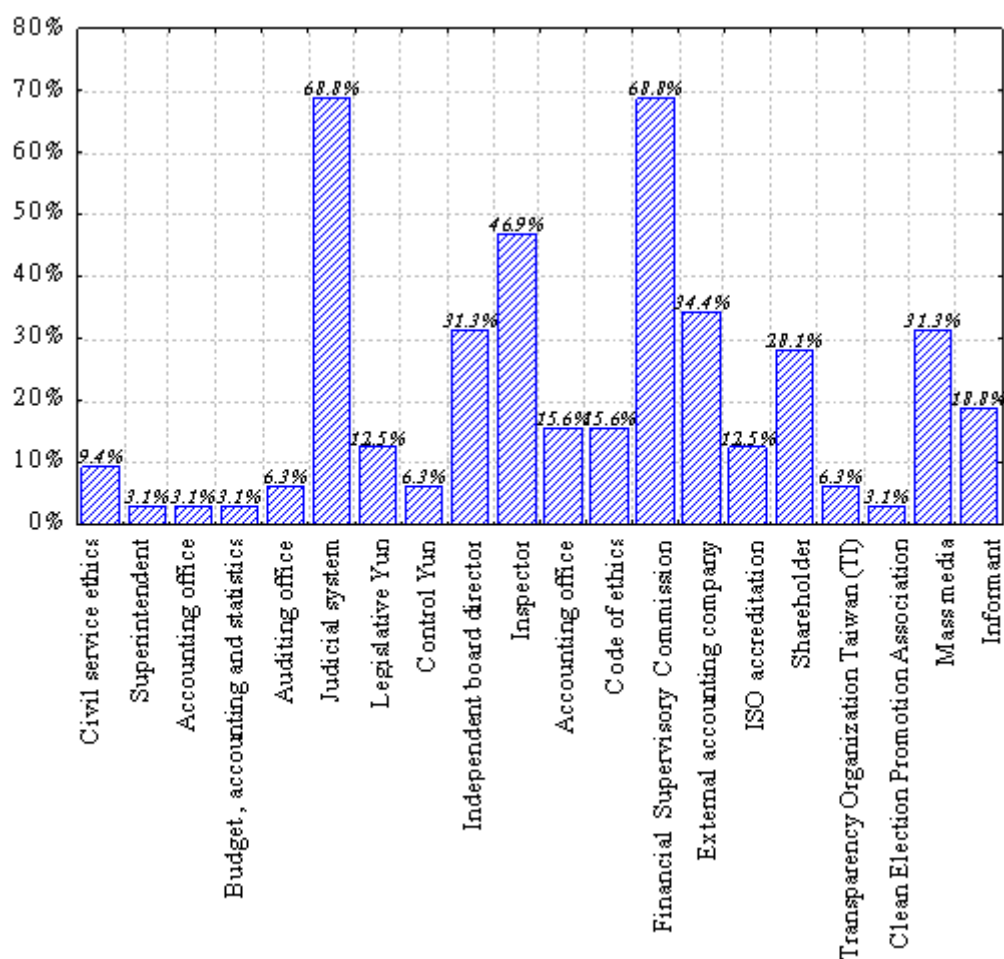
Source: Author, 2009

Hollowing Out Company's Assets

68.8% of respondents view the judicial system and Financial Supervisory Commission as the most effective mechanisms to deal with the corrupt activity of hollowing out company's assets. The inspector system receives the percentage of 46.9.

Figure 20

Fighting Hollowing Out Company's Assets



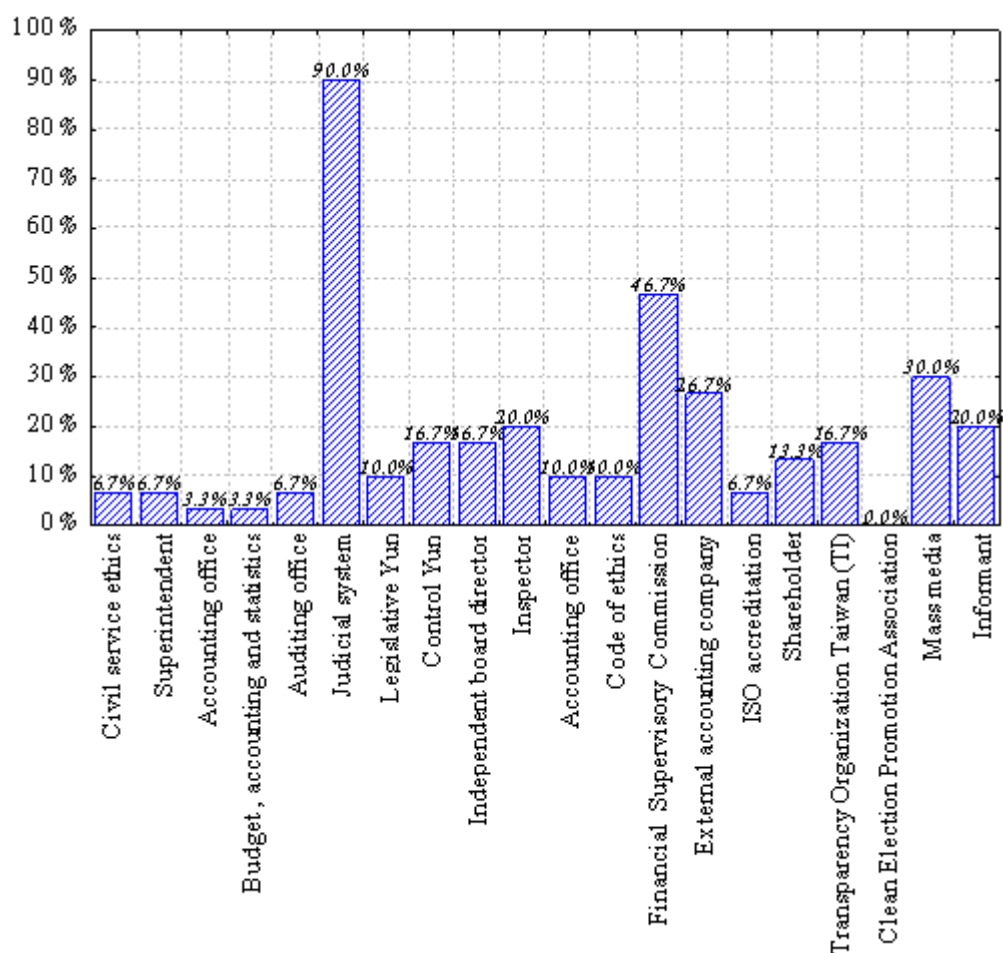
Source: Author, 2009

International Money Laundry

90% of respondents recognize the judicial system as the most effective mechanism to deal with money laundering. The Financial Supervisory Commission is second with 46.7%.

Figure 21

Fighting International Money Laundering



Source: Author, 2009

CONCLUSIONS

The alarming fact emerged from this research is that although twenty anti-corruption mechanisms have been identified, including both formal and informal institutions, their performance cannot meet citizen's expectation. The Civil Service Ethics Office, an internal government anti-corruption mechanism, and the judicial system, an external governmental anti-corruption institution, occupy the central positions in the anti-corruption network as demonstrated by Ucinet analysis. These two institutions are the two most important mechanisms to fight corruption in Taiwan society. Mass media and informants have impacts on particular cases. Although the effectiveness of other anti-corruption mechanism will be varied, the overall evaluation toward them is not high. On the other hand, even though judicial system is recognized as the most important anti-corruption mechanism by respondents, there are only 67.7% of people who believe their safety can be protected by judicial system. The research findings not only demonstrate that there is an institutional trust problem in Taiwan, but also that corruption is a problem for government competitiveness.

The research applies a network concept to explore the operation of Taiwan's anti-corruption network. The anti-corruption activities are divided into three categories: anti-corruption mechanisms established by government, mechanisms of business, and mechanisms of civil organizations or individuals. Based on research findings, it can be said that most respondents are more familiar with government than business anti-corruption mechanisms. Even, mass media and informants have better performance in anti-corruption activities than most business anti-corruption mechanism, and some government anti-corruption mechanism. The performance of Taiwan's anti-corruption network has not met the expectation of the general public, and this is the reason why Taiwan's CPI (Corruption Perception Index) developed by Transparency International always falls behind western advanced countries.

Network governance requires trust to function. For the achievement of public interest, trust and transparency are two basic requirements to network governance. The degree of corruption is related to the degree of transparency, and the degree of transparency correlates with people's trust toward government. Government not only plays the steering role in networks, but also should provide network management. Given the evidence presented by Ucinet analysis, the judicial system and Civil Service Ethics Office, as the centers of anti-corruption network, ought to facilitate the operation of network and increase trust to government. This is vital to network governance.

The emphasis of network governance is on relationships. When the boundaries between public and private become blurred, and government may be just one of the actors in network governance, it is extremely important for government to adopt strategies to manage these networks. Corruption is the dark side of networks, and corruption will impair good governance. More organizations have adopted transparency as an indicator of good governance. Trust and transparency result from interactive relationships, and they are the cornerstones of good governance.

Mei-Chiang Shih, Ph.D., Department of Public Management and Policy, Tunghai University, Taichung, Taiwan: mcshih@thu.edu.tw

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NOTES

¹ Twelve elements identified by Tony Bovarid (2005: 220) are: democratic decision-making, citizen and stakeholder engagement, fair and honest treatment of citizens, sustainability and coherence of policies, willingness and capacity to work in partnership, transparency, accountability, social inclusion and equality(of opportunity, of use, of cost, of access or of outcomes), respect for diversity, respect for the rights of others, respect for the rule of law and ability to compete in a global environment.

² There are three sources of New Institutionalism—the new institutional economics, the positive theory of institutions, and the new institutionalism in organization and sociology. Both the new institutional economics and the positive theory of institutions emphasize the rational side of institution and view institutions as independent variable. On the other hand, the new institutionalism in organization and sociology views institution as both a phenomenological process by which certain social relationships and actions come to be taken for granted and a state of affairs in which shared cognition define what has meaning and what actions are possible (Powell and Dimaggio (1991: 9).

³ Increasing intertwinement, de-territorialization and globalization, turbulent environments, value pluralism, horizontal relations, and development of knowledge and technology marks the six important developments in network society (Koppenjan and Klijn, 2004: 3-5).

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