

Corruption and attitudes towards corruption viewed from an adult developmental perspective

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Corruption viewed from an AD perspective

- Based on a paper in Organizational Behavior, June 2012
- How can corruption, and the literature on corruption in organizations be looked at on the basis of the *Model of Hierarchical Complexity*?

Corruption viewed from an AD perspective

Overview:

1. Motivation of the paper
2. Stages of corruption
3. Stages of perception and dealing with corruption

Claim: AD theory has to offer more complex insights into corruption and theorizing about it as compared to less complex perspectives in the literature.

1. Motivation

Criticizing mainstream literature in Organizational Behavior, Behavioral Ethics and Management Studies for insufficient complexity

Critiques:

- Unreflected normative statements about ethics as “generally accepted” behavior
- Unreflected anthropological assumptions
- Simplistic, linear causation

2. Stages of complexity of (corrupt) behavior

Summary:

„Corruption“

- only comes into being as a social phenomenon after the abstract concepts of “public” and “private” have been formed (MHC stage 9), while the respective behaviors constitute the normal way of acting on MHC stages 8 and below;
- is only considered problematic or socially harmful after contradictions between social norms and individual behavior can be coordinated and dealt with in a non-arbitrary way (MHC stage 10),
- can only be prevented or at least effectively reduced once efficient social systems (such as legal, financial, market systems etc.) are in place and functioning as the dominant social, political and economic structures, (MHC stage 11). This is also where most discourse about corruption takes place.
- Adequate and sustainable solutions of the problem of corruption are likely to be reached only on the basis of at least meta-systematic structures of reasoning and performance (MHC stage 12 and higher) which are able to understand the inherent logics of corrupt behaviors and to design stage-sensitive solutions beyond “one size fits all”.

2. Stages of complexity of (corrupt) behavior

- Crucial transition from Kohlberg's stage #3 to stage #4
- Example taken from Stephen Chilton (1988):

Client: Why don't you just set aside those requirements? After all, I am a friend and neighbour of yours!

Bureaucrat: If I did that I would disappoint my boss, who is counting on me to follow the rules.

Client: How can you put your boss ahead of me, your old friend and neighbour?

Bureaucrat: (no answer).

2. Stages of complexity of (corrupt) behavior

Primary stage 7:

Simply takes what it wants

Concrete stage 8:

- characterized by reciprocal exchanges of concrete goods and services between members of (personally known) groups
- deals, bribes and “under the table” arrangements are the normal way to conduct affairs
- no abstract concepts, no impersonal rules
- Examples: pre-modern societies , less developed countries

2. Stages of complexity of (corrupt) behavior

Abstract stage 9:

- abstract concepts like norms and rules develop
- may consider practices such as bribes as corrupt – if they go against social norms
- abstract concepts like fairness, honesty and friendship cannot be coordinated → contradictions go unnoticed
- appears inconsistent and/or chaotic to later stages
- Examples: developing societies, Russia (19th century)

2. Stages of complexity of (corrupt) behavior

Formal stage 10:

- can coordinate two abstract variables in a non-arbitrary way
- can see and avoid contradictions between norms and rules, rules and behavior, roles and persons
- understands logical cause-and-effect-based relations
- formal rules and impersonal procedures are logical necessities for organizations to function
- formal stage corruption: using loopholes, “beating the system”
- Examples: Soviet Union, tax evasion

2. Stages of complexity of (corrupt) behavior

Systematic stage 11:

- corruption undermines the functioning of the system
- behaviour takes into account broader social horizons, interests and constraints
- more highly abstract concepts (transparency, accountability, social justice, and sustainability)
- construction of systems of control to reduce corrupt practices.
- Systematic stage corruption: evading corruption control
- Examples: speculation, monopolistic practices, price fixing, gaming the market, bribing business partners in non-Western countries

3. Stages of perceiving and dealing with corruption

Concrete stage 8 and earlier:

- no discourse on corruption,
- what higher stages perceive as “corrupt” is the normal way to get things done
- no self-reflexivity, normative evaluation, or logical scientific reasoning.
- The term “corruption” does not exist as an analytic or (dis-)qualifying concept.

3. Stages of perceiving and dealing with corruption

Abstract stage 9:

- no relevant discourse on corruption, unless by external pressure
- stereotypes and categorical assertions about right/wrong
- other problems are more important, for example personal honor and being on the right side

3. Stages of perceiving and dealing with corruption

Formal stage 10:

- major breakthrough: coordinating 2 abstract variables = basis of science and rationality
- other problems are more important, for example personal honor and being on the right side
- clear definition and criminalization of corruption as violation of rules
- discourse on corruption looking for causes
- simple, linear relations between variables, one-dimensional logic and causality

3. Stages of perceiving and dealing with corruption

Systematic stage 11:

- corruption is dysfunctional → must be fought systematically
- improving the system (mechanisms of control, transparency and accounting)
- behavior as a variable in relation with other variables, mostly based on assumptions
- multiple causation → notion of context, but:
- no self-contextualization → projects own values, institutions, definitions etc. on other actors and contexts
- types > systems

3. Stage of perceiving and dealing with corruption

Meta-systematic stage 12:

- assumes that all behavior is internally consistent
 - analyzes principles, criteria and cognitive frames
 - logics of reasoning and behavior as independent systems
 - framework for bridging differences, gaps and contradictions in the literature and for reconciling and integrating perspectives
- more complex and more differentiated understanding of corruption

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Thank you very much!