

The burden on our backs; corruption in Latin America

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Corruption has now become a popular subject in international circles. Not that it is new. Far from that, corruption has been with us since the dawn of government. But finally the world has decided that it has become too dysfunctional for global development for it to go unchallenged. Indeed, it has become so menacing that something has to be done about it. But are we talking about the same thing? Despite different words for it, there are common definitions and what is more there seems to be a remarkable degree of agreement in time and place. Ever since written records have survived, the same kinds of objectionable behavior have been identified, irrespective of language, religion, culture, ethnicity, governance, location, philosophy and social values. These have always been considered unworthy of individuals exercising power over others, epitomized in Lord Acton's dictum that "Power corrupts; absolute power corrupts absolutely." They have disappointed those over whom they have exercised their power.

The Essence of Corruption

The starting point in determining what constitutes corrupt practice is with the *act* itself, that specific form of behavior that is considered wrong and offensive. Those behaving in such a way must know that what they were doing was morally wrong, clearly out of line and unacceptable. They knowingly stole. They perjured themselves. They bribed or accepted bribes or passed on bribes or recorded bribes or disguised bribes. They interfered where they had no business interfering. Their acts were deliberate, not accidental or incidental. They were flagrant and worse still done without any pangs of conscience or shred of guilt. In short, they did know right from wrong but ventured on regardless. But what is considered right or wrong varies from place to place and in time. What was once considered natural, acceptable and even necessary, like cannibalism or infanticide, is later seen as wrong, just as what was seen as wrong, unconscionable and unnatural in the past becomes more acceptable and tolerated. What is seen as right or wrong in one culture or religion or ideology is not in another. Fortunately, in the case of corruption, there has been remarkable universal agreement over the centuries as to which specific acts fall within its rubric. Any differences have been marginal, not central.

This convergence has been made possible by looking at the *motivation* of the actor. Why was the act done? They may protest otherwise but it seems fairly clear to others that they benefited in some way that would not otherwise have occurred. They had themselves or their closest and dearest in mind. They knew what they were doing and how advantaged they would be. Their actions were premeditated. They had thought things out or thought they had and had known what they were getting themselves into. They had been deliberate and must have felt that if discovered what they were doing would not be approved but seen as conduct unbecoming, wrong, unjust, immoral. Because they suspected that their acts would be resented, they tried to hide what they were about. They acted in the dark, confided only in a select group or inner circle that they thought they could trust also not to reveal anything, intimidated anyone who might spill the beans, silenced suspected whistle-blowers, preyed on the gullible and took advantage of the trust and goodwill vested in them. When discovered, they tried to brazen things out, destroy any incriminating evidence, used their position to hush up any incidents, and turn the tables on their accusers. Clearly, they knew they were up to no good.

Again, attitudes are not necessarily consistent or absolute. Much depends on who it is who is being accused. Allowances are given for quite different reasons. On the one hand, the corrupt acts are so grave that if exposed, public trust in public institutions or anyone with authority might collapse into chaos, anarchy, violence and revolution, potential disasters that could damage the social fabric. Better then if such corruption was covered up and knowledge of it kept to very few trusted insiders. On the other hand, the corrupt acts committed might be considered so trivial and minor that they could be overlooked or forgiven because of the far greater good that the guilty perpetrators were doing (or had done) for the community as long as they were contrite or remorseful or ashamed on discovery, promised to refrain in the future, and make amends by offering compensation or doing penance. This contrasts to the obvious guilty and unapologetic who expose and testify against others in the inner circle on the promise of receiving a lighter punishment for spilling the beans and trapping the others.

None of these cases fall into the exceptional category of heroic corruption where the actors gain nothing for themselves but risk much by acting for what they believe to be in the best interests of the community. They act selflessly and their motivation is idealistic on behalf of some justifiable, legitimate and harmless cause. Of course, they may be mistaken and their actions may be reprehensible but they may claim that they had no other option and their cause was in their eyes truly noble and deserving. They can be compared with whistle-blowers who make much the same case while being accused of being self-promoting or vengeful or otherwise less nobly motivated. Some of them are and others are not but every so often there are indeed individuals who act righteously without thinking of themselves.

Judgment depends much on what were the actual outcomes or results or *consequences* of the alleged corrupt act. Who benefited and who suffered? Apart from rare heroic corruption, the actors benefited or gained something that would not have happened otherwise, that is, if they had not acted as they did. Their intervention altered or changed outcomes. Resources were improperly redistributed. Some people gained unfairly at the expense of others whether or not the latter were aware of their loss. By not playing by the commonly accepted rules, the outcomes were deliberately changed in some pre-determined fashion. Harm was done to innocent, trusting, honest, moral folk who were kept in the dark. An inner circle manipulated things for some secret agenda and made sure its members were not injured. Others outside the circle suffered the consequences despite claims made that nobody lost and nobody was victim. Only in the case of heroic corruption can it be said that the winners deserved to win and the losers deserved to lose. Corruption distorts in favor of the undeserving and penalizes the truly deserving. The corrupt cheat the underprivileged by taking away what is rightfully theirs. This is the injustice and immorality of corruption that when revealed is understood by the deprived, reminds them of their powerlessness and inferiority, and goads them to seeking revenge.

Corruption is the antithesis of morality which may be a better way of defining it than the tortuous and fruitless search for something that tries to be inclusive. Jim Wesberry has probably provided one of the best descriptions that captures the essence of corruption.

Corruption thrives on darkness and invisibility. It is anonymous and unmeasurable. It is rooted in the very human vices of greed and lust for power... [It] is colorless, shapeless, odorless, collusive, secret, stealthy, shameless... It often leaves no trail but that impressed in human minds, memories and perceptions. (Caiden, Dwivedi & Jabra, 2001, 1)

In recent years, this will o' the wisp has been imprinted on people's minds by such concrete examples as the attempts of the Italian government to rein in the Mafia, the brutality of the Russian Mafiya, the decline in Japan's economic fortunes, the 1990s recession in Southeast Asia, political upheavals in the

Philippines and Pakistan, the hollow governments in much of Southern Africa, the forced resignations of the European Commissioners, political party financial scandals in Western Europe, the operations of the narco-regimes in the Middle East and Asia, the off-shore banks around the globe, and the inside looting of some major American business corporations and manipulated trading on world stock exchanges, to say nothing of global trading in illegal goods and services, international smuggling, and money laundering encouraged by rogue governments.

All these are unmistakable illustrations of corruption at work around the globe with serious repercussions for all. This obvious presence of corruption gave birth in the early 1990s of Transparency International (TI) to publicize this menace and record actions taken to combat it. As a result, the international community could no longer ignore corruption and reversed course by acknowledging it, promoting measures to combat it and employing TI to expose and contain it. The taboos that used to shield corruption have now fallen by the wayside. Corruption is acknowledged to be an obstacle to world development by discouraging investment, undermining stability, destroying effective governance and demoralizing people. The societal price being paid has become too high and needs to be reduced.

Tackling Corruption

The international concern with corruption has been accompanied by a burst of studies, much of it repetitive and exhortatory, but rather short on practicalities. This should not surprise as the subject is rather messy and fuzzy. Moral indignation is all very well but it does not necessarily translate into operational details. Corruption (or rather corrupt practices), like sin, takes so many different forms, covers such a diverse range of activities, and takes place in so many different contexts, that generalizations are all very wise and good but they give little guidance as to which remedies best suit which particular circumstances. For instance, the open giving and taking of bribes, clearly corrupt activities, is different from the secretive falsification of accounts and receipts, clearly corrupt activities. But the giving and taking of bribes may be the expected price of doing business and outsmarting competitors or it may be quite exceptional cleverly disguised practice known to few. It may take crude forms such as the flagrant transfer of cash from hand to hand or the sophisticated form of prearranged betting odds such that the fixed outcome equals the negotiated bribe paid in untraceable property or personal favors. Likewise, the falsification of financial records can be the work of individuals who believe they cannot be caught as they have sole charge and nobody else ever checks, or it can be part of sophisticated professional accounting practices based on acceptable guesstimates, wishful projections, questionable depreciations, and permitted allowances where proof is not required or is very difficult to obtain. Figures can be massaged (not faked) sufficiently to hide more than they reveal, thereby distorting the true financial picture and deceiving those who take the figures at face value. Tackling corruption takes a large cast of specialists, many of whom work in isolation and alone using quite different tools.

Before tackling corruption, certain crucial questions have to be answered step by step just as the medical profession has to do in treating patients complaining of being unwell. What exactly is or may be wrong? Is the complaint real or imaginary? If untreated, how severe or life-threatening is it likely to be or is it just a minor nuisance or inconvenience? What technical aids can be employed to assist in locating and assessing the extent of the disorder? Is any treatment possible, available, and affordable? Is the selected treatment new and experimental or tried and proven? Does the patient understand what is involved in the possible treatment and is the patient prepared and willing to undergo the course of treatment? If the treatment does not go as planned, what can be done? At what point does the treatment have to be halted and discontinued or repeated at a later time? Who should be involved in making these decisions?

When applied to corruption, not a personal illness but a societal sickness, the answers to such questions are not as clear and certain as those developed over the centuries by the medical profession although corruption may be as old as human diseases. What is the truth behind people's complaints of corruption? How serious is corruption and to whom? If there are multiple corrupt practices, which one should be tackled first or given priority treatment? How accurate is the diagnosis? Are the symptoms confused with the underlying causes? Why does something need to be done? What can be done? What is required for effective and lasting treatment? Does the necessary support exist? Can that support be so institutionalized as to keep up the pressure for effective action? What constitutes success and how is success to be measured? At what point does treatment need to be changed because it is not working or working well enough?

As in medicine, the literature and practice of combating corruption provides many answers and much food for thought. But when it comes to actually doing it in a particular situation, corruption fighters are much on their own. No case is exactly the same to another. There are always variations, unknowns and risks. Exploratory investigation may reveal nothing for concern or it may uncover something much worse than initially suspected. The diagnosis may be way off. The wrong treatment may be recommended. The expected backing evaporates; people run for cover no longer willing to be associated with combating corruption. The corrupt may turn the tables and outwit any attempt to confine their activities, just like whistle-blowers find themselves the ones being investigated and victimized by the real villains. The analogy to medicine stops here. One assumes that anything that cures human ailments is welcomed and those who cure are ennobled and blessed for their good work. When it comes to corruption, the corrupt may hold all the cards, defy investigation, accuse the investigators, plot to eliminate accusers (and succeed), and teach a new generation to be even more corrupt. Corruption has so far proven to be highly evasive to effective treatment and reappears in so many different guises that constant vigilance has to be maintained to prevent its reappearance.

Distinguishing Individual From Systemic Corruption

When does a rotten apple contaminate others in the barrel and when does a defective barrel contaminate its contents? Few organizations confess to being corrupt and retaining employees with dirty hands. On the contrary, most are indignant about any suspicion that they may be acting immorally or contain anybody guilty of immoral practices, even though they know that not all their employees are innocent and in fact employee stealing is common, so taken for granted and unpreventable that little is done about it. In practice, all organizations try to prevent even the appearance of corruption and do try to rid themselves of anyone with dirty hands.

No system is perfect; wrongdoing slips through the cracks. Of the millions of people employed, a certain percentage of undesirables get selected and recruited and abuse the position. They find ways of helping themselves and secreting their deviation. When this occurs, their workmates may not know because they are simply too clever, isolated, trusted, creative to be exposed and any solid evidence is in their own hands. No one else can possibly know unless their victims speak out which is not easy to do because it is one person's word against another's. Sooner or later, the corrupt make mistakes and for those who know what to look for the evidence is plain. Even employees who work alone have to make reports which can be checked, mix eventually with others whose suspicious can be aroused by unusual odd or defensive behavior, be assessed for advancement in procedures designed to uncover misconduct, and be wary of their victims blowing the whistle on them and of collaborators turning against them. In short, they have to remind themselves that they work in a glass bowl. They cannot expect to go undetected for long and escape suspicion, subtle investigation and eventual exposure when they act so strangely, unless they are protected.

Wrongdoers in organizations can depend on some initial protection. Suspicions are one thing, obtaining definite proof is another. As corruption is furtive, obtaining the evidence without revealing the search and forewarning the participants is difficult. Without sufficient conclusive evidence, deviants are usually given the benefit of any doubt. Collaborators who suspect that they too will be caught can be relied on to cover up. Innocent colleagues feel obliged to protect one another because that is what they expect others to do in a similar situation; they all feel threatened or under suspicion and rally around one another. Peer protection is useful in confining knowledge to the in-group so that it does not go any further and so that the whole is not blamed for the misconduct of a few. Nobody likes to reveal dirty hands to the outside and nobody likes the finger of suspicion to be pointed at them too. All groups protect themselves. In police services, this comes under the rubric of “the vow of silence” but other comradely groups have much the same self-protective devices. The corrupt believe rightly or wrongly that they will receive a more kindly hearing from their peers than from outsiders and the facts seem to bear them out as peers seem more lenient than authority figures and the legal system as far as individual corruption is concerned although one can never tell. Finally, no organization likes to wash its dirty linen in public. It prefers to handle such things in its own way and hide its scandals from the wider public arena. It wants to avoid any unwelcome publicity.

Institutionalized or systemic corruption is different. It should not be confused with or treated as if it was individual corruption. Systemic corruption occurs when the whole organization, its culture, leadership, management and staff knowingly indulge in corrupt practices, turn a blind eye to wrongdoing, and alas even encourage such inappropriate behavior. How can this occur? Examples can be drawn from police services, in this case, from local police services in the United States (Caiden 1977). Some police departments in the past broke the law or refused to enforce laws that police officers disliked. They indulged in police riots instead of maintaining the peace. They employed secret, unconstitutional and illegal methods. They colluded with criminals and organized crime organizations. They stole and protected the burglar rings within. They transported goods stolen by them in police cars and when called to investigate they destroyed incriminating evidence left behind. They falsified evidence and trumped up charges against innocent people. They perjured themselves. They consorted with prostitutes and narcotics dealers. They held back seized goods to use to bribe informants or infiltrate closed criminal gangs. These examples are not given to place American police in a bad light, but merely to show the possibilities available to police services not available to other organizations which have their own potential avenues for corruption.

In systemic corruption, somebody within knows about and indulges in regular corrupt practices and expects others to do what they do or at least remain neutral, passive or indifferent to what goes on around them at work. On an even larger scale are the kleptocracies where virtually all public organizations, if not private too, are corrupt, the whole governance system and everyone who comes into contact with it is corrupted and loots whatever is accessible to them. Transparency International has published lists of countries where such systemic corruption is reputed to prevail. What characterizes systemic corruption?

1. The organization parades for external consumption a code of ethics that is contradicted by internal practices.
2. Internal pressures, mostly informal so that there is no written record, encourage, abet and hide violations of the external code.
3. Non-violators are excluded from the inner circle and any benefits emanating out of violations.

4. Violators are protected and when discovered treated leniently whereas their accusers are victimized for revealing hypocrisy.
5. Non-violators suffocate in the venal atmosphere and their conscience troubles them thereafter.
6. Prospective whistle-blowers are terrorized and forever discredited; they need to be permanently protected from retaliation.
7. Violators become so accustomed to their wrongdoing that they come to think themselves invincible; they feel when they have been exposed that they have been unfairly picked out.
8. Collective guilt finds expression in rationalizations of the internal violations which no one intends to discontinue without strong external pressure.
9. Internal investigators rarely act and find ready excuses to discontinue investigation.
10. Internal authorities maintain that any incidents are isolated, rare occurrences. (Caiden & Caiden 1977)

These characteristics have been amply demonstrated in the recent Enron-Andersen scandal (Caiden 2002) and the much wider ongoing business and accounting investigations in the United States that point to collusion at the highest levels of government and business and the problems of organizational self-policing (Caiden 1992).

Individual corruption can be rooted out by organizational sanctions buttressed by the legal system which can impose much harsher penalties. Individual wrongdoers are confronted with the evidence and disciplined for minor offences. They stay but under a black cloud that never fully dissipates and may follow them wherever they go. Major offences warrant immediate exit, i.e. dismissal, possible professional discipline, and possible prosecution which may result in life imprisonment or worse (death in China and Iran). The scandal is localized, steps are taken to prevent any repetition, and the incident is soon forgotten. Systemic corruption cannot be dealt with so easily. There is no guarantee that even if all the offenders are dismissed and others relocated the corruption will not continue virtually uninterrupted merely with a different cast. For external consumption, formal investigations are held and some offenders may be charged but insiders know that things will continue much unchanged. There might be one significant difference. Successors, mindful of possible individual repercussions, make sure that they will not be exposed the same way by reorganizing to make exposure that much more difficult. In short, the people may change but the corrupt practices persist. Institutionalized corruption requires major reforms in business law, professional practice, organizational and professional culture, ethics and education, public accountability and political finance, all of which will be opposed by vested interests in the status quo reluctant to admit liability.

The existence of widespread systemic corruption adversely affects the whole society and corrupts all those who come into contact with it, both insiders and outsiders.

1. It perpetuates closed politics and restricts access to decision making, thereby impeding the reflection of social change in political arrangements.

2. It suppresses opposition, thereby building up public resentment that needs only a flashpoint to erupt into violence.
3. It perpetuates and widens social divisions further dividing the haves from the have-nots.
4. It obstructs policy change, thereby sacrificing the public interest to narrow, partial and select interests.
5. It blocks much needed reforms and perpetuates poor administrative practices that give offence and reduce performance.
6. It diverts scarce resources away from public amenities and services to private affluence amid general squalor.
7. It contributes to social anomie by shoring up inappropriate arrangements.
8. It undermines trust in public institutions and alienates people.
9. It is dysfunctional to globalization, modernization, and effective governance.
10. It entrenches an international political-criminal network that undermines global security.

This is so strong a charge sheet that it can no longer be ignored by public leaders the world over. Unfortunately, too many of them got there by way of systemic corruption and too many international and national organizations themselves suffer from systemic corruption that is so habitualized that insiders no longer realize it for what it is. Too few realize that such systemic corruption cannot be tackled as if it were just individual corruption. Something more drastic is required. But they lack the will, time, patience and expertise on hand to make much progress and some may be too compromised to change the very system that brought them to the top. It is easier and more comforting to agree to non-binding resolutions, hold conferences in pleasant spots, sponsor erudite studies, distribute high-minded reports and generally go through the motions of correcting wrongdoing rather than taking actions that might implicate and embarrass any colleagues. If greed is suspected as being behind so much systemic corruption, then money laundering should be the prime target but despite the talk, little has been done to curb dirty money and the dirty hands that launder it.

Remedies

The current noise about corruption, a distinct change from the past, indicates that there is more genuine interest than ever before in curbing corrupt practices. Fortunately, the state of the art has now progressed to the point that between them experts know what needs to be done. They still await a green light to get to work. They sense that world leaders are not yet fully committed to unite their efforts but are hesitant to plunge without further convincing evidence that corruption can indeed be reduced. All need or await more forceful action from civic society to overcome their qualms. Help is readily at hand once they give the go-ahead. In addition to the accumulating abundance of expert advice on what needs to be done about corrupt practices, a new industry has emerged that just deals with the education and training of public ethics and the investigation of wrongdoing. Governments and businesses with problems have been more prepared to open themselves to advice and research. They are not ashamed to sponsor conferences and meetings on ethics and corruption and the international community echoes this new frankness as evidenced by the passage of international resolutions condemning bad practices,

statements by world leaders promising action to tackle the corruption menace, the success of Transparency International, increased technical assistance in dealing with corruption, the publicity given to anti-corruption assemblies, and the increasing concern by international business leaders to reduce venality and bad image generated by the too frequent exposure of scandal.

No place is entirely free of corruption and even the most venerated institutions are contaminated by scandal. Everywhere, the powerful abuse their position, maybe just to show they possess that power. In any event, corruption has to be tackled wherever it exists. Prior attention should be given to those corrupt practices judged to do the most harm but it may be easier to begin with or concentrate on forms which can be tackled with a fair prior assessment of success so that momentum can be built up for campaigns to deal with more difficult forms. A choice has to be made whether emphasis should be placed on legal reforms and law enforcement, independent investigation and embarrassing publicity, personal morality and individual integrity, organizational safeguards, public education, example and leadership, or anti-corruption campaigns focused on pre-selected targets, and any combination of these and other instruments for tackling corrupt practices. Unfortunately, one form of corruption is likely to be connected to another; one feeds on another. It helps if public tolerance of corruption was reduced, people were less passive, and less reliance were placed on wrongdoers to clean their own hands. Dirty hands do not clean themselves but besmirch all they touch. So, in preparation, the public has to stiffen up, protest, and back anti-corruption efforts. Everybody involved has to refrain from using their position and office for private advantage, impose the same discipline on others, and remove the guilty from all positions of public trust. All this presupposes freedom of information and free mass media willing to investigate complaints of wrongdoing and expose corruption without fear or favor. Alas, even this remains a tall order for most countries where until this happens corruption will continue to present serious challenges to their integrity, well being and stability where anyone can become a victim of the distortion of power, governance, incentives and deserts. Today, Transparency International and its country chapters provide an alternative and a conduit.

While the cynics will continue to scorn anti-corruption efforts, history shows that corruption can be curbed. More countries are discovering for themselves that corrupt practices can be managed and brought under control although constant vigilance has to be maintained to prevent deterioration. The following factors seem to be crucial (Caiden 2001).

1. Moral and trustworthy leaders (and their close relations). Able and virtuous people have to be attracted to public service and retained without great personal sacrifice. They have to be carefully selected, screened and monitored to see that their hands (and those of their close relatives) remain clean. There has to be instant removal from anyone with dirty hands and immediate disciplinary action against anyone who condones corruption.
2. Appropriate social regulation. A root cause of corruption is social controls for which there is virtually no support. Outward conformity is only achieved at the cost of sullen resentment and common cause to evade such controls. Governance intervenes where it is unwelcome which merely results in evasion and lack of enforcement.
3. Regular law revision. Repeal is needed of vague, anachronistic and internally contradictory laws and regulations that the law-abiding cannot conduct their business in a lawful manner. In every jurisdiction there are probably orders that have outlived their usefulness but remain on the books because no regular review and revision is instituted.

4. Reducing monopolies. Inevitably and almost unconsciously, monopolies exploit their position. Where competition cannot be introduced, they have to be carefully monitored and subject to transparency and full accountability to ensure their actions are legal, moral, productive, sensitive and effective.
5. Open democratic governance. Clearly, autocracies have a higher propensity to corruption. Every effort has to be made to ensure government in the sunshine which is very difficult to obtain in private organizations and in public organizations that have been exempted for good reason from democratic norms, procedures and controls. At the very least, redress and compensation should be provided when wrongdoing occurs.
6. Professionalism. Amateurism has its place in democratic governance but democratic administration requires professionals who adhere to professional ethics and standards, avoid harm, keep abreast of the state of the art and are so jealous of their reputation that they ensure competent performance, discipline and reliable self-policing.
7. Competence. Wherever there is incompetence, corruption creeps in. System, order, and regularity are essential for the detection of abuses. Competent administration in itself is a major deterrent to corruption as irregularities are likely to be spotted quickly long before they can be routinized.
8. Personal integrity. When all is said and done, there is no substitute for individual integrity and the unwillingness of people to compromise with corruption. People who know right from wrong rarely depart from norms and prefer exit to participation in wrongdoing. Ethics education is imperative and cannot be taken for granted.

None of these measures is easy to translate into specific conditions. Closest has probably been Robert Klitgaard (1988) who provided a general framework for anti-corruption efforts much along these lines but was more specific and practical, including taking the profits out of corruption and frying the “big fish” in public. He also emphasized tackling weak cultures of public accountability, fostering the democratic ethos, strengthening the appeal of public service, improving capacity building and inculcating a culture of public accountability and transparency.

So What is Peculiar to Latin America?

Reference to the work of Robert Klitgaard and others well known for their studies of corruption in Latin America and elsewhere reveals differences in approach to the whole subject of corruption even among experts. Robert Klitgaard (1988, 1998) is primarily a development economist whereas the Caidens (1977) are from a governance background. Many economists try to avoid taking a moral stand. They are more sympathetic to liberalization, privatization, and business whereas many governance experts do take an ethical stand and are more sympathetic to community values, government initiatives, and public (as opposed to business) administration. The former recognize that from their viewpoint, corruption has worth in speeding economic development by promoting entrepreneurialism while the latter question the non-economic (social) costs of development through corruption. The one group tends to gloss over the hidden costs of corruption while the other group worries more about its long term societal consequences.

Whereas the economists may have had a virtual stranglehold over international organizations and conservative governments, the governance experts have been growing steadily more influential and may have gained the upper hand in recent years at least in public posture although the economists still

retain their strength behind the scenes.

Latin America is currently one of the major battlegrounds over which this ideological dispute is being fought. All the generalities of the foregoing analysis apply to Latin America as they do to elsewhere in the world. As a region, Latin America is not as clean as Scandinavia and some countries of the Commonwealth (Canada and Australia) but it is not as dirty as parts of chaotic, lawless Sub-Saharan Africa and Central Asia. But no one can deny that Latin America also has its bad spots, such as money laundering in the Caribbean, narcotics cultivation and trafficking in the Andes, organized crime in Central America, financial irregularities in Brazil, lawlessness in Haiti, and so forth, none of which are hidden and all of which have been and remain subjects of international investigations and condemnation. These are cause for global concern, not just intervention from the United States. But one can also point to bright spots in the very same countries. Perspective has to be maintained.

Nonetheless, corruption in Latin America is a burden on all our backs, for those who have to live with it daily and for those outside the region who may be unaware of its effects on them too in the form of higher prices for imports, bad and probably insecure investments, shoddy work, harmful products, unjust profits for criminals and scoundrels, perpetuation of slavery and other infringements of basic human rights, gross injustice, abject poverty, discrimination, instability, violence, things they would not tolerate in their own part of the world. While outsiders can stay oblivious, insiders who have to live with corruption cannot. The difficulty is that the insiders become so habitualized and so socialized that they no longer see corruption for what it really is and what it does to them and the societies in which they live. This is where outsiders have an advantage but these can do very little about it. Only the insiders, the citizens of Latin America, can take effective action to end blatant corrupt practices that infest their lives. The least they can do is to try to reduce corruption, chase it from important activities into relatively minor and less harmful activities, and ensure that its contamination does not spread any further. One thing is certain: indifference and inactivity only strengthen corruption and the corrupt. Unless the insiders stand up and show they really mean business, outsiders, however well meaning and intentioned, will remain ineffectual onlookers.

People of Latin America know their own situation better than anyone else. They have all the information they need. They can now call on the international community for any further assistance. The real work has to be done at home. All the outside world wants is for the activists not to be lulled by several popular myths. First, *that corruption in Latin America and the Caribbean is different from anywhere else and is so peculiar to the region that anti-corruption measures employed elsewhere cannot be applied*. Of course they can, even if they have to be modified, tailored to local circumstances, and readjusted. They cannot be applied without forethought and adaptation. They cannot be taken off a shelf and consumed as is. That is the real work of reformers to do their homework and keep altering and monitoring as they progress. No place is exactly like another but in corruption there is a greater degree of universality than often supposed. Those who claim otherwise do protest too much; they are probably just too overwhelmed to do what they really need to do.

Second, *poor underdeveloped countries are more prone to corruption than the rich, developed countries*. Undoubtedly, scarcity is a major factor in perpetuating corruption. But some of the most developed countries in the world are seeped in corruption while some very poor countries are not. Rich countries present more opportunities for corruption and the devious in them are ingenious in devising ways to exploit the commons. Scarcity does enable “economic” rent to flourish, especially for life saving public goods and services. Thus increasing their supply and availability, their access and affordability, should lesson the propensity to corrupt behavior.

Third, *countries with a large public sector are more prone to corruption than countries with a smaller public sector*. The assumption here is that official corruption is far worse than private corruption. This is just not proven. Corruption is better hidden by the private sector and its extent is perhaps not as apparent as corruption in public organizations which tends to be exaggerated, taken out of context, and generalized. Private parties hate scandal, indeed anything that puts them in a bad light and scares off clients, customers, associates, volunteers and potential employees. They try to hush things up and head off potential whistleblowers. Public organizations, working more in a fishbowl atmosphere, are not so fortunate and are vulnerable to undesirable publicity; they are fair game to anyone who resents government. In any event, in the contemporary world of governance, the two arenas can no longer be separated and their behaviors cannot be that much different. Public and private corruption are well matched; they go very much together; one exploits the other. Size and nature of ownership seem to have little to do with the presence or absence of corruption.

Fourth, *liberal democracies are less likely to be prone to corruption than autocratic patrimonial regimes*. There probably is more truth in this myth as autocratic regimes are more likely to be oppressive and bereft of respect of basic human rights. But democracies are not exactly pure and clean. Corruption in them takes different guises, not so blatant and obvious. A veneer of civility may just be one of few differences in conducting public business but the same feeling of helplessness is experienced by victims of corruption, the same alienation, the same powerlessness, the same frustration and anger, that one has been cheated and ill-served without real redress. Nobody “up there” seems to care even if they do listen. But one hopes that in a democracy there are limits as to how badly one can be abused which is probably not the case in authoritarian regimes.

Fifth, *privatization is likely to reduce the extent of official corruption*. If competition is introduced, this may well be so but much of so-called privatization is of natural monopolies where public control is transferred to private control without the public safeguards against abuse, without transparency, without accountability, without regard to public trust, public interest, and public responsibility. State paternalism has its drawbacks, such as sinecures, nepotism, particularism, and clientelism but are they greater than what passes for normal business in the private sector or private partimonialism, given the concentration of the ownership of land, capital, business, higher education, political power, religious authority and aristocratic privilege?

No doubt there are other myths about corruption in Latin America and the Caribbean that deceive simply because corruption is so multi-faceted and both the corrupt and their victims seek to put their spin on why it prevails, who it benefits and how difficult it is to curtail. The defeated just throw up their hands and preach that corruption is and always has been part and parcel of imperfect humans that it will always plague humankind. Suppressing it will only be temporary for it re-emerge sooner or later in some form or other. They point out that the will to tackle corruption is weak, smothered by layers of secrecy, indifference, self-indictment and indecision. In too many countries of the region, corruption thrives openly and unashamedly, and few seem unduly perturbed. That is how things are and how they probably always will be. Corruption is ingrained. Better to leave well alone or concentrate on more important matters. Stirring things up may result in more harm from retaliation from the corrupt and their supporters, who are in a position to punish those who would dare interfere with them.

Yet, there are always activists willing to try their hand at tackling corruption in Latin America and elsewhere, even though they know that they stick their necks out and they may well find too late that they have them cut off before they can achieve their goals. They are not at all foolhardy. They are sincere and committed and fully expect the corrupt to fight. They know of the sacrifices that may be entailed and learn of the tragedies that occur in their ranks. Their martyrs are alas soon forgotten. But

they have their heroes too who succeed beyond their dreams. They may not be known to the public at large that remains ignorant of their contribution to cleaning up at least public business. There are such upstanding heroes in every country in Latin America and the Caribbean who act as an inspiration to another generation. Unfortunately, there still are not enough of them to turn the tide but outside pressure combined with internal pressure from an ever growing and persistently demanding grassroots may soon change all this.

The Bottom Line

As has been emphasized elsewhere (Caiden 2001, 451), corruption is a particularly viral form of bureaupathology. Once it enters the life stream of any system, it quickly spreads. If untreated it will eventually the effectiveness of the infected area. Even if caught quickly and treated in time, there is no guarantee that it will have been eliminated altogether. Current strategies only aim at containment and minimization, not eradication. The ingenious are always one step ahead and will remain so as long as personal integrity is lacking in individuals.

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