

Research Idea

Where Petty Meets Deep: Towards an Integrative Theory of Synthetic Distinctions of Corruptions

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Abstract: This brief article summarizes the authors' construction of a grounded analytical framework for understanding corruption consolidation in local governments. This framework aims to minimize some of the shortcomings of existing corruption indexes for environments in which corruption is widespread and normalized. It approaches venal and petty corruption as symptomatic of wider patterns of governing in these settings. The comparative case study of two Mexican cities helps illustrate how corruption operates in local governments as a competing governance system, capable of remaining in place despite changes in actors and the anti-corruption institutional environment.

Introduction

Intellectual efforts to address the complex issue of corruption have led researchers to separate and identify features and types of corruption, in order to allow for differentiated assessments

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and strategies. Nonetheless, this approach might not be the best strategy for understanding and addressing systemic corruption. These are environments where corruption is widespread and normalized and where distinct types of corruption coexist and are inter-related. The lack of consideration given to these coexistences is notable, resulting in policies that reflect a synthetic or artificial distinction of corruption, and that contribute to ineffective anti-corruption measures.

We make a two-fold contribution. First, we show the advantages of understanding dyadic interactions and other types of corruption as interrelated rather than in isolation (Bozeman et al., 2018; Meyer-Sahling et al., 2018), and address dyadic corruption as a symptom of wider patterns of corruption and governance (Strach et al., 2019).

Second, we provide a grounded framework to understand how corruption becomes consolidated across governmental processes, competing with or dominating, formal institutions. By consolidation of corruption, we refer to a level of stability reached by corruption processes that are self-sustaining and prove difficult to revert.

Our study employed a two-stage mixed-methods research design. A theory induction phase served to uncover preliminary concepts about consolidation of corruption seen in City A. A theory construction phase followed. Instrument design was guided from the previous phase, which enabled a systematic but flexible immersion into the field, Cities A and B, which allowed for the elaboration of four propositions that constitute the corruption consolidation framework. We argue that this framework helps understand nuances of how corruption is consolidated, according to the socio-economic and political environment, and

helps address some of the shortcomings of the comparative literature that result from the application of a frame developed in environments where corruption is an exception to environments in which corruption prevails.

Corruption Types and Their (Lack of) Coexistence

A common motivation for the deconstruction of corruption in its independent modalities has been the need to clarify types of corruption to craft policies (Bussell, 2015). Distinctions have helped define a theory of change for addressing corruption that is adequate for environments where corruption is an exception. Nonetheless, understanding connections among distinct types of corruption is not a trivial aspect but a necessary one to tackle, especially if the aim is to curb the proliferation of corruption within policy processes. Recent developments on systemic corruption call for understanding the dynamic character and the resiliency of these informal systems, which can circumvent almost any anti-corruption reform (Persson et al., 2013; Jancsics & Jávora, 2012).

Studies that conceptualize corruption can be classified into three main categories. First, studies that focus on the observance of dyadic or exchange relations, that is, interactions and behaviors at the individual level (Della Porta & Vannucci, 1997; De Graaf, 2007; De Graaf G. & Huberts, 2008; Lamsdorff, 1999; Plaček et al., 2018). This approach is often modeled using the principal-agent model (Della Porta & Vannucci, 1997) or portrayed as the illegal exchange of public resources or a hidden interaction with illegal consequences (De Graaf G. & Huberts, 2008; Plaček et al., 2018). Dyadic relations are the bases for some of the most frequently used corruption explanatory models given that it consists of a well-bounded phenomenon that is easy to operationalize.

Nonetheless, this model assumes-away some of the factors that are most important in sustaining corruption, such as in-group affiliation.

A second category adopts an institutional approach. The main characteristic of the approach is that it explains corruption using social or collective mechanisms that organically result in, promote, or involve, corrupt practices. For instance, Jancsics (2019) distinguishes between social bribes and market-based corruption, while the latter is reliant on the calculation of an individual benefit of a monetary exchange among actors who do not maintain any social bond. The former is a socially binding institution that relies on reciprocal relations based on expectations that are enforceable informally. These informal systems are powerful shapers of the organizational context, sometimes making it difficult for newcomers to evade corrupt practices (De Graaf, G. & Huberts, 2008).

The third category of corruption belongs to a *more* profound form, one where no rules are necessarily bent nor broken (Bozeman et al., 2018). Powerful actors impose themselves over institutions to neglect or override public values and cater to the interests of the few. Bozeman et al. (2018) define deep corruption as "[a]n authoritative use of structures of the state to thwart society's core values" (p. 5). This approach is nearly absent in the public administration literature (*ibid.*). It centers on the exercise of power by governmental and non-governmental actors, on their capability to cater to their non-public interests through the instruments of the state.

Authors have concentrated in capturing the differences and nuances separating one type of corruption to another or understanding

corruption that is concentrated on certain levels or groups (e.g., elites, low-level bureaucrats). While recent literature has argued for the need to match anti-corruption strategies by type of corruption this is insufficient in environments of systemic corruption (Jancsics, 2019; Plaček et al., 2018; Jancsics & Jávora, 2012). This persisting problem calls for a critical contextual analysis of the settings these anti-corruption strategies are meant to address.

Research Design

The construction of a grounded framework aiming to understand corruption consolidation was conducted along a two-stage mixed-methods design, using both inductive and deductive approximations to the data (Ashworth et al., 2019; Saz-Carranza & Ospina, 2011). The data were collected from two municipalities in Mexico (A and B). Theoretical sampling (Eisenhardt, 1989; Glaser & Strauss, 1967) guided case selection. Mexico is an interesting setting where municipalities are well embedded in systemic corruption and therefore key characteristics clearly emerge. Nevertheless, studying corruption in Mexico's local governments is extremely challenging due to data limitations, difficulties entering to the field, and the risks associated with conducting research in a dangerous setting.

The research design was supervised and approved by our institution's Ethics Committee, which conditioned its approval to strict anonymity standards extensive to the name of the cities, to grant the safety of all people involved, including the research team. City A and City B have populations of about 1 million, and both are economic powerhouses in their own states. According to official computation of the state's Corruption Incidence Rate, the state of City A and the

state of City B, come in fifth and sixth place, respectively, among the highest incidence rates in the country (ENCIG, 2019).

Methods

In-depth interviews (N=50) were conducted and three surveys were applied during 2019-2020. Snowball sample guided our interview stream. Interviewees included former and current municipal employees, businesspeople, members of professional organizations, local journalists, members of grassroots and advocacy organizations, and representatives of the local state anti-corruption systems. To control for bias that could arise from interviewing people who are connected to each other (Birnacki & Waldorf, 1981), we reviewed documentary evidence (e.g., newspaper articles, official documentation).

Three surveys were applied; one to the general public in City A survey open to the citizen (SOC 2019, N=1500), and two applied to Public Officials in Cities A and B's municipal governments (POS-A, N=546, POS-B, N=946). The sample aimed to achieve a 95% of confidence level within the universe.

Stage One: Theory Induction

Theory induction began with 18 in-depth, unstructured interviews in City A, lasting an average of 1.5 hours, which provided the foundation for initial identification of the main dimensions of the consolidation of corruption. These were the presence and qualities of *networks*, *organizational mechanisms* to persuade or coerce members of networks, the levels of *opacity* to function "under the radar," and the quality and weakness of the *check and balances* (C&B).

A literature review followed the preliminary conceptual formulation. We developed an analytical grid (De Graaf G. & Huberts, 2008) to match our analysis with relevant literature to define the concepts in ways that could guide a systematic immersion to the field.

Stage Two: Theory Construction

During theory construction, instruments were designed according to the conceptual matrix developed in the previous stage. The three surveys and further semi-structured interviews, 15 in City A and 17 in City B, were used to collect data. Analysis was performed by triangulation of data (Hendren et al., 2018), which allowed to produce a fine-tuned set of propositions that constitute the overall framework to study consolidation of corruption in local governments. We provide a brief example on the findings behind the framework. The last section discusses the applicability of the framework to other latitudes.

Corruption Consolidation Framework

The framework resulting from the research design above provides a set of four propositions:

1. The shape of corruption networks depends on the features of the process and its environment.

Systemic approaches to corruption see corruption networks as a fundamental explanatory concept (Lomnitz, 1988; Granovetter, 2004; Yu et al., 2018; Persson et al., 2019). In the network dimension, we verified the existence of networks, identified the types of actors participating in the networks, and sought to identify and understand the logic that binds actors (partisanship, complicity). What do these

networks pursue? In the cities studied, understanding the existing networks and the factors that give them cohesion allowed us to understand the practices of corruption from a unique perspective: to understand their function within a logic that surpasses the isolated practice.

2. The organization nurtures a set of mechanisms to induce the functionality of networks or to inhibit whistle-blowers that may hinder the operations of the corruption schemes.

Organizational integration mechanisms are defined as institutions that promote or provoke modes of conduct from their members into group patterns (Simon, 1997). In the organizational mechanisms dimension, we sought to identify organizational mechanisms that encouraged or guaranteed the participation of officials in acts of corruption. We analyzed rationales such as loyalty, coercion, or political convictions, and normalization processes (Arellano-Gault, 2017). It also included determining whether and how peer dynamics contributed to participation. Understanding organizational practices and culture is necessary to identify the mechanisms that sustain corruption.

3. A necessary condition for a corrupt network to act with impunity is to perform under high levels of opacity.

Opacity is a necessary condition for networks to perform “under the radar” (Pianezi & Grossi, 2018; Sancino et al., 2018). In the opacity dimension, we sought to identify the existence of opacity in municipal processes, to understand how discretion is used by officials to favor private interests, and to identify whether uncertainty was purposely induced to facilitate corruption. The opacity dimension is

especially complicated in environments of generalized corruption, where transparency can be used as an instrument to legitimize a corrupt regime (Jancsics & Jávora, 2012). This dimension is linked to the quality of institutional counterweights, given that controlling checks & balances makes it possible to raise opacity levels while simulating transparency.

4. A necessary condition for a corrupt network to act with impunity is to face weak or controllable C&B.

Checks and balances (C&B) are broadly defined as an environmental institution that promotes compliance to the legal use of resources and the lawful performance of personnel. In the C&B dimension, we sought to evaluate the quality of formal and informal institutions within and outside the government. Formal institutions are regulations and organizations that formally oversee the personnel, and informal are beliefs, attitudes and organizational culture that may or may not direct behavior towards the public interest. This dimension assesses the effectiveness of C&B and determine if they were inhibited in any way. For example, in City B, we found highly compromised internal controls. Members of the political network controlled the internal control systems of the municipality, which allowed them to turn them on or off at their convenience (Jávora & Jancsics, 2016), and to make rigged decisions, but within the margins of legality.

The framework, we argue, allows capturing the complexity and dynamism of corrupt systems. It will enable comparisons over time and comparisons across settings with generalized or systemic corruption.

Conclusion: Corruption Consolidation in Municipal Governments

Our framework connects symptomatic dyadic and network corruption to deeper, more systemic types of corruption. Our analysis provides a grounded analytical framework to understand the consolidation of corruption in local governments, identifying the conditions that lead corruption to become dominant and set the rules for the game (Meza & Pérez-Chiqués, 2020). We argue that making diagnoses of corruption based on these connections and broader frame, will allow for differentiating among different types of systems of generalized corruption.

Comparing cities allowed us to confirm the limitations of the instruments on which we often rely to establish anti-corruption policies. Evidence of corruption consolidation in both cities differs along the four dimensions, creating distinct configurations of the same phenomena. This provides a small test on how well the framework travels to different latitudes: it is systematic but sensitive enough to capture the nuances of consolidation of corruption according to each context. An example: City A's consolidation was shaped by disorganized corruption schemes, and by the operation of multiple networks which were primarily motivated by the pursuit of profit. City B's consolidation is organized, dominated by a party network whose main motivation is to stay in power, for the benefit of in-group members. An in-depth analysis of these two cases is beyond the aim of this paper, however, the comparison shows the potential implications of applying this framework to other settings, which, in turn, could help improve and add nuance to comparative studies of corruption.

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