LINKING CULTURAL DIMENSIONS WITH THE NATURE OF CORRUPTION
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ABSTRACT

In this paper, we argue that extant literature offers somewhat simplistic explanations of the antecedents of corruption. Drawing from institutional theory and the recent fine-grained formulations on the nature of corruption, we offer testable hypotheses that link Hofstede’s (1980) dimensions of national culture with the pervasiveness and arbitrariness of corruption prevalent in the institutions of a nation. Thereafter we discuss the implications for practice and theory. We point out that our theoretical framework makes a conceptual link between macro- and micro-level variables – this is a link that has hitherto eluded scholars in the area.

INTRODUCTION

Lately, corruption – the misuse of public office for private gain (Treisman, 2000) – has grabbed the attention of public policy scholars like no other issue has. This is hardly surprising given the grave consequences of the practice. Although it has long held a specialist academic interest, corruption has become a subject of growing practitioner attention which means that the focus area on corruption is beginning to move significantly from theory to practice and the practical. While the levels of corruption across nations vary greatly, no nation can claim to have completely eliminated the scourge. The question as to why levels of corruption vary across nations is worthy of study. An answer to this question may provide pointers to how public policy makers might combat corruption. For instance, governments in the more corrupt nations could consider replicating the experiences and institutions of the less corrupt nations. Despite concerted effort in recent times, it is clear that scholars have been unable to isolate all the antecedents of corruption. A large portion of the variance in corruption across nations continues to be unexplained.

Theorists have offered economic, political, institutional, and psychological explanations of corruption, but have somehow, bar a couple of exceptions, overlooked national culture (Husted, 1999). Further, the few studies that have focused on national culture have tended to treat corruption as a direct function of the dimensions of national culture (Getz & Volkema, 2001). Statements like, “High power distance cultures tend to be corrupt” are common. We believe that suggesting straightforward direct linkages is tantamount to offering simplistic explanations of what is a complex phenomenon.

Corruption, as we have noted, is pervasive. What varies from nation A to nation B is the nature of corruption and its intensity. Also, not all institutions within a nation are equally corrupt. It may thus be more reasonable to postulate that dimensions of national culture indirectly influence levels and types of corrupt practices within a nation than to assert that cultural dimensions make the citizens of a nation more corrupt across the board.
In the next section, we derive testable hypotheses that link Hofstede’s (1980) dimensions of national cultural with recent formulations on the nature of corruption. Thereafter, we discuss the implications of our theoretical framework for public policy makers.

THEORETICAL FRAMEWORK

The more influential theories about the causes of corruption tend to concentrate on the institutions that house corrupt officials (Xin & Rudel, 2004). Amongst the institutional frameworks, the “principal-agent analysis” seems to enjoy wide currency. The analysis examines the relationships amongst three protagonists: the citizens, the principal (say a governor), and an agent (a public official) who manages the relationship between the citizens and their government (Becker, 1968 & Klitgaard, 1988). Agents are believed to be more prone to corruption when they enjoy considerable monopoly, and have wide discretion and little accountability (Riley, 1998). The implications are fairly straightforward. To combat corruption, governments should curb monopolies, limit discretion, and institute democratic and transparent processes to increase accountability. Alas, implementing these suggestions in different social contexts is anything but easy. As Xin & Rudel (2004) observe, we understand the institutional forms that deter corruption better than we understand the larger societal contexts that encourage or discourage corruption.

While institutions do influence the behaviour of people (and therefore of societies), it is the people (or societies) that create institutions. It follows that a society’s cultural norms and value systems must largely determine the type of institutions that a society creates for itself. It is thus vital that micro-level studies on institutional corruption factor in the culture of the society to which the institution in question belongs. A society’s culture, of course, is a macro-level construct. We are not aware of any study on corruption that cuts across macro- and micro-levels (also see Xin & Rudel, 2004). Moreover, the studies that examine corruption across nations (see Husted, 1999; Sung, 2002; Treisman, 2000; and Xin & Rudel, 2004) consider corruption to be a one-dimensional construct. But as Rodriguez, Uhlenbruck, & Eden (2005) argue, corruption has at least two key dimensions that differentiate it across countries: pervasiveness and arbitrariness. This suggests a need for more fine-grained studies of the phenomenon.

We contend that simplistic one-dimensional conceptualisations of corruption and the failure to simultaneously incorporate macro- and micro-level variables are responsible for the non-conclusive findings that abound in the area. To partially redress the situation, we offer below a framework that takes into account the two dimensions of corruption and recognises that institutions embedded in different national cultures are likely to vary in terms of their accountability and the discretion that they enjoy. We argue that variations in accountability and discretion can explain variations in the pervasiveness and arbitrariness of corruption.

DIMENSIONS OF CORRUPTION

Pervasiveness, the first dimension of corruption, pertains to the degree to which corruption is prevalent in a given country. Note that the degree does not include the nature of corrupt transactions which can either be petty or involve large sums of
money. Rodríguez, Uhlenbruck, & Eden (2005; p. 385) define pervasiveness as the “average firm’s likelihood of encountering corruption in its normal interactions with state officials.” Pervasiveness then is a measure of how frequently firms find it essential to bribe a public official.

Arbitrariness, the second dimension is defined as “the inherent degree of ambiguity associated with corrupt transactions in a given nation or state” (Rodriguez, Uhlenbruck, & Eden; p. 385). In a highly arbitrary environment, one may not know who to bribe, how to bribe, and whether one’s bribe would be effective since the rules of the game can change after the game has begun.

In some nations, corruption can be pervasive but not arbitrary, in others the reverse might be the case, and in yet others corruption could show high degrees of both pervasiveness and arbitrariness. Knowledge about the antecedents of the two dimensions can clearly benefit public policy makers. Intuitively, one could postulate that greater the amount of discretion enjoyed by public officials greater will be their propensity to act in an arbitrary manner. Similarly, one could argue that greater the degree of perceived accountability by public officials, lower will be their propensity to indulge in a corrupt transaction. The fear of being held accountable would act as a dampener. Thus discretion is positively related to arbitrariness and accountability is negatively related to pervasiveness.

### DIMENSIONS OF NATIONAL CULTURE

Hofstede’s (1980) seminal work on national culture distils five dimensions along which national cultures differ. In his words, the dimensions reflect “basic problems that any society has to cope with but for which (their respective) solutions differ” (Hofstede, 2001, p. xix). Space constraints prevent us from elaborating upon the five dimensions of national culture. We briefly discuss each in turn and hypothesize how the cultural dimension in question could influence accountability and discretion in institutions thereby influencing either the arbitrariness or pervasiveness of corruption.

**Power Distance (PD)** is the extent to which the less powerful members of organisations and institutions accept and expect that power may be distributed unequally. We postulate that officials in institutions of high PD cultures are likely to enjoy a lot of discretion, at least informally if not formally, since subordinates in such cultures tend not to question their superiors. Conversely, in low PD cultures, subordinates expect to be consulted and are not averse to holding their superiors accountable through social interaction and other informal means. We thus hypothesise that:

- **H1**: Arbitrariness of corruption will be high in high PD cultures.
- **H2**: Pervasiveness of corruption will be low in low PD cultures.

**Uncertainty Avoidance (UA)** is the extent to which a culture programmes its members to feel either uncomfortable or comfortable in unstructured situations. Being uncomfortable with ambiguity, people in high UA cultures try to exercise greater control over the uncontrollable. Arbitrary behaviour, by definition involves acting in an unpredictable manner and creating unstructured situations. We thus argue that officials in low UA cultures are likely to act in a more arbitrary manner when compared to their counterparts in high UA cultures. Further, high UA cultures are likely to favour well-defined unambiguous rules and regulations which indirectly reduce the discretion enjoyed by public officials. This in turn has the potential to further reduce arbitrariness of corruption. Thus:

- **H1**: Arbitrariness of corruption will be high in high PD cultures.
- **H2**: Pervasiveness of corruption will be low in low PD cultures.
H3: Arbitrariness of corruption will be high in low UA cultures; conversely it will be low in high UA cultures.

*Individualism/Collectivism* is the degree to which individuals are supposed to look after themselves or remain integrated into groups, usually around their family. Officials in individualistic culture will tend to act in ways that enables them to enjoy greater discretion. Being individualistic, they are likely to gravitate towards greater independence of thought and action. Thus discretion in such societies is likely to encourage arbitrariness of corruption where it exists. In the case of collectivist societies, official are likely to show greater concern for consensus and may be more prone to nepotism; i.e. a desire to do good for one’s relations or “larger” family. Corruption in such societies, owing to the desire on the part of officials to cater to multiple needs, may be more pervasive. Thus:

H4: Arbitrariness of corruption will be high in Individualistic cultures.

H5: Pervasiveness of corruption will be high in Collectivist cultures.

*Long-term/Short-term orientation* refers to the extent to which a culture programmes its members to accept delayed gratification. One could argue that officials who seek instant rewards are likely to be less risk averse and more prone to acting in an arbitrary manner. Conversely, corrupt officials from a long-term orientation culture are likely to be more patient about how they earn their graft. They may favour “safe but sure” methods and show a greater degree of consistency and predictability in their behaviour. We thus hypothesise that:

H6: Arbitrariness of corruption will be high in short-term cultures.

H7: Pervasiveness of corruption will be high in long-term cultures.

*Masculinity/Femininity* refers to the distribution of emotional roles between the genders. Masculine societies tend to have more rigid and well defined gender-based roles when compared to feminine societies. We don’t find any theoretical reason to link this dimension of national culture to either pervasiveness or arbitrariness of corruption.

**IMPLICATIONS AND CONCLUSIONS**

We have derived seven testable hypotheses by arguing that national culture – a macro-level variable – can mediate discretion and accountability, both micro-level variables, thereby engendering either arbitrariness or pervasiveness of corruption. We concede that national culture is just one of the macro-variables that influence corruption. National wealth, political legacies, and population size are some others that no doubt play a role (see Xin & Rudel, 2004). Although efforts by the World Bank and Transparency International have led to the development of corruption indices, as Treisman (1999) points out, corruption is a difficult subject to study empirically since its determinants tend to change quickly and cause and effect can get inextricably interwoven.

Our hypotheses imply that policy makers can institute culture-specific strategies to combat corruption. For example, in high power distance cultures where arbitrariness is likely to be rampant, it may make sense to curb the levels of discretion enjoyed by public officials. Similarly, accountability could be increased in cultures that foster pervasiveness. One will of course have to control for complex and confounding macro-variables if one is to either reject or support our hypotheses with any degree of confidence. The suggested framework has the potential to forge a link between macro- and micro-level variables while explaining the causes of corruption. Empirical work will no doubt refine our framework. We have thrown down the gauntlet in hopes that scholars will pick it up.
REFERENCES


