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Controlled Multimethod Policy Analyses (COMPAS): A Comparative Study of Democratic Governance in Contemporary Indonesia

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A Comparative Study of Democratic Governance in Contemporary Indonesia

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Abstract

Students of comparative politics are encountering a growing complexity in the study of political rules, agents, and ideas. Over the last two decades, policy-making has become increasingly multipolar, interconnected, and decentralized in character. In response to these analytical challenges, social scientists have intensified efforts to pool resources and transcend disciplinary and methodological boundaries. This paper introduces a syncretic framework – which we term 'controlled multimethod policy analyses' (COMPAS) – combining a controlled selection of case studies with statistical analyses of large-n datasets. Drawing on in-depth governance studies in Indonesia, this article provides a 'hands-on' example of the COMPAS-approach and, in particular, the ways in which qualitative and quantitative data can be integrated into balanced policy assessments.

Key words

Mixed Methods, Controlled Case Comparisons, Governance, Decentralization, Democratization, Clientelism, Patronage, Corruption, Elites, Leadership, Civil Society, Southeast Asia, Indonesia

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Introduction

The end of the Cold War has sent waves of democratization and decentralization across the developing world and, in doing so, has made policy-making increasingly multipolar, interconnected, and decentralized. The devolution and dispersion of policy powers induces new challenges for students of comparative politics. One compelling response to these challenges, from a methodological point of view, is the effort to bridge disciplinary boundaries and connect qualitative and quantitative vantage points on public policy.

The study of complex policy problems through the narrow lens of either qualitative or quantitative methods, some scholars have argued, often falls short in producing plausible causal inferences (Collier et al. 2010). Even weathered econometricians acknowledge that regression analyses remain highly sensitive to model specifications and prone to undetected measurement errors and omitted variable problems (Freedman 1991; Heckman 2000; Seawright 2010). In-depth contextual studies (as conducted by political anthropologists), on the other hand, face the problem of linking context-specific findings to wider social-science debates. While some observers remain skeptical about methodological syntheses (Beck 2010; 2006), there seems to be a growing agreement among political methodologists that combining small-n process observations with large-n dataset observations adds to the understanding of political dynamics.

This paper seeks to contribute to this debate by introducing a stylized multimethod framework. The methodological synthesis, which I will refer to as 'controlled multimethod policy analyses' (COMPAS), combines a careful selection of qualitative case studies with a series of statistical analyses of large-n datasets. The central objective of the COMPAS method is to 'cross-fertilize' different social science domains and to leverage the strengths of individual qualitative/ quantitative modes of investigation.[1] The systematic integration of different disciplinary methods, which constitutes a core feature of the COMPAS approach, allows scholars to gain balanced insights into contemporary policy issues.

The benefits of bridging disciplinary and conceptual boundaries are twofold. For one thing, the triangulation of in-depth field observations and statistical estimates helps to compensate respective weaknesses in each methodological tradition: qualitative process analyses (detailed surveys and interviews of political events and circumstances) provide important crosschecks as to whether statistical models are misspecified; and multivariate regression estimates provide a means to test as to whether case findings are idiosyncratic or consistent with wider empirical trends across space and time. Another benefit of wedding qualitative-quantitative techniques is the stimulation of scholarly debates beyond disciplinary boundaries that draws in a wider audience of scholars and policy practitioners.

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[1]   The mixed-method approach sets this research apart from much of the existing governance research, which is either primarily quantitative (see Salmon (1987), Fisman and Gatti (2000), Bardhan and Mookherjee (2000) De Mello and Barenstein (2001) and Huther and Shah (1998)) or qualitative in nature (see Crook and Manor (1998), Manor (1999), Agrawal and Ribot (1999), and Sidel (2005)).

Drawing on recent empirical studies on democratic governance in Indonesia, this article showcases a particular type of multimethod research design. The discussion proceeds in three steps: the following section traces the key components of the COMPAS approach; the second section applies the multimethod framework – controlled case surveys, regression analyses, and in-depth interviews – to analyze political agency and subnational governance in Indonesia's contemporary democracy; the third concludes and suggests directions for future multimethod policy research.

1. The COMPAS Framework

COMPAS combines methodological traditions of political science with those of neighboring social-science disciplines (i.e. economics, sociology, and anthropology). At its core lie two components: (1) controlled case studies that draw on comparative surveys and in-depth interviews and (2) regression analyses that draw on large-n datasets.

The sequencing of these two components will depend on the nature of the central research question. If researchers have a good understanding of key factors and processes, statistical analyses may be brought forward to first map out general causal trends and then, in a second step, add further contextual and procedural details by focusing on select case studies (Hall 2008; Wolf 2010:153). In many policy domains, however, we are likely to find pronounced controversies about what drives observable outcomes. Under these circumstances, it is advisable to start with detailed case study comparisons, which allow to verify key variables and trace the nature of political processes and interactions. In the following discussion, we will focus on the latter sequencing mode.

Controlled Case Studies

Comparative case studies are the preferable research method, Robert Yin (2003:3) notes, for answering empirical questions of 'how' and 'why' a contemporary set of events takes place. Hence, translated into the research questions at hand, the case-study approach is used as a means to inquire how policy outcomes vary across space and time and how these variations can be linked to key explanatory variables. Above all, comparative case studies provide a useful tool to add contextual depth to the analysis without sacrificing the benefits of systematic comparisons. However, as case study analyses entail a limited number of observations, special care is required in choosing cases. As Ragin and Becker (1992: 222) point out, case observations are not selected on a random basis, but on the grounds of theoretical relevance. The representativeness of cases, however, can be enhanced by 'prior theorizing' and 'systematic selection' (Yin 2003). The process of prior theorizing is essential to formulate a theoretic roadmap before approaching the actual field study. In addition, selecting cases in a systematic manner allows researchers to refine and strengthen empirical arguments.

Social science methodologist increasingly encourage researchers to design case studies in systematic ways that place more emphasis on independent variables (King et al. 1994). Cases that differ distinctly across explanatory factors, while matching other control

factors, allow analysts to draw more robust inferences that inform theory (Geddes 1990). Consistent with Mill's (1843) 'method of difference', a design of this type makes it possible to test whether 'singular variations' in explanatory factors are accompanied by corresponding variations in observable outcomes.

Table 1: Controlled Case Selection – Gauging Agency Effects in Indonesian Districts

	Matched Pairs (Factor A)		Matched Pairs (Factor B)	
Leadership (Factor A)	**High**	**Low**	similar	Similar
Societal Pressure (Factor B)	similar	similar	**High**	**Low**
Socio-Economic Controls	similar	similar	similar	similar
Hypothetical Governance Outcomes	**High**	**Low**	**High**	**Low**

In the Indonesian example, which is discussed below, this controlled selection process allows to 'isolate' different dimensions of political agency. Suppose, for example, that we are interested in measuring the impact of government leaders and societal groups on public policy outcomes. Suppose further that (for the analysis of leadership) we have existing survey and media data for the quality of Indonesian mayors across five hundred subnational districts. As outlined in Table 1, the first step in this matching process is then to identify cases with 'extreme' levels of government leadership ('explanatory factor A') – given either by a mayor's track record of high integrity and probity ('high leadership districts'), or alternatively, by repeated evidence of mayoral misconduct ('low leadership districts'). Irrespective of the starting point, the second step focuses on finding matching district cases that exhibit opposite leadership characteristics and, *at the same time*, little to no difference in other explanatory and socio-economic measures ('Factor-A match').

The same logic applies, mutatis mutandis, to the selection of district pairs that highlight the agency of societal groups: here district cases can be chosen in a way that they differ (all other things being equal) in levels of education and societal associativeness ('Factor-B match'). Owing to this controlled setup, it is now possible to link underlying variations in leadership or societal capacities in more systematic ways to observable variations in district-level governance outcomes. Hypothesized effects can be vindicated or refuted on the basis of comparative field assessments.

These field assessments draw on survey instruments and in-depth interviews. In the Indonesian governance study we conducted two survey waves in 2005 and 2010. Both waves covered 800-1000 respondents[2] across eight Indonesian districts. Questionnaires

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[2] The first survey wave was conducted between April 2005 and March 2006, the second between January

were directed to randomly-chosen small and medium firms,[3] which were identified in local yellow pages and stratified in accordance with sectoral GDP-shares (across retail, manufacturing and service industries). By using a two-year panel of Indonesian firms we were able to trace developments in governance outcomes across space and time – and link them to underlying differences in political agency.

The second case study ingredient is the conduct of in-depth interviews. To gain further insights into the politics of public governance, and in particular into the constellation of local interest and power structures, it is useful to complement survey results with ethno-graphic observations and face-to-face encounters. In the Indonesian example, interview sessions were guided by semi-structured questions on aspects of local government services, public corruption, and political agency. To secure a balanced coverage of viewpoints, questions were directed to roughly two hundred public and private sector respondents – both at the local and national level. Sampling frames involved equal shares of government officials, business people, and civil society representatives.

Regression Analyses

The second component of the COMPAS approach introduces quantitative testing. To validate causal propositions and draw general inferences, it is helpful to juxtapose case findings with multivariate statistical analyses. In the Indonesian governance assessment, for example, field results are complemented with a series of OLS and 2SLS regressions on a cross-section of 200 districts.

Subnational datasets contained a select set of dependent and independent variables. Consistent with the research hypothesis, dependent variables focus on the quality of local government performance. To approximate public performance levels, we constructed a range of individual and composite measures that quantify local service standards (infrastructure, health, education), local 'red tape' (compliance costs during licensing/certification procedures), and local corruption (fraudulent project assignments and service bribes). Independent variables, as outlined in the case selection process, focus on variations in political agency dimensions. The first right-hand-side variable examines the quality of *government leadership* in Indonesian districts. The objective is to construct a set of indicators that capture the level of integrity of local mayors (e.g. their efforts to curb administrative corruption). The second independent variable addresses issues of *societal pressure.* Here, the focus lies on civic voice and societal participation (evinced in indicators of local associativeness and education).

2010 and July 2010. Both waves covered the provinces of Central Java, West Sumatra, Bali, and West Nusa Tenggara.

[3] According to the estimations of Rice (2000:7), small and cottage-sized enterprises are an essential building block of Indonesia's economy, accounting for roughly 90 percent of the labor force and more than 40 percent of national GDP. Consistent with these employment structures, roughly 90 percent of the surveyed respondents were owners of (or senior employees in) small and cottage-size firms.

2. Comparative Study of Democratic Governance in Post-Suharto Indonesia

The Indonesian case is particularly noteworthy for the speed and scope of its regime shift. From the late 1960s to the late 1990s Indonesia was widely considered one of Asia's most centralized authoritarian regimes. Since the early 2000s, however, after the Asian crisis and student revolts put an end to General Suharto's rule, Indonesia has become Southeast Asia's poster-boy of democratic change. It is widely hailed as an instructive example that Muslim-majority countries can sustain political liberties and free and fair elections.[4]

As the third largest (and presumably most decentralized) democracy in the world, Indonesia has increasingly drawn the attention of social scientists. One salient feature of Indonesia's rapid political change has been the divergence of subnational performance. The far-reaching devolution of power to local governments has given rise to significant policy differences across space. While some Indonesian districts have created efficient service environments with low levels of corruption, others have created distorting environments with high levels of red tape, poor services, and rampant corruption. While large performance gaps are certainly problematic from a policy standpoint, they also provide a unique window for studying the political economy of decentralized governance.

In the following discussion, we apply the COMPAS framework to gauge the effects of political agency on local governance outcomes. Qualitative and quantitative comparisons shed new light on the significance of demand-side pressures arising from societal groups and small/medium firms ('*societal pressure*') and supply-side pressures exerted by district mayors ('*government leadership*'). The notion of societal pressure is well established in 'local democracy', 'good governance' and 'anti-corruption' literatures (Hellman 1998; Kaufmann et al. 2002; Klitgaard 1998; Migdal 1988; Paul 1992; Weiss 2008). By intertwining aspects of 'citizen participation' (Chambers 1995), 'voice' (Hirschman 1970), and 'social capital' (Putnam 1993), this body of literature develops the proposition that decentralisation and democracy empower societal groups to demand adequate public services.

The leadership argument, on the other hand, emerges as a key aspect in recent policy reform literatures. Comparative policy analyses in contemporary Asia (Mahbubani 2007; Rodrik 1996), Latin America (Grindle 2004; 2007) and Africa (Gray and McPherson 2001) emphasize that executive leadership can be instrumental in shaping national and subnational policy outcomes. There are strong indications that policy directions are determined, for better or worse, by the ability of executive leaders to initiate reforms and monitor bureaucracies.

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4   Between 1999 and 2009, Indonesian citizens participated in three national and hundreds of subnational elections – casting ballots for roughly 1,600 national parliamentarians, 30,000 local council members and 800 governors, mayors and district heads.

Controlled Case Surveys

To gauge the effects of 'government leadership' and 'societal pressure' we, in a first step, conducted a set of controlled case comparisons across four Indonesian provinces. Pairwise comparisons that highlighted differences in independent variables (Table 1) made it possible to establish more robust links between differences in executive/societal agency and differences in governance outcomes. Comparative case analyses focused on four district pairs, each located in a different province, that matched socio-economic characteristics (i.e. district population, national transfers, per-capita income, poverty rates, ethnic/religious affiliations, and political constellations[5]) and, at the same time, exhibited clear differences in the levels of government leadership (in the Sumatran and Javanese pairs) or societal pressure (in the Balinese and NTB pairs; see Tables A1 and A2 in the appendix).

Table 2a: *Comparative Government Performance in 2005*

	West Sumatra		Central Java		Bali		NTB	
	Solok	Pesisir	Kebum.	*Klaten*	Gianyar	Karang	Bima	Lotim
Explanatory Factor	**High** Leadership	Low	**High** Leadership	Low	**High** Soc. Pressure	Low	**High** Soc. Pressure	Low
Performance Indicator								
Regulatory Quality (Tax Bills)	**Good**	V-Poor	**Good**	Fair	Good	Good	V-Poor	**Poor**
Pub. Service I (OSS Facilities)	**4.2**	1.7	**2.5**	1.0	**3.7**	1.8	None	**2.8**
Pub. Service II (Adm. Efficiency)	7	10	16	16	27	**14**	**8**	9
Pub. Corruption I (Recruitment)	**0**	23	**6**	65	**18**	20	36	36
Pub Corruption II (Lic. Bribes)	2.9	7.4	9.8	**8.4**	12.3	**2.8**	**2.6**	4.1
Pairwise Performance Comparison	5	**0**	3	**1**	2	2	2	2
Explanatory Factor Confirmed?	Yes		Yes		No		No	

Source: Author's 2005 business surveys with 1000 randomly-selected, small/medium firms in eight districts; as well as 120 interviews with national and district-level experts and stakeholders. For further details see von Luebke (2009).

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5   For details on the underlying case selection criteria see Tables A1 and A2 in the appendix.

Table 2b: *Comparative Government Performance in 2010*

	West Sumatra		Central Java		Bali		NTB	
	Solok	Pesisir	Ke-bum.	Klaten	Gian-yar	*Karang* ss	Bima	Lotim
Explanatory Factor	**High**	Mod	**Mod**	Mod	**Mod-High**	Low	**Mod-High**	Mod-Low
	Leadership		Leadership		Civicness		Civicness	
Performance Indicat-or								
Regulatory Quality (Tax Bills)	**0.0%**	4.1%	**2.0%**	8.2%	**5.6%**	6.2%	**3.0%**	13.5%
Pub. Service I (OSS Facilities)	**3.4**	2.4	2.7	**3.2**	2.6	**3.1**	none	**2.4**
Pub. Service II (Adm. Efficiency)	10.6	**6.4**	11.5	**9.8**	42.3	**12.6**	**10.6**	18.1
Pub. Corruption I (Recruitment)	**36.3**	58.6	**43.2**	81.8	**96.5**	109.5	74.3	**50.9**
Pub Corruption II (Lic. Bribes)	**7.8**	20.5	15.6	**12.4**	19.2	**13.2**	11.1	**6.1**
Pairwise Perform-ance Comparison	4	1	2	3	2	3	2	3
Hypothesis Confirm-ation	Yes		-		No		No	

Source: Author's 2010 business surveys with 800 randomly-selected, small/medium firms in eight districts; as well as 80 interviews with national and district-level experts and stakeholders.

Against this controlled setting, we were able to discern preliminary qualitative evidence of local policy drivers. The comparative assessments indicated that 'good public leader-ship' – namely the presence of reform-minded and skillful district mayors – was accompanied by higher government performance; whereas controlled differences in societal pressure – given by differences in local education and professional association – did not exhibit discernable performance differences. As outlined in Table 2a, high-societal-pressure districts in Gianyar and Bima yielded very similar outcomes as their low-societal-pressure counterparts in Karangasem and Lotim: each district achieved better performance levels in two (out of five) categories, indicating a tie.

Leadership comparisons, on the other hand, exhibit a clear pattern. The case studies in West Sumatra and Central Java show that district bureaucracies overseen by 'reformist' mayors displayed fewer regulatory distortions, less administrative inefficiency, and less public corruption. The Sumatran cases in particular provide a striking indication of this relationship. The Solok-Pesisir comparison demonstrates that the presence of a skillful and reformist mayor (*Gamawan*), who introduced meritocratic incentives and pub-lic-private transparency initiatives, coincided with markedly higher service and integrity

levels. While both Sumatran districts exhibited virtually identical cultural, political and socio-economic characteristics, the high-leadership district Solok outperformed its counterpart Pesisir across all governance indicators. The positive leadership–performance nexus is also observable in the Javanese case comparison. Here, Kebumen's female mayor (*Rustriningsih*) was able to introduce new media-based monitoring mechanisms and forge strategic coalitions that generated new momentum for public reform and bureaucratic probity.

These general trends are confirmed in the second wave of surveys. Yet, in the course of regional elections, some leadership differences have become less pronounced with the inauguration of new district mayors. This is particularly pertinent in the Javanese leadership comparison. As indicated in Table 2b, political changes in Kebumen and Klaten were accompanied with a convergence of leadership qualities towards 'moderately good' levels between 2006 and 2010[6]. The indistinctiveness of the 'explanatory factor' in these two districts makes it difficult to draw any inferences on political agency. In the remaining three district pairs, however, original agency distinctions were not significantly affected by political dynamics. In Sumatra, higher levels of reformist leadership (Solok) continues to coincide with distinctly better government outcomes. And the comparisons in Bali and NTB, once again, do not confirm the hypothesis that high-societal-pressure cases are accompanied with higher levels of public services and probity.

Multivariate Regression Analyses

To further test the significance of executive leadership effects, we estimated a series of two-stage least square regressions (2SLS) on a cross-section of 220 Indonesian districts. The phenomenon to be explained, the *dependent variable*, is the performance level of subnational governments. Local government outcomes are measured by five indictors that draw on a variety of private-sector and household surveys: performance proxies include the efficiency of administrative licensing services (*EFFSER*), the absence of corruption fees during licensing procedures (*ABSCOR*), the absence of collusive bureaucratic practices (*ABSCOL*), the quality of district roads (*QROAD*), and the integrity level of subnational municipalities (*CPIMUN*). The first three variables are perception-based indicators (shares of district respondents affirming favorable conditions) which are obtained from the 2008 KPPOD governance survey: to date the largest, and most representative, study on subnational governance and development issues, covering 12,000 randomly-selected private-sector respondents in 243 Indonesian districts. The fourth indicator, perceptions on district road qualities (four-point Likert scale), was obtained from 2008 PODES data – a village household survey administrated by the National Bureau of Statistics. The final indicator draws on Transparency International's (2010) latest corruption report which (similar to TI studies in other countries) is based on a ten-point integrity scale and draws

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6   After Kebumen's mayor Rustriningsih was elected as Java's first female vice-governor, local government affairs were handed over to vice-mayor Nashiruddin - an Islamic scholar who is reportedly less persevering and reformist than his predecessor. Meanwhile, Klaten's voters replaced former Mayor Wibowo (who has been repeatedly accused of corruption) with Sunarna, an experienced entrepreneur campaigning on a broad public-welfare platform.

primarily on private-sector interviews (roughly 100 respondents per municipality).

The explanatory factor for variations in public outcomes, the *independent variable*, is given by the quality of local government leadership. To estimate differences in leadership qualities I draw on the 2008 KPPOD governance survey which includes an indicator that measures local mayors' efforts to curb public corruption (*LEAD* – respondent shares affirming strong executive anti-corruption measures). This proxy for reformist leadership takes values between zero and one and is normally distributed.[7] As the KPPOD survey was administered in late 2007 (roughly three years after introducing executive elections), it provides a valuable measure to gauge the 'first batch' of directly-elected district mayors.

It is important to emphasis here that measures of executive leadership are conceptually and empirically distinct from measures of local government performance. Although critical readers may suspect, at first sight, a certain overlap of regressor and regressand dimensions – and ipso facto a risk of tautological reasoning – a closer look at local government constellations confirms a clear distinction. While the independent variable measures the inclination and skillfulness of elected 'political principals' (district mayors) to push for greater public probity, the dependent variable measures actual levels of bureaucratic corruption and inefficiency that arise during everyday, face-to-face interactions between local bureaucrats and citizens.

To account for other polity-specific effects, the analyses include a set of socio-economic *control variables*. These include the level of private sector association (*ASSOC*, share of firms in professional organizations), secondary education (*EDU*, share of residents with junior high-school degree or above); national budget transfers per capita and year (*DAU*); district per capita incomes (*PCI*), and two dummy variables indicating the presence of Javanese (*JAVA*) and urban communities (*URBAN*). Key descriptive statistics and sources of all variables are summarized in Table A3 in the appendix.

Bivariate regression plots provide a first indication of the significance of executive leadership. Figure 1 depicts the results of regressing two dependent variables (*EFFSER* and *CPIMUN*) against the quality of district mayors (*LEAD*, left column) and the degree of societal association (*ASSOC,* right column). Consistent with the case comparisons above, bivariate regression estimates suggest that leadership qualities have greater explanatory power than the degree of local association. Fitted linear regressions suggest that polities with more reformist leadership report distinctly higher levels of administrative efficiency and, within a subsample of 50 cities, a lower incidence of public corruption (better CPI score). Bivariate estimates of associational membership, in comparison, exhibit lower slope values and a relatively poor linear fit.

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[7] Kernel density estimates indicate that nearly all of the dependent/independent/control variables are approximately normally distributed; except for 'QROAD' (which is skewed towards higher perceptions).

Figure 1: Political Agency and Governance Outcomes
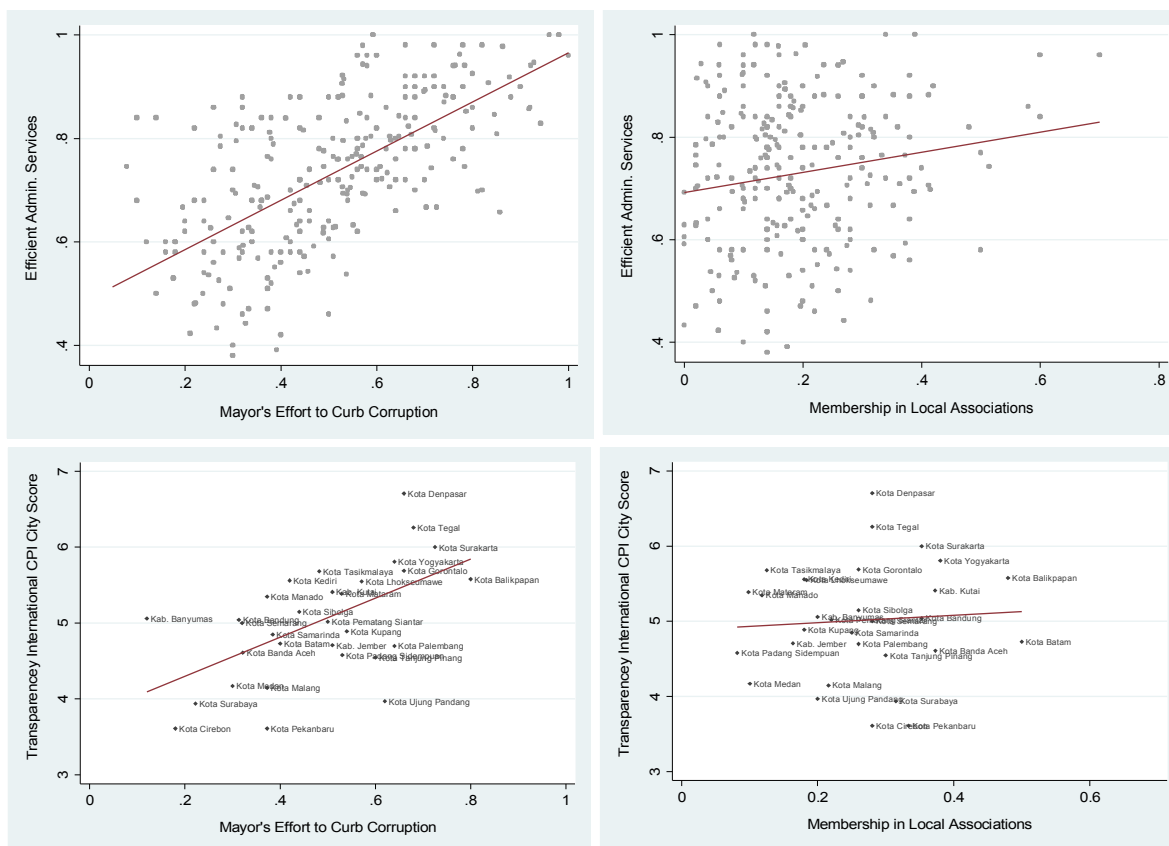
Leadership effects remain strong after controlling for socio-economic and fiscal characteristics. Table 3 summarizes the results of five OLS models that regress levels of administrative efficiency (*EFFSER, Model 1*), the absence of administrative corruption (*ABSCOR, Model 2*), the absence of government collusion (*ABSCOL, Model 3*), the condition of district roads (*QROAD, Model 4*), and the probity of municipal bureaucracies (*CPIMUN, Model 5*) against the level of reformist leadership (*LEAD*). A striking feature is that, across all five models, leadership coefficients are positive and significant at the 0.01 or 0.05 levels, suggesting that executive qualities have favorable effects on district policies and practices. Coefficients for private-sector association (*ASSOC*), a proxy for societal pressure, are markedly lower (as indicated in the lower slops in Figure 1) and less coherent (insignificant for *QROAD* and *CPIMUN*). The level of district-level education (*EDU*), which could be conceptualized as an alternative proxy for societal pressure, exhibits negative signs in three models. While the inverse effects of education levels may seem counterintuitive at first, they are consistent with district-level field observations. As outlined above, in many rural polities government employment is widely seen as a stable and socially-prestigious career option. It is therefore plausible that many local high-school graduates are absorbed by district bureaucracies and, due to fraudulent recruitment practices, tend to aggravate rather than alleviate corrupt and inefficient practices.

Table 3: *Results of OLS Regressions – Public Performance*

	(1)	(2)	(3)	-4	(5)
	EFFSER (08)	ABSCOR (08)	ABSCOL (08)	QROAD (08)	CPIMUN (10)
LEAD	0.44	0.50	0.56	0.29	2.35
	(11.91)***	(10.93)***	(11.77)***	(3.31)***	(2.75)**
ASSOC	0.21	0.22	0.25	-0.12	0.22
	(3.27)***	(2.75)***	(2.98)***	(0.77)	(0.16)
EDU	-0.28	-0.33	-0.44	0.56	-0.09
	(2.48)**	(2.43)**	(3.04)***	(2.15)**	(0.04)
DAU	0.00	0.00	0.00	0.00	0.00
	(2.82)***	(4.98)***	(3.69)***	(0.09)	(1.54)
PCI	0.00	0.00	0.00	-0.00	0.00
	(0.42)	(0.83)	(0.98)	(1.48)	(0.36)
URBAN	-0.02	-0.06	-0.01	0.34	
	(0.61)	(1.71)*	(0.36)	(5.53)***	
JAWA	0.00	0.00	-0.01	0.31	0.35
	(0.02)	(0.10)	(0.58)	(8.11)***	(1.16)
Constant	0.53	0.31	0.32	3.14	3.40
	(11.93)***	(5.63)***	(5.57)***	(29.99)***	(3.33)***
Observations	219	219	219	219	25
R-squared	0.47	0.47	0.48	0.45	0.40

Note: Absolute value of t statistics in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%;

Although these OLS estimates indicate an overall good 'model fit', they remain susceptible to un-observed statistical biases. Adjusted R-squared statistics range between 0.40 and 0.48, suggesting that nearly half of the variations of the five performance indicators are explained; and multico-linearity tests remains within acceptable limits.[8] A remaining concern, however, is the direction of causality. What if 'good leadership' is the result – rather than the driver– of good public out-comes? Due to undetected measurement errors and omitted variables, OLS estimates are gener-ally prone to endogeneity. Especially in observational studies like this one, reverse causation or simultaneity problems need to be considered.

To address endogeneity concerns, we apply a set of instrumental variables that are closely linked to leadership qualities and, at the same time, influence public outcomes primarily through the

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[8] Statistical tests indicate that multicollinearity in these five models is not severe. Variance inflation factors (VIF) range between 1.2 and 1.4 in the OLS models; and around 4.7 in the 2SLS models, well below critical levels (of above 10; see Bowerman and O'Connell 1990).

channel of executive leadership.[9] For this purpose, original data is drawn from the 'vitae' of 140 Indonesian mayors. The reform-mindedness of district leaders (*LEAD*) is instrumented with five individual-level attributes – namely, the age, gender, schooling, party affiliation, and professional experience of local mayors. Because these attributes are reflections of executives' previous social, educational, and professional experiences, they are closely associated with current executive behavior. Moreover, it is hard to image that executive attributes affect policy outcomes other than through the exercise of public leadership – strong associations with unobserved explanatory factors (stochastic error term) are therefore unlikely. Apart from these plausibility considerations, the choice of instrumental variables is supported by statistical validity tests which show that problems of 'overidentification'[10] and 'weak identification'[11] are insubstantial. The results of the first-stage estimation are noteworthy on several counts (see Table A4 in the appendix). While executive anti-corruption efforts were negatively but insignificantly associated with mayors' age and education, they were positively affected by gender differences (being female) and private-sector experience. In addition, negative correlations with *Golkar* (significant at the 0.05 level) suggest that political affiliations with Suharto's former state party do not encourage reformist agendas. Thus, an interesting interim result is that female, non-Golkar-affiliated, and private-sector candidates tend to invest greater efforts in fighting local corruption.

The results of the second stage regression, in which governance outcomes are regressed on predicted levels of reformist leadership (based on individual mayor characteristics), are largely consistent with OLS estimates. As outlined in Table 4, leadership coefficients (*LEAD*) are positive and significant in four models. The presence of a reform-minded mayor exerts strong, favorable effects on observable levels of administrative efficiency and public probity *ABSCOL* and *CPIMUN).* A unit increase in executive anti-corruption efforts increases perceptions on administrative efficiency (*EFFSER)* by 0.52 units, on corruption reduction *(ABSCOR)* by 0.87 units, on collusion reduction (*ABSCOL*) by 0.92 units, and on municipal integrity *(CPIMUN)* by 0.28 units.[12] The insignificant association with district road facilities (*QROAD*) can be partly attributed to the dominance of spatial development factors: as indicated in the forth column, the qualities of subnational roads appear primarily determined by whether or not a district is urbanized (*URBAN*) and situated on the main commercial island (*JAVA*). The 2SLS estimates of associative activity (*ASSOC*) and secondary education (*EDU*) are less significant than in the OLS models above (and equally incoherent in their signs).[13]

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[9] This is consistent with the postulation that instrumental variables are correlated with endogenous explanatory factors and, at the same time, uncorrelated with the error term (Heckman 1997; Pearl 2000).

[10] In four out of five models, the instruments pass Sargan-Hansen validity tests (see Hansen et al. 1996; Hayashi 2000). For EFFSER, ABSCOR, ABSCOL, and CPIMUN the P-values of Hansen J statistics range between 0.28 and 0.86, suggesting that we cannot reject the null hypothesis that instruments are valid (i.e. uncorrelated with the error term). In one model, QROAD, P-values reach the critical level of 0.05; interestingly, this is also the only model in which leadership coefficients remain insignificant.

[11] Kleibergen-Paap (2006) F-statistics in the first and second stages range between 64 and 67 and remain well above critical 10% bias levels (as proposed in Stock and Yogo 2005).

[12] In this comparison of unit effects, the regression coefficient of CPIMUN (which is based on a 10-point Likert scale, not a percentage value) was rescaled by the factor 0.1.

[13] The strong association of education and road qualities should be interpreted with caution, as education estimates are inflated by collinearity with spatial variables. While the average variance inflation factor (VIF) in the QROAD model is tolerable (value of 4.7), the individual VIF for EDU reaches a value of 13, suggesting the presence of collinearity. Pairwise correlation estimates confirm that education levels are closely linked to urban settings (correlation coefficient of 0.67).

Table 4: Results of 2SLS Regression – Public Performance

	(1)	(2)	(3)	(4)	(5)
	EFFSER (08)	ABSCOR (08)	ABSCOL (08)	QROAD (08)	CPIMUN (10)
LEAD	0.52	0.87	0.92	0.45	2.79
	(3.50)***	(4.20)***	(4.33)***	(1.09)	(2.15)**
ASSOC	0.24	0.13	0.20	-0.37	0.25
	(2.97)***	(1.10)	(1.91)*	(1.46)	(0.22)
EDU	-0.27	-0.30	-0.30	0.86	-0.22
	(1.82)*	(1.57)	(1.41)	(2.77)***	(0.15)
DAU	0.00	0.00	0.00	0.00	0.00
	(1.54)	(0.99)	(0.66)	(0.61)	(2.06)**
PCI	0.00	0.00	0.00	-0.00	0.00
	(0.65)	(0.90)	(0.96)	(1.01)	(0.83)
URBAN	-0.00	-0.03	-0.00	0.29	
	(0.05)	(0.80)	(0.06)	(4.81)***	
JAWA	-0.02	-0.01	-0.02	0.31	0.38
	(0.80)	(0.53)	(0.56)	(5.49)***	(2.19)**
Constant	0.48	0.17	0.13	3.02	3.22
	(4.98)***	(1.32)	(0.95)	(11.51)***	(4.10)***
Observations	138	138	138	138	24
R-squared	0.53	0.37	0.43	0.41	0.38

Note: Absolute value of t statistics in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%. Leadership qualities are instrumented with five mayor characteristics (mayor's age, gender, schooling, Golkar affiliation, and business experience). Details of the first-stage regression are summarized in Table A4 in the Appendix.

In sum, the two-stage least square regression estimation lends further credence to the proposition that local government outcomes are influenced, to a considerable extent, by the quality of executive leadership. Consistent with existing comparative policy analyses in Latin America and Africa, Indonesia's early decentralization experience advances government leadership as a key determinant of public performance and reform. The effects of societal pressure – a salient theme in much of the recent good-governance and corruption literature – remain ambiguous in this study. Local association and education levels, which feature prominently in Putnam's (1993) 'civic engagement' and Hirschman's (1970) 'voice' arguments, are of comparatively low significance in the Indonesian case. To explore the reasons that underpins these (for some observers) counterintuitive findings, we, in a third step, make use of in-depth interviews and direct field observations. The following section traces these contextually-rich threads of local narratives and weaves them into what we might call the 'political economy of local governance'.

In-Depth Observations on the Political Economy

To explain the effects of government leadership and societal pressure it is helpful to take a more detailed look at the political dynamics of local-level districts and municipalities (*kabupaten* and *kota*). Here, the analysis of qualitative process observations – particularly, the analysis of in-depth interviews and media reports – offer valuable insights into the incentive structures that motivate political behavior. Interviews confirmed the tenacity of non-democratic norms in all our Indonesian district cases. Clearly, decentralisation and democratization did not take place in a historical vacuum, but on an authoritarian foundation that was laid, layer after layer, during Dutch colonialism (1619–1942), Sukarno's 'Guided Democracy' (1959-65), and Suharto's New Order (1965–98). Especially during the New Order regime, political and societal movements were systematically muted (or suppressed) by the establishment of fine-tuned patronage networks that reached from the presidency down to the village level. At the same time, the high level of corruption and preferentialism – which is also revealed in the high levels of public recruitment irregularities in our surveys (Table 2a & 2b) – indicates the ongoing exercise of clientelistic modes of exchange.

Our interviews indicate several reasons why local citizens remain reluctant to break out of these clientelistic bonds and voice for broad government improvements. In the early stage of democratic consolidation societal actors and their representatives continue to face lopsided incentives that undermine collective action and reform petitions. To discern these problems in further detail it is helpful to discuss four groups of actors: first, local district councilors that are directly elected since 1999; second, small indigenous firms (retailers, craftsmen, and street peddlers) that constitute a large component of civil society; third, a small group of Indonesian-Chinese entrepreneurs who dominate large segments of local retail markets; and forth, a small group of large indigenous entrepreneurs who run procurement and construction firms that depend heavily on government contracts.

Many interviewees confirm that lopsided incentive structures have tarnished the representative function of district councilors (local parliamentarians / *anggota DPRD*). In the early years of decentralisation, centralized party structures and non-transparent party lists arguably weakened electoral checks and balances. During this time, party elites were able to exert great influence on the selection and list-positions of district and provincial candidates. This centralized selection mode was stipulated in electoral laws ('closed' or 'semi-open' party lists that remained in place until 2009) and stripped citizens of the ability to vote out individual non-performing politicians. The centralized power structures within political parties also provided national/provincial elites with vast opportunities to expand clientelistic networks across Indonesia's regions. Even the introduction of 'semi-open' party lists in 2004 (which featured names of party candidates, but continued to disproportionally favor higher-seated contenders) preserved the strong influence of national party boards.[14] The rise in political clientelism is readily observable in the widespread practice of auctioning-off party list positions to local bidders. The allocation of list positions, according to local watch dog organizations, is rarely a matter of merit or capacity but more often a matter of delivering high 'donations' to party headquarters. Under these conditions powerful district councilors could neglect voter interests without adverse electoral consequences. Re-election became primarily a function of garnering the support of fundraisers and party leaders, rendering the attendance to citizen needs a secondary concern, at best.

Small local firms, the second group of actors, rarely voice concerns or launch public petitions, because joint efforts tend to be thwarted by common collective action problems and risk-averse behavior. As foreshadowed in Mancur Olson's (1965) seminal argument, this group's large size and

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[14] In December 2008 Indonesia's Constitutional Court abolished party-internal vote transfers. Although this reduced list-position biases in the 2009 elections, national party elites still exert considerable influence by determining who makes it on the party lists.

dispersed organizational structure makes it highly difficult to mobilize and coordinate joint announcements, petitions or demonstrations. Due to these structural disadvantages, individual small firms remain inclined to free-ride on others' efforts and, in doing so, render group activities ineffective. Moreover, many small firms remain unconvinced that joint reform petitions would bring about desirable change. Based on prior experiences (especially during the Suharto era), most interviewees expect that personal costs of criticizing government officials are considerably higher than general (and often uncertain) benefits of demanding public improvements. A majority of small firms expect that their complaints translate to little more than more bureaucratic red tape and retaliation when dealing with officials in the future.

Chinese Indonesian firms are equally reluctant to speak out against government misconduct. Although their small and coherent group structure bodes well for collective action, their historically vulnerable position within local Indonesian communities prevents them from voicing concerns publicly. This cautious behavior emerges primarily as a response to social hardships in recent decades. Many local Chinese (particularly those in Central and Eastern Indonesia) have experienced ethnic violence and discrimination. Some witnessed anticommunist (and often anti-Chinese) riots in the mid 1960s; others experienced the demolition and looting of Chinese property and shops in the late 1990s. In view of this social vulnerability, Chinese minorities remain primarily concerned with maintaining friendly and stable relationships with local power-holders. As one Chinese entrepreneur in Kebumen summarizes it: 'Many Chinese people are afraid to speak out in public. They believe that criticizing officials harms their business ... Anxieties have strongly increased since Chinese shops were burnt down in the 1998 riots.' Thus, despite their economic power in rural economies, Chinese business communities are reluctant to participate in societal efforts to improve government outcomes.

In addition to group-size or ethnicity-related impediments, there are also monetary disincentives to private-sector reform efforts. These are particularly pronounced with the fourth group of actors: large indigenous firms. Given the small size of rural consumer markets, many indigenous entrepreneurs (and certainly those interviewed in our eight case districts) derive substantial incomes from securing contracts with local governments. Indeed, public projects and procurement contracts remain attractive income sources, as they promise high returns at low risk. It is hence unsurprising that many indigenous entrepreneurs develop close ties with government officials. This, of course, creates an environment in which leading business players are less inclined to criticize administrative shortcomings or misbehavior. As one businessman in Bima noted, 'Securing access to government contracts for the construction of local schools, hospitals and roads is of primary concern to large businesses ... These public assignments are so lucrative that they easily compensate for the costs of bad governance'. The reluctance to voice against low standards of public governance is further aggravated by the absence of credible law enforcement. Local entrepreneurs who are closely involved in public sector projects have stronger incentives to collude with public sector counterparts than to push for genuine government improvements.

Yet, although the introduction of local democracy has failed to mobilize conventional channels of societal accountability, it nonetheless seemed to have altered the behavior of selected government leaders. The introduction of electoral competition seems to have aligned district heads more closely with local citizens for three reasons. First, government leaders stand in the spotlight of local and national media. In contrast with council members, whose actions are often blurred by collective party agreements and intransparent party lists, district heads can be directly linked to respective achievements and failures. Second, in support of Indonesia's decentralisation reforms international donors have increased financial support for 'good governance' programs. This has encouraged some district heads to pursue more responsive and reformist policy agendas. Third, the introduction of 'pilkada' – the direct elections of mayors and governor in 2004/5 – has argu-

ably tied current and prospective leaders more strongly to local constituencies. In contrast to local council members, many executive candidates are non-partisan and (in some cases) less entrenched in clientelistic party networks. In addition, mayors and governors are selected by plurality vote (first past the post) can induce more electoral competition and allows citizens to vote out poorly performing incumbents.

It seems that these electoral pressures, media reports, and donor opportunities have motivated some district heads to pursue an improvement of public goods. Our interviews indicate that executive leaders who are imbued with political ambition and good managerial skills have been important agents of change – particularly in respect to initiating policy reforms. This seems particularly true in the cases Solok and Kebumen. Here, the two mayors have skillfully used their official powers to forge strategic reform pacts – similar to other accounts of reformist leadership in Asia, Latin America and Africa (Grindle 2004; 2007; Gray and McPherson 2001; Mahbubani 2007). By creating a platform for broad reform agendas (which gained the support of rural communities, middle-class intellectuals, and national donors), selected executives were able to ease bureaucratic resistance and introduce new standards. Internally these reform processes were supported by new 'virtual' checks (e.g. SMS complaint boxes and call-in talk shows), merit-based promotion schemes, and the dismissal of corrupt officials.

Clearly, the finding that some executive leaders take the 'drivers seat' in initiating governance reforms should not belittle the role of civil society. The notion that district heads can be in a powerful position to push for regulatory and behavioral change should not lead to the conclusion that societal forces are irrelevant. Qualitative interview accounts show that quite the contrary is true. As democratic learning and technology progress, societal groups are increasingly able to exert influence on local policy directions. And while common accountability mechanisms – parliamentary representation and private-sector voice – may be compromised by lopsided incentive structures, the diffusion of information and education provides citizens with new means to monitor shortcomings and signal preferences.

Concluding Remarks

This paper has introduced and discussed the concept of 'controlled multimethod policy analyses' (COMPAS) – a syncretic framework combining controlled case studies with large-n statistical analyses to attain a balanced analysis of contemporary policy issues. Building on Indonesia's recent experience, it provided an empirical example as to how different modes of investigation can be woven together to produce new insights into the political economy of democratic change.

To measure agency effects on governance outcomes – in the context of post-Suharto Indonesia – this study triangulated controlled case surveys, regression analyses, and in-depth field observations. The stepwise application of small-n process observations, combined with large-n dataset estimates, potentially contributes to social science debates in *three* distinct ways:

Theoretically, the comparative analyses across Indonesia's decentralized district polities shed new light on current democracy and governance debates. They complement existing rule-based accountability theories (which continue to be at the center of contemporary development debates) with a contextually-informed focus on political agency. By combining qualitative and quantitative vantage points, this study developed a more nuanced perspective on how key government and societal actors respond to the confluence of democratic and clientelistic norms. In order to understand the emergence (or continued absence) of public reform efforts, it is important to analyze political processes at the intersection of individual/collective powers and democratic/non-democratic incentives.

Methodologically, the outlined COMPAS design, which incorporates qualitative and statistical lenses, is an attempt to cross traditional disciplinary boundaries and stimulate interdisciplinary exchange. Clearly, efforts to merge toolboxes of different schools of thought (including comparative politics, institutional economics, and political sociology/anthropology) entail significant challenges. However, this study, I believe, demonstrates that benefits of methodological cross-fertilization outweigh costs of methodological complexity. The triangulation of survey, interview, and statistical data helps to blend combination of observational depth and quantitative rigor. It is by pooling resources and intellectual energies, that we obtain novel insights into contemporary policy problems. The mixed methodology and interdisciplinary framework that underpin this research indicate a clear commitment in this direction.

Policy-wise, multimethod studies (such as the COMPAS approach) are generally well-positioned to shed new empirical light on ongoing governance and corruption debates. The comparative analyses of subnational outcomes in Indonesia, for example, are likely to provide insights for policy makers concerned with stimulating local investment, economic development, and social welfare. The trans-disciplinary character of this study, moreover, helps to discern why some local governments have exhibited efficient procedures and effective services, whereas others have displayed arbitrary and corrupt practices. In view of recent economic and political volatility in Southeast Asia (e.g. Thailand, Malaysia, Philippines, and Cambodia) and the MENA region (e.g. Tunisia, Egypt and Syria), it has become increasingly clear that poor local service standards tend to fuel popular discontent and unrest. Against this background, and the concomitant detrimental effects on investment and development, domestic and foreign analysts remain concerned with strategies for governance reform. Surprisingly, despite global waves of decentralization and local democratization, there has, to date, been little empirical work on subnational governance. And few studies have offered a rigorous assessment of the local political economy of good government. The COMPAS approach may provide a promising means to fill this gap.

Appendix

Table A1: *High/Low Leadership Pairs in West Sumatra and Central Java*

	West Sumatra	
	Solok	*Pesisir*
Societal Pressure		
Chambers/Associations	Insignificant	Insignificant
Literacy/ Schooling	High (95%/ 6.8 yrs)	High (94% / 7.4 yrs)
Control Variables		
Formal Institutions	Identical National Intuitions (formal laws & political architecture)	
Population 2001	434,680	388,720
National Transfers 2001	US$ 16 million	US$ 14 million
Annual Per-Capita 2002	US$ 450	US$ 400
Poverty Rate 2001	12%	13%
Major Ethnic Group	Minang (96%)	Minang (95%)
Major Religions	Islam (99,9%), Christ. (0,1%)	Islam (99,9%), Christian (0,1%)
Major Political Parties 1999	Golkar (33%), PPP (20%)	Golkar (25%), PPP (21%)
	Central Java	
	Kebumen	*Klaten*
Business Pressure		
Chambers/ Associations	Insignificant	Insignificant
Literacy/ Schooling 1999	Moderate (85% / 6.2 yrs)	Moderate (83% / 7.3 yrs)
Control Variables		
Formal Institutions	Identical National Intuitions (formal laws & political architecture)	
Population 2001	1,162,280	1,108,140
National Transfers 2001	US$ 29 million	US$ 30 million
Annual Per-Capita 2002	US$ 230	US$ 350
Poverty Rate 2001	28%	24%
Major Ethnic Group	Javanese (99%)	Javanese (99%)
Major Religions	Islam (99%), Christian (1%)	Islam (93%), Christian (6%)
Major Political Parties 1999	PDIP (39%), PKB (21%)	PDIP (56%), PAN (14%)

Source: Societal pressure indicators are based on direct observations, expert interviews and data from UNDP (2001); control variables are based on various data sources from the Ministry of Finance, the Central Bureau of Statistics, and the National Election Commission.

Table A2: *High/Low Societal Pressure Pairs in Bali and Nusa Tenggara Barat*

	Bali	
	Gianyar	*Karangasem*
Government Leadership		
Business Survey Score	Moderate (2.6)	Moderate (2.7)
Control Variables		
Formal Institutions	Identical National Intuitions (formal laws & political architecture)	
Population 2001	391,540	359,510
National Transfers 2001	US$ 28 million	US$ 24 million
Annual Per-Capita 2002	US$ 670	US$ 400
Poverty Rate 2001	6%	19%
Major Ethnic Group	Balinese (97%)	Balinese (96%)
Major Religions	Hindu (99%), Islam (1%)	Hindu (96%), Islam (4%)
Major Political Parties 1999	PDIP (87%), Golkar (7%)	PDIP (78%), Golkar (12%)
	Nusa Tenggara Barat	
	Bima	*Lombok Timur*
Government Leadership		
Business Survey Score	Moderate (3.2)	Moderate (3.1)
Control Variables		
Formal Institutions	Identical National Intuitions (formal laws & political architecture)	
Population 2001	505,030	971,22
National Transfers 2001	US$ 21 million	US$ 25 million
Annual Per-Capita 2002	US$ 245	US$ 240
Poverty Rate 2001	34%	37%
Major Ethnic Group	Mbojo (99%)	Sasak (97%)
Major Religions	Islam (99%), Christ. (1%)	Islam (99%), Hindu (1%)
Major Political Parties 1999	Golkar (52%), PPP (9%)	Golkar (44%), PPP (9%)

Source: Government leadership indicators are based on the author's business survey with roughly 125 respondents in each district; control variables are based on various data sources from the Ministry of Finance, the Central Bureau of Statistics, and the National Election Commission.

Table A3: *Descriptive Statistics of Key Variables*

Variables	Mean	SD	Min	Max	Unit	Source
Administrative Efficiency (*EFFSER*)[†]	0.73	0.15	0.15	1.00	percent	KPPOD 2008
Absence of Adm. Corruption (*ABSCOR*) [†]	0.55	0.18	0.07	0.94	percent	KPPOD 2008
Absence of Gov. Collusion (*ABSCOL*)[†]	0.55	0.20	0.00	0.98	percent	KPPOD 2008
District Road Quality (*QROAD*) [†]	3.52	0.44	2.04	4.00	scale [1-4]	PODES 2008
City Integrity Index (*CPIMUN*) [†]	4.88	0.65	3.61	6.71	scale [1-10]	TI. 2010
Mayors' Anti-Corr. Efforts (*LEAD*)[*]	0.51	0.19	0.05	1.00	percent	KPPOD 2008
Associational Activity (*ASSOC*)	0.19	0.12	0.00	0.70	percent	KPPOD 2008
Secondary Education (*EDU*)	0.34	0.09	0.09	0.57	percent	BPS 2006
Nat. Budget Transfers - Per Capita (*DAU*)	842,455	636,892	117,051	5,701,593	million Rp	BPS 2006
District Per-Capita Income (*PCI*)	7.28	14.50	1.23	218.00	million Rp	BPS 2005
Urban-Dummy (*URBAN*)	0.19	0.39	0	1	binary	BPS 2010
Java-Dummy (*JAVA*)	0.29	0.46	0	1	binary	BPS 2010
Sectoral Concentration (*SCON*)	0.30	0.12	0.15	0.91	scale [1-4]	BPS 2010
Firm Capital Concentration (*FCON*)	0.51	0.26	0.09	1.00	scale [1-4]	BPS 2010
GDP Share of Oil/Gas Income (*OIL*)	0.04	0.14	0.00	0.92	scale [1-4]	BPS 2010
Labor Force in Trade Sector (*TRADE*)	0.07	0.04	0.00	0.19	percent	BPS 2010
Communal Credit Agreements (*ARI*)	0.24	0.18	0.00	1.00	percent	IFLS 2007
Presence of Internet Cafes (*ICAFE*)	0.03	0.06	0.00	0.36	percent	BPS 2003

Note: Dependent variables are marked with a cross (+), the independent variable is indicated with an asterisk (*); remaining indicators are control variables. Variables draw heavily on the KPPOD (2008) Business Survey: to date the largest (and presumably most representative) subnational governance and development study, covering 12,000 randomly selected private-sector respondents in 243 districts. Additional indicators were drawn from various statistical reports and datasets of the Indonesia's Central Bureau of Statistics (BPS) , including PODES(2008) – an annual village-household survey that captures general livelihood conditions (including road conditions) across 65.000 Indonesian villages; the 2010 'City Integrity Index' is based on Transparency International's survey of 50 cities in respect to perceived levels of public corruption. IFLS refers to the RAND 'Indonesian Family and Livelihood Survey' – accessible at www.rand.org/labor/FLS/IFLS.html.

Table A4: *First Stage Regression*

Variables	Mayor's Anti-Corruption Efforts 2008 (*LEAD*)
Mayor's Age (years)	-0.00
	(-0.49)
Mayor's Education (years)	-0.01
	(-1.56)
Mayor's Private-Sector Experience (yes=1)	0.15
	(3.82) ***
Mayor's Gender (female =1)	0.13
	(2.60) **
Mayor affiliated with Golkar (yes=1)	-0.08
	(-2.21) **
Level of Private-Sector Association (ASSOC)	-0.09
	(-0.59)
Secondary Education (EDU)	-0.11
	(-0.43)
Nat. Transfers (DAU)	0.00
	(2.05) **
District Per-Capita Income (PCI)	0.00
	(1.03)
Urban-Dummy (URBAN)	-0.04
	(-0.75)
Java-Dummy (JAVA)	-0.07
	(-1.65)
Constant	0.68
	(3.83) ***
Observations	138
R-squared	0.16

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Politics: www.politik.uni-freiburg.de
Anthropology: www.ethno.uni-freiburg.de
History: www.geschichte.uni-freiburg.de
Economics: www.vwl.uni-freiburg.de/iwipol/sopo.htm

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