CAUSES OF CORRUPTION: A LITERATURE REVIEW STUDY.

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ABSTRACT

This study will overview the theoretical model of corruption mentioned in the literature using the kind of causality of corruption as an organizing principle. The more we know about the causes of corruption, the better we can decide which policy instruments to use to combat corruption. A primary conclusion is that there are not many studies on actual, individual corruption cases.

Keywords: Corruption, Public Choice Theory, Bad Apple Theories, Organizational Culture Theories, Clashing Moral Values Theories

1   INTRODUCTION

Corruption is a crime that is committed to obtain personal benefit by abusing the authority one has within the organization (Anechiaryco and Goldstock, 2007). Corruption is then studied in an abstract sense, looking for the governing laws of corruption at a meso or macro level. By combining macro and micro factors and everything in between, it would be well suited as a theoretical model for corruption case studies. In this article, I give an overview of the causes of corruption mentioned in the literature as an organizing principle. Before I give an overview of the kinds of literature on the kinds of causality of corruption, I would like to stress that every classification has its blind spots. Of course there is overlap, and maybe some theories resist the classification given here, but the overview should make clear that the concept of causality differs in the wide literature on corruption.

2   MODEL OF CORRUPTION

Public Choice Theory

First, there is rational choice theory: public choice theory. For the independent variables to explain corruption, it primarily looks at the level of the individual. The causal chain is that of an individual making a (bounded) rational decision that leads to a predetermined outcome. Central to the public choice literature is the individual corrupt official who tries to maximize his or her utility. The individual (usually male) is portrayed as a rationally calculating person who decides to become corrupt when its expected advantages outweigh its expected disadvantages (a combination of possible penalty and the chance of being caught). This group

of causal theories is made popular by Rose-Ackerman (1978), who claims that public officials are corrupt for a simple reason: they perceive that the potential benefits of corruption exceed the potential costs. Or as Klitgaard (1988: 70) states, if the benefits of corruption minus the probability of being caught times its penalties are greater than the benefits of not being caught, then an individual will rationally choose to be corrupt. Of course, the theory can be expanded when conditions that influence the cost-benefit calculations are taken into account. For example, trust can play an important role. When the state cannot be trusted to manage private property transfers, corruption might become more appealing (Gambetta 1993). Also, trust within close personal relationships increases the chance of getting the benefits from the delivered corrupt 'services' or reduces the chance of getting caught. In this kind of theory, actions of corrupt officials are caused by a rational, conscious and deliberate weighing process of an individual. In its purest form, autonomous agents are assumed to make more or less rational means-end calculations. This contrasts with most of the other theories we will consider, where behavior is explained by causes beyond individual control. In organization sciences, this is closely related to decision theories. The reason is that just how 'choices' (which have the character of volition) cause actions (of a physical nature) must be made clear. In some theories, rational choice is combined with game theory and ideas that agent choice is bound by both the decision-making capacities of individual agents and a surrounding structure of political, economic and cultural rules (institutions), leading to a so-called institutional choice framework (Collier 2002).

Bad Apple Theories

Second, bad apple theories, like public choice theories, primarily look at the level of the individual corrupt agent for the causes of corruption.These studies seek the cause of corruption in the existence of people with faulty (moral) character, the socalled 'bad apples'. There is a causal chain from bad character to corrupt acts; the root cause of corruption is found in defective human character and predisposition toward criminal activity. Causes are rooted in human weaknesses such as greed. When the focus is on the faulty character of an official, morality is assumed to determine behavior (like in the forthcoming clashing moral values theories): people are assumed to act on the basis of moral values. 'Wrong' values are therefore the cause of corruption. Of course, one can question whether people act on the basis of moral values (see de Graaf 2003). But the focus on individual corrupt officials and their motives can also be of a different nature.

Organizational Culture Theories

Third, some literature is not so much interested in the background or motives of the corrupt official, but in the culture and structure of the organization within which the agent is working. For the first time, we are looking not the micro level of individual corrupt agents, but the meso level of their respective organizations. The underlying assumption seems to be that a

causal path from a certain culture – a certain group culture – leads to a certain mental state. And that mental state leads to corrupt behavior. Failure in the "proper machinery" of government, not faulty character, leads public officials to act corruptly. Therefore, it accounts for the context corrupt acts occur in.

Clashing Moral Values Theories

A fourth branch of literature makes a distinction between the public role and private obligations of corrupt officials. As distinguished from the previous theories, corruption is considered on a macro level, more precisely, the level of society. Since the culture of an organization is also influenced by society at large, there is an overlap between this group and organizational culture theories. The causal chain in these theories starts with certain values and norms of society that directly influence the values and norms of individuals. These values and norms influence the behavior of individual officials, making them corrupt. In many societies no clear distinction exists between one's private and one's public roles.

CONCLUSION

The overview made clear that the theoretical model chosen determines, for a large part, the direction of the proposed solutions. Different causal chains lead to different discourses on corruption prevention and corruption control. We know little of what corruption control works best and most efficiently. More corruption case studies should help us with prescription and give us more information on what the right mix of corruption control is under specific circumstances.

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