

Corruption and Alienation

Toini Løvseth
Department of Political Science
University of Tromsø
toinil@sv.uit.no

Paper to be presented at ECPR Joint Sessions April 2001, Grenoble, Panel 16:
“Corruption, Scandal and the Contestation of Governance in Europe”.

Introduction

While corruption has been on the research agenda for some time now, there is still a need for in-depth studies on the causes of corruption that takes account of both the theoretical and empirical challenges in this field. This paper investigates the causes of political corruption and the explanatory powers of three different theoretical models: (1) a rational choice model, in which corruption is a question of incentives and risks, (2) a structural model, in which corruption is seen as caused by material needs, and (3) a cultural/neo-institutional model, in which corruption is seen as a result of alienation. The theoretical models are tested in a comparative study of two cases, Russia and Lithuania. I find that even though the rational and the structural model provides important insights, the causes of corruption are best explained with a cultural/institutional model, which, based in a comparative historical study, stresses the role of political alienation.

Corruption can be a stabilizing factor in a system, but all in all corruption causes huge problems in relation to the ideal of just and equal distribution of goods, bureaucratic effectiveness, economic development and, ultimately, the system's legitimacy (Heidenheimer 1993, Theobald 1990, Della Porta and Vanuchi 1997, Newell 1996). Corruption as a means to increase the service that one person gets from public institutions will eventually decrease the services given to another. Corruption increases the chances that private actors will get their will against what's in the public interest as defined by the prevailing civic standard. This increases the bureaucratic ineffectiveness that again increases the vulnerability for more corruption. Experience shows that societies get trapped in a vicious circle where corruption stifles political and economic development.

All experience tells us that the rational bureaucracy's impartial public officer and the honest politician's goal of serving the ones that appointed and elected them, respectively, and their nation is more rare than realistic. In reality, corruption cannot be neglected. The point is though, that while corruption has been an element of every organized society at all times, some societies seem to be more vulnerable to the phenomenon than others. In some societies corruption is so widespread that "We are talking about societies where corruption is an unavoidable means for accumulation of wealth, power, influence and even prestige in that society. And where corrupt practice will be honored and encouraged"(Rajaratnan 1970:547). *We are talking not of corruption in societies, but corrupt societies.* What variables account for

the development towards a corrupt society, what distinguishes between corrupt societies and societies where corruption is a lesser problem? What are the causes of corruption?

My empirical point of departure is the different rates of corruption between two states, Russia and Lithuania. The findings of the study, I argue, are applicable elsewhere. Both former communist states, Russia and Lithuania were parts of the former USSR; and many observers hold that the Soviet system is what caused Russia and Lithuania widespread corruption. Journalists and scholars in exile (Smith 1991, Simis 1982, Vaksberg 1991) reported of business leaders who got most of their wages from embezzlements. Whole sectors used public resources and localities to production of which surplus went straight into the employee's pockets. Ordinary citizens had to pay "everyone" to get anything, from toilet paper to police protection. Corruption was omnipresent, a means of power, wages, services, education etc. Putting the blame at communism is insufficient, however, as the level of corruption varied markedly *within* the Soviet Union: "The geographical variations in official corruption is striking. Such a marked difference in this social phenomenon certainly merits additional research into the cultural and economic bases of corruption in the former Soviet Union and elsewhere" (Clark 1993:75). Clark studied *The Current Digest of the Soviet Press* from 1965 to 1993 and counted the number of cases on corruption. The study of official crime in the former USSR showed that the corruption rates varied from 21.85 in Azerbaidzhan to 0 in Latvia. Clark's findings guided my choice of cases. The difference within the same communist system merits the move beyond the "communist explanation" because this factor alone cannot explain the geographical variations between states in general or former Soviet states in particular. Russia here represents the corrupt society, while the level of corruption in Lithuania was comparatively low.

Political corruption is here defined as *illegal* actions with private gain as the main goal, performed by public employees or holders of elected positions. An action is corrupt when a member of the public institution abuses the institution's resources, his executive authority, or information monopoly in order to gain assets and services. The legalistic definition of corruption, limited as it may be, is a type of definition that "travels well across countries" without too much conceptual stretching. I believe that we need to compare to understand the causes of corruption. Clark (1993) estimated the number of sentenced public officials in Russia to 2.81 per million inhabitants while the same number for Lithuania was 1.41. This is corroborated by the World Crime Surveys (1992) on general corruption rates: The number of

sentenced per thousand was 1.9 in Lithuania and 4.4 in Russia. This difference is what is to be explained. The differences are held up against empirical data collected for each of the theoretical models tested. Data are collected for the period 1986-1991, that is, within the soviet period, thus avoiding the problems of comparing two different legal systems. The data, though all quantitative, are collected from different sources and relate to different levels, both individual and structural.

Explaining corruption with rational and structural models

Older studies of political corruption were based on an idea of the evil motives of dishonest individual actors. And it is easy to study corruption with moralist spectacles. Corruption defined as immoral behavior does not, however, lead to fertile theoretical models of explanation as the problem is based in single individuals and natural human weaknesses. Thus, scholars have left these kinds of explanation, or at least made their moralist and ethno-central claims more implicit. The different schools of explanation can now be divided on the same lines as other forms of political behavior. The main dividing lines among the models is the emphasis laid on actor, structure or culture as the explanatory mechanism.

Rational model

Explanations based in individual actors and methodological individualism pin the causes of corruption in the opportunities and risks connected with corrupt actions. It is argued that rational actors will use corruption if it is beneficial to them. Actors will always seek to maximize private gain unless there is something stopping them from it. To explain the amount of corruption in a society one has to look at the incentives given and the risks of getting caught in the societies. A primary inspiration for these kinds of models has been Schelling and Becker's studies on crime and their modeled functions of punishment onto the actor's actions (Schelling 1967).

Scholars do not agree on the bases of rational choice models. Differences relate to the types of self-interest the actors are supposed to have and the degree of uncertainty allowed for the actors in their evaluations¹. The model used here is based on the assumption that rational

¹ See e.g. Green and Shapiro (1994): Pathologies of Rational Choice Theory, for a review of rational choice models.

action is egocentric action. Institutions are important as restrictions upon action, not as determinations on preferences. The actors are expected to be able to calculate their winnings and losses and to have perfect information on the risk that they are running. I study the factors promoting or limiting the opportunities for corruption, taking for granted that the actors involved would maximize self-interest. I expect that the corruption level will be highest where the incentives are high and the risks small. “Men steal when there is a lot of money lying around loose and no one is watching” (Wilson 1966:31).

The level of corruption = The value of the transaction – The risk of the transaction

I expect the level of corruption to increase as the authorities lack the ability to control and act upon illegalities. I expect that the level of corruption decrease as the probability of getting prosecuted and convicted increases. And I expect the level of corruption to increase as the size of the public sector (more to steal) increase².

Structural model

Structural models offer macro-theoretical explanations on human behavior. The structures, be that group relations, power relations, economic factors, geographic and natural factors or other political or societal institutions, will in some way or the other force the individual actors in the social and political system into certain patterns of action. Structural functionalism has been the main theoretical model in use for explaining corruption. The most central scholars are the developmental school (e.g. Frank 1981) who see corruption as something forced upon individuals by economic structures, and Huntington (1986, 1993) who see corruption as institutional malfunction.

I here define structure as economic, material conditions as few generalizations are better established than the one stating that effective democracy depends on socio-economic modernity. Economic factors are still the explanation most often given to different societal conditions. My independent variable is material conditions. The promoting mechanism in the model is structure, which is seen as having independent influence on the levels of corruption. The structure and effectiveness of formal political institutions is seen as a result of socially derived factors. I thus expect that a state's economic poverty will increase corruption levels.

This is measured as GNP and PPP (Purchasing Power Parities). Based in knowledge about how misleading these measures are in predicting the actual welfare of the citizens, I also compare the Gini Coefficient of the two cases, and expect corruption levels to be highest where Gini is highest. I expect that the wages offered to public employees will influence the corruption level. The hypothesis is that the lower the wages, the higher the level of corruption, as low wages can force public employees to abuse their discretionary powers to increase their income. I also test the opposite hypothesis; that the higher the general wages the higher the corruption rates. This hypothesis relates to the phenomenon of surplus demand; that is when individuals have the resources needed to buy the goods they want, but that the supply cannot fulfill these demands³. The explanation is widely used relating the power of the Mafia in the US to the alcohol prohibition.

Empirical performance

The empirical performance of the two models is not conclusive. Several of the variables measured did not come out as expected. Available data do not suggest that Russia had a less effective judicial system. In fact Russia convicts twice as many of their accused than Lithuania. Neither did the opportunity side of the rational model explain much. The differences between the two countries in the size of the public sector are only minor. The variable in the rational model with good explanatory powers is the probability of criminal prosecution. In Russia there were huge differences between the number of convicted criminals and the number of punished criminals (only 31% of the convicted got punished, as against 86,5% in Lithuania). The risk of getting punished is small. For practical politics the explanatory power of prosecution variables is good news. Something can be done. Still, it would be even more useful to know though why it is exactly countries like Russia that uses the opportunities when the risks aren't there. Isn't the really interesting question this: Why does not Russia punish its criminals?

In the structural model the size of wages for public officials proved to be a good predictor. The wages for public officials are significantly higher in Lithuania than in Russia. This is a

² For variables, see appendices.

³ Assuming that the supply side is equal for the two cases, which is not unlikely considered the central planning system.

plausible explanation. The State's best mechanism for controlling its employees is status and wages (Weber 1990 (1922)). The opposite hypothesis, that higher general wages, and thus surplus demand, would increase corruption, was not confirmed. It was Lithuania who had the highest general wage rates. It seems that lack of resources is a better predictor than surplus. Economic development measured as GNP and PPP is not a good predictor, either. There are no significant differences between the two cases. The other economic macro variable measured; the Gini Coefficient for the two nations, proved to be good. The level of economic inequality in Russia is higher than in Lithuania (50/34). In this context corruption could be seen as a means to smooth the differences between people. But here too a question is raised: Why are the economic inequalities in Russia bigger than in Lithuania, why does Lithuania pay its official better wages? Could it be that the real explanatory mechanisms haven't been found yet? What is the intervening variable?

The basic question is always tricky for structural and rational models. Studying the causes of corruption it becomes obvious that one has to say something more about the content of the political values at the back of the choices people make when acting, and where these values come from. The economic/rational approach neither can, nor want to do this. The rational approach cannot tell us how rationality works within different context and under different circumstances. Opportunities can be exploited or not⁴. I wanted to know when, why or why not. It is obvious that economic self-interest is one of the most important mechanisms driving actors towards corrupt behavior. The important question though, is *why* these values dominate under some circumstances, while other values prevail under different circumstances, at some other time and place. The main contribution from this approach is a paradox; that it shows so clearly that preferences matter. The main problem is that the approach does not take account for these preferences.

My study confirms that the direct link between structure and action does not always work as predicted. People rarely act according to the structural preconditions in the models. The individual actors actually have different preferences than the ones structure is supposed to promote, and they act according to these preferences instead of the structural preconditions. The theoretical problem in the structural model relates to the fact that it implicitly presupposes human behavior as a premise for the validity of the explanations, but tells little

⁴ See Susan Rose-Ackerman's seminal book on the economics of corruption for a brilliant discussion on the limits of rational explanations: *Corruption: A Study in Political Economy*, New York: Academic Press (1978).

about when and how human action is an option, and even less about why an action is possible. The structures in the model are given preferences and rationality, but ultimately only people can act. The perspective has a very static character, where the model gives preferences itself.

Pure macro-theoretical and pure micro-theoretical starting points are equally problematic: they presuppose what cannot be taken for granted. Both structural and rational explanations see the preferences as obvious and given by the model. A rational perspective neither can nor wants to tell us where the preferences come from, and a structural perspective wants to but cannot (Selle and Berntzen 1990). In both cases one is left with atomized individuals unable to form preferences and act upon them (Granovetter 1985).

The cultural/institutional model

To explain the functions and malfunctions of the political institutions of today, we have to know what kind of social context that shaped them. Preferences are not created by material, economic structure or in the atomized individual, they are created and shaped in society, in relation to other actors. I seek the causes of corruption in the history and modernization, rationalization, and not least, the legitimization of the state. The historical comparison, together with a cultural/institutional model of political behavior gives a better explanation for the extent and facets of corruption. Political alienation arises as the explanatory mechanism.

Political culture is most often thought to be “the particular pattern of orientations to political objects in which a political system is embedded” (Almond and Verba 1956:7). I do not disagree upon this definition. The important thing though is to understand that this does not mean that studying political culture is picking and choosing whichever variables one finds interesting. It’s too easy to fall into stereotype descriptions portraying Russians as fatalist, dogmatist, intolerant and admirers of authoritarian leaders. If every factor concerning the so-called “national spirit” is considered relevant factors, then culture matters. This, however, does not lead us any further in explaining the political preferences, and how they sustain.

The theoretical basis of my cultural/institutional analysis is that values are not something that we choose, but that it is restrictions upon thought and behavior that we take for given. This is a type of cultural approach close to the new institutionalism in organization theory (DiMaggio and Powell 1991; March and Olsen 1984, 1989), and also inspired by the works of Mary

Douglas (1986). The institutional approach claims that supra-individual entities should hold a principal explanatory position. “Exclusive use of such a collectivist mode, however, may lead toward such excessive explanations and chimerical notions as ‘ceremonial rules arise like the mist from the environment’, ‘the mission of history’ and ‘as soon as the capital feels strong’ (Grendstad 1995:8). On the other hand abandoning society as the unit of analysis does not commit one to follow the path of methodological individualism. There is something in between growing a beard and cutting ones head off. “In between society and the individual are ways of life that channel thought and behavior in often unintended and unanticipated directions” (Thompson et al. 1990:207). These ways of life are institutions that work as links between the individual and society, action and structure.

This institutionalism emphasizes that politics is more about making life coherent and meaningful than about aggregation of individual preferences and resources. It rejects the dogmatic rational-actor models, the rejection being based on a theory of action stressing the routine, unreflective and taken for granted nature of most human behavior. “Institutions not only constrain options: they establish the very criteria by which people discover their preferences” (DiMaggio and Powell 1991:11). Therefore no act can be classified as in and of itself rational or irrational. “What is rational depends on the social or institutional setting within which the act is embedded” (Thompson et al. 1990:22).

The theory holds institutions to be necessary vehicles for individuals to reduce uncertainty and to confer meaning on objects in situations. Institutions are considered a context within which individuals form preferences. The building blocks of the new institutionalism is as such inspired by Durkheim: “Our ideas about how the world works are derived from our social relations” (as quoted in Thompson et al. 1990). Social relations generate ways of perceiving the world that contribute to the maintenance of those relations. ”Institutions systematically direct individual memory and channel our perceptions into forms compatible with the relations they authorize” (Douglas 1986:92). The institutions constrain the ways people act and make them choose the paths that will give back results confirming that the preferences the action was build on was correct. Political culture is then about understanding the world of the actors, and about both action and values. The political culture is an informal institution that shapes us because humans act to make life understandable and important and this we can only do by acting in a way that sustains our way of thinking and visa versa.

A single institution does not explain every move man makes, let alone determines every action he takes. Actors internalize several institutional realities, in which political intermediation is one. In this lies our attitudes and conducts towards political processes, the taken for granted thoughts and behaviors we resort to when we need to relate to society and state. As such institutionalization has nothing to do with socialization. It is not about personality or mentality⁵. People act on their preferences within social institutions that are embedded in social history, path dependence. Path dependence arise from the fact that “social arrangements are not only or even primarily the result of aggregating individual choices and actions; that many structures and outcomes are not those planned and intended, but the consequence of unanticipated and constrained choice; and that history is not usually ‘efficient’ (...) a process ‘that moves rapidly to a unique solution’ (March and Olsen 1984:737). Institutions possess inherent legitimacy that commits their member to behave in ways that may even violate their own self-interest (March and Olsen 1989). Their durability and capacity to influence behavior of individuals for generations define institutions. Analyzing path-dependence implies tracing the motivation of actors as they start interacting.

State and nation building

The point being made is that to trace cultural/institutional genesis one has to study state and nation building. State- and nation building is the process whereby the state as an actor prescribes the right to citizens’ loyalty. Nation building is the concomitant process that eases this state sovereignty by drawing on the subjects’ perception of forming a community. Political legitimacy reflects the depth of commitment to the substance of the political system and process and to the boundaries and identity of the state. The idea of the State forms the basis of social order as it points to the “public power” as a special mission with ultimate decision-making powers on behalf of society. This idea creates a conception of community that uses institutionalized and legitimized powers instead of immediate and raw power. Legitimization builds on accept of the basic procedures within the State and in part on the feelings of common direction and movement represented by the State. In Rokkan (1987) terms⁶, state building regard the physical demarcation and institutional compression of political rule, while nation building concerns the legitimization of this ruling through different

⁵ ”There is simply no such thing as prestructured individual identity; both individuals and societies are the products and the contents-but not the starting points-of interaction. What is primary is the intersubjective process” (Calhoun 1991:59).

⁶ As his model is the most comprehensive and sophisticated (Østerud 1978)

drives to secure citizens believes in the governments right to rule. Rokkan sees this process (in western democracies) as inhabiting four differentiated phases: penetration, cultural standardization, political incorporation and economic redistribution. State power depends on the comparative strength of these four functional segments.

The first phases are about the State as the representative of military and economic force. The loyalty of the subjects springs in the phase not from participation, co-determination and economic distribution. States in this phase are about elite alliances and elite compromises. State power depends on the ability to win wars or secure borders threatened by the advances of alternative centers of legitimacy, be they tribal or global (the church). At some point the state has built a legal order that is strong enough to control the territory and the inhabitants⁷. This is where Rokkan points to the counter-reaction geared by penetration. The two last phases of Rokkan's model are marked by the *reactive* mobilizing thrust from the periphery towards the center. It is about participation and redistribution. Constitutional legality is not enough. If state legitimacy is to be upheld the state has to secure public support and economic redistribution. The assignment of political rights within the legal sphere results in a commonwealth where political actors apply these rights to influence the distribution of goods and burdens in society rather than striving about the institutional order. Ideally, mass mobilization furnishes citizens with channels for articulation of protest, formal or informal. Within an open and integrative state structure, interest-seeking actors will use the channels offered them by the state, to the extent that these are effective in the sense defined. In a closed and authoritative state actors will establish networks on a personal one- to one basis practically undermining state authority. The consequence is, depending on how collective this counter-process becomes, that society and state drift apart from one another to give way to tribalism, clientelism, "amoral familism", and corruption.

⁷ The ones that succeed, which is not very many concerning all the state building projects that has been started.

Russia

Russia, as most other East-European states, did not follow the same path towards centralization as the Western States. First, the Tsar built his authority on a different societal structure, feudalism in combination with blessing from the Orthodox Church. Second, the Russian Absolutist State, in its basic organizing principles and work was *intact until the revolution* (Anderson 1974).

Russian absolutism was not based on the legacy from Greek democracy or Roman law. There was not, at any time, any respect for private property. The very concept of private property did not exist. This seriously weakened the citizen's role within the state and increased the injustice inflicted upon them, as the Tsar did not have any intellectual basis for his ruling. This, combined with the vast territories of the state, made serfdom and outright slavery the only means to keep the citizens within the borders of the state (Anderson 1974). While Western Absolutism was a compensation for serfdom, Russian Absolutism was its absolute manifestation. The Russian absolutist state emerged "directly from the signority of the appanage principality; that is from what had originally been an arrangement for economic exploitation, operating with slave labor" (Pipes 1974:66). Thus there were considerably more violence in the social relations between state and citizens in Russia than elsewhere in Europe.

Russian nobility is known to have been practically absent in political life and thus contributed to the strength of the autocracy. Already in the 15th century, Russian nobility transformed from independent, land-owning aristocrats to servants of the Muscovite state: "The pomeshcick was not a vassal with his own rights claimable against the tsar. He was a servitor, received estates from the autocracy and was bound to unconditional obedience to it" (Anderson 1974:226). Russian economy was based on agriculture with weak economical results. It took until around 1850 before the economic surplus became such that there was basis for a bourgeoisie. Guilds and other corporations were non-existent. It is indeed the social structure of feudalism where the relations between humans are dictated by concepts like lord, vassal and serf. It is not possible to trace any development towards what could be called civic culture in Russia, something that could be called a society independent of the state (Torke 1971): "In Russia the State was everything, civil society was primordial and gelatinous" (Gramsci in Anderson 1974:358). Integration of citizens into the state and its working is absent.

Thus recognition of the State as something else than the Tsar's property came only in the 18th century, with pressure from outside. By then the State's political ideas and practices had already established themselves (Pipes 1974). A department for the administration of public property came as late as 1837. Laws regulating the state's actions towards its citizens did not arrive until 1864. Laws were not seen as instruments for the protection of justice, but as upholders of order, and they applied only for the citizens, not the authorities. The Russian State was not built upon law; it was built upon intimidation and, ultimately, violence.

Reforms and rationalization were implemented in Russian bureaucracy in the Tsarist age. There were attempts to implement a system of hierarchical and functional divisions of labor within the State administration as some of the Tsars saw the importance of legality, competence and correct procedures. However, it did not change much. Wages for public employees were low or not existing. The predominant system was "feeding", and the employees were to collect taxes as a means to make a living. Predictability of government was amiss. The question is then: "Why did the distinct elements of reforms within the bureaucracy fail to fuse into a structured system" (Raeff 1957:411)? Because most changes in state structures were not actually implemented, and those that were came too late. The main causes of inefficiency and corruption were based in the social structure. The real problem was the acquiescent church, the passive nobility and the autocratic ruler. The main point being that state and nation building in Russia never attained the character that the process produced in Western Europe:

The village had been accustomed to the occasional visit by state inspectors, but for long periods it was cut off-remote both physically and politically from the centers of authority, trade, commerce, education and culture, and largely unaffected by their influence (Hill 1989: 40).

The Soviet Union did not fall "out of the blue". The Bolsheviks inherited a peasant society in which the family was the basic unit. Their ways of living had remained unchanged through the generations. It was a primitive and fatalist culture and illiteracy was practically universal (Hill 1989). Social relationships, especially the relationship between families and authorities, were limited.

Lithuania

Lithuania's political culture has a different basis. Lithuania's historical inheritance coincides with that of Poland as the two nations were united from 1380 to 1772. Poland and Lithuania's bonds to the west were maintained by institutions of western origin, especially the Church. Lithuania's penetration by the Roman Catholic Church was an important push toward the West and the Polish influence within the bureaucracy became all pervasive (Kirby 1995, Smith 1993, Davies 1984):

Poland's Catholicism determined that all her elected rulers came from the West; that all her cultural ties lay with the Latin world; that her closest political connections would be the Empire, her immediate neighbor; and in the age of faith, that most her sympathies lay with the catholic peoples of the West rather than with the pagans, schismatics or infidels of the East (Davies 1984:343).

The cultural bonds were strengthened by trade connections, as the State was the "granary of Europe". This made the ideas of Renaissance take roots and established Roman traditions of law. The Church weakened State power by always being in opposition to the ruler, especially in education matters (Kirby 1995).

In this kingdom education early became recognized as merit for administrative posts. The University of Krakow was founded in 1364. It was built on the Italian model and law was the main curriculum. Thus there were relevant educational opportunities for people aspiring for public offices. The university had strong connections with intellectual circles in Europe and enjoyed great influence on Lithuanian society (Gieysztor 1979). Trade was the basis for a thriving economy, monetarism, division of labor, and urbanization. The burghers experienced rapid growth and organized in guilds in the early 14th century. The state was, by relative standards, a modern state.

Poland-Lithuania was the only state in Eastern Europe that did not develop into an absolute state. The powers of the nobility were far too strong for this to happen, as already in the 13th century it had gathered in assemblies for political purposes. From 1454 they achieved political power on a national level:

By 1454 it became a fiscal and political necessity to convene the gentry every year in order to win their support for war and other measures. This practice laid the foundation of the Polish parliamentary system and opened the way to the political supremacy of the gentry (Gieysztor 1979:122).

As the upper nobility was present in the diet, entrusted with the elections of the King and to impose *veto liberum*, important principles were established: Nobility rights, religious tolerance, “free” elections, regular meetings in the diet, and the protection of the citizens from the state. A constitution limited the King’s powers: “From 1574 Polish and Lithuanian nobles were citizens in a Commonwealth, not subjects of a king; in theory they exercised a greater degree of control over their own affairs than any other comparable elites” (Frost 1993:12).

The weakness however was that in this system nobody was in control. The union contributed to the most democratic constitution in its time, but it did not issue effective policy and the state was practically paralyzed (Frost 1993). The *veto liberum* was the major cause: “By thus jealously preserving the individual rights of every squire against every other, and all against the dynasty, the Polish gentry committed collective suicide” (Anderson 1974:216). In 1772 the great powers started to divide their prey. Lithuania came under Russian ruling. But in spite of the fact that Lithuania came under Russian administration this early the country kept its distinctions. Tsarina Katarina wanted the Baltic States to be able to further develop their advantages (Kirby 1995). Thus Germans were hired to administer the Baltic areas. Baltic records from this time reveal the idea of rational administration, freedom and liberty (Kirby 1995).

Soviet Union

The Soviet system drew on the Russian autocracy. The party and its satellite organizations were ruled according to democratic centralism. The party law was stronger than Soviet law:

If a party member in the state apparatus felt any conflict between the party’s wishes and what, say, administrative procedures or efficiency – or even the perceived needs of the electorate – indicated, then party discipline should ensure that the party’s desires were carried out (Hill 1989:128).

The needs and wants of the party influenced employment policies in state administration, resulting in a system where merit was not necessarily the easiest way to posts. Many

nomenclature officials lacked the educational qualifications for their administrative jobs and ordinary workers were in posts that normally required higher education (Hill 1989). Further, the Soviet regime was a “mono-organization” where state organizations were the only means for interest mediation (Clark 1993). Millions of Soviet citizens were members in different kinds of organizations. The difference between this organizational society and civic culture is, however, great. The political leadership influenced all organizations and the nomenclature totally controlled the appointment of leaders. Even though the state’s role in civic society is important, it should not be dominant. In the Soviet system organizational life was in too great an extent a way to discipline the citizens and not sufficiently a means for the citizen to mediate interests. The state in the Soviet era was subjected to the party, usurping all legal channels for voice.

After a period of independence Lithuania was occupied and later made a Soviet State. Regional self-government, in the process eroding, was curtailed. However, the Soviet system did not fully manage to destroy Lithuania’s culture, neither did the USSR impose the same standards of e.g. infrastructure and industrialization as in the rest of the Soviet Union. Different expressions of dissent were always present (Nørgaard 1994). Even at the end of the Soviet era strong national movements and internal fractionalization in the Communist party served to uphold a national distinction (Rau 1991). The Baltic countries marked strong dissent through their engagement for the environment and greater political freedom (Smith 1993). Illegal demonstrations were organized both in the ’70s and ’80s. The reconstruction movement Sajudis was founded in 1988 and developed into a mass movement. Religious movements worked through the entire Soviet era for greater independence in the Baltic countries and were important bearers of the maintenance of cultural peculiarities (Hill 1989).

The Russian State inherited a feudal system. No institutions, not the church, the notables or the bourgeoisie, threatened State power. Private ownership laws and civil rights came late. There were no laws regulating the relationship between state and citizens or the citizens’ relation to one another before the late nineteenth century (Raeff 1957)⁸. Until then the Russians were not citizens, they were the Tsar's subjects. There was no *impersonal* state. The

⁸ These are regulations that were implemented in Western Europe in the late medieval age.

modernization of the state apparatus came late, and when it did it had only super-facial impact, since the structure of society didn't change with it. All states were absolute in the beginning of the state formatting process, the Russian State only more so: it was a *particularly violent despotism* (Anderson 1974).

The Polish-Lithuanian State was the only one in Eastern Europe that developed renaissance culture. It had private ownership laws, laws imposing limits on royal power, and laws regulating the civil sphere. The Polish-Lithuanian State was a republic in which competing elites were able to influence their own lives and the public interest. The Polish diet, or the chaos resulting from the most democratic state in Europe in the sixteenth and the seventeenth century, led to the state's collapse. Social relations developed within this state were kept alive through the centuries, however. Later this caused for less corruption and was the driving force in the early detachment from the Soviet regime.

Lithuania's late and incomplete subjection to Russian rule that allowed Lithuania to maintain its political cultural peculiarities is the main point in my paper: Informal institutions are important and they are lasting. As for the formal institutions, they functioned better in Lithuania than in Russia, in the sense that there was less corruption in Lithuania. Lithuanians do not have the same reason as the Russians to keep the state at a distance from their lives. They have experienced a better state.⁹

Political alienation

The cultural/institutional model, stressing the historical conditions for the effectiveness of today's formal institutions, suggests that the main cause of Russia's political corruption is political alienation. Lack of integration of citizens in the state, of cultural and economic redistribution and the lack of legitimization of the Russian State have created informal institutions that cause citizens to withdrawal from formal interaction with public institutions. I define political alienation as *a relatively lasting feeling of distance from the state and the political system*. Alienation has its roots in the fact that a state, like that of Russia, does not legitimate itself and thus, cannot ensure support around the state building process by means other than violence and occasional trumpeting of nationalism. The Russian state-building process did not allow citizens to develop social institutions that evolved civic relation to the

state, nor the public sphere as an impersonal body. Reforms that could have led to the state being based on law instead of violence, that State power was limited and where citizens were invited to take part of the public sphere, were never implemented. The Soviet State followed this tradition. A state not based on law, but on violence, is not a strong state, since it does not have *real* control (Weber 1990 (1922)). A state building elite that closes the borders for “exit” and at the same time put a lid on the opportunity to “voice” faces problems in the process of legitimization (Rokkan 1987, Hirshman 1986). The Russian State conquered a territory, closed its borders and did not open for a reciprocate influence between people and State. The state remained despotic. The state did not give it took. A state’s legitimacy is dependent upon giving something back as insurance for people’s safety, economic well being, social integration and collective identity (Perez-Diaz 1990).

Political alienation is the opposite of civic culture. Civic culture is free individuals working together in groups for the common good. This does not mean that civic culture is dependent on altruism. It is what Tocqueville calls “self-interest properly understood” (Tocqueville 1884 (1935)). It is a social form of self-interest. Civic society is a space where social relations accommodate public institutions. Civic society is dependent upon modernity; it develops parallel with the development of market, pluralism and the acknowledgement of individual values. Certain degrees of civic society can be traced even earlier. In Western Europe we find traces of civic society already in the seventeenth and the eighteenth century, defined as a state or political co-operation characterized by the rule of law, limited power and actively participating citizens (Perez-Diaz 1990).

Political incorporation, that is the state's legitimization, is a precondition for civic culture or the ability to organize for common interest. This does not mean that civil society is aloof to the state, or have more power than the state. It means that the state in some way has to arrange for free, equal citizens to work for common goods. The state has to create free and equal citizens. Democratic institutions precede popular sentiments of belonging (Tocqueville 1884 (1935))¹⁰. Civic culture is a precondition for a legitimate state, and at the same time, evidence that the state is perceived as legitimate.

⁹ See appendices for a table summing up the historical comparison.

¹⁰ A way of looking upon civic culture that coincides with the tradition of Smith, Gibson, Hume, and Ferguson. They argue that state power has to be limited so that a development of people participating in both market relations and public life could take place. If not, one would get corruption and decay (Perez-Diaz 1993).

Political alienation is lack of civic culture, but it is also more than that because it is a direct expression of state illegitimacy. Political alienation is an enduring sense of estrangement from existing political institutions, values and leaders (Citrin 1975). One does not feel at home in the idea of a political system. Alienation is seen as having four dimensions: powerlessness, distrust, meaninglessness and isolation¹¹. The dimensions are related but can, theoretically, work one by one.

1) Political powerlessness refers to the perception of an individual that his own behavior cannot determine the political outcomes he seeks. This perception weakens the probability of participation and interest in the political process. And it weakens the mutual trust between system and individual and is not compatible with the preconditions for the individual to feel connected to the system and to trust it: “Interest in public issues and devotion to public causes are the key signs of civic virtue” (Putnam 1993).

2) Political distrust is the individual’s perception that the political systems systematically suppress, or neglect, basic norms and group interests. Trust expresses expectancy of justice, responsibility and responsiveness. Trust is a form of diffuse support that constitutes a reservoir of positive attitudes and good will that help the members to accept decisions that are against their beliefs or violate their wishes (Easton 1975). Alienation is thus a more basic concept than distrust, and distrust is not often compatible with political participation. The distrustful resort to illegitimate modes of political alienation (Nachmias 1974).

3) Political meaninglessness is the perceived inability of understanding how the political system works, decide upon different political stimulus and to predict the outcome of political processes. Meaninglessness is difficulties in predicting the environment. The phenomenon is logically independent upon powerlessness, but a feeling of meaninglessness can lead to a feeling of powerlessness. The individual senses that it is chance that rules, therefore there is no incentive to participate and the individual will not feel connected to the political system.

4) The fourth dimension of alienation is political isolation. Isolation is a condition where the individual avoids co-operation in the community, or chooses to participate in a closed sphere where norms and goals are more in accordance to the individual's opinions. Isolation then

¹¹ I’ve borrowed these from David Nachmias: Modes and Types of Political Alienation, British Journal of Sociology nr.25 (1974) p. 478-491.

becomes related to lack of norms (Finifter 1972), in that it is an expression of no acceptance of *public* norms. Norms does not function without co-operation and expectations of others following the norms. This type of alienation will be incompatible with participation since that would not be serviceable. A sense of isolation will coincide with a sense of mistrust since it is hard to have positive expectations to a system of which one does not share basic values. One can still have faith in the system, in the sense that one can anticipate its decisions. The important factor is that individuals do not have faith in others in the social system and therefore cannot co-operate towards common goods, and cannot contend for anything transcending the immediate personal interest. Political isolation is not compatible with inter-connection to the political system.

Alienation is the cause and effect of state illegitimacy and it creates social conditions in which political corruption will thrive. Political legitimacy is seen as a moral barrier towards the protection of the common good. When this moral barrier is weak, factors revealed with the structural and the rational model more easily lead to corrupt behavior. Alienation tells us how and why one withdraws from the public sphere and it is the actions that express this withdrawal. Corruption is an expression of the lack of ability and will to act collectively, as lack of trust in state institutions and the political system. These values and preferences lead to corrupt actions that increase the system's unpredictability, which again strengthen the values and preferences, or informal institutions. Alienation is powerlessness towards the political decisions. It is an opinion of meaninglessness in regard to political processes. It is lack of confidence in societal institutions and isolation from the political, societal community. Political alienation increases corruption because loyalty lies not in the formal networks of the political system. Alienation is then the answer to the question posed earlier: *why* is maximizing self interest the most important factor in corrupt actions? Because there is nothing else that can elicit the actors trust and faithfulness.

I argue that alienation that comes as a result of state illegitimacy is the main cause of corruption. I have tried to prove this with a comparative historical study and I have tested a cultural model by studying the distribution of values on political factors in the population¹². With this model I expect alienation to be higher in Russia than in Lithuania, political participation rates to be higher in Lithuania than in Russia, and Lithuanians to be more positive when asked whether they feel they can influence political decisions. I expect

Lithuanians to feel more in control over their own lives, to express more political interest than Russians, to be more trusting in the political system than Russians, and Lithuanians to be trustful to their own fellow countrymen. And I expect Lithuanians to be less ambivalent towards moral evaluations.

Explanatory power

The analysis of how alienation influence the level of corruption confirmed most of my expectations. Three out of four dimensions meet expectations in the cultural/institutional model. More people in Russia feel they are not in control of their own lives. Political participation e.g. signing petitions (election turnout is not useful in this context) seems to be an important discriminant factor (58 % in Lithuania and 29% in Russia). Political meaninglessness, measured as interest in politics, is confirmed. More people in Russia than in Lithuania are not interested in politics (47-26%). Also the isolation dimension turned out as expected. 41% of the Russian does not trust their own family, only 1,9% of the Lithuanians felt like this. The same for trust in fellow countrymen, 38 % of the Russians against 3% of the Lithuanians do not trust their fellow countrymen. This suggests that Russians have small and tightly knitted networks of trust and action. And 63% of the Russian respondents did not feel that there could be drawn a clear line between what is good and what is bad behavior, it depends, they answer (4% of the Lithuanians). Probably it depends on whether the harmed party is the public institutions or not.

The trust dimension however does not confirm the model. The Lithuanians expressed more distrust towards the soviet army, the educational system, the police force, and the Soviet system (87%), and even though that could be interpreted as a good thing concerning the system, this should increase the wish to harm the system, and as such the results were surprising. But maybe harming the system is what they did, when marking dissent? The only institution Lithuanians trust considerably more than the Russians, is the mass media of their republic. This is important for civic culture, especially since reports show that the mass media at the time was critical to the regime (Rau 1991).

¹² Taking data from the World Values Survey 1990.

The most important factor in the results is that the Lithuanians seem to act politically; they do not isolate and work against the system through informal institutions of corruption. They do not trust the Soviet system, so they try to change it, they fight for political independence. It is not the state or the nation per se they are opposed to, it is the existing regime. Distrust is also the only dimension that is not incompatible with participation and political participation is one of the variables discriminating most between the countries. Alienation is more than distrust; participation might be the most important factor for connection to a political system. The Russians, on the other hand, experienced distrust, isolation *and* meaninglessness *and* powerlessness. We can conclude that the Russians are more alienated, most strongly expressed through the lack of political participation, political activity and trust in their fellow countrymen.

Conclusion

The idea behind cultural types of explanation is that the same formal institutions can have different outcomes in different contexts. My study showed that this is a likely and good explanation. The correlation between the rates of corruption and the historical and cultural context is underlined. The impact of the cultural/institutional variables is compatible with the comparative analysis of history. The cultural/institutional perspective stresses that informal institutions control the thoughts and actions of the actors and that these actions have reciprocal effects on the strength of the informal institutions. This gives the informal institutions, or the political culture, the inertia that makes it worth a while to go centuries back in time to seek explanations on the effectiveness of today's political institutions. The Soviet type system is often seen to have created alienated citizens. The difference within this system shows that the values generating action must have been created before this. It must be institutions that last that long. They can even survive a suppressive and assaulting system as the Soviet system and the Russian autocracy before that.

I argue that the difference in the level of corruption is an expression of collective memory of context that has not been reality for many generations. This is manifested in preferences and actions that form informal institutions. Using a model of explanation that takes account of preferences and their relations towards the political system we can combine preferences and action. Corruption in Russia is an expression of political alienation. Corruption, as degenerating as it can be, is therefore rational action, in regard of the formal institutions that

the informal networks are faced with. Corruption is the citizen's way of influencing policy decisions concerning their well being. The influencing process goes through informal/personal networks because the informal institutions of which the actors are embedded constrain their ways of actions by telling them that one cannot co-operate with or get anything through the public system. This weakens the public system and sends signals back to the citizens that their preferences and actions are correct. Corruption is a vicious circle of which informal institutions of political alienation are the strongest influencing mechanism.

What to do then with the corrupt societies? The important lesson to be learned is the role played by the state in shaping the interface between state and society. Trust can be generated outside the state sphere. Trust in the State, however, can only be generated in positive interaction between society and state, public and private. The common element of beneficial networks between state and private actors is the need for stable institutions that allow for predictable engagement among social actors. The state has to mobilize groups to attain greater responsiveness and accountability on the part of the state and create an economic structure that is able to respond to both state and civil society demands. The good news is that it is possible. According to a Russian scholar, Nicolai Petro (1999), the Novgorod region e.g. has succeeded in reforming the regional government and increased economic growth. In the absence of a national consensus, local governments and elites has forged common values and priorities for their communes. The key to success, according to Petro, was minimizing the disruption of old institutions where they continued to serve public needs, while simultaneously embracing new institutions and values but placing them firmly within the context of traditional cultural values. That is taking account of path dependence and the importance of social institutions.

List of references

Almond, G./ Verba, S. (1963): *The Civic Culture*, New Jersey: Princeton University Press

Anderson, Perry (1974): *Lineages of the Absolutist State*, Wiltshire: Redwood Books

Citrin, Jack et al. (1975): *Personal and Political Sources of Political Alienation*, British Journal of Political Science nr.5 (1-31)

Clark, William (1993): *Crime and Punishment in Soviet Officialdom 1965-1993*, Armonk New York: M.E. Sharpe

Davies, Norman (1984): *Heart of Europe: A Short History of Poland*, Oxford: Clarendon Press

Della Porta, D & Vanucci, A. (1998): *Corruption in Comparative Perspective*, Special Feature ECPR News, Volume 9. nr.2

Deysine, Anne (1980): *Political Corruption: A Review of the Literature*, European Journal of Political Research nr.8 (447-462)

DiMaggio, Paul J. and Walter W. Powell (1991): *The New Institutionalism in Organizational Analysis*, Chicago/London: The University of Chicago Press.

Douglas, Mary (1986): *How Institutions Think*, London: Syracuse Press.

Easton, David (1975): *A Re-Assessment of the Concept of Political Support*, British Journal of Political Science nr.5 (435-457)

Finifter, Ada W. (1972): *Alienation and the Social System*, John Wiley & Sons Inc.

Frank, Andrè G. (1981): *Crisis in the Third World*, London: Heinemann

Frost, Robert (1993): *After the deluge: Poland-Lithuania and the Second Northern War 1655-1660*, Cambridge University Press

Gieysztor, Aleksander et al. (1979): *History of Poland*, Warszawa: PWN - Polish Scientific Publishers

Granovetter, Mark (1985): *Economic action and social structure. The problem of embeddedness*, American Journal of Sociology, vol. 91, no. 3, Nov. 1985: 481-510

Green, D/Shapiro, I (1994): *Pathologies of Rational Choice Theory*, New Haven: Yale University Press

Heidenheimer, Arnold (red.) (1993): *Political Corruption: A Handbook*, New Jersey: Transaction Publishers

- Hirschman, Albert O. (1970): *Exit, Voice, and Loyalty*, Cambridge, Ma: Harvard University Press
- Huntington, Samuel P. (1986): *Political Development and Political Decay*, I Kabashima/White III: Political Systems and Change, New Jersey: Princeton University Press
- Huntington, Samuel P. (1993): *Modernization and Corruption*, In Heidenheimer Political Corruption: A Handbook, New Jersey: Transaction Publishers
- Kirby, David (1995): *The Baltic World 1772-1993*, New York: Longman
- Kramer, John M. (1977): *Political Corruption in the USSR*, Western Political Quarterly 30, 2, 213-224
- March, James G. and Johan P. Olsen (1984): *The new institutionalism: organizational factors in political life*, American Political Science Review, Vol. 78; 1984:734-749.
- Nachmias, David (1974): *Modes and Types of Political Alienation*, British Journal of Sociology nr.25 (478-491)
- Newell, James (1996): *La bustarella; «the little bite» and other things*, ECPR News: Report on Salford`s Conference on Political Corruption
- Perez-Diaz, Victor M. (1993): *The Return of Civil Society*, London: Harvard University Press.
- Petro, Nicolai N. (1999): *Creating social capital in Russia: The Novgorod Model*, The Poland Library, October 1999
- Pintner, W. M. & Rowney D.K. (1980): *Russian Officialdom*, London: The Macmillan Press LTD
- Pipes, Richard (1974): *Russia under the Old Regime*, New York: Charles Scribner`s Sons
- Putnam, Robert (1993): *Making Democracy Work*, Princeton University Press
- Raeff, Marc (1957): *The Russian Autocracy and its Officials*, I Harvard Slavic Studies IV, 77-91
- Raeff, Marc (1979): *The Bureaucratic Phenomenon of Imperial Russia*, American Historical Review 84:2, 399-411
- Rajaratnan, Sinnathamby (1970): *Bureaucracy versus Kleptocracy*, In Heidenheimer (red.) Political Corruption: Readings in Comparative Analyses, New Jersey: Transaction Books
- Rau, Zbigniew (1991): *The Reemergence of Civil Society in Eastern Europe and the Soviet Union*, Boulder: Westview Press
- Rokkan, Stein (1987): *Stat, Nasjon, Klasse*, Oslo: Universitetsforlaget

- Rose-Ackerman, Susan (1978): *Corruption: A Study in Political Economy*, New York: Academic Press
- Schwartz, Charles (1979): *Corruption and Political Development in the USSR*, *Comparative Politics* 11, 4, 425-441
- Selle, P./Berntzen, E. (1987): *Politisk kultur*, Oslo: TANO
- Simis, Konstantin M. (1982): *USSR: The Corrupt Society*, New York: Simon and Schuster
- Smith, Hedrick (1991): *The New Russians*, London: Vintage
- Smith, Ines et al. (1993): *The Baltic States: Estonia, Latvia, Lithuania*, Oxford: Clio Press
- Theobald, Robin (1990): *Corruption, Development and Underdevelopment*, London: The Macmillan Press LTD
- Tocqueville, Alexis De (1884 (1835)): *Democracy in America*, Penguin Books
- Tompson, M./Ellis, R./Wildavsky, A. (1990): *Cultural Theory*, Westview Press
- Torke, Hans (1971): *Continuity and Change in the Relations between Bureaucracy and Society in Russia 1613-1861*, *Canadian Slavic Studies*, V, 4, 457-476
- Vaksberg, Arkadij (1991): *The Soviet Mafia*, New York: St. Martins Press
- Weber, Max (1990 (1922)): *Makt og Byråkrati*, Oslo: Gyldendal, 2.utg
- Williams, Robert (1987): *Political Corruption in Africa*, Aldershot: Gower
- Yaney, George L. (1973): *The Systematization of Russian Government*, Urban Chicago/London: University of Illinois Press
- Østerud, Øyvind (1991): *Statsvitenskap: En innføring i politisk analyse*, Oslo: Universitetsforlaget

Appendices

Variables in the rational model:

- Size of public sector measured as the relative number of public employees and the public contribution of GNP.
- Lack of control measured as the difference between registered criminal acts and the number of convicted criminals.
- Punishment measured as mean sentences for criminal acts.

Variables in the structural model:

- Poverty measured as GNP per capita and material inequality (Gini coefficient).
- Mean wages of public employees
- Surplus demand measured as the discrepancy between wages and the amount of goods available.

Variables in the cultural model:

- Powerlessness measured as percentage of answers on:
 - Political participation (signed petitions, demonstrations etc).
 - The feeling of powerlessness against public decisions
 - Feeling of being in control of one's lives
- Meaninglessness operationalised and measured as:
 - Level of political interest
- Distrust operationalised and measured as:
 - Which part of the political system one does or does not trust.
- Isolation as:
 - Trust in fellow countrymen
 - Opinion on whether one can draw a clear line between what's good and what's bad, or if that depends.

Historical comparisons: Summary

	Lithuania	Russia
<i>State notion (incorporation, legitimization):</i>	Yes	No
<i>Constitutional law:</i>	Yes	No
<i>System of government:</i>	Republic	Autocracy
<i>Opposition to the King (nobility, bourgeoisie, guilds)</i>	Yes	No
<i>The church's role:</i>	Westwards, oppositional	Introverted, loyal
<i>Bureaucracy (The same after 1772):</i>	Educational possibilities German influence: Paid work	Lack of uniform education Low if any wages
<i>Structural/Material conditions:</i>	Early division of labor and monetary economy Developed infrastructure	Late division of labor and monetary economy Underdeveloped infrastructure and isolated countryside
<i>Opposition towards the Soviet regime</i>	Endemic	Occasional