# **Understanding Corruption**

# **Tackling its Multidisciplinary Nature**

**Ahmed Fayed** 

Institute of Middle Eastern Studies, King's College London

Email: ahmed.fayed@kcl.ac.uk

# **Understanding Corruption** Tackling its Multidisciplinary Nature

# **Ahmed Fayed**

#### Abstract

Corruption is a topic that has always been studied from only one angle. This paper tries to present the multidisciplinary nature of corruption through looking at all of its dimensions; politically, economically and socially. The paper will present the causes and consequences of corruption followed by discussing the major theories that are used by scholars in each discipline to study corruption. Finally, there will be a recommendation of how to fight this never ending problem both in terms of the techniques that should be used by local authorities and how the international community should help.

Keywords: Corruption, Corruption, Fighting Corruption

#### Introduction

The World Economic Forum estimated the universal cost of corruption in 2013 to be USD 2.6 trillion<sup>1</sup>, with at least USD 1 trillion paid in bribes, but the question that should be asked given the high magnitude of this phenomenon is, what is corruption? The working definition of corruption as defined by Transparency International, a leading international organization that works on corruption, is "the abuse of entrusted power for private gain"<sup>2</sup>. Definitely there are other definitions for corruption, but this definition is the most commonly used by both scholars and practitioners. Corruption has always existed in both developed and developing countries, the only difference is its pervasiveness, magnitude and how it affects doing business. Corruption is always present in both public and private sectors, even the NGO sector happens to be a key player in the corruption phenomenon in many of the developing countries<sup>3</sup> especially when it comes to spending money. Corruption can be present in many forms, it can be present in the top of the hierarchy where it would be called political or grand corruption<sup>4</sup>, while it is called bureaucratic or petty corruption when it is present in the bottom of the hierarchy<sup>5</sup>. Also when discussing corruption many individuals tend to limit it to only financial transactions or bribes, while it is much more general. Corrupt forms of action include; favouritism, extortion, embezzlement and fraud<sup>6</sup>.

#### **Causes of Corruption**

There are many factors that aid in perpetuating corruption, these factors and their intensity differ drastically based on the person, the situation, the industry and many other factors. This has lead scholars to divide them into two main categories- direct and indirect factors. Under each of these there can be three bigger overarching themes; social, economic and political factors. Direct factors play a major role while indirect factors do play a minor role in encouraging officials to be corrupt as will be presented in the following section.

To begin with the direct causes, economic factors can be understood as a resultant of the low wages the officials receive<sup>7</sup>. When thinking about low wages, the relationship between the

average income and average expenditure should not be abandoned. The fact that the official's income is not enough to cover his/her expenses that creates the 'need', and once the need is created the official starts thinking of other modes by which s/he can get more money to cover his/her expenses<sup>8</sup>. This is the most commonly quoted motive for officials to be corrupt, especially among low ranking civil servants.

Also, direct Social factors are very defining particularly in systemic corruption, in which individualism and the lack of sense of belonging are the leading notions which lead the officials to prioritise their wellbeing over the wellbeing of the society, which can be defined as 'greed'<sup>9</sup>. A clear example is peer pressure, where an official finds that he is pressured by his colleagues and co-workers to take part in a collective corrupt action, which ultimately leads this member to be accepted within the group and not to be left out, which will directly affect his/her decision. Another example is bad leadership models practiced by high ranking officials<sup>10</sup>. When the low ranking official finds that the high ranking official is already corrupt and none of his actions are penalized, he eventually starts thinking of doing the same.

In addition, direct Political factors are considered to be a main reason behind corruption. Most significantly is the weak rule of law<sup>11</sup>, which directly affects, allows and gives officials the space to commit corrupt actions with no punishment or penalties. The fact that there are officials whom are not penalized for their corrupt action, encourages co-workers to follow in their footsteps with confidence of no reprisal<sup>12</sup>. However, if the norm was to penalise of all kinds of acts, others would have thought twice before committing a corrupt action. Also, lack of transparency encourages officials to be corrupt <sup>13</sup>, as it is very difficult for others to effectively investigate these actions due to extreme difficulty to access the required documents. As for the lack of accountability <sup>14</sup>, it encourages officials to be corrupt as it is difficult to hold just one person responsible when there is a myriad of complex personnel systems, and unfortunately this is a by-product of a stagnant bureaucracy.

On the other hand, there are more inherent factors that contribute to the conducive environment of increasing corruption rates. For instance, there are indirect Economic factors that are manifested by the size of the informal economy, class inequality and poverty levels. Some studies have even claimed that the bigger the informal economy is, the higher the probability of having corrupt officials<sup>15</sup>. This is since informal businesses pay bribes to corrupt officials to make sure that their businesses are not negatively affected by rules that play against their survival, which is possible in light of a weak rule of law. Similarly, the higher the inequality levels, there is a direct effect on increasing poverty levels<sup>16</sup> and corruption. Officials whom are poor can see that there is a huge gap between them and others, are definitely encouraged by these circumstance to be corrupt.

Moreover, there can be reference to the indirect Social factors by looking at societal trends of individual ethics and values. Ethics and values are two concepts that need to start on the individual level first, then they evolve to be social norms that tend to govern societal interactions in an informal way through stating what is appropriate and accepted in a certain culture<sup>17</sup>. If an individual irrespective of his position has intrinsic values that are engrained within his everyday workings, it will be very difficult for him to turn into being corrupt regardless of any externalities especially material need. However, in the absence of the steadfastness to hold on to values, opportunities may be seized to increase one's gain. As such many claim that one of the most effective ways to fight corruption is by developing a holistic approach to entrenching social values and norms that automatically refute a shift away from ethical behaviour.

Finally, indirect Political factors can be pinpointed by looking at the weakness of the independent anticorruption agencies, the weakness of state control and the political stability of the regime. Governments believe that the fail-proof answer to combatting corruption is to create independent anticorruption agencies that are not biased. In abstract it is a great idea, but in reality when these agencies are weak they tend to be a liability as their weakness indirectly encourages officials to be corrupt<sup>18</sup>. Institutional control is also an important aspect, as unfortunately whenever there is weak control over the institution, this also encourages officials to be corrupt. As for the political stability of the regime, it actually may have the opposite effect. This is since if the regime is stable, it encourages systemic corruption that will be hard to overturn easily<sup>19</sup>.

# **Consequences of Corruption**

Understanding corruption definitions, types and causes would be irrelevant and useless if not to understand the consequences of corruption. Although some scholars debated that corruption can be used as a tool that 'greases the wheels'<sup>20</sup>, currently the common understanding of corruption, is that it not only negatively affects economic, social and political development, but also it destroys human prosperity.

Corruption increases the cost of doing business, thus Investors are less encouraged to invest in highly corrupt countries due to the additional costs they are required to pay to ensure that their businesses are functioning well, and hence corruption lowers private investments<sup>21</sup>. Corruption decreases the country's revenues in taxes and other fees collected<sup>22</sup>, thus it decreases public spending and public investments. When there is less investments from both the public and private sectors, fewer jobs are created which increases the unemployment rate. Corruption also affects income distribution, through lowering the economic growth which in return increases income inequality<sup>23</sup>. These reasons lead to the increase of the poverty rate. Eventually, corruption retards economic growth<sup>24</sup> and shrinks the middle class.

Corruption discourages innovation and entrepreneurship<sup>25</sup>. In addition to the already existing financial, bureaucratic and psychological obstacles, corruption is another obstacle entrepreneurs have to face. Unlike taxes, the value of corruption cannot be predicted as it differs from a project to another and from industry to the other. This definitely encourages the entrepreneurs to try to find another place which is less corrupt as to have more chances of succeeding.

The bigger the scale of a project, the higher the value of the corrupt action. This encourages governmental officials to embark on large scale projects than the needs of the country. To fund these unneeded projects, the government cuts the spending in other areas, which decreases the quality of this delivered service<sup>26</sup>. Thus corruption deforms the decision making process in the government<sup>27</sup>.

Corruption undermines democratic values<sup>28</sup>, transparency and accountability. It decreases the public trust in the bureaucratic system, the elected representatives and the governmental officials in terms of their commitment to the wellbeing of the individual as well as the society; which eventually delegitimizes the political regime<sup>29</sup>. As in Egypt's case, since Mubarak's regime has been regarded as politically corrupt<sup>30</sup>, it went through this exact downfall. Mubarak's regime did not respect democratic values like free elections<sup>31</sup>, transparency and its officials were barely held accountable. These reasons pushed the

citizenry to lose their trust in the state and accordingly revolt in 2011 leading to the supposed fall of the regime.

Furthermore, corruption disturbs the social wellbeing of any society. Some of its social implications include increasing the general public feeling of frustration<sup>32</sup>, as ordinary individuals feel that they do not have accessibility to opportunities to succeed in a skewed environment. Uncertainty is created as when an individual pays a bribe to a corrupt official, s/he does not know and does have a guarantee of whether the official will deliver what he promised or not. Also, there is an overall decrease in trust between citizens<sup>33</sup> as corruption creates a collective feeling of continual exploitation, which in return creates pessimism, tensions and conflicts between citizens of the same society. Thus eventually, the citizenry will be less tolerant, less happy and less satisfied than it ought to be which creates social unrest. Which directly increases the organized and non-organized crime rates. Simply, the consequences of corruption are limitless.

# **Theorizing** Corruption

Due to multidisciplinary nature of corruption, theories are developed to help dissect this phenomenon and most are actually imported from other disciplines and adjusted to fit corruption. These disciplines include and are not limited to psychology, philosophy, criminology, political science, economics and sociology. In this section, the researcher will draw upon different theories from these different areas to help the reader establish a more general understanding of corruption.

# **Corruption in the Political Sphere**

Although many corruption studies focus on the economic aspects of corruption, political scientists managed to demonstrate the importance of the politics of corruption, helping to create a more accurate assessment of corruption. Thus recent researches have focused more on the political aspects of corruption<sup>34</sup> where the issue is tackled through dissecting the nature of the regime, particularly democratic versus authoritarian<sup>35</sup> pathways. Also, there has been increased discussion on the balance of power between different state institutions, especially the executive, legislative and judicial branches, which is seen as another face of political corruption. Some of the examples of this stream of literature look at the degree of independence of the judicial system, rule of law; how the parliament issues anti-corruption laws; and whether the executive branch implements these policies and laws or not. All of these factors highly correlate with countries' governance levels<sup>36</sup>, which directly correlate to the levels of corruption. Hence, the following section will look at the progression of literature on the politics of corruption and the main issues identified for further study.

To begin with, according to Max Weber there are three types of authority that constitute legitimate rule- traditional authority, charismatic authority and legal authority. Traditional authority is where authority is legitimised due to the fact that it has always existed in a certain way and in most cases is a ruling inherited by a successor<sup>37</sup>. Secondly, charismatic authority is where the leader has an exceptional quality, namely charisma, which makes the followers respect their ruler because of this quality<sup>38</sup>. On the other hand, legal authority is when authority is legitimate as a result of applying a system of rules, which is enforced judicially and administratively based on a set of known principles within a certain society<sup>39</sup>. Currently most nations follow the legal authority model as the basis for their political regime. It should be noted that political corruption is perceived not to be present in traditional and charismatic

models as rulers are perceived by their followers to be the ultimate superior and, more importantly, that they own the territory. This perception thus also includes that the leaders also have the rights to do what they like or want in their belongings. As for the legal model, political corruption is perceived more widely to exist as in this case there is a divergence from the set of rules followed by the public, which are set for the wellbeing of the society as a whole and not for the wellbeing of an individual.

The early view of political scientists for corruption was a resultant of the unfinished process of modernisation<sup>40</sup>; and depicted it as a phenomenon that can 'grease the wheels' of development. They believe that corruption will eventually decrease as markets become freer and governments become more efficient. Currently, there is much debate on whether corruption actually does "grease the wheel" or not; and whether corruption decreases with higher levels of democracy. This debate along with the current literature that agree that the negative consequences of corruption are more than its positive impacts, automatically drop the legitimacy of this theory. On the other hand, Marxist scholars such as Hettne and Blomstrom argued that due to the historical abuse of developing countries, tracing to colonialism, political leaders of the third world will blindly follow western firms and ideologies, and so state corruption will remain<sup>41</sup>. Thus, the Marxist cure for corruption is through encouraging developing countries to implement self-protecting policies that would advocate a drastic halt with the capitalist states. So technically, Marxists associated corruption with capitalism, which is highly debateable.

In addition, 'neo-patrimonial' theory, also called Kleptocracy, is another approach that aids in understanding corruption and became particularly established in the late 1980s with an emphasis on Africa. It argues that the state hides blatant political corruption and actual manifestations take the form of clientelism, favouritism, the fragile differentiation between private and public, and profoundly personalised political monopolisation and associations<sup>42</sup>. It can be highly experienced in many African countries, as well as a few others like Indonesia and Philippines<sup>43</sup>. It is obvious that these factors propagate corruption to be rampant at all levels. Rose-Ackerman and Coolidge support this argument by stating that neo-patrimonial regimes are characterized by privatization actions that benefit the ruling elite; contradicting and non-transparent taxes and investment policies; and state involvement in the economy, which all lead to hindered economic development<sup>44</sup>. At the same time, it is important to note that neo-patrimonialism does exist in both democratically elected governments and authoritarian regimes, and the only way to eliminate it is through having strong democratic institutions that promote checks and balances.

In this way, as stated by Alan Doig and Robin Theobald in their jointly edited book titled 'Corruption and Democratisation', the political causes of corruption can be summed up in the lack of- checks and balances; transparent and accountable institutions; and most importantly, democratic power sharing between diverse groups<sup>45</sup>. The high levels of corruption in a certain country are thus regarded as an indicator of how badly operated and managed a country is at different levels. The relationship between corruption and democratisation is thus generally perceived to be negative. This means that the higher the corruption levels, the more strained the democratisation process in a certain country is<sup>46</sup>; while, the increased number of democratically elected institutions, that can be held accountable, could depict a lesser degree of corruption.

In contrast to this argument, other scholars tend to believe that high levels of authoritarianism can manage to successfully control corruption<sup>47</sup>, as power is central and thus most of the

transactions are controlled by the higher authorities. While on the other hand, countries in transition from an authoritarian to a democratic regime have the highest levels of corruption, and these levels should start decreasing once the democratic institutions are well established. However, scholars like Goldsmith have argued that office seekers tend to sell their votes to highest contributor to their campaign, which means that democratic institutions could actually increase levels of corruption<sup>48</sup>. Harriss-White and White also tend to agree with this argument, as they state in their study that the process of democratization increased corruption in Thailand and the Philippines. This is since corruption became more decentralized and the democratic transition failed to strengthen the state institutions<sup>49</sup>. Nonetheless, Treisman argues that what really matters is how long a country has been democratic<sup>50</sup>, as based on his research this is the only factor that showed a direct relationship with levels of corruption.

#### **Economic Schools and Corruption**

The relationship between corruption and economic development has been tackled extensively in the literature, but the researcher believes that to actually understand corruption through economics the individual needs to understand the economic school of thoughts and the theories associated with corruption. As for the economic schools of thought like the classical, neo-classical and Marxist and how these schools perceive corruption as a phenomenon. While the second way is through exploring and comprehending economic theories and definitions that explain the phenomenon of corruption like the idea of rent seeking and game theory.

The classical school scholars argue that the market keeps all producers attentive through competition, thus the government should not intervene<sup>51</sup>. Also they believe in the concept of the 'invisible hand' which states that individuals in a free market settings, with no intervention from the government, tend to maximize their profits and gains through offering a cheaper yet better service<sup>52</sup>. Furthermore these scholars believed in 'say's law' which simply states that supply creates its own demand<sup>53</sup>. If we take these concepts and apply them to corruption it will be true that corrupt officials always try to maximize their gains through offering a better and cheaper service than their corrupt colleagues thus attracting the individual who is willing to pay a bribe for something in return, and to avoid this situation which is competition there are unwritten codes of conduct between the corrupt officials in the same department. Also In corruption, supply creates demand as in most cases the corrupt officials are approached by the individuals who need something, not the other way around.

The Neo-classical school scholars believe that individuals know what is best for them, and the government should only intervene whenever a malfunction happens<sup>54</sup>. They conceptualize the economy to be an assembly of selfish and rational individuals<sup>55</sup>. Applying this to corruption, corrupt officials as well as corrupt individuals whom are initiating the corrupt action are both individuals who believe they know what is best for them, but yet they are harming the society at large. As for the other concept, these individuals know quite well that what they are committing is considered to be wrong which shows that they committing the corrupt action while they are completely rational and just thinking of themselves. Since both schools are supporting the notion of oneself, every member of such societies will do whatever s/he thinks is better for him without caring for the wellbeing of the society, which encourages the behaviour of committing wrong actions for individualistic causes, thus adopting any of the two economic schools in a certain society, increases the possibility of committing corruption.

On the other hand, Marxists scholars believe in collectivism<sup>56</sup>, which means that the individuals in these societies care more for the wellbeing of the society rather than the personal and individual wellbeing, which means that they are less likely to be engaged in a corrupt action as they know that even if it has a direct short term positive impact on themselves as individuals, it has a direct negative impact on the society as whole on the long term. The researcher believes that this is a major difference between the economic schools of thought and their influence on the individuals. This case is only valid when most of the individuals of a certain society have the same belief of the importance of the economic school and its effect that it plays on their daily lives.

In many other studies, researchers depended on tackling the problem of corruption from the perspective of rent seeking problem. Rent seeking is a theory that is widely used in economics, in which an individual obtains economic rent instead of creating a new wealth, or in other words it is the process in which an individual obtains unjustified gains from another individual without adding to the efficiency of production of a certain service<sup>57</sup>. Rent seeking in general has lots of negative consequences; like, decreases the governmental revenues in general and in taxes in specific, decreases economic efficiency as it a result of bad allocation of resources, as what politicians do with subsidies, decreases the creation of wealth and most importantly increases income inequality<sup>58</sup>. An example of rent seeking activity is when an individual manages to influence policies to either create constraints on competitors or to have a monopolistic advantage over other competitors in the market, all of these actions are considered to be corrupt actions that are a clear manifestation of the rent seeking idea<sup>59</sup>. Or when a bureaucrat receives a bribe to perform the same function that s/he should be performing. Other studies now use game theory models to analyse corruption<sup>60</sup>.

The theory of rent seeking is used to understand and dissect corruption, as corruption is a form of rent seeking<sup>61</sup>. Corruption can be differentiated from other forms of rent seeking through the law, as creating specific legislations against specific forms of corruption like bribes can definitely limit the rent seeking action<sup>62</sup>. Another way to differentiate corruption from other rent seeking actions is transparency<sup>63</sup>, corrupt activities are done in the dark while other rent seeking activities are done in the open. Although corruption and lobbying are two forms of rent seeking, when a politician's decision is influenced because of a financial incentive, then this is a case of corruption<sup>64</sup>. But when rent seeking is in the form of donations to political campaigns and advertisements, then this is not a clear case of corruption<sup>65</sup>, as there is not any proof that shows that the politician's decision was influenced.

# **Corruption as a Social Cancer**

Political Scientists as well as economists have studied corruption extensively<sup>66</sup> compared to other scholars from other disciplines; but as corruption became an area of societal research, sociologists and anthropologists have recently also become involved. Their contribution looks to aid in shaping a clearer understanding of the manifestations of corruption, as what is believed to be corrupt varies from one culture to another, and sociology as a discipline allows us to understanding the underlying behind societal taboos like corruption. Thus corruption can never be understood as a distinct political or economic or social phenomenon, it is rather a very unique integration of all three disciplines. The significance of shedding light on the social aspect of corruption is due to the recognition that social norms and behaviours play a major role in widely facilitating, encouraging and accepting corrupt actions by many of the members of the society<sup>67</sup>.

To begin with, Blundo and De Sardan argue that corruption is generally a socially hidden action, yet it is strongly regulated just like crime, human trafficking and selling drugs<sup>68</sup>. This is true in the sense that even if corruption became the 'normalcy of doing business' in a certain society, corrupt officials would still not want to be labelled as corrupt as it will still be widely perceived by the same society as a wrong action. The other interesting dilemma they depict is the existence of internal regulations among corrupt officials, which regulate the 'traffic' of corrupt actions. Building on this notion, there are two main theories in sociology that can help in understanding the underlying social reasons behind corruption, which are strongly in congruence with this argument. The most important is Karl Marx's social conflict theory.

In addition to the previously mentioned theories, in order to have a clearer understanding of corruption within social relations, one must try to comprehend the sociocultural logics that bound everyday interaction. For instance, giving and receiving gifts is one of the main bribing techniques, but one may ask as to what is considered a gift or a bribe in different contexts. Thus this is where sociocultural norms can help us to differentiate and distinguish between cultural nuances. For example, in China guanxi is rampant, and has been described as having social connections or social relationships<sup>69</sup>. During this action gifts are given between two individuals who know each other and these gifts open the door for mutual assistance between these two individuals. Giving, receiving and repaying the gifts is considered right in Chinese culture; and if the person does not respond to this action, then this person automatically 'losses face', while others might "feel obliged to help others . . . for self-interest<sup>770</sup>, which shows the reasons for engaging in this action varies from a person to another. In a very interesting example, Yang describes a worker at a factory who wanted to give his boss a gift because he wanted to take a vacation, thus the boss refused, but when the worker gave the gift to the boss in front of the rest of the workers, the boss had to approve the worker's vacation as not to 'lose face'<sup>71</sup>. Yang points out that 'guanxi' is thus perceived differently within Chinese culture and is considered a critical part of everyday life. These two examples clearly show that what is considered a present in China can be considered a bribe in another culture, so the notion of corruption highly depends on the socio-cultural norms of a certain society.

It is also important to note that social networks in many countries play an important role in the make-up of different communities. In some cases, there is of great importance and even necessity for the members of this network to help each other, and any person who disagrees to helping others will be highly condemned and unaccepted within the group. The important question that should be asked is when this help is just help and when it is a corrupt action, especially since these kinds of relationships extend beyond the family. In Russia a common action is 'blat, which means "the use of personal networks and informal contacts to obtain goods and services in short supply and to find a way around formal procedures"<sup>72</sup>. According to Ledeneva, acquiring services through *blat* is a common legitimate action and so in her work she manages to distinguish between *blat* and bribery- "In contrast to bribery, blat is a matter of belonging to a circle. Blat favours are normally provided to svoim (people of the circle, one of us). In such long-term relations, all kinds of favours are possible"<sup>73</sup>. The personal relationship between the individuals is highlighted in both *blat* and *guanxi*. Although these actions can be committed out of good intentions or bad ones, they are still highly accepted in these societies, but the same actions can be easily unaccepted and seen as corrupt actions in other societies.

# The Fight against Corruption

# Fighting Corruption Techniques

Now that we are familiar with the major concepts of corruption and the main theories used in studying it, we should be realistic and start thinking of how can we actually work on eradicating corruption. As such, many different policies are currently being employed on different levels, starting from the local to the international, that have been developed by scholars and practitioners to fight corruption. As the causes of corruption were previously divided according to economic, social and political causes; the following discussion of the current efforts to fight corruption will follow the same manner. As corruption is a multi-dimensional phenomenon, for any anti-corruption policy to be effective, it has to be an integration of different techniques tackling different areas. In other words, any government action has to address as many direct and indirect economic, social and political causes of corruption as possible to increase its chances of success.

The economic techniques that can be used to fight corruption are mostly tied up in the hands of the government. The pivotal technique in fighting governmental corruption is increasing the wages and salaries of state officials<sup>74</sup>, which will directly decrease the officials' willingness to be engaged in a corrupt action. Although it seems to be a simple policy, yet, it is very difficult to be successfully implemented due to the high financial burden it will place on state budget. There are also tools that could be employed, yet they may not be as effective as direct action on workers' wages. These include firstly lowering the inflation rate, which thus increases the purchasing power of the currency $^{75}$ . This will impact corruption rates as the official will be able to buy more with the same amount of money. Additionally, different types of tax reform and enforcement, either through eliminating unusual tax incentives or decreasing taxes<sup>76</sup>, will encourage individuals who usually commit corruption by not paying full amounts to tax officials, to pay the required sums. By gaining citizens' trust with enforcing tax policies, there will be a direct increase in the government's income, which will translate to better state services to citizens; yet this is a long-term policy that will require trust and large investments. Also, privatization of state holdings can help in decreasing the government's jurisdiction and spending, as well as increases its income; but privatization is a major economic policy that has to be studied extensively by any country before its adoption, especially with the backlash from previous global attempts in developing countries.

As for employing tools that tackle the social elements of fighting corruption, they can be summed up in two categories that again require state support for their effective implementation. The first entails the involvement of local, national, regional and international civil society organizations in the fight against corruption<sup>77</sup>. There can be a plethora of ways in which the third sector can support government reform, such as organizations serving as independent watchdogs reporting corruption, providing trainings to officials to raise their levels of awareness which can latterly allow for holding the officials accountable. The second category is direct community oversight<sup>78</sup> and the current trends of social accountability that are gaining ground with practitioners. However, these will be difficult to implement in unless many political factors improve and allow for change to occur; simplest of which is transparency.

Finally, political tools used by government have been discussed far and wide within the literature, yet the determinant for their success can be summed up in one word- the political will of the ruling regime. If the political regime does not want to seriously eradicate

corruption, then any efforts exerted will be wasteful; but if the regime does intend to get rid of these practices, this commitment will drastically help in overcoming many of the obstacles faced during the fight against corruption<sup>79</sup>. Once the will is present, economic, social and political policies can be effectively implemented. Some examples of political policies present within the literature that have a nationwide focus and affect freedoms include- introducing specific legislation relating to corruption in cases where they do not exist; strongly enforced and implemented rule of law<sup>80</sup>; transparency related policies which include freedom of information, governmental officials' disclosure of income reports and the availability of procurement rules and decision making criteria<sup>81</sup>.

Another variety of politically based policies that aid in the fight against corruption focus on holding the governmental officials accountable for their actions. These include establishing a strong and independent corruption commission<sup>82</sup>, that preferably reports directly to the parliament; the insurance of the continuation of democratically elected institutions, especially at the local level; creating ethical codes<sup>83</sup> that are to be followed by all governmental officials; and forming a strong penalty system<sup>84</sup> that is to be enforced regardless of the position of the employees. The latter will be effective if the leaders of the institutions are also penalised, which would entrench concepts such as "Leading by example<sup>85</sup>". In addition, newer tools have emerged as newer technologies allow for novel approaches, such as creating whistle blowing and watch dogs systems, which keeps the whistle-blower's identity anonymous but yet ensures s/he gets rewarded<sup>86</sup>; as well as establishing E-government portals that decreases the interaction between citizens and officials. However, it is has been identified that the success of these techniques is dependent on viable marketing in the media through massive awareness-raising campaigns on corruption and promoting integrity<sup>87</sup>.

#### International Efforts

As demonstrated above, the role of the government is crucial in the process of curbing corruption; yet, the international community also figures in the equation and has quite a dialectic relationship with nation sates. Currently, the international community is led by the WB and TI in fighting corruption. Other organizations that had developed programs to engage with the phenomenon include the Organizations for Economic Co-operation and Development (OECD), the United Nations Development Program (UNDP), the United Nations Office on Drugs and Crime (UNODC), the International Monetary Fund (IMF) and the World Economic Forum (WEF)<sup>88</sup>. All these organizations have been engaged in fighting corruption for decades, but as discussed by Klitgaard in his book titled 'Controlling Corruption'; they barely managed to achieve minor success, with an unsustainable successful example of the Philippines<sup>89</sup>.

In dissecting the policies of international institutions, it is clear that the WB fights corruption through four frames- preventing fraud and corruption in the Bank's projects; supporting the countries that ask for the bank's assistance; mainstreaming a concern for corruption in the Bank's work; and finally lending active support to international efforts to address corruption<sup>90</sup>. Perhaps the most important frame is when the bank supports a country; yet, unfortunately the Bank's strategies are not suitable for all countries as the years of its interventions have come under scrutiny, where one of the major criticisms is their unrelenting commitment to the notions of the market economy<sup>91</sup>. On the other hand, TI's anti-corruption policy focuses on highlighting the significance of civil society and the general public in combating corruption, which is a completely different approach to the Bank's strategies as the mind-set is also sharply divergent. Yet some have stated that this approach works better in

more developed countries, while developing countries present larger obstacles that are more difficult to overcome, thus limiting the approach's effectiveness.

As such, the researcher thus believes that any combination of these policies and tools can put a country on the path to eradicating corruption. However, since each country's case for corruption is different, these techniques cannot be used within a 'one size fits all' framework, as many international institutions used to advocate. Each country has to develop customized anti-corruption policies that are suitable to its corruption levels, economic environment, state institutions, cultural norms and roots causes. Hence, feasible and customised recommendations for curbing local governmental corruption in any country should be developed through integrating the efforts of the international players, the government and the civil society in this country. Like that we will be able to produce a policy that actually fits a certain country which means that it has a higher probability of being a successful policy.

#### Conclusion

In this article, the researcher tried to present the multidisciplinary nature of corruption through discussing some of the core concepts that are needed to properly comprehend this phenomenon, then the major theories that are used in investigating corruption were analysed. Followed by a crucial part on how to fight corruption. In addition to the knowledge the reader is supposed to get from reading this paper, the researcher would really want every individual who reads this paper to actually take a minute and reflect on his/her experiences with corruption and think of the main reasons that pushed him/her to embark upon a this certain corrupt incident. Think of the consequences that this corrupt action caused and how it negatively affected many other individuals and then comes the most important part of the self-reflection; how to stop participating in corrupt actions? No one can answer this question except the individual him/herself, and I'm sure that if everyone looks deep inside him/herself will be able to find a way or a special technique that if he/she follows will help the individual in decreasing his/her participation in any future corrupt action, for this special technique to work it just needs a strong will and commitment. If the individual succeeds in not participating in any corrupt action for a long period of time then, this means that this technique is successful and can be used by others. This is the best way to fight corruption, simply start by yourself and let the domino effect take place.

#### References

<sup>1</sup> Correaa, E. A., Dávila, J., Jetter, M., Agudeloa, A. M., & Morales, D. (2014). Corruption: Transcending borders; OECD (2013). The rationale for fighting corruption. Retrieved from http://www.oecd. org/cleangovbiz/49693613.pdf.

<sup>2</sup> Brown, E., & Cloke, J. (2011). Critical perspectives on corruption: an overview. *Critical perspectives on international business*, 7(2), 116-124.

<sup>3</sup> Smith, D. J. (2012). AIDS NGOS and corruption in Nigeria. *Health & place*, *18*(3), 475-480; Holloway, R. (1997). NGOs losing the moral high ground: corruption and misrepresentation. *Discourse*, *1*(2), 9-12.

<sup>4</sup> Dahlstrom, C. (2012). Bureaucracy and the different cures for grand and petty corruption. *QoG Working Paper Series*, 2011(20).

<sup>5</sup> Ibid, pp.5

<sup>6</sup> Amundsen, I. (1999): "Political corruption: An introduction to the issues", *Working Paper* 99:7, Bergen: Chr. Michelsen Institute. pp.12

<sup>7</sup> Van Rijckeghem, C., & Weder, B. (2001). Bureaucratic corruption and the rate of temptation: do wages in the civil service affect corruption, and by how much?. *Journal of development economics*, 65(2), 307-331.

<sup>8</sup> Van Rijckeghem, C., & Weder, B. (2001). Bureaucratic corruption and the rate of temptation: do wages in the civil service affect corruption, and by how much?. *Journal of development economics*, 65(2), 307-331.

<sup>9</sup> Tanzi, V. (1998). Corruption around the world: Causes, consequences, scope, and cures. *Staff Papers-International Monetary Fund*, 559-594.

<sup>10</sup> Ibid, pp.576

<sup>11</sup> Carothers, T. (1998). Rule of Law Revival, The. Foreign Aff., 77, 95.

<sup>12</sup> Braşoveanu, I. V., & Obreja Braşoveanu, L. (2009). "Correlation between Corruption and Tax Revenues in EU 27". *Economic Computation and Economic Cybernetics Studies and Research*, 43(4), 133-142.

<sup>13</sup> Kolstad, I., & Wiig, A. (2009). Is transparency the key to reducing corruption in resourcerich countries?. *World Development*, *37*(3), 521-532.

<sup>14</sup> Bardhan, P., & Mookherjee, D. (2006). Decentralization, Corruption, and Government Accountability. *International handbook on the economics of corruption*, 161-188.

<sup>15</sup> Dreher, A., & Schneider, F. (2010). Corruption and the shadow economy: an empirical analysis. *Public Choice*, *144*(1-2), 215-238.

<sup>16</sup> Foster, J., Greer, J., & Thorbecke, E. (1984). A class of decomposable poverty measures. *Econometrica: Journal of the Econometric Society*, 761-766.

<sup>17</sup> See: the definition of norms in the Oxford Dictionary of Sociology, http://www.oxfordreference.com/view/10.1093/acref/9780199533008.001.0001/acref-9780199533008-e-1576?rskey=Ys1LnW&result=2

<sup>18</sup> Shah, A., & Schacter, M. (2004). Combating corruption: look before you leap.*Finance and Development*, *41*(4), 40-43.

<sup>19</sup> Lederman, D., Loayza, N. V., & Soares, R. R. (2005). Accountability and corruption: Political institutions matter. *Economics & Politics*, *17*(1), 1-35.

<sup>20</sup> Méon, P. G., & Sekkat, K. (2005). Does corruption grease or sand the wheels of growth?. *Public choice*, *122*(1-2), 69-97; Lambsdorff, J. G. (1999). Corruption in empirical research: A review. *Transparency International, processed*, 6.

<sup>21</sup> Mauro, P. (1995). Corruption and Growth. *The Quarterly Journal of Economics*, *110*(3), 681-712.

<sup>22</sup> Kaufman, D., & Gray, C. (1998). Corruption and Development. *Finance and Development*, *35*(1), 7-10.

<sup>23</sup> Li, H., Xu, L., & Zou, H. (2003). Corruption, Income Distribution, and Growth. *Economics* & *Politics*, *12*(2), 155-182.

<sup>24</sup> Mauro, P. (1995). Corruption and Growth. *The Quarterly Journal of Economics*, 110(3), 681-712.

<sup>25</sup> Lim, D. S., Morse, E. A., Mitchell, R. K., & Seawright, K. K. (2010). Institutional environment and entrepreneurial cognitions: A comparative business systems perspective. *Entrepreneurship Theory and Practice*, *34*(3), 491-516.

<sup>26</sup> Tanzi, V., & Davoodi, H. (1997). Corruption, Public Investment and Growth. *IMF Working Paper*.

<sup>27</sup> Ibid, pp.6,7

<sup>28</sup> Elliott, K. (Ed.). (1997). *Corruption and the Global Economy*. Washington D.C.: Peterson Institute. pp45.

<sup>29</sup> Ibid, pp. 45

<sup>30</sup> Brooks, R. (1998). *Political-Military Relations and the Stability of Arab Regimes*. London: International institute for strategic studies pp23.

<sup>31</sup> Blaydes, L. (2011). *Elections and distributive politics in Mubarak's Egypt*. Cambridge: Cambridge University Press. pp11.

<sup>32</sup> Frustration over the bread crisis, rising food prices and corruption leads to social unrest in Egypt. (2011, February 1). Retrieved January 1, 2014, from <u>http://www.wikileaks-forum.com/cablegate/7/egypt-frustration-over-the-bread-crisis-rising-food-prices-and-corruption/6415/</u>

<sup>33</sup> Rothstein, B. (2011). *The Quality of Government*. London: University of Chicago Press. pp172.

<sup>34</sup> Johnston, M. (1997): "What can be done about entrenched corruption?" Paper presented at the 9<sup>th</sup> Annual World Bank Conference on Development Economics, Washington DC: World Bank; Hope, K. R., & Chikulo, B. C. (Eds.). (2000). *Corruption and development in Africa: Lessons from country case-studies.* New York: St. Martin's Press. pp.17-39

<sup>35</sup> Seligson, M. A. (2002). The impact of corruption on regime legitimacy: A comparative study of four Latin American countries. *The journal of Politics*, *64*(02), 408-433.

<sup>36</sup> Kaufmann, D., Kraay, A., & Mastruzzi, M. (2009). Governance matters VIII: aggregate and individual governance indicators, 1996-2008. *World Bank policy research working paper*, (4978).

<sup>37</sup> Blau, P. M. (1963). Critical remarks on Weber's theory of authority. *The American Political Science Review*, 305-316.

<sup>38</sup> Blau, P. M. (1963). Critical remarks on Weber's theory of authority. *The American Political Science Review*, 305-316.

<sup>39</sup> Ibid, pp 308

<sup>40</sup> Myrdal, G. (1990). Corruption as a hindrance to modernization in South Asia.*Political Corruption: A Handbook, ed. Arnold J. Heidenheimer, Michael Johnston, and Victor T. Le Vine (New Brunswick, NJ: Transaction Books, 1989),* 265-79.

<sup>41</sup> Blomström, M., & Hettne, B. (1984). *Development theory in transition: the dependency debate and beyond: Third World responses* (pp. 81-91). London: Zed books.

<sup>42</sup> Chabal, P., & Daloz, J. P. (1999). Africa Works: Disorder as political instrument (African issues); Hope, K. R., & Chikulo, B. C. (Eds.). (2000). *Corruption and development in Africa: Lessons from country case-studies*. Macmillan.

<sup>43</sup> Bratton, M., & Van de Walle, N. (1997). *Democratic experiments in Africa: Regime transitions in comparative perspective*. Cambridge University Press. pp.62

<sup>44</sup> Coolidge, J. & Rose-Ackerman, S. (2000): "Kleptocracy and reform in African regimes: Theory and examples", chapter 3 (pp. 57-86) in Hope and Chikulo (eds.) Corruption and Development in Africa. Lessons from Country Case-Studies. New York: St. Martin's Press.

<sup>45</sup> Doig, A., & Theobald, R. (Eds.). (2000). *Corruption and democratisation*. London: Frank Cass and company limited.

<sup>46</sup> Hope, K. R., & Chikulo, B. C. (Eds.). (2000). *Corruption and development in Africa: Lessons from country case-studies*. New York: St. Martin's Press. pp.19; Amundsen, I. (1999). Political corruption: An introduction to the issues. *CMI Working Paper*.

<sup>47</sup> Harriss-White, B., & White, G. (1996). Corruption, liberalization and democracy: editorial introduction. *IDS Bulletin*, 27(2), 1-5; Amundsen, I. (1999). Political corruption: An introduction to the issues. *CMI Working Paper*.

<sup>48</sup> Goldsmith, A. A. (1999). Slapping the grasping hand. *American Journal of Economics and Sociology*, *58*(4), 865-883.

<sup>49</sup> Harriss-White, B., & White, G. (1996). Corruption, liberalization and democracy: editorial introduction. *IDS Bulletin*, 27(2), 1-5.

<sup>50</sup> Treisman, D. (2000). The causes of corruption: a cross-national study. *Journal of public economics*, *76*(3), 399-457.

<sup>51</sup> Chang, HJ. (2014). *Economics: The User's Guide*. London: Pelican. pp. 115

<sup>52</sup> Ibid, pp.116

<sup>53</sup> Ibid, pp.116

<sup>54</sup> Chang, HJ. (2014). *Economics: The User's Guide*. London: Pelican. pp. 120

<sup>55</sup> Chang, HJ. (2014). *Economics: The User's Guide*. London: Pelican. pp.121

<sup>56</sup> Ibid, pp. 127

<sup>57</sup> See: Investopedia dictionary, <u>http://www.investopedia.com/terms/r/rentseeking.asp</u>

<sup>58</sup>Wade, P., & Dabla-Norris, E. (2001). *Rent Seeking and Endogenous Income Inequality*. International Monetary Fund Working Paper, <u>https://www.imf.org/external/pubs/ft/wp/2001/wp0115.pdf</u>

<sup>59</sup> Lambsdorff, J. G. (2002). Corruption and rent-seeking. *Public Choice*, *113*(1-2), 97-125.

<sup>60</sup> Macrae, J. (1982). Underdevelopment and the economics of corruption: A game theory approach. *World Development*, *10*(8), 677-687.

<sup>61</sup> Krueger, A. O. (1974). The political economy of the rent-seeking society. *The American economic review*, 291-303.

<sup>62</sup> Lambsdorff, J. G. (2002). Corruption and rent-seeking. *Public Choice*, 113(1-2), 97-125.

<sup>63</sup> Jain, A. K. (1998). Models of corruption. In *Economics of corruption* (pp. 13-34). Springer US.

<sup>64</sup> Lambsdorff, J. G. (2002). Corruption and rent-seeking. *Public Choice*, *113*(1-2), 97-125.

<sup>65</sup> Lambsdorff, J. G. (2002). Corruption and rent-seeking. *Public Choice*, *113*(1-2), 97-125.

<sup>66</sup> Price, P. (1999). Cosmologies and Corruption in (South) India—Thinking Aloud. In *Forum for development studies* (Vol. 26, No. 2, pp. 315-327). Taylor & Francis Group.

<sup>67</sup> Olivier de Sardan, J. P. (1996). L'économie morale de la corruption en Afrique.*Politique africaine*, *63*, 97-116.

<sup>68</sup> Blundo, G., & De Sardan, J. P. (2000). La corruption comme terrain. Pour une approche socio-anthropologique. *Les Nouveaux cahiers de l'Institut universitaire d'études du développement*, 21-46.

<sup>69</sup> Yang, M. M. H. (1989). The gift economy and state power in China. *Comparative Studies in Society and History*, *31*(01), 25-54; Yang, M. M. H. (1994). *Gifts, favors, and banquets: The art of social relationships in China*. Cornell University Press.

<sup>70</sup> Ibid. pp. 140

<sup>71</sup> Yang, M. M. H. (1994). *Gifts, favors, and banquets: The art of social relationships in China*. Cornell University Press. pp.81

<sup>72</sup> Ledeneva, A. V. (1998). *Russia's economy of favours: Blat, networking and informal exchange*. Cambridge University Press. pp 1

<sup>73</sup> Ibid, pp. 40

<sup>74</sup> Kaufman, D., & Gray, C. (1998). Corruption and Development. *Finance and Development*, *35*(1), 7-10

<sup>75</sup> Ibid, pp.3

<sup>76</sup> Ibid, pp.3; Tanzi, V. (1998). Corruption around the world: Causes, consequences, scope, and cures. *Staff Papers-International Monetary Fund*, 559-594.

<sup>77</sup> Kaufman, D., & Gray, C. (1998). Corruption and Development. *Finance and Development*, *35*(1), 7-10

<sup>78</sup> Kpundeh, S. J. (2004). Corruption and corruption control. *Democratic Reform in Africa*. *The Quality of Progress. Boulder, CO/London: Lynne Rienner*, 121-139.

<sup>79</sup> De Asis, M. G. (2000). Coalition-building to fight Corruption. *World Bank Institute*.

<sup>80</sup> Nwabuzor, A. (2005). Corruption and development: new initiatives in economic openness and strengthened rule of law. *Journal of Business Ethics*, 59(1-2), 121-138.

<sup>81</sup> Stapenhurst, F., & Langseth, P. (1997). The role of the public administration in fighting corruption. *International Journal of Public Sector Management*, *10*(5), 311-330; Tanzi, V. (1998). Corruption around the world: Causes, consequences, scope, and cures. *Staff Papers-International Monetary Fund*, 559-594.

<sup>82</sup> De Asis, M. G. (2000). Coalition-building to fight Corruption. World Bank Institute.

<sup>83</sup> Stapenhurst, F., & Langseth, P. (1997). The role of the public administration in fighting corruption. *International Journal of Public Sector Management*, *10*(5), 311-330

<sup>84</sup> Tanzi, V. (1998). Corruption around the world: Causes, consequences, scope, and cures. *Staff Papers-International Monetary Fund*, 559-594.

<sup>85</sup> Kaufman, D., & Gray, C. (1998). Corruption and Development. *Finance and Development*, *35*(1), 7-10; Tanzi, V. (1998). Corruption around the world: Causes, consequences, scope, and cures. *Staff Papers-International Monetary Fund*, 559-594.

<sup>86</sup> Stapenhurst, F., & Langseth, P. (1997). The role of the public administration in fighting corruption. *International Journal of Public Sector Management*, *10*(5), 311-330

<sup>87</sup> Kindra, G. S., & Stapenhurst, R. (1998). *Social marketing strategies to fight corruption*. Economic Development Institute of the World Bank.

<sup>88</sup> Riley, S. P. (1998). The political economy of anti-corruption strategies in Africa. *The European Journal of Development Research*, *10*(1), 129-159.

<sup>89</sup> Klitgaard, R. (1988). *Controlling corruption*. University of California Press.

<sup>90</sup> Huther, J., & Shah, A. (2000). *Anti-corruption policies and programs: a framework for evaluation* (Vol. 2501). World Bank Publications.

<sup>91</sup> World Bank (2000): "Helping countries combat corruption. Progress at the World Bank since 1997", Operational Core Services & Poverty Reduction and Economic Management Network. Washington DC: World Bank.

