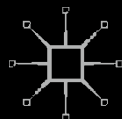


CRIMINOLOGY OF CORRUPTION

Theoretical Approaches

GRAHAM BROOKS



Criminology of Corruption

Graham Brooks

Criminology of Corruption

Theoretical Approaches

palgrave
macmillan

Graham Brooks
University of Wolverhampton
Wolverhampton, United Kingdom

ISBN 978-1-137-51723-4 ISBN 978-1-137-51724-1 (eBook)
DOI 10.1057/978-1-137-51724-1

Library of Congress Control Number: 2016955060

© The Editor(s) (if applicable) and The Author(s) 2016

The author(s) has/have asserted their right(s) to be identified as the author(s) of this work in accordance with the Copyright, Designs and Patents Act 1988.

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made.

Cover illustration: © Chris Schmidt

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Macmillan Publishers Ltd. London

Contents

1	Introduction	1
2	Studying Corruption: An Interdisciplinary Problem	17
3	The Extent of Corruption	43
4	Explaining Corruption: Differential Association	67
5	Explaining Corruption: Experiencing Strain in the 'Modern' World	87
6	Explaining Corruption: Drifting In and Out of Corruption and Techniques of Neutralization	107
7	Explaining Corruption: Why Don't We All Commit Acts of Corruption?	127
8	Explaining Corruption: As Inevitable in a 'System' of Conflict?	149

9	Explaining Corruption: The Power to Label Organizations, Institutions and Individuals as Corrupt	169
10	Explaining Corruption: A Rational, Calculated Choice?	185
11	Explaining Corruption: A Routine ‘Business’ Activity?	203
12	Reflections and Conclusion	221
	Further Reading	227
	Index	231

1

Introduction

Introduction

The essence of this book is to apply relevant sociological and criminological theoretical approaches to the problem of corruption. The inspiration behind this book comes from Huisman and Vande Walle (2010) and the aim is to produce a text that I hope is useful to both those with knowledge of sociology and criminology and those with knowledge of corruption but rarely both. Most theoretical approaches that explain corruption fall under the disciplines of political science and economics with some reference to sociology and/or criminology. This book is an attempt to address this imbalance. This is not a criticism of the corruption literature but a contribution to the debates regarding international corruption. As such, this book expands on the theoretical frameworks currently used in the corruption literature and helps broaden the discussion on *why* and *how* individuals, organizations and states commit corrupt acts. Political science and economics focus on the measurement of corruption and on strategies of prevention and view offenders as mostly rational actors. This echoes some criminological approaches—such as rational choice (Wilson and Herrnstein 1985) and routine activity (Cohen and Felson 1979),

but these, in both the corruption and criminology literature, do not really focus on why individuals and organizations resist corruption, since acts are considered only as rational and self-interested. In the literature on rational criminological approaches and corruption the primary focus is on making it difficult for such acts to occur by changing processes and structures to prevent access to openings and avenues of corruption.

Sociology and criminology, however, offer a more nuanced explanation of corruption with ‘punishment’ playing a far more important role in preventing it, and with an emphasis on criminality being learned in interaction with others in a process of communication and from observations of what are referred to as definitions favourable to violation of law(s) (Sutherland 1939). In addition there are those who are unable to achieve ‘success’—defined as an accumulation of wealth—in a legitimate manner and who therefore behave in an illegitimate way (Merton 1938), justifying criminal acts via techniques of neutralization (Sykes and Matza 1957) and who drift in and out of crime (Matza 1964). There are also explanations as to why people refrain from, and resist the temptation to commit, acts of corruption (Hirschi 1969; Hirschi and Gottfredson 1987), with corruption seen as inevitable in capitalism (Dahrendorf 1958; Turk 1969; Quinney 1969; Chambliss 1975) where the power to label (Becker 1963; Erickson 1966) and characterize ‘others’ as corrupt whilst also engaged in acts of corruption. I mainly draw on the ‘original’ theoretical proposals in this book but where useful also use relevant contemporary literature. The reason for this is that those new to sociological and criminological theoretical approaches are able to access the ‘original’ source and make a personal assessment of the usefulness of the approach rather than rely on the interpretation of others.

Often dismissed as ‘empty ruminations’, theorizing does have consequences on how we treat, punish and deter offenders (Lilly et al. 1989). A brief scan of criminal justice policy illustrates that theoretical approaches affect what laws and techniques are implemented and therefore constitute a core element of preventing crime. Furthermore, corruption ranges from unethical but legal acts to highly illegal acts; it can therefore be considered deviant and/or criminal. This in particular is where the usefulness of sociology and criminology comes into play; and there are many texts that offer those with a limited knowledge of these subjects an analysis of theoretical approaches that lie beyond the scope of this book

(Tierney and O’Neill 2009; Hagan 2012; Siegal 2012; Treadwell 2012; Hopkins-Burke 2013; McLaughlin and Newburn 2013; Vito and Maahs 2015). Both sociology and criminology have a history of explaining deviance, the breaking of rules and moral codes, and also criminal acts—and the approaches in this book reach beyond the current, mostly political science and economic, explanations as to why people are corrupt and how to prevent it. The search for why people commit acts of corruption and crime is not conducted in some social vacuum: rather it is part of the changing social world, and understanding why corruption occurs is a prelude to developing strategies to control and prevent it. Theoretical approaches are advanced to suggest a policy change—or, following a policy change, to justify and explain it—as the best way to prevent and reduce crime (Lilly et al. 1989). Theoretical approaches can and do go through a process whereby they legitimize techniques of control (Garland 2001) and prevention (Clarke 1980; O’Malley 1992; Clarke 1997; Farrington et al. 2003; Crawford 2009), usually linked to different views on individual responsibility and welfare (Currie 1985; Murray 1990); but, as with the ravages of time, they also collapse under the weight of ‘new’ approaches that fit the changing social and political context. The changes in theoretical explanations that alter or maintain policy are themselves the product of political and social transformations and thus how offenders are viewed. However, previous approaches do not simply disappear; elements of them remain as ‘new’ approaches are developed. In this book I chart what I consider to be the development of the most relevant theoretical approaches to help explain acts of corruption. Apart from differential association (Sutherland 1939), which focussed on what is referred to as white-collar crime, and also crimes committed by the powerful, in the conflict literature (Dahrendorf 1958; Turk 1969; Quinney 1969), these original sociology and criminology theoretical approaches rarely mentioned corruption and instead focussed primarily on street crime. Adaptations of these original explanations (Agnew 1992; Agnew and White 1992), have, however, extended beyond the focus on street crime and illustrated the contribution sociology and criminology can make to debates on corruption. Placing corruption into theoretical frameworks reaches across sectors and/or national borders and deals with understanding the concept on an international scale.

A note of clarification is needed before starting the book. I mostly, but not always, refer to organizations rather than corporations since

I wish to illustrate that corruption is not the province of corporations; rather, it is committed by states, NGOs and all types of organizations. The most egregious acts might be committed by corporations, particularly in concert with a corrupt state, but all organizations, regardless of size, can and do commit acts of corruption. I also use the term ‘corruption’ to refer to legal but immoral acts, such as nepotism, and to highly illegal acts, such as fraud, both of which are part of the continuum of corruption (Brooks et al. 2013). However, where relevant I use the term ‘criminal corruption’ to indicate that a criminal act has occurred rather than one that falls under some moral code. Furthermore, acts of corruption are also termed white-collar crimes, which is favoured in American literature (Wheeler et al. 1982; Weisburd et al. 1991; Weisburd and Waring 2001) where white collar crime is often referred to as economic offenses committed by the use of some combination of fraud, deception, or collusion (Weisburd et al. 1991; Weisburd and Waring 2001; Shover & Hochstetler 2006; Ferguson 2010; Gottschalk 2010; Payne 2013) This terminology has also expanded its reach into Europe (van Erp et al. 2015).

The problem with such a broad definition concerns the different types of white-collar crimes and complexity of the offence, the number of individuals involved and the degree of victimization. Whilst I replicate this term faithfully here in reference to the literature I make a distinction between fraud and white-collar crime which is not always the case in the literature. The reason for this is that white-collar crime only denotes the position—white collar—of the person that has committed the act. For example, if a person who is a solicitor commits benefit fraud it is defined as a white-collar crime (as well as fraud), but if someone unemployed commits benefit fraud, it is fraud. The same act has been committed but the position, the status, of the person has defined the crime. Therefore, I will name the crime—money laundering, fraud and bribery—where possible to avoid confusion.

A Problem of Definition

As a discipline, criminology has a history of debating the usefulness and limitations of crime data and the problematic nature of recording crime and thus its measurement. Coleman and Moynihan (1996) explain how crime is recorded and also why crime statistics substantially under-record crime.

Regardless of the criminal justice system—adversarial or prosecutorial—similar issues arise, such as no confidence in the police, lack of trust in the police, no insurance, committing a crime whilst victimized, or items stolen of little personal value (Bottomley and Coleman 1981; Bottomley and Pease 1986). Crime data are problematic, but if we consider them for what they are—an estimate of the level of crime, and are aware of the limitations—they do serve a purpose and are of use. For all the limitations, recorded crime is an antidote to wild, inaccurate, sensational views of crime (Jones 2006), and also highlights how the police work. For example, the different rates of cautions used, on whom and in which locations offers insight into data on arrests and convictions. Furthermore, there is criminology literature on the problem(s) of recording ‘hidden crimes’ such as fraud (Levi and Burrows 2008; Button et al. 2011). Corruption, whilst different in that it is predominantly, but not always, a non-violent crime, is similar in that it is ‘hidden’ and therefore difficult to assess the amount of it that occurs (Heywood 2015) and also the number of victims of such acts.

Crime is defined in different ways depending on the theoretical approach used. Ditton (1979) has claimed that no crime has been committed until a court decides on the guilt or innocence of the accused. However, people that break the law are not always convicted: some offenders are cautioned, some crime is permanently hidden and some is discovered after the offender’s death. But this definition is circular: criminal law appears both as a response to crime and the formal definition of it. It fails to explain why some types of crime become criminalized, similar acts are acceptable and/or unacceptable, depending on the context, and why some criminal acts are repealed: examples include the Volstead Act 1919–1933 that brought about prohibition in the USA, the killing of civilian or a soldier in war, or where state’s laws in the USA differ depending on its view of abortion. Defining crime then is a complex business and one that often depends on the theoretical basis of the approach that will be discussed in subsequent chapters.

As with all crime data there is an ongoing discussion as to whether the measurement of criminal acts is worthwhile. I suggest that it is more than worthwhile: it is necessary. Whilst crime data is flawed, this is no reason to abandon the exercise, as some data and record is still partially useful. Any policy or strategy will need some indication of the size of the

problem to put in place systems of prevention, hence the measurement of crimes and the development of more sophisticated approaches increase our knowledge of the problem and in turn the level of victimization.

There is also a wealth of literature on corruption as a concept, its causes, its measurement and location, its impact and how to prevent it (Philip 1997; Gardiner 2002; Johnston 2005; Golden and Picci 2005; Doig 2011; Brooks et al. 2013; Heywood 2015; Hough 2015). The problem, however, is that before it can be measured a working definition is needed, which is often contested. Furthermore, since the 1990s most anti-corruption efforts have been a major policy failure (McCusker 2006; Persson et al. 2010; Heeks and Mathisen 2012; Heywood 2015). This is perhaps because the majority of the research so far has focused on the nation-state as a principal unit of assessment, particularly if it sets out to measure corruption or attempts to identify causes of corruption. In practice, however, actual instances of corruption are local and in specific settings and contexts that do not readily map onto a nation-state because of differences within and between sectors; corruption is also often transnational (Heywood 2015).

In addition corruption, especially political corruption, is seen predominantly as a public sector issue. This, however, is slowly changing with recognition that the private sector is corrupt without any link to or involvement with the public sector (Hough 2015; Heywood 2015). The delivery of public services has also changed the landscape, as downsizing and contracting out to the private sector has blurred the once clear distinction between private and public in which the latter was damned as corrupt (Tanzi 1998, 2000). The transformation in the delivery of services engenders new risks for corruption with the close and vested interests that now exist between the public and private sectors. Such an emphasis on public sector corruption is therefore misleading and misses the reach and extent of corruption and by whom it is committed. As noted by Heywood (2015) there needs to be a recalibration of how we conceptualize corruption and how we study it empirically and analyze it before we know how best to combat it. The aim of this book is to contribute to this debate but also to focus on the application of sociological and criminological theoretical approaches in helping explain and understand corruption and potential techniques in preventing or reducing it.

There are common elements of corruption such as the misuse of power, the violation of trust and position, and personal or organizational financial benefit (Bowman and Gilligan 2007; Brooks et al. 2013). These elements are not exhaustive, and an attempt to classify corruption is compounded by trying to review the social, cultural and legal attitudes towards it and which define it across jurisdictions. Even with a clear definition, which would be difficult, if not impossible, the measurement (Anderson and Heywood 2009; Brooks et al. 2013) and secretive nature of corruption is difficult to police (Sandholtz and Gray 2003). This is more the case at the cross-border international level as corruption is not anchored in a fixed place and has no respect for international borders (Becker et al. 2009). The complex nature of these acts and differences in social, cultural and political developments only ‘muddy the waters’ of what corruption *is*, and who has jurisdictional control. Further, much legislation is Western in its development and thus could be seen as a new form of control to suppress developing nations that are becoming increasingly competitive (Brooks et al. 2013). It is best perhaps best to view corruption as a continuum: it can range from legal acts that are morally condemned to highly illegal and criminal acts that involve the public or private sector, working alone or in concert with one another. Traditional roles, particularly in the West where the public sector had a monopoly on providing services, have become moribund with the ‘Balkanization’ of state apparatuses due to new public management reforms (NPM) that have gradually colonized much of public sector service delivery and promoted the separation of policy decisions from policy delivery (Heywood and Wright 1997: 91).

These NPM reforms have created new openings for corruption and increased conflicts of interest as public service employees move between highly paid public and private sector positions, either after a few years employment or on retirement. The knowledge of the procedures and processes and contacts in a public sector body is invaluable to the private sector. This is to suggest that the following people are corrupt but that new avenues are open for those that are. For example, Geoff Hoon (previously a defence secretary) later became Vice President of International Business for AgustaWestland after they were awarded a contract in May 2011 without competition; Sir Sherard Coper-Coles (previously United Kingdom Ambassador to Saudi Arabia), who pressured the Serious Fraud

Office to stop its investigation into BAE Saudi arms deals, later became International Business Development Director BAE Systems, in February 2011; and Air Chief Marshall Sir Glenn Torpy (previously Chief of the Air Staff) became Senior Advisor to BAE Systems in January 2011 (Heywood 2015: 10).

These movements of people have raised some concern in different jurisdictions about the use of privileged information in the private sector, as one organization can secure privileged information and/or access information at expense of others applying for public sector contracts (Heywood 2015). The net result of this is a growing privatization of the state but also 'business politicians' (Della Porta and Vannucci 1997: 75) that combine mediation in licit or illicit deals with an increase in abuse of office, lobbying ex-colleagues and the inappropriate use of official information with the usual suspicion of kickbacks, bribes and embezzlement. The prospect of future corruption, perhaps beyond the reach of anti-corruption bodies, is a new avenue arising between these financial and political sectors that is characterized by minimal state regulation. This is amply illustrated by HBOS, the financial sectors that channelled Mexican cartel funds and Deutsche Bank which was involved in fixing Libor interest rates (Hosking and Wilson 2015; Wilson 2015), as well as Wall Street's financial backing of some Republican candidates in US elections in 2015, perhaps on the understanding that they would repeal some of the Dodd Frank legislation (that prevents risky lending and the manipulation of hidden fees) so they could return to investing in (I prefer to refer to this as gambling) risky investments in the knowledge that there is potentially a 'safety net' in the form of tax-payers' funds (Acharya 2010).

Therefore, because of the developments mentioned above, I prefer to avoid the oft quoted Transparency International's (2012) well-worn phrase of 'the abuse of entrusted power for private gain', which has its limitations. Attempting to fit an all-encompassing definition for acts that are so wide-ranging and politically and culturally defined excludes acts of corruption rather than including them; criminology and sociology offer a far more nuanced approach and help place acts of corruption onto a continuum and highlight and analyse all acts on this continuum that range from deviant to non-criminal to criminal acts.

Outline of Book

Chapters may be read sequentially or individually depending on the reader's interests. Each chapter offers a brief synopsis of the theoretical approach which is then followed by its application and an analysis of its usefulness in helping our understanding of corruption.

Chapter 2—*Studying Corruption: An Interdisciplinary Problem*—focuses primarily on theoretical approaches in sociology and criminology that explain corruption, drawing on legal, political, economic and cultural approaches that highlight the need for an interdisciplinary method to tackle the extent of corruption. In this chapter I therefore critically examine the obstacles to an unequivocal interdisciplinary 'working definition' of corruption and I note that the diversity of and responses to corruption, whilst useful, can sometimes make the prevention of corruption a complex problem to understand due to the competing approaches that emphasize the key focus of their own discipline. However, I point out the usefulness of sociological and criminological theoretical approaches that explain how the concept of power, its application and use, can help define corruption. This chapter therefore draws on the sociology/criminology literature by placing corruption into a social and political context which highlights the complex nature of what 'corruption' is. Corruption is therefore placed onto a continuum that highlights how different theoretical approaches emphasize different aspects of it.

Chapter 3—*The Extent of Corruption*—focuses on the problem of measuring the extent of corruption; I therefore review the different types of measurement presently available and consider the strengths and weaknesses in these approaches, such as the range of perception surveys, self-report studies and observational research (McCusker 2006; Heywood et al. 2015) that have been published. I then review the ongoing challenges in developing an accurate understanding of either the extent of corruption or the success of any anti-corruption strategies/initiatives. I highlight the fact that both the sample sizes and sophistication of certain measures have at least enabled some insight into the extent of corruption, which was previously beyond our reach.

Chapter 4—*Explaining Corruption: Differential Association*—contains an examination of Sutherland's (1939) explanation of white-collar crime and how it helps us to understand corruption. It is the starting point for 'crime in the suites' (Timmer and Eitzen 1989) with its focus on white collar crime instead of crime in the streets and as such has a key place in the development of sociology/criminology and in the explanation of individual and organizational corruption. However, seen as part of the body of knowledge often associated with conflict theory, it fails to characterize 'corporations' as 'organizations of exploitation' (unlike other authors in Conflict Theory Chap. 7) and as such offers a non-political view of those that commit acts of corruption. This does, however, set the scene for further theoretical discussions on corruption, highlighted with reference to the automobile industry and private military contractors 'working' in war zones.

Chapter 5—*Explaining Corruption: Experiencing Strain in the 'Modern' World*—examines how 'strain' might contribute to our understanding of corruption. In a predominantly capitalist world, primarily measured by individual and organizational financial success and consumption, strain can offer significant insights into potential acts of corruption (Merton 1938; Agnew 1992; Schoepfer and Piquero 2006; Langton and Piquero 2007). It is applied to acts of corruption in sectors as diverse as space exploration and healthcare. It therefore focuses on individuals, organizations and states that encounter strain in the 'modern world' as an explanatory approach to past, present and future acts of corruption.

Chapter 6—*Explaining Corruption: Drifting In and Out of Corruption and Techniques of Neutralization*—reviews the explanation that corruption is a choice and one that individuals and organizations can drift in and out of depending on a number of factors (Matza 1964). I also consider the techniques of neutralization (Sykes and Matza 1957) used by individuals and organizations to justify corrupt acts. I therefore see corruption as flexible rather than fixed. This approach helps us understand why an individual/organization might act in both a corrupt and ethical way in a set period of time in response to economic circumstances in the financial sector, the world of sport and the automobile sector and thus drift in and out of corruption.

Chapter 7—*Explaining Corruption: Why Don't We All Commit Acts of Corruption?*—takes a different approach to most theoretical explanations of corruption and instead focusses on the reasons that explain how corruption is resisted rather than committed (Hirschi 1969; Hirschi and Gottfredson 1987). In this sense the focus is on personal internal control and social conditioning rather than external legal threats and sanctions. However, once the theoretical explanations have been reviewed, the focus shifts on to external control and as such offers an avenue of opportunity to explore explanations of possible prevention.

Chapter 8—*Explaining Corruption: As Inevitable in a 'System' of Conflict?*—considers how 'business' inevitably leads to conflict and asserts that corruption is part of a system that is based on exploitation (Quinney 1969, 1975, 1977). This exploitation and manipulation in search of ever increasing profits concerns people, resources and states as highlighted in this chapter by how 'new capitalist states' such as Russia have been built on a system of corruption and conflict (Rawlinson 2012). I do not suggest radical solutions to preventing corruption as different types of capitalist state and communism all encounter corruption; the difference is that in a capitalist system power is mostly, but not always, financial, and in communism it is the position held in the bureaucratic structure that leads to the potential for corruption. As this chapter highlights, all political systems and methods of creating and distributing wealth fall foul of corrupt individuals and organizations.

Chapter 9—*Explaining Corruption: The Power to Label Organizations, Institutions and Individuals as Corrupt*—is concerned with the power to label individuals/organizations/states as wayward, illegal and corrupt (Becker 1966). The concept of power is thus a key part of this chapter. However, this notion of power is and can be challenged, and thus the power to define an event and/or individual is contested. For example, the causes of the Hillsborough stadium disaster in England in 1989 and the labelling of football fans as 'beasts', and how the International Monetary Fund and World Bank dominate the discourses of corruption and label the public sector as the cause of corruption. This chapter also considers the power of the ability of individuals/organizations/states to label, which can lead to a Western ethnocentric view of corruption.

Chapter 10—*Explaining Corruption: A Rational, Calculated Choice?*—asserts that corruption is a rational choice based on a calculated cost–benefit analysis. Drawing on the key elements of this theoretical approach (Clarke 1980) this chapter focusses on our appetite for environmental destruction and contemporary strategies aimed at prevention and punishing those that commit such acts.

Chapter 11—*Explaining Corruption: A Routine ‘Business’ Activity?*—explores the view that corruption is routine and that unless certain elements are in place then corruption is possible. I therefore discuss the key elements of this approach and the possible way its explanations can be applied and help to prevent corruption in the financial system. I therefore discuss the key elements of this approach and the possible way its explanations can be applied to and help prevent corruption. I offer some valuable contemporary insights and accept that crime/corruption seems routine (Cohen and Felson 1979) in some quarters such as the financial sector.

Chapter 12—*Reflections and Conclusion*—reflects on the contribution of these theoretical frameworks and discourses that assist in understanding corruption and applying relevant approaches and strategies to prevent it.

References

- Acharya, V. V., Cooley, T.F., Richardson, M. P., & Walter, I. (2010). *Regulating Wall Street: The Dodd-Frank Act and the new architecture of global finance*. Winchester: John Wiley & Sons.
- Agnew, R. (1992). Foundation for a general strain theory of crime and delinquency. *Criminology*, 30(1), 47–87.
- Agnew, R., & White, H. (1992). An empirical test of general strain theory. *Criminology*, 30(1), 475–499.
- Anderson, S., & Heywood, P. M. (2009). The politics of perception; use and abuse of Transparency International’s approach to measuring corruption. *Political Studies*, 57(4), 746–767.
- Becker, H. S. (1963). *Outsiders: Studies in the sociology of deviance*. New York: Free Press.
- Becker, H. S. (1966). *Outsiders: Studies in the sociology of deviance*. New York: Free Press.

- Becker, S., Egger, P., & Seidel, T. (2009). Common political culture: Evidence on regional corruption contagion. *European Journal of Political Economy*, 25(3), 300–310.
- Bottomley, K., & Coleman, C. (1981). *Understanding crime rates*. Farnborough: Gower.
- Bottomley, K., & Pease, K. (1986). *Crime and punishment: Interpreting the data*. Milton Keynes: Open University Press.
- Bowman, D., & Gilligan, G. (2007). Public awareness of corruption in Australia. *Journal of Financial Crime*, 14(4), 438–452.
- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.
- Button, M., Gee, J., & Brooks, G. (2011). Measuring the cost of fraud: an opportunity for the new competitive advantage. *Journal of Financial Crime*, 19(1), 65–75.
- Chambliss, W. (1975). Toward a political theory of crime. *Theory and Crime*, 2, 152–153.
- Clarke, R. (1980). *Situational crime prevention*. *British Journal of Criminology*, 20(2), 136–147.
- Clarke, R. V. G. (1997). *Situational crime prevention*. Monsey, NY: Criminal Justice Press.
- Cohen, L. E., & Felson, M. (1979). Social chance and crime rates trends: A routine activity approach. *American Sociological Review*, 44(4), 588–608.
- Coleman, C., & Moynihan, J. (1996). *Understanding crime data: haunted by the dark figure*. Milton Keynes: Open University Press.
- Crawford, A. (2009). *Crime prevention policies in comparative perspective*. Devon: Willan Publishing.
- Currie, E. (1985). *Confronting crime: An American challenge*. New York: Pantheon.
- Dahrendorf, R. (1958). *Class and class conflict in industrial society*. Stanford, CA: Stanford University Press.
- Della Porta, D., & Vannucci, A. (1997). The “perverse effects” of political corruption. *Political Studies*, 45(3), 516–538.
- Ditton, J. (1979). *Controlology*. London: Macmillan.
- Doig, A. (2011). *State crime*. Cullumpton: Willan Publishing.
- Erickson, K. T. (1966). *Wayward puritans: A study in the sociology of deviance*. New York: Wiley.
- Farrington, D. P., MacKenzie, D. L., Sherman, L. W., & Welsh, B. C. (2003). *Evidence-based crime prevention*. Basingstoke: Routledge.
- Ferguson, J. E. (2010). *White collar crime*. New York: Chelsea House Publishers.

- Gardiner, J. (2002). Defining corruption. In A. Heidenheimer & M. Johnson (Eds.), *Political corruption, concepts and contexts*. New Brunswick, NJ: Transaction Publishers.
- Garland, D. (2001). *The culture of control: Crime and social order in contemporary society*. Oxford: Oxford University Press.
- Golden, M., & Picci, L. (2005). Proposal for a new measure of corruption, Illustrated with Italian data. *Economics and Politics*, 17(1), 37–55.
- Gottschalk, P. (2010). *White-collar crime: Detection, prevention and strategy in business enterprises*. Boca Raton, Florida: Universal Publishers.
- Hagan, F. (2012). *Introduction to criminology: Theories, methods and criminal behavior*. Thousand Oaks, CA: Sage.
- Heeks, R., & Mathisen, H. (2012). Understanding success and failure of anti-corruption initiatives. *Journal of Crime, Law and Social Change*, 58(5), 533–549.
- Heywood et al. (2015). *Routledge handbook of political corruption*. London: Routledge.
- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Heywood, P. M., & Wright, V. (1997). Executives, bureaucracies and decision-making. In M. Rhodes, P. M. Heywood, & V. Wright (Eds.), *Development in West European politics*. London: Macmillan.
- Hirschi, T. (1969). *Causes of delinquency*. Berkeley, CA: University of California Press.
- Hirschi, T., & Gottfredson, M. (1987). Causes of white collar crime. *Criminology*, 25(4), 949–974.
- Hopkins-Burke, R. (2013). *An introduction to criminological theory*. Abingdon: Routledge.
- Hosking, P., & Wilson, H. (2015, April 24). How Deutsche cheated and misled. *The Times*, p. 38.
- Hough, D. (2015). *Corruption, anti-corruption and governance*. Basingstoke: Palgrave Macmillan.
- Huisman, W., & Vande Walle, G. (2010). *The criminology of corruption. The good cause. Theoretical perspectives on corruption*. Barbara Budrich: Opladen.
- Johnston, M. (2005). *Syndromes of corruption: Wealth, power and democracy*. Cambridge: Cambridge University Press.
- Jones, S. (2006). *Criminology* (3rd ed.). Oxford: Oxford University Press.
- Langton, L., & Piquero, N. L. (2007). Can general strain theory explain white collar crime? A preliminary investigation of the relationship between strain and select white collar offenses. *Journal of Criminal Justice*, 35(1), 1–15.

- Levi, M. and Burrows, J. (2008). Measuring the impact of fraud in the UK: A conceptual and empirical journey. *British Journal of Criminology*, 48(3), 293–318.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (1989). *Criminological theory: Context and consequences*. Thousand Oaks, CA: Sage Publications.
- Matza, D. (1964). *Delinquency and Drift*. New York: Wiley.
- McCusker, R. (2006). *Review of anti-corruption strategies*. Canberra: Australian Institute of Criminology.
- McLaughlin, J., & Newburn, T. (2013). *The sage handbook of criminological theory*. London: Sage.
- Merton, R. K. (1938). Social structure and anomie. *American Sociological Review*, 3, 672–210.
- Murray, C. (1990). *The emerging British underclass*. London: Institute for Economic Affairs.
- O'malley, P. (1992). Risk, power and crime prevention. *Economy and Society*, 21(3), 252–275.
- Payne, B. (2013). *White collar crime*. Thousand Oaks: Calif: Sage.
- Persson, A., Rothstein, B., & Teorell, J. (2010). *The failure of anti-corruption policies: A theoretical mischaracterisation of the problem* (QoG Working paper Series 19).
- Philip, M. (1997). Defining political corruption. In P. Heywood (Ed.), *Political corruption*. Oxford: Blackwell.
- Quinney, R. (1969). *Criminal justice in American society*. Boston: Little Brown.
- Quinney, R. (1975). *Criminology: Analysis and critique of crime in America*. Boston: Little Brown.
- Quinney, R. (1977). *Class, state, and crime: On the theory and practice of criminal justice*. New York: David McKay.
- Rawlinson, P. (2012). Corruption, organised crime and the free market in Russia. In P. Gounev & V. Ruggiero (Eds.), *Corruption and organised crime in Europe*. Abingdon: Routledge.
- Sandholtz, W., & Gray, M. M. (2003). International integration and national corruption. *International Organization*, 57(4), 761–800.
- Schoepfer, A., & Piquero, N. L. (2006). Exploring white collar crime and the American dream: A partial test of institutional anomie theory. *Journal of Criminal Justice*, 34, 227–235.
- Shover, N., & Hochstetler, A. (2006). *Choosing white collar crime*. Cambridge: Cambridge University Press.
- Siegal, L. (2012). *Criminology: Theories, patterns and typologies*. Belmont, CA: Wadsworth Cengage Learning.

- Sutherland, E. H. (1939). *Principles of criminology* (3rd ed.). Philadelphia, PA: Lippincott.
- Sykes, G. M., & Matza, D. (1957). Techniques of neutralization: A theory of delinquency. *American Sociological Review*, 22, 664–670.
- Tanzi, V. (1998). *Corruption around the World: Causes, consequences, scope and cures* (Working Paper 98/63). Washington, DC: IMF.
- Tanzi, V. (2000). *Policies, institutions and the dark side of economics*. Cheltenham: Edward Elgar.
- Tierney, J., & O’Neill, M. (2009). *Criminology: Theory and context*. Harlow: Person Longman.
- Timmer, D. A., & Eitzen, S. (1989). *Crime in the streets and crime in the suites: perspectives on crime and criminal justice*. New Jersey: Prentice Hall.
- Transparency International (2012). *Corruption Perception Index 2012*. London: Transparency International.
- Treadwell, J. (2012). *Criminology: The Essentials*. London: Sage.
- Turk, A. T. (1969). *Criminality and legal order*. Chicago: Rand McNally.
- van Erp, J., Huisman, W., & Walle, G. V. (2015). *The Routledge handbook of white-collar and corporate crime in Europe*. London: Routledge.
- Vito, G. F., & Maahs, J. R. (2015). *Criminology: Theory, research and policy*. Burlington, MA: Jones and Bartlett Publishers.
- Weisburd, D., & Waring, E. (2001). *White-collar crime and criminal careers*. New York: Cambridge University Press.
- Weisburd, D., Wheeler, S., Waring, E., & Bode, N. (1991). *Crimes of the middle classes: White collar offenders in the federal courts*. New Haven, CT: Yale University Press.
- Wheeler, S., Weisburd, D., & Bode, N. (1982). Sentencing the white collar offender: Rhetoric and reality. *American Sociological Review*, 47(5), 641–659.
- Wilson, H. (2015, November 13). How bankers in last chance saloon fixed forex markets. *The Times*, p. 50.
- Wilson, J. Q., & Herrnstein, R. (1985). *Crime and human nature*. New York: Simon and Shuster.

2

Studying Corruption: An Interdisciplinary Problem

Introduction

In this chapter I emphasize the usefulness of sociological and criminological theoretical approaches to help explain corruption. This chapter therefore draws on the sociology/criminology literature, placing corruption into a social and political context which highlights the complex nature of what ‘corruption’ is or how it is defined and viewed depending on the academic discipline. In attempting to define any concept, act or term and articulate it in such a way that it is understood, particularly for those unfamiliar with the field of study, is a difficult task. This is particularly so with corruption (Heywood 2015). Any definition, as noted by Philp (2015), can have two elements: it can articulate the import and use of a word, and it can act as a tool to help explain its meaning; the social sciences are primarily concerned with the latter. Understood as a tool, a definition aims to identify a set of criteria that suggests necessary and sufficient conditions for an act to occur. These criteria, however, differ depending on the focus of the discipline and also the theoretical approach.

What Is Corruption?

Innumerable definitions of corruption are available (Iyer and Samociuk 2006; Brooks et al. 2013; Heywood 2015), with most emphasizing the public sector as a cause or conduit of corruption. This, however, as was noted in Chap. 1, underplays and misrepresents the private sector and its penchant for corruption. Within the social sciences we are trying to identify a range of behaviours at the individual, organizational and state level that are considered corrupt. This process is made difficult because acts of corruption are motivated social actions—be they rational, calculated and/or temporary deviations. Therefore corruption is located in a context in which people interact. The majority of the academic literature is still marked by a Western assumption about the need for free markets and liberal constitutional orders, even though there is significant difference within states—democratic, autocratic—and across sectors—oil, health, finance. Even with this obvious development, corruption is still seen, even by major organizations such as the IMF and World Bank, as a public sector issue (Hough 2015). This, as mentioned above, is incorrect. With the increase in the privatization of public services such developments have blurred the distinction between the public and private spheres of influence and power. The private sector can commit corruption without any contact with the public sector.

A useful example here is that of Enron where a few executives hid billions of dollars of debt from failed projects. These debts were hidden from company directors and shareholders as well, and as a consequence of this ‘creative accounting’ new regulations and legislation such as the Sarbanes–Oxley Act 2002 was enacted to demand that the financial position and status of such organizations be reported as accurately as possible, with increased penalties for destroying, altering or fabricating records to defraud shareholders (McClellan and Elkind 2013). Emphasis on the public sector, however, means that we miss actual instances of corruption outside of that sector. Even with a focus on the public sector and institutions in a nation-state, a specific sector within a state can vary depending on geographical location; an example here is that of Italy, which is seen as corrupt but with different levels in the south and north

(Golden and Picci 2005; Heywood 2015). This is possibly due to the influence of organized crime in the south.

A definition that is often used to define corruption is that of ‘abuse of entrusted power for private gain’ (TI 2012). This is not a simple definition of public sector corruption, even though it is often used as one. Corruption is also a term of appraisal and one that is negative. It has different meanings—specialized, technical and professional—but also a public social meaning, and an understanding of what is corrupt. This has produced a consistent feature in the corruption literature, namely that there is no conclusive definition of the term. The problems encountered when trying to construct a consistent and unambiguous meaning of corruption exhibit the fact that many factors undermine attempts to provide a definitive version of it, particularly when studying the issue from an international perspective. As a result an identified unequivocal definition of corruption remains elusive and also provides challenges for strategies of prevention and enforcement. Corruption should therefore be viewed as a complex and multifaceted phenomenon with a multiplicity of causes and effects, as it exhibits many different forms and functions in very diverse contexts, such as a single act that transgresses either a law, or a way of life for an individual, group of people and/or societal order which is morally acceptable (Heywood 2015).

The problem here, though, is that if we view corruption as only a local problem this blocks any cross-cultural analysis; and yet similar acts of corruption are committed in different jurisdictions. This is where quantitative indexes such as Transparency International’s Corruption Perception Index and World Governance Indicators are useful, but also limited. They inform us of which country is viewed, based on a survey of respondents at a point in time that might not always reflect the view a country has of itself, as corrupt on a ranking system, but tell us little about the reality of living with this corruption.

Exactly what counts as corruption may be relative, but our understanding of it is rooted in social, political and cultural systems. Corruption is a product of its environment, history and social development. We therefore fall into a trap whereby we try to define corruption as a technical problem that can be dealt with by changing processes—this view of people is a predominantly economic one where the incentive to act in a

corrupt way must be blocked regardless of the often wide-ranging and diverse acts of corruption. It is also viewed, depending on the factors above, as an illustration of moral decay. However, attention on morality alone is also flawed as it does little to assist those from the social sciences in explaining corruption, focussing instead on behavioural indicators and its potential manifestations.

Context is, however, important in any definition of corruption. For example, a dictatorship is corrupt, but a body of armed men—state army or private military contractors—use power to maintain political, bureaucratic power. Whilst dictatorships secure some legitimacy from a percentage of the population, assisted by private sectors sometimes from the West, such a system is about domination and brutal exploitation, with authority buttressed by coercion, intimidation and ideology (Philp 2015). Dictators have the power to make rules, change them and/or ignore them. This leaves them clear of any accusation of corruption, in their own country at least, and those that speak out are often arrested and convicted of some crime and/or simply disappear. But in such a system the public domain is inherently corrupt as it distorts and undermines the exercise of public office so as to meet private, partisan or sectional interests. This often happens in oil rich nations with a low level of democratic accountability, such as Nigeria, Angola, Middle Eastern countries and Venezuela, or with the power of organized crime that destabilizes and corrupts the state, such as occurs in Mexico.

Whilst self-interested acts, particularly in public office, look like a necessary condition for corruption in a war zone, civil war and/or invasion of a country, it becomes unclear how to characterize corrupt acts in peacetime. This is because, in circumstances such as war, people may have no choice but to act in a specific way to survive. There will obviously be victims where civil war is endemic, but it is impossible to characterize a person in a public office as always self-serving, as the distribution of resources may be a function of necessity, familial duty or religious loyalty, which displace the standards of public office for some individuals. If international bodies or institutions in a country in the midst of civil war attempt to establish standards it is somewhat naive to expect them to be achieved. What is needed is a more pronounced understanding of what motivates people to act in a corrupt way beyond simple self-interest,

particularly if we expect people to change the way they behave in times of war and peace (Philp 2015); it is here that sociology and criminology have much to offer beyond the current political science and economic theoretical discourses. However, before we embark on varied and wide-ranging criminological explanations of corruption we need to review the key theoretical approaches in the corruption literature.

Explaining Corruption: The Rational Economic, Political Science and Legal Approaches

The causes of corruption and their subsequent solutions currently fall under three broad approaches; these are the rational economic, political science and legal approaches. The rational economic approach assumes that individuals, organizations and states simply act out of self-interest. This view has dominated much of the debate about corruption and often proposes that the best way to reduce corruption is to reduce the incentives to break rules by increasing the chances of being found out and by reducing the avenues for corruption in the first place. However, if we view human behaviour in this self-interested way at the exclusion of other motivations, our view of human conduct will be that rules are followed or broken based on a cost–benefit analysis. But if an individual only acts in self-interest to secure the maximum advantage it would be impossible to form working relationships, or at least only briefly, which are needed if business is to be successful, particularly international business, and to secure longevity and ultimately profit. Individuals and organizations then have to defer actions and sometimes abide by rules to achieve success. Compliance with rules then is neither a statement that the individual or organization is, or is not, corrupt. Such decisions are conducted within a moral, legal and political framework, and we are left with changes to the political and social structure or small adaptations in a stable context (Philp 2015). Ultimately self-interest is the desire to acquire, ruin and appropriate all other individuals and organizations. Industrial capitalism is based on competition with the ultimate self-interest of seeking and securing a monopoly of political and bureaucratic resources, though international corruption is often based on a form of

collective corruption, such as the manipulation of prices for a medical product, or of interest rates.

For those who adopt the political science point of view, the ultimate source of corruption is rent-seeking, which is where individuals/organizations seek to increase their own wealth without producing new wealth, such as lobbying for state subsidies, imposing regulations on a competitor, or a tax official seeking and accepting a bribe to reduce tax owed by an individual/organization. Rent-seeking occurs in the public sector and is likely to occur where restrictions and state intervention lead to profits (Warner 2015). The solution often proposed here is to introduce market competition into regulated and subsidized 'markets' (Bliss and Di Tella 1997). However, the underlying conception of politics is often contested, and will differ within and across contexts. This conception is seen as flawed, being unable to deliver and command a consensus and having the potential to destabilize and lead to contested definitions of corruption (Heywood 2015). At the same time, with the collapse of communism, 'Western capitalism' has extended its reach and pushed other nations to advance political institutions that it recognizes and will endorse. In this approach political corruption is therefore seen as a failure to conform to an expected structure and order. This has the potential for some states and international organizations such as the World Bank and IMF to label (see Chap. 9) others as corrupt because of a failure to adhere to their established notions of commerce (Hough 2015). A tentative definition of political corruption then is one where a public official (A) violates the rules and/or norms of office to the detriment of the interests of the public (B). In theory (B) should benefit from this office. But instead (A) benefits him or herself and a third party (C) who rewards or otherwise incentivizes him or her so as to secure access to products and/or services he or she would not otherwise obtain (Philp 2015: 22).

The point here is that corruption is not defined solely by its consequences, but more by a combination of its intentions and the distortion of the political process that it causes. Furthermore, committing a corrupt act from which you would personally benefit is seen as corruption, but if rules are broken to help others in need it can be seen as acceptable. For example, if a doctor demands payment before dispensing treatment even though no payment is required this is corrupt, but if a doctor still

continues to treat patients after his hospital has told him or her to stop all treatment to specific patients, and the insurance company refuses to pay for the care, sh/e has broken set rules, but these will be acceptable to the public and patients but unacceptable to the hospital and insurance company.

Political systems, however, can be corrupt from the top down—hence the refrain ‘the fish rots from the head’; but it can also occur from the body where it can undermine the political process and suborn those in public office via bribes, lobbying and blackmail. This is in reference to Johnston (Johnston 2005) and his view that there are four major syndromes of corruption, which are the ability to influence markets, elite cartels, oligarchs and clans and official moguls. These economic and political views emphasize human agency and incentives, often with a focus on a corrupt bureaucracy and the existence of programmes that are vulnerable to corruption because of a lack of checks and balances to counter a monopoly, despite so-called ‘regulatory balances’ within the system (Philp 2015).

A legal approach suggests that the causes of corruption are mostly in the public sector where vested interests have the ability to prevent, and/or block the enforcement of legal and/or regulatory rules. The problems with this approach are obvious when understanding how those with powerful influences shape the creation and operation of the law, which can result in justifying inertia in the law when any changes in legislation would conflict with their own interests. In light of this legal definition, corrupt acts come to be viewed as an inappropriate yardstick; instead they are more useful as measures of the influence of power than corruption (Becker 1968; Hasnas 1995; Brooks et al. 2013). In fact it is often those that are supposed to uphold the law that are the most corrupt and who abuse the system and the rule of law for personal benefit. Personal benefit, however, is often defended as a case of ‘everybody was doing it’ (which is also a technique of neutralization). Whilst an old example, the Knapp Commission’s investigation into corruption in the New York Police Department in the 1970s, illustrates the view that ‘everybody was doing it’ and has described those that accepted bribes as part of the police culture as ‘Grass-Eaters’, whilst those that actively sought and demanded payments via threats and intimidation were referred to as ‘Meat-Eaters’. Regardless of how these vegetarians and carnivores consumed, both were

corrupt. A lack of resources is often cited as the cause of regulatory lapses, regardless of the sector, but a lack of oversight of both organization and regulatory body and enforcement of sanctions are also significant. The key for this approach is to avoid any office having a monopoly in the distribution of a resource (Manzetti and Blake 1996; Andrews and Montinola 1998), though in the case of policing this is difficult to achieve, even in democratic states.

This legal approach is also somewhat vague, particularly when trying to define and explain transnational corruption with the involvement of more than one jurisdiction. Attempting legal definitions, without an internationally established definition, simply increases the difficulty in undertaking operational measures and developing anti-corruption strategies (those that work anyway). A legal definition also requires, by its own very definition, that the corrupt behaviour should violate a principle of legality. However, not all corrupt behaviour is illegal. It would be a misconception to confuse what is corrupt with what is illegal. Social norms are defined by values, as are laws, but they do not necessarily emerge from equivalent ideologies or foundations (Brooks et al. 2013). Furthermore, by examining different cultural factors across the world, it can be seen that legal definitions are highly unsatisfactory. For example, Olivier de Sardan (1999: 40) illustrated that there are far more extensive solidarity networks in Africa than in Europe. As such, African families are 'widely extended and replete with pressures and solicitations which can hardly be ignored. Links created within peer groups (primary school, secondary school, and college friends) last until retirement'. One cannot refuse a service, a favour, a bit of nepotism or compliance to a family member, neighbour, party comrade or friends.

All of these approaches, but mostly those that focus on the rational economic reason(s) for committing corruption, use what is known as the principal-agent theory. Corruption is seen as a departure between the principal (those employing and/or directing such as state minister or director of a company) and the agent (such as civil servant or private sector employee). Once the agent betrays the principal interest (public service) in pursuit of his or her own self-interest (Jensen and Meckling 1976; Klitgaard 1998; Heywood 2015) corruption has occurred. This view of corruption then focusses on the conditions under which this act

took place, which often entails a monopoly of resources and a lack of accountability, and thus looks for ways to design incentives (or disincentives) for the agent to act in the appropriate way to prevent corruption. These causal conditions, however, are limited. Probity in public office is explained by absence of monopoly and high levels of accountability. This 'ideal' state of affairs is exactly that: 'ideal'; but in reality things are much more complex. For example, what is considered a betrayal of roles and responsibilities? Betrayal is relative (Heywood 2015) within and across institutions but also nations, or it refers to pursuing acts that are based on self-interest, depending on the circumstances and conditions. Therefore, this definition of human behaviour, which is popular in the corruption literature, is limited, as so much depends on the structure and expectations that frame a relationship. This understanding of human behaviour, however, is marked by a Western view and solution that calls for free markets and liberal constitutional orders. This does not stop us from developing a definition, but now as one with the focus on 'actionable' conclusions rather than a solution; our present understanding of corruption is limited by the data obtained and the conceptual approaches currently used.

The Need for a Sociology and Criminology of Corruption

The motivation for this book is that corruption is often, but not always, seen as a crime. This is, however, misleading; instead it is perhaps best viewed as a deviant act by some, and for others as a simple way of 'doing business'. Whilst criminology is a discipline that has crime as its object of study, and there are many criminal acts of corruption, it has rarely been the focus of the voluminous literature in criminological research. When corruption is researched, it is mostly in the context of broader concepts such as health and safety crime (Slapper and Tombs 1999; Tombs and Whyte 2007; Gray 2009; Tombs 2009) and organized crime (Rawlinson 2012). This is a limited application of its theoretical approaches, as all approaches are to some capacity, but its concepts are perfectly suitable for a criminological analysis of corruption (Whyte 2015). Sociology, however, is far more diverse than criminology in that its focus is on a broad range of human

relationships and institutions. In this section of the chapter the focus is on criminological and sociological concepts that have served the disciplines well in analysing corruption. These are organized crime (Gounev and Ruggiero 2012; Schmidt-Pfister and Moroff 2012), occupational crime (Friedrichs 2002; Gray 2013), corporate crime (Braithwaite 1984, Slapper and Tombs 1999), state-corporate crime (Kramer and Michalowski 2006) and state crime (Green and Ward 2004; Brooks et al. 2013).

Criminology often, but not always, uses the criminal law as its basis on which to define crime. In the case of corruption the criminal law definition covers a substantial corpus of work, but as stated above this definition fails to encapsulate the range of crimes that are part of the continuum of corruption. Instead of limiting the analysis of corruption to that which is criminalized by laws (Nelken 1994) its scope should be extended to acts that reach beyond the law and focus on acts of collusion, lobbying and networking, as acts that might not be criminal but are a conduit to criminal corruption.

Drawing briefly on a range of theoretical approaches on the aetiology of crime most are based on the assumption that corruption is mostly committed by people operating in the context of organizations either as individuals or in collusion with others. Therefore reference is made to a multi-level approach, exploring possible causal factors at the macro-level (nation states), meso-level (organizations) and micro-level (individual interactions).

Research interests have established connections and networks between organized, corporate, state and occupational crime, and thus corruption should not be viewed as isolated incidents but rather as interconnected across these levels. This blurring of research is seen in the work of Kramer and Michalowski (2006) with the concepts state-corporate and state-organized crime.

The most prolific research of corruption in criminology so far has been on organized crime. This is due to the international reach of organized crime and its threats to the international legal economy (Gounev and Ruggiero 2012).

This has been exacerbated by the limited success in preventing the illegal networks behind organized crime and also the variation in attempts to tackle it in different jurisdictions. Money laundering, in particular, has

consumed a lot of academic attention (a few texts are: McCusker 2000; Levi 2002; Levi and Gilmore 2002; McCusker 2005; Levi and Reuter 2006; Chaikin and Sharman 2009; Brooks 2012; Belaisha and Brooks 2014). In the case of corruption, differences in jurisdictions are made at the political, enforcement and administration level and research has shown (Gounev and Ruggiero 2012) that these links and types of behaviour between and within organized crime and legitimate business are sometimes similar. I do not claim that all business is corrupt, only that it is sometimes working with, and knowingly in collusion with, organized crime, or because of poor internal regulation and compliance procedures it commits a criminal act.

Organized crime can still be seen as primarily distinct and different from international business. Research has produced a more realistic picture of organized crime in criminology (Rider 1997; Ruggiero 1996; Kleemans 2008; Gounev and Ruggiero 2012) with particular attention paid to the interface between the legal and the illegal world where a parasitical and symbiotic relationship exists between illegitimate and legitimate business that is absorbed into the business community. In a parasitical relationship the contacts with the legal economy are rather limited and only in the interest of the 'underworld'. However, if an opportunity appears, the criminal organization will corrupt those referred to as inhabiting the 'upperworld'. A symbiotic relationship is more complex and is based on mutual interests of the criminal organization and the 'upperworld', and close corruption is more complex and difficult to unearth. With the implanting of key individuals the criminal organization is partly absorbed in the 'upperworld' and the criminal acts are mixed with legal business (Rawlinson 2012). The study of organized crime has therefore focussed attention on corruption. Even if there is no consensus about the necessity of corruption for the development and continuity of illegal activities, corruption is at least a conduit and facilitator of crime. This connection with illegal organizations is only one specific dimension of corruption.

It was the notion of white-collar crime, however, and the work of Sutherland years ago that corruption by powerful members of the upper socio-economic class became of much interest to sociology and later criminology (Sutherland 1939). Sutherland was convinced that the criminal law did not cover all forms of white-collar crime because most

of the harmful activities by such criminals were settled outside the criminal courts by a civil law procedure or disciplinary rules, as many still are. Given that powerful businessmen and women often work undetected, and if detected may not be prosecuted, and if prosecuted they may not be convicted, the amount of criminally convicted corrupt individuals are far below the total population of white-collar criminals (Slapper and Tombs 1999: 3) (see Chap. 11 pp 203–210 for sanctions on individuals and organizations that commit financial crimes).

The debate about white-collar crime is ongoing with organizational crime defined in a private law context or rejected by the criminal law because it is enforced by the state and dominated by the powerful. There is some evidence to support this latter view as even in democratic states cases often result in a disciplinary sanction and/or are dismissed for lack of evidence (Warren 2016). It is even more pronounced if corruption is a private sector matter only and is mostly settled in the private sphere or penalized by market mechanisms. This is particularly noticeable in South Korea (Hough 2015) and Japan where a custodial sentence is unheard of for acts of corruption (Suda 2011).

This concept of occupational white-collar crime is also relevant in view of passive corruption. This is where an employee, in a public or private organization, has abused his or her position of power for personal benefit. Whilst it is the case that the offender has a personal responsibility regarding passive corruption, the organizational and social context cannot be dismissed. Frequently, it will be a hybrid mixture of personal characteristics of the person involved and the impact of organizational aspects such as organizational structure, culture, social cohesion and style of leadership in business (Mars 2006; Tillman 2009; Huisman and Vande Walle 2010) and elements external to the organization such as the impact of globalization, the legal framework and law enforcement (Box 1983).

Punch (2000) amply illustrated the complexity of occupational crime in his research on police corruption where he rejects the notion of a 'bad apple' and focuses more on bad orchards and the institutional context where the organization, kind of work and the culture play a key role (Huisman and Vande Walle 2010). In fact a 'bad apple' can turn the whole barrel rancid and hence the need for anti-corruption strategies. This is perhaps illustrated by the Macpherson Report (1999) of institu-

tional racism in England. Even if corruption from a certain perspective fits the definition of occupational crime, prudence is called for and the establishing of a causal link (Punch 2000). This can be seen in matters of health and safety in organizations (Slapper and Tombs 1999; Pearce and Tombs 1998; Tombs and Whyte 2007) and environmental crime (Payne 2012), food safety scandals or financial crime. Occupational crime, however, is sometimes of use to employers. In the case of public corruption, it is often the case that the organization can profit from the individual actions. In the case of private corruption the interests of the organization and the interests of the individual combine and can and do hide the corrupt acts of employees in order to avoid negative publicity or maintain public legitimacy.

Corruption in sociology and criminology is an ambiguous concept. As Heidenheimer (1989) noted, corruption can be viewed as white corruption, grey corruption or black corruption depending on social acceptance. This lack of clear definition of corruption has restrained disciplines from studying corruption, particularly those dependent on a criminal law definition. This is also exacerbated by the lack of visible victims. Politicians are sensitive to scandals and disasters with huge victimization rates with serious financial, physical and emotional impact. Even if corruption produces its own human tragedy—unemployment, lack of health care or famine—it is a slumbering problem that is too easily accepted as part of a culture or tradition, particularly in some jurisdictions (Heywood 2015).

However, corporate crime and state crime in criminology are valuable for the study of corruption. The debate on the definition of organizational crime can take on an extra-difficult dimension the moment a private organization is the central object of research. Sutherland (1961: 248) highlighted that an organization is able to commit white-collar crime without being seen as criminal, detected or prosecuted. One of the explanations for their exclusion from the definition of crime was and still is the social network, which refers to the cultural homogeneity of people working for a state and persons in business (Huisman and Vande Walle 2010). Many people working in a state agency were, if not previously connected with business firms as executives, directors, or in some other capacity become so in time (see Chap. 1). Such cultural homogeneity, close personal relationships and power relationships protect businessmen

and women from critical state definitions of crime. In addition Campos and Giovannoni (2006) have suggested that legal mechanisms such as lobbying are preferred in rich nations while poor states have to rely on corruption. A suitable example here is the relationship between the pharmaceutical industry and doctors, particularly in the USA. Doctors receive equipment from a pharmaceutical company for participating in a conference and are then 'encouraged' or seduced to prescribe new medical products manufactured by that specific company (Braithwaite 1984; Thomas 2014, Thomas and Abrams 2014). There is nothing to suggest that anything morally wrong or illegal has occurred here; this approach is perhaps a common practice to market a pharmaceutical's wares and medicines in the hope that practitioners will recommend them.

To avoid such a dichotomy of the 'self' and 'other' and of the relationships between private organizations and the state, an analysis of state-corporate crime is essential. Such a critique is based on the proposition by Quinney (1977) that the definition and control of some behaviour as criminal and the selection of others as acceptable are the consequences of socially embedded processes (Kramer et al. 2002). Certain behaviour committed at the intersection of the corporate and the state are not seen as criminal; either because they are not named as such by the law or are not treated as such by those who administer and enforce the law, regardless of the social harm this type of behaviour causes (Kramer et al. 2002). The same can apply for state-organized crime at the political level as illustrated by the corruption in the construction industry in Turkey (Green 2005) and the human suffering in the aftermath of earthquakes.

State-corporate crime has contributed to a more complete view of the network of responsible actors involved in corporate crime. Not only is the private organization important, but the state is too: as an institution of laws and enforcement. The concept of state-corporate crime also highlights the debate about the criminal law definition of corruption and its inability to encompass socially injurious, harmful acts between these sectors. Schwendinger and Schwendinger (in Taylor et al. 1973: 138) pleaded for a human rights definition of crime with Green and Ward later specifying socially injurious human rights violations (Green and Ward 2004) as part of the definition of state crime.

Explicit state crime, however, is regarded as harmful behaviour committed by states upon its internal citizens of which it has geographical

control and the citizens of another state in some circumstances such as invasion or colonialism (Barak 1991, 1993; Chambliss 1989; Brooks et al. 2013). However, as Kauzlarich and Kramer (1998) explain, this definition of harmful behaviour still maintains the essential tension that is in all white-collar crime research, namely the differences in individual actions and those motivated by the organization and its needs. Instead it is better to see organizations as 'social actors' working in a specific context rather than as immobile moral characters set in stone (Huisman and Vande Walle 2010).

There are few theoretical explanations of what a state crime is and how it is defined, however. Kauzlarich and Kramer's (1998) multi-level analysis approach is based on international law and draws upon macro, meso (organizational) and micro (differential association) explanations to explore the causal mechanisms for state crime, and is useful for exploring the crimes of commission and omission that are a part of state crime. This, however, is open to criticism, as it appears imprecise (Green and Ward 2000, 2004). In contrast to Kauzlarich and Kramer (1998), Green and Ward (2000) proposed a deviance-based definition of state crime and emphasized the importance of the role of a social audience in applying deviant labels to state behaviour. To account for variations in state behaviour and perceptions of behaviour across time and space, they called for the use of citizens' definitions of state crime. These also are limited, as we must privilege a specific social audience's perception and reject others. This puts us in a position where we must choose one set of definitions, based on personal, ideological and political preferences, from another. Furthermore, the subjective analysis of the truthfulness of a definition is questionable. In any modern democratic nation there is a plurality of views as to what is a legitimate definition, and these may be contested and challenged (Brooks et al. 2013).

The work of Green and Ward (2000), which focuses on citizens within the state generating and applying the labels, therefore loses important aspects of a definition of state crime. Such an approach ignores how those in power construct and maintain an ideology within the population of a geographical state. Popular opinion can be influenced, created or swayed by the dominance of media institutions or official discourses, which could lead to citizens seeing criminal behaviour, in some circumstances, as acceptable (see Chap. 9 for official discourses and the manipulation of

the ‘truth’). By relying on subjective criteria for a definition, we end up with a similar act defined as a state crime in one state and not in another. A definition of state crime thus needs to be applicable in an objective way if a framework is to have any usefulness and application.

While it is acknowledged that states can be a ‘conduit of crime’ and compromise the safety of individuals for either capital accumulation or the relaxing of health and safety laws (Slapper and Tombs 1999; Tombs and Whyte 2007), the latter is political where the state seeks public acceptance to conduct state business, whilst the other is concerned with the accumulation of capital by drawing on the power of the state to further its own interests. Such a theoretical approach emphasizes the role of class and inequality as a criminogenic force. State crime then is having access to and excessive control over social resources and key social institutions (Tittle 1995) of the state. This control is far more straightforward in a country that is in control of all public services and where civil institutions are at a minimum. However, democratic states can and do act in their own self-interest without any influence from elites and act to expand or maintain influence and/or legitimacy. It is perhaps better to view this control of political institutions and/or the power to influence them as a fluid rather than fixed, immutable system and part of a continuum of crime.

The state is, however, also vulnerable in both democratic and non-democratic states to state capture, and particularly that of regulatory capture (Dal Bo 2006) where oversight is redirected, thwarted and obfuscated for and by private vested interests (Brooks et al. 2013). State capture is and can be all or part of the infrastructure of the state and the services it delivers to its citizens. The problem here is that criminology sees state crime in terms of ‘the other’ and ‘the self’ and refers to poor states as run by gangsters, rogue states or failed states and we—the West—present ourselves as the police (Green and Ward 2004), even though we are also corrupt (Whyte 2015).

Incorporating human rights and harm into a definition of corruption at least highlights the wide variety of victimization committed by the state, competing organizations and the community. Sometimes the crimes are referred to as victimless (Croall 2001) or more appropriate people are unaware of the victimisation as the distance – geographical and financial

– between the offenders and the victims can also reinforce the invisibility of victimization and the unconsciousness of the injured. The distance between the offenders and the victims reinforces the invisibility of victimization and the unconsciousness of the injured. Furthermore, even if people are aware of victimization, the social position they occupy often makes it almost impossible to react. The Global Corruption Barometer of Transparency International shows that low income households have to pay the most bribes and, as such, the weakest, the poor and the uninformed are predominantly the victims.

The sociology and criminology literature focuses on the range of actors, individuals, organizations and states, but also on the motivations to commit acts of crime and corruption. In a corporate crime context, it can be an individual in an organization that bribes others to secure a contract. On the passive side, it will be a member of a private or public organization that takes the bribe for his or her own benefit, in exchange for a service or omission that will probably not be for the benefit of the organization (Huisman and Vande Walle 2010). This ‘exchange’ will involve motivation, opportunity and what is referred to as the operability of social control. For Coleman (1987:409), motives are ‘a set of symbolic constructions’ that define certain kinds of aims and objectives as appropriate and desirable. These symbolic constructions offer a potential course of action, made possible by a particular set of social conditions. The operability of control is the opposite of opportunity: it is informal and formal control provided by custodians that serve as a restraint on crime (see Chaps. 10 and 11). While motivation is a subjective construction of psychological desires and opportunity of control is rooted in objective social conditions, these variables are inseparably interwoven.

Explanations for acts of corruption then can be found on several levels: the level of individual social interactions, the organizational level of structural and cultural characteristics of organizations, and the institutional level of political economy and business regulation (Shover and Bryant 1993; Kramer and Michalowski 2006). Vaughan (2002) has emphasized the importance of understanding these interconnections and the relationships between the environment, the organizational setting and the behaviour of individuals for the explanation of acts of corruption committed where, on the macro-level, the criminogenic effect

is attributed to the 'culture of competition' (Coleman 1995: 363). In this view importance is placed on wealth and success (see Chap. 5), with people seen as autonomous individuals with powers of reason and free choice and therefore responsible for their own condition. The culture of competition defines the competitive struggle for personal achievement as positive, rather than negative or selfish. Competition produces maximum economic value for society as a whole, but this demand for success and the pursuit of wealth is seen by some as criminogenic in itself (Merton 1938; Punch 1996; Slapper and Tombs 1999). Passas (1990), however, pointed out that risk can come from success: if success is threatened and illegitimate means are seen as the only way to attain wealth, some will be tempted towards crime. Furthermore, the principle of calculated self-interest collides with the principles of open sharing and reciprocal exchange. It is this collision of self-interest and traditional reciprocal exchange which is often related to the observed 'corruption eruption' attributed to the internationalization of economic markets (Beare 1997). Self-interest, however, is not only particular to capitalist nations; self-interest is evident in communism, but here bureaucratic power and the part of the polity is where power resides.

Globalization multiplies, intensifies and activates criminogenic behaviour that is at the root of organizational crime. Passas (1998: 26) defined these asymmetries as "structural disjunctions, mismatches and inequalities in the spheres of politics, culture, the economy and the law". These are criminogenic in that they offer illegal avenues, create motives and make it possible for offenders to avoid detection, and if detected avoid conviction; this situation, however, hampers social, economic and political progress (see the sections 'Grease the Wheels' and 'Sand in the Wheels' in Chap. 3).

Presented as a systems theory that offers a foundation from which corruption can be addressed, a system theory provides insights into the interconnections of societal systems and how they can influence corruption. An illustration of how the political system can have a direct influence on corruption is where changes in payments to private healthcare provision is made and corrupt individuals and organizations alter techniques and adjust to a new system but do not change attitudes or behaviour (Sparrow 2000). Another example is the deregulation of the financial sector, which Pontell (2005: 319) claimed before

the financial crisis was too lax and that ‘public policies that white wash white collar crime and that do not explicitly recognize the potential devastation of ... fraud, will not only be ineffective, but will serve as virtual blueprints for financial disasters’, which they ultimately did. Furthermore, the regulation, or deregulation, and level of corruption may differ from one country to another, ranging from total absence of binding standards, to an emphasis on self-regulation and criminalization. Lack of clarity of regulatory requirements and boundaries of acceptable behaviour is often seen as a typical feature of white-collar crime (Nelken 1994; Weisburd and Waring 2001; Zimring and Johnson 2005) and acts of corruption regardless of where it falls on the continuum of corruption.

The contribution to understanding and explaining corruption in the sociology and criminology literature is wide and varied then, and focusses on individuals, organizations and the state, the motivation to act alone or in collusion, the concept of power and the ability to define what is corrupt, our ability to think and act as ‘free’ rational individuals, but also to be constrained by the position we inhabit in our social structure, the ability to reject corruption as a choice and label ‘others’ as corrupt and something ‘foreign’, and justify acts of corruption. The following chapters therefore draw on a range of theoretical approaches such as differential association (Sutherland 1939), strain (Merton 1938), techniques of neutralization (Sykes and Matza 1957) and drift (Matza 1964), labelling (Becker 1966), conflict (Quinney 1977), rational choice (Wilson and Herrnstein 1985) and routine activity (Felson and Cohen 1979) to explain corruption.

Conclusion

This chapter started by highlighting the trouble in trying to define corruption. This, however, should not deter us from attempting to produce a workable definition. There was a brief review of rational-economic, political and legal theoretical explanations in the corruption literature as to why people are corrupt and/or commit corrupt acts. This was followed by a review of the contribution sociology and criminology has already

made to the debates on white-collar crime, individual and organizational crime, state-corporate crime and state crime, and poor regulation and corruption in a capitalist society.

Furthermore, this chapter has raised the question of whether the definition of corruption should move beyond current legal definitions and include harm and other forms of socially injurious acts. By doing this though, there will be an inevitable net-widening effect (Cohen 1985). However, by not doing so corruption will be limited to the usual suspects (Passas 1998). Corruption as an object of study itself, beyond reference to white-collar crime, has rarely been the topic of criminological research, even though it has much to offer (Huisman and Vande Walle 2010). Corruption is sometimes a form of crime and also a deviant act, and what criminology has and can contribute is the notion that corruption is: both a causal factor and a side-effect of other forms of crime; is a causal factor in organized crime since it covers illegal activities that allow such crime to flourish; and is a side-effect of forms of organizational and state-corporate crime aimed at fraud and environmental pollution that also lead to corruption. Looking at the responses to organized and organizational crime, it is assumed that the deterrent effect of criminal law, or any legal sanctions for that matter, is rather limited as sanctions often employed by a state, civil or criminal body fail to deter. However, by applying more than the economic, political and legal approaches to corruption and expanding the theoretical tools at our disposal, we should be able to increase our understanding of *why* and *how* people are corrupt.

References

- Andrews, J., & Montinola, G. R. (1998). *Corrupt democratization: The importance of institutional design in the multidimensional political environments of transition*. Boston: Annual Meeting of the American Political Science Association.
- Barak, G. (1991). Toward a criminology of state criminality. In G. Barak (Ed.), *Crimes by the capitalist state: An introduction to state criminality*. New York: State University of New York Press.

- Barak, G. (1993). Crime, criminality and human rights: Toward an understanding of state criminality. In K. Turnell (Ed.), *Political crime in contemporary America: A critical approach*. New York: Garland Press.
- Beare, M. E. (1997). Corruption and organized crime: A means to an end. In B. Rider (Ed.), *Corruption: The enemy within*. The Hague: Kluwer Law International.
- Becker, H. (1966). *Outsiders: studies in the sociology of deviance*. New York: Free Press.
- Becker, G. S. (1968). Crime and punishment—Economic approach. *Journal of Political Economy*, 76, 169–217.
- Belaisha, B. B., & Brooks, G. (2014). Money laundering in Dubai: Strategies and future directions. *Journal of Money Laundering Control*, 17(3), 343–354.
- Bliss, C., & Di Tella, R. (1997). Does competition kill corruption. *Journal of Political Economy*, 105(5), 1001–1023.
- Box, S. (1983). *Power, crime and mystification*. London: Routledge.
- Braithwaite, J. (1984). *Corporate crime in the pharmaceutical industry*. London: Routledge and Kegan Paul.
- Brooks, G. (2012). Online gambling and money laundering: Views from the inside. *Journal of Money Laundering Control*, 15(3), 304–316.
- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.
- Campos, N., & Giovannoni, F. (2006). *Lobbying, corruption and political influence* (IZA Discussion Paper 2313).
- Chaikin, D., & Sharman, J. C. (2009). *Corruption and money laundering: A symbiotic relationship*. Basingstoke: Palgrave Macmillan.
- Chambliss, W. (1989). State organized crime. *Criminology*, 27(2), 183–208.
- Cohen, S. (1985). *Visions of social control*. Cambridge: Polity Press.
- Coleman, J. W. (1987). Toward an integrated theory of white-collar crime. *American Journal of Sociology*, 93(2), 406–439.
- Coleman, J. W. (1995). Motivation and opportunity: Understanding the causes of white collar crime. In G. Geis, R. Meier, & L. Salinger (Eds.), *White collar crime* (3rd ed.). New York: Free Press.
- Croall, H. (2001). *Understanding white-collar crime*. Buckingham: Open University Press.
- Dal Bo, E. (2006). Regulatory Capture: A Review. *Oxford Review of Economic Policy*, 22(2), 203–225
- Felson, M., & Cohen, L. (1979). Social change and crime rate trends: A routine activity approach. *American Sociological Review*, 44(4), 588–608.

- Friedrichs, D. O. (2002). Occupational crime, occupational deviance, and workplace crime: Sorting out the difference. *Criminology and Criminal Justice*, 2(3), 243–256.
- Golden, M., & Picci, L. (2005). Proposal for a new measure of corruption, Illustrated with Italian data. *Economics and Politics*, 17(1), 37–55.
- Gounev, P., & Ruggiero, V. (2012). *Corruption and organized crime in Europe: Illegal partnerships*. Abingdon: Routledge.
- Gray, G. C. (2009). The responsabilization strategy of health and safety neo-liberalism and the reconfiguration of individual responsibility for risk. *British Journal of Criminology*, 49(3), 326–342.
- Gray, G. C. (2013). Insider accounts of institutional corruption examining the social organization of unethical behaviour. *British Journal of Criminology*, 53(4), 533–551.
- Green, P. (2005). Disaster by design: Corruption, construction and catastrophe. *British Journal of Criminology*, 45(4), 528–546.
- Green, P., & Ward, T. (2000). State crime, and human rights and the limits of criminology. *Social Justice*, 27(1), 101–120.
- Green, P., & Ward, T. (2004). *State crime, governments, violence and corruption*. London: Pluto Press.
- Hasnas, J. (1995). Back to the future: From critical legal studies forward to legal realism, or how not to miss the point of the indeterminacy argument. *Duke Law Journal*, 45, 84–132.
- Heidenheimer, A. J. (1989). Perspectives on the perception of corruption. In A. J. Heidenheimer, M. Johnston, & V. T. Levine (Eds.), *Political corruption: A handbook*. New Brunswick, NJ: Transaction.
- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Hough, D. (2015). *Corruption, anti-corruption and governance*. Basingstoke: Palgrave Macmillan.
- Huisman, W., & Vande Walle, G. (2010). *The criminology of corruption. The good cause. Theoretical perspectives on corruption*. Barbara Budrich: Opladen.
- Iyer, N., & Samociuk, M. (2006). *Fraud and corruption: Prevention and detection*. Aldershot: Gower Publishing.
- Jensen, M., & Meckling, W. (1976). Theory of the Firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3, 305–360.
- Johnston, M. (2005). *Syndromes of corruption: Wealth, power and democracy*. Cambridge: Cambridge University Press.

- Kauzlarich, D., & Kramer, R. (1998). *Crimes of the American nuclear state: At home and abroad*. Boston: Northeastern University Press.
- Kleemans, E. R. (2008). Introduction to special issue: Organized crime, terrorism and European criminology. *European Journal of Criminology*, 5(1), 5–12.
- Klitgaard, R. (1998). *Controlling corruption*. Berkeley, California: University of California press.
- Kramer, R. C., & Michalowski, R. J. (2006). *State-corporate crime. Wrongdoing at the intersection of business and government*. New Brunswick, NJ: Rutgers University Press.
- Kramer, R., Michalowski, R., & Kauzlarich, D. (2002). The origins and development of the concept and theory of state-corporate crime. *Crime and Delinquency*, 48(2), 263–282.
- Levi, M. (2002). Money laundering and its regulation. *Annals of the American Academy of Political and Social Sciences*, 31(3), 181–194.
- Levi, M., & Gilmore, W. (2002). Terrorist finance, money laundering and the rise and rise of mutual evaluation: A new paradigm for crime control? *European Journal of Law Reform*, 4(2), 337–364.
- Levi, M., & Reuter, P. (2006). Money laundering. *Crime and Justice*, 34(2), 289–375.
- Macpherson, S. W. (1999). *The Stephen Lawrence inquiry: Report of an inquiry*. London: The Stationary Office.
- Manzetti, L., & Blake, C. (1996). Market reforms and corruption in Latin America. *Review of International Political Economy*, 3, 671–682.
- Mars, G. (2006). Changes in occupational deviance: Scams, fiddles and sabotage in the twenty-first century. *Crime, Law and Social Change*, 45, 285–296.
- Matza, D. (1964). *Delinquency and Drift*. New York: Wiley.
- McClean, B., & Elkind, P. (2013). *The smartest guys in the room: The amazing rise and scandalous fall of Enron*. New York: Portfolio Penguin.
- McCusker, R. (2000). Money laundering control: Elusive dream or achievable reality? *Journal of Money Laundering Control*, 3(3), 214–222.
- McCusker, R. (2005). *Underground banking: Legitimate remittance network or money laundering system?* Canberra: Australian Institute of Criminology.
- Merton, R. K. (1938). Social structure and anomie. *American Sociological Review*, 3, 672–210.
- Nelken, D. (1994). White-collar crime. In M. Maguire, R. Morgan, & R. Reiner (Eds.), *The Oxford handbook of criminology*. Oxford: Oxford University Press.
- Olivier de Sardan, J. P. (1999). A moral economy of corruption in Africa? *The Journal of Modern African Studies*, 37(1), 25–52.

- Passas, N. (1990). Anomie and corporate deviance. *Crime, Law and Social Change*, 14(2), 157–178.
- Passas, N. (1998). Structural analysis of corruption: The role of criminogenic asymmetries. *Transnational Organized Crime*, 4(1), 42–55.
- Payne, B. K. (2012). *White collar crime: A Text/Reader*. Thousand Oaks, CA: Sage Publications.
- Pearce, F., & Tombs, S. (1998). *Toxic capitalism: Corporate crime and the chemical industry*. Aldershot: Ashgate.
- Philp, M. (2015). The definition of political corruption. In P. M. Heywood (Ed.), *Routledge handbook of political corruption*. London: Routledge.
- Pontell, H. N. (2005). White collar crime or just risky business? The role of fraud in major financial debacles. *Crime, Law and Social Change*, 42(4), 309–324.
- Punch, M. (1996). *Dirty business. Exploring corporate misconduct, analysis and cases*. London: Sage publications.
- Punch, M. (2000). Police corruption and its prevention. *European Journal on Criminal Policy & Research*, 8(3), 301–324.
- Quinney, R. (1977). *Class, state, and crime: On the theory and practice of criminal justice*. New York: David McKay.
- Rawlinson, P. (2012). Corruption, organised crime and the free market in Russia. In P. Gounev & V. Ruggiero (Eds.), *Corruption and organised crime in Europe*. Abingdon: Routledge.
- Rider, B., (Ed.). (1997). *Corruption: The enemy within*. The Hague: Kluwer Law International.
- Rose-Ackerman, S., & Palifka, B. J. (2016). *Corruption and government: Causes, consequences, and reform*. Cambridge University Press.
- Ruggiero, V. (1996). *Organized and corporate crime in Europe. Offers that can't be refused*. Aldershot: Dartmouth.
- Schmidt-Pfister, D., & Moroff, H. (2012). *Fighting corruption in Eastern Europe: A multi-level perspective*. Abingdon: Routledge.
- Shover, N., & Bryant, K. M. (1993). Theoretical explanations of corporate crime. In M. B. Blankenship (Ed.), *Understanding corporate criminality*. New York: Garland Publishing.
- Slapper, G., & Tombs, S. (1999). *Corporate crime*. Essex: Pearson.
- Sparrow, M. (2000). *License to steal: How fraud bleeds America's health care system*. Boulder, CO: Westview.
- Suda, K. (2011). Creative accounting and accounting scandals in Japan. In M. Jones (Ed.), *Creative accounting, fraud and international accounting scandals*. Chichester: Wiley.

- Sutherland, E. H. (1939). *Principles of criminology* (3rd ed.). Philadelphia, PA: Lippincott.
- Sutherland, E. H. (1961). *White collar crime*. New York: Holt, Rinehart and Winston.
- Sykes, G. M., & Matza, D. (1957). Techniques of neutralization: A theory of delinquency. *American Sociological Review*, 22, 664–670.
- Taylor, I., Walton, P., & Young, J. (1973). *The new criminology*. London: Routledge.
- Thomas, K. (2014, November 29–30). Doctors under a cloud, helped market drug. *International New York Times*, p. 16.
- Thomas, K., & Abrams, R. (2014, December 8). A payoff for eye doctors in promotion of new drug. *International New York Times*, p. 16.
- Tillman, R. (2009). Making the rules and breaking the rules: The political origins of corporate corruption in the new economy. *Crime, Law and Social Change*, 51(1), 73–86.
- Tittle, C. R. (1995). *Control balance: Toward a general theory of deviance*. Boulder, CO: Westview press.
- Tombs, S. (2009). Official statistics and hidden crimes: researching health and safety crimes. In H. Croall (Ed.), *Corporate Crime, Vol. 1. Issues of Definition, Construction and Research. SAGE Library of Criminology*. London: SAGE Publications Ltd., pp. 281–296.
- Tombs, S., & Whyte, D. (2007). *Safety crimes*. Cullumpton: Willan.
- Transparency International (2012). *Corruption Perception Index 2012*. London: Transparency International.
- Vaughan, D. (2002). Criminology and the sociology of organizations: Analogy, comparative social organization, and general theory. *Crime, Law and Social Change*, 37(2), 117–136.
- Warner, C. M. (2015). Sources of corruption in the European Union. In P. M. Heywood (Ed.), *Routledge handbook of political corruption*. London: Routledge.
- Warren, E. (2016). *Rigged Justice 2016: How weak enforcement lets offenders off easy*. Office of United States Senate: Office of Elizabeth Warren.
- Weisburd, D., & Waring, E. (2001). *White-collar crime and criminal careers*. New York: Cambridge University Press.
- Wilson, J. Q., & Herrnstein, R. (1985). *Crime and human nature*. New York: Simon and Shuster.
- Whyte, D. (2015). *How corrupt is Britain*. London: Pluto Press.
- Zimring, F. B., & Johnson, D. T. (2005). On the comparative study of corruption. *British Journal of Criminology*, 45, 793–809.

3

The Extent of Corruption

Introduction

It was discussed in Chap. 2 that no international consensus existed concerning a definition of corruption. This makes the subject difficult to study empirically. However, understanding the level of corruption is important; if corruption can be measured, regardless of how approximate the data might be, it can be learned which factors are potentially involved in any reduction of its incidence (Collier 2000; Brooks et al. 2013; Heywood 2015). Measurement is therefore critical, providing some benchmark of progress, understanding its extent, and identifying what effective factors reduced its rate of incidence, if any. This chapter therefore examines the various efforts that have been made, both historically and contemporarily (Hough 2015), to gauge the prevalence of corruption, its impact on people and the effectiveness of anti-corruption initiatives and reforms.

A Herculean Task: Measuring Corruption

The most dominant approaches to measuring corruption are perception-based, cross-national indices produced in surveys. These contain both objective and subjective measurements. Objective measures are usually quantifiable and based on datasets that are verifiable. Examples of these objective indicators of corruption are the number of official complaints to the police, or relevant anti-corruption body, the actual number of convictions, and audits of company accounts (Brooks et al. 2013). However, such measurements are likely to be a reflection of corruption rather than its actual level in a particular country, and more an indication of the availability of resources and attitudes towards corruption. As a result of these measurements official datasets have largely been discontinued in preference for other subjective approaches (but not wholly, as will be seen in this chapter), although these too possess limitations (Bradburn 1983).

Subjective measurements tend to be based on polls and surveys, where participants are asked their perception and/or experience based on questions that are designed to gauge corruption levels. Transparency International's Corruption Perception Index and Global Corruption Barometer, which seeks to capture the lived experience of corruption via the eyes of 'ordinary' citizens, has, illustrated that experience is a poor predictor of perceptions and that the 'distance' between views and experience vary haphazardly from country to country (Weber Abramo 2008). However, whilst these surveys arguably reveal an amount of inaccurate data, perceptions of corruption are influential.

In order to attempt to overcome the difficulties of either the subjective or objective approaches to measurement, aggregate indicators (that combine several forms of both objective and subjective indicators) have now become increasingly used since the 1990s. Kaufmann et al. (1999) suggested that aggregated indices provide a more sophisticated approach to assessment and referred to them as second-generation measures (Johnston 2002) or composite indicators (Arndt and Oman 2006). Aggregate indicators have become influential because: they provide a broader country coverage; combine a wide array of individual indicators; sets of data that produce an average from these individual indicators reduce margins of

error and bias that occur in individual measures, and calculate explicit margins of error (Kaufmann and Kraay 2007).

Whilst many aggregate indicators exist, three of them dominate corruption assessments because of their sophistication and extensive use among anti-corruption professionals, as they are seen as mostly reliable and accurate (Lambsdorff 2006). These are the Corruption Perception Index (CPI), published annually by Transparency International (TI), the World Governance Indicators (WGI) and the Business Environment and Enterprise Survey (BEEPS) developed by the World Bank.

The CPI is a relative corruption assessment; it ranks nations in terms of the degree to which corruption is perceived to exist in its country by public sector officials and politicians and international businesses. The motivation for it originated in TI's desire to provide more accurate data to enable research to analyse both the causes and consequences of corruption (Knack 2006). The index also uses corruption related data from both 'expert' and business surveys conducted by independent institutions. The CPI ranges from a high of 100, in which the country is considered to possess negligible levels of corruption, to a score of 0 for those that would be considered as highly corrupt. Any country with a score below 50, according to TI, possesses a serious corruption problem. In the 2012 survey, only 53 out of 176 passed this threshold (although the number of the combined surveys used for the rankings differ from country to country), highlighting the widespread phenomenon of corruption.

There are, however, limitations to the CPI: the lack of any international understanding as to what is defined as corruption clearly has an impact upon any approach that possesses worldwide rankings; the data sources for the CPI rely heavily on the impressions of a range of people that encounter corruption, such as international businesses; the CPI is a gauge of perception and could be subject to stereotypical judgements rather than coinciding with reality. As such the CPI measures the perception of corruption rather than its frequency. Such an approach can produce misleading assessments of nations. Switzerland is seen as a country that has little problem with corruption; and whilst this is no doubt the case for those living in Switzerland, it is known for tax evasion and a repository of illegal funds (Shaxson 2007), with links to organized crime and corrupt political establishments. Furthermore, the perception of corruption

is often seen primarily in terms of bribes, which fails to capture different forms of corruption or the impact of corruption. Its focus is also on those that take bribes rather than those that offer them; the implicit suggestion here being that bribes are only paid if and when required rather than used proactively as a way to secure contracts (Heywood 2015). The CPI, however, is still both highly respected and influential (Johnston 2005), even with these limitations.

An alternative to the CPI is the WGI. It is not strictly an indicator of corruption alone as it measures a broad range of indicators as well measures of the control of corruption (Kaufmann et al. 2006). The World Bank adopted the basic approach of the CPI, but attempted to improve on it (Kaufmann et al. 1999). For example, the aggregated data is sourced from the views of a substantial array of enterprises, citizens and expert survey respondents both in industrial and developing states. The individual datasets underlying the aggregate indicators are drawn from a diverse variety of survey institutes, think tanks, NGOs and international organizations. The WGI also includes several indicators which measure the extent to which public power is exercised for private profit including different types of corruption, as well as state capture (capture of the state by elites and private interests rather than another state) (Brooks et al. 2013). The aggregate WGI measures, however, 'do not provide information about trends in global averages' (Kaufmann et al. 2009: 22).

BEEPS measures a private sector perspective across 20 nations of Eastern Europe and Central Asia (often referred to as transition economies). The survey emerged from the recognition that corruption is an obstacle to the expected and desired returns on investment (Brunetti et al. 1997). It has, however, been criticized by Kiselev (2012) for its sample sizes (986 firms across 19 Russian regions) and the low level of responses rendering the survey data potentially unrepresentative.

A problem with these surveys is that they can have their own understanding of corruption, which, and sometimes do, focus on different aspects such as bribery of public officials or embezzlement and then seek to assess the extent of corruption (Lambsdorff 2005). These surveys are also based on a panel of experts that rank corruption on a low to high scale (or some variation), and it is impossible to know if these 'experts' share a common assessment of the location of corruption on this scale.

There are other private sector surveys available that directly or indirectly measure corruption, such as the International Country Risk Guide (ICRG) published annually by Political Risk Services, which is based on the perceptions of foreign businessmen and experts with knowledge of democratic accountability, bureaucratic quality, honesty of political leaders, government stability, the likelihood of having to pay bribes, and law and order in a country. The Business International (BI)—now run by the Economist Intelligence Unit—publishes indices of country risk factors based mostly on a network of experts and analysts. The BI calculates separate indices for a number of factors, including political change, social stability, the legal and judicial system, bureaucracy/red tape and corruption. In addition the World Bank's World Business Environment Survey is used to relate corruption factors to business sales and investment; the annual Index of Economic Freedom¹, prepared by the Heritage Foundation (a politically US conservative organization that is critical of state-welfare distribution programmes); *The Wall Street Journal* focusses on state intervention in the economy. Freedom House's *Nations in Transition* publishes on democratization and the rule of law in the former socialist states in Eastern Europe and Central Asia; and the Opacity Index, constructed by the PricewaterhouseCoopers endowment for the Study of Transparency and Sustainability, leans heavily on surveys with highly placed business executives working 'abroad' (Brooks et al. 2013).

It should be pointed out, though, that many of these indices possess ambiguous relationships with corruption. As Knack (2002) argues, governance indicators have tenuous associations with reform measures and, as measures of corruption, the connection between corrupt practices and governance measures is sometimes vague, as poor scores for a state might be the result of weak government, as manifest in ineffective economic policies and fiscal management, rather than corruption.

There is a problem, however, with equating 'good governance' (whatever this is) with a predictor of economic development (Mauro 2004). In fact this has a problem of circularity to it, as Kurtz and Schrank (2007) illustrated,

¹ There are four pillars of economic freedom. These are: Rule of law (property rights, freedom from corruption); Government size (fiscal freedom, government spending); Regulatory efficiency (business freedom, labour freedom, monetary freedom); and Market openness (trade freedom, investment freedom, financial freedom), and assess a country's economic progress.

since those that seek to measure the probity and efficacy of bureaucracy are coloured by recent economic performance, with deeply entrenched bias supporting or dismissing public policy. Contemporary views are so pervasive that it is accepted that there is a link between 'good governance' and growth. This is, according to Kurtz and Shrank (2007), more an article of faith or a starting point for analysis than a hypothesis subject to falsification. 'Good governance', particularly in neo-liberal circles, is promoted as a way of building democracy and economic development in order to tackle corruption; this, however, is inconclusive, and in some instances may be challenged. Focussing on corruption in Africa, De Maria (2008) noted that the CPI can be used to undermine public administration in favour of Western economic interests. Termed 'neo-colonialism through measurement', and perhaps a form of labelling (see Chap. 9), it is contended that corruption cannot be understood outside of lived experience, nor submitted to empirical investigation (De Maria 2008; Heywood 2015).

A major criticism of corruption measures is the inherent bias in individual indicators such as business leaders' perceptions of what 'good governance' is and should entail. For example, to the business community 'good governance' might mean low taxes and minimal regulation as opposed to fair taxation and 'proper' regulation. The experience of either the poor or disenfranchised may as a consequence be overlooked and those in the business community might possess tolerance of corruption as a way of 'doing business'. Their views may be even more tainted if there is a clash of political ideologies between the survey respondents and those in power in the country they are asked to assess. As such, more favourable perceptions may be developed towards those with whom respondents enjoy alliance and less so regarding those whose political leanings conflict with their own. Therefore, as Heywood (2015: 144) suggests, 'where perception, policy an action meets, good governance can act as a euphemism for free trade, an idealised role for civil society that rarely exists in practice and a clear separation between bureaucracy and political influence', which can, however, aggravate the underlying causes of corruption; those in business therefore might do everything—legal or illegal—to circumvent, thwart and change public policy. In this context there is a paradox of development leading to the corruption trap; aid becomes conditional on the implementation of set reforms that are impossible to achieve without the aid (Anderson and Heywood 2009).

Whilst presented as sound economic sense, there has been a politicization of perception indices, particularly if business leaders are used, who prefer a non-intervention style state and limited, light-touch regulation. Furthermore, the management of an organization might be reluctant to answer what they consider to be politically sensitive questions, particularly if seeking to enter or expand into a market. This reluctance can be social, political and economic. Non-responses and false responses were discovered by Jensen et al. (2010) in states where there was limited press and political freedom. Broad questions on corruption might not inform us of an organization's experience with corruption while specific questions could lead to false statements so as to minimize legal and political repercussions.

The links between governance and growth are more artefacts of measurement than reflections of underlying causal dynamics. These criticisms, however, have helped move the measurement of corruption forward by combining perceptions with objective research (see Svensonn 2003 in Uganda; Olken 2007 in Indonesia; Ferraz and Fiinan 2008 in Brazil). These in the field approaches², however, do not overcome the limits of perception indices; instead small scale corruption measures exchange conceptual work for rigorous empirical research and perhaps lead to more nuanced, local projects to tackle corruption (Heywood 2015).

Those in academia are also part of the problem. There is widespread use of corruption data by academics, and as the United Nations Development Programme (UNDP 2008: 45) suggested, for academics 'data seems to trump quality' and they use completed surveys unquestionably rather than conduct one. Urrea (2007) identified three issues with aggregate data; these were the perception, error and utility problem. For Urrea the perception problem is the margin of error created when subjective indicators are used to produce complex statistical constructions that can produce an illusion of quantitative sophistication; the error problem concerns the internal margins of error already contained within the various sources of corruption data and errors relative to the concept itself, and the corruption research encounters sampling errors (part of any social science research) and also the fact that any proxy for corruption is imperfect; the utility problem is the gap between measurement and solutions where broad measures of corruption are difficult if not impossible to turn into

²In the field means primary research (i.e., interviewing someone).

actual anti-corruption initiatives. This criticism, however, does not mean that we should abandon all attempts to measure corruption. It is imperfect, particularly with all types of crime, as those familiar with crime data are aware (Coleman and Moynihan 1996), but those acts and crimes that are hidden add that extra complication of assessment (Levi and Burrows 2008; Button et al. 2011).

The CPI and the WGI both employ aggregate indicators, which combine information from multiple sources. They use several of the same sources but the WGI consists of six aggregate indicators (which it calls dimensions of governance, that is: voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption) and the CPI, in contrast, measures only corruption, with data from a few organizations. The WGI control of corruption indicator uses these same data sources but also 14 others with measures of corruption in the public and private sector (with the help of some sources which provide data on corruption at the household level). The CPI measures corruption only in the public sector, as perceived by experts only (Rohwer 2009).

As the WGI is predominantly a perception survey (albeit encompassing a broader range of opinion and belief than the CPI), the same issues affect the WGI. Whilst caution should be exercised when examining and interpreting the data, they each are probably the best perception indicators of corruption that are in existence. A key problem is that data comes from a number of sources issued in an aggregated format before release and that neither index provides the specificity that may be required, such as the type or locus of corrupt activity, offender or victim. This causes difficulties in the design, delivery and evaluation of effective anti-corruption strategies that cannot identify corruption hot spots or groupings such as occupational, demographic or socio-economic (Brooks et al. 2013).

Whilst the CPI and the WGI are able to distil usefully a mass of information from a range of sources, the weakness inherent in this approach is that there is a danger that any measurement errors overlook the different forms and definitions of corruption. As such, it may be vague as to what information is provided and what is being measured, as well as providing problems in cross-country comparison (Thompson and Shah 2005).

Further, Knack (2006) expresses concern that the data sources for both the WGI and the CPI are not all publicly available and, thus, not verifiable. This makes hard data on corruption difficult to obtain and instead leads us to rely on perception surveys. However, whilst surveys of perceptions can capture the views of situations, particularly if they are carefully designed and developed, they remain perceptual data, lacking objectivity, and results from such surveys may not always coincide with (Maurseth 2008) real life.

As has been noted, corruption surveys based wholly or largely on perception based indicators possess unreliability, the extent of which has tended to be only estimated. Donchev and Ujhelyi (2011) have argued that perception indices such as the CPI, BEEPS, ICRG and WGI are more inaccurate than is thought. These authors correlated data on actual corruption experiences with data relating to reported corruption perceptions. They found no correlation between factors that have been suggested from perception surveys, such as those that reduce corruption, for example economic development, democratic institutions, certain cultural and religious traditions, and the actual experience of corruption. Donchev and Ujhelyi therefore argue that absences of those factors negatively bias perceptions of corruption. In this light the emergence of other methods of measurement should be welcomed. These have been conducted by way of small-scale studies (Hunt 2007; Svensson 2003) that continue to be based on survey data. Meanwhile, Banerjee et al. (2004) and Atanassova et al. (2009) each used novel research paradigms that monitored payment for services and products that should have been lower, or free, in contrast to the actual sums paid. The limitations of these studies concern the well-documented (Brooks et al. 2013) challenges that confront self-reporting of data, both in terms of their reliability for accuracy and the fact that such methodological approaches tend for, perhaps, understandable reasons to focus upon the less serious incidents of corruption.

In attempting to overcome the concerns that the CPI and WGI represent the interests and views of the business community, TI developed yet another index in 2003: The Global Corruption Barometer (GCB). The GCB annually surveys over 1,000 people, each in at least 100 states, and the views and the experiences of corruption by 'ordinary' people. Similar to the now defunct Global Integrity Index, the methodology of

the GCB also allows an understanding of an otherwise largely overlooked tolerance of corruption and identifies the demographics of respondents and accommodates various disaggregations of data by age, gender, income and locality. This detailed data can enable suitably focussed responses through anti-corruption strategies. This is particularly so since the GCB also identifies corruption by institution. However, the GCB is most likely to identify petty corruption. Nevertheless, it is claimed by TI that the index has prompted positive responses from some places such as Malaysia and Vietnam. Nevertheless, it is agreed, even by TI, that the GCB is more appropriate as a measure when combined with other surveys, rather than as a stand-alone tool, particularly as one that can provide early identification of corruption. Problems of the reliability of self-reported data are inherent in the GCB, although this concern might well be moderated by sample size (Brooks et al. 2013).

In each of the corruption indices discussed it is unclear what they actually mean and what a particular rank infers about the type and level of corruption in a country. As has been noted, a country with an apparently high amount of corruption may be rife with illicit dishonesty. However, an increased determination to deal with corruption may be behind any high figure, since the TI and the World Bank datasets do not account for the sources of corruption or the types of interventions that may have occurred. Thus, it is not always obvious that the data contained in the CPI or the WGI mean that a country is more or less corrupt than another country.

In 2011 Global Integrity removed from its own website its Global Integrity Index, stating that:

after many years of carrying out this kind of work ... indices rarely change things. Publishing an index is terrific for the publishing organization in that it drives media coverage, headlines and controversy ... There are very effective public relations tools. But a single number for a country stacked up against another ... has not proven, in our experience, to be particularly effective policy ... Country rankings are too blunt ... to be actionable an inform real debate and policy changes. (Global Integrity 2011 in Heywood 2015: 148)

Furthermore, since the downturn in the global economy in 2008 it is likely that there is public intolerance of what may be considered corrupt behaviour by politicians than in more prosperous times; for example the

situation in the United Kingdom in 2010–2011 where democratically elected Members of Parliament made dubious, and in some cases illegal, claims for expenses. This was a situation that was subsequently found to have been occurring for so many years that it had almost for some become institutionalized practice. It was only during the deepest recession for almost 60 years that any apathy towards this abuse of public money dissipated and its exposure caused angry public reaction (Worthy and McClean 2015).

A further concern with the CPI is that it can provide misleading information on whether a country has improved or deteriorated in terms of its corruption rating or whether any reforms have had any impact. TI has no control of the states that may cease to be measured (due to a lack of the available data) in any one year. A similar issue would arise if a country, which had previously dropped out of the rankings, or had never been measured at all, began to be ranked in a subsequent year because sufficient data were then to hand. Such developments might cause another country to be ranked higher, thereby giving the impression of improvement, where in truth none actually existed since the country had only obtained this higher ranking on a relative basis, due to the existence of others assessed as more corrupt than themselves. The annual publication of the CPI can also hamper those trying to improve their low ranking (Galtung 2006). The regular annual publication of the CPI reinforces negative perceptions of a country, meaning it is almost impossible for a low ranking country to ascend the index. This would be despite undertaking any number of initiatives to reduce corruption, some of which might understandably take several years to have meaningful effects. Galtung (2006) therefore recommends the CPI to be published over longer intervals; that is four to five years. Averaging performance over time frames of more than one year also accommodates the opportunity for a country to avoid being assessed as corrupt and causing a lower ranking than it actually might otherwise merit, due to a one-off major corruption scandal in that country.

The breadth of scope and methodology of the surveys undertaken by the EIU, TI and the World Bank mean that they lack sufficient specificity for detailed theoretical approaches to be developed. Nevertheless, the sheer size of the datasets presented by the TI and WGI in particular mean

that they cannot be dismissed, despite these stated concerns, as they are able to provide an insight into and for cross-country comparison. Used in combination with small scale, local research, however, a picture is developing in which context is important for understanding the level and lived reality of corruption (Heywood 2015).

In an attempt to gauge the extent of corruption, Chaudhury et al. (2006), Banerjee et al. (2007), Bertrand et al. (2007), Olken and Barron (2007) and Duflo et al. (2008) adopted observational small scale approaches to measure corruption levels in the public sector. Each of these studies revealed incorrect practices but have been unable to establish whether these observations are necessarily corrupt as opposed to being bureaucratic inefficiencies, incompetence or mitigating circumstances. In attempting to overcome this problem, studies by both Reinikka and Svensson (2005) and Olken (2007) compared data from records on central state funding against the amounts that the intended beneficiaries of the funding either ultimately received or should have actually spent on the funded project. Any shortfall between the two figures would then provide estimates of how much was possibly siphoned away corruptly. However, it remains highly questionable as to whether these studies actually showed that corruption had occurred. There may be a more honest explanation for such discrepancies, such as officials diverting funds to other areas of needed expenditure, also for the benefit of the public, rather than stolen.

Measuring losses to fraud, corruption or poor governance whilst dispensing aid has also become increasingly important; the Public Expenditure Tracking Survey (PETS) is used to assess the wastage, fraud and corruption in expenditure. It also tries to assess what happens to the original allocated funds for a project as it travels through layers of bureaucracy to the ultimate point of delivery. The first major PETS assessed the Ugandan Education Department in 1996. Despite substantial increases in expenditure, there had not been similar increases in primary school enrolment. PETS discovered that only 13 % of the annual capitation fund (student) reached the schools from 1991 to 1995, with 87 % disappearing and/or being spent on unrelated purposes (Reinikka and Svensson 2004). This led to PETS been implemented in a number of other states, which also showed substantial leakage (Button et al. 2015).

A variation of PETS is the Frontline Provider Survey or Quantitative Service Delivery Survey (QSDS). This assesses actual frontline services alongside the services that should result from the funds provided. A statistically valid sample of locations is identified and then visited unannounced to assess service delivery. A QSDS conducted in Bangladesh found a 35 and 40 % shortfall of health workers and doctors (Reinekka and Svensson 2006 ; Reinekka and Smith 2004). PETS uncovers the attrition in funds which includes fraud, corruption, error, bureaucracy and inefficiency. These surveys are, however, very resource intensive to undertake and uncover a wider range of leakages than fraud and error. Indeed, they are estimated to cost at least US\$50,000–100,000 per project (Koziol and Tolmie 2010; Reinekka and Smith 2004; Button et al. 2015).

The challenges that all these approaches encounter is that corruption is illicit in nature, thus its measurement faces problems that seem quite intractable. For example, in terms of bribery, it would be difficult to establish with any precision who was implicated in corrupt behaviour and also to quantify how much was involved in any transaction. Measurement systems can also prompt responses that can undermine efforts to identify accurately the extent of corruption. Once a monitoring system is in place, those determined to continue to engage in corrupt activity may adjust their behaviour ('displacement' in criminology terms) by developing ways to circumvent the new system or focus on a different type of corrupt activity and carry on acting illicitly. As a result, these efforts to monitor and measure corruption can continue to underestimate its prevalence.

A further method of identifying the extent of corruption, however, is the use of victim surveys. These have been used for measuring crime rates in the United Kingdom; in the USA the National Crime Victimization Survey has been used. A debate on the pitfalls of relying upon official data as accurate reflections of crime rates due to a range of factors is well-established in criminology (Coleman and Moynihan 1996). These surveys have repeatedly noted that: crimes are not reported due to various reasons such as the fear of repercussion from the offender(s) when the crime was reported to the police by the victim; the police would not take the crime seriously; (in the example of on-line fraud). Official data is seen more as a measure of police operational activity that might reflect

the priorities of senior police officers or politicians, such as the requirement for resources or to meet what may be perceived as more demanding objectives and priorities. However, victimization surveys have increasingly become more sophisticated and are now widely considered to be a more reliable source for the calculation of crime levels. This approach has therefore since the mid-1990s become the basis of estimates of corruption through the International Crime Victim Survey (ICVS) (Brooks et al. 2013). Spearheaded by the UN Centre for International Crime Prevention this seeks to obtain details on the nature and seriousness of victimization and criminal activity, including that of corruption which has occurred. The ICVS focuses on both the level and impact of corruption through the prism of personal experiences of victims that have occurred during the preceding year. This gathering of recent victimization data enables the survey to identify trends year on year, as well as increasing the opportunity for the collection of detailed and accurate information due to the recent nature of any revealed experience as a victim of corruption. This approach also provides for the possibility to measure effects of any implemented anti-corruption strategy. The survey findings from the ICVS were soon adopted by the World Bank to be incorporated in their aggregated data. Victim surveys of corruption, however, are not exempt from the same issues that challenge the compilation of data and, indeed, all crime surveys.

This chapter has so far focussed on corruption as a negative act rather than on one that is beneficial, at least for some anyway. Rather than focus on the measurement of negative impacts, is there a positive aspect to corruption? It is to these contested views that we now turn.

Is All Corruption Bad? Measuring Its Impact in Inefficient States

It has been suggested that corruption can have a positive impact on investment in states that have excessive regulation (Huntington 1968; Leff 1989) or an inefficient allocation of resources (De Soto 1989; Mauro 1998). These two characteristics—excessive regulation and inefficient allocation—form part of the ‘grease the wheels’ hypothesis advocated

by (Leff 1964; Leys 1965; Huntington 1968) and the ‘sand the wheels’ hypothesis supported by (Myrdal 1968; Kurer 1993; Mauro 1998; Rose-Ackerman 1997).

‘Grease the Wheels’

This approach suggests that an inefficient bureaucracy is a major impediment to economic activity and that some ‘speed’ or ‘grease’ money is needed to help circumvent the problem. Lui (1985) offered a formal illustration of this and showed that corruption may be an efficient way of reducing time spent, cost of queues or bureaucratic blockages and thereby improving economic efficiency. Indeed, this approach suggests that corruption is beneficial in states where other aspects of governance are defective, though they acknowledge that it is damaging elsewhere and that corruption will not increase economic development everywhere. Therefore, the observation is that corruption is a potential stimulus of economic performance and thus can/should be measured in those states whose institutional frameworks are ineffective. What is meant by ‘ineffective’, however, is vague and suffers from the same issues discussed above regarding how to define corruption (Brooks et al. 2013).

There are different ways in which it is thought corruption can reduce bureaucratic inefficiency. Leys (1965) stressed that bribes might offer bureaucrats an incentive to process more quickly the establishment of new firms in an otherwise sluggish administration. Lui (1985) later adopted the same approach and showed in a formal model that corruption could efficiently reduce the time spent queuing for ‘services’. In addition Bailey (1966) claimed that corruption has the potential to amend a bureaucracy by improving the quality of its civil servants. For example, if wages are low but perks are available, this may attract able civil servants who would otherwise have opted for different jobs. Even more so, Leff (1964) and Bailey (1966) argued that corruption might simply be a hedge against bad public policies; in these authors’ view, this is particularly the case if the bureaucrat is biased towards the public service rather than entrepreneurship due to ideological reasons or a prejudice towards minority groupings (Brooks et al. 2013).

Furthermore, Ehrlich and Lui (1999) argue that autocratic regimes, which are able to steer the administration in a centralized way and maximize personal income, will also internalize the deadweight loss associated with corruption. These regimes therefore have incentives to avoid impairing the productivity of the private sector, which is often seen as a sign of good governance. Such incentives, however, do not exist in more decentralized regimes, where no bureaucrat views the harmful effect of bribes on productivity. If this is the case, it is possible to suggest that corruption provides an incentive to implement better procedures in autocratic regimes but not in democratic regimes. All things being equal, corruption is beneficial in states that are less democratic. Olson (1993) similarly put forward the view that a corrupt autocrat may have an incentive to implement policies conducive to growth and development and in fact seize assets for further personal profit, but if growth is occurring it might be seen as good governance, depending on the measurement used. Moreover, it has also been reasoned that corruption may in some circumstances improve the quality of investments. As Leff (1964) pointed out, if corruption is a means of tax evasion, it can reduce the revenue of public taxes and, provided that sufficient investment avenues are available elsewhere, improve the overall efficiency of investment. In a global economy, however, funds—legal or illegal—are invested anywhere in the world rather than in a national economy. This notion of efficiency has been extended to bribes (Bailey 1966) and referred to as a similar exercise to a competitive auction. Beck and Maher (1986) and Lien (1986) subsequently showed that corruption replicates the outcome of a competitive auction aimed at assigning a state procurement contract because the ranking of bribes replicates the ranking of firms by efficiency.

All the above views share the presumption that corruption may contribute positively to productivity if a country is endowed with set factors because it compensates for the consequences of a defective institutional framework, such as an inefficient administration, a weak rule of law or political violence. Corruption, however, also has its drawbacks.

'Sand the Wheels'

The 'sand the wheels' hypothesis emphasizes that some of the costs of corruption may appear or be magnified precisely in a weak institutional context. For instance, the claim that corruption may speed up an otherwise sluggish bureaucracy is flawed. Myrdal (1968) claims that corrupt civil servants may cause delays for other reasons than a bribe. However, Kurer (1993) suggests that corrupt officials have an incentive to create distortions in the economy to preserve their illegal source of income and subsequently potentially distort governance indicators, which in turn affects any measurement of corruption. They stress that nothing is secured from corruption at the aggregate level, and to secure a contract with bribery is not necessarily the most efficient. In auctions where the profitability of a licence is uncertain, the winning bid may simply reflect the more optimistic rather than corrupt. As Rose-Ackerman (1997) illustrated, the person paying the highest bribe may simply be the one most willing to compromise on the quality of the goods he or she will produce if obtaining the licence. Under these circumstances, corruption will simply reduce rather than improve efficiency. The contention that corruption may raise the quality of investment is therefore questionable. Mauro (1998) observes that corruption results in a diversion of public spending toward less efficient allocations. Corruption therefore results in public investment in unproductive sectors, which is unlikely to improve efficiency or result in faster economic growth and hence is seen as poor governance.

It is also doubtful whether corruption may serve as a hedge in a politically uncertain environment. Corruption is not a simple transaction. As it is sometimes illegal, the commitment to comply with the 'terms of an agreement' may indeed be very weak, which may lead to opportunism, especially on the recipient's part (Meon and Weill 2010). Furthermore, increased uncertainty due to corruption may affect the rest of the economy. For example, corruption is associated with a shadow economy and since transactions in the shadow economy are by definition unregulated, they are therefore subject to even more uncertainty than official transactions and hence impossible to measure; but most of all we can add that corruption also impacts on economic performance by weakening the rest

of the institutional framework (Dreher and Siemers 2009). Since corruption and capital account restrictions are mutually reinforcing, corruption would lead to a more hostile regulatory framework, which encourages corruption in a sector or state that eventually becomes entrenched and is hard to dislodge.

Consequently, as Bardhan (1997) points out, the inherent uncertainty of corruption may simply make the claimed economic efficiency in ‘greasing the wheels’ of commerce described above ineffective. Such an environment might provide an incentive to invest in universal capital, as opposed to specific capital, which can easily be reallocated but is also less productive. As a result, corruption may worsen the impact of political violence or a weak rule of law on the quality of investment instead of reducing it (Henisz 2000).

Both the ‘grease the wheels’ and the ‘sand the wheels’ approaches are useful on an abstract level (Meon and Weill 2010). They predict that an increase in corruption will reduce efficacy in an otherwise efficient institutional context. They differ in the expected impact of corruption in a deficient institutional context; the ‘grease the wheels’ approach predicts that corruption may raise efficiency, while the ‘sand the wheels’ approach predicts that an increase in corruption will reduce efficiency, even in a deficient institutional context. This institutional context is important as the ‘resource curse’—the discovery of oil in an under-developed country (Shaxson 2007)—is an example of this inadequate and ineffective organizational context that encourages corruption.

Conclusion

In this chapter I have briefly discussed the efforts that have so far been used to measure corruption and the established and widely used indices such as the CPI, WGI and the GCB. The number of attempts to gauge corruption has grown exponentially with some of them conducted on a global scale. Measuring corruption is a difficult task, due to the secretive nature of corruption and the various forms it takes (Svensson 2005). Objective data of corruption is difficult to obtain, either on a national or international level. Perception surveys are an imperfect

proxy for measuring actual levels of corruption, due to their inherent subjectivity and bias or, in the case of the CPI, to a focus on corruption in the public sector. The WGI attempts to include private sector corruption but in doing so differentiates itself with other definitions of corruption, thus an accurate corruption ranking system remains elusive in the absence of any international consensus as to what corruption is. The effects then of trying to assemble international assessments of corruption is that such initiatives do not take into account the variations that exist within and between states on the relative importance attached to different kinds of corruption.

Surveys based on interviewees' experiences are also a problem as to how reliable reported data is, particularly if the respondents have themselves been directly involved in corrupt transactions. These types of surveys too may be similarly affected as are perception surveys by bias. Since no single indicator can capture the full complexity of the phenomenon, it may be more useful to employ a combination of tools. By enabling a set of accurate measurements of corruption, however approximately, it can be discovered what interventions tend to reduce it (Collier 2000). It can also show the progress made by initiatives designed to combat it. Regardless of the criticism of the measurement of corruption in this chapter, it is perhaps wise to keep in mind that 'the plural of anecdote is data' and no matter how flawed it is, it is better than a bias, political narrative on a subject which touches us all.

References

- Anderson, S., & Heywood, P. M. (2009). The politics of perception; use and abuse of Transparency International's approach to measuring corruption. *Political Studies*, 57(4), 746–767.
- Arndt, C., & Oman, C. (2006). *Uses and abuses of governance indicators*. Paris: OECD.
- Atanassova, A., Bertrand, M., Mullainathan, S., & Niehaus, P. (2009). *Targeting with agents: Theory and evidence for India's below poverty line cards*. Mimeo: UC San Diego.
- Bailey, D. H. (1966). The effects of corruption in a developing nation. *Western Political Quarterly*, 19(4), 719–732.

- Banerjee, A., Deaton, A., & Duo, E. (2004). Health care delivery in rural Rajasthan. *Economic and Political Weekly*, 39(9), 944–949.
- Banerjee, A., Duflo, E., & Glennerster, R. (2007). Putting a band-aid on a corpse: Incentives for nurses in the Indian public health care system. *Journal of the European Economic Association*, 6(2–3), 487–500.
- Bardhan, P. (1997). Corruption and development: A review of issues. *Journal of Economic Literature*, 35(3), 1320–1346.
- Beck, P. J., & Maher, M. W. (1986). A comparison of bribery and bidding in thin markets. *Economics Letters*, 20(1), 1–5.
- Bertrand, M., Djankov, S., Hanna, R., & Mullainathan, S. (2007). Obtaining a driver's license in India: An experimental approach to studying corruption. *Quarterly Journal of Economics*, 122(4), 1639–1676.
- Bradburn, N. M. (1983). Response effects. In R. Peter, H. Rossi, J. D. Wright, & A. B. Anderson (Eds.), *Handbook of survey research*. New York: Academic Press.
- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.
- Brunetti, A., Kisunko, G., Weder, B. (1997). *Institutional obstacles to doing business*. (Policy Research Working Paper 1759). Washington, DC: World Bank.
- Button, M., Gee, J. & Brooks, G. (2011) Measuring the cost of fraud: an opportunity for the new competitive advantage. *Journal of Financial Crime*, 19 (1), 65–75.
- Button, M., Lewis, C., Shepard, D., & Brooks, G. (2015). Fraud in overseas aid and the challenge of measurement. *Journal of Financial Crime*, 22(2), 184–198.
- Chaudhury, N., Hammer, J., Kremer, M., Muralidharan, K., & Rogers, F. (2006). Missing in action: Teacher and health worker absence in developing countries. *Journal of Economic Perspectives*, 20(1), 91–116.
- Coleman, C. & Moynihan, J. (1996). Understanding crime data: haunted by the dark figure. Milton Keynes: Open University Press.
- Collier, P. (2000). *How to reduce corruption*. *African Development Review*, 12(2), 191–205.
- De Maria, W. (2008). Measurements and markets: Deconstructing the corruption perception index. *International Journal of Public Sector Management*, 21(7), 777–797.
- De Soto, H. (1989). *The other path. The invisible revolution in the Third World*. New York: Harper and Row.

- Donchev, D. & Ujhelyi, G., 2007. Do Corruption Indices Measure Corruption? *Economics & Politics*, 26 (2), 309–331.
- Dreher, A., & Siemers, L. H. R. (2009). The nexus between corruption and capital account restrictions. *Public Choice*, 140(1–2), 245–265.
- Duflo, E., Hanna, R., & Ryan, S. (2008). *Monitoring works: Getting teachers to come to school* (CEPR Discussion Papers 6682).
- Ehrlich, I., & Lui, F. (1999). Bureaucratic corruption and endogenous economic growth. *Journal of Political Economy*, 107(6), 270–293.
- Ferraz, C., & Finan, F. (2008). Exposing corrupt politicians: The effects of Brazil's publicly released audits on electoral outcomes. *Quarterly Journal of Economics*, 123(2), 703–745.
- Galtung, F. (2006). Measuring the immeasurable: Boundaries and Functions of (Macro) corruption indices. In C. Sampford, A. Shacklock, C. Connors, & F. Galtung (Eds.), *Measuring corruption*. Aldershot: Ashgate.
- Henisz, W. J. (2000). The institutional environment for economic growth. *Economics and Politics*, 12(1), 1–31.
- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Hough, D. (2015). *Corruption, anti-corruption and governance*. Basingstoke: Palgrave Macmillan.
- Hunt, J. (2007). *Bribery in Health Care in Peru and Uganda* (NBER Working Papers 13034). Cambridge, MA: National Bureau of Economic Research.
- Huntington, S. P. (1968). *Political order in changing societies*. New Haven, CT: Yale University Press.
- Integrity, G.F. (2011). *Illicit financial flows from developing countries: 2000–2009. Update with a Focus on Asia*, Global Financial Integrity Executive Report, Washington: Global Integrity.
- Jensen, N. M., Li, Q., & Rahman, A. (2010). Understanding corruption and firm responses in cross-national firm-level surveys. *Journal of International Business Studies*, 41(9), 1481–1504.
- Johnston, M. (2002). Measuring the new corruption rankings: Implications for analysis and reform. In A. J. Heidenheimer & M. Johnson (Eds.), *Political corruption—Concepts & contexts*. New Brunswick, NJ: Transaction Publishers.
- Johnston, M. (2005). *Syndromes of corruption: Wealth, power and democracy*. Cambridge: Cambridge University Press.
- Kaufmann, D., Kraay, A., & Mastruzzi, M. (1999). *Governance matters* (World Bank Policy Research Working Paper 2196). Washington, DC: World Bank.

- Kaufmann, D., Kraay, A., & Mastruzzi, M. (2006). Measuring corruption: Myths and realities. *Development Outreach*, 8(2), 124–137.
- Kaufmann, D., Kraay, A., & Mastruzzi, M. (2007). Growth and Governance: A Reply. *The Journal of Politics*, 69(2), 555–562.
- Kaufmann, D., Kraay, A., & Mastruzzi, M. (2009). *Governance matters VIII: Aggregate and individual governance indicators 1996–2008* (World Bank Policy Research Working Paper 4978). Washington, DC: World Bank.
- Kiselev, E. (2012). *Bribe-taking and bureaucratic competition: A search cost model of corruption*. Waltham, MA: Brandeis University International Business School.
- Knack, S. (2002). Social capital, growth and poverty: A survey of cross-country evidence. In C. Grootaert & T. van Bastelaer (Eds.), *The role of social capital in development: An empirical assessment*. Cambridge: Cambridge University Press.
- Knack, S. (2006). *Measuring corruption in Eastern Europe and Central Asia: A critique of the cross-country indicators* (World Bank Policy Research Working Paper 3968). Washington, DC: World Bank.
- Koziol, M., & Tolmie, C. (2010). *Using public expenditure tracking surveys to monitor projects and small-scale programs—A guide*. Washington, DC: The World Bank.
- Kurer, O. (1993). Clientelism, corruption and the allocation of resources. *Public Choice*, 77(2), 259–273.
- Kurtz, M., & Schrank, A. (2007). Growth and governance: Models, measures, and mechanisms. *Journal of Politics*, 69(2), 538–554.
- Lambsdorff, J. G. (2005). *The methodology of the 2005 corruption perceptions index*. Germany, Passau: Transparency International and University of Germany.
- Lambsdorff, J. G. (2006). Causes and consequences of corruption: What do we know from a cross-section of countries? In S. Rose-Ackerman (Ed.), *International handbook on the economics of corruption*. Cheltenham: Edward Elgar.
- Leff, N. H. (1964). Economic development through bureaucratic corruption. *American Behavioral Scientist*, 8(3), 8–14.
- Leff, N. H. (1989) Economic Development through Bureaucratic Corruption, in A.J. Heidenheimer, M. Johnston and V.T. LeVine (eds.) *Political Corruption: A Handbook*, New Brunswick NJ: Transaction Books, pp: 389–403.
- Levi, M. & Burrows, J. (2008). Measuring the Impact of Fraud in the UK A Conceptual and Empirical Journey. *British Journal of Criminology*, 48(3), 293–318.
- Leys, C. (1965). What is the problem about corruption? *Journal of Modern African Studies*, 3(2), 215–230.

- Lien, D. H. D. (1986). A note on competitive bribery games. *Economics Letters*, 22, 337–341.
- Lui, F. T. (1985). An equilibrium queuing model of bribery. *Journal of Political Economy*, 93(4), 760–781.
- Mauro, P. (1998). Corruption and the composition of government expenditure. *Journal of Public Economics*, 69(2), 263–279.
- Mauro, P. (2004). *The persistence of corruption and slow economic growth*. IMF staff papers. Washington, DC: IMF.
- Maurseth, P. B. (2008). *Governance indicators: A guided tour* (NUPI Working Paper 754).
- Meon, P.-G., & Weill, L. (2010). Is corruption an efficient grease? *World Development*, 38(3), 244–259.
- Myrdal, G. (1968) Corruption: its causes and effects. In *Asian drama: An inquiry into the poverty of nations*. Vol. II. New York: Pantheon. Reprinted in *Political corruption: A handbook*. Edited by a Heidenheimer et al. New Brunswick: Transaction Publishers, 1989: 953–961.
- Olken, B. (2007). Monitoring corruption: Evidence from a field experiment in Indonesia. *Journal of Political Economy*, 115(2), 200–249.
- Olken, B. and Barron, P. (2007). The Simple Economics of Extortion* Evidence from Trucking in Aceh. *Journal of Political Economy*, 117(3), 417–452.
- Olson, M. (1993). Dictatorship, democracy, and development. *American Political Science Review*, 87(3), 567–576.
- Reinekka, R. & Smith, N. (2004). Public expenditure tracking surveys in education. International Institute for Educational Planning. Paris. UNESCO.
- Reinikka, R. and Svensson, J. (2004). Local Capture: Evidence from a Central Government Transfer Program in Uganda. *The Quarterly Journal of Economics*, 119(2), 679–705.
- Reinikka, R., & Svensson, J. (2005). Fighting corruption to improve schooling: Evidence from a newspaper campaign in Uganda. *Journal of the European Economic Association*, 3(2–3), 259–267.
- Reinekka, R. & Svensson, J. (2006). Using micro surveys to measure and explain corruption. *World Development*, 34 (2), 359–370.
- Rohwer, A. (2009). Measuring corruption: A comparison between the Transparency International's Corruption Perceptions Index and the World Bank's Worldwide Governance Indicators. Ifo Institute for Economic Research at the University of Munich. *CESifo DICE Report*, 7, 42–52.

- Rose-Ackerman, R. (1997). The political economy of corruption. In K. A. Elliott (Ed.), *Corruption and the global economy*. Washington, DC: Institute for International Economics.
- Shaxson, N. (2007). Oil, corruption and the resource curse. *International Affairs*, 83(6), 1123–1140.
- Svensson, J. (2003). Why conditional aid does not work and what can be done about it? *Journal of Development Economics*, 70, 381–402.
- Svensson, J. (2005). Eight questions about corruption. *Journal of Economic Perspectives*, 19, 19–42.
- Thompson, T., & Shah, A. (2005). Transparency International's Corruption Perceptions Index: Whose Perceptions are they anywhere?, cited in A. Rohwer. (2009). Measuring corruption: A comparison between the Transparency International's Corruption Perceptions Index and the World Bank's Worldwide Governance Indicators. CESifo DICE Report. Ifo Institute for Economic Research at the University of Munich.
- Urta, F., J. (2007) Assessing Corruption An analytical review of Corruption measurement and its problems: Perception, Error and Utility. Edmund A. Walsh School of Foreign Service: Georgetown University.
- UN. (2008). *United Nations Development Programme*. Washington, DC: UN.
- Weber Abramo, C. (2008). How much do perceptions of corruption really tell us? Economics-The Open-Access. *Open-Assessment E-Journal*, 2, 1–56.
- Worthy, B. & McClean, T. (2015). Freedom of Information and Corruption in P. Heywood et al (2015) *Routledge Handbook of Political Corruption*, pp.347–359. Abingdon: Routledge.

4

Explaining Corruption: Differential Association

Introduction

In this chapter we primarily focus on the work of Sutherland (1939, 1947), Coleman (1992) and Ashforth and Anand (2003) and on the notion of differential association; we will also make reference to other useful theoretical approaches. Differential association emphasizes that criminality is learned in interaction with others in a process of communication, which is learned from observations of what are referred to as definitions favourable to the violation of law(s). This process includes the techniques, motives, drives, rationalizations and attitudes towards set criminal actions. For a person to commit corrupt/criminal acts there needs to be a culture of dominant attitudes that justify and rationalize corrupt/criminal acts as an acceptable way to behave. This approach could be a universal description of the aetiology of all criminal behaviour, but a key point of differential association is that all criminal behaviour is learned in a process of social interaction.

Differential Association

There are nine key tenets to this approach:

1. Criminal behaviour is learned.
2. Criminal behaviour is learned with people through the process of communication.
3. The principal part of learning criminal behaviour occurs within intimate, small groups of people.
4. Learning about crime includes: (a) the techniques of committing a crime, which can be simple or complicated; (b) the motivations, attitudes, drives and rationalizations towards crime.
5. Legal codes demonstrate what is acceptable and unacceptable and provide a motivation for crimes.
6. A person becomes a criminal because of an excess of definitions favourable to a violation of law(s) instead of definitions that are unfavourable to a violation of law(s). This is the principle of differential association.
7. Differential association theory can differ in frequency, duration, priority and intensity.
8. The learning of criminal behaviour by association is similar to all other types of learning.
9. Criminal and non-criminal behaviour is an expression of the same needs and values, does not discriminate, and any person from any background can become a criminal. (Lilly et al. 1989: 57–58)

Applying these key tenets, at the time, radically departed from the notion that criminals were pathological and driven to crime by a range of internal struggles that fall under the umbrella of ‘cognitive faulty constitutions’. It was assumed that crime was committed by mostly ‘poor people’ due to psychopathic or sociopathic conditions. Instead Sutherland suggested that the distinction between those that break the law and those that abide by it is not a personal matter of moral fibre (or lack of it) but the content, and particularly the context, of what they learn.

A family provided an individual’s social and economic needs, if possible, and presented a consistent set of expectations. The ‘family’ was seen as the bedrock of stability, but Western society was also seen to possess conflicting attitudes, standards and ideals, and was characterized by a high degree of

social disorganization. This disorganization resulted in or was the cause of economic individualism and identification with personal wealth that produced intense materialism that encouraged criminal behaviour (Coleman 1992). Differential association was thus put forward in the social and political context as a universal explanation for crime, but it is mostly known for its claim that it could account for offences committed by a person of respectability and social status in the course of his or her occupation, illegal acts for which Sutherland coined the term ‘white-collar crime’ in 1940 (Lilly et al. 1989). His research revealed that crime was widespread in politics, business and the professions, and highlighted that American organizations frequently violated legal standards (Sutherland 1949) and were characterized as ‘masters of exploitation’ and ‘habitual criminals’.

In many businesses Sutherland highlighted the fact that illegal practices were widely accepted as a way of ‘doing business’ which, depending on the context and environment in which a person was working, might lead to future criminal acts. A person taught to respect the rule of law at home and within a small set of friends, however, might change once he or she entered a particular business situation in which different moral codes and acts of corruption and criminality were seen as acceptable and encouraged. Once inducted and seduced into such a system of behaviour (Sutherland 1940) association transforms them from white-collar workers into white-collar criminals.

At the interactional level, the hypothesis of differential association asserts that criminal behaviour is learned in association with those that define such behaviour favourably and in isolation from those who define it unfavourably, and that a person in an appropriate situation engages in such behaviour if, and only if, the ‘weight of the favourable definitions exceeds the weight of unfavourable definitions’ (Sutherland 1949: 234). There is some early research that offers support for this explanation (Cressey 1953), such as embezzlement. Cressey (1953 in Coleman 1992: 57) also expanded on differential association, stressing that justification for acts were not *ex post facto* excuses to rationalize an action already completed, but were psychologically present before the crime was committed and a major part of the motivation to act. Sykes and Matza (1957) also referred to these rationalizations as ‘techniques of neutralization’ (see Chap. 6). However, whilst Sutherland thought that such behaviour was learned from others, Cressey (1953) emphasized the importance of the construction of a social

reality and an understanding of the world that allowed a person to engage in corruption and yet maintain a positive self-concept.

For Ashforth and Anand (2003) a positive self-concept is a combination of institutionalization, rationalization and socialization. In a model proposed by them the combination of these elements are that institutionalization is where an initial corrupt act becomes embedded in structures and processes, rationalization is a self-serving justification put forward to commit a corrupt act, and socialization is where new employees are induced or seduced to view corruption as permissible. However, this view is not shared in criminology or the literature on corruption; Hirschi and Gottfredson (1987) claimed that people chose the course of action that offers most pleasure and least pain (see Chap. 7). This is a rather limited view of human behaviour, as we have an ability and capacity to reflect, be self-conscious and form understandings based on symbolic interaction. Humans do not simply seek pleasure and avoid pain (Coleman 1992); and biological pleasures, whatever from they take, become associated with a symbolic construction of everyday life.

In the absence of institutionalization and interaction, it is doubtful that acts of corruption become embedded in organizational structures and processes and thereby become part of a routine and a way of 'doing business', thus the rationalization and subsequent socialization of such acts will be absent too. Corruption might exist, though, in a small part or section of an organization, rather than in all of it. However, coercion of some employees might work to serve as a substitute for rationalization and socialization, and hence be used as an 'excuse' by some employees once exposed as corrupt. Similar to any practice, corruption is said to be institutionalized when it is stable, resists change and is transmitted via peers (Oliver 1992; Zucker 1977); and it endures because the individuals involved are not prompted by a cognitive dissonance to challenge established corrupt practices. The social cocoon of organizational socialization is a powerful 'force' that seduces individuals into acceptance of corruption or to mute moral awareness. Further, socialization practices can themselves become institutionalized and strongly influence new employees (Jones 1986) that encounter an 'indoctrination' of set practices and views of 'how we do business here' by established members of the organization. For example, it has been said (Stewart 2015: 1) that the VW emissions scandal was an effect of the organization's structure and management. Institutionalized

socialization increases new employees' acceptance of organizational practices and leads to common interpretations and less questioning of business practices. Corruption is therefore more likely to be accepted precisely because it is packaged in a way that prevents dissent and renders systems of practice as seemingly objective accounts of reality (Zucker 1977).

Socialization and rationalization reinforce one another and serve as an explanatory sedative and justification for acts of corruption. The social cocoon of socialization can provide a protective environment for actions that new employees might reject, unless inducted into the culture of the organization. Corruption, if left unchallenged—internally and externally—has the potential to seep into the fibre of an organization and its practices through the process of institutionalization affect the conduct and actions of individuals (Ashforth and Anand 2003). If challenged, the consequences for exposing corruption are damaging to the individual and family members (Near and Miceli 1995; Gobert and Punch 2000).

A structural dimension of white-collar crime—law, culture and capitalism—also highlights the fact that social inequality and status competition have a part to play in explaining this type of crime. This is contested by Braithwaite (1988) who points out that white-collar crime occurs in communist states as well as in capitalist states and so is not caused by capitalism alone. There is some evidence here, as noted by Coleman (1992), and despite official ideology communist nations have always had a high level of inequality and relied on social mobility and status competition to secure positions of bureaucratic power and privilege. It is the inequality rather than the political system which is the cause of white-collar and street crime. The ineffectual enforcement and punishment of many white-collar criminals is also often cited as a reason for white-collar crime (see Chap. 11).

Vast economic wealth allows individuals and organizations in capitalism to offer substantial bribes, lobby politicians and political organizations that are sympathetic to business interests, and/or block changes to laws that might restrict business such as environmental protection laws, offer sinecure posts on private sector multi-national boards on retirement, establish organizations that produce and disseminate questionable research on a range of social issues such as climate change and medical research. Such power (see Chap. 11) influences how white collar criminals are often treated by law enforcement, and is referred to as rigged justice by (Warren, 2016). These

views, however, fail to explain how any laws or regulatory bodies are developed and have supervisory powers over different sectors. Whilst different in different jurisdictions, with some regulatory bodies and anti-corruption initiatives being little more than political exercises (Hough 2015) to maintain some form of public legitimacy, it is possible to put this down to pluralism and the diluted power of organizations in Western democratic states; but even now, with such egregious examples as the LIBOR scandal and corruption in the financial sector, the sanctions imposed—mostly fines—appear to have little impact on white-collar crime/corruption (Warren 2016).

Research has shown that organizations with weak or declining profits are likely to break the law (Lane 1954, Staw and Szwajkowski 1975, Clinard and Yeager 1980; Slapper and Tombs 1999). Profit is only one aim an organization will pursue. Gross (1978) has suggested that demand for achievement is the culprit that leads to criminogenic acts. The aim(s) of any organization must be translated into specific aims, with individual sections made aware of what is expected of them and having a different remit; for example, those that invent and design a product have different expectations to those that advertise a product. VW is a useful example here, as it is impossible to claim that all employees knew of the decision and subsequent manufacture and use of technology to thwart emissions tests. However, once the aim(s) are established the legal and economic environment influences acts and conduct. Organizations that are subject to tight legal regulations, but which are only ineffectually enforced, may commit crime. A note of caution is needed here though, as organizations can and do influence the legal and legislative environment and how laws are enforced by lobbying for repeal of all or part of some legislation and/or by blocking the passing of legislation if considered unfavourable to them. Three factors have a bearing on the environment in which organizations in specific sectors work; these are: the political power of the organization, its economic strength and the networks it has with elite political power; its capacity to lobby effectively; and its ability to muster public support and highlight the visibility of such an issue in a way that claims it is 'damaging to our (the country's) interests' even if this is not the case and is not reflected in the climate of public opinion and the prevailing ideology it reflects.

The most salient factors are the market structure and economic organization of the industry. The car industry is a useful example here; it is notoriously corrupt (Higgins 2015; Stewart 2015, Jensen and Ivory 2015; Ivory and

Tabuchi 2015; Vlastic 2015; Nixon et al. 2015). Knowledge of illegal acts and ones that are rarely punished increase the potential for corruption and corrupt behaviour which may also increase the opportunity for one organization to take advantage by decreasing the prices and costs of its products.

Furthermore, the internal structure rather than the size of an organization seems to have some influence on the potential for corruption. Clinard (1979) has claimed that it is the diffusion of authority and the decentralization of power where sectional hierarchical 'cliques' form, based on functional roles. This structure allows the abdication of personal responsibility and has the potential to lead to acts of bribery, theft and the rigging of bids without the knowledge of all sections of the organization. Subcultures can thus form in parts of an organization, with definitions of corrupt acts dismissed and/or justified or seen simply as another routine part of work with no moral significance (Perrow 1972; Coleman 1992). Known as 'ethical-numbing' this is illustrated by the isolation of individuals' responses to corruption, as illustrated by some of the FIFA executive committee (Brooks et al. 2013a). To be successful Gross (1978) emphasized the need to be 'morally flexible' and ignore or partake of corruption to secure lucrative promotion. Braithwaite (1985) has further suggested that the type of regulation can affect how an organization may behave; a culture of compliance or culture of resistance may occur depending on the treatment by a regulatory body; if treated in a firm but fair manner compliance is possible, but if viewed as corrupt resistance will occur. This is similar to how individual offenders view punishment, regardless of the crime; if punishment is considered fair it is more likely to be accepted. The problem with Braithwaite's view here is that light-touch regulation of organizations in the automobile, petrochemical and financial sector has illustrated that compliance is provided only if 'forced' rather than offered willingly.

A theoretical framework then for understanding white-collar crime at the individual, organizational and societal levels is complex. There are contradictions on all levels but on the individual level there is a conflict for maximum reward and a positive construction of oneself. We have, however, moved far beyond Sutherland's view and explanation of white-collar crime and acts of corruption and reached the stage where we can view and analyse corruption as a state-corporate crime, with acts of state capture by private interests (Brooks et al. 2013a). This is amply illustrated by the use of private military contractors, as discussed below.

The concept of differential association is built upon the concept of 'differential social organization', which views interactions as organized differentially rather than 'socially disorganized' and where value judgments presented as 'facts' dominate. The concept of differential social disorganization represents one type of theoretical approach, which challenges the notion that society was built on a consensus instead of conflict (see Chap. 8). Explaining white-collar crime has therefore developed from a social psychological explanation, that concerned itself with the reaction of offenders to the impact of social structures, and the theory of organizational crime. However, as with all theoretical approaches it has its limitations, to which we now turn.

Limitations to Differential Association

Trying to assess this approach empirically has been criticized (Braithwaite 1992). It has produced mixed results rather than completely insignificant ones. The research has predominantly focussed on accessible participants such as working-class boys (Reiss and Rhodes 1964) where specific techniques of committing crimes were learned as a result of friendships (Hirschi 1969; Farrington 1982; Akers 2011). The most significant problem for this approach though is that it was the culmination of Sutherland's search for a single factor to explain crime (Jones 2006). It fails to explain the origins of criminal behaviour: if the behaviour/acts did not previously exist, how could they be learned? It also fails to explain crimes of passion, many sexual offences and lone offenders, and dismisses inequality as both a relevant explanation for both crime on the streets and crime in the suites (Braithwaite 1992). As a theoretical approach it sets out a series of linked propositions (see above); but there is no detailed explanation as to how offenders learn behaviour. Furthermore, whilst Sutherland's work had immense importance for sociology and criminology, the content of white-collar crime was not made clear; there was no distinction between crime committed by an employee in favour of his or her organization and crime committed by an employee in his or her own interests rather than that of the interests of the organization.

The combination of institutionalization, rationalization and socialization, however, has some explanatory value. The problem here is that of errors of attribution, which is a tendency to assign events/acts to individuals

rather than organizations and situations, particularly if the consequences of the events are severe (Ross 1977). It is easy to demonize or label individuals and ‘management’ and routinely blame corruption on a ‘bad apple’ (Poveda 1994; Eichenwald 1995) or ‘rogue trader’. The intertwined processes of institutionalization, rationalization and socialization are powerful forces (Coleman 1998: 196). The point here is that bad apples produce a bad barrel and thus the barrel itself must be fixed: only systemic responses can reverse systemic corruption. Once corruption sets in, the processes of institutionalization, rationalization and socialization create an unholy trinity that aggressively resists modification due to its business practices.

Individuals may recognize that corruption exists but are often powerless to address it, and those that attempt to expose corruption are intimidated by management or fellow colleagues (Near and Miceli 1985; Glazer 1987; Near and Miceli 1996; Mesmer-Magnus and Viswesvaran 2005; Miceli et al. 2013; Brooks et al. 2013a). If practices are institutionalized and rationalized employees do not think of them as corrupt and often have incentives to continue the behaviour (Miceli and Near 1992). Given the self-sustaining nature of corruption, overcoming it often does not happen until an occasion of wholly indefensible corruption occurs, followed by public exposure.

Rooting out corruption often requires a significant organizational effort to change entrenched business practices, where ‘strategies, power, structure, and systems’ (Tushman and Romanelli 1985: 173) need alteration. Such effort needs the involvement and support of executives (Boeker 1997; Tushman and Romanelli 1985) that were no doubt part of the system or a major cause of the problem. Identifying the impact of institutionalization, rationalization and socialization is of use as an academic exercise, but is of limited practical use. The majority of the literature on organizational change advocates the involvement of outsiders who have not been part of the system (Boeker 1997; Tushman and Romanelli 1985; Zimmerman 2001) if progress on preventing corruption is to be made. There is substantial work on the methods of prevention in the corruption literature (Heywood 2015) but all encounter practical struggles to enforce and sustain change.

This inability, unwillingness or complicity not to enforce laws is illustrated below in the car industry and the use of private military contractors in war zones and the consistent way in which international laws are violated and thwarted.

Differential Association: Corruption in the Car Industry

Corruption in the car industry is an ongoing issue; there have been examples that encompass lack of safety and roadworthy vehicles, unfair competition and pressure on dealers to cut costs, deploying technology to cheat on emissions, and lobbying states to alter, delay or completely dismiss laws, legislation and rules.

In the 1970s, Leonard and Weber (1970) and Farberman (1975) illustrated that the economic organization of the car industry in the USA virtually forced individual dealers to engage in shady business practices, because of intense sales pressures from oligopolistic organizations that control the supply of new cars. For example, dealers were forced to sell cars at unprofitably low prices in order to maximize volume of sales and had little option on how to act. These views have been criticized as an assumption that people are ‘forced’ into criminal acts; instead it is better to talk of ‘crime-facilitative’ rather than ‘crime-coercive’ (Coleman 1992: 67) acts.

The focus here is on contemporary acts of corruption that draw on both ‘crime-facilitative’ and ‘crime-coercive’ practices in the car sector. General Motors (GM) covered up a problem with its ignition switch in some vehicles that had potentially resulted in at least 124 deaths and 275 injuries. The Department of Justice, in the USA, deferred prosecution and instead fined GM US\$900 million, which was less than 1 % of the company’s annual revenue, and held no individual accountable. Criminal charges were instead suspended—wire fraud and false statements—to be dismissed if GM complied with the deferred prosecution settlement (Warren 2016).

The case of VW and its emissions tests illustrates the combination of institutionalization, rationalization and socialization mentioned above. Some context of the VW scandal is of use before we proceed (Brunsden and Oliver 2015; Ewing and Bowley 2015; Higgins 2015; Stewart 2015). VW is primarily owned by the Porsche and Piech families; Ferdinand Piech, now ex-Chairman of VW, is the grandson of Ferdinand Porsche and prior to the scandal dominated the VW supervisory board. An example of his power was to place successfully his wife on the board, even though shareholders complained that as an ex-kindergarten teacher she was unsuitable and unqualified. The Porsche and Piech families control more than half of all the available shares and rights to vote, giving them power to decide

on matters of policy and the composition of the members of the board of directors; they often vote as a block, with the state of Lower Saxony owning 20 % and Qatar Holding (a sovereign wealth fund) owning 17 % of the shares as of 2015 (Higgins 2015).

The executive committee is dominated by the families, labour/union representatives and members of the state of Saxony. It has been referred to as an echo chamber where outside views rarely, if at all, enter within (Stewart 2015). With its autocratic leadership style, view on environmental issues and parochial familial pact, and the state of Lower Saxony economically dependent on VW in its region, it seemed untouchable. There is also close cooperation between owners and unions with a view to maximizing employment instead of shareholders' value; but this model is not unusual in Germany. Even with an insular, institutionalized structure, where relationships appeared rationalized, it is perhaps this combination of the socialization of employees, particularly with state employees, family members and unions as a powerful triumvirate where a set behaviour and conduct are learned. The socialization appears to be blunt and crude and has been described as a special culture: 'it was like North Korea without the labour camps. You have to obey (Ewing and Bowley 2015: 17). It seems that a certain type of behaviour had to be learned if employees wished to keep a position and/or secure promotion.

This, however, fails to explain why VW was allowed, and still is, in the EU to conduct business this way. Brunsden and Oliver (2016) explain why. A change in procedures was recently put forward to test car emissions on the road and also in the laboratory, rendering 'defeat devices' pointless and also useless. For this proposal to be successful, all 28 members states must approve the changes. It is hardly surprising that nations that manufacture the majority of cars in the EU—Germany, Spain, France, Italy and the UK—all object, arguing that it will have a negative influence on the economy (or their economy) and put skilled workers at risk. A watered-down version of the proposed scheme was passed but will only come into force in September 2017 and will still allow cars to exceed emission limits for dangerous nitrous oxides until 2020, and then be allowed to break the threshold by 50 % indefinitely. Equal only to the energy companies and banks, in its association with EU states the car industry seems untouchable, employing an estimated 12.1 million people in the EU, which is worth 7 % of all manufacturing employment.

This problem is exacerbated by the structure currently in place in the EU. Car pollution is split into environment and industry sections. The environment deals with carbon dioxide emissions and air quality, whilst industry deals with nitrous oxides. To move to a system that tests cars on the road, the approval of both sections is required; however, the industry section also consists of the promotion of industrial competitiveness in the EU. In this case it appears that perhaps some in VW behaved in a way that reflects Sutherland's view and willingly or unwillingly breached EU rules.

Differential Association in a War Zone: Private Military Contractors (PMC) and the Favourable Violation of Laws

The financial and human cost of war and the changing nature of war (towards cybercrime for example) has seen the increased use of private military contractors in conflicts (Singer 2003, 2004; Rothe and Ross 2010; Brooks et al. 2013a). A strategy for the evasion of responsibility often employed by a state is to put a distance between itself and actors, such as private military contractors, so as to conduct illegal activities in pursuance of the state's 'organizational goals' (Green and Ward 2004). The aim of these private sector organizations is understandable: it is the pursuit of profit. This is only achieved due to the exercise of power and the capture of services, resources and lack of accountability in international courts of law. The focus here is on learned behaviour and in particular on the violation of laws.

The use of private organizations for military assistance, intelligence and security services is an increasingly important element of Western democratic defence policy (Singer 2003). Private contractors employed by the CIA in Afghanistan and Guantánamo Bay is perhaps an illustration of the reach of PMC, particularly in detention centres. American soldiers charged with the abuse of prisoners in Abu Ghraib were dealt with through the US Army's internal discipline and court martial system. By contrast, civilian contractors, that commit crimes that normally fall under the jurisdiction of the state on whose territory they were committed, did not come under local Iraqi jurisdiction (Singer and Bason, 2004) but have recently been taken to court in the USA. Private military contractors paid to work in a military capacity in a war/conflict zone (Kierpaul 2008; Jordan 2009) often break laws with impunity.

Such contractors have become common and ‘significant players in conflicts around the world, supplying technical hardware and the services of war’ (Singer 2005: 1). There are now estimated to be approximately 90 different PMC organizations around the world providing an array of services such as logistical support, security protection, special operations, interrogations and combat (Rothe and Ross 2010). Furthermore, dictatorships, militias, cartels, democratic states, the United Nations (UN) and humanitarian and environmental organizations have hired these services. These private organizations (Bechtel, Blackwater, CACI International, DynCorp, Halliburton, Logo Logistics and Titan) have substantially developed since 11 September 2001. With this development has also come increased exposure, with accusations of criminal activity, including attempted assassinations, arms brokering and violations of UN arms embargoes, torture, murder, fraud and illegally trafficking diamonds (Mullins and Rothe 2008; Brooks et al. 2013a).

Not all PMCs are the same, however, and there are distinct variations in the services provided by them and the types of crimes committed by the different sectors (Garmon 2003; Rothe and Ross 2010; Brooks et al. 2013a). Regardless of the type or services provided by PMCs, they have a propensity to commit illegal acts. A PMC committing acts of corruption is perhaps therefore understandable while at the same time immoral. However, it is perhaps even more the case when states and state actors directly collude and conspire with private contractors to violate laws, such as Halliburton’s actions in Iraq (Rothe 2006a, b). With the increasingly international nature of such operations, crimes have taken on an increasingly international dimension (Friedrichs and Friedrichs 2002; Kinsey 2006; Rothe et al. 2006; Chesterman and Lehnardt 2007; Singer 2007; Dorn and Levi 2009). As noted by Whyte (2003) it is the tendency for states and international businesses to reinforce each other mutually, which is at the core of the international capital market: ‘there is built into the very structure of organizations an inherent inducement for the organization itself to engage in crime’ (Gross 1978: 56). This inherent inducement rests on the relationship between capitalism and international organizations where the realization of profit leaves them susceptible to criminality (Box 1983). PMCs are no different and are driven by the same motivation for profit, expansion and shareholders’ premiums; however, due to the nature of their ‘business’ they seem more likely to engage in crime and violate an array of laws.

Factors that are most relevant that lead to this commission of crime are anomic conditions (see Chap. 5) and lawlessness, an absence of controls and social disorganization. For Rothe and Ross (2010), while an organization's aim is profit, expansion, organizational culture, communication structure and control of information, other factors play a secondary role when structural and organizational environments are anomic and highly socially disorganized. Where there is a disjuncture in the aim of an organization and the way in which it is achieved (Kauzlarich and Kramer 1998), and the blurring of legitimate and illegitimate ways of success, it is difficult to assess what is or is not acceptable (Passas 1990), which no doubt contributes to an acceptance that a violation of laws, instead of definitions that are unfavourable to the violation of laws, which is a key principle of differential association, occurs.

Rothe and Ross (2010) suggest that, in the context of lawlessness, a lack of national and international regulation, and standardized norms, PMCs 'do business' and thus many of the tenets suggested by Sutherland, such as criminal behaviour, occurs within intimate, small groups of people (army units). Such crime includes (a) the techniques of committing a crime, which can be simple or complicated, and (b) the motivations, attitudes, drives and rationalizations towards crime. When working in an amoral context in a war zone there is an excess of definitions favourable to the violation of laws, instead of definitions that are unfavourable to the violation of laws, as so few egregious infractions are punished beyond affordable fines for the contractor(s). Hence differential association can differ in frequency, duration, priority and intensity, depending on the context and circumstances the individual and organization is working in; in the case of the PMCs what laws they are expected to conform to working in a war zone, or for a dictatorship are often broken.

This is important in understanding the criminogenic conditions associated with PMCs. This is not an attempt to defend the criminal actions of some PMCs but instead to comprehend the context in which they function. The influence of social disorder within immediate environments has powerful criminogenic effects (Rothe and Mullins 2009), with social disorganization used to explain the emergence and presence of militias in regions where colonial holdings had destroyed traditional community structures (Rothe and Mullins 2008). Disorganized environments have a pronounced tendency to produce criminal enterprises of varying levels of organizations (Mullins and Rothe 2008) such as collapse of the Soviet Union. Social disorganization then (Bursik and Grasmick 1993; Shaw and

McKay 1942) suggests that when neighbourhoods possess a diminished capacity to create and endorse informal mechanisms of social control, crime rates increase. This is also applied to extensive social disorganization in parts of the world that have fallen into civil wars, producing militias outside the control of the state or employed by them, such as Mexico and its narco-state status (Bailey and Tailor 2009; Grayson 2011; Ríos 2013). Abject poverty, a lack of functioning infrastructure and a diminished capacity for social institutions to function produces a profound vacuum of social order. PMCs and organized crime arise in such contexts and attempt to impose some sort of order whilst violating laws.

However, out of chaos comes order: PMCs are highly organized and functional and when in association with 'colleagues' in a war zone, where behaviour is learned and justified, perhaps in the name of survival, criminal acts are justified and rationalized. The expectation to work in an unstable environment, with the opportunity and acceptance of the violation of laws instead of definitions that are unfavourable to the violation of laws, leads to crime and is thus an inherent conflict for PMCs (Brooks et al. 2013a). While formal controls, laws and regulations exist for most organizations, enforcement is another matter; it is perhaps left to media exposure and/or political pressure to contain the abuse committed by PMCs. However, with PMCs, a failed mission or delivery of 'services' promised significantly reduces future contracts. Therefore a successful mission and delivery of services secures future contracts and profits, as in any business where differential association perhaps leads to illegitimate acts.

Conclusion

This chapter has illustrated the longevity of Sutherland's suggestions on why people commit white-collar crime, as shown in the case of the car industry, PMCs and beyond. As with every theoretical approach in this book there are limitations to the explanatory value of this approach. This is not to dismiss it completely, but to view its development, and in particular the combination of institutionalization, rationalization and socialization, as elements that help explain a culture of white-collar crime. A PMC is an extreme example of differential association but, with the increased use of them, they have warranted some attention here. The car sector, whilst

seen as a business that many of us rely on for employment and transportation, causes substantial harm to individuals and the environment via its manufacture of vehicles, known to have faulty vehicle switches and to produce polluting emissions. Policy prescriptions are limited regarding trying to prevent corruption, but one suggestion (see Chaps. 8 and 11 for more detail) is to make executives personally responsible for legal settlements. If privately owned rather than a public company, partners in any organization are liable and self-discipline and a culture of compliance should increase. If internal and external regulation is ineffective a covenant (Hill and Painter 2015) where individuals paid a percentage of a financial penalty might increase the policing of wayward individuals and/or a culture where definitions in favour of the violation of laws are considered unacceptable conduct.

References

- Ashforth, B. E., & Anand, V. (2003). The normalization of corruption in organizations. *Research in Organizational Behavior*, 25, 1–52.
- Akers, R. L. (2011). *Social learning and social structure: A general theory of crime and deviance*. Transaction New Brunswick, NJ: Publishers.
- Bailey, J., & Taylor, M. M. (2009). Evade, corrupt, or confront? Organized crime and the state in Brazil and Mexico. *Journal of Politics in Latin America*, 1(2), 3–29.
- Boeker, W. (1997). Strategic change: The influence of managerial characteristics and organizational growth. *Academy of Management Journal*, 40(1), 152–170.
- Box, S. (1983). *Power, crime and mystification*. London: Routledge.
- Braithwaite, J. (1985). White Collar Crime. *Annual Review of Sociology*, 11(1), 1–25.
- Braithwaite, J. (1988). White-collar crime, competition and capitalism: Comment on Coleman. *American Journal of Sociology*, 94, 628–632.
- Braithwaite, J. (1992). Penalties for white collar crime. In P. Grabosky (Ed.), *Complex commercial fraud*. Canberra: Australian Institute of Criminology.
- Brooks, G., Azeem, A., and Button, M. (2013a). *Fraud, Corruption and Sport*. Basingstoke: Palgrave.
- Brunsdon, J., & Oliver, C. (2015, January 18). Noxious omissions. *The Financial Times*, p. 7.
- Brunsdon, J., & Oliver, C. (2016). Noxious omissions. *Financial Times*, Monday January 18, 7.

- Bursik, R. J. Jr., & Grasmick, H. G. (1993). Economic deprivation and neighborhood crime rates 1960–1980. *Law and Society Review*, 27(2), 276–280.
- Chesterman, S., & Lehnardt, C. (2007). *From mercenaries to market: The rise and regulation of private military companies*. Oxford: Oxford University Press.
- Clinard, M., & Yeager, P. (1980). *Corporate crime*. New York: Free Press.
- Clinard, M. B. (1979). *Corporate crime*. Washington, DC: Government Printing Office.
- Coleman, J. W. (1985). *Utopia on trial*. London: Shipman.
- Coleman, J. W. (1992). The theory of white-collar crime: From Sutherland to the 1990s. White-collar crime reconsidered. In K. Schlegel & D. Weisburd (Eds.), *White collar crime reconsidered*. York, PA: The Maple Press.
- Coleman, J. W. (1998). *The criminal elite: Understanding white-collar crime* (4th ed.). New York: St. Martin's Press.
- Cressey, D. (1953). *Other people's money: A study in the social psychology of embezzlement*. New York: Free Press.
- Dorn, N., & Levi, M. (2009). Private–public or public–private? Strategic dialogue on serious crime and terrorism in the EU. *Security Journal*, 22(4), 302–316.
- Eichenwald, K. (1995). *Serpent of the rock*. New York: Harper Business.
- Ewing, J., & Bowley, G. (2015, December 15). At Volkswagen, an environment that sowed the seeds of forceful ambition. *International New York Times*, p. 17.
- Faberman, H. A. (1975). A criminogenic market structure; the automobile industry. *Sociology Quarterly*, 16, 438–457.
- Farrington, D. (1982). Longitudinal analyses of criminal violence. In M. Wolfgang & N. Weiner (Eds.), *Criminal violence*. Beverly Hills, CA: Sage.
- Friedrichs, D. O., & Friedrichs, J. (2002). The World Bank and crimes of globalisation: A case study. *Social Justice*, 29(1/2), 15–37.
- Garmon, T. (2003). Domesticating international corporate responsibility: Holding private military firms accountable under the Alien Tort Claims Act 11. *Tulane Journal of International and Comparative Law*, 11, 325–328.
- Glazer, M. (1987). Whistleblowers. In M. D. Ermann & R. J. Lundman (Eds.), *Corporate and governmental deviance: Problems of organizational behavior in contemporary society*. New York: Oxford University Press.
- Gobert, J., & Punch, M. (2000). Whistleblowers the public interest and the Public Interest and Disclosure Act 1998. *The Modern Law Review*, 63(1), 25–54.
- Grayson, G. W. (2011). *Mexico: narco-violence and a failed state?* New Brunswick, NJ: Transaction Publishers.
- Green, P., & Ward, T. (2004). *State crime, governments, violence and corruption*. London: Pluto Press.
- Gross, E. (1978). Organizational crime: A theoretical perspective. In N. K. Denzin (Ed.), *Studies in symbolic interaction*. Greenwich, CT: JAI Press.

- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Higgins, A. (2015). Why Europe failed to halt emissions ruse. *International New York Times*, Wednesday, September 30, 16.
- Hill, C., & Painter, R. W. (2015). *Better bankers, better banks*. Chicago: University of Chicago Press.
- Hirschi, T. (1969). *Causes of delinquency*. Berkeley, CA: University of California Press.
- Hirschi, T., & Gottfredson, M. (1987). Causes of white collar crime. *Criminology*, 25(4), 949–974.
- Hough, D. (2015). *Corruption, anti-corruption and governance*. Basingstoke: Palgrave Macmillan.
- Ivory, D., & Tabuchi, H. (2015). Takata no to fund for airbag defect toll. *International New York Times*, Saturday-Sunday, July 11–12, 9.
- Jensen, C. & Ivory, D. (2015). Cars with faulty airbags are recalled once more. *International New York Times*, Monday, February 2, 16.
- Jones S. (1986). *Criminology*. Oxford: Oxford University Press.
- Jones, S. (2006). *Criminology* (3rd ed.). Oxford: Oxford University Press.
- Jordan, C. S. (2009). Who will guard the guards? The accountability of private military contractors in areas of armed conflict. *New England Journal of Civil and Criminal Confinement*, 35(2), 309–336.
- Kauzlarich, D., & Kramer, R. (1998). *Crimes of the American nuclear state: At home and abroad*. Boston: Northeastern University Press.
- Kierpaul, I. (2008). The mad scramble of congress, lawyers and law students after Abu Ghraib: The rush to bring private Military contractors to justice. *University of Toledo Law Review*, 39, 407–442.
- Kinsey, C. (2006). *Corporate soldiers and international security: The rise of private military companies*. Abingdon: Routledge.
- Lane, R. E. (1954). *The regulation of businessmen: Social conditions of government economic control*. New Haven, CT: Yale University Press.
- Leonard, W. N., & Weber, M. G. (1970). Automakers and dealers: A study of criminogenic market forces. *Law and Society Review*, 4(3), 407–424.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (1989). *Criminological theory: Context and consequences*. Thousand Oaks, CA: Sage Publications.
- Mesmer-Magnus, J. R., & Viswesvaran, C. (2005). Whistleblowing in organizations: An examination of correlates of whistleblowing intentions, actions, and retaliation. *Journal of Business Ethics*, 62(3), 277–297.
- Miceli, M. P. & Near, J. P. (1992). *Blowing the Whistle: The Organizational and Legal Implications for Companies and Employees*. New York: Lexington Books.
- Miceli, M. P., Near, J. P. and Dworkin, T.M. (2013). *Whistle-blowing in organizations*. Abingdon: Routledge.

- Mullins, C. W., & Rothe, D. L. (2008). Gold, diamonds and blood: International state-corporate crime in the Democratic Republic of the Congo. *Contemporary Justice Review*, 11(2), 81–99.
- Near, J. P., & Miceli, M. P. (1985). Organizational dissidence: The case of whistle-blowing. *Journal of Business Ethics*, 4(1), 1–16.
- Near, J., & Miceli, M. (1995). Effective whistleblowing. *Academy Of Management Review*, 20(3), 679–708.
- Near, J. P., & Miceli, M. P. (1996). Whistle-blowing: Myth and reality. *Journal of management*, 22(3), 507–526.
- Nixon, R., Ivory, D., & Tabuchi, H. (2015). Takata's side airbags could expand recalls. *International New York Times*, Saturday-Sunday, October 24–25, 13.
- Oliver, C. (1992). The antecedents of deinstitutionalization. *Organization Studies*, 13(4), 563–588.
- Passas, N. (1990). Anomie and corporate deviance. *Crime, Law and Social Change*, 14(2), 157–178.
- Perrow, C. (1972). *Complex organizations*. New York: Scott Foresman.
- Poveda, T. G. (1994). *Rethinking white-collar crime*. Westport, CT: Praeger.
- Reiss, A., & Rhodes, A. (1964). An empirical test of differential association theory. *Journal of research in Crime and Delinquency*, 1, 5–18.
- Ríos, V. (2013). Why did Mexico become so violent? A self-reinforcing violent equilibrium caused by competition and enforcement. *Trends in organized crime*, 16(2), 138–155.
- Ross, L. (1977). The intuitive psychologist and his shortcomings: Distortions in the attribution process. In L. Berkowitz (Ed.), *Advances in experimental social psychology*. New York: Academic Press.
- Rothe, D. L. (2006a). Iraq and Halliburton. In R. Michalowski & R. Kramer (Eds.), *State corporate crime: Wrongdoing at the intersection of business and government*. Piscataway, NJ: Rutgers University Press.
- Rothe, D. L. (2006b). Halliburton. In E. Jensen (Ed.), *Encyclopedia of white collar crime*. Santa Barbara, CA: Greenwood.
- Rothe, D. L., & Mullins, C. W. (2009). Toward a criminology of international criminal law: An integrated theory of international criminal violations. *International Journal of Comparative and Applied Criminal Justice*, 33(1), 97–118.
- Rothe, D. L., Muzzatti, S., & Mullins, C. W. (2006). Crime on the High Seas: Crimes of globalization and the sinking of the Senegalese Ferry Le Joola. *Critical Criminology: An International Journal*, 14(3), 159–180.
- Rothe, D. L., & Ross, J. I. (2010). Private military contractors, crime, and the terrain of unaccountability. *Justice Quarterly*, 27(4), 593–617.
- Shaw, C., & McKay, H. D. (1942). *Juvenile delinquency and Urban areas*. Chicago: University of Chicago Press.

- Singer, P. W. (2003). *Corporate warriors: The rise of the privatized military industry*. London: Cornell University Press.
- Singer, P. W. & Bason, L. (2004). *The Private Military Industry and Iraq: What have we learned and where to next?* Geneva: Geneva Centre for the Democratic Control of Armed Forces.
- Singer, P. W. (2005). Outsourcing war. *Foreign Affairs*, 84(2), 119–132.
- Singer, P. W. (2007). *Can't Win with'em, Can't go to War without'em: Private Military Contractors and Counterinsurgency*. Washington, DC: Brookings Institution.
- Slapper, G., & Tombs, S. (1999). *Corporate crime*. Essex: Pearson.
- Staw, B. M., & Szajkowski, E. (1975). The scarcity-munificence component of organizational environments and the commission of illegal acts. *Administrative Science Quarterly*, 20(3), 345–354.
- Stewart, J. (2015, September 26). VW problems started with the boardroom. *International New York Times*, p. 1.
- Sutherland, E. H. (1939). *Principles of criminology* (3rd ed.). Philadelphia, PA: Lippincott.
- Sutherland, E. H. (1940). White collar criminality. *American Sociological Review*, 5, 1–12.
- Sutherland, E. H. (1947). A theory of crime: Differential association. *Crime: Readings*, 1, 170–172.
- Sutherland, E. H. (1949). *White collar crime*. New York: Dryden Press.
- Sykes, G. M., & Matza, D. (1957). Techniques of neutralization: A theory of delinquency. *American Sociological Review*, 22, 664–670.
- Tushman, M. L., & Romanelli, E. (1985). Organizational evolution: A metamorphosis model of convergence and reorientation. In L. L. Cummings & B. M. Staw (Eds.), *Research in organizational behavior*. Greenwich, CT: JAI Press.
- Vlasic, B. (2015). Fiat Chrysler fined for recall failures. *International New York Times*, Tuesday, July, 28, 14.
- Warren, E. (2016). *Rigged Justice 2016: How weak enforcement lets offenders off easy*. Washington: Office of United States Senate, Office of Elizabeth Warren.
- Whyte, D. (2003). Lethal regulation: State-corporate crime and the United Kingdom government's new mercenaries. *Journal of Law and Society*, 30(4), 575–600.
- Zimmerman, J. (2001). Effects of Bureaucratization on Corruption, Deviant and Unethical Behavior in Organizations. *Journal of Managerial Issues*, 13(1), 119–128.
- Zucker, L. G. (1977). Where do institutional patterns come from? Organizations as actors in social systems. In L. G. Zucker (Ed.), *Institutional patterns and organizations: Culture and environment*. Cambridge, MA: Ballinger.

5

Explaining Corruption: Experiencing Strain in the 'Modern' World

Introduction

The work of Merton (1938) and his explanation for the causes of crime built on the work of Durkheim (Jones 2006), who suggested people experience anomic thoughts in times of social and economic turmoil. While human wants such as food and shelter (see Maslow's hierarchy of needs) have remained static sudden changes in social structure lead to the decline in social regulation and hence increase social unrest. For Merton, however, a lack of legitimate opportunity for success in pursuit of the 'American Dream' and the ultimate aim of wealth meant that for those unable to attain this expected aim an illegitimate route to success potentially beckoned. Acquiring wealth in the USA was and perhaps still is portrayed as more than ambition: it is equated with personal value and social status (Jones 2006). It was the disjunction between culturally induced appetites for wealth and the chances of success that brought about strain. It is this strain of cultural aims of material wealth and available avenues for it to be legitimately achieved that is the thrust of this chapter, with a focus on Merton (1938), Agnew (1992), Schoepfer and Piquero (2006) and Langton and Piquero (2007).

Experiencing Strain in the 'Modern' World

The structural inequality of American society that Merton (1938) focussed on suggested that strain could not affect everybody the same way. The commitment to the 'American Dream' depends on the strength of the individual's commitment to the Dream and the institutional means to pursue it, which were based on the notions of the Protestant work ethic, education, honesty and deferred satisfaction. These, however, are biased culturally and not open to everybody; and when the aim—wealth—is the ultimate aim of a culture, some people will inevitably fail and seek alternative ways to achieve success. The measure of monetary success can overwhelm all other measurements of achievement. Instead of seeing education as a way of personally developing, it is seen simply as a way of securing better employment and a high income, and the real value of education is lost. In addition the maintenance of a family is often seen as an inferior form of employment, if at all, to those engaged in paid employment (Orru 1990; Jones 2006), and instead we are ultimately defined by consumption.

It is claimed that two distinct characteristics set the USA apart from other industrialized nations (Schoepfer and Piquero 2006). One is the cultural emphasis on the American Dream, and the other is that the USA has an extremely high (and relatively consistent) level of crime. In order to account for these distinctions, Messner and Rosenfeld (1994) developed the institutional anomie theory (IAT). They suggested that the American culture was enmeshed in the idea of individual monetary success via competition for limited resources. This leads to an overemphasis on the economy and that the individual is to be judged by 'what we consume/purchase rather than who we are'. Whilst street crimes differ substantively from suite crimes, in background and status characteristics between individuals (Weisburd et al. 1991; Benson and Moore 1992; Benson and Kerley 2001) the cultural ethos of the American Dream measured often by financial success, provides the unifying explanation of why people from different social backgrounds commit crime. Furthermore, monetary success has no end since it is always possible to acquire more money and wealth (Messner and Rosenfeld 2001). Therefore, monetary success does not discriminate, as it is equally motivating for both the wealthy and the poor.

Merton (1938) originally produced five different ways people might react to this strain to achieve wealth: conformity, innovation, ritualism, retreatism and rebellion. Each will be dealt with briefly in turn.

The category of conformity contains people that, regardless of whether they achieve success, keep trying. Part of the middle class and part of the social structure that holds out the hope of wealth still seduces people to follow accepted cultural expectations. Merton (1938) assumed that this was the case because otherwise the crime rate based on official statistics (at the time) would have been exceptionally high. However, crime rates are a limited measurement of actual crime and, whilst understandable at the time, these are an inaccurate measure of the level of crime in a society (Coleman and Moynihan 1996), and is even more the case when it comes to hidden crimes and acts of criminal corruption (Brooks et al. 2013).

The category of innovation puts forward the view that the ultimate aim of material wealth is accepted, but that the institutional means of achieving it are rejected. For Merton, success was restricted by available legitimate institutional routes in education and employment, and thus this structural inequality restricted avenues of opportunity and explained why the poor committed the majority of crime (or recorded crime); consequently limited legitimate access to a prosperous career 'pushed' people to commit crime to achieve the American Dream. Merton did note that people also commit white-collar crimes and that these would occur unless controlled by some form of punishment, as this type of crime was the most efficient way to achieve success. This would only occur though if the cultural aims of wealth were so established and the pull of wealth, regardless of how it is achieved, seduced people into innovative and corrupt acts.

The category of ritualism refers to those that do not reject, but lose sight of the end aim of, material wealth and concentrate on the means (Jones 2006). People in this category have effectively abandoned cultural success and achieve a small degree of success, perhaps in a bureaucracy, by adhering to institutional means, but have no hope of progression and are afraid of losing what little they have secured. Merton also called such people 'the frightened employee' as they feared the possibility of failure more than the risk needed for success.

The category of retreatism comprised of people that, because of internalized pressure such as a conscience, reject the ultimate aim of wealth and also the means of achieving it. Merton emphasized that this category does not mean that rejection is a rejection of the culture, but at the prospect of achieving it. Here people were in society but not part of it, and any crimes committed were done so out of self-preservation and need.

The category of rebellion is where the ultimate aim is rejected and the means of achieving it, though a new aim and means are substituted. People might completely disengage from the world and withdraw for some spiritual reason(s) but equally commit acts of terrorism.

These explanations are not descriptions of personality types, but accounts of how people might react under strain. The reactions, however, are not mutually exclusive. A bureaucrat (ritualist) might steal from his employer (innovative) and sometimes indulge in an alcoholic binge (retreatist) (Jones 2006). Furthermore, these explanations do not mean that people choose crime; an innovative person might commit some inappropriate act of corruption which is not illegal but morally reprehensible.

Many authors adopted and adapted strain (Dubin 1959; Cloward and Ohlin 1960; Albert Cohen 1965; and Elliot and Voss 1974) but the most noticeable Development was that of Agnew (1992), Schopfer and Piquero (2006) and Langton and Piquero (2007). For Agnew (1992, 1995, 2001) strain was more than a departure from achieving expected personal aspirations and cultural expectations. Presented as the general strain theory (GST), strain is: caused by a failure to achieve desired aims or the consumption of products beyond the reach of personal expectation; is an unjust decision, perhaps at work or in the family; is caused by the death of a loved one, moving to a new neighbourhood or poor relationships with family and peers; is caused by physical pain, punishment, embarrassment or psychological trauma. Any of these types of strain may possibly lead to fear, disappointment or anger and lead to criminal and/or corrupt acts. Strain can also vary in its effects and intensity and duration. However, we all experience these strains, so they do not predict crime but suggest the conditions that might lead to it. These conditions are all encompassing and thus offer no specific insights into how to prevent strain leading to potential corruption and crime. The presence of negative relationships is also emphasized and is seen as a potent indicator of

potential acts of delinquency rather than the absence of positive relationships. There is some empirical research to support this view (Agnew and White 1992; Paternoster and Mazerolle 1994; Hoffman and Su 1997; Piquero and Sealock 2000), for violent and property crimes (Agnew et al. 2002), but much of this research concerns accessible subjects rather than white-collar offenders and acts of corruption.

IAT also attempts to provide an all-encompassing explanation of crime. IAT is a macro-level theory that assumes the interplay of the American culture and the social structure. There are four distinctive values: achievement, whereby personal aims are accomplished; individualism, such as personal autonomy; universalism, such as an aspiration to succeed regardless of the available avenues for success; and the underlying cultural value of materialism, whereby success is measured by financial success (Messner and Rosenfeld 2001). This cultural explanation is conjoined with social institutions such as the economy, polity, family and education. The key concept of IAT is the institutional balance (or imbalance) of power across the different social institutions. High crime rates in the USA are therefore attributed to dominance of the economy over and above the influence of other social institutions.

The aim of success, typical of competitive capitalism, has spread to the world economy, where it perhaps fuels anomic situations. This culture of competition and anomie is often related to high levels of white-collar crimes, such as corruption, where the demand for even more profit places individuals and organizations in the inevitable position of trying to achieve unrealistic aims, which results in conflict. A macro-approach cannot fully explain why some individuals and organizations are willing to bribe officials to obtain certain contracts or to secure certain permits or to escape sanctioning, while others are not. The macro-perspective does not explain differences in compliance within and between organizations and individuals/groups that are subjected to the same macro-variables. Therefore, it is necessary to look at the characteristics of organizations that might also influence the behaviour of their members (Kramer 1982).

On the meso-level the culture of competition can be related to organizational crime as a result of the strain that is felt between aspirations on the one hand and the ability to achieve them or the means to do so on the other. If we accept that economic success is valid for all members of

society—the ‘American Dream’—yet the culturally prescribed means for achieving it is not evenly distributed, this could bring individuals/groups with less access to legitimate means for acquiring wealth to search for alternative, possibly illegitimate means (see the category of innovation above). Cloward and Ohlin (1960) built on this view by highlighting the fact that it is not only a question of access to legitimate avenues to success but also the availability of illegitimate avenues of success as these are not evenly distributed in society. For example, adolescents growing up in neighbourhoods with extensive informal economies might have access to illegitimate business openings more than youngsters growing up in neighbourhoods without these criminogenic opportunity structures. Whilst developed to explain crime in the lower classes of society, strain has proved very popular in the explanation of white-collar crime, especially when combined with the notion of anomie (Passas 1990; Cohen 1995; Schoepfer and Piquero 2006; and Langton and Piquero 2007) and when an opportunity for making profits are threatened and the continuation of an organization is at stake. In an extensive study on corporate crime in American businesses, Clinard and Yeager (1980: 129) found that ‘firms in depressed industries as well as relatively poorly performing firms in all industries tend to violate the law to ... degrees’. However, application of strain theory is not restricted to those ‘marginal’ or depressed organizations in need of business.

All types of organizations have aims and objectives and innovative ways to achieve them besides profit, which can be used when conventional means are blocked. Corruption as an innovative strategy (and it can be a strategy) to attain organizational measures of success, which can be closely connected to personal measures of success, can therefore also be found in non-profit organizations, such as political parties and NGOs. The use of technology to cheat on emissions tests by VW (Huggins 2015; Stewart 2015) and the risking of investments to achieve set targets in the financial sector to secure bonus payments are two contemporary examples. Even in quite profitable and economically healthy firms, strain can be a motive for rule-breaking when ambitions are set so high that they can only be met by innovative ways. Therefore depending on the reference groups (people within the organization, in the same business) and the relative deprivation, strain theory hints at the presence of rule-breaking in any

organization and at every level. This is supported by Clinard (1983) where ambitions at the board level may produce internal pressure on those tasked with the delivery of set targets, no matter how unrealistic, resulting in the breaking of the law, often in return for profit. Tenuous evidence has also been produced by Langton and Piquero (2007) drawing on GST; but it is far from conclusive in predicting white-collar crime.

Those further down the 'food chain' may also be forced to engage in acts of corruption, such as bribery to secure a contract, where both the organization and the individual benefits. Indeed, the attainment of personal success might be connected to and depend on the prosperity of the organization, and may take the form of career advancement or the offer of stock and/or personal bonuses. The alignment of personal interests and organizational aims is not limited to the world of commerce and, as such, the breaching of laws can at the same time constitute behaviour which conforms to the standards and expectations prevalent in the organization. As noted by Passas (1990: 165), 'such standards may emerge out of efforts to deal with problematic situations and structural ... strains'.

This means that informal standard operating procedures can become part of the unofficial 'way to do business' that is not in accordance with the law, but still viewed and rationalized as acceptable and non-criminal (see Chap. 4 on differential association), as there are no direct victims and/or it is seen as common practice and endemic in the sector and industry. As illustrated by Geis (2006) in his case study of price-fixing in the heavy electrical equipment industry in the USA in the 1950s, one respondent said 'illegal? Maybe, but not criminal'. This attitude is even more prevalent in a systemic corrupt state where clientelism and patronage are the norm; if not engaged in, individuals could be seen as behaving abnormally.

These rationalizations lead to a myth of normality which becomes deeply entrenched in the organizational culture and which is passed on to new organizational members. Whilst Shover and Hochstetler (2002) warn us of a monolithic bias when using organizational culture as an explanation for organizational crime and stress that culture is no 'straight-jacket for action', they do point at the evidence that the stance towards ethical conduct and compliance with the law is often dependent on the quality and ethical standards of organizational leadership and culture.

The choice for innovative strategies for acts of corruption is easier when the lines between legitimate and illegitimate behaviour are blurred due to regulatory incompetence and/or obscurity, as might be the case in the regulation of corruption. The above analysis shows that the relation between strain and anomie is mutually reinforcing: it is easier to defer to illegitimate means to achieve otherwise strained aims; further, strain can contribute to the blurring of norms of acceptable behaviour and create corrupt subcultures. When it is not clear which rules are applicable, or when such behaviour is condoned in the specific subculture, acts of corruption—legal and illegal—will come to be seen as an acceptable way of achieving organizational or personal success, and as such this informal ‘way of doing business’ will become more deeply rooted.

While hierarchical systems in a bureaucratic organization might lead to diffusion of information and internal control that aids misconduct, corrupt behaviour is also related to the contemporary trend of loose-coupling in organizations. Loose coupling is the answer to increasing uncertainty in the environment of organizations, partly due to the internationalization of markets, and engenders the capacity to respond to changes in the environment—threats or opportunities—with flexibility (Heywood 2015). Loose coupling is a form of decentralization in which sub-units are partly detached from the parent organization and receive a specified amount of autonomy. Although a loosely coupled structure allows an organization to adapt better to change, it also has some dysfunctionality which may become an impetus to disreputable and illegal and corrupt behaviour (Tombs 1995; Keane 1995) and detach itself from liability and consequences. A highly divisional, loosely coupled system may lack internal control and, because of the autonomy of sub-units, corrupt acts may not come to the attention of the parent company. While this behaviour may be an unwanted side effect, decoupling may also be a deliberate strategy to isolate sub-units that may run a high risk of disreputable or corrupt, illegal behaviour such as working in a corrupt market or country.

Whilst the above discussion has focussed on the organizational context of corruption and the potential for strain, it is individuals or groupings of individuals that commit acts of corruption. Many authors in the field stress that offenders are normal people and that personality, demographic and social characteristics and personal psychology play no significant role in the origin of white-collar crime (Coleman 1995). The literature on the profile

of such offenders confirms this view (Mars and Gerald 1982; Benson 1985; Weisburd and Waring 2001; Holtfreter 2005; Blickle et al. 2006; Ragatz et al. 2012).

Whilst an organization can condition the individual's behaviour and numb moral sensibilities, the processes of socialization can also create a kind of 'moral numbness', in which unethical, corrupt or illegal acts appear to be a normal part of the daily routine. For Cohen (1995), organizational members who are subjected to the contradictions between behavioural norms in society and the norms prevalent in the organizational subculture might suffer from psychological anomie. However, the processes of the socialization of deviance offer a way out from this state of alienation. Passas (1990: 166) states that 'in anomie situations, offenders are in a better position to neutralize and rationalize their acts, and at the same time preserve their self-esteem'. Illustrated by police subcultures (Punch 2009), organizational subcultures can provide members with appropriate justification, distinguishing between 'clean' and 'dirty' bribes.

Katz (1988) was critical of this notion of strain and the focus on what he referred to as background social factors, such as economic deprivation, class and ethnicity, as causal elements. Katz was concerned with the meaning of behaviour as understood by those with the 'lived experience of criminality'. Without such an insight, he contested, it would be impossible to understand the notion. He applied a phenomenological analysis—how our acts are intentional—and placed emphasis on what he called foreground factors, such as the offenders' own professed motives. Katz put forward his view that each of the crimes he studied had its own distinct thrills and that offenders have a need to be valued, to be considered of worth, to avoid humiliation and to form 'magical environments' (Jones 2006: 228) in which actions are interpreted and justified. Katz's work produced a limited understanding of the motivational factors for some types of crime (see Chap. 10 on rational choice and Chap. 11 on routine activity for motivation in committing crime), but the thrills and excitement he described for all his offenders is inconceivable as it is doubtful that prostitutes secure excitement from sex with sometimes brutal strangers. It is noticeable that he also failed to provide an account of white-collar crime, even though he produced six types of offender category, and that the reliability of offenders' accounts of the motivation for criminal acts was all too willingly accepted.

Limitations of Strain

This theoretical approach was popular in the 1950s and 1960s but was ultimately challenged by the growing acceptance of such approaches that fall under the broad concept of control (see Chap. 7). As with other theoretical approaches this one has remained with us. There were, and still are, however, limitations to this approach that revision might not be able to resolve. A common criticism of strain is that there is an assumption that there is a consensus in America or any capitalist society on pursuing the ultimate aim of wealth and how people interact with one another to establish meaning and an understanding of the context of life (Jones 2006). It fails to recognize pluralism, ethnic and otherwise, and is therefore too broad a description of cultural attitudes in society. This is more so now that the America of the 1950s and 1960s has changed due to immigration. It is impossible to claim that any contemporary society has a single set of values, even if the majority of people aspire to middle-class status. Relevant to the subject of corruption, it is arguable that sharing a particular aim—wealth—does not in itself provide a consensus as to how that aim is to be achieved. This approach also underplays the concept of power and why such a consensus if accepted will lead to inevitable conflict and corruption via intense competition.

Such a discussion of the concept of power would have enhanced Merton's explanation of the power of business and vested interests in American society, but there is nothing in his approach that stipulates this clearly. He also made it clear that there is not a direct relationship between poverty and crime, only a possible correlation between them. Box (1983) and Passas (1990), however, consider strain to be a particularly worthwhile explanation of white-collar crime and an innovative response to the pressure to achieve unrealistic targets and the ever-increasing search for profits.

Merton also relied on official statistics to explain the strain of trying to secure wealth. This is perhaps understandable in the 1950s and 1960s with faith in official data and discourse perhaps rarely questioned or doubted, unless by those that favoured approaches that emphasized conflict (see Chap. 8). However, with the knowledge of how a crime becomes a conviction or is dismissed, and with the awareness that a

nation-state and multi-national corruption causes damage to individuals by theft, despoiling the environment (see Chap. 10) and state crime (see Chap. 8) on a major scale, official statistics are less hard facts and more an indication of the level of crime. Furthermore, if the view is accepted that the definition of criminal offences is determined by the most powerful and through a focus on the protection of property, then it is hardly surprising to discover that the majority of officially recorded crimes are from the 'working or underclass', compounded by the inherent bias in the criminal justice system.

Finally there is no account of social control on the instigation of potential criminal and/or corrupt acts, no indication as to what form or type of action a retreatist might take, or whether a social issue such as addiction results from anomie or is steered towards it (Jones 2006). However, as the poorest sections of society see and come into contact with the richest, via media such as television and the Internet, there is the possibility that this will increase the strain for wealth and also the criticism of it when obtained by criminal and/or corrupt acts.

The examples below help to illustrate the reach and impact of strain on individuals and organizations in space exploration and healthcare.

The Omnibus Shuttle: The Strain of Targets and Cuts

Whilst an old example, the case of building an omnibus shuttle and one that was expected to be of commercial and military use highlights the stresses and strains of individual and institutional cooperation. This is a useful example of strain between and within the National Aeronautics and Space Administration (NASA) and a private business, Morton Thiokol Inc. (MTI) and military and state aims. The disaster—the explosion of the space shuttle *Challenger* on 28 January 1986—which could have been avoided, falls into the category of state–corporate crime (Kramer and Michalowski 1990) where serious individual and organizational actions occur when one or more institutions of political authority pursue an aim in direct cooperation with one or more institutions of economic production and distribution.

However, before I proceed, I will place the development of the shuttle into its social and political context. The Cold War arms race between the USA and the Soviet Union led to the creation of NASA in 1958. The then new space agency was put under civilian control, but from its inception it was always in conflict with the US military that sought to influence its direction. During the 1960s NASA had substantial funds and unlimited support to pursue its aims with a serious commitment to safety and quality (Trento 1987).

In the 1970s, however, the political and economic environment for NASA altered. Economic conditions caused budgetary issues and political support declined (Lewis 1988). Faced with an uncertain future, the Nixon administration of 1969 ordered the development of a shuttle vehicle that could provide economical access to space. This shuttle became the near-term future of NASA. At this time financial restrictions from the Office of Management and Budget (OMB) had a major impact on the design of the shuttle, along with NASA having to acquiesce in air force involvement to win political support. With military involvement the shuttle was now expected to be both economically viable and to accommodate military missions. The design was thus changed many times and budgetary compromises required NASA to abandon its original design with the outcome that 'they had to build a shuttle down to price, not up to standard' (Lewis 1988: 54). As a result a decision was made to use solid fuel rockets, which cost less than liquid fuel engines, but were far more dangerous; an escape hatch for the astronauts was also dispensed with (Kramer 1992). Due to low cost development and military involvement the shuttle became a hybrid machine based on political compromises. Both the OMB and Congress wanted an inexpensive, efficient and reusable craft. NASA set out to build such a craft to save its own existence, and the myth of an omnibus shuttle was born.

The pressure and strain to deliver increased considerably under the Regan administration in the 1980s with a desire for NASA to become economically self-sufficient through the commercial use of the shuttle, like a haulage firm in space for carrying communication satellites (Trento 1987). There was also the strain to militarize the space shuttle for national security purposes, particularly as noted by the 1982 Presidential Directive on National Space Policy and the 'Star Wars' plan. NASA's organizational aims

were shaped by these political, commercial and military demands which influenced the hybrid design that dictated an accelerated launch schedule of 24 flights per year (Kramer 1992). A lack of sufficient funds and a loss of safety standards forced NASA to cannibalize each shuttle after a flight to supply spare parts.

Designed by MTI, the fatal flaw was the rockets. MTI reported a problem with its early tests, but also stated that it did not believe it would cause a problem and did not schedule additional tests. Some NASA engineers did express concern about a lack of memorandums regarding this flaw. In November 1981 in a second test flight it was discovered that the right rocket booster was damaged, but this information was not passed on from the Marshall Space Flight Center at which engineers worked to other sections in NASA. Despite this flaw, finally reclassified as critical in 1982/83, no one at Marshall called for a halt to the programme, with management prepared to define the problem as 'an acceptable risk' (McConnell 1987: 120). By July 1985, however, MTI and NASA (or sections of it) were aware that the problem was beyond repair and that they were in 'jeopardy of losing a flight ... with the launch pad' (President's Commission 1986: 249).

Information concerning the flawed design was clearly a source of organizational strain at both NASA and MTI (Kramer 1992). Both had clear knowledge of the problem, but the consequences of a failure were not fixed, for that would mean grounding the shuttle programme for a lengthy period, which would have affected the shuttle's flight schedule and reduced MTI's profits. The response from NASA and MTI instead was to keep the shuttle flying and dismiss the risk as unavoidable or an acceptable flight risk. Whilst pressure was placed on NASA by the military and politicians to deliver an omnibus shuttle there was little external social control, and its own self-regulation and internal communications were woefully inadequate, leading to a complete failure to comply with safety standards. Even though there had been a reduction in safety at NASA there were still enough assurance units, but none had the independence to act.

The strain that NASA felt due to the constant demands and pressure from the politicians to deliver a commercially viable shuttle, and the military demand for one that could be of use in time of war, put NASA

in a position where, to survive, it had to compromise its safety standards. This is not a defence of NASA, as its own internal safety processes were inadequate, but a combination of its desire as an organization to survive, and the external demands for success, put it on a course of action and a launch rate schedule that caused substantial strain. Under these conditions it is hardly surprising that dissenting voices (if they were any) were mostly dismissed. This is a case of organizational strain and misconduct rather than one of individuals; this, however, is no excuse for those that were killed in the explosion on 28 January 1986.

The Mid Staffordshire NHS Foundation Trust: The Strain of Targets and Cuts

In an investigation by the Healthcare Commission (2009) into the Mid Staffordshire NHS Foundation Trust in England that caused an ‘excessive’ number of deaths, particularly emergency patients once admitted to hospital, is perhaps a useful example of strain in providing healthcare. In this case, however, it was not so much the strain of providing healthcare as a fixation by the management board with saving money and reducing its workforce, with little consideration for the subsequent decline in the quality of care. The board made a decision to focus on financial and business matters at the expense of healthcare, which fell below acceptable standards (Healthcare Commission 2009). Once investigated the board was unable to ‘point to any evidence of any scrutiny of standards of care of patients. It was this focus on the expense rather than a combination of careful consideration of costs and quality of care that caused appalling standards of care and chaotic systems, and “patients suffered” (Doig 2011: 45) due to inadequate systems of care. The exact number of people that were subject to negligence and ultimately death is impossible to determine due to the number of years in which poor healthcare was commonplace, which was between 2005 and 2009.

A culture developed in the hospital that was characterized by introspection, lack of insight, self-regulation and a rejection of external criticism. Such organizational corruption—morally and perhaps in some

cases criminal corrupt, but impossible to evidence—occurs in a society with a strongly competitive ethos. As Slapper and Tombs (1999: 161–162) have noted, “a socially developed fear of failure ... an increasing commodification of human relationships and practices, an increasing number of transactions with less oversight and regulation, constantly pushing people with targets to hit, promotions to seek and demotions to avoid, and recession to survive’ engender company crime”. Whilst the Foundation Trust might not be viewed as a company or corporation, it acted as if it were one a substantial amount of the time, with a focus on business development before clinical judgement and patient care.

As in the above case this could be seen as self-imposed strain, as options were available to consider costs and quality of care. However, this strain can be seen on two levels: (1) a pressure to reduce the costs of healthcare from the state, which is an ongoing issue, and (2) pressure on the hospital to achieve the reduction in costs but still maintain a level of healthcare that was impossible. As noted by Francis (2010: 184), however, ‘regrettably, some of the causes of fear have arrived at the door of the Trust from elsewhere in the NHS organization in the form of financial pressures’. A culture of fear does not develop overnight but is a symptom of a long standing lack of positive and effective direction at all levels. The consequences of this culture were less one of mistakes made by employees under pressure in the hospital, and the conflicting demands placed upon them, and potential consequences of failure and the high priority given to responding to established ‘set targets, and in particular Accident and Emergency’ waiting times (Doig 2011: 204). Justified or not there was a pervasive fear that failure meant unemployment. This constant strain thus pushed the quality of care below standards and took a toll on morale, reflected in high absence and sickness rates, a lack of compassion towards vulnerable patients and marked indifference in general (Francis 2010).

There is some previous research that highlights how a fear of failure can lead to crime. Weisburd et al. (1991) identified two types of paths to white-collar crimes. One is where offenders have a desire for high risk and the need to satisfy the ego; the other is a fear of falling, which refers to an individual’s perception of economic security and the fear of losing what he or she has worked hard to obtain. In trying to understand

why white-collar criminals commit crime, Wheeler (1992) suggested what is known as prospect theory and the loss of status and prestige (Kahneman and Tversky 1979) as an explanation. The logic behind the fear of falling is based on 'perceptions and judgments, which are attuned to the evaluation of changes or differences rather than to the evaluation of absolute magnitudes'. As such, a change in one's economic position is judged from the reference point of the current level of wealth but is equally applicable to the loss of status and prestige (Wheeler 1992). This is not to suggest that these two avenues are exclusive to white-collar offenders but rather that they are applicable to explaining why a group of individuals, that presumably have a lot to lose, are likely to form the motivations for engaging in corrupt behaviour.

In such an environment, as was evident in the Mid Staffordshire Hospital, poor administration in an organization can easily cause unsatisfactory outcomes regarding the rule of law, the quality of care and respect for people when subject to pressure to achieve results. This is compounded by a small chance of detection and sanctions if discovered and the poor performance not only of the management and the board of the hospital itself, but the regulators involved (the Healthcare Commission, succeeded by the Care Quality Commission and Monitor) and the Department of Health. The outcome of the multiple levels of failures, perhaps caused by strain, has caused personal strain that Agnew (1992) identified, as mentioned earlier, for the individuals and family members that were treated poorly in the hospital.

Conclusion

This chapter has illustrated that strain, whilst used to explain why people with limited avenues of success commit illegitimate acts, also has much resonance and explanatory value for those in positions of power and authority. As with every theoretical approach in this book there are limitations to the explanatory value of this approach. This is not to dismiss it, but to view its development as one that helps explain 'crime in the streets' and 'crime in the suites'. Furthermore, I have illustrated that competing pressure, such as commercial success, military demands and political pressure, can cause strain in an environment where a cool head and calm, rational

decisions are needed instead of unobtainable mandates. Strain then is perhaps a cause of some crime, be it from external or internal sources, or even self-inflicted, but it is something we all encounter, and in this sense can understand; nevertheless we do not all succumb to legal or illegal acts of corruption (see Chap. 7) even when confronted with temptation. It could be that combined with differential association our strain is institutionalized and rationalized, depending on those with whom we associate.

References

- Agnew, R. (1992). Foundation for a general strain theory of crime and delinquency. *Criminology*, 30(1), 47–87.
- Agnew, R. (1995). Controlling Delinquency: Recommendations from General Strain Theory.” In Barlow, Hugh D (Eds.), *Crime and Public Policy: Putting Theory to Work*, pp43–70. Colorado: Westview Press. 43–70.
- Agnew, R. (2001). Building on the Foundation of General Strain Theory: Specifying the Types of Strain Most Likely to Lead to Crime and Delinquency. *Journal of Research in Crime and Delinquency* 38(4), 319–361.
- Agnew, R., & White, H. (1992). An empirical test of general strain theory. *Criminology*, 30(1), 475–499.
- Agnew, R., Brezina, T., Wright, J. P., & Cullen, F.T. (2002). Strain, Personality traits, and Delinquency: Extending General Strain Theory. *Criminology* 40(1), 43–72.
- Benson, M. L. (1985). Denying the guilty mind: Accounting for involvement in white-collar crime. *Criminology*, 23(4), 583–607.
- Benson, M. L., & Kerley, K. R. (2001). Life course theory and white collar crime. In H. N. Pontell & D. Shichor (Eds.), *Contemporary issues in crime and criminal justice: Essays in honor of Gilbert Geis*. Upper Saddle River, NJ: Prentice Hall.
- Benson, M. L., & Moore, E. (1992). Are white-collar and common offenders the same? An empirical and theoretical critique of a recently proposed general theory of crime. *Journal of Research in Crime and Delinquency*, 29(3), 251–272.
- Blickle, G., Schlegel, A., Fassbender, P., & Klein, U. (2006). Some personality correlates of business white-collar crime. *Applied Psychology*, 55(2), 220–233.
- Box, S. (1983). *Power, crime and mystification*. London: Routledge.

- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.
- Clinard, M., & Yeager, P. (1980). *Corporate crime*. New York: Free Press.
- Clinard, M. B. (1983). *Corporate ethics and crime*. Beverley Hills, CA: Sage.
- Cloward, R., & Ohlin, L. (1960). *Delinquency and opportunity*. London: Collier Macmillan.
- Cohen, A. (1965). The sociology of the deviant act: Anomie theory and beyond. *American Sociology Review*, 30(1), 5–14.
- Cohen, D. V. (1995). Ethics and crime in business firms: Organizational culture and the impact of anomie. In F. Alder & W. S. Laufer (Eds.), *The legacy of anomie theory: Advances in criminological theory*. New Brunswick, NJ: Transaction Books.
- Coleman, J. W. (1995). Motivation and opportunity: Understanding the causes of white collar crime. In G. Geis, R. Meier, & L. Salinger (Eds.), *White collar crime* (3rd ed.). New York: Free Press.
- Coleman, C., & Moynihan, J. (1996). Understanding crime data: haunted by the dark figure. Milton Keynes: Open University Press.
- Doig, A. (2011). *State crime*. Cullumpton: Willan Publishing.
- Dubin, R. (1959). Deviant behaviour and social structure: Continuities in social theory. *American Sociological Review*, 24, 147–164.
- Elliot, D., & Voss, H. (1974). *Delinquency and dropout*. Lexington: D. C. Heath.
- Francis, R. (2010). Independent inquiry into care provided by Mid-Staffordshire NHS Trust: January 2005–March 2009. (Vol. 2). London: Her Majesty's Stationary Office.
- Geis, G. (2006). *White collar criminal: The offender in business and professions*. New Brunswick, NJ: Transaction Publishers.
- Healthcare Commission (2009). *Mid Staffordshire NHS Foundation Trust: A review of lessons learnt for commissioners and performance managers following the Healthcare Commission investigation*. London: Mid Staffordshire NHS Foundation Trust Public Inquiry.
- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Holtfreter, K. (2005). Is occupational fraud “typical” white-collar crime? A comparison of individual and organizational characteristics. *Journal of Criminal Justice*, 33(4), 353–365.
- Hoffman, J., & Su, S. (1997). The conditional effects of stress on delinquency and drug use: A strain theory assessment of sex differences. *Journal of Research in Crime and Delinquency*, 34, 46–78.

- Huggins, A. (2015, September 30). Why Europe failed to halt the emissions ruse. *International New York Times*, p. 16.
- Jones, S. (2006). *Criminology* (3rd ed.). Oxford: Oxford University Press.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47, 263–291.
- Katz, J. (1988). *Seductions of crime*. New York: Basic Books.
- Keane, C. (1995). Loosely coupled systems and unlawful behaviour: Organization theory and corporate crime. In F. Pearce & L. Snider (Eds.), *Corporate crime: Contemporary debates*. Toronto: University of Toronto Press.
- Kramer, R. C. (1982). Corporate crime: An organizational perspective. In P. Wickman & T. Daily (Eds.), *White collar and economic crime*. Lexington, KY: Lexington Books.
- Kramer, R. C. (1992). The space shuttle *challenger* explosion: A case study of state-corporate crime. In K. Schlegel & D. Weisburd (Eds.), *White collar crime reconsidered*. Boston: Northeastern University Press.
- Kramer, R. C., & Michalowski, R. J. (1990, November). Toward an integrated theory of state-corporate crime. Paper presented at American Society of Criminology Meeting, Baltimore, MD.
- Langton, L., & Piquero, N. L. (2007). Can general strain theory explain white collar crime? A preliminary investigation of the relationship between strain and select white collar offenses. *Journal of Criminal Justice*, 35(1), 1–15.
- Lewis, R. S. (1998). *Challenger: The final voyage*. New York: Columbia University Press.
- Mars, G., & Gerald, M., (1982). *Cheats at work: An anthropology of workplace crime*. London: Allen & Unwin.
- McConnell, M. (1987). *Challenger: A major malfunction*. Garden City, NY: Doubleday and Company.
- Merton, R. K. (1938). Social structure and anomie. *American Sociological Review*, 3, 672–210.
- Messner, S. F., & Rosenfeld, R. (1994). *Crime and the American dream*. Belmont, CA: Wadsworth.
- Messner, S. F., & Rosenfeld, R. (2001). *Crime and the American dream* (3rd ed.). Belmont, CA: Wadsworth.
- Orru, M. (1990). Merton's instrumental theory of anomie. In J. Clake, C. Modgil, & S. Modgil (Eds.), *Robert K Merton: Consensus and controversy*. London: Falmer Press.
- Passas, N. (1990). Anomie and corporate deviance. *Crime, Law and Social Change*, 14(2), 157–178.

- Paternoster, R., & Mazerolle, P. (1994). General strain theory and delinquency: A replication and extension. *Journal of Research in Crime and Delinquency*, 31(3), 235–263.
- Piquero, N. L., & Sealock, M. D. (2000). Generalizing general strain theory: An examination of an offending population. *Justice Quarterly*, 17(3), 449–484.
- President's Commission on the Space Shuttle *Challenger* Accident. (1986). Report of the Presidential Commission on the Space shuttle *Challenger* accident (Vols. 1–4). Washington, DC: US Government Printing Office.
- Punch, M. (2009). Police corruption: Deviance, accountability and reform in policing. Abingdon: Routledge.
- Ragatz, L. L., Fremouw, W., & Baker, E. (2012). The psychological profile of white-collar offenders demographics, criminal thinking, psychopathic traits, and psychopathology. *Criminal justice and behavior*, 39(7), 978–997.
- Schoepfer, A., & Piquero, N. L. (2006). Exploring white collar crime and the American dream: A partial test of institutional anomie theory. *Journal of Criminal Justice*, 34, 227–235.
- Shover, N., & Hochstetler, A. (2002). Cultural explanation and organizational crime. *Crime, Law and Social Change*, 37(1), 1–18.
- Slapper, G., & Tombs, S. (1999). *Corporate crime*. Essex: Pearson.
- Stewart, J. (2015, September 26). VW problems started with the boardroom. *International New York Times*, p. 1.
- Tombs, S. (1995). Corporate crime and new organizational forms. In F. Pearce & L. Snider (Eds.), *Corporate crime contemporary debates*. Toronto: University of Toronto Press.
- Trento, J. J. (1987). *Prescription for disaster: From the glory days of Apollo to the betrayal of the shuttle*. New York: Crown Publishing.
- Weisburd, D., & Waring, E. (2001). *White-collar crime and criminal careers*. New York: Cambridge University Press.
- Weisburd, D., Wheeler, S., Waring, E., & Bode, N. (1991). *Crimes of the middle classes: White collar offenders in the federal courts*. New Haven, CT: Yale University Press.
- Wheeler, S. (1992). The problem of white-collar crime motivation. In K. Schlegel & D. Weisburd (Eds.), *White-collar crime reconsidered*. Boston: Northeastern University Press.

6

Explaining Corruption: Drifting In and Out of Corruption and Techniques of Neutralization

Introduction

Sometimes presented as part of a chapter on social control in text books I have instead dedicated a separate chapter here to the concept of drift and techniques of neutralization that have relevance in explaining corruption. As with control theory (see Chap. 7), Sykes and Matza (1957) sought to explain why people that lived predominantly in slums in the USA had a lack of legitimate economic opportunity and were surrounded by crime yet moved away from delinquency and acts of crime as they matured. Was delinquency a period of transition from adolescence to adulthood, or some temporary aberration? Do we therefore drift in and out of delinquency and crime? If this was the case how did people that mostly, but not always, conform to the law deal with this? Sykes and Matza (1957) explained this by suggesting that conventional social norms consisted of learning excuses or 'techniques of neutralization' which permitted violations in certain cases without rejecting conventional behaviour completely. It is this drift and the techniques of neutralization which is the focus of attention here, but where useful I also refer to Dittenhofers (1995) and Zeiltnin's (2001) syndrome of injustice and dissatisfaction.

Drift and the Techniques of Neutralization

For Sykes and Matza (1957) individuals and young people in particular had not rejected the dominant social order of 1950s USA as suggested by subcultural theoretical explanations. Such explanations it was thought tended to over-emphasize the difference between those that conform and those that are delinquent. Sykes and Matza set out to explain why mostly young people could break conventional morality and/or laws and yet still be integrated into and predominantly accept societal laws and regulations. This was explained by arguing that part of the process of learning social norms consisted of also learning excuses or what is called 'techniques of neutralization'. These techniques allow individuals and groups to suspend or neutralize temporarily the commitment to expected behaviour and laws. In Chap. 4 Sutherland suggested that we learn behaviour via a process of communication and observation of people breaking the law; these processes include the techniques, motives, drives, rationalizations and attitudes towards set criminal actions. I will also suggest that offenders 'learn' these techniques to neutralize offences so as to justify breaking laws. The specific techniques are:

- denial of responsibility;
- denial of injury;
- denial of the victim;
- condemnation of those that condemn;
- appeal to a higher loyalty.
- disbursement of blame
- misrepresenting the consequences

A brief review of these techniques is sufficient here, as much has already been written elsewhere (Agnew 1985; Piquero et al. 2005; Jones 2006). While aware of the limitations of this approach, these techniques are still useful in explaining corruption. Even though presented here as individual explanations, many of the 'factors' are combined and should be read in conjunction with one another rather than in isolation.

Dittenhofer (1995) also suggested that people commit acts of corruption due to financial need—to a perceived or real and personal appetite for wealth, which echoes strain (see Chap. 5). This need for wealth can

arise from the desire for money but also for status. However, in time, a brief dalliance with illegal conduct can, and often does, turn into regular behaviour, which is then rationalized as 'normal'. It is thus presented as common practice and justified. These techniques of neutralization can thus be used to explain both individual and organizational corruption. Many criminological approaches at the time suggested that criminals are different from normal people that adhered to the law but Matza and Sykes (1957) claimed that young people drifted into and out of crime and neutralized such behaviour/acts.

For many offenders, regardless of the crime committed, there was and is a *denial of responsibility*. This is where offenders claim they were victims of circumstance and/or were forced into a situation beyond their control in an attempt to neutralize the immoral act. A further technique is where there is a *denial of injury*. This is where offenders insist their actions did not cause any harm or damage, and as such might claim that nobody was put in physical danger. This leads on to a *denial of the victim* where in the case of burglary the householder claims insurance for items stolen (or not stolen, and/or exaggerated claim). In the *condemnation of those that condemn* the police are said to be corrupt and therefore in no position to condemn morally those that commit crime. In the *appeal to a higher loyalty*, offenders suggest that the offence was carried out on behalf of the organization or to protect a friend and/or the success of colleagues. This claim that 'it was for the company' can, however, be employed in a completely different way. Instead of appealing to those involved there is a 'passing the blame' or *disbursement of blame* where an organization, or co-accused, is caught committing an illegal act, be it breaking internal rules or breaking the law but claiming that the organization was well aware of the corruption and either actively encouraged such behaviour or failed to stop it. The disbursement of blame builds on some of the other 'denials' above and appears in court cases where financial traders are presented as 'rogues' acting without the permission of their superiors. This excuse has worn somewhat thin now with recurring scandals around the world in the financial sector. This disbursement of blame leads onto the technique of *misrepresenting the consequences*, which is where for example offenders tend to minimize psychologically the injurious consequences—such as a breach in health and safety where a person is killed or environmental

crime such as pollution and the dumping of illegal and toxic waste—and simply focus only on the rewards. An individual, organization and nation can use all of these techniques as well. For example, an individual might deny responsibility, and an organization appeal to a higher loyalty.

These techniques should not be read in isolation; they can and do combine to build a ‘wall of justification’, particularly if caught, to diminish the impact and seriousness of the offence committed. Examples of these techniques are often found in cases of corruption, but the key explanation here is that such techniques allow us to accept and conform to the laws of a country willingly most of the time but still leave room for a temporary rejection of laws and an acceptance of acts of corruption and crime. An example here is that of insurance fraud. Research has illustrated that putting in a false or exaggerated claim is seen as acceptable to many people, regardless of social background (Tennyson 1997; Button and Brooks 2014). A note should be made here that such techniques can be employed even if no laws are broken but the act is one that is considered morally inappropriate, depending on one’s view, such as tax avoidance by a multi-national organization.

This temporary suspension of conformity is referred to as ‘drift’ (Matza 1964). Delinquents were seen as no more committed to delinquent acts than to conventional behaviour, and there was thus ‘subterranean convergence’ (Lilly et al. 1989: 100) between techniques of neutralization and the ideologies of those in power that represented the official moral order. In straightforward language this meant that violations were often excused, for young people, by those in authority by blaming the parents, citing provocation on the part of the victim and/or accepting justification for the offence as an accident or in the name of self-defence. For Matza and Sykes (1961) these ‘subterranean values’ were simply aping businesses who adopt a desire for high financial illegal rewards as illustrated in Veblen’s (1899) *The Theory of the Leisure Class*, and employed excuses for committing crimes by claiming (‘this was an accident’, putting in a plea of insanity, or self-defence, too ill to stand trial, or too old to stand trial) that have become staple accepted excuses for personal conduct and behaviour.

A delinquent act, however, involves some factors that are set within a freedom of choice, rather than as erupting out of a complete loss of

control. Matza (1964) suggested that a combination of both preparation and desperation were needed for drift to occur. Preparation involved a process where a person discovered that an act or infraction of a moral or legal code could be successfully achieved, and that we all also had the ability to commit a similar act without apprehension (Lilly et al. 1989). If a person felt confident enough, could minimize the danger and the risk of apprehension, drift was a possible outcome. As for desperation, Matza explained that this was a sense of overwhelming fatalism and the need to act as an individual. These factors might have relevance to adolescents, but for acts of corruption preparation is necessary to plan, act, justify and illustrate desperation in the financial sector (see below).

Supporting these techniques of neutralization is the work of Dittenhof (1995) and Zeiltn (2001) and the syndrome of *injustice and dissatisfaction*. Behaviour in this category is justified out of a sense of injustice felt towards an employer, particularly in a highly regulated work environment (Zeiltn 2001). This does raise the question as to how, in a highly regulated, rule-bound environment, acts of corruption are possible? Furthermore, acts of corruption are often committed due to a sense of dissatisfaction and injustice felt by an individual concerned about missing out on a promotion or being marginalized by the employer and excluded from personal progression (Tucker 1989). Such exclusion is determined by the individual's organizational status and condition of employment. If organizations are structured so as to differentiate employees by salary and rewards, the result could lead to increased competition between employees, rather than a sense of team spirit. Such competition might be encouraged but also allow management to be selectively myopic and avoid personal responsibility for improving working conditions and wages. Even if handsomely paid, some employees will commit acts of corruption (Brooks et al. 2013).

Part of this injustice is known as the 'due me' attitude where employees, particularly those that have spent years at the same company, feel that their personal contribution to the company has not been fully recognized. Mars (1982, 1984) and Hollinger and Clark (1983) have pointed out that the 'due me' frauds are usually small and primarily used to fulfil a perceived lack of financial reward. Building on this syndrome Mars (1984) has suggested there is a role for the *ego*. Financial rewards are

mixed with the need for recognition. In business this could be from personal relationships and family, but also in the form of public acclaim for success and achievements. All of these explanations are of course limited; however, they do offer us a working framework to understand why people commit acts of corruption. These varying theoretical approaches complement one another as individuals' acts of corruption are not committed in a social vacuum; as such we need to take account of the social context in which the individual and organization function.

Such techniques are no doubt seen in those who commit cybercrime and/or deviant acts online but are justified as cyber exploration (Jar 2013). An example of such behaviour is where people hacked into the Ashley Maddison dating website and then exposed those that had used its services as 'immoral'. This is further illustrated even if there is intentional theft of software, computer information, film and music, where 'hackers' claim that people in cyberspace should have access to such cultural entertainment and that no organization should have exclusive rights to the Internet.

Coleman (1987, 1995) constructed a typology of the techniques of neutralization used by white-collar criminals. One of the most common techniques is the denial of harm. According to Coleman, convicted white-collar offenders frequently claim that their actions did not harm anyone, and that they therefore did not do anything wrong. This technique is rather obvious in neutralizing corruption. Although the relationship of the stakeholders in a corrupt scheme is often portrayed as a triangular affair—an act of bribery, the one who is bribed, and the victim—the victim is often more difficult to detect. Of course, victimization can always be constructed, for example, the business community bidding for contracts, refugees receiving less aid because of the amount of kickbacks to local officials (Button et al. 2015), and the integrity of the political system (Heywood 2015). However, if both sides benefit from corruption it will often be easy to maintain that no harm has been done.

As Coleman (1987, 1995) pointed out, neutralization techniques are not only post hoc rationalizations of white-collar crime, but can also precede rule breaking and thereby morally facilitate non-compliance; a rationalization is not an after-the-fact excuse that someone invents to justify his or her behaviour 'but an integral part of the actor's motivation for the

act' (Coleman 1987: 411). This would lead to the assumption that having neutralization techniques at one's disposal is a crucial condition for involvement in corruption and being capable of offering or accepting a bribe. Besides the obvious avenues and limited control mechanisms, these neutralization techniques are an important object of study for research on corruption.

A second neutralization technique used by white-collar offenders is to claim that the laws they are violating are unnecessary or even unjust. Offenders using this rationalization find support in the influential neo-liberal school of economics which argues that market systems can only operate at a maximum efficiency when there are no artificial barriers such as state regulation. In reference to corruption this is interesting, because it is due to the pressure of international business that international organizations such as the World Bank, the IMF, the OECD and the European Union 'force' nation states to prohibit and prevent corruption, trying to create a level playing-field for multinational corporations to access markets. Multinational organizations wish to be able to operate as inexpensively and rationally as possible throughout the world and systems of graft and bribes are unpredictable, unreliable and costly (Beare 1997) though business often engages in both legal and illegal acts in different jurisdictions and even on the same contracts such as winning a major construction project. These regulations, however, might only promote international business at the expense of the local economy and thus increase recourse to a local and developing black market of products and services.

A third neutralization is that the violation of regulation is necessary to achieve vital economic targets or to survive in a competitive environment. On both the active and the passive side of corruption this neutralization can be identified. Those who offer bribes will stress that this, however undesirable, is necessary to be able to conduct business. Those who receive the bribes may say that their regular salary is not sufficient to survive and that the extra income is necessary to provide for the family. Benson (1985, 1998) highlighted how convicted white-collar offenders used three patterns to justify or excuse their behaviour. The accounts produced by these offenders focussed on the offence and either emphasize the normality and acceptability of the behaviour ('business as usual')

or portray the offence as an aberration, as not representative of typical behaviour patterns; or they showed that no matter how the offence is eventually characterized, it is not indicative of their 'real' character, and that they are ordinary, understandable individuals and separate themselves from their offence and emphasize its unique character.

A fourth technique of neutralization involves the transfer of responsibility from the offender to a group. This will be especially useable when corruption is endemic. Both those who are offering and those who are accepting bribes might claim that 'everybody's doing it'. The accompanying rationalization is that it is unfair to condemn one person who is transgressing the law unless all the others are condemned as well.

The fifth neutralization method is that a person is not responsible for his or her behaviour, which therefore cannot be labelled or qualified as criminal, when merely conforming to the expectations of others. This is often a rationalization of middle management to: situations of strain (see Chap. 5) through processes of socialization; where bribes might be seen as an acceptable way of meeting targets set by upper management; and when clientelism and patronage are endemic and the paying or taking of bribes is expected. Finally, many occupational crimes are justified on the grounds that the offender deserves the money. This rationalization might be a dominant neutralization for the more daily forms of kickbacks but is limited in its application to organizational corruption.

Limitations of Techniques of Neutralization

This approach in sociology and criminology was popular in the 1960s when deviant acts (not necessarily criminal) were explained as ordinary and that many of us could partake of such acts, for example consuming illicit substances. However, then as now, these techniques fail to offer a proper explanation for violent behaviour and that of those individuals and/or organizations that commit serious offences as part of life. There also seems to be a potential contraction in this approach: Matza suggested that young people had a choice, some control of engaging or refusing to be involved in a delinquent act, yet at the same time they drifted into acts of delinquency brought on by external circumstances, which they could

not control. Therefore techniques of neutralization may not be powerful enough to shield the individual fully from his or her own internalized values and the reactions of others (Lilly et al. 1989). Furthermore, some individuals may be so isolated from the world of conformity that such techniques play no part in their thoughts or actions.

These techniques also need further investigation, particularly for acts of corruption and subsequent justification. Researchers need to understand the differential distribution of techniques of neutralization by age, social class and ethnicity as some individuals/groups might be more susceptible to engaging in such techniques. This in turn requires that we understand the internal structure of neutralization as a system of attitudes and relationship to set types of conduct and behaviour. Certain techniques appear to be better adapted to particular acts more than others, but these all need developing.

Explaining Drift and Neutralization: Corruption in Context

In this section I make reference to acts of corruption by individuals and organizations in the social context in which they occurred. Since there are copious examples I do not analyse any one case in depth but highlight the recurring techniques and acts. This is not to diminish the acts of corruption as some historical artefact but an attempt to understand the techniques mentioned above in the context in which they were manifested.

Much of the literature on corruption notes that individuals do not commit acts of fraud and corruption in isolation; rather they work alone but are often part of an organization which can, and does, influence behaviour (Gobert and Punch 2007). The culture of an organization is seen as an important factor in explaining why people commit acts of corruption and Mars (1982, 1984) has illustrated how this can differ, and how the opportunity, interaction and workplace dynamics affect the propensity to commit acts of corruption. The extent to which a culture determines the actions of individual employees is therefore dependent on a number of factors: the degree to which employees' occupations are determined by set rules and regulations; the degree to which roles within

an organization are differentiated by distinction; and whether they are also physically isolated from one another. This leads onto the culture of the organization and the perception that employees hold of one another and the extent to which they are dependent or in competition with one another (Brooks et al. 2013).

While the culture of an organization is important, sections of a company might also play a role in controlling or encouraging illegal behaviour. For example, working in an environment producing valuable products might lead to corruption, but if the culture of that section, which could be determined by a key individual, is one of personal and professional integrity, the desire to commit acts of corruption is diminished. Therefore, we cannot simply refer to an organization as corrupt, as some people working in such an environment will resist the temptation to commit illegal acts; it is better therefore to focus on key individuals and sections and structures of groupings in an organization that might have a propensity to commit fraud and corruption. The problem here though is that constant scandals damage the integrity of those honest employees, while those that are exposed sometimes escape punishment, except perhaps being banned for a period of time or excluded from holding a position in an organization.

In order to understand organizational corruption and how it occurs, a distinction needs to be drawn between the crime committed in the course of an occupation as above, and collective, systemic rule breaking of an organization (Braithwaite 1985). However, Smith et al. (2012) have suggested that crime, in particular fraud, committed by an organization cannot, by definition, exist, as an organization is unable to think and act as a conscious body aware of its own acts. Coleman (1999) dismisses this view and claims that, though organizations are run by a collection of individuals, it is this collection of roles and functions that individuals occupy and that shape the conduct of these employees' behaviour. As such, an individual's morality is of less importance than the structure in which he or she works (Boisjoly 1995). It is not the moral standards and virtues of the individuals that determine the conduct of the organization, rather it is the structure and culture of the organization that 'directs' human action and interaction in the course of a structured environment and techniques of neutralization.

This view is not new. Edwin Sutherland (1949) sought to understand why ‘successful’ people committed acts of white-collar crime. Employing the theoretical approach of differential association, crime was explained as a preponderance of criminal attitudes over non-criminal attitudes and learned by working with people that violated laws (see Chap. 4). This, however, fails to explain how and why other employees did not accept such attitudes towards white-collar crime. In fact, Braithwaite (1985) denounced differential association as a ‘platitudinous attempt’ to explain organizational crime. This theoretical approach did at least attempt to explain ‘crimes of the powerful’ and increased interest in the subcultures of crime (see Chap. 5).

An example of the structure and culture of the organization that directs human action and interaction is the technique of denial of the victim. This is where offenders believe that victimization is deserved and refuse to recognize ‘inappropriate’ behaviour, the consequences of physical and psychological acts and the impact on people personally or on the reputation of an organization. For example, in the literature on police culture and corruption there is ample evidence of this (Sherman 1978; Shearing 1981; Punch 1985, 2000). The police, however, will be viewed differently in different types of state—autocratic or democratic—and also by different sections of society, depending on the jurisdiction.

For Braithwaite (1995), whether an organization is or will be criminal is dependent on the degree to which its aims can be achieved legitimately. If unable to progress legitimately an organization might resort to illegal methods (see Chap. 5 on strain) to achieve its desired aims of success (Levi 2008). Most organizations, however, are structured in such a way that they can be manipulated to behave in a legal or illegal manner. The structure is only part of the problem. It is the role and attitude of senior management that can turn a legitimate organization into one that is inherently criminogenic. As Slapper and Tombs (1999) have already indicated, due to the demands for profits organizations will and do commit corruption in response to economic, financial and legal pressures. This does not mean that all organizations will commit illegal acts, or that those that do so will drift into acts of corruption in response to economic and financial strains; however, once the crisis is averted they may return to acceptable business practices.

Box (1983) has illustrated that fraud increases in organizations, regardless of size, in a recession (Cook and Zarkin 1985; Dow 1998; Knoop 2004). Some of this increase can be attributed to the deregulation of capital and business markets in the 1980s and 1990s (Pomeranz 1995), and this suggestion perhaps has some validity in explaining the corruption in Russia where rapid modernization engendered organized criminal entrepreneurial ventures, which acquired capital and skills from businesses around the world that sought out the market as it became open to services and products. This marketization of politics and Russian society was especially beneficial for the nomenklatura class, which partly adapted and partly transformed into a new elite (Goldman 2003; Rawlinson 2012) that had learned the skills required for the cut-throat world of free enterprise as semi-illicit industrialists with business expertise and a ruthless modus operandi and who have the ability to survive the vicissitudes of life lived on the edge of the law. This is further supported by Taylor (1999) who suggested that the intensification of international competition and a struggle for survival in worldwide markets has potentially increased the ethic of individual irresponsibility, as individuals are socialized into placing organizational objectives before personal achievement. In this increased competition for profits, some businesses have become criminogenic.

It is debatable whether the numerous high profile scandals mentioned in this book reflect a decline in the moral integrity in business or a decreased tolerance for violations of the law and the ensuing media exposure. But what is meant by 'integrity' and 'integrity management'? 'Integrity' means an application of accepted values and codes of conduct in common practice in institutions. 'Integrity management' then is the process and actions undertaken by management to stimulate and secure integrity and prevent violations within a particular organization.

There are two types of approach to integrity management: the rules-based external approach, which is a system of formal, detailed procedures used to reduce and prevent corruption; and the values-based approach, which focusses on guidance and internal control, where the latter is exercised by organizational members and is about supporting rather than controlling individual members. Rather than an either or approach,

it is best to use a combination of both: the rules-based approach provides an elementary legal framework and, if the values are correct within the organization, individual members will monitor one another (Maesschalck and Vanden Auweele 2010).

There are barriers to the success of such organizational conduct. These are often erected by senior management and the result of the fostering of a culture and technique of denial that anything is amiss. There may not be integrity issues in an organization, but it is impossible to make such a claim unless an appropriate detection system, as part of an integrity management framework, is used to measure such behaviour. Furthermore, even if violations are low, all organizations countenance challenging dilemmas, and as such any management framework needs to be flexible and discover the most appropriate response rather than dismiss or deny there is a problem.

If such an approach fails to deflect attention away from a company developing a system of integrity management the organization might reinforce a lack of trust within the organization and be counterproductive. This is myopic. While exposing corruption within an organization, the approach has the potential to reduce future scandals by dealing with them; but if downplayed future acts of corruption strongly increase then that could damage the integrity of the organization even more. A useful example here is that of FIFA, as some individuals from the world of football and marketing have admitted acts of corruption and thus badly damaged the reputation of all those who work for the organization.

Furthermore, a potential barrier to reducing the incident of corruption in organizations is that of downgrading the importance of organizational integrity. No system will completely stop corruption, but to dismiss the effort encourages inappropriate behaviour. For example, an organization could have a code of conduct but not implement it or enforce it, resulting in its members seeing the integrity management system as mere window-dressing (Trevino and Weaver 2003). The instruments of integrity management, risk analysis, analysis of ethical issues, consultation of employees and stakeholders, a code of conduct, training, counselling, whistle-blowing policy, and investigation and sanctioning are all important.

Risk analysis is one such instrument where vulnerable parts of a business are mapped and analysed but which in itself is of little use. For example, risk analysis can provide a clear framework, which employees know they have to adhere; but if too restrictive it might be seen as a lack of trust by management and thus undermine employees' innovation and work ethic. Developing a code of ethics or conduct is a useful way forward, but it is best to involve all employees; if not, the code will be seen as the property of management rather than something owned by everyone in the institution. A code of conduct, however, is very different from a code of ethics. A code of conduct is rules-based and starts with the assumption that people are primarily self-interested and only behave with integrity if under threat of some sanction. A code of ethics is a values-based approach and views people as capable of moral reasoning (Maesschalck and Vanden Auweele 2010). Either system is pointless if ignored or a mere paper exercise. Enron had an ethics committee but it failed to prevent egregious corruption.

It is wise to rotate people in positions in an organization, because if an employee performs the same role for years the risk will increase that they acquire undesirable routines (Gill 2005; Gobert and Punch 2007; Gill and Goldstraw-White 2010). Yet again, a useful example here is that of FIFA with Sepp Blatter at its helm for 17 years.

Davies (2000) outlined the conditions in commercial and financial organizations that are conducive to and predictive of fraud and corruption. For example, if the organization has an autocratic management style where one person has substantial control with limited personal accountability there is the potential for corruption. Attitudes are all important in an organization, and if those in a managerial position accept or actively promote a 'getting it done is more important than how it is done' ethos this will spread throughout the organization and impact on behaviour. Employees can react to such a culture in many different ways: they can commit acts of corruption, distance themselves from the organization and do the minimum to stay employed, or plan to leave when an opportunity arrives. The ultimate rejection of such a culture though is to expose the culture by 'going public' when all internal channels have been exhausted. It is useful to have a whistle-blowing policy as part of an ethical working structure, but unless implemented properly, and investigating concerns when raised, it will leave the organization open to criticism

(Near and Miceli 1985, 1996; Mesmer-Magnus and Viswesvaran 2005; Miceli et al. 2013 Brooks et al. 2013). A mere 'paper policy' will discredit the organization. It is hardly surprising then that sometimes concerned people resort to what is referred to as the 'nuclear option' and contact the media. An example here is that of Margaret Haywood, a nurse who was critical of the treatment of elderly patients at the Royal Sussex Hospital in Brighton, England. In 2005 Haywood secretly filmed horrific treatment for the BBC TV programme *Panorama*. She had spoken to both her line and ward managers, but neither had listened. Feeling she had no option, she contacted *Panorama*. Haywood was found guilty of misconduct. The disciplinary panel claimed she had failed to fulfil her role as a nurse whilst filming for *Panorama*. The panel further claimed that she had compromised patient confidentiality because she filmed patients without their knowledge or consent. Although Haywood admitted this, she felt that because of the poor patient care and lack of response the only option left was to expose and deal with the problem. However, because she did not exhaust all avenues, such as a written complaint to someone else in the NHS, she was found guilty of misconduct. This charge was, only after further media exposure, replaced with a one-year caution and the option to return to work in due course, if she wanted.

The concept of power and power relations is important here. Power resources are material as well as immaterial, but must be valued or seen as critical for other actors or groups (Pfeffer and Salancik 1978; Borum 1995). Power can accompany expertise such as a medical doctor or formal positions (e.g. a CEO), or it can be grounded in informal structures and networks. Power resources—position in organization, control of work schedules and promotion, relocation, and ultimately dismissed for personal conduct—are distributed unequally in any organization, and if attempting to expose a powerful individual in an organization personal alliances are all important as the person the person responsible for the reported misconduct can also thwart, block or discredit those who are intent on exposing corruption. The hierarchical position of the corrupt individual is therefore important in this context, where it is the organizational culture in the workplace that matters as much as access to power and reporting of misconduct, as people drift in and out of corruption and will employ techniques of neutralization to reject, defend and obfuscate any accusation and investigation into individual and/or organizational corruption.

Conclusion

In this chapter we have reviewed the notion of drift and techniques of neutralization that are often employed by individuals and organizations, especially once corrupt acts have been identified. The examples from the different sectors showed that corruption is part of 'doing business' but that individuals and organizations drift into and out of corruption depending on economic circumstances. This is not to downplay the egregious acts of corruption that have been committed, but these explanations help us to view the flexible approach that individuals and organizations adopt. Furthermore, even though acts of corruption are secretive and based on deception, and thus difficult to define and classify, there have still been attempts to construct a profile of the characteristics and behaviour that might help identify potential corrupt individuals.

References

- Agnew, R. S. (1985). Neutralizing the impact of crime. *Criminal Justice and Behavior*, 12(2), 221–239.
- Beare, M. E. (1997). Corruption and organized crime: A means to an end. In B. Rider (Ed.), *Corruption: The enemy within*. The Hague: Kluwer Law International.
- Benson, M. L. (1985). Denying the guilty mind: Accounting for involvement in white-collar crime. *Criminology*, 23(4), 583–607.
- Boisjoly, R. M. (1995). Commentary on 'Technology and civil disobedience: Why engineers have a special duty to obey the law'. *Science and Engineering Ethics*, 1(2), 169–171.
- Borum, F. (1995). *Organization, power and change*. Belgium: University of Leige.
- Box, S. (1983). *Power, crime and mystification*. London: Routledge.
- Braithwaite, J. (1985). White collar crime. *Annual Review of Sociology*, 15(1), 1–25.
- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.

- Button, M., & Brooks, G. (2014). From 'shallow' to 'deep' policing: 'Crash-for-cash' insurance fraud investigation in England and Wales and the need for greater regulation. *Policing and Society*, 26(2), 1–20.
- Button, M., Lewis, C., Shepard, D., & Brooks, G. (2015). Fraud in overseas aid and the challenge of measurement. *Journal of Financial Crime*, 22(2), 184–198.
- Coleman, J. W. (1987). Toward an integrated theory of white-collar crime. *American Journal of Sociology*, 93(2), 406–439.
- Coleman, J. W. (1995). Motivation and opportunity: Understanding the causes of white collar crime. In G. Geis, R. Meier, & L. Salinger (Eds.), *White collar crime* (3rd ed.). New York: Free Press.
- Coleman, J. W. (1999). Motivation and Opportunity: Understanding the Causes of White Collar Crime in M Levi (ed), *Fraud, Organisation, Motivation and Control* (Vol 1 The Extent and Causes of white Collar Crime). Aldershot: Aldgate.
- Cook, P., & Zarkin, G. (1985). Crime and the business cycle. *Journal of Legal Studies*, 14(91), 115–128.
- Davies, D. (2000). *Fraudwatch*, London: KPMG.
- Dittenhofer, M. A. (1995). The behavioural aspects of fraud and embezzlement. *Public Money and Management*, 15(1), 9–14.
- Dow, C. (1998). *Major recessions: Britain and the World, 1920–1995*. Oxford: Oxford University Press.
- Gill, D. (2005). *Learning from fraudsters*. London: Protiviti Group.
- Gill, M., & Goldstraw-White, J. E. (2010). Theft and fraud by employees. In F. Brookman, M. Magurie, H. Pierpoint, & T. H. Bennett (Eds.), *Handbook of crime*. Cullumpton: Willan Publishing.
- Gobert, J., & Punch, M. (2007). Because they can: Motivations and intent of white collar criminals. In H. Pontell & G. Geis (Eds.), *International handbook of white collar crime*. New York: Springer.
- Goldman, M. (2003). *The privatisation of Russia: Russian reform goes awry*. New York: Routledge.
- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Hollinger, R., & Clark, J. P. (1983). *Thefts by employees*. Lexington, KY: Lexington Books.
- Jar, M. (2013). *Cybercrime and Security*. London: Sage.
- Jones, S. (2006). *Criminology* (3rd ed.). Oxford: Oxford University Press.
- Knoop, T. (2004). *Recessions and depressions: Understanding business cycles*. Westport, CT: Praeger.

- Levi, M. (2008). *The phantom capitalist: The organisation and control of long-firm fraud* (2nd ed.). Aldershot: Ashgate.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (1989). *Criminological theory: Context and consequences*. Thousand Oaks, CA: Sage Publications.
- Maesschalck, J., & Vanden Auweele, Y. (2010). Integrity management in sport. *Journal of Community and Health Sciences*, 5(1), 1–9.
- Mars, G. (1982). *Cheats at work: Anthropology of workplace crime*. London: Allen and Unwin.
- Mars, G. (1984). *Cheats at work: Anthropology of workplace crime* (2nd ed.). London: Allen and Unwin.
- Matza, D. (1964). *Delinquency and Drift*. New York: Wiley.
- Matza, D., & Sykes, G. M. (1961). Juvenile delinquency and subterranean values. *American sociological review*, 26(5), 712–719.
- Mesmer-Magnus, J. R., & Viswesvaran, C. (2005). Whistleblowing in organizations: An examination of correlates of whistleblowing intentions, actions, and retaliation. *Journal of Business Ethics*, 62(3), 277–297.
- Miceli, M. P., Near, J. P. & Dworkin, T. M. (2013). Whistle-blowing in organizations. Abingdon: Routledge.
- Near, J. P., & Miceli, M.P. (1985). Organizational dissidence: The case of whistle-blowing. *Journal of Business Ethics*, 4.(1), 1–16.
- Near, J. P., & Miceli, M.P. (1996). Whistle-blowing: Myth and reality. *Journal of management*, 22(3), 507–526
- Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. New York: Harper & Row.
- Piquero, N. L., Tibbetts, S. G., & Blankenship, M. B (2005). Examining the role of differential association and techniques of neutralization in explaining corporate crime. *Deviant behaviour*, 26(2), 159–188.
- Pomeranz, F. (1995). Fraud: The root causes. *Public Money and Management*, 15(1), 15–18.
- Punch, M. (1985). *Conduct unbecoming: The social construction of police deviance and control*. London: Tavistock.
- Punch, M. (2000). Police corruption and its prevention. *European Journal on Criminal Policy and Research*, 8(3), 301–324.
- Rawlinson, P. (2012). Corruption, organised crime and the free market in Russia. In P. Gounev & V. Ruggiero (Eds.), *Corruption and organised crime in Europe*. Abingdon: Routledge.
- Shearing, C. (1981). *Organisational police deviance*. Toronto: Butterworths.

- Sherman, L. (1978). *Scandal and reform: Controlling police corruption*. Berkeley, CA: University of California Press.
- Slapper, G., & Tombs, S. (1999). *Corporate crime*. Essex: Pearson.
- Smith, G., Button, M., Johnston, L., & Frimpong, K. (2012). *Studying Fraud as White Collar Crime*. Basingstoke: Palgrave Macmillan.
- Sutherland, E. H. (1949). *White collar crime*. New York: Dryden Press.
- Sykes, G. M., & Matza, D. (1957). Techniques of neutralization: A theory of delinquency. *American Sociological Review*, 22(6), 664–670.
- Taylor, I. (1999). *Crime in context: A critical criminology of market societies*. Oxford: Polity Press.
- Tennyson, S. (1997). Economic institutions and individual ethics: A study of consumer attitudes toward insurance fraud. *Journal of Economic Behaviour and Organization*, 32(2), 247–265.
- Trevino, K. T., & Weaver, G. R. (2003). *Managing ethics in business organisations*. Stanford, CA: Stanford University Press.
- Tucker, J. (1989). Employee theft as social control. *Deviant Behaviour*, 10(4), 319–334.
- Veblen, T. (1899). *The Theory of the Leisure Class*. New York: The New American Library.
- Zeiltin, L. R. (2001). A little larceny can do a lot for employee morale. *Psychology Today*, 5(1), 22–24.

7

Explaining Corruption: Why Don't We All Commit Acts of Corruption?

Introduction

To conform and abide by the law(s) of a country was for many years considered an axiom in criminology. The focus was on explaining criminal behaviour as one possessed by evil spirits, biological defects, personality disorders, community social disorganization, subcultures of life and inequality of economic opportunity. However, the most important step in a solution to a problem is to ask the 'right' questions about it, and for many years, in attempting to explain 'crime', assumptions about human nature and social order considered conformity to be the natural order for the majority of its citizens, and thus focussed on non-conformity and the 'problem of crime' rather than why people adhered to the law (Lilly et al. 1989). The approaches that fall under the umbrella of control theory instead suggested that crime and delinquency is to be expected unless the sociocultural controls—family, teachers, police—are operating effectively in preventing crime (Reiss 1951; Nye 1958; Reckless 1967; Hirschi 1969; Hagan 1989). It is these approaches we now consider in trying to understand corruption.

Control Theory

The origins of control theory and its different manifestations are based, in part, on the work of Durkheim. In the late nineteenth century rapid industrial and social change affected the sense of ‘community’ and the extended family splintered and fractured to be replaced by the notion of a nuclear family. With an increasing division of labour separating individuals into specialists in the production process there was a sense of the collapse of social solidarity. This social solidarity, which was a moral rather than an economic source for Durkheim, was maintained by two social functions: these were *integration* and *regulation*. Integration was viewed as a state of cohesion, such as strong social bonds and the subordination of the self to a common cause combined with a collective activity that provided both purpose and meaning to life. If such a moral force was weakened or eroded with a relaxation of social bonds then extreme individualism occurred. Regulation, however, was a force of constraint which bound individuals to society by delivering societal expectations and legitimacy by being effective. In this sense the police are a constraining force, which protects the public from harm and has the legitimacy to function with personal and professional discretion, though this is only relevant in certain jurisdictions and even then perhaps is contested. Durkheim’s view of humanity reflected his view of social conditions. A person has two sides—a social self and an egoistic self—with one a product of socialization and cultivation and the other a primal self in need of restraint. The implications of this is that, unless social solidarity is developed and maintained and that internal personal and external control are present, there is the potential for delinquency and crime (Lilly et al. 1989).

Cooley (1922) developed the notion of the ‘looking glass self’ where as children we acquire a concept of who we really are by imagining how we appear to others and how they interpret and assess what they see. The primary group involved in this process is, of course, the family, and this primary social body of extended or nuclear family members is a recurring theme in control theory where it is both a source of conformity and an explanation of delinquency. Mead (1934) echoed these views with his notion that we are divided into ‘I’ and ‘me’. I, an individual, represents social awareness and the development of ‘me’, from which I am able to

see the views and perspectives of those who inhabit the social world. The 'I', if unsuccessfully, and/or unable to be, receptive to socialization, leads to: a personal disorganization of the 'self'; or, having achieved internal integration, a failure to integrate in society; or potentially both.

This individual disorganization was extended to the level of community by those associated with the Chicago School (Shaw and McKay 1942; Logan and Molotch 1987; Stark 1987; Bursik 1988) and what was seen as the collapse of community, and the anonymity of urban life, where people cared little for one another. As such it was thought that there was a breakdown in community spirit and individual moral integration. It is hardly surprising therefore that much of what will follow focussed on the power of, or lack of, the family to assimilate family members (mostly young people) into society. It was from this personal and social disorganization and social transformation that control theory contributed to the debate on *why* people commit crime. The theoretical approaches that follow place emphasis on weak social control or bonds to people, ideals and society. Most focus on the family and youth delinquency and view the family as the primary source of socialization. Delinquency and crime is thus explained as the lack of internalized control or 'moral compass' and external control or threats of sanctions.

For Reiss (1951) personal control was the ability to refrain from meeting needs in ways that conflict with norms and rules of the community, and social control is the ability of social groupings and institutions to make such norms and rules effective. Delinquency therefore results when there is an absence of internalized norms and rules governing behaviour, a breakdown in previously established controls, and relative absence of conflict and enforcement of social rules or techniques from social groupings or institutions. For Reiss, though (1951), an individual might conform out of an internalized acceptance of norms and rules or simply mere submission to them. Following laws, and particularly at a young age, is no assurance that norms and social roles are a fixed and permanent part of our personality. The key groupings in preventing delinquency were the family, neighbourhood and school, and this perhaps reflects Reiss's notion of the USA in the 1950s where the family, in particular, was expected to 'meet the needs of its members' (Reiss 1951 in Lilly et al. 1989: 91). Reiss further emphasized that control of family members has the potential for over or under-control and can also lead to

potential delinquency. There is, however, no indication as to what the 'right' amount of control is.

Nye (1958) also focussed on adolescents and considered the family as most important for social control. As the primary source, the family could control via *direct control*, *internalized control*, *indirect control* and *control via alternative means of need satisfaction*. Direct control is explained as being imposed on individuals by external forces such as parents, teachers and the police by direct restraint accompanied by punishment for violation. Internalized control is where an individual is capable of regulating his or her own behaviour in the absence of direct control. Indirect control is the extent to which an individual has affection and identification with those in a position of authority and parental authority in particular. This type of control might persuade an individual to behave under set controls where direct or internalized control was minimal. Finally alternative means of satisfying needs is where an individual secures satisfaction in a variety of legitimate ways rather than in delinquent and criminal acts. These controls could run independently, with one more important than another, depending on the context, but Nye (1958) also pointed out that these controls mutually reinforce conduct as well. A problem here for white-collar crimes and acts of corruption is that it fails to explain why successful people, in the sense of income, wealth and position, still commit crimes even with legitimate avenues for enrichment.

Reckless (1961) suggested that criminology ought to pursue a search for 'self-factors' which would help explain why some individuals succumbed to social pressures leading to delinquency and crime. These factors, referred to as push and pull factors, include psychological pressures and social conditions that might *push* a person towards delinquency whilst illegitimate openings might *pull* a person towards delinquent and/or criminal acts. This view manifested itself in a containment theory where the individual needed to break through a combination of *outer and inner containment* which insulated them from powerful pushes and pulls towards delinquency and crime (Lilly et al. 2015). The factors considered important for outer containment varied in the way Reckless refined his theoretical approach but they did revolve around significant and supportive relationships such as the family whilst inner containment focussed on self-concept—the image of

oneself—and on positive orientation—a sense of direction and pursuit of legitimate achievements. This view assumes that the opportunity to succeed is available and achievable (see Chap. 5 on strain, which views opportunity as limited). Reckless also suggested that the containment of biophysical desires, referred to as frustration tolerance, needed to be kept in check and were by self-control in a familial, economic and political context. The final factor was norm retention which displays 'an adherence to, commitment to, acceptance of and identification of legitimate ... laws, codes, institutions and customs' (Reckless 1967: 476). The problem here was more one of trying to explain what is meant by 'norm erosion'.

This theoretical approach then was trying to explain what was seen as a rise in crime as a product of the modern world. It did not stress economic inequality (see Chap. 5 on strain and Chap. 8 on conflict) and focussed on the moral order of society and the role of the individual in negotiating and dealing with the desires and disappointments of life. Those trying to explain the counterculture of the 1960s thought that there was a loss of self-control on the part of individuals and social control by organized religion, the family, educational institutions, the economic order and the political state (Lilly et al. 1989). All theoretical approaches reflect time and place, and the personal considerations of many of these approaches reflect the context in which they were developed. They also seem to recur with elements of control theory and its emphasis on the family and moral or immoral personal conduct in rational choice (Wilson and Herrnstein 1985; Murray 1990) (see Chap. 10).

Hirschi (1969) acknowledged that conformity might be based on submission to social regulation rather than an internal moral acceptance. It was a mistaken assumption that people are fundamentally moral due to internalized norms because of the 'right' type of socialization. For Hirschi, morals are varied rather than fixed and immutable; people were rational rather than pushed by desperation and motivated to act. If morals varied then to what extent is it possible to explain what the 'right' type of socialization is? Furthermore, this is similar to the notion of drift (see Chap. 6) where people drift in and out of corruption; the emphasis on what is the cause might differ, but both explain that delinquency and corruption are not permanent fixtures of a person's behaviour.

The prevention of deviance and future crimes is based on four social bonds: attachment, commitment, involvement and belief. A word of warning must be sounded here though. Hirschi put forward sociological explanations rather than psychological ones, which has become commonplace, with a focus on individual internal states. Attachment was used to signify *continuing intimacy of interaction* and communication via the family and school. Attachment here is close to Sutherland's concept of differential association, except that it stresses that the formation of the bond is more important than the specific content of the learning (Lilly et al. 1989). This form of attachment avoids the subjective psychological personality approach and instead sees attachment as an ongoing association with individuals and groups. Commitment was seen as the *degree to which the individual's self-interest has been invested*. This means a rational calculation of potential returns and losses when contemplating a deviant/criminal act (yet again similar to rational choice in Chap. 10). This is about how much an individual stands to lose when he or she has a stake in conformity. Such a system only functions if rewards are withheld as a punishment to deter. Whilst strain tended to see high aspirations as a potential for future frustration and as a consequence deviance, Hirschi (1969) and Reckless (1961) viewed such aspirations, if legitimate, as a stake in the conventional social order if the individual had invested in them rather than simply demanding them. However, there is no real recognition of the social structure in which we live and it is dangerously close to an assumption that all have an equal chance of success and equal stakes in society. Involvement was *the amount of time and energy devoted to a set of activities*; this refers to the long established view that it is possible to prevent deviance (mostly aimed at children and young people) if kept busy. The final bond, of belief, is not about deeply held convictions but approbation and assent to values with some degree of approval dependent upon constant social reinforcement rather than an inner state of willing compliance, as mentioned above. In this sense belief is a precarious moral position in need of ongoing attachment.

With the exception of Reckless's theoretical approach, which attempted to explain most acts of non-conformity, the rest focussed on young people, even though they suggested that these types of approaches could explain all crime; it is therefore hardly surprising that the influence of

social control was primarily located in the family and school. Common themes recur in these approaches, particularly that of legitimate aspirations as a crucial element in conformity and the stressing that personal control comes through social control, which is located in the social system rather than the individual. It thus, in policy terms, suggested strengthening bonds to conventional systems rather than social isolation and punishment, which is very different to rational choice.

Hagen (1989) suggested that a potential indicator of future deviance was the balance of power control in a family. The power balance between the parents influences the type and substance of the parenting that is provided, and consequently the likelihood that children turn to crime. This power balance was used to explain the difference in offending rates between men and women, with patriarchal families exercising more control over young girls/women than boys/young men. Hence young boys were encouraged to take risks which later, in some circumstances, could lead to crime.

Whilst it was illustrated above that the approaches mentioned in this chapter so far have little to do with or help directly explain acts of corruption, a different concept of control proffered by Tittle (1995) has some value in helping to explain acts of corruption and criminal corruption. Tittle (1995) rejected the above theoretical explanations and instead saw control as a restriction on behavioural options. Deviant or criminal motivation resulted in situational influences and factors such as desire for autonomy and what is referred to as the 'control ratio'. However, Savelsberg (1996) questioned whether a desire for autonomy is a universal human condition. This is the amount of control one is able to exercise relative to the amount of control one experiences. Individuals in accordance with their status or personal strengths who are able to exert more control over other people than people exert over them are said to have a 'control surplus' (Jones 2006). Correspondingly, those that have low status and little opportunity of control over others and subject to considerable control are said to have a 'control deficit'. For someone to act in a deviant or criminal way individuals that have some control surplus must be motivated to extend it, and those that have a control deficit must eliminate it. However, there are constraining factors here as well. For a person not to act in a corrupt and/or criminal way the seriousness

of the act, the chance of discovery and the opportunity to commit such acts become important. This leads to a control imbalance, either surplus or deficit, which can lead to crime. For this to happen there are causal elements that must coincide: the motivation to act, and a lack of constraint coupled with the opportunity to offend. Tittle suggests that powerful people or those in a position of power will take advantage of a control surplus, though abuse of this surplus can lead to those with a deficit also committing acts of corruption and crime. For example, in an organization where the board members are seen as corrupt, or some of them, employees might also engage in corruption. The difference, however, will be in the type of corruption, depending on the position in the organization.

There are three levels of control imbalance: individuals that exercise only slightly more control than that to which they are subject and with a surplus committed to acts of extortion, price fixing and bribery; individuals that possess a control surplus who might engage in environmental crimes; and individuals with extreme control such as dictators who act with impunity. There is, however, no data to substantiate this control balance or imbalance. Undeterred, Tittle referred to mild forms of deficit control where acts of violence might occur: a medium level of control deficit where some resistance to control or escapism was apparent, such as alcoholism, with a final deficit of submissive oppression where people are too scared to engage in predatory crimes or defiance, such as slavery.

Faced with criticism from Braithwaite (1997), Tittle (2004) reviewed his work and collapsed all the different deficits into a continuum of control. But the problem remains that the psychological issues related to control are difficult to measure. This version of control theory includes an element of rational choice, a consideration of factors that affect choice, the motivation to offend and human emotions. It can therefore account for suite crimes (control surplus) and street crime (control deficit) as it assumes that people are trying to maximize freedom from control to indulge in criminal and corrupt acts.

This desire for control or freedom from it has some explanatory value. For the majority of these approaches the primary cause of delinquency and crime is low self-control rather than a desire to be in control.

Burger and Cooper (1979) have highlighted that those with a high desire to control tend to be assertive, decisive and active, and seek to influence others when advantageous, and to avoid unpleasant events by manipulating them. The desire for control and individuals' desire for control of events and people has value in explaining an exaggerated sense of personal success, an illusion of control of events, and the potential for corruption (see Piquero et al. 2010).

Limitations of Control

There are many empirical shortcomings to the work of the authors cited above (Bernard 1984; Polk 1991; Jones 2006). It also appears that rationality is assumed. Yet there is no scope for inquiring into how people make sense of the world in which they inhabit. There is also the possibility that delinquency leads to a weakening of social bonds rather than weak bonds leads to delinquency. Furthermore, these approaches assume that 'decent parents' should be trying to teach middle-class values (however they are defined) to children. Apart from pointing out that values are different, rather than better, even those that maintain and uphold them are unable to reach a decision as to what they represent; values then become more of problem than a cure.

These approaches are also unable to explain adequately the crimes of the powerful. For Box (1981) such crimes are not touched by stakes in conformity, attachment to significant others or acceptance of conventional morality. As Jones (2006) has noted, Gottfredson and Hirschi's view of white-collar crime is implausible since they see much of it as trivial. Weisburd (1991, 2001) sees it as mundane, as much of it is, but acts of corruption are broad and wide ranging, whilst others are significantly damaging to the environment and life. These approaches, and particularly Hirschi's (1969), became popular in political circles, especially with those that advocate 'traditional values' and roles for the family. It is a common-sense approach that does not fundamentally challenge the structure of the state and inequality.

These approaches also have many contentious issues. For Hirschi control theory derived its strength from its empirical base, and yet there are

many problems with the research and evidence it claims as facts. It tends to over-predict delinquency (in some cases at least), to consider motivation as a minor issue, and to see the criminal law and maintenance of social order as non-problematic. These approaches have more purchase in the USA than Europe with perhaps Great Britain between the two as European states equate control with state control due to its recent history, whilst Americans view control in terms of the relationship between individuals and their surroundings (Jones 2006).

As a collection of theoretical approaches that mostly focussed on young people these approaches appear to have little to offer us as an explanation of corruption, though they do at least offer some use if viewed as a system of reward and punishment for controlling individuals and organizations.

Lacking Legitimacy: Anaemic Enforcement and External Social Control

Whilst the theoretical approaches in this chapter have some differences they all consider the family as important in the role of socialization. They also suggest that social control is a matter of our inner control—the internal moral compass—and outer control—the role of authority that is invested in the police or a capable guardian (see Chap. 11 as well for this view), and our respect, or lack of it, for them is cited as a reason for failure to conform. Inner control is beyond our remit here, but these approaches offer some relevance regarding our compliance to rules and adherence to laws and the potential consequences of our failure to conform; however, a note of caution is required here. As Hirschi (1969) noted, morals are flexible rather than rigid, and we might conform when young but commit crime later on in life, depending on personal and external circumstances. This is understandable as we negotiate a course in life that is often blocked or thwarted by circumstances beyond our control and our reactions to these. With this in mind this section of the chapter focusses on the dynamics of corruption, public concern and crime, how to secure compliance from wayward individuals and organizations, and the policing and prosecution of corrupt offenders.

The dynamics of corruption emphasize that there are four potential patterns involved: the benefits of corruption, of which there are many; pinpointing corrupt intent; the breadth of victimization; and difficulties in responding to and ultimately prosecuting acts of corruption. There are clear benefits of corruption, such as financial, status, personal bonuses, promotion and an increase of market share for both individuals and organizations. Furthermore, even if exposed, conviction is difficult to achieve. This is partly down to the complexity of intent (Payne 2012). Punch (2000a) illustrated this problem by highlighting how difficult it is to prove management involvement in criminal corruption. For example, it can be difficult to establish that management of an organization or key individuals within it were engaged in conspiratorial behaviour for a period of time, were incompetent and/or negligent, and were unaware of the criminal risks.

Regardless of its complexity, the harm caused by some acts of corruption are overwhelming. The breadth of victimization is thus an important dynamic, particularly in bringing offenders to 'justice'. One offence can harm thousands, if not millions, of individuals. Shichor (1989) developed a classification system of victimization—primary, secondary and tertiary—which can help to illustrate this point. Primary victims are those harmed by the offence, such as an individual who used a hazardous product unknowingly, for example a medicine with dangerous side-effects. Secondary victims are impersonal entities, such as businesses, that are harmed by corruption, for example bribery in order to win a construction project bid. Tertiary victims are members of a community harmed by victimization, such as an environmental disaster. All of these levels, however, can combine: the environmental pollution of a river can directly harm people, and the disposing of waste allows organizations an unfair advantage as it has more resources to expand its share of the market. It is also possible to add victims of organizational corruption (employees, consumers, investors, taxpayers and other organizations) and also what has been referred to as collective embezzlement, where executives allow an organization to fail, knowing it will profit from it.

The final dynamic is that of responding to acts of corruption. Whilst some organizations and sectors are powerful, such as finance, cars, oil, and pharmaceutical, and can and do influence state processes and rulings via open lobbying and corrupt acts such as bribery, regulatory bodies and

law enforcement need to impose sanctions to secure future compliance if they are to be seen as 'just' and legitimate beyond the sectors' vested interests.

There is ample literature in criminology explaining the need for, and why criminal justice seeks, legitimacy, particularly for policing (Sunshine and Tyler 2003; Tyler 2003, 2006, 2007; Hinds and Murphy 2007; Mazerolle et al. 2009; Hough et al. 2010; Sargeant et al. 2012) in democratic states. This is especially so for the police as they are far more effective when policing by consent and engaging with the public on the streets and neighbourhoods, who may witness crimes in progress, even as victims. This is possible because of a visible presence and communication between the police and public. However, crime in the suites is often exposed by someone on the inside of an organization, where there is a lack of witnesses or visible damage to the environment, and the offenders are retrospectively dealt with. The problem is not simply one of policing, it is also one of compliance.

I will deal with the aspect of compliance, or mostly non-compliance, before the ultimate sanction available to a state, that is enforcement. However, civil and criminal processes should be seen as a continuum of punishment that reflects the continuum of corruption.

Private sector multinationals have an international presence and have adopted (or been forced to adopt) ethical codes as a result of collective action by international, European and pan-European organizations, pressure groups and civil society organizations. It remains unclear, however, as this book shows, whether compliance systems, as currently implemented, are effective in managing corruption risks and in developing an ethical culture to prevent such risks (Hough 2015). With individual and organizational emphasis placed on profit it is understandable that some corruption is inevitable. As Ashforth and Anand (2003: 3) suggest, 'a permissive ethical climate ... can become normalized (or institutionalized)'. To reverse the process of systemic normalization of corrupt acts, it is necessary to devise systematic responses that require a significant structural organizational change and foster a strong ethical culture, which prohibits corruption and spells out clear ethical standards with which employees should comply. Both the setting of clear rules and adherence to them is required if compliance is to be successful. As noted by Clarke

(1992: 20) in reference to situational crime prevention and street crime (see Chap. 11), 'one important stand of situational crime prevention ... is the introduction of new rules or procedures ... and the improvement of those that are already in place'. These are intended to remove any ambiguity between acceptable and unacceptable conduct. Regardless of the situation this is relevant to street and suite crime. Establishing clear rules of conduct may play a meaningful role when it comes to ethical grey areas, such as facilitation payments, gifts and hospitality, conflicts of interest and use of intermediaries, as employees' misconduct may be incentivized by the absence of a clear understanding of what is allowed and prohibited by organizational self-regulation (Stevens 2007). In addition a system of compliance, monitoring, ethical values and norms are inculcated and institutionalized at the different individual, sub-unit, organizational and industry levels.

Compliance with ethical standards, however, should be ensured through the establishment of systems of external enforcement, and it is here that the theoretical approaches in this chapter have some relevance. Self-regulatory rules, the absence of precise guidelines and poor training of employees are ineffective in preventing corruption. Even though Braithwaite (1982) reasoned that organizations are more capable than state bodies at regulating business activities and preventing the occurrence of crime—since rules can be tailored to match the characteristics of the organization and its way of 'doing business', and quickly adjust to changing circumstances which are accepted and embedded in such an organizational culture—it is doubtful if organizations regularly comply with ethical standards.

This is illustrated by the financial crisis and cases of corruption that keep appearing and how the financial sector treats those that expose corruption. Fleischmann, a previous associate at JPMorgan Chase, pointed out to her superiors in 2006 and 2007 that the bank was manufacturing and selling mortgages that did not meet its own credit standards. Fleischmann was dismissed in February 2008 and effectively blackballed from the financial industry. Due to this treatment, she passed on all the information she had to the Securities and Exchange Commission (SEC) and Justice Department, which in 2013 was pivotal in the US\$13 billion settlement JPMorgan Chase reached with the SEC and Justice

Department. Richard Bowen III, Michael Winston and Gary J. Aguirre also exposed what they saw as unacceptable behaviour and practice in the financial sector (Cohan 2016) and have now formed Bank Whistleblowers United with others and put forward a manifesto with 29 pledges to put pressure on politicians and regulators to change the way Wall Street is currently regulated.

With the financial crisis and sector recidivists in oil, pharmaceuticals and the car industry, even if an organization is capable of self-regulation it is not necessarily willing. This is the fundamental weakness of self-regulation: a paper policy is not always accompanied by an effective system of compliance aimed at enforcing those rules. Despite the emphasis placed on systems of publicly enforced private self-regulation as a means to prevent corruption (Ruhnka and Boerstler 1998; Gobert and Punch 2003; Hess 2009), only a few EU member states have so far adopted such systems (Martín 2012; Asser Institute 2012). Instead it appears that the collective action of pressure groups, civil society organizations, NGOs, and international and regional organizations have made multinational organizations behave as socially responsible citizens (Lambooy 2010).

This is insufficient. Whilst the legal standards in the Second Protocol to the 1997 Convention for the Protection of the Communities' Financial Interests (PIF Convention) expects member states to ensure that persons are to be held liable for the offences and at the international level, and the 1997 OECD Convention on Combating Bribery of Foreign Public Officials expects measures to be adopted to establish the liability of legal persons for the bribery of foreign public officials (article 2), and the 2003 UN Convention Against Corruption (article 21) exhorts states to consider developing provisions that hold a legal person liable for the offences of active and passive bribery, we have still seen egregious corruption in EU member states.

Such laws increase criminal liability but are pointless unless enforced. Little to no effort has so far been made by the EU to encourage prevention in the private sector (Asser Institute 2012) and the expected three elements of socially responsible business 'planet, people, profit' has a hollow sound to it. The pharmaceutical sector is a useful example here. Crucial for contributing to economic growth and public health, a number

of different factors render it particularly at risk of corruption (Cohen et al. 2007). For example, this sector affects the economic system in terms of, for instance, the increased costs of medicines and competition practices, but also the health of millions of people in terms of access to and quality of medicine and treatments. The vulnerability of the pharmaceutical market to corruption is explained by the role of state bodies around the world in the lifecycle of a medicinal product. State approval is required, usually before a clinical trial starts, after which the medicine is allowed onto the market; registration, price setting, procurement, distribution and dispensing all imply an interface between the sector and industry and regulatory bodies. But still corruption exists and manifests itself in a variety of forms: gifts and lavish consulting fees via representatives to doctors to 'persuade' them to prescribe certain medicines; a clear bribe and payment made to medical journals, with journalists penning a favourable article on products; financial support to a university pharmacological research institute or stock options to scientists in organizations that benefit from the research (Vander Beken 2007; Goldacre 2012). To maintain revenue from patent blockbuster medicines, the pharmaceutical sector also adopts practices aimed at blocking or delaying the development of universal production and competition of medicine, which substantially restricts access to health care (Karanikolos et al. 2013).

Regulatory rules and criminal laws are thus only effective to the extent that they are enforced. A law on the books has little meaning and impact if prosecution is highly unlikely, and if the punishment is ineffectual and unable to deter. Under the current approach to enforcement in the USA, Warren (2016) has suggested that white-collar criminals, mostly employed in multinationals, routinely escape meaningful prosecution for misconduct. This is so despite the fact that the law is unambiguous: if a law is violated by an organization, individuals must also have violated the law. But in certain cases, of which there are many in this book, the punishment of criminal acts, particularly in democratic states, is enforced erratically at best. Warren (2016) has expressed concern that some law enforcement bodies, particularly the Department of Justice (DOJ), rarely seek prosecution of individuals. In fact, law enforcement rarely pursues convictions of either multi-nationals or executives in a court of law. Instead, they agree to civil and criminal settlements with multi-nationals

that rarely require any admission of illegal conduct or behaviour and executives escape without any direct punishment and individual accountability. In some cases an executive might face an internal inquiry or shareholder revolt and lose his/her position, and still exit with a substantial remuneration, but rarely a criminal sanction.

The SEC in the USA has also suffered some criticism for its failure to use the full range of its enforcement toolbox. Not only does the agency fail to demand accountability, it frequently uses its prosecutorial discretion to waive misconduct so that multinationals can continue to enjoy special privileges despite often-repeated misconduct that should legally disqualify them from such benefits. The ‘cartel’ of Citigroup, JPMorgan Chase & Co, Barclays, UBS AG and Royal Bank of Scotland paid a combined US\$5.6 billion settlement to the DOJ for manipulating exchange rates for five years in a way that made the banks billions of dollars at the expense of clients and investors. UBS, however, pleaded guilty to wire fraud charges in connection with interest rate manipulation. Although the DOJ required admissions of guilt as part of the settlement—a reflection of the severity of the charges—no individual has yet faced any DOJ criminal prosecution as of 2016 (Warren 2016). Moreover, the SEC waived the consequences of these actions as it allowed each bank to avoid collateral consequences. This meant that a guilty plea, if forthcoming, is more of a symbolic shaming than a practical attempt to address corruption. Law enforcement elsewhere, such as the Occupational Health and Safety administration in the USA, stems primarily from a lack of legal power and chronic underfunding to enforce and deter offenders.

If an individual and/or an organization refuses to admit guilt as part of a settlement it is not possible to claim that a crime has been committed, even though laws were transgressed. If cases reach a trial stage, however, it is possible that some of these individuals and organizations might encounter a ‘fair’ examination of what acts they have committed (and not committed). This is a major flaw as individuals and organizations ‘do a deal’ rather than face trial. Whilst costly to take a case to court, this is no excuse if criminal justice seeks legitimacy, particularly as some of the acts mentioned in this book are about a loss of life and the consequences of this loss that individuals and families must live with when caused by criminal corruption.

Abiding by the law then, for some anyway, appears optional. Breaking the law is little more than a cost of 'doing business' if the financial penalties imposed are a small percentage of the profit acquired via corruption. Eric Holder in 2014 (previously a US attorney general) made it clear that 'instilling in others an expectation that there will be tough enforcement of all applicable laws is ... essential ... to ensuring that ... actors weigh their incentives properly—and do not ignore massive risks in blind pursuit of profit' (Warren 2016). The impact of corruption on the economy, lack of political will, and available funds, weak and ineffectual laws, and enforcement, all substantially weaken the legitimacy of the criminal justice system as organizations repeatedly break the law but escape punishment other than a financial penalty which they can easily afford.

Conclusion

This chapter started with a brief review of theoretical approaches that suggest that the best way to prevent crimes is via 'correct socialization'. However, whilst it is impossible to define what is correct, external social control in the form of civil and legal regulations is a clear form of social control. However, individuals and organizations that commit acts of corruption are often subjected to a financial penalty that is a small percentage of the profit made from corruption.. Social, external control needs to have an impact, to deter and to be seen as 'fair'. If not, and this book has illustrated many contemporary cases of corruption, enforcement will simply be seen as an option to be negotiated, depending on the power and position of an individual and organization where processes of self-regulation are empty promises.

Whilst it is difficult to change the institutional normalization of corrupt practices it can be challenged and exposed. To halt corruption, civil and in particular criminal justice should not resemble a business deal. Much is needed to change the course of laws; the political will is required to tackle corruption, to invest in state regulatory and criminal bodies and in enforcement, but, presently it appears, perhaps all too often, crime in the suites is an inconvenient truth in capitalist systems where corruption exploits people and the environment.

References

- Ashforth, B. E., & Anand, V. (2003). The normalization of corruption in organizations. *Research in Organizational Behavior*, 25, 1–52.
- Asser Institute. (2012). *Prevention of fraud, corruption and bribery committed through legal entities for the purpose of financial and economic gain: Comparative overview*. The Hague: The Asser Institute.
- Bernard, T. (1984). Control criticism of strain theories: An assessment of theoretical and empirical adequacy. *Journal of Research in Crime and Delinquency*, 21(4), 353–372.
- Box, S. (1981). *Deviance. Reality and Society*. London: Holt, Rinehart and Winston.
- Braithwaite, J. (1982). Enforced self-regulation: A new strategy for corporate crime control. *Michigan Law Review*, 80(7), 1466–1507.
- Braithwaite, J. (1997). Charles Tittle's control balance and criminological theory. *Theoretical Criminology*, 1(1), 77–97.
- Burger, J. M., & Cooper, H. M. (1979). The desirability of control. *Motivation and Emotion*, 3(4), 381–393.
- Bursik, R. J. (1988). Social disorganization and theories of crime and delinquency: Problems and prospects. *Criminology*, 26(4), 519–552.
- Clarke, R. V. G. (1992). *Situational Crime Prevention: Successful Case Studies*. Guilderland, NY: Harrow and Heston.
- Cohan, W. D. (2016, February 16). Band of whistle-blowers aims for reform. *International New York Times*, p. 17.
- Cohen, J. C., Mrazek, M., & Hawkins, L. (2007). Tackling corruption in the pharmaceutical system with courage and conviction. *Clinical Pharmacology and Therapeutics*, 81(3), 445–449.
- Cooley, C. H. (1922). *Human nature and social order*. New York: Scriber.
- Gobert, J., & Punch, M. (2003). *Rethinking corporate crime*. London: Butterworths.
- Goldacre, B. (2012). *Bad pharma*. London: Fourth Estate.
- Hagan, J. (1989). *Structural criminology*. New Brunswick, NJ: Rutgers University Press.
- Hess, D. (2009). Catalysing corporate commitment to combating corruption. *Journal of Business Ethics*, 88(4), 781–790.
- Hinds, L., & Murphy, K. (2007). Public satisfaction with police: Using procedural justice to improve police legitimacy. *Australian & New Zealand Journal of Criminology*, 40(1), 27–42.

- Hirschi, T. (1969). *Causes of delinquency*. Berkeley, CA: University of California Press.
- Hough, D. (2015). *Corruption, anti-corruption and governance*. Basingstoke: Palgrave Macmillan.
- Hough, M., Jackson, J., Bradford, B., Myhill, A., & Quinton, P. (2010). Procedural justice, trust, and institutional legitimacy. *Policing: A Journal of Policy and Practice*, 4(3), 203–210.
- Jones, S. (2006). *Criminology* (3rd ed.). Oxford: Oxford University Press.
- Karanikolos, M., Mladovsky, P., Cylus, J., Thomson, S., Basu, S., Stuckler, D., Mackenbach, J. P., & McKee, M. (2013). Financial crisis, austerity, and health in Europe. *The Lancet*, 381 (9874), 1323–1331.
- Lambooy, T. E. (2010). *Corporate social responsibility: Legal and semi-legal frameworks supporting corporate social responsibility*. Deventer: Kluwer.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (1989). *Criminological theory: Context and consequences*. Thousand Oaks, CA: Sage Publications.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (2015). *Criminological theory: Context and consequences* (5th ed.). Thousand Oaks, CA: Sage Publications.
- Logan, J., & Molotch, H. (1987). *Urban fortunes. The Political Economy of Place*. Berkeley, University of California.
- Martín, A. N. (2012). Cosmetic use and lack of precision in compliance programs: Any solution? *EUCRIM, The Criminal Law Associations' Forum*, 3, 124–127.
- Mead, G. H. (1934). *Mind, self and society*. Chicago: University of Chicago Press.
- Murray, C. (1990). *The emerging British underclass*. London: Institute for Economic Affairs.
- Mazerolle, L., Bennett, S., Davis, J., Sargeant, E., & Manning, M. (2009). *Legitimacy in Policing*. Nydalen, Norway: The Campbell Collaboration.
- Mazerolle, L., Bennett, S., Manning, M., Ferguson, P., & Sargeant, E. (2009). *Legitimacy in Policing. Research Preview*. Brisbane, Queensland: ARC Centre of Excellence in Policing and Security.
- Nye, I. F. (1958). *Family relationships and delinquency behavior*. New York: Wiley.
- Payne, B. K. (2012). *White collar crime: A Text/Reader*. Thousand Oaks, CA: Sage Publications.
- Piquero, N. L., Schoepfer, A., & Langton, L. (2010). Completely out of control or the desire to be in complete control. How low-self control and the desire for control relate to corporate offending. *Crime and Delinquency*, 56(4), 627–647.

- Polk, K. (1991). Book reviews. *Crime & Delinquency*, 37(4), 575–579.
- Reckless, W. C. (1961). *The crime problem* (3rd ed.). New York: Appleton-Century Crofts.
- Reckless, W. C. (1967). *The crime problem* (4th ed.). New York: Meredith.
- Reiss, A. J. (1951). Delinquency as a failure of personal and social controls. *American Sociological Review*, 16, 196–207.
- Ruhnka, J. C., & Boerstler, H. (1998). Governmental incentives for corporate self-regulation. *Journal of Business Ethics*, 17(3), 309–326.
- Sargeant, E., Murphy, K., Davis, J., & Mazerolle, L. (2012). Legitimacy and policing. In *Policing and Security in Practice* (pp. 20–36). Basingstoke: Palgrave Macmillan UK.
- Savelsberg, J. J. (1996). Review: *Control balance: Toward a general theory of deviance*. *American Journal of Sociology*, 102, 620–22.
- Shaw, C., & McKay, H. D. (1942). *Juvenile delinquency and Urban areas*. Chicago: University of Chicago Press.
- Shichor, D. (1989). Corporate deviance and corporate victimization: A review and some elaborations. *International Review of Victimology*, 1(1), 67–88.
- Stark, R. (1987). Deviant places: A theory of the ecology of crime. *Criminology*, 25(4), 893–910.
- Stevens, B. (2007). Corporate ethical codes: Effective instruments for influencing behaviour. *Journal of Business Ethics*, 78(4), 601–609.
- Sunshine, J., & Tyler, T. R. (2003). The role of procedural justice and legitimacy in shaping public support for policing. *Law and Society Review*, 37(3), 513–548.
- Tittle, C. R. (1995). *Control balance: Toward a general theory of deviance*. Boulder, CO: Westview press.
- Tittle, C. R. (2004). Refining control balance theory. *Theoretical Criminology*, 8(4), 395–428.
- Tyler, T. R. (2003). Procedural justice, legitimacy, and the effective rule of law. *Crime and Justice*, 30, 283–357.
- Tyler, T. R. (2006). *Why people obey the law*. Princeton: Princeton University Press.
- Tyler, T. R. (2007). *Legitimacy and Criminal Justice: An International Perspective*. New York: Russell Sage Foundation.
- Vander Beken, T. (2007). *The European pharmaceutical sector and crime vulnerabilities*. Antwerpen-Apeldoorn: Maklu Publishers.
- Warren, E. (2016). *Rigged Justice 2016: How weak enforcement lets offenders off easy*. Washington: Office of United States Senate, Office of Elizabeth Warren.

- Weisburd, D. (1991). *Crimes of the middle classes: White-collar offenders in the federal courts*. Yale: Yale University Press.
- Weisburd, D., & Waring, E. (2001). *White-collar crime and criminal careers*. Cambridge University Press.
- Wilson, J. Q., & Herrnstein, R. (1985). *Crime and human nature*. New York: Simon and Shuster.

8

Explaining Corruption: As Inevitable in a 'System' of Conflict?

Introduction

Theoretical approaches attempting to explain crime as a biological, psychological or social problem associated with offenders often ignore the way crime, real or imagined, is constructed. Labelling (see Chap. 9) makes some attempt to correct this oversight by explaining the process and its consequences and appreciation for the way in which political interests and power affects social reaction, but does little to explain the struggles between individuals and/or sets of people in terms of power differentials. This chapter reaches beyond labelling and considers those theoretical approaches that fall under the umbrella of conflict. The sources of these conflicts, how they are developed and the elimination of them are all considered by drawing on the work of Bonger (1916), Sellin (1939), Vold (1958), Dahrendorf (1958), Turk (1969), Quinney (1969) and Taylor et al. (1973). The main thrust of this chapter is explaining conflict under capitalism, which is what the above authors discussed rather than dictatorships or an absolute monarchy, even though there are power differentials in all systems and corrupt individuals and organizations.

Capitalism and Crime

It is not possible to discuss the various approaches of conflict without some brief recourse to Marx and Engels. Both made little reference to crime, but with a decline in social solidarity in the middle of the 1800s crime was seen as a symptom of rapid industrialization. This view preceded and differed from Durkheim's analysis, as did the resolution of this supposed decline. For Durkheim such a change was a moral problem and social solidarity in the future would depend on a range of effective controls and the level of social integration and regulation. For Marx and Engels it was an economic problem that involved the exploitation of one social class primarily by another, with conflict inevitable and inherent in a system in which vast differences in interests and power arose from the accumulated capital produced (Lilly et al. 1989). Although the work of Marx and Engels is complex there are key elements in all of the conflict approaches that are based on their work: competition for scarce resources (food, clothes, shelter) that leads to conflict; those with the least amount of resources question the legitimacy of the distribution of resources; those 'in need' would organize; and conflict would be visible and open leading to polarization and violence (and for them hopefully a redistribution of resources).

Bonger (1916) applied the theory of conflict to crime and thought that humans were innately social and therefore crime was due to an unfavourable environment that distorted human behaviour. This distortion was capitalism and the sharp division in the economic system. Such an environment, where people were pitted in conflict for resources, the individual was encouraged to seek pleasure without regard to others, and the search for fulfilment was the acquisition of money, would lead to an 'egoism' (Lilly et al. 1989: 141) which made people capable of committing crime. This egoism could not be reduced by social controls such as modern laws, oversight and state regulation of business, non-executive directors on boards and ethics committees, for capitalism was the source of this egoism. Bonger viewed crime as a reaction to poverty caused by capitalism both directly—crime was necessary for survival—and indirectly—a sense of injustice and the demoralization of the individual. Due to such conflict Bonger also noted that the powerful committed crimes, because

of the opportunity to do so and the decline in morality due to capitalism. Furthermore, Bonger noted that whilst crime was considered an immoral action, definitions of this varied (see Chap. 9 on labelling), though he emphasized that the source of the prevailing definitions and variations emanated from the interests of the powerful. His views were that crime was defined as such if it threatened the interests of the powerful, and that hardly any act is punished when committed by these 'interests'.

Sutherland emphasized that differential association could account for offences committed by a person of respectability and high social status in the course of his or her occupation and revealed that crime was widespread in politics, business and the professions, where American corporations frequently violated legal standards and were referred to as habitual criminals (Sutherland 1949). Sellin (1939) also stressed the problem of a 'culture conflict' as a source of crime and that 'conduct norms' (Lilly et al. 1989: 143) might clash with those of another. As for which 'conduct norms' were to be considered potentially criminal, Sellin (1938: 3) suggested that 'the conduct which the state denotes as criminal ... that deemed injurious to society, or in the last analysis ... those that wield political power ... and therefore control the legislative, judicial and executive functions' are sympathetic towards to business and thus the state is reluctant to enforce what laws it enacted to punish wayward individuals and organizations.

Following this view, Vold (1958) recognized conflict as fundamental to social life and that social interaction produces adjustments to a more or less stable balance of opposing forces. In this view social order rested upon conflict rather than consensus, since it resulted in a balance of power between various opposing forces which comprise a pluralistic society. For Vold conflict was inevitable and practical compromises were part of a democratic system. He considered much crime to be political, regardless of its nature, such as youth crime or anti-war protest movements, and as such his analysis avoided 'normative' analysis. His research extended to conflict between unions and management, organized crime and white-collar crime, and the strategies and tactics employed in conflicts (Vold 1958).

Much of what conflict theory discussed reached its zenith in the 1960s. Whilst this period represents a major and radical challenge to previous and then current criminological approaches, the antecedents of conflict,

control and labelling were sowed in earlier decades. Seeking to explain the rise in conflict, Sykes (1974) noted three factors of importance in the USA: the impact of the Vietnam War; a counter-culture; and rising political protest; the later focussed on racial discrimination, and the rise of feminism and the use of police power to suppress dissent, with the legitimacy and credibility of those in power questioned and challenged. Underlying conflicts were discussed and fought out in public, with the state reacting by arresting or dismissing people as criminals for holding different personal views. At the same time, a country that had embraced in some circles and tolerated elsewhere McCarthyism in the 1950s learned that its symbols of law and order, the FBI and CIA, had become involved in the dissemination of disinformation (a bureaucratic term for state lying) aimed at destroying legitimate political opposition using illegal tactics (Lilly et al. 1989). It appeared that those sworn to protect and serve were representatives of the repressive state apparatus, with Southern US police officers intimidating black citizens and congressmen by claiming that such people were radicals or communists who questioned the political order. The impression was given that the forces of law and order and the legal system tended to brand those considered a threat to the established order and the interests of the powerful as criminals—which provided fertile ground for the development of conflict theory. This tactic, however, of dismissing people as criminals for holding different social and political views is an ongoing problem rather than one that occurred at a specific time in history.

In the 1960s there was profound suspicion toward any theoretical approach that blamed the individual, whether from a biological, psychological or sociological standpoint and that referred to inadequate socialization (in academia at least), with flaws being perceived as not existing in individuals working in the criminal justice system but in the system itself, with the law being based on a consensus that represented the will of the people, with criminological analysis based on objective empirical analysis. It was therefore thought that crime rates failed to reflect criminal behaviour and was more a reflection of the ability of powerful interests to label people criminal.

Building on the work of Sutherland (1939), Vold (1958) and Dahrendorf (1958), Turk (1969) saw conflict as a basic fact of life and

sought to explain criminalization and the process of assigning criminal status to individuals rather than crime itself. Turk (1969) stressed the ability of authority, and the power to attribute a person with criminal status, rather than the act; this approach emphasized the *what you are* rather than the *what you do*, whether the act be real, imagined or fabricated. Authority here though meant legitimate power, the use of which is accepted by those subject to it. Turk rejected the notion that acceptance was the result of some process of internalization (see Chap. 7 on internal and external notions of social control) and instead explained it as a consequence of *learning roles* assigned to *statuses* where the legality of norms is defined (Turk 1969) by words and the behaviour of those in authority to which subjects defer.

The approach is therefore concerned with the logical consequences of some people holding power to which others are subject. There is no analysis as to whether it is just or unjust, as this position is inevitable in a system built on conflict. There are, however, two types of legal norms that Turk suggested lead to conflict: the cultural and the social; language dealt with expected behaviour, and the social context with what is actually done. Differences between these can lead to conflict due to (Lilly et al. 1989: 152–154) a potential clash and/or congruence between cultural and social context. In some cases this is obvious, with the lowest potential conflict with those considered unorganized and sophisticated, such as those engaged in corruption. The problem with this analysis is that acts of criminal corruption are often rational (see Chap. 10) and individuals and/or groups of people are highly organized and engage in illegal acts whilst pretending to accept and follow cultural and social conventions. The result of Turk's analysis is that the probability of conflict was affected by the 'nature of the bonds between authority and subjects' (Turk 1969: 61), which was the same conclusion as Hirschi (1969) reached (see Chap. 7). The key difference, however, is that for Hirschi these bonds are central to control, whereas for Turk such bonds were worked out in a process of ongoing conflict. A note of caution is needed here, though, as Hirschi focussed on juvenile offenders, while Turk's attention was organized crime, political crime and white-collar crime, and hence the difference in bonds is understandable.

The analysis of conflict for Turk was the initial step. His attention was drawn to ‘once the conflict has begun, what are the conditions’ (Turk 1969: 64) that probably affect the criminalization process? The view held was that if the legal and cultural norms were in close correspondence, laws would be enforced. However, he suggested that, since the police possess much discretion, it was down to them and their acceptance of legal norms that affected the chances of arrest and potential criminalization. The chances of criminalization were dependent not only on the police and its use of power, but also on the actions of those trying to avoid conflict. A democratic state maintained power only if it built on a system of consensus or partial consensus, and was thus seen as a legitimate authority with the power to ‘dispense justice’.

Focussing on the distinction between law in the books and law in action, Chambliss and Seidman’s (1971) theoretical model suggested that, due to the complexity that comes with technological development and differentiated social roles, this causes conflict, requiring formal institutions to enact sanctions/laws. Those tasked with developing sanctions were seen as responsible for the order between competing interests, which become more pronounced, the more complex the society, leading to a social stratification where some interests had more power and wealth than others. The more economically stratified a society becomes, the more it needs to coerce the norms of conduct.

Chambliss and Seidman (1971) further stated that sanctions were organized in the interests of dominant groups but that the application of these sanctions was via bureaucratic institutions that held these interests. In this sense then law in action was a combination of the interests of the powerful and the interests of the bureaucratic organizations which were created to enforce the rules. The administration of the criminal law thus focussed on those that can be processed without undue strain on the organizations that comprise the legal system, rather than the notion of impartial law enforcement. Such a system minimizes strain for the organization and processes those who are politically weak and powerless, refraining from processing those that are politically powerful (Chambliss and Seidman 1971). Using the police in the USA as an example, Chambliss and Seidman (1971: 391) presented evidence that as a bureaucratic organization ‘they act illegally, breaching norms of

due process ... committing brutality, in their searches and seizures, in arrest and interrogations'. This, however, is not because police officers are inherently evil and corrupt, but because they are not committed to a system of due process, have enormous discretion and if corrupt there is little enforcement of wayward policing by bodies in the criminal justice system. This approach focussed on explaining criminalization under a capitalist system but it could be applied to that of communism and an absolute monarchy as well.

For Chambliss and Seidman (1971) then, once arrested it was the ability and power of the individual or legal representative to strike a plea bargain with the prosecutor, but this ability to negotiate a deal is dependent on how politically and economically powerful the offender is (see Chap. 7 that highlights this view). In addition they pointed out that law enforcement needed to work with 'professional criminals' rather than enforce the rule of law to make policing easier for the bureaucratic organization. This symbiotic relationship led Chambliss and Seidman (1971: 489) to conclude that 'the most important aspect of the widespread presence of organized crime ... is such that organizations are impossible without the cooperation of the legal system'. Chambliss (1969) explained that most of the criminal justice system is devoted to processing and passing severe sanctions on those least of all deterred by its punishments, such as those with a drug addiction or murderers, in contrast to tough sanctions on white-collar criminals that might be deterred by sanctions. This fitted the bureaucratic logic where criminal justice effectiveness was judged by the harsh treatment of the powerless while avoiding the organizational strain that would occur when trying to punish the powerful.

By the middle of the 1970s, however, such views were politically marginalized, as the social, economic and political context had changed once again. Due to this shift (Chambliss 1975) and with reference to the content and operation of the criminal law, acts are defined as criminal because it is in the interest of the ruling class, which can violate laws with impunity, and laws will expand to increase the reach to control the powerless. The consequence for society was the reduction of surplus labour which created employment for the police, welfare workers, probation services and academics employed mostly by the state. In addition crime diverted the lower classes' attention away from exploitation and directed

it towards members of its own class, hence 'crime is a reality which exists only as it is created by those in the society whose interests are served by its presence' (Chambliss 1975: 152–153).

Quinney (1969) was also concerned with law in action and originally focussed on the sociology of conflict. However, he continually kept revising his position, and as such it is hard to claim what his actual views of crime and capitalism were. He thought society was based on interests similar to that of Dahrendorf (1958), with the law reflecting powerful interests. In the earlier 1970s he considered crime to be relative in the sense that "legal status is assigned to behaviours and persons by authorised others in society' ... on the basis of official judgement that conduct constitutes a crime" (Quinney 1970: 6–7). Echoing previous thought on conflict he also believed that social change produced complex, different, competing norms and hence inevitable conflict. Where he did depart from Turk and Chambliss was in his view that science is a copy of reality and that a search was needed for a positivistic cause. Preferring a European philosophical idealism where the world is a product of the mind, his view was that there is 'no reality beyond man's concept of it': 'reality is a state of mind' (Quinney 1970, in Lilly et al. 1989: 166) with no reason to believe in the objective existence of anything. Challenging accepted definitions of acts/behaviour he was occupied with why collective meanings were developed and sustained. These meanings were primarily those of the interests mentioned above and that have the power to shape the enforcement and administration of criminal laws, the visibility and public reporting of offences and occupational organization, and the ideology and actions of the legal community to whom the authority to enforce criminal laws is delegated. By 1974 Quinney had changed his mind yet again and now preferred a more Marxian approach.

The key elements of all these explanations, however, vary in degree:

1. American states are based on a capitalist economy;
2. the state is organized to serve the interests of the dominant economic class;
3. criminal law is an instrument of the ruling class to maintain and preserve the existing social and economic order;

4. crime control in capitalist states is accomplished through institutions that are established and administered by a governmental elite representing class interests using the legal system to control the lower classes;
5. only with the collapse of a capitalist state, replace by a socialist state, will there be a solution to the crime problem. (Quinney 1974; Lilly et al. 1989)

Quinney modified his approach once again and asserted that any theoretical approach that suggests that there is an opposition between elites and the people fails to provide an adequate understanding of the force of capitalism. He had moved from instrumental Marxism—a political elite class controlling capitalism for personal benefit—to that of structural Marxism—political outcome as natural due to an economic system. This culminated in a typology of crime. This was broken down into crimes of domination and crimes of accommodation. Crimes of domination involved police brutality; crimes of economic domination were white-collar crime and organized crime; crimes by the state were epitomized by Watergate. Crimes of accommodation and resistance were predatory, such as theft; personal crimes such as murder were provoked by conditions of capitalism; and crime of resistance, such as terrorism, involved a political struggle with the incumbent state (Quinney 1977).

In a British context, conflict was explained by radical criminology which produced a thorough critique of criminology and endeavoured to offer an innovative and theoretical perspective on the social construction of crime. Taylor et al. (1973) suggested that criminology tended to focus upon those social conditions that produce working-class crime, whilst paying little attention to white-collar crime; Michalowski (1981) claimed that radical criminology differed from other critiques of the state (see Chap. 9 on labelling) and conflict in its methodology, its transformation of criminology into a unit of analysis and its critique of state law.

Despite these views radical analysis became a realistic analysis and focussed on social exclusion and relative deprivation, and undemocratic styles of policing. With a shift in attention towards the individual in the late 1970s and 1980s, particularly in some Western states such as the USA and the United Kingdom and away from the state as offenders and/or cause of

crime this theoretical approach became a mostly academic exercise. Whilst radical criminology has a powerful legacy it has, as Young (1988: 164) noted, its powerbase in what one might call 'unsubsidized criminology'; that is criminology as it is taught in the university sector and colleges.

Limitations to Conflict

As with any broad narrative there are limitations, and these conflict explanations are no different. The explanations in this chapter focus on the criminalization process and the behaviour of those in power rather than offenders. However, in these explanations there was some recognition that offenders committed crime, but this was explained as a rational reaction to exploitation and as the only appropriate and available avenue to express 'thoughts' and make changes to the social structure. For these theoretical approaches the causality of crime was significant, but not located in the individual; instead it was the result of criminalization by the powerful, which had deflected attention away from itself. All of this has had little impact on social and criminal justice policy; but it has had an impact in academia, and in particular in criminology and sociology.

Radical criminology has been criticized as being similar to strain in suggesting that crime is due to the demoralization and lack of opportunity produced by capitalist society. It does little to indicate how the processes of demoralization leads to delinquent acts or why some individuals are criminals and others, in similar circumstances, do not commit crimes. Radical criminology can thus be challenged and viewed as circular; repression is caused by capitalism whilst capitalism is explained by repression. An early critique from Rock (1973: 103) suggested that radical criminology was the 'romanticism that views all criminals as primitive innocents ... engaged in inarticulate political conflict with institutional authority'. Burke (2001) has claimed that as a theoretical approach it failed to provide an adequate definition of crime and deviance; crime was either the outcome of pathological behaviour or simply behaviour that breaks the law, and that the only achievement of radical criminology was to politicize traditional criminology. Regardless of these above views,

however, a conclusive limitation of all conflict explanations is that they were focussed on men and as Jagger (1983: 78) noted 'mystified social reality, and legitimates the continued oppression of women', and is 'another ideology of male domination'. These radical and critical views made an important contribution to criminological study, but its practical relevance and use is still contested. However, such an approach is useful in trying to explain state crimes in capitalism.

In Pursuit of Profit: Transitional Capitalism and Corruption

The discourse on transnational crime and its threat to states' security is part of the prevailing political, dominant, neo-liberal culture. The subject of corruption, however, has provoked a more restrained level of threats (Rawlinson 2012) as it tends to involve transnational legitimate businesses, in legal structures of power, sometimes serving a functional role, and is culturally defined. There is also an acceptance of the ubiquity and passive inevitability of corruption in all cultures, especially in business (Olimpieva and Panchekov 2008), which normalizes corrupt acts or places them in a mostly civil rather than criminal framework that exacerbates the problem of definition.

Nonetheless, as noted in Chap. 2, even though a watertight definition or typology of corruption is difficult to produce it is a threat and a harm to populations, particularly to the most vulnerable. This is illustrated by the naïve view that once the Soviet machine was dismantled, corruption and organized crime, if not eradicated, would at least be curbed. This view, however, fits the neo-liberal discourse that promoted the shock therapy which Eastern Europe and the Baltic states needed to escape from the shackles of communism. This assumption was based *inter alia* on the notion that corruption was a mostly public sector phenomenon (Heywood 2015) (see Chap. 2 for a challenging of this view) and that rolling back the state would reduce the avenues for abuse *in* and *of* public office.

The prevailing Western view was that Soviet communism espoused criminality, whereas it promoted the free market and democracy (erroneously

considered to be natural bedfellows) (Rawlinson 2012). In time, it was thought that, as the remnants of communism disappeared, respect for the rule of law and sound economic behaviour would follow. This rationale was based on the notion that private ownership would encourage the development and implementation of legislation to uphold effective property rights. Rapid modernization, however, engendered an adaptation rather than transformative practices, and in a frenetic period of reform bureaucrats effectively captured the private sector in much of Eastern Europe (Bezlov and Gounev 2012). Organized crime flourished as the state failed to deliver legal security for its population (Volkov 2002). This allowed organized crime and bureaucrats to engage in criminal entrepreneurial ventures and to acquire capital and skills that businesses from around the world sought out as the market became open to services and products. This marketization of politics, notably in Russian society, was especially beneficial for the nomenklatura class, which partly adapted and partly transformed into a new breed of elites (Goldman 2003; Rawlinson 2012) that had learned the skills required to engage in free enterprise.

In the period of lawlessness that marked Russia's years of shock therapy, entrepreneurial skills honed in the shadow economy were to become the backbone of the free market and the development of a business culture (Rawlinson 2012). Under these new economic conditions the rapacious drive of those involved in the underground economy, and the politically corrupt connections that sustained it, were in the ideal position to lead the transformation to a capitalist economy. As such international businesses dealt with these groupings, distrusting anything that resembled the old regime. In particular Western businesses held onto the blind faith in the healing power of the market, and as such have been a contributory factor in the 'gangster state-capitalism' that is part of Russia now. Rapid privatization and price liberalization pushed aside those who had neither the ability nor desire for wealth acquisition. For anyone that questioned this rapid transition they had to countenance both international and national condemnation and be labelled a communist and/or anti-capitalist.

The power to label, or 'othering', is perhaps more apparent in totalitarian states or those in transition than democratic states. This is amply illustrated regarding corruption and its links with organized crime in Russia. There are complex semantic issues within and across

cultures (see Chap. 2) in trying to define corruption and organized crime (Finckenauer and Waring 1998; Holmes 2006; Wright 2005; Rawlinson 2012), especially in a comparative context where cultural and ideological differences exist. This semantic ambiguity offers avenues for ideologically constructed interpretations by powerful political voices of which the politically corrupt in Russia, driven and backed by most media stations, mount a discourse of threats, imagined or exaggerated, that overwhelm reality and empirical evidence (Rawlinson 2012).

These imagined or exaggerated threats to some vague halcyon, bucolic life helps label individuals and organizations as potential threats and thus immoral and unpatriotic. "The main determinants of criminalization exist and continue to be the result of political opportunism and the access to and control of physical, cultural, social and political power and the medium(s) to endorse and uphold messages whilst suppressing others that are linked to the prevailing culture of the country". In this discourse organized crime is presented as antithetical to the values that sustain the ideology and as morally distinct from the civilizing processes that are said to underpin democracy and capitalism. Russian organized crime, and the threat it posed to its own and other jurisdictions, especially in the 1990s (Sterling 1994; Freeh 1994), is one that has come to frame the discourse on Russia. Whilst an element of the threat of organized crime in Russia is based in fact, it is a shadow of the power of the state, and as such it is a weak partner in the current version of capitalism that exists there.

In the face of political, social and economic instability, law enforcement employees were especially susceptible to unemployment, and whilst not an excuse, proposed reforms threatened them and anybody in a vulnerable position in the changing social structure. The direct links between organized crime and corruption caused a damaging impact on society, and especially on the most vulnerable. Having little or no access to minimum levels of state provision, vulnerable individuals, particularly women and children, are ripe for exploitation, and human trafficking and illegal adoption abound in the ubiquity of the marketplace of international capitalism, where the demand for cheap labour, and hence products, sex and pornography, have fuelled the trade in human misery (Rawlinson 2012: 17–171).

The commodification of social relationships is part of capitalism and, as McCullough (2007) noted, harm, violence and profit are part of the neo-liberal order. The West then is part of the problem rather than the solution. Whilst it condemns Russian corruption it is happy to do business with it, legally or illegally, as the case of Siemens illustrates (Rawlinson 2012). This is, however, not an aberration of neo-liberalism, it is part of its social structure which is based on conflict where the boundary between legal and illegal disappear in the pursuit of profit.

In Pursuit of Profit: State Capture

It is in the nature of capitalism that conflict exists within a state but also externally beyond its own natural border to expand and appropriate resources, land and geo-political power. This is amply illustrated by state capture. Furthermore, state capture draws on the conceptual framework of state crime but illustrates that nation-states move beyond the control of national populations and capture the infrastructure of other nations, justified often in the name of democratic principles and the need to free an oppressed people (Brooks et al. 2013). Working in conjunction with powerful private vested interests a state captures another state by employing the strength of its military as it attempts to ensure peace in a region and employs private contractors to run the social and economic infrastructure of the country. These contracts are often awarded to those of the nation that captured the vulnerable state and as such a country of different social, political and cultural history is an adjunct of a more powerful nation and its commercial interests, such as the invasion of Iraq and the capture of its oil fields.

State crime is regarded as harmful behaviour committed by states either upon its internal citizens of which it has geographical control or upon the citizens of another state in some circumstances such as invasion or a form of colonialism (Barak 1991, 1993; Chambliss 1989). However, as Kauzlarich and Kramer (1998) explain, this definition of harmful behaviour still maintains the essential tension that is in all white-collar crime research, and that is the differences in individual actions and those motivated by the organization and its needs. Instead it

is better to see organizations as social actors working in a specific context rather than as immobile moral characters set in stone.

To conceptualize state crime, however, there must be a differentiation between crimes committed by the state in the interests of the state itself and crimes committed by the state in the interests of an elite. Messner and Rosenfeld (2000), Quinney (1975) and Spitzer (1980) suggest that elites' influence of the policy of the political process, and as such state crime, reflects vested private sector interests even in a plural democratic state. While it is acknowledged that states are the 'conduit of crime' and compromise the safety of individuals for either capital accumulation or to relax health and safety laws (Slapper and Tombs 1999) and state legitimacy, the latter is a political institution protecting its own interests, with the other concerned with the accumulation of capital by drawing on the power of the state to further its own interests. Such a theoretical approach emphasizes the role of class, and inequality, as a criminogenic force. State crime is having access to, and excessive control over, the social resources and key social institutions (Tittle 1995) of the state. This control is far more straightforward in a country that is in control of all services and where civil institutions are at a minimum.

States can, and do, act in their own self-interest without any influence from elites in democratic states and act to expand or maintain influence and/or legitimacy. It is perhaps better to view this control of political institutions and/or the power to influence them as a fluid rather than a fixed, immutable system; rather it is part of a continuum of crime. On the continuum of state crimes are acts of commission and acts of omission. Commission is the active, purposeful, conscious act of state crimes, while omission entails the state's absolute disregard for a condition and/or negligence. Commission highlights active decision-making and conscious, purposeful behaviour, while the other acknowledges the failure to act, or failure to act 'properly' (Kramer and Michalowski 1990, Aulette and Michalowski 1993; Friedrichs 1996).

Kramer and Michalowski (1990) identified two forms of state-corporate crime: state-initiated and state-facilitated. The first occurs when organizations employed by the state engage in deviance at the behest of, or with the tacit approval of, the state. State-facilitated crime occurs when 'regulatory institutions' fail to restrain criminal activities, because

of 'direct collusion between business and state, or because they adhere to shared aims whose attainment would be hampered by aggressive regulation' (Kramer and Michalowski 1990: 6) and thus usually involves acts of omission rather than commission.

From these authors, Kauzlarich et al. (2003) developed a four-point continuum. The first point on the continuum relates to acts of commission, which represents overt, purposeful actions, which are primarily attempts to obtain material state objectives or elite ideological interests. The most severe kinds of state crimes tend to cluster in this part of the continuum. These crimes also tend to be the most noticeable, such as human rights abuses or the repression of political dissidents. The second point on the continuum relates to implicit acts of commission where the state tacitly supports actions which result in social injury, but whose connection is more opaque than clear, such as the state intentionally causing social harm via a small state agency rather than major state organ, a private organization or some other domestic or international organization or body. The third point on the continuum relates to explicit acts of omission. Such crimes occur when the state disregards unsafe and dangerous conditions, when it has a clear mandate and responsibility to make a situation or context safe. Safety is usually compromised in the name of capital accumulation when this type of environmental and health and safety crime is committed. The fourth point on the continuum relates to implicit acts of omission, which are perhaps the most contentious. These are more ideological and less obvious than a repressive state. By doing nothing, or next to nothing, to prevent and/or reduce the level of social issues, such as conditions of poverty and homelessness and the consequent hardships, the state is engaged in crime since it allows institutions and actors to remain inequitable and harmful (Brooks et al. 2013).

This framework is open to challenge. It does, however, illustrate that state crime is not monolithic and acts in a predictable way, particularly in democratic pluralistic states. There are therefore different forms of state with different types of state crime, which act and react to qualitatively and quantitatively different social and economic conditions. Furthermore, some states are in a constant state of change, with vested powerful interests also in stages of change and decline as well.

Both examples, transnational crime and state crime, here show that corruption, by either organized crime or legitimate business and/or in

concert with one another, are part of capitalism and that the conflict for resources, people and geographical control or regions are inevitable. Whilst this is discussed on a theoretical level it fails to offer alternatives that do not also suffer from the same issues of corruption; the power differential will differ depending on the country, be it financial power, bureaucratic power or monarchical power, and there is always a power imbalance and conflict for resources and hence potential for corruption.

Conclusion

This chapter highlighted the central and key tenets of theoretical approaches that explain conflict. These are, however, examples of how conflict is inherent in any social, political structured system. This is seen in the international financial sector where organizations are in the constant search for increased profits regardless of the sums made. In such a context it is hardly surprising that individuals and organizations commit acts of corruption. This is not a justification for corruption nor crime but one that recognizes that to survive, if not flourish, particularly in a recession individuals and organizations will commit crimes.

This, however, also happens at the level of the state. As was illustrated in democratic and transitional states powerful vested interests *in and of* a state can and do commit crimes that favour set interests. Regardless of the type of state then, and its relationship with business the competition for scarce resources (food, clothes, shelter) will lead to conflict between individuals, organizations and states, with those with the least amount of resources left to question the legitimacy of distribution of resources. Such conflict, depending on the conflict—financial, geographical control, monopoly of market product—will lead to fraud, acts of legal and illegal criminal corruption, threats of violence and ultimately state violence to secure or maintain a position of power and control. This control, however, is an ongoing battle, as conflict might temporarily abate but it is built into the inevitable structure of human interaction in a modern world.

References

- Aulette, J., & Michalowski, R. (1993). Fire in the hamlet: A case study of state-corporate crime. In K. Tunnell (Ed.), *Political crime in contemporary America: A critical approach*. New York: Garland Press.
- Barak, G. (1991). Toward a criminology of state criminality. In G. Barak (Ed.), *Crimes by the capitalist state: An introduction to state criminality*. New York: State University of New York Press.
- Barak, G. (1993). Crime, criminality and human rights: Toward an understanding of state criminality. In K. Turnell (Ed.), *Political crime in contemporary America: A critical approach*. New York: Garland Press.
- Bezlov, T., & Gounev, P. (2012). Bulgaria: Corruption and organised crime in flux. In P. Gounev & V. Ruggerio (Eds.), *Corruption and organised crime in Europe: Illegal partnerships*. Abingdon: Routledge.
- Bonger, W. (1916). *Criminality and economic conditions*. Bloomington: Indiana University Press.
- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.
- Burke, R. (2001). *An introduction to criminological theory*. Devon: Willan Publishing.
- Chambliss, W. (1969). *Crime and the Legal Process*. New York: McGraw-Hill.
- Chambliss, W. (1975). Toward a political theory of crime. *Theory and Crime*, 2, 152–153.
- Chambliss, W. (1989). State organized crime. *Criminology*, 27(2), 183–208.
- Chambliss, W., & Seidman, R. T. (1971). *Law, order and power*. Reading, MA: Addison-Wesley.
- Dahrendorf, R. (1958). *Class and class conflict in industrial society*. Stanford, CA: Stanford University Press.
- Finckenaue, J. O., & Waring, E. J. (1998). *Russian mafia in America: Immigration, culture and crime*. Boston: Northeastern University Press.
- Freeh, L. (1994). *Statement before the Permanent Subcommittee on Investigations. United States Senate Governmental Affairs Committee*. Washington, DC: United States Senate Governmental Affairs Committee.
- Friedrichs, D. O. (1996). Governmental crime, Hitler and white collar crime: A problematic relationship. *Caribbean Journal of Criminology and Social Psychology*, 1(2), 44–63.
- Goldman, M. (2003). *The privatisation of Russia: Russian reform goes awry*. New York: Routledge.

- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Hirschi, T. (1969). *Causes of delinquency*. Berkeley, CA: University of California Press.
- Holmes, L. (2006). *Rotten states: Corruption, post-communism and neo-liberalism*. Durham, NC: Duke University Press.
- Jagger, A. (1983). *Feminist politics and human nature*. Totawa, NJ: Rowman and Littlefield.
- Kauzlarich, D., & Kramer, R. (1998). *Crimes of the American nuclear state: At home and abroad*. Boston: Northeastern University Press.
- Kauzlarich, D., Mullins, C., & Matthews, R. (2003). A complicity continuum of state crime. *Contemporary Justice Review*, 6(3), 241–254.
- Kramer, R. C., & Michalowski, R. J. (1990, November). Toward an integrated theory of state-corporate crime. Paper presented at American Society of Criminology Meeting, Baltimore, MD.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (1989). *Criminological theory: Context and consequences*. Thousand Oaks, CA: Sage Publications.
- McCullough, J. (2007). Transnational crime as productive fiction. *Social Justice*, 34(2), 19–32.
- Messner, S. F., & Rosenfeld, R. (2000). Market dominance, crime, and social dynamics of crime and control. In S. Karstedt & K.-D. Bussman (Eds.), *Transition in social dynamics of crime and control: New theories for a World in transition*. Portland, OR: Hart Publishing.
- Michalowski, R. J. (1981). Conflict, radical, and critical approaches to criminology. In Barak-Glatz & C. R. Huff (Eds.), *The mad, the bad and the different*. Lexington, MA: Lexington Books.
- Olimpieva, I., & Panchekov, O. (2008). Who fights Corruption in Russia? In R. W. Ortung & A. Latta (Eds.), *Russia's Battle with crime, corruption and terrorism*. London: Routledge.
- Quinney, R. (1969). *Criminal justice in American society*. Boston: Little Brown.
- Quinney, R. (1970). *The Social Reality of Crime*. Boston: Little Brown.
- Quinney, R. (1974). *Critique of Legal Order: Crime Control in Capitalist Society*. Boston: Little Brown.
- Quinney, R. (1975). *Criminology: Analysis and critique of crime in America*. Boston: Little Brown.
- Quinney, R. (1977). *Class, state, and crime: On the theory and practice of criminal justice*. New York: David McKay.

- Rawlinson, P. (2012). Corruption, organised crime and the free market in Russia. In P. Gounev & V. Ruggiero (Eds.), *Corruption and organised crime in Europe*. Abingdon: Routledge.
- Rock, P. (1973). *Phenomenalism and essentialism in the sociology of deviancy*. *Sociology*, 7(1), 17–29.
- Sellin, T. (1938). *Culture, conflict and crime*. New York: Social Sciences Research Council.
- Sellin, T. (1939). *Social conflict and conduct norms*. New York: Social Science Research Council.
- Slapper, G., & Tombs, S. (1999). *Corporate crime*. Essex: Pearson.
- Spitzer, S. (1980). 'Left-Wing' Criminology – an Infantile Disorder? In J. Inciardi *Radical Criminology: The Coming Crises* pp. 169–90. Beverly Hills, Calif: Sage.
- Sterling, C. (1994). *Crime without frontiers: The worldwide expansion of organised crime and the Pax Mafiosa*. London: Little Brown.
- Sutherland, E. H. (1939). *Principles of criminology* (3rd ed.). Philadelphia, PA: Lippincott.
- Sutherland, E. H. (1949). *White collar crime*. New York: Dryden Press.
- Sykes, G. M. (1974). The rise of critical criminology. *Journal of Criminal Law and Criminology*, 65(2), 206–213.
- Taylor, I., Walton, P., & Young, J. (1973). *The new criminology: For a social theory of deviance*. London: Routledge and Kegan Paul.
- Tittle, C. R. (1995). *Control balance: Toward a general theory of deviance*. Boulder, CO: Westview press.
- Turk, A. T. (1969). *Criminality and legal order*. Chicago: Rand McNally.
- Vold, G. B. (1958). *Theoretical criminology*. New York: Oxford University Press.
- Volkov, V. (2002). *Violent entrepreneurs: The use of force in making Russian capitalism*. Ithaca, NY: Cornell University Press.
- Wright, A. (2005). *Organised crime*. Cullumpton: Willan.
- Young, J. (1988). Radical criminology in Britain: The emergence of a competing paradigm. *British Journal of Criminology*, 28(2), 159.

9

Explaining Corruption: The Power to Label Organizations, Institutions and Individuals as Corrupt

Introduction

For many of us the criminal justice system is seen as necessary for preventing crime; it is sometimes credited with reducing crime by deterrence, rehabilitation and incapacitation. Those embracing the theoretical approach of labelling are vigorously critical of this line of reasoning, and suggest that rather than prevent crime the criminal justice system is part of the problem by labelling people as criminals. This labelling helps anchor people in 'criminal careers' rather than restrain illegal conduct. The system of criminal justice and state intervention is considered to be dangerously criminogenic. Known as the 'societal reaction' to crime, it was made popular in the 1960s and early 1970s by Becker (1963), Erikson (1966) and Kitsuse (1964) and focusses on the social construction of crime, what is crime and how it is linked to societal reaction.

The Social Construction of Crime

Prior to the theoretical approach of labelling, 'crime' was mostly accepted and unchallenged, unless seen as the product and conditions of capitalism. The definition of crime allowed those involved in criminal justice to determine what the causes of crime were and how they should be dealt with and focus on discovering its causes in offenders or the environments in which they reside. This blinded us from understanding that a socially constructed phenomenon of what is or what is not crime changes historically, and within and across states (Lilly et al. 1989). Without this insight academics failed to explore the social circumstances that govern which behaviour(s) are criminal, why some are labelled as such, and what the consequences of this labelling or 'othering' is.

Attempting to correct this oversight Becker (1963) and Erickson (1966) suggest that what makes an act criminal is not necessarily the harm it causes but the label conferred upon the act by the state; hence it is the nature of the societal reaction and the reality it constructs, not the nature of the act, which determines whether a crime exists. This is amply demonstrated by Pfohl (1985) in reference to murder. There are different types of killing and it is not the behaviour that differs but societal reaction. For example, killing a police officer or killing by a police officer, being killed by a drunk in a vehicle or slowly dying a painful death by cancer caused by pollution are presented and labelled differently by those that have the power to do so; they also use the media to extend this label into official or common discourse. Each is a type of killing; some are labelled as crimes and others are excused, justified or viewed—in the case of pollution, as an environmental risk which is simply necessary for economic development. The form and content of what is criminal is dependent on the social context and circumstances and vested interests. Furthermore, Turk (1969) stressed the ability of authority to attribute a person with criminal status rather than the act; this approach emphasized that this is more about *what you are* rather than *what you do*, whether the act be real, imagined or fabricated. Authority here though means legitimate power, the use of which is accepted by those subject to it.

What the state considers criminal is not constant but is the result of people trying to construct a different reality and to transform how a

particular behaviour becomes officially defined. Moreover, it is not the extent of harmfulness of the behaviour that determines its criminalization. For other theoretical approaches a person is labelled a criminal once they have engaged in and been convicted of a proscribed, illegal act. This assumes, however, that societal reaction is non-problematic and predictable rather than socially constructed and changeable. This culminated in the view that the state and its intervention is a cause of crime rather than a bulwark and system of prevention. This is perhaps understandable in the 1960s and the 1970s particularly in the USA as the state moved from one that was seen as progressive and aimed at tackling poverty and crime with the state playing a central and major role to one that was exposed as corrupt and unwilling to address racism, as highlighted by the Civil Rights Movement, the war in Vietnam, the Watergate scandal, and the brutalization of students protesting by the police (Lilly et al. 1989). The state therefore countenanced a temporary crisis of legitimacy. It was the societal reaction that was of paramount importance, rather than the individual and/or environment in which they lived; seeing people as criminals has the unintended consequence of creating the behaviour it sets out to deter.

This view is one that was expressed many years ago, and is still with us: Jeremy Bentham (1748–1832) thought that putting people in prison encouraged crime; Cesare Lombroso (1835–1909) claimed that the degrading influences of prison life and contact with vulgar criminals cause crimianoloids; and Bonger (1969) claiming that imprisoning young people that have committed only a misdemeanour would lead to professional criminals. This is not as straightforward as it appears. Lemert (1951) distinguished between two types of deviance—primary and secondary—to explain reaction to the label ‘criminal’. Primary deviance is where an offender will rationalize behaviour as a temporary aberration and so justify it (see Chap. 6 on the concept of drift) or see it as part of a socially acceptable role (this is relevant to white-collar crime and an environment that considers corruption acceptable or does not see it as corruption). Secondary deviance is where societal reaction intensifies and the offender becomes stigmatized. The original waywardness loses its salience as others’ reactions become the overriding concern in an offender’s life which demands to be addressed. Therefore, the offender starts to live and organize his or her life by accepting this status and drift towards a life of crime.

Those proposing this point of view are not suggesting that those that commit crime should not face some kind of criminal intervention and/or sanction; they are suggesting that once labelled it is a social judgement of an offender's behaviour but which is also publicly damaging and dismissive of a person's moral character (Garfinkel 1956). Yet again there is an echo of this view in Murray (1990) and Wilson and Herrnstein (1985) (see Chap. 10). It is not only the conduct or the behaviour of the criminal act which is seen as immoral: it is the person; and the expectation is that he or she, lacking a moral compass, will commit crime again and again. It is therefore assumptions about offenders which shape how we react, potentially leading to a self-fulfilling prophecy. Whilst the self-fulfilling prophecy is doubtful, this approach, where crimes are defined by those that have the power to do so, has some resonance since we tend to label street crimes very differently to suite crimes (Braithwaite 1989; Katz 2002).

Public naming and shaming of offenders might deter some from future crime, but for others the accusation (and constant accusation) as a criminal and accompanying social condemnation pushes them further into a criminal career (Braithwaite 1989; Katz 2002). People's identity changes as they internalize the public definition of them and consequently they come to define themselves as criminal. This is further exacerbated by the withdrawal of prosocial relationships leading to the formation of criminal subcultures that reinforce such antisocial values. The collapse of prosocial relationships is particularly acute with state intervention and the official label of criminal or offender. The whole process of labelling then is seen as a powerful criminogenic influence that pushes people on the edges of the criminal justice system into a life of crime (Jones 2006).

Whilst this has been criticized as a theoretical explanation of crime (see below) it has had some impact on policy, with the view that pulling people into the criminal justice system contributes to crime (Morris and Hawkins 1970; Scull 1984; Lilly et al. 1989: 131; Schiller 2000; Hopkin and Rodriguez-Pose 2007). The policy of diversion, particularly for young offenders in some Western states, is a recurring theme of criminal justice depending on the social and political circumstances. The popularity of placing offenders into community programmes, intensive probation supervision or electronic surveillance appears to take hold as the costs of incarceration become a political rather than a moral issue.

The problem here, and one that is documented elsewhere (Cohen 1985), is that many of these diversion programmes become additional sentences and instead increase the reach of the criminal justice system rather than diminish it. The expansion of due process and legal protection attracted the attention of those proposing labelling as a theoretical explanation (Empey 1982), hopefully resulting in reduced sentences and limited involvement with the criminal justice system. The notion of de-institutionalization (Skull 1984) also secured some traction with the view that incarceration failed to prevent crime, citing rates of recidivism in the 1960s and 1970s. Much, however, has changed regarding the use of prison since this time, with an expansion in some Western democratic states, particularly the United Kingdom and the USA, of the view of offenders as mostly one of a rational, calculated offender, though this view is rarely applied to those committing white-collar crime.

Limitations to Labelling

This theoretical approach has encountered much criticism from different and competing approaches at explaining crime. Taylor et al. (1973) were critical of labelling because it understood that political interest and social disadvantage influenced societal reaction but did not make an explicit connection between criminal justice and the underlying economic order. Therefore such an approach stopped short of exploring the way in which crime is shaped by the structure of power and institutions. In addition it was criticized for its lack of empirical grounding: its major tenets were unsubstantiated once subjected to empirical rigour (Hirschi 1975; Gove 1980). However, there is some research that illustrates an ecological bias regarding the policing of young people, with the police making more arrests in poor and black neighbourhoods rather than affluent neighbourhoods, even with the seriousness of the crimes considered. This is a matter of police 'policy' and a lack of resources, but it highlights the different policing of young people.

There is also no real understanding of the nature of the act committed. For example, was the crime instrumental, expressive, individual and/or

collective? In addition, what form did the societal reaction take? For example, was it severe, informal and/or formal? Perhaps more importantly, did amplification really occur? Did the offender's criminal behaviour increase in severity or did it change direction? Or did he or she simply desist from crime (Holdaway 1988)? It is impossible to substantiate whether state intervention causes crime. Many offenders are already deeply involved in crime before coming to the attention of the criminal justice system. It is the social circumstances that impinge on offenders rather than a legal sanction and label of criminal that appear to explain why people commit crime. However, as a note of caution, we should recognize that societal reaction to crime is a complex process and its effects have yet to be fully understood or explored. In saying this the power to label and manipulate the 'truth' is possible, as illustrated in the examples below.

The Power to Label: The Police and Hillsborough

The power to label and define an individual, organization and/or state as wayward and corrupt and portray them as an offender rather than victim is located in both democratic and non-democratic states. An example of this power to label in a democratic country is that of the police and the other interests involved in the disaster at the Hillsborough football stadium in the United Kingdom, in 1989, where 96 people—men, women and children—were killed in a fatal crush (Scraton 1999) with approximately 766 injured. An inquest in 2016, however, finally concluded that the 96 fans that lost their lives were unlawfully killed. As such it is an old disaster but a contemporary example of the power of vested interests to label and manipulate and reconstruct the 'truth'.

There are ample and emotionally moving accounts of the disaster at Hillsborough by those that seek the 'truth' and 'justice' (Scraton 1999, 2000, 2004) and it is therefore not my intention to replicate this body of knowledge but instead to focus on the power to demonize and dismiss the victims in this tragedy and the production of the 'truth' and exercise of power. Truth is an enigmatic concept, as seen in many cases of corruption; its definition, identification and verification involve intellec-

tual, political and legal processes that are seemingly straightforward, yet inherently complex. Establishing precisely and contextually ‘what really happened’ at any moment in time, in specific circumstances, is rarely uncomplicated (Scraton 1999). Underpinning legal processes and the administration of justice in democratic states is supposedly a consensus on the weighing and weighting of personal truths and the examination of what happened, based on our ability to recall events. In principle, at least, they should offer procedures through which the truth can be aggregated rather than manufactured. We see criminal and civil investigations, official and unofficial inquiries, courts and tribunals, as evidence-bound. However, these official bodies reproduce the structural inequality that is part of capitalism, patriarchy and neo-colonialism. These inequalities are not some invention but real and part of the fabric of the state and civil society that we inhabit. Such structural inequality often deflects attention away from the power and strength to determine the context and truth of an event. While power is derived from the material conditions of production and reproduction, it is realized in the state, its institutions and its interventions. The state, in this case, claims the legitimacy to establish the truth. As Foucault (1980: 131) states, ‘each society has its régime of truth ... the types of disclosure which it accepts ... the mechanisms and instances which enable one to distinguish ... the techniques and procedures accorded value in the acquisition of truth’. For Becker (1967) it is simply that those with power define the truth, and that knowledge of the truth and the right to be heard are not equally distributed. Institutional power affords its holders the capacity to apply the labels of ‘deviant’ and ‘criminal’ to acts, and such versions of the ‘truth’ possess most credibility, particularly in concert with sections of the media and biased journalistic views (William 2014).

Challenging such a process and the dominant view of the disaster at Hillsborough has continued for 26 years already, and at every step there has been a discourse of denial (Scraton 1999). Discourses of denial can take different forms: the ‘classic’ discourse of official denial; ‘the strategy of spinning a defensive position into an attack on the critic (also seen as condemning those that condemn you—see Chap. 6 and techniques of neutralization); and partial acknowledgement of different points of view (Cohen 1996). Within these denials there are different positions. For

example, in 'classic' discourse there is 'literal denial (nothing happened); interpretive denial (what happened is really something else); implicatory denial (what happened is justified). These denials and manipulation of the truth are regularly part of a corruption discourse by individuals and organizations and often, and disappointingly so, supported by official state discourse or passive acceptance that business is 'right' (see Chap. 8 for negotiated settlements for corrupt organizations).

The ability to express naked power in democratic states is often challenged, as they do not have the monopoly on the 'truth' or at least the power to define it, particularly with changes in telecommunications. The problem and imbalance, which those seeking justice for the disaster at Hillsborough encountered, as well as pressure groups seeking redress from corrupt organizations, concerns the elevated status of those representing law and order, which is bolstered by the 'language of legalism' (Cohen 1996) where states, law enforcement and corrupt organizations harness its processes and procedures to conduct a sophisticated 'legal defence' and obfuscation of the truth.

From the outset the police reconstructed events at Hillsborough to blame the victims for the disaster and to pin on them the responsibility for breaking down closed gateways that caused the fateful crush and subsequent deaths, even though, but at a later stage, it became obvious that the police themselves had opened the gates. Once exposed, the police then blamed the crush on drunken, violent, ticketless hooligans. This view held sway for many years and was faithfully replicated by some of the more rabid British newspapers (Williams 2014). This demonization and labelling of the victims as hooligans, which at the time would have had much currency in British football (Hopkins and Treadwell 2014), illustrated the power to conduct, manufacture, deny the truth and label people as hooligans.

However, as the manufactured truth of this disaster was exposed, the police, while partly acknowledging criticism and accepting liability in negligence, refused to acknowledge their central role in the disaster. Off-the-record briefings with politicians and journalists and the reviewing and altering of initial statements or recollections of officers was a calculated tactic that dismissed the survivors' accounts of this event. This was made possible by the privileged position enjoyed by the police *within* the processes of inquiry and investigation. They exploited the negative

reputations of football hooligans where people were labelled ‘beasts’. Reconstructed as the inevitable outcome of drunkenness, disorder and violence, actively promoted by much of the press and politicians, victims were labelled ‘animals’ that brought the disaster upon themselves. The central issues of crowd management and duty of care were deflected and neutralized by a discourse and defence constructed around self-infliction (Scraton 1999, 2000; Williams 2014).

As discussed in Chap. 8, the criminal justice system needs to at least be seen as impartial. If it is used as a tool to obfuscate and manufacture an official or partial truth then all the inquests in this case amount to little more than a show of concern and false sympathy rather than a desire to seek justice. This example, whilst horrific, particularly in its treatment of the victims—both alive and dead—is relived in environmental disasters (see Bhopal in India and Union Carbide in 1984, and the Deepwater Horizon oil spill in the Gulf of Mexico in 2010) where the truth of what actually happened and damage to the environment are either denied, partially accepted but downplayed, or discussed and neutralized by processes and procedures in a sophisticated legal defence that sets out to minimize accountability and ultimately obfuscate the truth.

The structure, procedures, official inquiries, controversial inquests and criminal prosecutions, and their interrelationships, have to be evaluated in terms of the individual and collective paucity of the truth in this example (Scraton 1999, 2000). For those directly affected by this disaster there remains a complacency in the state’s failure to address its deep-rooted and endemic practices of labelling, demonization, denial and disqualification.

The Power to Label: Blaming the Public Sector for Corruption

There has for many years been a sustained criticism of any state, democratic or non-democratic, to prevent corruption and/or becoming embroiled in corrupt practices (Heywood 2015; Hough 2015). Much of this criticism came from the IMF and the World Bank, based on academic analysis and a clear public choice assessment of corruption. In fact, in the 1990s economists at the IMF (Tanzi 1994, 1998, 2000) claimed that

corruption is linked to the expansion of the state and its role in the economy. Subsequently it was suggested that to reduce corruption one had to reduce substantially the role of the state and its functions. The IMF further claimed that corruption flourishes in the presence of excessive state regulation and intervention in the economy, whilst the World Bank enthusiastically embraced the need (it was seen as a need rather than a point of view) to liberalize economic production as an important step towards reducing avenues for corruption. The public sector was thus seen and labelled by powerful voices in these supra-national bodies as the cause and also obstacle to preventing and subsequently reducing corruption rather than as part of the solution. The state, in other words, and according to the IMF and World Bank, needed to be restricted and restrained, and a culture of transparency and accountability introduced (Hough 2015). These last two points, transparency and accountability, are rarely, if at all, contested; but those with the power define the 'truth', right to be heard are not equally distributed. Institutional power affords its holders, in this case the IMF and World Bank, the capacity to apply labels implying that the public sector is a conduit of corruption.

Privatizing some state functions, limiting its role and selling, mostly cheaply, state activities fits a particular ideological schemata, but the questionable empirical record supporting these views is at best mixed. Hopkin and Rodriguez-Pose (2007) highlighted that advanced industrial nations, most of the time, that have run or mediated the economy have enjoyed low levels of corruption. Furthermore, the label often placed on the public sector as ineffective and corrupt is misleading. The least corrupt states (according to the bodies that claim to measure corruption—see Chap. 2) are not those with the smallest public sectors and state apparatus. If anything it is the opposite, such as in Sweden, Finland and Denmark.

Why then was the public sector, and still is in some quarters, seen as primarily corrupt? It is referred to as the cause, part of the problem, a conduit of corruption, an avenue of corruption and either limited or highly unsuccessful in preventing it. Some of this is explained by the notion of governance and what it should entail. For the World Bank, the OECD and the IMF this is increased transparency, strengthened by civil society, and thus participation and respect for human rights. However, if requesting assistance from such bodies, demands are made that reflect this view

of corruption. They subsequently demand what they consider appropriate if a state is in need of funds (Greece is an exception, though consider its creditors' demands for privatizing the public sector). Assessment of a country is based on set indicators and snapshots of indicators considered appropriate by the World Bank and IMF. The real issue, however, is the lack of impact, and the painful reality is that, for all the funds, planning and organizing, there is precious little evidence that the anti-corruption industry has systematically helped to mitigate the impact (let alone weed out the root causes) of corruption in everyday life (Hough 2015). As Sampson (2008) observed, 'despite hundreds of millions of dollars, and hundreds of programmes, projects, and campaigns, conducted by an army of anti-corruption specialists, we have very little evidence of any decline in corrupt behaviour'. There is a silent crisis as the anti-corruption movement appears unable to make the transition from raising awareness (often with a focus on the public sector) to solid empirically based success. Where there has been success it appears more often than not that coincidence and place-specific influences have been every bit as important as anti-corruption strategies mandated by external bodies (Hough 2015).

The problem is that the anti-corruption industry comprises a diverse set of actors with diverse sets of ideas and modes of operation. However, a few voices have dominated the debate, particularly in the 1990s. A core of political economists such as Vito Tanzi developed a body of anti-corruption strategies that had particular resonance. These views, at the time, and which still endure regardless of their limited empirical base, are that the state and its organs are part of the problem and cause corruption, and thus are incapable or unwilling to prevent it. Any analysis of private sector corruption was mostly missing. This view then is based more on political ideology rather than sound empirical data; but to label public sectors as self-interested, inefficient, incompetent and/or corrupt secured much currency, particularly with the OECD, IMF and World Bank that had, and still have, the power to determine the conditions under which funds will be dispensed. This distribution of funds and the conditions under which they are dispensed is understandable, but it is the power to label which is of concern here. State regulation, particularly in the economic sphere, was labelled as the cause of corruption that promoted avenues for public sector employees in bureaucracies to seek rents (see Chap. 2) and hold back economic development.

The international anti-corruption movement developed a body of anti-corruption principles that morphed into political views of 'What is the role of the state?' in broad, crude terms. The focus on corruption was what caused it and what should be done about it, but primarily from an economic perspective. In Chap. 2 I highlighted the theoretical views that underpinned this view and that individuals are considered rational actors who act out of self-interest. Much of the analysis is based on this view which subsequently saw the public sector (with little or no mention of the private sector unless having to pay for services) as unable to deliver efficiently and effectively services and products; it also embraced a set of behavioural assumptions that politicians (Hough 2015) are mostly corrupt. Whilst this view will, depending on the country, always have some resonance, politicians are still viewed as rational and self-interested, and set on maximizing personal benefit. With this view of human nature, some analysts' views were that state intervention, particularly in the economy, is the root cause of corruption. Regardless of the sector, attempts to prevent corruption were seen as based on self-interest. Few went as far as the Nobel Laureate Gary Becker, though, in claiming that 'if we abolish the state, we abolish corruption' (Hough 2015) and in dismissing the idea of corruption-free state services as idealistic and 'romanticism'.

This is not to dismiss the contribution the authors mentioned above have made to the debate on, and the need to combat, corruption; it is their tendency to focus on the public sector at the expense of the private sector that is a limitation. The fetish for deregulation and withdrawal of the state, it could be suggested, has reaped economic havoc in the financial sector (Warren 2016) and beyond, and that if the state failed in its duty here it was not because it was overtly self-interested, but that it had withdrawn too far and failed to enforce what rules it should have (see Chap. 10 for some examples of financial corruption).

The theoretical basis of this view that applies equally, which it was not at the time, or later, is that all of us, working in the public and private sector, would act in a rational, self-interested way. Yet repeatedly the mantra and focus of the IMF and World Bank was on the public sector. Whilst Rose-Ackerman (1999) made useful suggestions, such as to keep tax systems simple as copious rules and regulations allow corruption to flourish, it is implausible in states that do not have organized, legitimate

and effective bodies to enforce the rules. Rose-Ackerman claims that for effective regulation to function then a stable legal environment and credible enforcement are vital. Furthermore, in parts of the world where anti-corruption is needed most, it is likely to be absent. The public choice school has a specific understanding of human nature, and thus if we are rational actors then no anti-corruption strategy will work, and particularly on such a scale as envisioned by the World Bank, IMF, OECD and the European Central Bank.

From the 1990s the IMF published working papers arguing that corruption had a negative influence on a range of economic indicators and investment (Tanzi 1994, 1998, 2000). It would be disingenuous to claim that the IMF's interest in corruption, however, was ill-conceived (Hough 2015); it is not; and there is an array of the damaging economic effects of corruption. However, the default position of many at the IMF was that the state is likely to foster corruption. Schiller (2000), then Deputy Division Chief in the IMF's Fiscal Affairs Department, recommended specific sets of measures, such as liberalizing trade systems, decontrolling prices and broadening the scope of marketization, that are presented as the only way to secure economic growth and reduce corruption, claiming that such approaches have successfully helped curtail it.

This, however, is misleading. Whilst awareness has risen of the effects of corruption, the proposed solutions are limited. Working at the policy level rather than the lived reality of corruption, these supra-national bodies' one-size-fits-all approach is more ideological than practical. It is therefore hardly surprising that anti-corruption efforts have had such limited impact. In the late 1990s, the World Bank also suggested that a fundamental reassessment of the role of state institutions and the preference for market reforms was the best way to tackle corruption. A new emphasis on 'governance, democratization and institution-building' saw the Bank explicitly link economic liberalization with those who desired the transformation of political systems; thus the Bank was another tool with which to push through (neo-liberal) structural reforms and to view corruption as a technical issue that could be solved with particular types of (essentially more liberal) economic policy, coupled with careful institutional reform (Hough 2015). The promotion of such reform was combined with labelling the public sector as corrupt.

Conclusion

This chapter has highlighted how the power to label individuals, organizations and the public sector and state services as offenders is the cause of the problem, or part of the problem, under discussion. In both examples in this chapter, the facts were contested rather than simply accepted. What they have in common is the power to dominate the discourse and manipulation of the 'facts'. In the case of Hillsborough there was, and still is, a concerted effort to dismiss the truth. This truth is and was socially constructed with the discourse on the disaster slowly deconstructed. This case is one of police corruption—not in the initial decisions made at the scene, but in the subsequent attempts to manipulate the facts and label the football fans as 'beasts' with help from politicians and newspapers. At the time the label had some resonance as football hooliganism was a problem, and it is easy to see how an official discourse was viewed as the truth.

Denials and manipulation of the truth are regularly part of the corruption discourse promulgated by individuals and organizations. This is more pronounced with august bodies such as the IMF and the World Bank. Instead of objective assessment of the problem of corruption, much of the literature, particularly in the 1990s, was negative regarding the public sector, even though Sweden and Denmark have high levels of state intervention and low levels of corruption. The facts are open to interpretation, and it appears that the IMF and World Bank had a specific ideological position in favour of privatization, regardless of the information available to them.

This theoretical approach then is useful in that it at least highlights that the 'truth' and 'facts' are socially constructed, and by those who are the most powerful in a state or international body. Whilst its limitations have been noted here, the processes of literal denial (nothing happened), interpretive denial (what happened is really something else) and implicatory denial (what happened is justified) form a useful template on which to analyse corruption every time an individual and/or organization commits a corrupt act that we at least become aware of.

References

- Becker, H. (1967). Whose side are we on? *Social Problems*, 14, 241.
- Becker, H. S. (1963). *Outsiders: Studies in the sociology of deviance*. New York: Free Press.
- Bonger, W. (1969). *Criminality and economic conditions*. Bloomington: Indiana University Press.
- Braithwaite, J. (1989). *Crime, shame and reintegration*. Cambridge: Cambridge University Press.
- Cohen, S. (1985). *Visions of social control*. Cambridge: Polity Press.
- Cohen, S. (1996). Government responses to human rights reports: Claims, denials, and counterclaims. *Human Rights Quarterly*, 18(3), 517–543.
- Empey, L. T. (1982). *American delinquency: Its meaning and construction*. Homewood, IL: Dorsey.
- Erickson, K. T. (1966). *Wayward puritans: A study in the sociology of deviance*. New York: Wiley.
- Foucault, M. (1980). *Power/Knowledge: Selected interviews and other writings 1972–1977*. (C. Gordon, Ed.). New York: Pantheon Books.
- Garfinkel, H. (1956). Conditions of successful degradation ceremonies. *American Journal of Sociology*, 61, 420–424.
- Gove, W. R. (1980). *The labelling of deviance: Evaluating a perspective*. Beverley Hills, CA: Sage.
- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Hirschi, T. (1975). Labelling theory and juvenile delinquency: An assessment of the evidence. In W. R. Gove (Ed.), *The labelling of deviance: Evaluating a perspective*. Beverley Hills, CA: Sage.
- Holdaway, S. (1988). *Crime and deviance*. Basingstoke: Macmillan Education.
- Hopkin, J., & Rodriguez-Pose, A. (2007). “Grabbing Hand” or “Helping Hand”? corruption and the economic role of the state. *Governance*, 20(2), 187–208.
- Hopkins, M., & Treadwell, J. (2014). *Football hooliganism, fan behaviour and crime: Contemporary issues*. Basingstoke: Palgrave Macmillan.
- Hough, D. (2015). *Corruption, anti-corruption and governance*. Basingstoke: Palgrave Macmillan.
- Jones, S. (2006). *Criminology* (3rd ed.). Oxford: Oxford University Press.
- Kitsuse, J. L. (1964). Societal reaction to deviant behaviour: Problems of theory and method. In H. Becker (Ed.), *The other side*. New York: Free Press.
- Katz, R. S. (2002). Re-Examining the Integrative Social Capital Theory of Crime. *Western Criminology Review*, 4(1), pp. 30–54.

- Lemert, E. W. (1951). *Social pathology*. New York: McGraw-Hill.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (1989). *Criminological theory: Context and consequences*. Thousand Oaks, CA: Sage Publications.
- Morris, N., & Hawkins, G. (1970). Rehabilitation: Rhetoric and Reality. *Federal Probation*, 34, 9.
- Murray, C. (1990). *The emerging British underclass*. London: Institute for Economic Affairs.
- Pfohl, S. J. (1985). *Images of deviance and social control: A sociological history*. New York: McGraw-Hill.
- Rose-Ackerman, S. (1999). *Corruption and government. Causes, consequences and reform*. Cambridge: Cambridge University Press.
- Sampson, S. (2008). Corruption and anti-corruption in south-east Europe: Landscape and sites. In L. de Sousa, P. Larmour, & B. Hindess (Eds.), *Governments, NGOs and anti-corruption: The new integrity warriors*. London: Routledge.
- Schiller, C. (2000). Improving Governance and Fighting Corruption: An IMF Perspective. Washington D.C.: IMF: Fiscal Affairs.
- Scruton, P. (1999). Policing with contempt: The degrading of truth and denial of justice in the aftermath of the Hillsborough disaster. *Journal of Law and Society*, 26(3), 273–297.
- Scruton, P. (2000). *Hillsborough: The truth*. Edinburgh: Mainstream.
- Scruton, P. (2004). Death on the terraces: The contexts and injustices of the 1989 Hillsborough disaster. *Soccer & Society*, 5(2), 183–200.
- Scull, A. (1984). *Decarceration*. New Jersey: Rutgers University Press.
- Tanzi, V. (1994). *Corruption, government activities and markets* (Working Paper 94/99). Washington, DC: IMF.
- Tanzi, V. (1998). *Corruption around the World: Causes, consequences, scope and cures* (Working Paper 98/63). Washington, DC: IMF.
- Tanzi, V. (2000). *Policies, institutions and the dark side of economics*. Cheltenham: Edward Elgar.
- Taylor, I., Walton, P., & Young, J. (1973). *The new criminology: For a social theory of deviance*. London: Routledge and Kegan Paul.
- Turk, A. T. (1969). *Criminality and legal order*. Chicago: Rand McNally.
- Warren, E. (2016). *Rigged Justice 2016: How weak enforcement lets offenders off easy*. Washington, DC: Office of United States Senate, Office of Elizabeth Warren.
- Williams, J. (2014). Justice for the 96? Hillsborough, politics and English football. In M. Hopkins & J. Treadwell (Eds.), *Football hooliganism, fan behaviour and crime: Contemporary issues*. Basingstoke: Palgrave Macmillan.
- Wilson, J. Q., & Herrnstein, R. (1985). *Crime and human nature*. New York: Simon and Shuster.

10

Explaining Corruption: A Rational, Calculated Choice?

Introduction

Martinson (1974: 25) declared that ‘with few and isolated exceptions, rehabilitative efforts that have been reported so far have had no appreciable effect on recidivism’. This ‘nothing works’ statement affected the claims that modern democratic states had the capacity to rehabilitate and/or treat offenders and recidivism. With officially recorded crime increasing the social/bio-psychological approaches that had dominated the discourse on crime for many years were challenged by ‘right realism’, which proposed that the causes of crime are within the individual rather than biological or caused by inequality in the social structure. Instead of theoretical debates on why people commit crimes (even though right realism is a theory as to why people commit crime) this line of thought favoured a pragmatic and realistic approach to crime prevention. The notion of individual responsibility therefore was embedded as a central tenet of a range of political and policy approaches associated with a conservative view of personal responsibility, behaviour and accountability, with the criminal law defined by the state and its composition as non-problematic with a focus predominantly on street crime. These views are expressed

in what is referred to as socio-biological (Wilson and Herrnstein 1985), rational choice (Clarke 1980; Cornish and Clarke 1986) and stress that significant and meaningful reduction can be achieved by accepting and recognizing that crime is a quasi-economic endeavour. Since individuals are seen as rational, swift punishment, mostly incarceration, was suggested as it would deter and incapacitate offenders.

'Right Realism' and Individual Responsibility

Theoretical approaches that have developed do not appear as a eureka moment, a sudden realization and thought on human behaviour. All of them have a history, a slow and gradual development—what has been referred to as an interior and exterior history (Young 1994) where we grapple with understanding both the theoretical approach proposed and the social and political context that considers its explanation(s) as a viable interpretation of human conduct and behaviour and the subsequent underlying causes of crime and how to prevent it. In the 1980s Wilson and Herrnstein (1985) considerably influenced political and policy approaches to crime in the USA. For them, human behaviour, particularly acts of violence by young men, contained three elements: constitutional factors, the presence or absence of what they called reinforcers, and the nature of conscience. The majority of officially recorded crime was committed by young urban males and it was the constitutional and social origins of maleness and youthfulness, and the biological status of young men and (Wilson and Herrnstein 1985) factors such as sex, age, intelligence, body type and personality, that explained criminal behaviour in combination with permissiveness and dependency on welfare benefits. This approach is not solely rooted in explaining crime from a biological point of view; it simply accepts that these factors are 'facts' rather than direct causes of acts, particularly of crime. They suggest that these 'facts' can account for a predisposition towards crime.

The individual also learns how to behave in the social world based on what type of behaviour is rewarded and under what circumstances. This approach thus draws on psychological behaviourism and how individuals react to the environment or more pointedly their environment. In order to understand

the propensity to commit crime, it is important to understand the ways in which the environment might affect the individual in conjunction with the constitutional 'facts' to produce a response. Wilson and Herrnstein (1985) carefully explain that individual differences are the key here rather than the impact of the environment; a specific type of family background might indicate the potential for crime, but this is not always the determined outcome. Our conscience then is viewed as a conditioned reflex; in this sense we have effectively internalized a set of attitudes, mostly in childhood, which prevent us from the temptation to commit crime. A conscience is conditioned by our socialization, with the family, or more specifically a nuclear family, as the most effective source of correct socialization (Hirschi 1969) (see Chap. 7 for a similar point of view).

This view suggests that some of us might break the law depending upon the circumstances (see differential association Chap. 5) due to less effective and weak internalization of conduct (see Chap. 7 on social control) and some will commit crime regardless of the consequences of their actions. In combination, the effectiveness of a conscience will prevent crime by working in conjunction with the individual's constitution and reaction to the environment (Walklate 1998). The interplay of these factors then explains crime: crime rates (street crimes) are accounted for by shifts in the age structure of the population (and the increase or decrease, depending on the number of young males), the views on the costs and benefits of committing crime (chances of arrest and conviction and sentence) and the broad social and cultural changes in families, schools, churches and internal commitments to self-control and willingness to conform to the rules (Wilson and Herrnstein 1985).

This approach has similarities with the rational choice/action framework in economics. In this model, used for understanding social and economic behaviour, the basic premise is that aggregate social behaviour can be determined from the behaviour and choices of the individual. Its focus is on the causes of individual choices and assumes that we have preferences amongst those available to us and that we state, and act on, those which we prefer. We are thus assumed to be rational and to take account of the available information and the potential costs and benefits in shaping our preferences, and then to act consistently in choosing the self-determined best choice of action.

However, with the complex interplay of factors and potential variables, it is not difficult to assume that such an approach is simply saying that we are unable to reduce crime and so must accept it as an inevitable consequence of 'a way of life'. Wilson and Herrnstein (1985) therefore suggested the pragmatic approach of focussing on that which can be achieved rather than trying to deal with the 'deficient' socialization of individuals and the direct particular approaches to estates/zones of a city or town considered beyond help. Success can be achieved based on what we know and thus the targeting of limited sources accordingly; thus, through policing, young first-time offenders (those coming into contact with the criminal justice system for the first time and not those who have committed a crime for the first time) might be deterred from crime rather than becoming repeat offenders. The emphasis on visible crime in conservative approaches highlights its focus on protecting the integrity of the individual's body and that of personal possessions (Jones 2006).

This view is now under question. In the USA, across the political spectrum, doubts are raised that incarceration and consequently an increase in custodial sentences has had much of an impact on young men. However, as noted by Young (1994), this approach is about maintaining social order rather than any notion of justice, and only explains, depending on your view, street crime rather than white-collar crime. Wilson and Kelling (1982, 1989) thought that the maintenance of order was all important and that a failure by the police to deal with drunkenness and brawls might lead to a breakdown of law and order in a community. This is referred to as the 'broken widow thesis' by Wilson and Herrnstein (1985) and has some resonance for corruption. This order, however, should only be concentrated in those neighbourhoods that have not completely broken down; hopeless causes were simply seen as that—hopeless and a waste of scarce resources.

The social and political circumstances that produced the above theoretical approach were also ideal for the development of rational choice (Clarke 1980; Cornish and Clarke 1986). In this view we are considered to be rational individuals that make a decision about crime in the same way as we do about an economic choice (see Chap. 2 for details on the view of the principal–agent relationship). Rational choice is thus primarily

about the management of crime rather than it causes. Understanding humans as driven by the motive of profit maximization, this theoretical approach presumes that individuals make rational decisions on the basis of a cost–benefit analysis, as Cornish and Clarke (1986: 1) make clear: ‘offenders seek to benefit themselves by their criminal behaviour: ... this involves making decisions and choices, however rudimentary ... and that these processes exhibit a measure of rationality, albeit constrained by the limits of time and the availability of information’.

The rational process makes a decision to commit a crime or not by assessing the time and place and other available information, be it accurate or inaccurate. Rational choice recognizes the limits in explaining crime but seeks to prevent it by making it as hard as possible to commit crime and then punishing the offenders when convicted so as to deter others. With little interest as to the underlying causes of crime, effective prevention then focussed on situational measures that might make some small difference, though only a difference in preventing street crime rather than white-collar crime, as Chap. 2 illustrated with the limited success of anti-corruption measures and the strategic approaches employed so far.

Rational choices are inevitably limited or bounded by reality. We therefore have limited rationality and at most emphasize the extent to which individuals and crowds of people simplify a decision because of the difficulty of anticipating and considering all the information and possible alternatives available. Bounded rationality thus circumscribes the reach of rationality, due to cognitive limitations and extreme emotional events. Sometimes this emotional arousal or event can be acute, and we are ‘out of control’ and rational considerations are absent. Access and opportunity perhaps explain crime more than rational choice, but this opportunity can be related to cost–benefits, socioeconomic status, risk of detection, dependence on situational context, type of offence and access to external benefits. Furthermore, an opportunity is dependent on the current surroundings and consequential factors. In this sense rational choice is perhaps of some use in explaining instrumental rather than expressive, violent crimes. Even though bounded and restricted by reality, rational corrupt acts are often committed, such as dumping toxic waste and environmental harm, which is discussed below.

Limitations to Rational Choice

The notion of what is 'real' and 'right' is open to interpretation but used in combination with the term 'realism' it is inherently political and claims that crime and criminal justice are a real issue and thus a societal problem, though with a focus on the individual rather than the social structure to understand and tackle crime. There is no necessary connection between the theoretical approaches mentioned in this chapter and conservative criminal justice policy, which found favour and resonated in conservative circles with its emphasis on individual responsibility (Jones 2006).

Placing responsibility on individuals, and holding them to account, depending on your own view, is a convenient way to frame social issues in a time of economic austerity with cuts to public expenditure. This view, however, is inconsistent. Focusing on the individual it presumes that inequality is a part of society and non-problematic, and that criminal justice policy aims to deal with individual rather than societal issues. It further has a tendency to focus on specific types of crimes, such as visible street crime, and associates a criminal disposition with the poorest sections of society, thus framing crime as embedded in human nature (or that of the poorest) rather than in the social fabric and as such sees offenders as beyond reform and therefore in need only of punitive control (Lilly et al. 2015). It thus portrays crime as a simple event which can be dealt with by simple solutions.

The social and political conditions that render such approaches popular and find a voice in conservative political circles also demand a withdrawal of the state. Seeing offenders in this way the policy implication is based on a tendency to favour punitive deterrence and custodial sentences, which need the state to increase its role by expanding the public prison sector or regulating the private sector; either way increases its size rather than reducing its reach into the lives of individuals. This is a form of net-widening (Cohen 1985) aimed primarily at sections of society that are seen as dangerous. Placing people in prison is also the most expensive form of punishment of state intervention in criminal justice and is constantly criticized as ineffectual with little or no empirical basis for its justification, as crime rates do not substantially decrease in relation to incarceration alone. A conservative approach, however, is one that wishes to withdraw from the economic and welfare sphere whilst increasing its

reach in law and order; it thus favours a small state, depending on the social and political issue.

Issues of power, class and race are overlooked by these authors who are unable to explain why there are different crime rates in parts of the USA, even with the obvious differences in levels of deprivation, racism and unemployment (Currie 1991). This criticism has resonance now with the collapse of legitimate policing in some black neighbourhoods in the USA. The view of individual responsibility in the face of structural inequality still seems to be one that some sections of the USA hold onto, where they see crime as a problem for a community, and that the displacement of crime, mostly to poor parts of a neighbourhood, are down to the feckless nature of its individual citizens.

A Rational Choice: Appetite for Destruction and Environmental Corruption

Whilst rational choice mostly focussed on street crimes, this approach has some use in explaining individual and organizational environmental crime as well. Many of these acts are not criminal, but they do harm and damage the environment and people, and as such fit onto a continuum of corruption (Brooks et al. 2013). All the acts have the same common theme: to avoid costs and maximize income, thus they could be seen as rational.

Before proceeding it will be useful to define what an environmental crime is. There are civil and criminal definitions of environmental crime, but these are restrictive. A broad conceptualization might be of more use when harm is the central theme, which can range from illegal dumping by individuals to 'serious instances of ecological destruction' (Halsey 1997: 121). Some clarification is needed here on how the gamut of environmental crimes fall under acts of corruption. Pollution is not of itself an environmental crime as individuals and businesses regularly harm the environment (even though this is still contested). A rational decision to harm the environment is part of the routine of daily life; mining, the manufacturing of cars and deforestation are all harmful, but also profitable for some (Beirne and South 2013; South and Brisman 2013). Furthermore,

the dumping of unwanted products by individuals, such as a broken washing machine, is also damaging to the environment, and if caught will result in perhaps a financial penalty, though this is insignificant compared to illegally dumping toxic waste in rivers and streams with the knowledge that such chemicals will harm, or kill, a local population, or to dumping hazardous highly inflammable waste and solvents in a landfill site that has not been authorized to receive them (United States Environmental Protection Agency (2010)). Both acts, by an individual or organization will have been based on a rational choice: neither wanted to dispose of the unwanted products or the by-products of chemical process safely since it would cost them time and money.

Much of the time environmental harm is dealt with on a civil basis, though this seems to depend on the type of act, how damaging the act was, the period of time which the harm was ongoing, the number of people affected, and if it was an individual and/or an organization. To state the obvious, organizations and states often commit the most egregious, harmful and substantial environmental damage, such as illegal emissions, illegal disposal of waste, illegal dumping and the harmful destruction of property and wildlife (Payne 2012). There is also the problem of unintended consequences due to neglect. For example, the Exxon Valdez disaster in Alaska in 1989 that spilled oil into Prince William Sound was probably caused by the employment of a captain with an alleged alcohol problem and overworked employees. Whilst not intended, the employment of such a captain and overworked employees could still be seen as rational by someone working for Exxon Mobil that contributed to the eventual disaster. It is impossible to claim that the chain of events that preceded the disaster caused the environmental harm, but rational choices regarding costs led to Exxon Mobil failing to prevent such a disaster.

This type of disaster is visible and obvious, but the dumping of hazardous waste is easy to commit but difficult to detect, as non-hazardous substances can be mixed with hazardous substances so as to dilute the toxicity (Dorn et al. 2007). Whilst perhaps not as harmful, illegal dumping by individuals still has an impact since products such as car tyres, fridges and building materials affect the land where they are dumped and also attract others to do the same. The work of Wilson and Herrnstein (1985) and broken windows has some relevance here. Broken windows thesis focuses on the importance of disorder (e.g., broken windows) that unless dealt

with can lead to more disorder and thus serious crime. Whilst disorder is not the direct cause of more serious crime, it is suggested that it can lead to a rise in fear of crime as the physical environment is neglected. Residents then withdraw engaging with one another in a neighbourhood/community, potentially leading to more serious crime because of decreased levels of informal social control. A lack of care and attention to an environment will in time encourage others to treat the place/community/land in the same harmful and neglectful manner. Whilst illegal dumping is primarily done for economic reasons, as individuals and organizations seek to avoid the costs involved in disposing of waste, such acts cause significant economic costs, depending on what is dumped, through the impact on the local population's health and the price of cleaning a despoiled environment. There are thus costs to this type of corruption, though these do not always fall on those that committed the act.

Other acts of environmental corruption include the harmful destruction of property and also wildlife (Beirne and South 2013; South and Brisman 2013). For example, before a business can clear land for development, and thus destroy the habitat, it must seek permission; this, however, depends on the country and jurisdiction. Failing to secure approval is often dealt with by a financial penalty and perhaps loss of future contracts in some jurisdictions rather than a custodial sentence. If there is any punishment, it is after the event when the environment has already been damaged. This is exacerbated by the international nature of such acts: the oil sector works closely with corrupt states to secure profit and harm the environment; there is a trade in illegal wildlife, both dead and alive, in illegal fishing at sea through unreported catches and the use of prohibited equipment and unregulated and unreported vessels (National Oceanic and Atmospheric Administration 2010). Furthermore, in a number of states organized crime obtains permits to dispose of waste and the owners of landfill sites are either bribed or threatened to sign for shipments they did not receive, with the waste dumped illegally in sewers, waterways and the ocean (Albanese and Pursley 1993). All these acts, however, are rational, both by those that commit them and by those that purchase such products from for example the illegal trade in ivory, with a view to make a profit or obtain illegal products or personal aggrandisement.

Such acts are compounded by limited state regulation and punishment of such acts but also by corrupt officials that can and do accept

bribes to establish toxic waste dumps, to engage in illegal construction, oil extraction, mining, logging and trade in wildlife, all of which harms the environment and people in the name of profit, or perhaps more aptly increased profit. There is much evidence that indicates that environmental law violations are 'socially patterned' (Simon 1995: 6) as they are regular and consistent rather than random and accidental. These patterns of environmental crimes, however, are part of organizational rather than individual corruption. Furthermore, environmental crimes are not uniformly spread across all sectors and nations, where breaking conventions, codes and national and international ecological laws are often transgressed. The problem is that working within a capitalist framework, regardless of the type of capitalism, leads to the accumulation of wealth for which some environmental destruction is inevitable. This is not a justification for environmental crimes, as sustainable alternatives are available; but the imbalance of power within a country and also between states leads to powerful organizations working with corrupt regimes, or acting alone, in the pursuit of profit. For example, nationally and locally in the USA (Gedicks 1993; Hurley 1995) executives have opposed environmental regulations that protect the environment but approve those that benefitted them as an organization economically.

The dependence on minerals, mostly oil, has also often turned out to be a curse on economic development, resulting in increases of violent conflict, a stymieing of democracy, if it existed, and an increase in corruption. Natural resources seem to reinforce the patronage politics in states that have subsistence economies prior to the discovery of oil, such as Nigeria. This resource curse is a complex phenomenon: it is where oil rich nations with corrupt political systems extract oil from their own land and extract the subsequent funds from its own population (Shaxson 2007), whilst causing damage to its own environment. This problem is exacerbated by oil nationalism where the Middle East, Brazil, Mexico, Venezuela and Iran control the distribution of oil revenue (or the percentage of it negotiated with an oil company) as a state matter. This rise in nationalism has helped the oil industry to shift the blame of the poverty of plenty onto national internal politics. However, many of these states lack the knowledge and skills and technology to extract oil and need help to succeed (Coll 2012). They are therefore still dependent on outside help or interference and,

whilst not under colonial rule anymore, private oil organizations are in the position to withdraw assistance unless a set profit margin is secured (Brooks et al. 2013). Furthermore, social programmes paid for by the oil sector are exposed as irrelevant or little more than public relations exercises for an international press, as the sums of money spent on changing the infrastructure, unless of use to the oil company and the transportation of oil, is minimal (Coll 2012).

The problem encountered in the oil sector is that many of the states they deal with are ethically diverse, have a high probability of civil war, extreme poverty, patronage politics and suffer threats of invasion from neighbouring states. Environmental damage is only one part of a collection of criminal acts. The resource curse then is associated with a number of economic, political and security issues, with resource dependent states often exhibiting extreme levels of institutional conservatism and inertia (Leander 2005) with stability relying on fiscal transfer rather than statecraft (see Karl 1997; Leite and Weidmann 1999; Ross 1999; Auty 2001; Ross 2001). Furthermore, owing to such instability substantial revenue has to be spent on state and often personal and familial safety. High levels of resource revenue have allowed some states to maintain a stable autocratic system by buying social peace, co-opting political descent and military power. These conditions lead some to extract oil as fast as possible, resulting in environmental harm due to the fear of losing power and sending funds abroad via international financial systems away from the state in need of the investment. The resource curse then abuses its citizens and undermines public faith in the integrity of rules, systems and institutions (Shaxson 2007), and damages the environment, of which oil organizations are a part.

The consequences of these acts are manifold, with most people unaware that they are a victim until it is too late when illness, disease and death occur. Environmental crime can cause immediate physical injury from exposure to harmful chemicals, future health issues, emotional distress from fear of future injury, disruption in social and economic activity, property damage and ecological damage (O'Hear 2004; Payne 2012; Beirne and South 2013; South and Brisman 2013). The human costs are substantial with victims often in poor, developing states or in poor parts of an affluent nation. This is referred to as environmental racism and is used to highlight how those from an ethnic background, particularly

in the USA, are subjected to and at risk of the ill effects of environmental crimes. The costs of a harshly competitive culture can be seen in the flood plains of North Carolina. Rapid consolidation of family farms has pushed people off the land with little option of employment elsewhere. The industrialization of meat production has left predominantly African American people surviving on welfare, stranded in a wasteland dotted with lakes of animal excrement and high levels of ammonia, hydrogen sulphide, acetic and butyric acids produced by the mass production of meat (Hefferman 2014).

There are also different costs to a community: the quality of life is reduced, property prices collapse, and such crimes can 'erode the moral base' of a community (Kramer 1984: 8). These costs are impossible to quantify and yet the impact of environmental crimes is stratospheric. The costs are unknown and research tends to be retrospective because of the nature of these types of civil and criminal infractions. Environmental crime is also changing as we, mostly in the West, have clean air, clean water and a healthy environment amidst pockets of rampant pollution; elsewhere the world resembles the Industrial Revolution and the consequent pollution of rivers, air and land and the subsequent deaths of people such as in China.

One approach to decrease the acts of environmental damage is the Comprehensive Environmental Response Compensation and Liability Act established in 1980 (commonly known as the Superfund Act) amended in 1986 to deal with some of the USA's worst uncontrolled hazardous waste sites (see New York's Love Canal case; Payne 2012). Under the Environmental Protection Agency (EPA) cleaning hazardous sites are financed by a combination of revenues, such as taxation on the petrochemical industry and enforcement induced expenditures on identified offenders. The enforcement is based on underlying premises are strict liability, and those responsible for the hazardous conditions at Superfund sites held liable for disposal of waste whether they were negligent or not in running the site. However, where the contribution for the cleaning of the site is not divisible, each responsible party can be held for the total cost of the waste, regardless of the proportionate contribution. Toxic waste sites are bought and sold and so it is sometimes difficult to establish who is liable; in this situation petrochemical organizations study the site records and seek other organizations to blame, or be held responsible, as

Monsanto did and reduced its US\$40 million bill by 40 % after identifying 20 other responsible 'partners' (Payne 2012: 432).

If an organization refuses to pay for cleaning a site the EPA pays and will then initiate a suit to recover costs and impose a penalty that is three times these costs. All penalties are paid back into the Superfund, though, as with any regulatory body, the approaches used to secure compliance differ, with those accused of despoiling the environment arguing that everyone has benefited from the chemical revolution and so should contribute, with a preference for a broad based tax on the industry. With the cost of litigation, which many a petrochemical organization can afford, a strategy of non-confrontational compliance, or paying for cleaning the site then seeking payment from the organization afterwards or aggressive enforcement, becomes a tactical matter for the EPA. However, the Department of Energy and Defence have their own hazardous waste sites to deal with and toxic waste is not solely a matter for private sectors. Perhaps what is not in doubt is that there is no ethical dimension to dumping toxic chemical waste by some organizations; all such crimes are rational and made with the sole focus of profit in mind.

Environmental crimes can differ in type, size and impact across the world, but what interlinks them is a rational choice to produce a product in one country with poor regulation and protection for people and the local environment and dispose of the waste as cheaply as possible. This problem is exacerbated when the Government Accounting Office in the USA estimates that much of its own toxic pollution is exempt from the reporting procedure, with military nuclear waste stored in close proximity to local populations.

Taxpayers, however, are required to pay for enforcement and repair of environmental damage. In addition to despoiling the environment such acts, if discovered, can lead to the organization paying a financial penalty and reducing its workforce (Barnett 1981). Those that have had no part to play in the corruption are perhaps living in a polluted location, with no employment and poor health. The economic costs associated with the rational choice to commit such criminal and civil corruption impact on a wide and diffuse population: those that are affected by toxic waste, and all those that pay for enforcement. Lending credence to this view, at least in the 1990s, was the leak of an internal memo from the World Bank that encouraged 'more migration of dirty' toxic wastes to 'the less developed world' (Rosen 1994: 226).

The International Energy Agency estimated that US\$490 billion subsidize the extraction and use of fossil fuels around the world. There is a call for these to be phased out, with funds spent on clean energy and health and education, but the direct subsidies are mostly in the developing world, and it will be difficult to convince them that such a move is worthwhile. Most subsidies keep the price of fuel low, which is popular with customers worldwide, though the cost of fuel in some states is so low—it is two cents a gallon in Venezuela as of 2015 (Schwartz 2015: 7)—that any increase in costs is political suicide. However, with the price of oil remaining low, the prices of premium fuel in Venezuela has risen in (2016) to (US) \$0.60 a litre to raise much needed state taxation. Developed nations such as the USA also keep the cost of fossil fuels low but with the use of tax breaks and by backing exploration and production the OECD has counted at least 800 different ways that industrialized nations use taxpayers' funds to support fossil fuel production, with the IMF figure of US\$5.3 trillion of subsidies that included the costs of energy, of health, and of environment and climate change—a figure that constitutes 6.9 % of global gross domestic product. Such subsidies exacerbate environmental damage and afford the coal and oil sectors a distinct advantage, making alternative energy sources less affordable and the transition to a sustainable energy system impossible. Even if you dismiss climate change, such subsidies do little to prevent environmental disasters, which impact mostly on those that can ill afford them.

Conclusion

This chapter has highlighted how rational choice helps explain some acts of corruption. Even though its focus was predominantly on explaining street crime, this approach is useful in helping us to understand environmental crimes. There are limits to this theoretical approach but, excepting accidents, the dumping of toxic waste on land, in the oceans, on a population, community or state that is unable to resist, is a rational choice. Preventing environmental crimes is exacerbated by vested interests blocking or lobbying to prevent legislation that protects the environment in democratic states, but even more so in oil rich nations with paternal, familial systems of politics and an autocratic style of control. Furthermore, enforcement appears

ineffectual as taxpayers' funds are used to rectify the damage, if possible, and the harm caused by wayward organizations that seek increased profits. It therefore perhaps makes sense to act in a rational and corrupt way; profit is secured by an act of environmental corruption, the consequences for this are often a financial penalty, the cost of paying this penalty, if caught and convicted, is less than the profit secured. Even though the environment—land, air, oceans—are harmed, individuals and organizations are allowed to continue to reap financial benefits at the expense of both the health of populations and the environment and to continue to sow future harm.

References

- Albanese, J., & Pursley, R. D. (1993). *Crime in America: Some existing and emerging issues*. Englewood Cliffs, NJ: Prentice Hall.
- Auty, R. (2001). *Resource abundance and economic development*. Oxford: Oxford University Press.
- Barnett, H. C. (1981). Corporate capitalism, corporate crime. *Crime and Delinquency*, 27(1), 4–23.
- Beirne, P., & South, N. (2013). *Issues in Green Criminology*. Abingdon: Routledge.
- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.
- Clarke, R. (1980). Situational crime prevention. *British Journal of Criminology*, 20(2), 136–147.
- Cohen, S. (1985). *Visions of social control*. Cambridge: Polity Press.
- Coll, S. (2012). *Private empire: Exxon mobil and American power*. London: Allen Lane.
- Cornish, D., & Clarke, R. (1986). *The reasoning criminal: Rational choice perspective on offending*. New York: Springer.
- Currie, E. (1991). The politics of crime: The American experience. In K. Stenson & D. Cowell (Eds.), *The politics of crime control*. London: Sage.
- Dorn, N., Van Daele, S., & Vander Beken, T. (2007). Reducing vulnerabilities to crime of the European waste management industry: The research base and the prospects for policy. *European Journal of Crime, Criminal Law and Criminal Justice*, 15(1), 23–36.
- Gedicks, A. (1993). *The new resource wars: Native environmental struggles against multinational corporations*. Boston: South End.

- Halsey, M. (1997). The wood for the paper. *Australian and New Zealand Journal of Criminology*, 30(2), 121–148.
- Hefferman, M. (2014). Fishing with dynamite. *New Statesman*, pp. 35–37.
- Hirschi, T. (1969). *Causes of delinquency*. Berkeley, CA: University of California Press.
- Hurley, A. (1995). *Environmental inequalities: Class, race and industrial pollution in Gary, Indiana, 1845–1980*. Chapel Hill, NC: University of North Carolina Press.
- Jones, S. (2006). *Criminology* (3rd ed.). Oxford: Oxford University Press.
- Karl, T. L. (1997). *The paradox of plenty: Oil booms, Venezuela and other petro-states*. Berkeley, CA: University of California Press.
- Kramer, R. C. (1984). Is corporate crime serious crime? Criminal justice and corporate crime control. *Journal of Contemporary Criminal Justice*, 2(6), 7–10.
- Leander, A. (2005). The market for force and public security: The destabilizing consequences of private military companies. *Journal of Peace Research*, 42(5), 605–622.
- Leite, C., & Weidmann, M. (1999). *Does mother nature corrupt? Natural resources, corruption and economic growth* (Working paper WP/99/85). Washington, DC: IMF.
- Lilly, R. J., Cullen, F. T., & Ball, R. A. (2015). *Criminological theory: Context and consequences* (5th ed.). Thousand Oaks, CA: Sage Publications.
- Martinson, R. (1974). What works?—Questions and answers about prison reform. *The public interest*, 1(35), 22.
- National Oceanic and Atmospheric Administration. (2010). *New federal rule allows NOAA to deny port entry to illegal fishing vessels*: Press release, October, 13, 2010. Washington: US Dept. of Commerce.
- O’Hear, M. M. (2004). Sentencing the green dollar offender: Punishment, culpability, and environmental crime. *Journal of Criminal Law and Criminology*, 95(1), 133–276.
- Payne, B. K. (2012). *White collar crime: A Text/Reader*. Thousand Oaks, CA: Sage Publications.
- Rosen, R. (1994). Who gets polluted: The movement for environmental justice. *Dissent*, Spring, 223–230.
- Ross, M. L. (1999). The political economy of the resource curse. *World Politics*, 51(2), 297–322.
- Ross, M. L. (2001). Does oil hinder democracy? *World Politics*, 53(3), 325–361.
- Schwartz, J. (2015). On tether to fossil fuels, countries speak using money. *International New York Times*, Monday, December 7, 7.
- Shaxson, N. (2007). Oil, corruption and the resource curse. *International Affairs*, 83(6), 1123–1140.
- Simon, D. R. (1995). *Social problems and the sociological imagination*. New York: McGraw-Hill.

- South, N., & Brisman, A. (2013). *Routledge international handbook of green criminology*. Abingdon: Routledge.
- United States Environmental Protection Agency. (2010). *Environmental justice*. Washington, DC: EPA.
- Walklate, S. (1998). *Understanding criminology*. Buckingham: Open University Press.
- Wilson, J.Q., & Kelling, G.L. (1982). Broken windows, in R.G. Dunham (ed) *Critical issues in policing: Contemporary readings*, pp. 395-407. Chicago, Illinois Waveland Press.
- Wilson, J. Q., & Herrnstein, R. (1985). *Crime and human nature*. New York: Simon and Shuster.
- Wilson, J.Q., & Kelling, G.L.(1989). Making neighborhoods safe. *Atlantic Monthly*, 263(2), 46–52.
- Young, J. (1994). Incessant chatter: Recent paradigms in criminology. In M. Maguire, R. Morgan, & R. Reiner (Eds.), *The Oxford handbook of criminology*. Oxford: Oxford University Press.

11

Explaining Corruption: A Routine 'Business' Activity?

Introduction

The whole of this chapter is dedicated to the theoretical approach which falls under the umbrella of right realism because of its potential to explain acts of corruption even though this was not its intended purpose. As with the work of Wilson and Herrnstein (1985), Clarke (1980) and Cornish and Clarke (1986) discussed in Chap. 10, routine activity developed under the same social and political circumstances that sought to explain criminal behaviour. The focus here is mostly on the work of Cohen and Felson (1979) but, where relevant, reference is made to other sources.

Crime as Routine: A Commonplace Occurrence?

This theoretical approach was highly critical of what it refers to as a preoccupation with dispositions, that is biological, psychological and sociological explanations of crime. This has had consequences for criminal justice policy and prevention. In reference to prevention such dispositional

approaches are too broad, though, at the same time, they claim that crime is the preserve of a small number of highly active, criminally disposed individuals. Yet, crime is committed by many people from different social backgrounds. Therefore this approach is critical of the focus on dispositions and their attempts to prevent and reduce crime on the basis that there are acceptable ways of modifying temperament and individuals' biology in the name of criminal justice. Instead of worrying about the socialization of children, eradicating poverty and being concerned with whether young offenders go through a period of delinquency, this approach is one that is practical. Rather than focus on distant psychological events and social processes then, it is thought better to focus on the situation and context and the choice available to individuals. An obvious problem here is that some impulsive, expressive offences, and those committed under the influence of alcohol or legal and illegal narcotic substances or emotional trauma, are difficult to claim as being rational and routine. What is seen as the subjective assessment of an offender is limited in its explanatory value as its focus is on immediate situational variables and the physical environment that impact on our choice to commit crime.

Routine activity originally stems from Hawley's (1950) theory of human ecology, which explored the temporal aspects of human behaviour in community environments. Hawley identifies three key aspects of collective human activities: rhythm (the normal recurrence of events), tempo (the number of events in a certain period of time) and timing (the coordination and intersection of behaviours in the environment). Cohen and Felson (1979) adapted these principles and put forward the view that crime is the product of three factors that combine in time and place: being a motivated offender, being a potential victim, and the absence of a capable guardian. It is important to note that this approach offers suggestions about the probability of criminal behaviour rather than making definite claims about when crime will occur. The presence of a motivated offender, a suitable target, an actual victim or a product owned by a victim, and a lack of a guardian, does not mean that crime is inevitable. Instead, this theoretical approach suggests that the likelihood of crime increases or decreases based on the existence of these three elements and that by studying crime trends at varying macro and micro-levels of

analysis, ranging from national crime rates to particular individuals or locations with an evaluation of what is or is not a suitable target, largely depends on the perceptions and preferences of an individual offender. Cohen and Felson (1979) also suggest that major societal changes, such as an increase in female employment and the consequence that few people are at home for much of the day, have influenced the quantity of suitable targets.

These three factors can be identified in our daily life and routines and provide the framework within which crime occurs. It is assumed that the frequency of crime will decrease if (1) the probability of success is decreased, (2) the potential benefits are reduced and (3) the potential costs are increased (Cohen and Felson 1979). If potential or actual criminals' prior attempts are successful and avoid punishment, they are more likely to offend again (Dugan et al. 2005). What is meant by a 'routine activity' is any recurrent act that provides for the needs of the population and individuals (Gottfredson 1981). The key variable in explaining crime and the subsequent victimization is therefore the scope of social life, which can and does sometimes enable crime by regularly placing individuals in criminogenic situations (Garland 1999). In economics terms, crime is the supply side, a consequence of the openings to commit offences, though it fails to explain the demand side, the desire to commit crimes.

Attempting to explain the situational aspects of crime, this theoretical approach looks to coincide time and space as a crucial function of criminal understanding of places of crime. The emphasis on situational aspects, particularly of space, makes crime a built-in feature of our social organization (Garland 1999). Cohen and Felson (2003) state that, since illegal acts must prey upon other acts, the spatial and temporal structure of routines should play an important role in determining the location, type and quantity of illegal acts. This is an ecological approach that shows how people interact within an environment and how the incidence of crime can be reduced to the interaction of the three vital elements mentioned above. This 'chemistry of crime' and combination of elements has been mainly used in hot-spot policing, which is the use of proactive policing tactics and the saturation of a community to reduce crime (Sherman 2004). Hot-spot policing research has secured much political

support, particularly in the USA (Crow and Bull 1975; Pierce et al. 1986; Sherman et al. 1989; Weisburd et al. 1992; Sherman and Weisburd 1995; Taylor 1997; Sherman et al. 1997; Brantingham 1999; Braga et al. 1999; Roncek 2000; Eck 2002; Ratcliffe 2004; Weisburd et al. 2006; Braga and Bond 2008) but mostly focuses on crime in the streets rather than crime in the suites. As with rational choice the focus here is primarily on street crime in an environment with its focus on violence or threats of violence rather than acts of corruption.

It is suggested that a capable guardianship has the potential to dissuade or prevent crime, even in the presence of a motivated offender. Capable guardianship is, however, an expansive concept that is open to interpretation. Formal guardianship, such as police officers and other types of law enforcement, symbolize a recognized form of protection from crime and victimization, depending on country and jurisdiction. Law enforcement only deters some from crime rather than all and, if successful in preventing it by a visible presence, delays can displace it elsewhere rather than prevent it. The presence of law enforcement might prevent a crime from happening, though this is an assumption rather than a fact. In a more informal sense, capable guardianship can include civilians such as the residents of a particular neighbourhood within a community. Cohen and Felson (1979) suggest that citizens provide more guardianship in society than the police because there are fewer police officers patrolling neighbourhoods than there are citizens. There is, however, the potential for a neighbourhood to become the problem as it uses its own excessive force to police its own locality (Johnston 1996). Guardianship is not limited to people: it also uses technology, such as a security camera or a burglar alarm, to prevent crime.

Much of this is about 'lifestyle': what we do, where we live, who we interact with. This is particularly so for the element of victimization. The hallmark of this approach is its de-emphasis upon the offender and a shift of attention towards what is referred to as the target and guardian. This target is a person or property that any offender would like to take or control; the term 'target' is used rather than victim because it emphasizes the physical nature of each criminal act. The measurement of this victimization has been by *exposure*: the likelihood of victims coming in contact with offenders. As Hindelang et al. (1978: 250) explain:

The offender and the victim—must have occasion to intersect in time and space ... some source of dispute or claim must arise between the actors in which the victim is perceived by the offender as an appropriate object of victimisation ... the offender must be willing and able to threaten or use force (or stealth) in order to achieve the desired end ... the circumstances must be such that the offender views it as advantageous to use or threaten force (or stealth) to achieve the desired end ... the probability of these conditions met is related to the life circumstances of members of society.

Furthermore, Cohen and Felson (1979, cited in Gottfredson 1981) suggest that probabilistic exposure can be predicted on the basis of routines, which themselves are determined by the social structure and by role expectations. This situational aspect is one mechanism by which static or changing social structural actions may lead to variation in victimization rates. There is some support for this view (Kennedy and Forde 1990; Coston and Ross 1998; Tewksbury and Mustaine 2000; Mustaine and Tewksbury 2002; Schreck and Fisher 2004; Nofziger and Kurtz 2005) that repeat victimization contributes substantially to crime rates (Lauritsen and Laub 2007). However, more is needed on why offenders repeatedly target the same victim (Farrell 1995). This explanation does not blame the victim or the offender, in particular, but instead looks at the situations which contribute to victimization. In circumstances where a suitable target is in constant contact with offenders, and where guardians are absent, the likelihood of being repeatedly victimized is increased. Felson (1987: 912) built on his view by highlighting how the absence of 'intimate handlers' leads to exploitative situations and by combining this with social control (see Chap. 7). Some offenders have no social bonds and hence no informal social control, but many of us have social bonds and 'intimate handlers' (in this sense a father and/or mother) to 'seize the handle' and impose formal control. This informal control can be circumvented (the notion of bonds is dealt with in Chap. 7), but external control (police, regulatory bodies) is limited in preventing corruption. The concepts and implications put forward by this approach coincide with a number of other theoretical approaches that focus on minimizing criminal openings, bolstering social control measures and potentially reducing crime. Drawing on Newman's (1972) notion of defensible space, these

theoretical frameworks emphasize proactive environmental techniques, such as target hardening, controlled access and effective surveillance, in order to dissuade offenders and reduce avenues for crime; however, they mostly focus on visible crime.

Limitations of Routine Activity

Routine activity does not seek to explain the motivation for crime (even though it states it needs a motivated offender), nor does it offer an explanation as to the social context which might highlight the combination of these variables. There are many issues with this approach, but one is immediately obvious: the definitions and terminology used is inconsistent. There is no clear definition of what constitutes a 'potential' offender or a 'vulnerable' target or a 'capable guardian' in the literature. In addition there is no clear definition of what is meant by 'going out' for leisure. This could include playing sport, having a drink, a party in a bar or a house. Lifestyle is central to this approach, which is assumed, and many of the measures that represent 'lifestyle' are not solid or direct. This makes it difficult to claim that some types of prevention have been successful or why some guardians are more capable than others. Neither does it endeavour to explain thoroughly why some behaviour renders individuals more susceptible to victimization (Walklate 1998).

Research supporting this approach has been forced to rely on crude indicators for both of the important theoretical concepts of lifestyle and exposure (Gottfredson 1981). At the individual level, the variable of situations is assumed to be reflected in major demographic characteristics, such as age, sex, race and income; it also has a tendency to make simple assumptions about the way crimes occur, such as at night or near a bar. With few exceptions research on situations has dealt only with cross-sectional data; but the situational data now available from victimization surveys are inadequate to assess exposure. A requisite for the study of routine as it relates to victimization, however, must emphasize the detailed and systematic tracking of the intricate and undoubtedly complex series of moves and counter-moves—oral and physical—between the victim and the offender as situational events unfold.

Furthermore, this theoretical approach views crime as a built-in feature of our social organization; as such offenders are no different from other individuals: crime is very human and 'ordinary people' do ordinary crimes. The motivation to commit crime then is evenly distributed across the population. There is, of course, a body of theoretical literature about criminality but it is silent with respect to the motivation to offend (see Chap. 7). Theoretical approaches that fall under the umbrella of control take deviant/criminal motivation as non-problematic; instead of attempting to explain the causes of crime, they instead attempt to explain the reasons why people do not commit crimes (Paternoster and Bachman 2001).

In addition there is little theoretical rationale for explaining which people make victims, offenders or capable guardians. Explicit in this approach is the assumption that there is always a constant supply of motivated offenders and that either strong or weak controls and/or strain (see Chap. 5) engender motivation. Cohen and Felson (1979) left out motivation and as such take structural organization as settled (Garland 1999). In leaving out this key variable, the theory cannot be an overarching one of explanation of crime or victimization. As LaFree (2007) notes, the situation has no obvious relation to criminal behaviour unless examined in terms of potential offenders' perceptions and motivations. Essentially culture and social structure are treated as constants, differing only in content but not in strength, and therefore theory is neither possible nor required, for there is nothing to be explained. Where offenders are no different from other individuals (Garland 1999) then everyone can be said to have been socialized equally; however, perfect socialization is impossible because we are resistant to it, and no society can ever supply the conditions of perfect socialization, since all are subject to some degree of social disorganization.

In Pursuit of Profit: Corruption, Business and Financial Crimes

Sutherland (1949) and subsequent authors (Simon 1995; Simon and Hagan 1999) have pointed out how some sectors engage in illegal practices as a matter of routine; one such sector appears to be the financial

one. There are many examples of corruption committed by businesses around the world that have motivated offenders, available victims and ineffectual regulatory bodies to prevent crime. Perhaps the most appropriate example that this theoretical approach could offer is what is needed to prevent corruption. As was mentioned in Chap. 7, forceful regulation and tough punishment is needed to reduce the level of corruption. In democratic states punishment can differ, but a common theme is to punish the organization rather than the individual, and often with a financial penalty rather than a custodial sentence for acts of corruption in the financial sector.

Corruption in the financial sector appears to be disappointingly routine. Often presented as individual rogue traders, this section highlights the frequency and routine with which scandals have occurred in 'modern' finance by drawing on examples from around the world. Instead of trying to identify a disposition for crime, practical measures are required. Whilst all strategies of prevention are limited, one element here is of importance, namely to make the opportunity to commit crime difficult, which is similar to the economic model and the view of why people are corrupt (see Chap. 2). Less is said about what to do with offenders once apprehended; however, since this falls under the broad church of 'right realism', it is accepted that individuals make choices and if prevention fails then punishment becomes a force for deterrence. The problem here is that acts of criminal corruption are often hidden and hence strategies and regulation in this sector are limited. Punishment as both a primary and secondary form of deterrence is perhaps the best strategy available. Primary deterrence is the punishment, a long prison sentence, imposed on the offender and that will hopefully deter him or her from committing future criminal acts; secondary deterrence is where the fear of this type of punishment will deter others from crime. The problem here is not so much one of deterrence, but the political will to enforce sanctions—the treatment of 'elites' in Japan is a useful example (Suda 2011)—that have the potential to deter.

The following examples highlight this point. The terminology used in the financial sector is now perhaps well-known because of the financial crisis, but the import of such terms as 'collateralized debt obligations' are sometimes unclear. I will briefly explain some of these terms.

In February 2015, Standard & Poor paid a US\$1.375 billion civil settlement to the Department of Justice (DOJ), 19 US states and the District of Columbia (Warren 2016). The settlement was in response to its involvement in misrepresenting the real credit risks of residential mortgage-backed securities and collateralized debt obligations. The latter is a set of pooled assets—such as mortgages, bonds and loans that serve as collateral. They are packaged in slices and differ in risk. The highest credit-rated risks offer lower returns but are relatively safe because they have a priority call on the collateral in the event of a default, whilst the lowest credit-rated risks offer better returns but have an increased chance of default. These collateralized debt obligations were one of the chief causes of the 2008 financial crisis. This settlement, however, was less than one-sixth of the size of the fine the DOJ and the states originally sought. Furthermore, Standard & Poor refused to admit responsibility and plead guilty. The DOJ, however, failed to prosecute a single individual. A criminal event, even if repeated, is a systematic result of the meeting of people in space and time. This does not mean that everybody that is party to this event or chain of events chooses to be part of it or approves of it or knows about it. It is a convergence without concurrence, a product of uncoordinated, asymmetric choices. This is an apt description of corruption, as many are unaware of victimization.

If we are aware of victimization and possess evidence of corruption there is an expectation that individuals and organizations should be punished. Whilst those in the financial sector have been punished for what appears to be routine acts of corruption, it is the type of punishment that is perhaps disappointing. Known as the 'the cartel', Citigroup, JPMorgan Chase & Co, Barclays, UBS, AG and Royal Bank of Scotland paid a combined US\$5.6 billion settlement to the DOJ, in May 2015 (Warren 2016). These banks manipulated exchange rates for more than five years in a way that made the banks billions of dollars at the expense of individual clients and organizations that invested in financial packages. Moreover, the Securities and Exchange Commission (SEC) allowed each bank to continue to trade even though crimes had been committed. Granted waivers, which is a voluntary relinquishment or surrender of some known right or privilege, the banks were allowed to continue to engage in the business activities that were being abused. The banks need

these waivers from rules that are meant to restrict offenders from working in the financial sector and securities business. These waivers also allowed the banks to avoid the collateral consequences that were supposed to accompany a guilty plea. UBS, however, separately pleaded guilty to wire fraud charges in connection with interest rate manipulation. These waivers meant that the banks' much-hyped guilty pleas were ultimately 'likely to carry more symbolic shame than practical problems' (Warren 2016).

Furthermore, DB Group Services Limited, a wholly owned subsidiary of Deutsche Bank, paid a US\$775 million settlement to the DOJ, in April 2015. The settlement came in response to charges that the bank had rigged the London Interbank Offered Rate (LIBOR). LIBOR is an international benchmark that the world's leading banks charge each other for short-term loans. These loans are based on five different currencies—the US dollar (USD), the euro (EUR), sterling (GBP), the Japanese yen (JPY) and the Swiss franc (CHF)—and mature at different times: overnight, one week, and one, two, three, six and 12 months, with a total of 35 different rates set every day. Used as a benchmark for approximately US\$10 trillion in loans, including some mortgages, student loans and auto loans, its impact on the interest we pay for a loan is substantial. DB Group Services pleaded guilty to wire fraud, and the parent Deutsche Bank entered into a deferred prosecution agreement 'to resolve wire fraud and antitrust charges'. Deutsche Bank was singled out as an 'especially aggressive participant' in the LIBOR scheme and 'also was criticized for failing to cooperate fully with U.S. and British authorities'. Regulators' investigations revealed 29 employees to be involved in the misconduct (Warren 2016: 5). Yet again, there were no prosecutions by the DOJ, and the financial penalty merely dented Deutsche Bank profits for the first quarter of 2015. A few weeks after this settlement, the SEC allowed Deutsche Bank to continue to enjoy its regulatory advantages that should only really be available to banks compliant with the law. In this instance the regulatory bodies failed to prevent such criminal corruption and then, once discovered, failed to deter future acts sufficiently. The examples so far indicate that such corruption in the financial sector is a matter of routine; there are motivated offenders, available victims – on a world-wide scale—and poor custodians that have failed to control and/or deter routine acts of corruption. In May 2015, Deutsche Bank AG paid approximately US\$55 million to the SEC to settle claims

that the bank hid losses of over US\$1.5 billion in 2008–2009. The SEC stated that Deutsche Bank's statements did not accurately reflect the significant risk it faced. Despite the fact that this was the second significant Deutsche Bank settlement of 2015, the company did not admit any wrongdoing, and no individuals were held accountable.

In August 2015, two organizations affiliated to Citigroup paid nearly US\$180 million to the SEC to settle accusations that they defrauded investors prior to the 2008 financial crisis. The two organizations were accused of offering and selling risky, highly leveraged bonds to investors from 2002 to 2008 with false assurances that they were safe and low risk (Warren 2016). A leveraged bond is a loan extended to organizations or individuals that already have considerable amounts of debt. It can come in many forms, but for the sake of clarity here an organization or individual with a bad debt pays a high rate of interest on a loan. In combination with the examples above about manipulating interest rates, this illustrates the presence of planned, calculated and rational acts of corruption. This corruption cost investors an estimated US\$2 billion, which was in excess, by ten times, the amount of the settlement. Yet again, the settlement did not require a guilty plea, the SEC refused to identify and shame the individuals responsible, and no prosecution was forthcoming. A pattern appears to be developing that crime is routine in the financial sector, as is the type of punishment.

Investors, however, were saddled with toxic assets that become illiquid when their secondary market disappears. In simple, straightforward language this is where a couple purchase a house and have a mortgage with a financial institution (Bank A). This bank can sell this mortgage to others (Bank B). This bank now owns the mortgage and is entitled to the interest payments, as long as they are paid. If house prices rise and payment is made this is a worthwhile asset. However, if the couple default on the mortgage, the organization that owns the mortgage will not be paid. This is when the house is repossessed and sold by the bank; if the house has declined in value to below the level of mortgage borrowed it becomes a toxic debt. No organization, if made aware of this asset's real value, wants this debt. All too often, however, the real value of debts was hidden.

Keeping people in the dark seems to be a common practice in the financial sector. Barclays Bank and Credit Suisse recently settled US\$154.3 million between them with the SEC in a case regarding 'dark pools' (Moyer 2016). These 'dark pools' are for customers that want to buy and sell stock privately and keep transactions from other traders before completing them. These have existed for some years but, due to advances in technology, traders can react to trades that are in progress and hence the desire to keep them as quiet as possible. The problem is that these dark pools and trades were routed beyond the dark pool, with some aware of the pending trade before it was completed.

Whilst the focus of corruption in the financial sector seems to be on banks, credit rating organizations, such as Moody's and Standard and Poor's, played a role in the financial crisis. The SEC conducts examinations of all credit ratings of organizations, of which there are currently ten in the USA. The latest report shows that little, if anything, has changed since the financial crisis. Perhaps this is hardly surprising as many of them were not held to account for egregious practices. This in turn is reflected in the ongoing and unacceptable practice, as of 2016, presented as error rather than corruption. A few examples will suffice here. One agency noticed an error in its calculations for determining ongoing ratings, but in subsequent publications neither disclosed the mistake nor the implications. Another agency made substantive statements that contradicted its own internal ratings record; and procedures at one of the largest credit rating agencies failed to prevent 'prohibited unfair, coercive and abusive practices' (Morgenson 2016: 17).

Apart from the theoretical and practical difficulties of this approach, it at least rejects the notion that 'nothing works'. The examples provided in the literature tend to focus on the common, visible offences of theft and vandalism. Instead of seeking a panacea, a philosopher's stone of criminal justice, it is perhaps wise to accept a possible, incremental reduction in corruption, particularly at the local level. Whilst there are many crimes where offenders are so determined that no reduction is possible, the major problem here is that of weak, ineffectual enforcement. This approach suggests that perhaps we should accept a set level of crime as a cost-benefit analysis of protecting the vague notion of a 'way of life' in democratic states. This 'way of life' is vague, as we could all be part of one

country but have a very different experience of how life is in that country, depending on social background, location, health and access to resources.

This does offer an incremental approach and, whilst seen as unambitious and conservative, contests the impact that the reduction of inequalities of wealth, class and education will have on crime. Whilst much visible street crime, particularly that committed by young offenders, might be better dealt with if diverted away from the criminal justice system, which is inherently selective and punitive in its operation on sections of society (Muncie 1999; McAra and McVie 2007; Case 2007; Kemshall 2008; Brooks et al. 2012), it should use the full panoply of measures available to it to prevent the routine crimes of the financial sector.

Reducing the avenues available to commit corrupt acts will only, at best, meet with some partial success; however, this view is seen as an oversimplified mechanistic view of human behaviour and, at worst, a slur on human nature (Radzinowicz and King 1977). The above acts of criminal corruption are entirely compatible with a view of criminal behaviour as predominantly rational. If accepting this view practical measures backed by real enforcement appear to be the only option. Limited as this is, the current apprehension, negotiation of penalty, no admittance of guilt and the liberty to continue to commit acts of corruption is neither practical nor just in the financial sector.

Conclusion

This chapter has highlighted how routine corruption can be in the financial sector. Even though its original focus was predominantly on explaining visible crime, this approach is useful in helping to understand the importance of a capable, regulatory and effective body to prevent crimes. There are limits to this theoretical approach but, unless a mistake, repeated acts of criminal corruption are both rational and routine. To manipulate LIBOR rates, and exchange rates, and sell risky investments as sound business ventures is routine, particularly if setting interest rates on a daily basis. Preventing financial crimes is exacerbated by vested interests blocking or lobbying to prevent legislation such as the Dodd-Frank Act (2010) in the USA or attempting to have it withdrawn at a later date,

whereas it should be there to protect all those that invest in the financial sector and all of us that have a loan or mortgage.

Enforcement appears ineffectual as fines are used as a form of punishment that are only small percentages of the profit made from corruption. To prevent a repeat performance, fines are an insufficient penalty to stop such corruption. One approach, however, that might have some currency is the development of an organization's environmental, social and governance score. Morningstar is an organization that rates funds, performance and factors, such as investment strategy and price. An initiative by Morningstar is to release environmental, social and governance scores on at least 200,000 funds it tracks (Mooney 2016). The assumption here though is that these funds and those that invest in them will take account of such ethical issues. There is potential for some impact on an organization if the environment is important to them, but so far, and repeatedly, the financial sector seems focussed on profit, regardless of how it is achieved, and on self-preservation.

Currently it makes sense to act in a rational and corrupt way: profit is secured by an act of corruption, the financial penalty is ineffective, the cost of paying this penalty, if caught and convicted, is less than the profit secured. Trust in the financial sector is badly damaged by these ongoing acts, but individuals and organizations continue to reap financial benefits at the expense of 'customers' and are allowed to continue to do business even though they have committed crimes.

References

- Braga, A. A., & Bond, B. J. (2008). Policing crime and disorder hot spots: A randomized controlled trial. *Criminology*, 46(3), 577–607.
- Braga, A. A., Weisburd, D. L., Waring, E. J., Mazerolle, L. G., Spelman, W., & Gajewski, F., 1999. Problem-oriented policing in violent crime places: A randomized controlled experiment. *Criminology*, 37(3), pp. 541–580.
- Brantingham, P. I., & Brantingham, P. J. (1999). Theoretical Model of Crime Hot Spot Generation. *Studies on Crime and Crime Prevention*, 8(1):7-26.
- Brooks, G., Chen, F. L., Lewis, C., & Ellis, T., (2012). Young people as social capital: Policing and preventing crime among young people 'at risk' in Taiwan and England. *Crime Prevention & Community Safety*, 14(1), 16-32.

- Case, S., (2007). Questioning the Evidence of risk that underpins evidence-led youth justice interventions. *Youth Justice*, 7(2), 91-105.
- Clarke, R. (1980). Situational crime prevention. *British Journal of Criminology*, 20(2), 136-147.
- Cohen, L. E., & Felson, M. (1979). Social Change and Crime Rate Trends: A Routine Activity Approach. *American Sociological Review*, Volume Number: 44(4), 588-608.
- Cohen, L. E., & Felson, M. (2003). Routine activity theory. In F. T. Cullen & R. Agnew (Eds.), *Criminological theory: Past to present: Essential readings*. Los Angeles: Roxbury Publishing.
- Cornish, D., & Clarke, R. (1986). *The reasoning criminal: Rational choice perspective on offending*. New York: Springer.
- Coston, C. T. M., & Ross, L. E. (1998). Criminal victimization of prostitutes: Empirical support for the lifestyle exposure model. *Journal of Crime and Justice*, 21(1), 53-70.
- Crow, W. J., & Bull, J. L. (1975). *Robbery deterrence: An applied behavioral science demonstration – Final report*. La Jolla, CA: Western Behavior Sciences Institute.
- Dugan, L., LaFree, G., & Piquero, A. (2005). Testing a rational choice model of airline hijackings. *Criminology*, 43(4), 1031-1066.
- Eck, J. E. (2002). Preventing crime at places. In L. W. Sherman, D. Farrington, B. Welsh, & D. L. MacKenzie (Eds.), *Evidence-based crime prevention*. New York: Routledge.
- Farrell, G. (1995). *Preventing repeat victimization: Crime and justice*. Chicago: University of Chicago Press.
- Felson, M. (1987). Routine activities and crime prevention in the developing metropolis. *Criminology*, 25(4), 911-931.
- Garland, D. (1999). The commonplace and the catastrophic: Interpretations of crime in late modernity. *Theoretical Criminology*, 3(3), 353-364.
- Gottfredson, M. R. (1981). On the etiology of criminal victimization. *Journal of Criminal Law and Criminology*, 72(2), 714-726.
- Hawley, A. (1950). *Human ecology: A theory of community structure*. New York: Ronald Press.
- Hindelang, M., Gottfredson, M., & Garafolo, J. (1978). *Victims of Personal Crime: An Empirical Foundation for a Theory of Personal Victimization*. Cambridge, MA: Ballinger.
- Johnston, L. (1996). What is vigilantism?. *British Journal of Criminology*, 36(2), 220-236.
- Kemshall, H. (2008). Risks, rights and justice: Understanding and responding to youth risk. *Youth Justice*, 8(1), 21-37.

- Kennedy, L. W., & Forde, D. R. (1990). Risky lifestyles and dangerous results: Routine activities and exposure to crime. *Sociology and Social Research*, 74(4), 208–210.
- Lauritsen, J. L., & Laub, J. H. (2007). Understanding the link between victimization and offending: New reflections on an old idea, in M. Hough & M. Maxfield (eds) *From Surveying Crime in the 21st Century*, pp 55-75, Monsey, NY: Criminal Justice Press.
- LaFree, G. (2007). Expanding criminology's domain: The American Society of Criminology 2006 presidential address. *Criminology*, 45(1), 1.
- McAra, L., & McVie, S. (2007). Youth justice? The impact of system contact on patterns of desistance from offending. *European journal of criminology*, 4(3), 315-345.
- Mooney, A. (2016, January 18). Ethical rating could cost funds billions. *Financial Times*, p. 2.
- Morgenson, G. (2016, January 11). Years after crisis, rating agencies still miss the mark. *International New York Times*, p. 17.
- Moyer, L. (2016, February 3). Regulators keep focus on 'dark pool' trading'. *International New York Times*. p. 16.
- Muncie, J., 1999. Institutionalized intolerance: youth justice and the 1998 Crime and Disorder Act. *Critical Social Policy*, 19(2), pp. 147-175.
- Mustaine, E. E., & Tewksbury, R. (2002). Workplace theft: An analysis of student-employee offenders and job attributes. *American Journal of Criminal Justice*, 27(1), 111–127.
- Newman, O. (1972). *Defensible space*. New York: Macmillan.
- Nofziger, S., & Kurtz, D. (2005). Violent lives: A lifestyle model linking exposure to violence to juvenile violent offending. *Journal of Research in Crime and Delinquency*, 42(1), 3–26.
- Paternoster, R., & Bachman, R. (2001). *Explaining criminals and crime: Essays in contemporary criminological theory*, in R. Paternoster & R. Bachman (eds) *Explaining Criminals and Crime: Essays in Contemporary Criminological Theory*. Los Angeles: Roxbury Publishing Company.
- Pierce, G. L., Spaar, S., & Briggs, L. R. (1986). *The character of police work: Strategic and tactical implications*. Boston: Center for Applied Social Research, Northeastern University.
- Radzinowicz, L., & King, J. F (1977). *The growth of crime: The international experience*. New York: Basic Books.
- Ratcliffe, J. H. (2004). The hotspot matrix: A framework for the spatio-temporal targeting of crime reduction. *Police practice and research*, 5(1), 5-23.

- Roncek, D. (2000). Schools and crime. In V. Goldsmith, P. G. McGuire, J. H. Mollenkopf, & T. A. Ross (Eds.), *Analyzing crime patterns: Frontiers of practice*. Thousand Oaks, CA: Sage.
- Schreck, C. J., & Fisher, B. S. (2004). Specifying the influence of family and peers on violent victimization extending routine activities and lifestyles theories. *Journal of Interpersonal Violence, 19*(9), 1021–1041.
- Sherman, L. W. (2004). Research and policing: The infrastructure and political economy of federal funding. *The Annals of the American Academy of Political and Social Science, 593*(1), 156–178.
- Sherman, L. W., & Weisburd, D. (1995). General deterrent effects of police patrol in crime “hot spots”: A randomized, controlled trial. *Justice quarterly, 12*(4), 625–648.
- Sherman, L. W., Gartin, P. R., & Buerger, M. E., (1989). Hot spots of predatory crime: Routine activities and the criminology of place. *Criminology, 27*(1), 27-56.
- Sherman, L., Gottfredson, D., MacKenzie, D., Eck, J., Reuter, P., & Shawn, B. (1997) *Preventing Crime: What Works, What Doesn't, What's Promising*. Washington, DC: U.S. Department of Justice, Office of Justice Programs.
- Simon, D. R. (1995). *Social problems and the sociological imagination*. New York: McGraw-Hill.
- Simon, D. R., & Hagan, F. (1999). *White collar deviance*. Needham Heights, MA: Allyn and Bacon.
- Suda, K. (2011). Creative accounting and accounting scandals in Japan. In M. Jones (Ed.), *Creative accounting, fraud and international accounting scandals*. Chichester: Wiley.
- Sutherland, E. H. (1949). *White collar crime*. New York: Dryden Press.
- Taylor, D. I. (1997). American environmentalism: The role of race, class and gender in shaping activism, 1820–1995. *Race, Gender and Class, 5*(1), 16–62.
- Tewksbury, R., & Mustaine, E. E., 2000. Routine activities and vandalism: A theoretical and empirical study. *Journal of Crime and Justice, 23*(1), 81–110.
- Walklate, S. (1998). *Understanding criminology*. Buckingham: Open University Press.
- Warren, E. (2016). *Rigged Justice 2016: How weak enforcement lets offenders off easy*. Office of United States Senate, Office of Elizabeth Warren, Washington, D C.
- Weisburd, D., Maher, L., Sherman, L., Buerger, M., Cohn, E., & Petrisino, A. (1992). Contrasting crime general and crime specific theory: The case of hot spots of crime. *Advances in Criminological Theory, 4*(1), 45–69.

- Weisburd, D., Wyckoff, L. A., Ready, J., Eck, J. E., Hinkle, J. C., & Gajewski, F. (2006). Does crime just move around the corner? A controlled study of spatial displacement and diffusion of crime control benefits. *Criminology*, *44*(3), 549–592.
- Wilson, J. Q., & Herrnstein, R. (1985). *Crime and human nature*. New York: Simon and Shuster.

12

Reflections and Conclusion

Final Reflections

In Chap. 1 it was made clear that the essence of this book is to apply sociological and criminological theoretical approaches to the problem of corruption and produce a text that is useful to both those with knowledge of sociology and criminology and those with knowledge of corruption, but rarely both. A common theme has been that corruption is committed by individuals, multinationals and states, alone or in concert with one another. As such, it is hoped that the issues, debates and examples used will increase the analysis and criticism of corruption and the limited sanctions often employed to deter future acts.

To advance any strategy, however, some understanding of the size of the problem is needed. As illustrated it is difficult to define, measure and therefore assess the extent of corruption. These debates are ongoing; they are, however, necessary if we are to prevent corruption to some extent. There are numerous books and articles explaining and highlighting the key elements of an anti-corruption strategy and the need to prevent and reduce corruption (Klitgaard 1988; Rose-Ackerman 1999; Kaufmann et al. 1999; Abed and Davoodi 2000; Amundsen 2000; Collier 2000;

Carr 2006; McCusker 2006; Transparency International 2012; Brooks et al.2013) and these where useful have been referred to in this book. The strategic list of key elements in this literature, however, is not exhaustive, though it is underpinned by a growing body of work. The problem is that these strategies have so far been unsuccessful (Heywood 2015; Hough 2015) and are patchy and sporadic, depending on the political will of an incumbent administration and organization, and whether it is expedient to endorse anti-corruption strategies to secure temporary international favour. Much of what passes as a global drive to reduce worldwide corruption is often rhetorical or vested in self-interest.

Rather than dwell on the so-far-ineffective anti-corruption strategies here, the focus is to highlight the theoretical debates on corruption. From Chap. 3 to Chap. 11 a specific theoretical approach was explained and its usefulness and limitations highlighted. Whilst individuals commit acts of corruption, many are in the context of 'doing business'. Business is often seen as inherently criminogenic and it appears that some aspects of organizational culture enable workplace crime and corruption while other aspects impede it. Corruption is enabled depending on whether there are clear messages about what is acceptable and unacceptable conduct, and depends on factors such as the attitudes of colleagues, the example set by top management, and on internal practices, but also by the limited sanctions, if applied, for acts of corruption.

As reasoned by Ashforth and Anand (2003), the pursuit of the major business aims are often linked to a plethora of economically driven values such as individualism, competitive achievement, profitability, efficiency and pragmatism. Many of the acts of corruption mentioned in this book have a structural problem; that is they are part of a worldwide problem and a system that contributes to corruption. It is these structural issues, rather than condemnation of a few, that need attention. Furthermore, due to the internationalization of trade institutions, law enforcement and private multi-national organizations need to form an agency to 'police' corruption. As mentioned in this book this is difficult to achieve. However, preventing corruption is the responsibility of all; and the anti-corruption units of some sectors make an admirable attempt, but as with the public and private sector it is the conscience of key individuals which affects change. This is not an indictment of anti-corruption and security

units but an understanding of the limits with which they can influence practice (Hough 2015), as vested powerful interests will oppose change that might encroach on the power and authority they presently possess (Brooks et al. 2013).

Any organization which attempts to prevent corruption or is in the process of developing a strategy is to be commended. However, the development of an anti-corruption and ethics committee culture is of limited value if employees have no clear direction as to what corruption is or what might possibly emerge. A codified set of guidelines regarding risks, ethical behaviour, a set code of conduct, response plan(s) and anti-corruption policies alone are insufficient. If they fail to educate and hold those to account who ignore, break or circumvent codes of conduct then attitude is unlikely to change. A strategy needs direction, leadership and codes of conduct, which need to be enforced if it is to have any chance of success, and organizations and state representatives need to be held to account if international laws and conventions are expected to have any force beyond supra-national mission statements and immeasurable objectives.

My Win Your Loss: Encouraging Corruption

The costs of competition in business are sometimes obvious but some are oblique. The measure of an organization's success is often its size, and the pursuit of expansion pursued with risky human, financial and environmental costs only become clear years later. The quickest way for an organization to secure an increase in its market share is by merging and acquisitions. This is part of capitalism, but expansion to secure resources, control of populations, services and access to markets is also part of any political system. As was noted earlier in the book, the difference between capitalism and communism and an absolute monarchy is the ability to wield power and check that balances are in place to prevent or reduce abuse and rampant acts of corruption rather than corruption itself.

However, a clash of cultures on how to conduct business is expected in a global economy. Democratic Western political systems have to tread carefully here: trade is international and 'working' with corrupt individuals, organizations and states is an inevitable part of capitalism. This is not

a justification for any act on the continuum of corruption mentioned earlier but a recognition that the options of individuals, organizations and states are limited. It is naive to suggest that we refuse to conduct business with anybody or organization that is corrupt, as others always will. This approach would not stop corruption but instead perhaps entrench it between corrupt individuals, organizations and states. Furthermore, trying to enforce Western views of how business should be conducted might start to resemble a form of 'trade colonialism' that will achieve little if anything in preventing corruption. This leaves the option of working with individuals, organizations and states and trying to convince them that corruption is 'sand in the wheels' for business. This is possible on a global scale but local and national corruption has to be dealt with *in situ*. The success of this approach is based on the political will and available resources to tackle corruption.

Theoretical approaches are one tool to help to try and understand and prevent corruption. The approaches in both the corruption and criminology literature are of course limited, but by drawing on different approaches there is the potential for a better theoretical understanding of the reach and impact of corruption.

Corruption is a flexible beast and attempts to prevent or reduce it must also be the same. A one-size-fits-all approach has failed. This is not to dismiss it completely but to reflect on what is of use and how it can be combined with local approaches. All approaches—practical and theoretical—must be realistic. I do not mean nor advocate 'right realism', because of its limitations, but I do mean that, regardless of the individuals, organizations and country, corruption is always beneficial to some, and as such the best to hope for is a reduction in corruption and particularly criminal corruption. Finally, and as illustrated in this book, unless sanctions have some power to deter, the view that 'my win is your loss', the current approach to corrupt individuals, organizations and states, will simply reassure them that the consequences for such acts are often, but not always, minimal; and as Sutherland (1939) pointed out years ago a person becomes a criminal because of an excess of definitions favourable to the violation of the law instead of definitions that are unfavourable to such violation. Whilst limited in its explanation of crime, definitions favourable to the violation of the law can be countered to some degree with effective regulatory bodies and sanctions. However, as was

shown in this book, regulatory bodies and sanctions are often ineffective. Further research needs to be conducted on sanctions and deterrence in cases of corruption, and this is where criminology and its theoretical approaches and empirical research can contribute to the debates and the potential to reduce incidents of current and future corruption.

References

- Abed, G.T., & Davoodi, H. R. (2000). Corruption, Structural Reforms, and Economic Performance in the Transition Economies (No.132). Washington, D.C: International Monetary Fund.
- Amundsen, I. (2000). Corruption: Definition and Concepts. Michelsen Institute (CMI), Bergen (Norway).
- Ashforth, B. E., & Anand, V. (2003). The normalization of corruption in organizations. *Research in Organizational Behavior*, 25, 1–52.
- Brooks, G., Walsh, D., Lewis, C., & Kim, H. (2013). *The prevention of corruption: Investigation, enforcement and governance*. Basingstoke: Palgrave Macmillan.
- Carr, I.M., 2006. The United Nations Convention on Corruption: Making a real difference to the quality of life of millions??. *Manchester Journal of International Economic Law*, 3(3), 33–44.
- Collier, P. (2000). *How to reduce corruption*. *African Development Review*, 12(2), 191–205.
- Heywood, P. M. (2015). *Routledge handbook of political corruption*. Abingdon: Routledge.
- Hough, D. (2015). *Corruption, anti-corruption and governance*. Basingstoke: Palgrave Macmillan.
- Kaufmann, D., Kraay, A., & Mastruzzi, M. (1999). *Governance matters* (World Bank Policy Research Working Paper 2196). Washington, DC: World Bank.
- Klitgaard, R. (1988). *Controlling corruption*. Berkeley: University of California.
- McCusker, R. (2006). *Review of anti-corruption strategies*. Canberra: Australian Institute of Criminology.
- Rose-Ackerman, S. (1999). Political corruption and democracy. *Connecticut Journal of International law*, 14(2), 363–378.
- Sutherland, E. H. (1939). *Principles of criminology* (3rd ed.). Philadelphia, PA: Lippincott.
- Transparency International (2012). *Corruption Perception Index 2012*. London: Transparency International.

Further Reading

- Barnett, H. C. (1993). Crimes against the environment: Superfund enforcement at last. *Annals of the American Academy of Political and Social Science*, 525(1), 119–133.
- Barnett, H. C. (1994). *Toxic debts and the superfund dilemma*. Chapel Hill: University of North Carolina Press.
- Braga, A., Weisburd, D. L., Waring, E. J., Mazerolle, L. G., Spelman, W., & Gajewski, F. (1999). Problem-orientated policing in violent crime places: A randomized controlled experiment. *Criminology*, 37(3), 541–580.
- Braithwaite, J. (1989). *Crime, shame and reintegration*. Cambridge: Cambridge University Press.
- Brantingham, P. L., & Brantingham, P. J. (1999). A theoretical model of crime hot spot generation. *Studies on Crime & Crime Prevention*, 8(1), 7–26.
- Bray, C. (2015, December 1). Bank to pay fine in bribery case. *International New York Times*, p. 18.
- Brooks, G., Button, M., & Gee, J. (2012). The scale of healthcare fraud: A global evaluation. *Security Journal*, 25(2), 76–87.
- Bunt, H. G. van de., & Huisman, W. (2007). Organizational crime in the Netherlands. *Crime and Justice: A Review of Research*, 35, 217–260.
- Burke, R. H. (2005). *An introduction to criminological theory*. Portland, OR: Willan Publishing.
- Cressey, D. (1973). *Other people's money*. Montclair, NJ: Patterson Smith.

- Glenny, M. (2008). *McMafia: Crime without frontiers*. London: The Bodley Head.
- Gundlach, M., Douglas, S., & Martinko, M. (2003). The decision to blow the whistle: A social information processing framework. *Academy Of Management Review*, 27(1), 107–123.
- Jessop, B. (2004). Hollowing out the nation-state and multilevel governance. In P. Kennett (Ed.), *A handbook of comparative social policy*. Cheltenham: Edward Elgar.
- Karanikolos, M. (2013). Financial crisis, austerity, and health in Europe. *The Lancet*, 381, 1323–1331.
- Kaufmann, D., & Kraay, A. (2002). Growth without governance. *Economia*, 3, 169–215.
- Klitgaard, R. (1988). *Controlling corruption*. Berkeley: University of California.
- Lambsdorff, J. G. (2003). How corruption affects productivity. *Kyklos*, 56(4), 457–474.
- Lauritsen, J. L., & Quinet, K. F. D. (1995). Repeat victimization among adolescents and young adults. *Journal of Quantitative Criminology*, 11(2), 143–166.
- Lee, J.-Y., Heilmann, S. G., & Near, J. P. (2004). Blowing the whistle on sexual harassment: Test of a model of predictors and outcomes. *Human Relations*, 57(3), 297–322.
- Lindesmith, A., & Gagnon, J. (1964). Anomie and drug addiction. In M. Clinard (Ed.), *Anomie and Deviant Behaviour*. New York: Free Press.
- Mauro, P. (1995). Corruption and Growth. *Quarterly Journal of Economics*, 90, 681–712.
- Miceli, M. P., & Near, J. P. (2002). What makes whistleblowers effective? Three field studies. *Human Relations*, 55, 455–479.
- National Business Ethics Survey. (2005). *How employees view ethics in their organizations 1994–2005*. Washington, DC: Ethics Resource Centre.
- Olken, B., & Barron, P. (2009). The simple economics of extortion: Evidence from trucking in Aceh. *Journal of Political Economy*, 117(3), 417–452.
- Paternoster, R. (2001). The structure and relevance of theory in criminology. In R. Paternoster & R. Bachman (Eds.), *Explaining criminals and crime: Essays in contemporary criminological theory*. Los Angeles: Roxbury Publishing Company.
- Platt, A. M. (1969). *The child savers: The invention of delinquency*. Chicago: University of Chicago Press.
- Punch, M. (2000a). Suite violence: Why managers murder and corporations kill. *Crime, Law and Social Change*, 33(3), 243–280.

- Punch, M. (2000b). Police corruption and its prevention. *European Journal on Criminal Policy and Research*, 8(3), 301–324.
- Rama, D., Milano, B. J., Salas, S., & Liu, C. H. (2009). CSR implementation: Developing the capacity for collective action. *Journal of Business Ethics*, 85(2), 463–477.
- Ridgeway, J., & St. Clair, J. (1998). *A pocket guide to enviromental bad guys*. New York: Thunders Mouth.
- Rose-Ackerman, R. (1978). *Corruption: A study in political economy*. New York: Academic Press.
- Sampson, R. J. (1986). Effects of socio-economic context on official reactions to juvenile delinquency. *American Sociological Review*, 51, 876–885.
- Schwendinger, H., & Schwendinger, J. (1975). Defenders of order or guardians of human rights? In I. Taylor, P. Walton, & J. Young (Eds.), *Critical criminology*. London: Routledge.
- Scull, A. (1984). *Decarceration: Community treatment and the deviant: A radical view*. New Brunswick, NJ: Rutgers University Press.
- Sherman, L. W., Gottfredson, D., MacKenzie, D., Eck, J., Reuter, P., & Bushway, S. (1998). *Preventing crime: What works, what doesn't, what's promising*. Washington, DC: National Institute of Justice.
- Simon, D. R. (1999). *Elite deviance* (6th ed.). Needham Heights, MA: Allyn and Bacon.
- Singer, P. W., & Bion, L. (2004). *The private military industry and Iraq: What have we learned and where to next?* Geneva: Geneva Centre for the Democratic Control of Armed Forces.
- Spitzer, S. (1976). Toward a Marxian theory of deviance. *Social Problems*, 22, 638–652.
- Taylor, L. (1971). *Deviance and society*. London: Michael Joseph.
- UN. (2003). *Convention against corruption*. Washington, DC: UN.
- Wei, S.-J. (2000). Local corruption and global capital flows. *Brookings Papers on Economic Activity*, 2, 303–346.
- Wells, C. (1993). *Corporations and criminal responsibility*. Oxford: Clarendon Press.
- Wood, B., & Peleman, J. (1999). *The arms fixers: Controlling the brokers and shipping agents*. (PRIO Report 3/99). Oslo, Norway: Peace Research Institut.
- World Health Organisation. (2008). *Air quality and health: Fact sheet*. World Health Organisation. Geneva, Switzerland.
- Young, J. (1999). *The exclusive society*. London: Sage.

Index

A

AG, 140, 205, 206
aggregate indicators, 44–6, 50
America, 96
American Dream, 87,
 88, 92
anomic, 80, 87, 91
automobile, 10, 73

B

Barclays, 140, 205, 208
Bechtel, 79
Blackwater, 79
bribes, 8, 22, 23, 33, 46, 47,
 57–9, 91, 95, 113, 114,
 139, 189
bureaucratic inefficiency, 57
Business Environment and
 Enterprise Survey, 45
Business International (BI), 47

C

CACI International, 79
capable guardian, 134, 198, 200,
 202, 203
capitalism, 2, 21, 22, 71, 80, 91,
 145–58, 161, 166, 171,
 190, 215
capitalist, 10, 11, 34, 36, 71, 87, 96,
 142, 151–4, 156, 190
CIA, 79, 148
Citigroup, 140, 205, 207
collusion, 4, 26, 27, 35, 160
commission, 31, 80, 159, 160
commodification, 101, 158
communism, 11, 22, 34, 151, 155,
 156, 215
communist, 71, 148, 156
conflict, 3, 7, 10, 11, 23, 35, 48, 69,
 74, 78, 79, 82, 91, 96–8,
 101, 127, 129, 137,
 145–61, 190

continuum corruption, 4, 7–9, 26,
35, 136, 187, 216
control deficit, 131, 132
control surplus, 131, 132
control theory, 107, 125–34
corporate crime, 26, 29, 30, 33, 36,
92
Corruption Perception Index, 19,
44, 45
Credit Suisse, 208
crime coercive, 76
crime facilitative, 76

D

dark pools, 208
delinquency, 91, 107, 114, 125–9,
132–4, 198
Dept. of Justice, 77, 140, 205
deterrence, 36, 165, 186, 204, 217
Deutsche Bank, 8, 206, 207
deviance, 2, 31, 95, 130, 131, 154,
159, 167
differential association, 3, 31, 35,
67–83, 103, 117, 130, 147
discourse, 11, 12, 21, 32, 97, 155,
157, 166, 171–3, 178, 181,
216
drift, 2, 10, 35, 107–22, 129, 167
DynCorp, 79

E

Economist Intelligence Unit, 47
environment, 19, 34, 45, 47, 59, 60,
69, 71–3, 78, 80–2, 94, 95,

97, 98, 102, 103, 111, 113,
116, 133, 136, 141, 142,
146, 166, 167, 173, 177,
182, 183, 187–95,
198–200, 210
environmental, 11, 29, 36, 77, 79,
109, 132, 135, 160, 166,
173, 185, 187–95, 202,
210, 215
environmental racism, 191
ethical codes, 136
ethical-numbing, 73
European Union, 113

F

FBI, 148
FIFA, 73, 119, 120

G

General Motors (GM), 76, 77
general strain theory (GST), 90, 93
Global Corruption Barometer, 33,
44, 51
Global Integrity, 51, 52
governance, 47–50, 54, 57–9, 174,
177, 210
grease in the wheels, 60, 34, 57–8

H

Halliburton, 79, 80
Healthcare Commission, 100, 102
Hillsborough, 11, 170–3, 178
human rights, 30, 31, 33, 160, 175

I

illegal, 2, 4, 7, 11, 24, 26, 27, 30, 34, 36, 45, 48, 53, 58, 59, 69, 73, 79, 80, 90, 93–5, 103, 109, 110, 113, 116, 117, 140, 148, 149, 151, 157, 158, 161, 165, 167, 187–9, 198, 199, 203

IMF, 18, 22, 113, 173–5, 177, 178, 194

Institutional Anomie Theory (IAT), 88, 91

institutionalization, 70, 71, 75–7, 82, 169

integrity management, 118, 119

International Country Risk Guide (ICRG), 47, 51

International Crime Victim Survey (ICVS), 56

International Energy Agency, 194

internationalization, 34, 94, 214

IRAQ, 79, 80, 158

J

Japan, 28, 204

J P Morgan Chase, 137, 138, 140, 205

K

Knapp Commission, 23

L

labelling, 11, 35, 48, 145, 147, 153, 165, 166, 168–70, 172, 173, 178

law enforcement, 28, 136, 140, 150, 151, 157, 172, 200, 214

legal, 2, 4, 5, 7, 9, 11, 21–8, 30, 36, 47–9, 58, 68, 69, 72, 82, 94, 103, 111, 113, 117, 119, 138, 140, 141, 147–53, 155, 156, 158, 161, 169–73, 177, 198, 216

legislation, 7, 8, 18, 23, 72, 76, 156, 194, 209

legitimacy, 20, 29, 32, 72, 126, 134–41, 146, 148, 159, 161, 167, 171

leverage, 207

LIBOR, 8, 72, 206, 209

lobbying, 8, 22, 23, 26, 30, 72, 76, 136, 194, 209

M

MacPherson Report, 29

Mexico, 20, 81, 173

Mid-Staffordshire Hospital, 102

money laundering, 4, 26

N

National Aeronautic Space Administration (NASA), 97–100

National Oceanic Atmospheric Administration, 189

neo-liberal, 48, 113, 155, 178

NHS, 100–2, 121

O

occupational crime, 26, 28,
 29, 114
 OECD, 113, 138, 175, 177, 194
 Office of Management and Budget
 (OMB), 98
 oil, 18, 20, 60, 135, 138, 158, 173,
 188–91, 194
 omission, 31, 33, 159, 160
 organized crime, 19, 20, 25–7, 36,
 45, 81, 147, 149, 151, 153,
 155–7, 161, 189

P

patronage, 93, 114, 190, 191
 pharmaceutical, 30, 136,
 138, 139
 political science, 1, 3, 21–5
 poverty of plenty, 190
 power, 2, 7–9, 11, 18–20, 23, 28,
 30, 32, 34, 35, 46, 48,
 71–3, 75, 77, 79, 91, 96,
 103, 110, 121, 127, 131,
 132, 140, 141, 145–52,
 154–9, 161, 165–79, 187,
 190, 191, 215, 216
 principal-agent, 24, 184
 private military contractors (PMC),
 10, 20, 74, 76, 78–82
 Public Expenditure Tracking Survey
 (PETS), 54, 55

Q

Quantitative Service Delivery Survey
 (QSDS), 55

R

radical criminology, 153–5
 rational choice, 1, 11, 35, 95,
 129–32, 182–8, 193, 194,
 200
 rational economic, 21–5, 36
 regulatory body, 24, 73, 193
 rent seeking, 22
 resource curse, 60, 190, 191
 right realism, 181–5, 197, 204, 216
 routine activity, 1, 35, 95, 197–9,
 202–3
 Royal Bank of Scotland, 140, 205
 rule of law, 23, 47, 50, 58, 60, 69,
 102, 141, 151, 156
 Russia, 11, 118, 156, 157

S

sand in the wheels, 34, 216
 Sarbanes–Oxley Act, 18
 Security and Exchange Commission
 (SEC), 137–8, 140, 205–8
 shaming, 140, 168
 shuttle, 97–100
 social conditioning, 11, 33, 126,
 128, 153
 social control, 33, 81, 97, 100, 107,
 127–9, 131, 134–41, 146,
 149, 183, 201
 social disorganization, 69, 74, 80,
 81, 125, 127, 203
 South Korea, 28
 Soviet Union, 81, 98
 space exploration, 10, 97
 Standard and Poor, 208
 state capture, 32, 46, 74, 158–61

state corporate crime, 26, 30, 36, 74, 98, 159
 state crime, 26, 29, 31, 32, 36, 97, 155, 158–61
 strain, 10, 35, 87–103, 108, 114, 117, 129, 130, 150, 151, 154, 203

Superfund Act, 192
 symbolic interaction, 70

T

techniques of neutralization, 2, 10, 35, 70, 107–22
 Titan, 79
 toxic assets, 207
 toxic debt, 207
 transitional, 155–8
 transnational, 6, 18, 24, 155, 161
 Transparency International (TI), 8, 19, 33, 44, 45, 51–3, 214

U

UBS, 140, 205, 206
 United Kingdom, 7, 8, 53, 55, 154, 169, 170
 United Nations Development Programme, 49
 United States Environmental Protection Agency, 188

USA, 5, 30, 55, 76, 77, 79, 87, 88, 91, 93, 98, 107, 108, 127, 134, 139, 140, 148, 150, 154, 167, 169, 182, 184, 187, 190, 191, 193, 194, 200, 208, 209

V

victimization, 4, 6, 29, 33, 55, 56, 112, 117, 135, 199–203, 205

VW, 71, 72, 77, 78, 92

W

whistleblowing, 119, 120
 White Collar Crime, 3, 4, 10, 27–9, 31, 35, 36, 69, 71, 72, 74, 75, 82, 89, 91–3, 95, 96, 102, 112, 117, 128, 133, 147, 149, 153, 159, 167, 169, 184, 185
 World Bank, 11, 18, 22, 45–7, 52, 53, 56, 113, 173–5, 177, 178, 193
 World Governance Indicators (WGI), 19, 45, 46, 50–3, 60, 61