Title of Course: ‘Corruption in Europe and Beyond’

Target Group: CSS postgraduates

Format and Duration: Eleven 2 x 55 minute seminars, taught over 3.5 weeks in June-July 2005

Assessment: One long essay of 3000 words

Course teacher: Prof. Leslie Holmes, Department of Political Science, University of Melbourne, Australia

Language of instruction: English

Academic objectives: The principal aims of this course are to:
- provide an awareness of the problem of corruption in the contemporary world, especially in CEE and CIS;
- highlight the difficulties involved in analysing corruption, both in empirical terms (measuring it) and in terms of culturally diverse ways of defining it;
- outline the major forms corruption assumes;
- assess the putative functionalities and dysfunctionalities of corruption;
- examine the many ways in which corruption might be combated;
- analyse the role of the mass media in ‘constructing’ the problem of corruption;
- consider the main theoretical explanations for corruption, including the complex and diverse ways in which globalisation and neo-liberalism might impact upon the phenomenon.

Learning outcomes: By the end of this course, students should be able to:
- problematise the concept and study of corruption, especially in the comparative context;
- evaluate each of the methods suggested in the literature for assessing the scale and nature of corruption in particular post-communist countries or regions;
- highlight the strengths and weaknesses of the major methods proposed in the literature for combating corruption;
- outline and evaluate the debates on the possible benefits of corruption;
- provide a sophisticated critique of the major contemporary theories of the causes of corruption.
Syllabus:

The study of corruption has become a central focus of political science in recent years. One reason is that the number of corruption scandals appears to have increased dramatically since the 1980s. Another – related – reason is that the old notion that corruption was primarily a feature of developing countries has had to be dramatically revised in the light of major corruption scandals in France, Germany, Italy, NATO and the EU (to name but a few of the Western countries or organisations to have experienced major corruption scandals in recent years) since the early-1990s. Before this, corruption was seen to be a rare and abnormal phenomenon in most of these countries and organisations.

This course examines both practical and theoretical aspects of corruption, and thus combines pure analysis and theorising with an applied, policy-oriented component. While there is an emphasis on Europe (in particular, Central and Eastern Europe, including the CIS), most of the issues apply globally, and students are encouraged to explore other parts of the world that particularly interest them.

Web-based and reference sources


Of the journals, arguably the most useful is Crime, Law and Social Change. For the two most useful books on corruption in Europe generally see D. Della Porta & Y. Mény (eds.), Democracy and Corruption in Europe (1997) and M. Bull and J. Newell, Corruption in Contemporary Politics (2003) - while the most useful academic sources on CEE and the CIS

Part One – Definitions, Taxonomies and Typologies

**1. Definitional Aspects of Corruption** (including consideration of the cultural biases inherent in definition; gray, black and white corruption; grass-eating vs. meat-eating; etc.), and the boundaries of the concept. The latter will include consideration of the concepts of white-collar crime, organised crime, and lobbying, and gift-giving.

**Reading**


Also Recommended

A. Heidenheimer (ed.) *Political Corruption* (1989), chs. 1-3 and 11 (by Friedrich; van Klaveren; Lowenstein; Gibbons)

P. Heywood in *Political Studies*, 45 (3), 1997: 417-35 (esp. 421-6)


E. Sutherland *White Collar Crime* (1949)


(Various authors) in *Crime, Law and Social Change*, 37 (2), 2002 (esp. chs. by Ruggiero; Edwards and Gill; Griffin; Vande Walle; and Rawlinson)

S. Werner in R. Williams (ed.), *Explaining Corruption* (2000), ch.11 (also in *Public Administration Review*, 43 (2): 146-54)

2. Towards a Taxonomy and Typology of Corruption. In this seminar, the focus is on the differing forms corruption can adopt, such as bribe-taking, embezzlement, and corruption relating to political party financing. Concrete examples will be cited from various European
and other countries. We shall also consider the problems of comparative analysis, in terms of how cultural differences might affect our capacity to produce cross-polity analyses.

**Reading**

S. Pradhan et al. *Anticorruption in Transition* (2000), xiv-xxi and 1-17

**Also Recommended**


A. Heidenheimer et al. (eds.) *Political Corruption* (1989), chs. 9 and 10 (by Scott; Heidenheimer) [or 2002 edition of this book, if available to you]


R. Karklins in *Problems of Post-Communism*, 49 (4), 2002: 22-32 (also online at www.colbud.hu/honesty-trust/karklins/pub02.doc)

J. Scott *Comparative Political Corruption* (1972)


(Various authors) in *Transitions*, 5 (3), 1998


**Part Two – Cost-Benefit Analyses of Corruption, and its Connections with Organised Crime**

**3. The Functions and Dysfunctions of Corruption.** In the first part of this seminar, the notion of corruption as inherently ‘bad’ will be problematised, and Joseph Nye’s classic ‘cost-benefit analysis’ of corruption evaluated. Topics include the concept of ‘greasing the cogs’ in very bureaucratic systems; redistribution of wealth in societies with highly skewed income distributions; and improving access to health and educational services. There will also be a brief consideration of ‘rational choice’ approaches to corruption. In the second part of the seminar, we will consider ways in which corruption can be harmful – to the state, society, and individuals. Topics addressed will include the weakening of the state; discouragement of investment and its many ramifications; environmental damage; and system delegitimation.

**Reading**

G. Myrdal in A. Heidenheimer (ed.), *Political Corruption* (1989), ch. 25

Also Recommended

A. Heidenheimer (ed.) *Political Corruption* (1989), chs. 23, 24, 56 (by Huntington; Leff; Johnston)
P. Hutchcroft in *Political Studies*, 45 (3), 1997: 639-58
T. Lindsey & H. Dick (eds.) *Corruption in Asia* (2002), ch. by Holmes
S. Rose-Ackerman *Corruption and Government* (1999), ch.2

4. Corruption And Organised Crime. There is increasing awareness that organised crime is as successful as it appears to be in part because of the involvement, in various ways, of corrupt officials. Sometimes, such involvement is of an essentially passive (though not benign) nature, as in ‘turning a blind eye’ in return for paybacks. Often, it is of a more active nature, whereby officials are directly involved in the kinds of activities in which crime syndicates mostly engage – including drug-trafficking; weapons-trafficking; human-trafficking; prostitution; gambling; money-laundering; and protection rackets. Officials may also be involved in the corrupt provision of documentation to criminal gangs. Sometimes, politicians will even seek to influence legislation on behalf of criminal gangs. In this seminar, we shall consider examples of the interface between corruption and organised crime, and then examine the overtly political aspects of this, including its delegitimising effects on the state, and the relationship with terrorism.

Reading


Also Recommended

A. Block (ed.) *Perspectives on Organized Crime* (1991)
Part Three – Measuring Corruption

5. Problems in Measuring Corruption. A total of seven methods for assessing the level of corruption in particular societies will be considered and evaluated in this seminar. They include official statistics; perception surveys; surveys of enterprise involvement in corruption; and public expenditure tracking surveys. We shall also consider the new (2003) Global Corruption Barometer. One major purpose is to highlight the subjectivity of all forms of measurement – even if one engages in ‘triangulation’, as advocated by Daniel Kaufmann.

Reading


Also Recommended

J. Anderson Governance and Service Delivery in the Kyrgyz Republic – Results of Diagnostic Surveys (2002)(online at World Bank site)


W. Miller, Å. Grødeland & T. Koshechkina – A Culture of Corruption (2001)


Transparency International – Bribe Payers Index 2002, online at http://www.transparency.org/surveys/index.html#bpi

Transparency International – Corruption Perceptions Index 2004, online at http://www.transparency.org/cpi/index.html#cpi

World Bank – Anticorruption in Transition (2000), 7-9

Part Four – Causes of Corruption

6. Causes of corruption 1 – psychological and cultural factors. This seminar will concentrate on theories that explain corruption primarily in terms of individuals and specific cultural features (inc. religious traditions, and attitudes towards the state).
7. Causes of corruption 2 – system related (political and legal). In this seminar, the focus is on those dimensions of political and legal structures and practices that might help to explain higher (or lower) than average rates of corruption. Are democracies less prone to corruption than dictatorships, and if so, why? Do party financing methods matter? What role should and do judiciaries play? Are the so-called ‘transition states’ particularly prone to corruption?

Reading
A. Sajó in *East European Constitutional Review* (online), 7 (2), 1998, 37-46

Also Recommended
M. Clarke (ed.) *Corruption: Causes, Consequences and Control* (1983)
8. Causes of corruption 3 – system-related (economic and social). The focus here is on those aspects of the economic system that might help to explain apparent differences in corruption propensity, including the levels of state intervention and protectionism; policies on marketisation and privatisation; tax regimes; foreign trade policies; and inequality.

**Reading**

E. Hanley in *East European Politics and Societies* 14(1), 2000, 143-78


**Also Recommended**


J. Hellman in *World Politics*, 50 (2), 1998, 203-34


L. Holmes *The End of Communist Power* (1993), 174-80


D. Kaufmann & P. Siegelbaum in *Journal of International Affairs*, 50 (2), 1997, 419 ff.

X. Lu in *Comparative Politics*, 32 (3), 2000, 273 ff. (on China)
9. Causes of Corruption 4 – system-related (ideological and international). This seminar builds on previous ones, and focuses primarily on the arguments of analysts such as Yves Mény who maintain that the spread of neo-liberalism, which in turn is related to globalisation, is a major explanatory factor for the apparent increase in corruption. This argument will be compared with the findings of Transparency International, which suggest that New Zealand (a country that has adopted highly neo-liberal policies) is one of the world’s least corrupt countries. Is this the exception that proves the rule? The theory will also be tested in light of the fact that the post-communist countries that have adopted the most radical economic transition policies apparently have much lower rates of corruption than those that have been more gradualist. The suggestion that the end of the Cold War is another reason for the apparent ‘boom’ in corruption over the past decade will also be examined. A final dimension of the international explanation to be considered is the impact of colonialism and neo-colonialism (Reno is interesting on this).

Reading

L. Holmes  
Paper presented at the Princeton University – Central European University Joint Conference on Corruption, Budapest, 29 October – 6 November 1999, esp. 12-23  
Online at  
http://www.transparency.org/iacc/9th_iacc/papers/day1/ws2/d1ws2_lholmes.html

and

M. Philp  
10. **Controlling corruption 1 – the role of the state.** This seminar will consider the numerous ways in which states have attempted and might attempt to reduce corruption levels. These include legislation; education; shaming; rotation; self-regulation; and encouragement of whistleblowing.

**Reading**


**Also Recommended**

M. Clarke (ed.) *Corruption: Causes, Consequences and Control* (1983), chs. by N. Lampert (268-87) and L. Palmier (207-19)


A. Heidenheimer (ed.) *Political Corruption* (1989), chs. 48, 49 (by Quah; von Alemann)

R. Klitgaard *Controlling Corruption* (1988)

D. Oliver in *Political Studies*, 45 (3), 1997, 539-58


S. Rose-Ackerman *Corruption and Government* (1999), chs.8 and 9
11. Controlling corruption 2 – the role of civil society, international organisations, and TNCs. Topics covered include the role of the media and NGOs; the impact of codes and guidelines from organisations such as the OECD, World Bank, and EU; and the apparently very different approaches of Siemens and Shell. We shall also discuss the suggestion that anti-bribery regulations ‘imposed’ by international organisations constitute a form of cultural imperialism.

Reading

P. Eigen in *Journal of Democracy*, 7 (1), 1996: 158-68

Also Recommended


M. Clarke (ed.) *Corruption: Causes, Consequences and Control* (1983), chs. by D. Murphy (58-73) and A. Doig (74-104)


J. Girling *Corruption, Capitalism and Democracy* (1997)

J. Gole ‘The Role of Civil Society in Containing Corruption at the Municipal Level’, *Discussion Paper No. 10*, 1999, Open Society Institute, Budapest


S. Rose-Ackerman *Corruption and Government* (1999), ch.10

R. Stapenhurst & S. Kpundeh (eds.) *Curbing Corruption* (1999), ch. by Kisubi


R. Tiffen *Scandals: Media, Politics and Corruption in Contemporary Australia* (1999), esp. chs. 8 and 9


Leslie Holmes

June 2005