

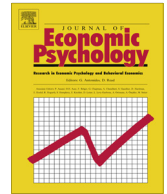


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The effect of particularism on corruption: Theory and empirical evidence



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ABSTRACT

This paper investigates the role played by the cultural norm of particularism, as opposed to universalism, for collusive bribery. In our theoretical framework, the act of proposing or demanding a bribe violates a commonly held social norm, thus producing a psychological cost. By lowering this psychological cost, particularism increases the probability of offering or asking for a bribe. We test the predictions of the model by using individual-level data for 25 countries from the European Social Survey. Consistent with the theory, particularism is found to have a positive causal effect on the probability of offering a bribe. Overall, our findings indicate that policies aimed at favoring universalism may provide an effective tool to reduce corruption.

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1. Introduction

It is widely recognized that corruption has significant adverse effects on economic development and growth (Mauro, 1995, 1997), social equality (Gupta, Davoodi, & Alonso-Terme, 2002) and several other relevant socio-economic phenomena (Spector, 2005). As a consequence, the search for effective policies against corruption plays a key role in the agenda of policy makers throughout the world. However, despite a growing body of literature on corruption, a full understanding of its determinants is yet to come. This paper investigates, both theoretically and empirically, the role played by the cultural norm of particularism, as opposed to universalism, as a determinant of corruption at the individual level.

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A large number of studies have focused on the determinants of corruption at the macro level, showing that corruption is generally lower in countries characterized by centralized government, long lasting democracy and open-market economy (Treisman, 2000), lower ethnic heterogeneity (La Porta, Lopez-De-Silanes, Shleifer, & Vishny, 1999), fiscal decentralization (Fisman & Gatti, 2002), larger share of Protestants (Treisman, 2000), free press (Brunetti & Weder, 2003) and larger share of women in government (Dollar, Fisman, & Gatti, 2001; Swamy, Knack, Lee, & Azfar, 2001).¹ These studies are generally based on cross-country aggregate data, and therefore do not address the role played by individual characteristics and context for the decision to engage in corruption.

With the recent availability of micro-level surveys that include specific questions on acts of corruption, such as offering or accepting bribes, a relatively smaller number of studies have turned to the determinants of corruption at the individual level (e.g., Dong & Torgler, 2009; Dong, Dulleck, & Torgler, 2012; Guerrero & Rodriguez-Oreggia, 2008; Mocan, 2008; Swamy et al., 2001; Torgler & Valev, 2006, 2010). Within this micro-level literature, most studies have focused on the monetary incentives and disincentives for engaging in corruption, despite the existence of a growing literature indicating that cultural factors also play an important role for economic behavior (e.g., Alesina & Glaeser, 2004, Fernandez & Fogli, 2009; Guiso, Sapienza, & Zingales, 2006). Our paper contributes to the literature on the individual-level determinants of corruption by investigating the role played by the cultural norm of particularism vs. universalism.²

In philosophy, the difference between particularism and universalism relates to the sphere of morality. Particularism implies that there are no general moral principles and that the moral status of an action is context-dependent (Dancy, 1993). Conversely, universalism implies that principles have to be conceived abstractly, so that they should guide individuals to do the right action in every circumstance (Kant, 1788). In political science, particularism has been defined as “the policymakers’ ability to further their career by catering to narrow interests rather than to broader national interests” (Carey & Shugart, 1995). Political particularism stands in contrast to political universalism and its emphasis on universal rights and separation of powers.

The sociological literature extends the philosophical definition to general rules of behavior, while adding the dimension of social interactions. Parsons and Shils (1951) characterize the universalism–particularism continuum as a pattern of attitudes and behaviors typical of specific groups that, in turn, guide individual behavior. Universalism implies that correct behavior can always be defined and applied, irrespective of the context. Particularism, instead, implies that relationships come ahead of abstract social codes, so that norms and appropriate behavior are context-dependent and can occasionally be broken. To put it otherwise, while for universalists general codes of conduct take precedence over the needs and claims of friends and other personal relations, particularists tend to focus more on friendship and personal relationships than on formal rules and laws.³

While the attention for the effects of particularism vs. universalism is relatively recent in the economic literature, in sociology particularism has often been associated with more widespread informal institutions (Mungiu-Pippidi, 2005), lower civic mindedness and higher corruption (Lumby, 2006). This relationship, however, is theoretically underdeveloped, since the precise mechanisms underlying the causal link between particularism and corruption have not been fully understood. In order to fill this gap, this paper develops and tests empirically a model of collusive bribery, focusing on the role played by the cultural norm of particularism.⁴

In our framework, the act of offering or demanding a bribe is perceived as inappropriate, according to a commonly held social norm, thus resulting in a psychological cost for the agents involved. We assume that this psychological cost is lower for particularistic individuals, defined as in Parsons and Shils (1951), since they are less sensitive to the burden imposed by corruption on society, as in Uslaner (2002). In this perspective, social relations in particularistic societies rely on strong ties informed by principles of tradition, conformity and benevolence inside small circles of related people (i.e., members of the family, friends, members of the clan). Outside this small network, selfish behavior is considered morally acceptable (Tabellini, 2010). Therefore, as shown in Baron (2010), particularists can overcome the incentive to free-ride on others or to impose negative externalities to other people when they interact with people who are close to them.⁵

We test the predictions of the model by using individual-level data for 25 countries from the European Social Survey. The findings indicate that, controlling for a wide set of individual characteristics, particularism increases the probability of offering a bribe. This result is robust to alternative definitions of particularism, specifications of the model and econometric techniques that take into account the potential endogeneity of cultural norms. Overall, our findings indicate that there is a causal link between particularism and corruption at the individual level. As a consequence, policies aimed at favoring universalism can provide an effective tool to reduce corruption.

The rest of the paper is organized as follows. Section 2 reviews the related literature. Section 3 presents the theoretical framework. Section 4 describes the data and methods. Section 5 presents the results. Section 6 concludes.

¹ See Lambsdorff (2006) and Treisman (2007) for comprehensive reviews of this literature.

² A number of studies have shown that, at the aggregate level, national culture (i.e. Barr & Serra, 2010; Davis & Ruhe, 2003; Husted, 1999), religion and religiosity (La Porta et al., 1999; Treisman, 2000), and family values (Lipset & Lenz, 2000) are important determinants of corruption.

³ The definition by Parsons and Shils (1951) has been used by Hampden-Turner and Trompenaars (1997) to develop a model of culture defining a set of seven cultural dimensions that include the universalism-particularism continuum.

⁴ Collusive bribery is defined as an illegal transaction that is beneficial to both the briber and the bribee, and is therefore particularly difficult to deter (Ryvkin & Serra, 2012).

⁵ This assumption is corroborated by research suggesting that closed and socially exclusive networks are a fertile ground for corruption (e.g., Lambsdorff, Schramm, & Taube, 2004; Lambsdorff, 2006; Tonoyan, 2003) and that informal institutions are more widespread in particularistic rather than universalistic societies (Morris & Polese, 2015).

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